



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 28, 1996

Chevron U.S.A., Inc.
P. O. Box 1150
Midland, Texas 79702
Attention: Michelle LeVan

Administrative Order NSL-3284-A(SD)

Dear Ms. LeVan:

Reference is made to your application dated August 2, 1996 for a third Blinebry gas well located at an unorthodox gas well location to be included to an existing 160-acre standard non-standard gas spacing and proration unit ("GPU") for said Blinebry Oil and Gas Pool comprising the NE/4 SW/4 and W/2 SE/4 of Section 28 and the NW/4 NE/4 of Section 33, both in Township 21 South, Range 37 East, NMPM, Lea County, New Mexico. Said GPU was authorized by Division Administrative Order No. R-4738, dated March 6, 1974.

Chevron U.S.A., Inc. is hereby authorized to simultaneously dedicate Blinebry Oil and Gas Pool gas production to said 160-acre GPU from the following three wells:

- (1) the J. N. Carson (NCT-A) Well No. 7 (**API No. 30-025-06973**) located at a previously approved unorthodox gas well location (Division Administrative Order NSL-3284(SD), dated July 23, 1993) 810 feet from the North line and 2180 feet from the East line (Unit B) of said Section 33;
- (2) the J. N. Carson (NCT-A) Well No. 9 (**API No. 30-025-06850**) located at an unorthodox gas well location (referenced in said Division Order No. R-4738) 1874 feet from the South line and 2086 feet from the West line (Unit K) of said Section 28; and,
- (3) the existing J. N. Carson (NCT-A) Well No. 10 (**API No. 30-025-06816**) located at an unorthodox Blinebry gas well location 1980 feet from the South line and 2180 feet from the East line (Unit J) of said Section 28.

Administrative Order NSL-3284-A(SD)

Chevron U.S.A. Inc.

August 28, 1996

Page 2

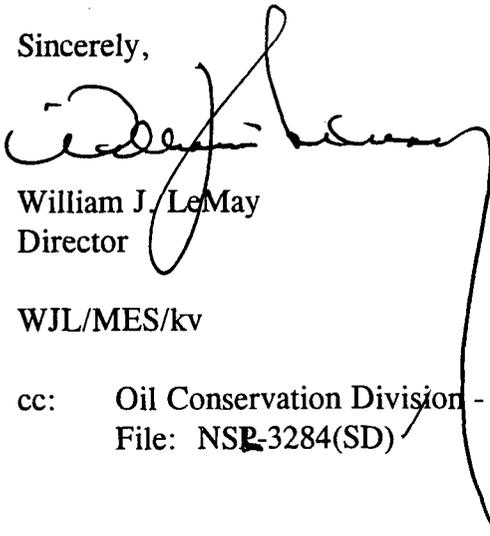
By authority granted me under the provisions of **Rule 2(d)** of the "*General Rules For The Prorated Gas Pools of New Mexico/Special Rules and Regulations For The Blinebry Oil And Gas Pool*", as promulgated by Division Order No. R-8170, as amended, the location of the J. N. Carson (NCT-A) Well No. 10 is hereby approved.

Also, you are hereby authorized to simultaneously dedicate Blinebry gas production from the J. N. Carson (NCT-A) Well No. 10 with the J. N. Carson (NCT-A) Well Nos. 9 and 10.

Furthermore, you are hereby permitted to produce the allowable assigned the subject GPU from all three wells in any proportion.

At this time all conflicting provisions of previous Division Orders R-4736 and NSL-3284(SD) shall be placed in abeyance until further notice.

Sincerely,



William J. LeMay
Director

WJL/MES/kv

cc: Oil Conservation Division - Hobbs
File: NSL-3284(SD)