



**NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT**

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

March 15, 2000

**Chevron U.S.A. Inc.
P. O. Box 1150
Midland, Texas 79702
Attention: A. M. Howell**

Administrative Order NSL-4420(SD)

Dear Mr. Howell:

Reference is made to the following: (i) your application dated February 16, 2000; and (ii) the records of the New Mexico Oil Conservation Division ("Division") in Santa Fe: all concerning Chevron U.S.A. Inc.'s ("Chevron") request for an unorthodox Tubb gas well location within an existing standard 160-acre gas spacing and proration unit ("GPU") for the Tubb Oil and Gas Pool comprising the SE/4 of Section 1, Township 22 South, Range 37 East, NMPM, Lea County, New Mexico. This GPU is currently dedicated to Chevron's Alice Paddock Well No. 3 (API No. 30-025-09936) located at a standard gas well location 660 feet from the South and East lines (Unit P) of Section 1.

It is our understanding that the subject well in this application, Chevron's Alice Paddock Well No. 8 (API No. 30-025-26286), was originally drilled by Gulf Oil Corporation in 1979 to a total depth of 7,647 feet and completed in the Wantz Granite Wash Pool at a standard oil well location 1980 feet from the South line and 2250 feet from the East line (Unit J) of Section 1. This well is currently completed in the South Brunson-Drinkard Abo Pool. It is further understood that Chevron now intends to recomplete this well up-hole into the Tubb Oil and Gas Pool.

Pursuant to Rule 2(b)1 of the "*General Rules for the Prorated Gas Pools of New Mexico/Special Rules and Regulations for the Tubb Oil and Gas Pool*," as promulgated by Division Order No. R-8170, as amended, the location of the Alice Paddock Well No. 8 is considered to be unorthodox.

This application has been duly filed under the provisions of Division Rule 104.F, revised by Division Order No. R-11231, issued by the New Mexico Oil Conservation Commission in Case No. 12119 on August 12, 1999.

By authority granted me under the provisions of Rule 2(d) of the special rules for the Tubb Oil and Gas Pool and Division Rule 104.F (2), the unorthodox gas well location of the Alice Paddock Well No. 8 is hereby approved.

Administrative Order NSL-4420(SD)

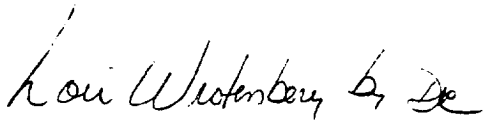
Chevron U.S.A. Inc.

March 15, 2000

Page 2

Also, you are hereby authorized to simultaneously dedicate Tubb gas production from both the Alice Paddock Wells No. 3 and 8. Furthermore, you are hereby permitted to produce the allowable assigned the subject 160-acre GPU from both wells in any proportion.

Sincerely,

A handwritten signature in cursive script, appearing to read "Lori Wrotenbery".

Lori Wrotenbery
Director

LW/MES/kv

cc: New Mexico Oil Conservation Division - Hobbs /