

ENERGY AND MINERALS DEPARTMENT

OIL CONSERVATION DIVISION



GARREY CARRUTHERS
GOVERNOR

March 19, 1987

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Zia Energy Inc.
P. O. Box 2219
Hobbs, New Mexico 88240

Attn: D. E. Bratton

AMENDED

Administrative Order NSP-30

Dear Mr. Bratton:

Administrative Order NSP-30, dated October 28, 1954, authorized a 160-acre non-standard gas proration unit for the Eumont Gas Pool, consisting of the W/2 NE/4 and N/2 SE/4 of Section 26, Township 20 South, Range 36 East, NMPM, Lea County, New Mexico, to be dedicated to the Federal Elliott Well No. 2 located 2310 feet from the South line and 1650 feet from the East line (Unit J) of said Section 26. On April 17, 1978, Division Order No. R-5708, further authorized simultaneous dedication of this acreage to the aforementioned Well No. 2 and to the Elliott Federal Well No. 1 located at an unorthodox gas well location 2310 feet from the South line and 330 feet from the East line (Unit I) of said Section 26.

Per your letter dated February 27, 1987, it is my understanding that said Well No. 1 has been reclassified as an "oil well" and was subsequently assigned a 40-acre oil proration unit, comprising the NE/4 SE/4 of said Section 26, pursuant to Rule 2(a)2 of the Special Rules and Regulations for the Eumont Gas Pool as promulgated by Division Order No. R-8170, as amended.

By authority granted me order the provisions of Rule 2(a)4 of said Order No. R-8170, Administrative Order NSP-30 shall be amended, and your application for a 120-acre non-standard gas proration unit in the Eumont Gas Pool comprising the W/2 NE/4 and NW/4 SE/4 of said Section 26 to be dedicated to the Elliott Federal Well No. 2, as described above, is hereby approved.

Furthermore, Division Order No. R-5708 is hereby stayed until further notice.

Sincerely,

WILLIAM J. LEMAY
Director

WJL/MES/et

xc: Oil Conservation Division - Hobbs