



NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT

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

January 16, 1998

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

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*Amendment No. 6 To
Division Administrative Order NSL-990(SD)*

Dear Mr. Saenz:

Reference is made to the following: (i) Chevron U.S.A., Inc.'s ("Chevron") original application to the Division, dated December 4, 1997; (ii) the Division's initial response to said application by letter from Mr. Michael E. Stogner dated January 8, 1998; (iii) Mr. John H. Saenz's response dated January 15, 1998; and, (vi) the records of the Division in Santa Fe: all concerning Chevron's request for an unorthodox Eumont Gas well location in a standard 640-acre gas spacing and proration unit ("GPU") for the Eumont Gas Pool comprising all of Section 35, Township 21 South, Range 36 East, NMPM, Lea County, New Mexico.

Division Administrative Order NSL-163, dated October 28, 1958, authorized the drilling of the initial well on the subject 640-acre GPU, the W. A. Ramsey (NCT-A) Well No. 20 (API No. 30-025-04927), at an unorthodox gas well location 1980 feet from the North line and 660 feet from the West line (Unit E) of said Section 35.

By Division Order No. R-4590, issued in Case 4983 and dated July 13, 1973, a second well, the W.A. Ramsey (NCT-A) Well No. 7 (API No. 30-025-04918), located at an unorthodox gas well location 660 feet from the South line and 1980 feet from the West line (Unit N) of said Section 35, was included in the subject GPU.

By Division Administrative Order NSL-990, dated November 8, 1978, a third well, the W.A. Ramsey (NCT-A) Well No. 13 (API No. 30-025-04912), located at an unorthodox gas well location 660 feet from the North line and 1980 feet from the East line (Unit B) of said Section 35, was included in the subject GPU.

On February 2, 1979, the Division issued Amendment No. 2 to Administrative Order NSL-990, which authorized a fourth Eumont Gas well on the subject GPU, the W.A. Ramsey (NCT-A) Well No. 3 (API No. 30-025-04922), located at an unorthodox gas well location 660 feet from the South line and 1980 feet from the East line (Unit O) of said Section 35.

Amendment No. 3 to Division Administrative Order NSL-990, issued on March 25, 1980, authorized the W.A. Ramsey (NCT-A) Well No. 12 (API No. 30-025-04913), located at an unorthodox gas well location 660 feet from the South and West lines (Unit M) of Said Section 35 as the fifth well to be simultaneously dedicated to the subject GPU.

In June 1991 the W.A. Ramsey (NCT-A) Well No. 10 (API No. 30-025-04915), located at a standard gas well location 1980 feet from the South and West lines (Unit K) of said Section 35 was included in the subject GPU as the sixth well within the subject GPU.

On August 20, 1993, the Division issued Amendment No. 4 to Administrative Order NSL-990(SD), which authorized the W.A. Ramsey (NCT-A) Well No. 18 (API No. 30-025-04925), located at an unorthodox gas well location 660 feet from the North line and 1980 feet from the West line (Unit C) of said Section 35, as the seventh well to be simultaneously dedicated to the subject GPU.

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Amendment No. 5 to Division Administrative Order NSL-990(SD), issued on August 8, 1994, authorized the W. A. Ramsey (NCT-A) Well No. 51 (API No. 30-025-25626), located at an unorthodox gas well location 1980 feet from the North line and 510 feet from the East line (Unit H) of Said Section 35 as the eighth well to be simultaneously dedicated to the subject GPU.

The above-described W. A. Ramsey (NCT-A) Well No. 3 ceased producing in late 1994. Subsequently, in February, 1995 it was plugged and abandoned.

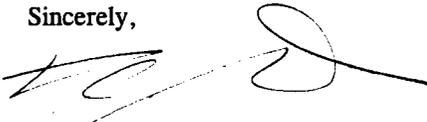
By the authority granted me under the provisions of Rule 2(d) of the "General Rules for the Prorated Gas Pools of New Mexico/Special Rules and Regulations for the Eumont Gas Pool," as promulgated by Division Order No. R-8170, as amended, the following described well to be drilled at an unorthodox Eumont gas well location within the subject 640-acre GPU is hereby approved:

*W. A. Ramsey (NCT-A) Well No. 52
910' FSL & 990' FEL (Unit P).*

Also, Chevron is hereby authorized to simultaneously dedicate Eumont Gas production from the W.A. Ramsey (NCT-A) Well No. 52 with the W.A. Ramsey (NCT-A) Well Nos. 7, 10, 12, 13, 18, 20, and 51. Furthermore, you are hereby permitted to produce the allowable assigned the subject GPU from all eight wells in any proportion.

All previous orders herein referred shall remain in full force and effect until further notice.

Sincerely,



Kathleen A. Garland
Acting Director

KAG/MES/kv

cc: New Mexico Oil Conservation Division - Hobbs
New Mexico State Land Office - Santa Fe
File: NSL-163
NSL-990