



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON
Governor
Jennifer A. Salisbury
Cabinet Secretary

December 12, 2000

Lori Wrotenbery
Director
Oil Conservation Division

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

RE: NMOCD Correspondence Reference No. SD-00-05: *Tubb Oil and Gas Pool development within an existing standard 160-acre gas spacing and proration unit ("GPU") comprising the NE/4 of Section 28, Township 21 South, Range 37 East, NMPM, Lea County, New Mexico.*

Dear Mr. Howell:

Reference is made to your letter dated November 8, 2000 notifying the New Mexico Oil Conservation Division's ("Division") Santa Fe office of Chevron U.S.A., Inc.'s plans for further Tubb gas development within the existing 160-acre standard gas spacing and proration unit ("GPU") comprising the NE/4 of Section 28, Township 21 South, Range 37 East, NMPM, Lea County, New Mexico.

The rules currently governing spacing, well locations, and allowables for the Tubb Oil and Gas Pool include, but not necessarily limited to:

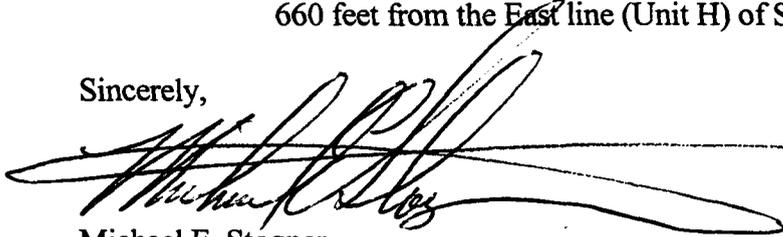
- (a) *"Special Rules and Regulations for the Tubb Oil and Gas Pool"*, as promulgated by Division Order No. R-8170, dated March 28, 1986, as amended by Division Orders No. R-8170-H, dated December 10, 1990, and R-10987, dated May 7, 1998; and
- (b) Division Rules 104 and 605.

It is our understanding that gas production attributed to the Tubb Oil and Gas Pool within this 160-acre GPU will to be simultaneously dedicated to the following three wells:

- Eunice King Well No. 13 (API No. 30-025-06849), located at an unorthodox gas well location 554 feet from the North and East lines (Unit A) of Section 28 [this location was "grandfathered" in as a standard Tubb gas well location for the subject 160-acre GPU pursuant to Rule 2 of the *"Special Rules and Regulations for the Tubb Gas Pool"*, as promulgated by Division Order No. R-586, issued in Case No. 728 and dated April 11, 1955];

- Eunice King Well No. 14 (API No. 30-025-06851), located at an unorthodox gas well location [approved by Division Administrative Order NSL-4234 (SD)] 1874 feet from the North line and 2086 feet from the East line (Unit G) of Section 28; and
- Eunice King Well No. 8 (API No. 30-025-06844), located at a standard infill gas well location 1980 feet from the North line and 660 feet from the East line (Unit H) of Section 28.

Sincerely,



Michael E. Stogner
Chief Hearing Officer/Engineer

LW/mes

cc: New Mexico Oil Conservation Division - Hobbs
File: NSL-4234(SD)