



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

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

February 2, 2000

Chevron U.S.A. Inc.
P. O. Box 1150
Midland, Texas 79702-1150
Attention: Gregory Roberts

Administrative Order NSL-4400(SD)

Dear Mr. Roberts:

Reference is made to your application dated January 13, 2000, which was received by the New Mexico Oil Conservation Division ("Division") in Santa Fe on January 18, 2000, 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 NE/4 of Section 16, Township 21 South, Range 37 East, NMPM, Lea County, New Mexico. This GPU is currently dedicated to Chevron U.S.A. Inc.'s Harry Leonard (NCT-E) Well No. 4 (API No. 30-025-06623) located at a standard gas well location 2310 feet from the North line and 330 feet from the East line (Unit A) of Section 16.

It is our understanding that the subject well in this application, the Harry Leonard (NCT-E) Well No. 5 (API No. 30-025-06624), which was originally drilled by Gulf Oil Corporation in 1949 to a total depth of 7,665 feet, is currently completed in the Drinkard Pool at a standard oil well location 2310 feet from the North line and 330 feet from the East line (Unit H) of Section 16 within a standard 40-acre oil spacing and proration unit comprising the SE/4 NE/4 of Section 16. It is further understood that Chevron now intends to recompleate 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 Harry Leonard (NCT-E) Well No. 5 is considered to be unorthodox.

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 Harry Leonard (NCT-E) Well No. 5 is hereby approved.

Also, you are hereby authorized to simultaneously dedicate Tubb gas production from the Harry Leonard (NCT-E) Well No. 4 with the Harry Leonard (NCT-E) Well No. 5. Furthermore, you are hereby permitted to produce the allowable assigned the subject 160-acre GPU from both wells in any proportion.

Sincerely,

Lori Wrotenbery
Director

LW/MES/kv

cc: New Mexico Oil Conservation Division - Hobbs
New Mexico State Land Office - Santa Fe