

STATE OF NEW MEXICO

ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION



BRUCE KING  
GOVERNOR

November 21, 1991

POST OFFICE BOX 2088  
STATE LAND OFFICE BUILDING  
SANTA FE, NEW MEXICO 87504  
(505) 827-5800

Meridian Oil Inc.  
21 Desta Drive  
Midland, Texas 79705

Attn: Maria L. Perez

*RE: Division Administrative Order SD-91-10*

Dear Ms. Perez:

I am writing this letter to clarify what appears to be a somewhat confusing but simple issue concerning Meridian's existing 160-acre Jalmat Gas spacing and proration unit comprising the NE/4 of Section 8, Township 24 South, Range 37 East, NMPM, Lea County, New Mexico. On July 8, 1991 the Division issued Administrative Order SD-91-10 authorizing the simultaneous dedication of your Hodge Well No. 2 in Unit B with your proposed Hodge Well No. 3 to be drilled in Unit H, not to be confused (which it has) with the existing Hodge Well No. 3 located 660' FNL - 1980' FEL (Unit B). Our records further indicate the Hodge Well No. 4 in Unit G was completed in the Jalmat Gas Pool in September and is therefore the second well on the subject proration unit.

Please contact me concerning this matter so that I might amend the current Order to reflect accurately the situation in the subject acreage.

Sincerely,

A handwritten signature in dark ink, appearing to read "Michael E. Stogner".

MICHAEL E. STOGNER  
Engineer

MES/jc