



NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION
2040 South Pacheco Street
Santa Fe, New Mexico 87505
(505) 827-7131

January 9, 1998

Chevron U.S.A. Inc.
P.O. Box 1150
Midland, Texas 79702
Attention: Craig A. Wright

Administrative Order NSP-729-A(SD)

Dear Mr. Wright:

Reference is made to your application dated December 1, 1997 to extend the acreage of the existing 40-acre non-standard gas spacing and proration unit ("GPU") in the Blinebry Oil and Gas Pool, currently comprising the NE/4 SW/4 (Unit K) of Section 29, Township 22 South, Range 38 East, NMPM, Lea County, New Mexico, which was approved by Division Administrative Order NSP-729, dated November 22, 1965, by incorporating the 40 acres comprising the NW/4 SW/4 (Unit L) of said Section 29 into said GPU.

The existing 40-acre non-standard gas spacing and proration unit is currently dedicated to Chevron U.S.A., Inc.'s ("Chevron") Evelyn Lineberry Well No. 1 (API No. 30-025-12148), located at a standard gas well location 1980 feet from the South and West lines of said Section 29. The NW/4 SW/4 (Unit L) of said Section 29, being a standard 40-acre oil spacing and proration unit within the Blinebry Oil and Gas Pool (pursuant to Rule 2(a)2 of the "General Rules for the Prorated Gas Pools of New Mexico/Special Rules and Regulations for the Blinebry Oil And Gas Pool," as promulgated by Division Order No. R-8170, as amended, is dedicated to Chevron's Evelyn Lineberry Well No. 2 (30-025-12149), located at a standard oil well location 1980 feet from the South line and 660 feet from the West line of said Section 29. It is our understanding that the Lineberry Well No. 2 was recently reclassified from a Blinebry oil well to a Blinebry gas well whereby Chevron proposes to merge the two quarter-quarter sections in order to form a non-standard 80-acre gas spacing and proration unit in which Eumont gas production from both the Evelyn Lineberry Well Nos. 1 and 2 is to be simultaneously dedicated.

By authority granted me under the provisions of Rule 2(d) of said general gas proration/special pool rules the following described 80-acre non-standard gas spacing and proration unit is hereby approved:

LEA COUNTY, NEW MEXICO
TOWNSHIP 22 SOUTH, RANGE 38 EAST, NMPM
Section 29: N/2 NW/4.
SW

Administrative Order NSP-729-A(SD)

Chevron U.S.A. Inc.

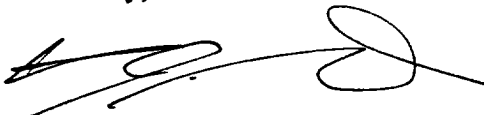
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Chevron is hereby authorized to simultaneously dedicate Blinebry gas production from both the Evelyn Lineberry Well Nos. 1 and 2. Furthermore, you are hereby permitted to produce the allowable assigned the subject GPU from both wells in any proportion.

It is further ordered that Division Administrative Order NSP-729 shall be placed in abeyance until further notice.

Sincerely,

A handwritten signature in black ink, appearing to be 'KAG', with a large, stylized loop at the end.

Kathleen A. Garland
Acting Director

KAG/MES/kv

cc: New Mexico Oil Conservation Division - Hobbs
File: NSP-729