

STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
DIVISION FOR THE PURPOSE OF
CONSIDERING:

CASE NO. 10404
ORDER NO. R-1084-C

**APPLICATION OF CHEVRON USA, INC.
TO AMEND DIVISION ORDER NO. R-1084-A,
LEA COUNTY, NEW MEXICO**

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8:15 a.m. on October 31, 1991, at Santa Fe, New Mexico, before Examiner Michael E. Stogner.

NOW, on this 4th day of November, 1991 the Division Director, having considered the testimony, the record and the recommendations of the Examiner, and being fully advised in the premises,

FINDS THAT:

- (1) Due public notice having been given as required by law, the Division has jurisdiction of this cause and the subject matter thereof.
- (2) By Order No. R-1084-A, dated November 10, 1969, the Division authorized Gulf Oil Corporation (now Chevron USA, Inc.) a 480-acre non-standard gas spacing and proration unit in the Eumont Gas Pool comprising the SW/4 of Section 1 and the N/2 of Section 12, all in Township 22 South, Range 36 East, NMPM, Lea County, New Mexico to be simultaneously dedicated to its H.T. Mattern (NCT-E) Well Nos. 10 and 11 located in Unit N of Section 1 and Unit B of Section 12, respectively.
- (3) Said Order No. R-1084-A also assigned to the above-described non-standard gas proration unit an allowable based upon the unit size of 480 acres and that the operator could produce the assigned allowable from both wells in any proportion.

(4) By Division Order No. R-1084-B, dated May 23, 1991, aforementioned Order No. R-1084-A was superseded and the Division authorized the deletion of the SW/4 NW/4 of said Section 12 from the 480-acre unit thereby forming a 440-acre non-standard gas proration unit in the 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, to be simultaneously dedicated to both said H.T. Mattern (NCT-E) Well Nos. 10 and 11.

(5) At this time the applicant, Chevron USA, Inc., seeks to amend said Order No. R-1084-B by deleting from the 440-acre unit area the NW/4 NW/4 of said Section 12.

(6) Said acreage reduction is due to a recent completion of the applicant's H.T. Mattern (NCT-E) Well No. 3 located 660 feet from the North and West lines (Unit D) of said Section 12 as a Eumont Oil well in which the NW/4 NW/4 of said Section 12 is to be dedicated forming a standard 40-acre oil spacing and proration unit for said pool.

(7) Applicant has provided sufficient notice to all offset operators pursuant to Division General Rule 1207.

(8) No offset operators or interested parties appeared at the hearing in opposition to this matter.

(9) Approval of the proposed amendment to said Order No. R-1084-B will afford the applicant the right to produce its just and equitable share of the oil and gas in the subject pool, is in the best interests of conservation and will otherwise prevent waste and protect correlative rights.

(10) Said Division Order No. R-1084-B should be superseded.

IT IS THEREFORE ORDERED THAT:

(1) Effective May 1, 1991, a 400-acre non-standard gas proration unit in the Eumont Gas Pool comprising the SW/4 of Section 1 and the NE/4 and E/2 NW/4 of Section 12, all in Township 22 South, Range 36 East, NMPM, Lea County, New Mexico, is hereby established and simultaneously dedicated to the Chevron USA, Inc. H.T. Mattern (NCT-E) Well No. 10 located 660 feet from the South line and 1980 feet from the West line (Unit N) of said Section 1, and to the Chevron USA, Inc. H.T. Mattern (NCT-E) Well No. 11, located 660 feet from the North line and 1980 feet from the East line (Unit B) of said Section 12.

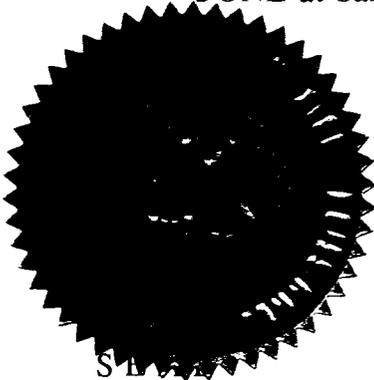
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(2) The allowable assigned to the above-described non-standard gas proration unit shall be based on the unit size of 400 acres and the operator may produce the allowable assigned to the unit from the subject wells in any proportion.

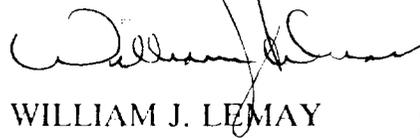
(3) Division Order No. R-1084-B, dated May 23, 1991 is hereby superseded.

(4) Jurisdiction of this cause is retained for the entry of such further orders as the Division may deem necessary.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.



STATE OF NEW MEXICO
OIL CONSERVATION DIVISION


WILLIAM J. LEMAY
Director