



STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION

2040 S. PACHECO
SANTA FE, NEW MEXICO 87505
(505) 827-7131

December 27, 1996

ARCO Permian
P.O. Box 1610
Midland, Texas 79702
Attention: David K. Newell

Administrative Order NSL-3750(SD)

Dear Mr. Newell:

Reference is made to your application dated December 2, 1996 for an unorthodox Jalmat gas well location in an existing non-standard 280-acre gas spacing and proration unit ("GPU") for said Jalmat Gas Pool comprising the SE/4 of Section 12 and the N/2 NE/4 and SW/4 NE/4 Section 12, both in Township 24 South, Range 36 East, NMPM, Lea County, New Mexico. Said GPU was established by Division Administrative Order NSP-1655(NSL)(SD), dated December 10, 1992, which also approved the simultaneous dedication of said GPU to the G. W. Toby "WN" Gas Com Well No. 2 (API No. 30-025-09567), located at an unorthodox gas well location 660 feet from the North and East lines (Unit A) of said Section 13 and to the G. W. Toby "WN" Gas Com Well No. 4 (API No. 30-025-25007), located 1880 feet from the South line and 760 feet from the East line (Unit I) of said Section 12.

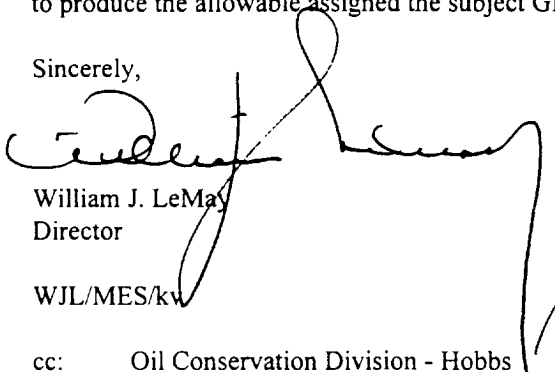
It is our understanding that the subject well in this application is currently completed as a Langlie Mattix oil well; however, said well will be plugged back and re-completed up hole in the Jalmat Gas Pool upon issuance of this order.

By authority granted me under the provisions of Rule 2(d) of the "Special Rules and Regulations for the Jalmat Gas Pool", as promulgated by Division Order No. R-8170, as amended, the following described well located at an unorthodox Jalmat gas well location is hereby approved:

G. W. Toby "WN" Gas Com Well No. 7
1980' FN & EL (Unit G) of said Section 13
API No. 30-025-29844

Also, you are hereby authorized to simultaneously dedicate Jalmat Gas production from the G. W. Toby "WN" Gas Com Well No. 7 with the G. W. Toby "WN" Gas Com Well Nos. 2 and 4. Furthermore, ARCO is hereby permitted to produce the allowable assigned the subject GPU from all three wells in any proportion.

Sincerely,



William J. LeMay
Director

WJL/MES/kw

cc: Oil Conservation Division - Hobbs
File: NSP-1655(NSL)(SD)