



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON
Governor
Jennifer A. Salisbury
Cabinet Secretary

July 24, 2000

Lori Wrotenbery
Director
Oil Conservation Division

Chevron U.S.A. Inc.
P.O. Box 1150
Midland, TX 79702
Attention: William T. Dees

Administrative Order NSL-3000-E (SD)

Dear Mr. Dees:

Reference is made to the following: (i) your application dated June 28, 2000; and (ii) the New Mexico Oil Conservation Division's ("Division") records in Santa Fe: all concerning Chevron U.S.A., Inc.'s ("Chevron") request for an additional unorthodox Eumont infill gas well location within an existing standard 640-acre gas spacing and proration unit ("GPU") for the Eumont Gas Pool comprising all of Section 27, Township 21 South, Range 36 East, NMPM, Lea County, New Mexico.

By Division Order No. R-4496, dated March 21, 1973, Gulf Oil Corporation was granted authorization to simultaneously dedicate Eumont Gas Pool production to the subject GPU from the following two wells:

- W. A. Ramsay (NCT-A) Well No. 17 (API No. 30-025-08718), located at a standard gas well location 1980 feet from the South and East lines (Unit J) of Section 27; and
- W. A. Ramsay (NCT-A) Well No. 46 (API No. 30-025-04805), located at an unorthodox gas well location 1980 feet from the North line and 660 feet from the West line (Unit E) of Section 27.

By Division Administrative Order NSL-3000(SD), dated April 1, 1991, an additional well for this GPU, Chevron's W. A. Ramsay (NCT-A) Well No. 35 (API No. 30-025-08719), located at an unorthodox gas well location 660 feet from the South line and 1980 feet from the West line (Unit N) of Section 27 was approved.

By Division Administrative Order NSL-3000-A(SD), dated July 24, 1991, a fourth well, Chevron's W. A. Ramsay (NCT-A) Well No. 42 (API No. 30-025-04804), located at an unorthodox gas well location 660 feet from the North line and 1980 feet from the East line (Unit B) of Section 27 was approved for this GPU.

By Division Administrative Order NSL-3000-B(SD), dated May 26, 1993, a fifth well, the W. A. Ramsay (NCT-A) Well No. 37 (API No. 30-025-04795), located at an unorthodox gas well location 1980 feet from the North line and 660 feet from the East line (Unit H) of said Section 27 was also approved for this GPU.

By Division Administrative Order NSL-3000-C(SD), dated January 24, 1994, a sixth well, the W. A. Ramsay (NCT-A) Well No. 29 (API No. 30-025-04797), located at an unorthodox gas well location 610 feet from the South line and 660 feet from the East line (Unit P) of Section 27 was also approved for the subject GPU.

The most recent order issued affecting this GPU, Division Administrative Order NSL-3000-D (SD), dated July 30, 1996, authorized two additional wells at the following described unorthodox gas well locations:

W. A. Ramsay (NCT-A) Well No. 40 (API No. 30-025-04799), 660 feet from the North and East lines (Unit A) of Section 27; and

W. A. Ramsay (NCT-A) Well No. 44 (API No. 30-025-04801), 660 feet from the North and West lines (Unit D) of Section 27.

It is our understanding that the subject well to be considered at this time is a temporarily abandoned, since 1995, Eumont oil well that was originally completed in August, 1958 and Chevron intends to recomplete this well uphole into the gas bearing interval of the Eumont Gas Pool (3050 feet to 3300 feet).

By authority granted me under the provisions of **Rule 2(d)** of the "*Special Rules and Regulations for the Eumont Gas Pool*", as promulgated by Division Order No. R-8170, as amended, and Division Rule 104.F (2) the following described well located at unorthodox Eumont gas well location in Section 27 is hereby approved:

W. A. Ramsay (NCT-A) Well No. 43
(API No. 30-025-04802)
660 feet from the North line and 1980 feet from the West line (Unit C).

Also, Chevron is hereby authorized to simultaneously dedicate Eumont gas production from the W. A. Ramsay (NCT-A) Well No. 43 with the W. A. Ramsay (NCT-A) Well Nos. 17, 29, 35, 37, 40, 42, 44, and 46. Furthermore, Chevron is hereby permitted to produce the allowable assigned the subject 640-acre GPU from all nine wells in any proportion.

All provisions applicable to the subject non-standard 640-acre GPU in Division Order No.

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R-4496 and Division Administrative Orders NSL-3000, NSL-3000-A(SD), NSL-3000-B(SD), NSL-3000-C(SD), and NSL-3000-D(SD) shall remain in full force and affect until further notice.

Jurisdiction of this matter shall be further retained for the entry of any such subsequent orders, as the Division may deem necessary.

Sincerely,

A handwritten signature in cursive script, appearing to read "Lori Wrotenbery". The signature is written in black ink and is positioned above the printed name and title.

Lori Wrotenbery
Director

LW/MES/kv

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

File: NSL-3000(SD)
NSL-3000-A(SD)
NSL-3000-B(SD)
NSL-3000-C(SD)
NSL-3000-D(SD)