



STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT

OIL CONSERVATION DIVISION
HOBBS DISTRICT OFFICE

July 2, 1979

POST OFFICE BOX 1980
HOBBS, NEW MEXICO 88240
(505) 393-6161

BRUCE KING
GOVERNOR
LARRY KEHOE
SECRETARY

Worldwide Energy Corporation
1700 Broadway, Suite 1600
Denver, Colorado 80290

Gentlemen:

Due to the recently submitted gas-oil ratio tests for the wells listed below, they will be reclassified as gas wells in the Jalmat Pool effective September 1, 1979, and the oil allowables will be cancelled that date. This is in accordance with the special rules for the Jalmat Pool which state that a well producing with a gas-oil ratio in excess of 100,000 cubic feet of gas to 1 barrel of oil shall be classified as a gas well.

Before gas allowables can be assigned for the wells, there are certain requirements which must be met to comply with the rules and regulations governing the Jalmat Gas Pool. With regard to your wells listed below, the requirements are as follows:

1. Each well must be separately metered, and we must have notification from the transporter that a separate meter has been set for each well.
2. In the event that the transporter changes due to this reclassification, Form C-104 must be submitted for each well involved indicating the change.
3. Unless 640 acres (a standard proration unit for a Jalmat gas well) is to be dedicated to a well, then a non-standard proration unit order must be obtained in accordance with Division Rule 104, D, II.
4. Form C-102 (2 copies) must be submitted for each well outlining the acreage to be dedicated as a gas well.

The wells involved are:

R. L. Gates	No. 1	Unit D	Sec. 23, T-24-S, R-36-E
J. T. Lynn	No. 2	Unit P	Sec. 28, T-23-S, R-36-E
J. T. Lynn	No. 4	Unit C	Sec. 28, T-23-S, R-36-E
Vaughn B-3	No. 2	Unit D	Sec. 3, T-24-S, R-36-E
Vaughn B-3	No. 3	Unit E	Sec. 3, T-24-S, R-36-E
Vaughn B-3	No. 4	Unit H	Sec. 3, T-24-S, R-36-E

If we can be of assistance in this matter, please feel free to call.

Yours very truly,

OIL CONSERVATION DIVISION

Jerry Sexton
Supervisor, District 1

mc

*R. L. Gates #1 Separately Metered - Verbal From
James Elliott*