



NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT

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

January 23, 1998

Chevron U.S.A. Inc.
P.O. Box 1150
Midland, TX 79702
Attention: J. H. Saenz

Administrative Order NSL-3154-A(SD)

Dear Mr. Saenz:

Reference is made to the following: (i) Chevron U.S.A., Inc.'s ("Chevron") original application to the Division, dated December 14, 1997; (ii) the Division's initial response to said application by letter from Mr. Michael E. Stogner dated January 8, 1998; (iii) Mr. John H. Saenz's response dated January 15, 1998; and, (vi) the records of the Division in Santa Fe: all concerning Chevron's request for an unorthodox Eumont Gas well location in an existing non-standard 440-acre gas spacing and proration unit ("GPU") for said Eumont Gas Pool comprising the SW/4 of Section 1 and the NE/4, N/2 NW/4, and SE/4 NW/4 of Section 12, both in Township 22 South, Range 36 East, NMPM, Lea County, New Mexico. Said GPU was authorized by Division Order No. R-1084-D, issued in Case 11849 and dated November 20, 1997.

Eumont gas production from said 440-acre GPU is currently simultaneously dedicated to the following three wells:

- (a) H.T. Mattern (NCT-E) Well No. 3 (API No. 30-025-08880), located at an unorthodox gas well location herein approved, 660 feet from the North and West lines (Unit D) of said Section 12;
- (b) H.T. Mattern (NCT-E) Well No. 10 (API No. 30-025-08730), located 660 feet from the South line and 1980 feet from the West line (Unit N) of said Section 1; and,
- (c) H. T. Mattern (NCT-E) Well No. 13 (API No. 30-025-08889), located at an unorthodox gas well location 2310 feet from the North line and 330 feet from the East line (Unit H) of said Section 12 [previously approved by Division Administrative Order NSL-3154(SD), dated September 11, 1992].

By the authority granted me under the provisions of **Rule 2(d)** of the "General Rules for the Prorated Gas Pools of New Mexico/Special Rules and Regulations for the Eumont Gas Pool," as promulgated by Division Order No. R-8170, as amended, the following described well to be drilled

Administrative Order NSL-3154-A(SD)
Chevron U.S.A. Inc.
January 23, 1998
Page 2

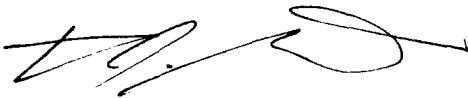
at an unorthodox Eumont gas well location is hereby approved:

***H. T. Mattern (NCT-E) Well No. 16
1670' FSL - 685' FWL (Unit L) of said Section 1.***

Also, Chevron U.S.A. Inc. is hereby authorized to simultaneously dedicate Eumont Gas production from the H. T. Mattern (NCT-E) Well No. 16 with the existing H. T. Mattern (NCT-E) Well Nos. 3, 10, and 13. Furthermore, you are hereby permitted to produce the allowable assigned the subject GPU from all four wells in any proportion.

Further, all applicable previous of said Division Administrative Order NSL-3154(SD) and Division Order No. R-1084-D shall remain in full force and effect until further notice.

Sincerely,



Kathleen A. Garland
Acting Director

KAG/MES/kv

cc: New Mexico Oil Conservation Division - Hobbs
New Mexico State Land Office - Santa Fe
File: NSL-3154(SD)
Case 11849