

STATE OF NEW MEXICO

ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION



BRUCE KING
GOVERNOR

ANITA LOCKWOOD
CABINET SECRETARY

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87504
(505) 827-5800

May 26, 1994

Chevron U.S.A., Inc.
P.O. Box 1150
Midland, TX 79702

Attention: F.S. Godbold

Administrative Order NSL-2840-B(SD)

Dear Mr. Godbold:

Reference is made to your application dated April 16, 1994 for an unorthodox Eumont gas well location in an existing non-standard 320-acre gas spacing and proration unit (GPU) for said Eumont Gas Pool comprising the N/2 of Section 36, Township 21 South, Range 36 East, NMPM, Lea County, New Mexico. Said GPU was authorized by Division Administrative Order NSP-310, dated August 31, 1956 and presently had dedicated thereon the Harry Leonard State "C" Well No. 9 located in Unit B of said Section 36.

As authorized by the Division Director, in correspondence dated January 14, 1980 and September 15, 1980 and by Division Order No. R-6458, dated September 10, 1980, two additional wells, the Harry Leonard (NCT-C) Well Nos. 7 and 8, located in Units G and H, respectively, of said Section 36 were authorized for simultaneous dedication to the subject well.

By Division Administrative Order NSL-2840(SD), dated August 6, 1990, a fourth well, the Harry Leonard (NCT-C) Well No. 4, located at an unorthodox gas well location 660 feet from the North and West lines (Unit D) of Section 36 was approved for simultaneous dedication to the subject GPU.

Further, by Division Administrative Order NSL-2840-A(SD), dated August 6, 1993, a fifth well, the Harry Leonard (NCT-C) Well No. 19, located at an unorthodox gas well location 2080 feet from the North line and 990 feet from the West line (Unit E) of said Section 36 was also approved for simultaneous dedication to the subject GPU.

It is our understanding that the subject well in this application is a shut-in Drinkard oil completion and upon issuance of this order, said well will be plugged back and recompleted up-hole in the Eumont Gas Pool.

Administrative Order NSL-2840-B(SD)
Chevron U.S.A., Inc.
May 26, 1994
Page 2

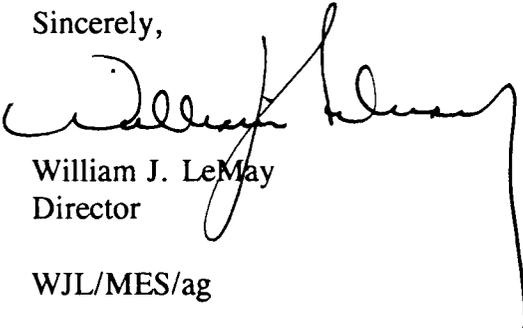
By authority granted me under the provisions of Rule 2(c) of the Special Rules and Regulations for the Eumont Gas Pool, as promulgated by Division Order No. R-8170, as amended, the following described well located at an unorthodox gas well location is hereby approved:

Harry Leonard (NCT-C) Well No. 17
560' FNL - 2310' FWL (Unit C)

Also, you are hereby authorized to simultaneously dedicate Eumont Gas production from the Harry Leonard (NCT-C) Well No. 17 with the Nos. 4, 7, 8, 9 and 19 wells. Furthermore, you are hereby permitted to produce the allowable assigned the subject GPU from all of said wells in any proportion.

All other orders and approvals mentioned above shall remain in full force and effect until further notice.

Sincerely,



William J. LeMay
Director

WJL/MES/ag

cc: Oil Conservation Division - Hobbs
NM State Land Office - Santa Fe
File: NSL-2840
NSP-310
NSL-2840-A