

STATE OF NEW MEXICO

ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION



BRUCE KING
GOVERNOR

November 12, 1991

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

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

Attention: A.W. Bohling

Administrative Order NSL-3075(SD)

Dear Mr. Bohling:

Reference is made to your application dated September 6, 1991 for an unorthodox Eumont gas well location in an existing non-standard 236.7-acre gas spacing and proration unit (GPU) for said Eumont Gas Pool comprising Lots 1 through 6 of Section 5, Township 21 South, Range 36 East, NMPM Lea County, New Mexico. Said GPU was authorized by Division Order No. R-451, dated May 27, 1954 and presently has dedicated thereon the Heasley State Well No. 7 located in Unit E of said Section 5.

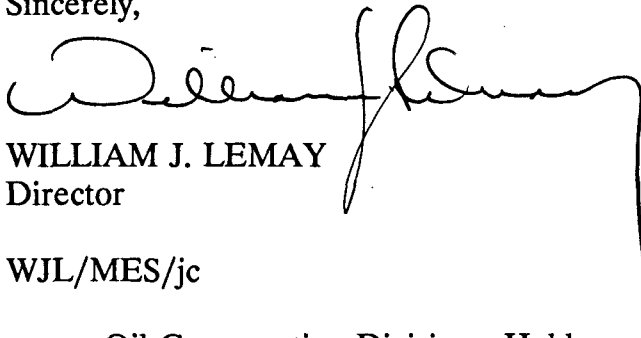
It is our understanding that the subject well in this application, the Heasley State Well No. 8 was originally drilled as an Oil Center Blinbry oil well in March 1963 at a standard oil well location 600 feet from the North line and 500 feet from the East line (Unit A) of said Section 5. Said well having recently been recompleted up-hole in the Eumont Gas Pool is now unorthodox for the existing proration unit.

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 above described well location is hereby approved.

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Also, you are hereby authorized to simultaneously dedicate Eumont Gas production from the Heasley State Well No. 7 with the Heasley State Well No. 8. Furthermore, you are hereby permitted to produce the allowable assigned the subject GPU from both of said wells in any proportion.

Sincerely,

A handwritten signature in black ink, appearing to read 'William J. Lemay', with a long, sweeping horizontal line extending to the right.

WILLIAM J. LEMAY
Director

WJL/MES/jc

cc: Oil Conservation Division - Hobbs
NMSLO - Santa Fe