

STATE OF NEW MEXICO

ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION



BRUCE KING
GOVERNOR



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

April 20, 1992

Amoco Production Company
South Permian Basin Business Unit
P.O. Box 3092
Houston, Texas 77253-3092

Attention: K.W. Brand

Administrative Order NSL-3110(SD)

Dear Mr. Brand:

Reference is made to your application dated March 23, 1992 to include two additional wells, one located at an unorthodox gas well location, in an existing non-standard 320-acre spacing and proration unit (GPU) for the Eumont Gas Pool comprising the E/2 of Section 21, Township 20 South, Range 37 East, NMPM, Lea County, New Mexico. Said GPU was authorized by Division Order No. R-835, dated July 9, 1956 and had dedicated thereon the Gillully "B" Federal R/A "A" Well No. 6Y located 390 feet from the North line and 660 feet from the East line (Unit A) of said Section 21.

It is our understanding that both of the subject wells in this application are completed in deeper horizons; however, upon approval of this application said wells will be plugged back and completed in the Eumont Gas Pool.

By authority granted me under the provisions of General 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 in said Section 21 is hereby approved:

Gillully "B" Federal R/A "A"
Well No. 17
660' FNL - 1650' FEL (Unit B)

Amoco Production Company

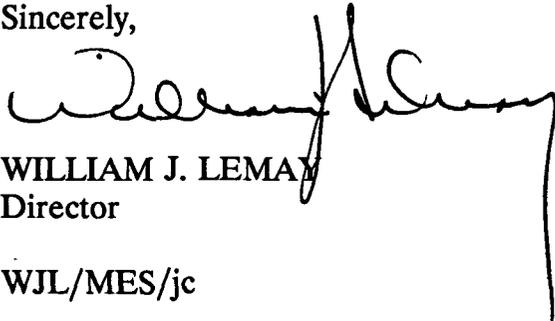
Page 2

April 20, 1992

Also, you are hereby authorized to simultaneously dedicate Eumont Gas production from both the aforementioned Well No. 6Y and 17 with your Gillully "B" Federal R/A "A" Well No. 20, located at a standard gas well location 1930 feet from the North line and 760 feet from the East line (Unit H) of said Section 21; furthermore, you are hereby permitted to produce the allowable assigned the subject GPU from all three wells in any proportion.

All provisions of Division Order No. R-835 shall remain in full force and effect until further notice.

Sincerely,

A handwritten signature in black ink, appearing to read "William J. Lemay". The signature is written in a cursive style with a long, vertical tail stroke extending downwards from the end of the name.

WILLIAM J. LEMAY
Director

WJL/MES/jc

cc: Oil Conservation Division - Hobbs
U.S. BLM - Carlsbad