



STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION
2040 S. PACHECO
SANTA FE, NEW MEXICO 87505
(505) 827-7131

August 15, 1995

Morexco, Inc.
c/o Linda Johnson
P. O. Box 7663
Midland, Texas 79708

Division Administrative Order NSP-397-A(L)

Dear Ms. Johnson:

Reference is made to your application by letter dated July 26, 1995 on behalf of the operator, Morexco, Inc., to divide the existing 240-acre non-standard gas spacing and proration unit ("GPU") in the Eumont Gas Pool comprising the S/2 NE/4 and SE/4 of Section 5, Township 19 South, Range 37 East, N.M.P.M., Lea County, New Mexico, into an 80-acre and a 160-acre gas spacing and proration unit.

Said 240-acre GPU was authorized by Division Administrative Order NSP-397, dated October 25, 1957, and was dedicated to the J. R. Holt "A" Well No. 1 (API No. 30-025-05559), formerly the J. R. Holt (NCT-C) Gas Com Well No. 1, located 1980 feet from the North and East lines (Unit G) of said Section 5.

By Division Administrative Order NSL-2924(SD), dated November 1, 1990, a second well, the J. R. Holt "B" Well No. 2 (API No. 30-025-31003), formerly the J. R. Holt (NCT-C) Gas Com Well No. 2, located at an unorthodox gas well location 1190 feet from the South line and 1195 feet from the East line (Unit P) of said Section 5, was approved for the subject GPU.

It is our understanding at this time that:

- (1) the acreage dedication for said J. R. Holt "A" Well No. 1 will be changed to a non-standard **80-acre** unit comprising the S/2 NE/4 of said Section 5; and,
- (2) the remaining **160 acres** comprising the SE/4 of said Section 5 is to be dedicated to the J. R. Holt "B" Well No. 2.

Division Administrative Order NSP-397-A(L)

Morexco, Inc.

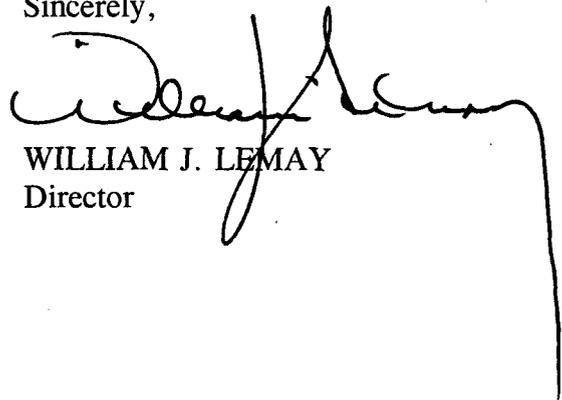
August 15, 1995

Page 2

By the authority granted me under the provisions of **Rule 2(a)4** 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 two above-described non-standard gas spacing and proration units in said Section 5 are hereby approved with allowables to be assigned thereto in accordance with **Rule 5** of said pool rules based upon its respective unit size.

Moreover, that portion of Division Administrative Order NSL-2924(SD) which authorized the unorthodox location for the J. R. Holt "B" Well No. 2, the former J. R. Holt (NCT-C) Gas Com Well No. 2, shall remain in full force and effect until further notice. However, Division Administrative Order No. NSP-397 is hereby placed in abeyance until further notice.

Sincerely,



WILLIAM J. LEMAY
Director

WJL/MES/kv

cc: Oil Conservation Division - Hobbs
New Mexico State Land Office - Santa Fe
File: NSP-397
NSL-2924(SD) ✓

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Chevron U.S.A. Inc.

~~J. R. Holt (NCT-C) Lease~~

Application for an Unorthodox
Gas Well Location
and
Simultaneous Dedication of Acreage
Eumont Yates 7 Rvrs Qn (Pro Gas)
1195' FEL AND 1190' FSL
Section 5, T-19-S, R-37-E
Lea County, New Mexico

WAIVER TO OBJECTION

We, the undersigned, as an offset operator, waive any objection to Chevron U.S.A. Inc.'s application for NMOCD approval of an Unorthodox Gas Well Location in the Eumont Yates 7 Rvrs Qn (Pro Gas) Pool. This location is to be 1195' FEL and 1190' FSL, Section 5, T-19-S, R-37-E, NMPM, Lea County, New Mexico. We further understand that this well will also be assigned to the already dedicated 240-acre proration unit of Chevron's J. R. Holt (NCT-C) No.1 comprising the S/2 NE/4 and SE/4 of Section 5, T-19-S, R-37-E, NMPM, Lea County, New Mexico.

Company: Don Wilson Services Inc.

Representative: Don H. Wilson

Signature: Don H. Wilson

Title: owner

Date: 10-20-90

Chevron U.S.A. Inc.
J. R. Holt (NCT-C) Lease

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Application for an Unorthodox
Gas Well Location
and
Simultaneous Dedication of Acreage
Eumont Yates 7 Rvrs Qn (Pro Gas)
1195' FEL AND 1190' FSL
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Company: AMERINDA HOSS CORP.

Representative: GRANT B. MILLER

Signature: Grant B. Miller

Title: OPERATIONS MGR.

Date: 10/19/90

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1990 OCT 12 AM 9 11

Chevron U.S.A. Inc.
J. R. Holt (NCT-C) Lease

Application for an Unorthodox
Gas Well Location
and
Simultaneous Dedication of Acreage
Eumont Yates 7 Rvrs Qn (Pro Gas)
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LANEXCO INC.

P. O. Box 2730

Midland, Texas 79702

Company: _____

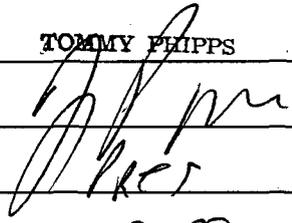
Representative: _____

Signature: _____

Title: _____

Date: _____

TOMMY PHIPPS



10-9-90



STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
 OIL CONSERVATION DIVISION
 HOBBS DISTRICT OFFICE

OIL CONSERVATION DIVISION
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GARREY CARRUTHERS
 GOVERNOR

10-16-90

POST OFFICE BOX 1980
 HOBBS, NEW MEXICO 88241-1980
 (505) 393-6161

OIL CONSERVATION DIVISION
 P. O. BOX 2088
 SANTA FE, NEW MEXICO 87501

RE: Proposed:

- MC _____
- DHC _____
- NSL _____
- NSP _____
- SWD _____
- WFX _____
- PMX _____

Gentlemen:

I have examined the application for the:

Chevron USA Inc. J.R. Holt NCT-C Gas Com #2-D
 Operator Lease & Well No. Unit S-T-R 5-19-37

and my recommendations are as follows:

OK

Yours very truly,

Jerry Sexton
 Supervisor, District 1

/ed