



NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT

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

October 29, 1997

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

Administrative Order NSL-3887(SD)

Dear Mr. Saenz:

Reference is made to your application dated September 24, 1997, for a non-standard Eumont gas well location in an existing non-standard 160-acre gas spacing and proration unit ("GPU") for said Eumont Gas Pool comprising the SE/4 of Section 8, Township 20 South, Range 37 East, NMPM, Lea County, New Mexico. Said GPU was authorized by Division Administrative Order NSP-171, dated August 14, 1955 and had dedicated thereon Chevron's Theodore Anderson Well No. 1 (API No. 30-025-06009), located at a standard gas well location 660 feet from the South line and 1980 feet from the East line (Unit O) of said Section 8.

It is our understanding that the subject well to be considered in this application, the T. Anderson Well No. 4 (API No. 30-025-25292), located 2223 feet from the South line and 853 feet from the East line (Unit I) of said Section 8, operated by Texaco Exploration & Production, Inc. ("Texaco"), is completed in the Monument-Tubb Pool and is currently shut-in. Further, upon the issuance of an order by the Division in this matter, said Texaco operated T. Anderson Well No. 1 will be: (i) recompleted up-hole into the Eumont Gas Pool; (ii) redesignated the "Theodore Anderson Com Well No. 13"; and, (iii) the operations of said well will convert over to Chevron U.S.A., Inc. This location, pursuant to **Rule 2(b)4** 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, is considered to be "unorthodox".

The subject application has been duly filed under the provisions of Rule 104.F of the General Rules and Regulations of the New Mexico Oil Conservation Division.

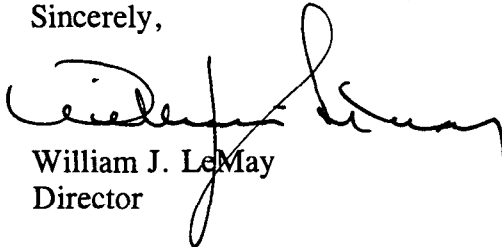
By authority granted me under the provisions of **Rule 2(d)** of said special pool rules and Division General Rule 104.F(2) the above-described unorthodox Eumont gas well location of the Theodore Anderson Com Well No. 13 is hereby approved.

Also, you are hereby authorized to simultaneously dedicate Eumont gas production from the Theodore Anderson Well No. 1 with the Theodore Anderson Com Well No. 13. Furthermore, you are hereby permitted to produce the allowable assigned the subject GPU from both wells in any proportion.

Administrative Order NSL-3887(SD)
Chevron U.S.A., Inc.
October 29, 1997
Page 2

All provisions of said Division Administrative Order NSP-171 shall remain in full force and effect until further notice.

Sincerely,

A handwritten signature in black ink, appearing to read "William J. LeMay", is written over the typed name and title.

William J. LeMay
Director

WJL/MES

cc: New Mexico Oil Conservation Division - Hobbs
File: NSP-171