

State of New Mexico
ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT
Santa Fe, New Mexico 87505



OIL CONSERVATION DIVISION



January 31, 1995

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

Attention: Lloyd V. Trautman

Administrative Order NSP-1716(SD)(L)

Dear Mr. Trautman:

Reference is made to your applications dated October 14, 1994 and December 7, 1994, all three of which pertain to Blinebry gas production on Chevron's Mark Owen fee lease in the NE/4 equivalent of Section 3, Township 22 South, Range 37 East, NMPM, Lea County, New Mexico.

It is our understanding that both the Mark Well No. 7 (API No. 30-025-09997), located 1980 feet from the North line and 760 feet from the East line (Unit H) of said Section 3 and the Mark Well No. 11 (API No. 30-025-26051), located 430 feet from the North line and 960 feet from the East line (Lot 1/Unit A) of said Section 3 have both recently been reclassified from Blinebry oil wells to gas wells and that Chevron is proposing to recomplete the Mark Well No. 8 (API No. 30-025-09998), located 554 feet from the North line and 1874 feet from the East line (Lot 2/Unit B) of said Section 3, which is currently a producing oil well in the Wantz Abo Pool, to a gas well in the Blinebry Oil and Gas Pool. It is further understood that these three gas wells are to be simultaneously dedicated to a proposed 120-acre, more or less, tract comprising the N/2 NE/4 equivalent and SE/4 NE/4 of said Section 3.

By authority granted me under the provisions of Rule 2(a)4 of the Special Rules and Regulations for the Blinebry Oil and Gas Pool, as promulgated by Division Order No. R-8170, as amended, the following described 119.53-acre non-standard gas spacing and proration unit ("GPU") is hereby approved:

VILLAGRA BUILDING - 408 Gallateo

Forestry and Resources Conservation Division
P.O. Box 1948 87504-1948
827-5830

Park and Recreation Division
P.O. Box 1147 87504-1147
827-7465

2040 South Pacheco

Office of the Secretary
827-5950

Administrative Services
827-5925

Energy Conservation & Management
827-5900

Mining and Minerals
827-5970

Oil Conservation
827-7131

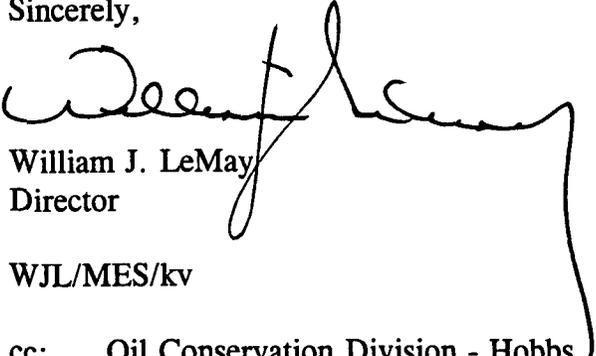
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LEA COUNTY, NEW MEXICO
TOWNSHIP 22 SOUTH, RANGE 37 EAST, NMPM
Section 3: Lots 1 and 2 and SE/4 NE/4

By authority granted me under the provisions of Rule 2(c) of said special Blinebry Oil and Gas Pool rules the above-described Mark Well Nos. 7, 8, and 11, located at unorthodox Blinebry gas well locations for the subject 119.53-acre unit, are hereby approved.

Also, Chevron is hereby authorized to simultaneously dedicate Blinebry gas production from the Mark Well Nos. 7, 8, and 11. Furthermore, you are hereby permitted to produce the allowable assigned the subject GPU from all three wells in any proportion.

Sincerely,


William J. LeMay
Director

WJL/MES/kv

cc: Oil Conservation Division - Hobbs)
File: NSP-612
NSP-1446

REMARKS: The previously approved Division Administrative Order NSP-612, dated August 13, 1962, as amended by orders dated May 22, 1975 and June 13, 1975, and Order NSP-1446, dated January 11, 1985, all of which addressed Blinebry gas production, non-standard gas spacing and proration units in the NE/4 equivalent of said Section 3, and the simultaneous dedication of wells thereon shall be rescinded at this time.

State of New Mexico
ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT
Santa Fe, New Mexico 87505



OIL CONSERVATION DIVISION



May 15, 1995

Chevron U.S.A. Production Company
P.O. Box 1150
Midland, Texas 79702-1150

Attention: Lloyd Trautman

Administrative Order NSP-1716-A(SD)(L)

Dear Mr. Trautman:

By Division Administrative Order NSP-1716(SD)(L), dated January 31, 1995, Chevron was authorized a 119.53-acre non-standard gas spacing and proration unit ("GPU") in the Blinebry Oil and Gas Pool comprising Lots 1 and 2 and the SE/4 NE/4 of Section 3, Township 22 South, Range 37 East, NMPM, Lea County, New Mexico. Blinebry gas production from said unit to be simultaneously dedicated to the Mark Well No. 7 (API No. 30-025-09997), located at an unorthodox gas well location 1980 feet from the North line and 760 feet from the East line (Unit H) of said Section 3, the Mark Well No. 8 (API No. 30-025-09998), located at an unorthodox gas well location 554 feet from the North line and 1874 feet from the East line (Lot 2/Unit B) of said Section 3, and the Mark Well No. 11 (API No. 30-025-26051), located at an unorthodox gas well location 430 feet from the North line and 960 feet from the East line (Lot 1/Unit A) of said Section 3.

Reference is made to your application dated April 18, 1995 to reduce said 119.53-acre GPU by deleting the 39.76 acres comprising Lot 2 (Unit C) of said section 3. It is our understanding that Lot 2 is to be utilized as a standard "oil" spacing and proration unit in the Blinebry Oil and Gas Pool for the Mark Well No. 8.

By authority granted me under the provisions of Rule 4(b)2 of the "*Special Rules and Regulations for the Blinebry Oil and Gas Pool*" as promulgated by Division Order No. R-8170, as amended, the following 79.77-acre non-standard gas spacing and proration unit is hereby approved:

VILLAGRA BUILDING - 408 Gallateo

Forestry and Resources Conservation Division
P.O. Box 1948 87504-1948
827-5830

Park and Recreation Division
P.O. Box 1147 87504-1147
827-7465

2040 South Pacheco

Office of the Secretary
827-5950

Administrative Services
827-5925

Energy Conservation & Management
827-5900

Mining and Minerals
827-5970

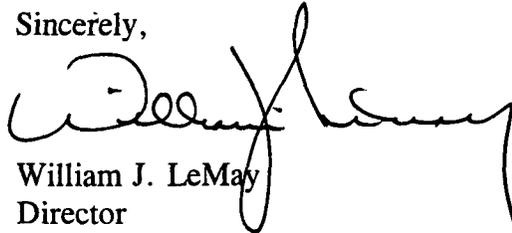
Oil Conservation
827-7131

Administrative Order NSP-1716-A(SD)(L)
Chevron U.S.A. Production Company
March 15, 1995
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LEA COUNTY, NEW MEXICO
TOWNSHIP 22 SOUTH, RANGE 37 EAST, NMPM
Section 3: Lot 1 and the SE/4 NE/4.

Further, by authority granted me under the provisions of Rule 2(c) of said Special Blinbry Oil and Gas Pool Rules the above-described Mark Well Nos. 7 and 11, located at unorthodox gas well locations for the subject 79.77-acre unit are hereby approved. Chevron is authorized to simultaneously dedicate Blinbry gas production from both wells. Also, you are hereby permitted to produce the allowable assigned the subject GPU, in accordance with Rule 5 of said pool rules based upon a unit size of 79.77 acres.

Sincerely,



William J. LeMay
Director

WJL/MES/kv

cc: Oil Conservation Division - Hobbs
File: NSP-1716(SD)(L)
NSP-612
NSP-1446 ✓



NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION
2040 South Pacheco Street
Santa Fe, New Mexico 87505
(505) 827-7131

March 4, 1999

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

*Reinstatement of Division
Administrative Order NSP-1716-A (SD)(L)*

Dear Mr. Wright:

Reference is made to your application dated February 9, 1999 to reinstate a previously approved non-standard 79.77-acre gas spacing and proration unit ("GPU") in the Blinebry Oil and Gas Pool comprising Lot 1 and the SE/4 NE/4 (E/2 NE/4 equivalent) of Section 3, Township 22 South, Range 37 East, NMPM, Lea County, New Mexico.

By Division Administrative Order NSP-1716-A (SD)(L), dated May 15, 1995, this 79.77-acre GPU was established and had simultaneously dedicated Chevron U.S.A. Inc.'s ("Chevron"): (i) Mark Well No. 7 (API No. 30-025-09997), located at an unorthodox gas well location 1980 feet from the North line and 760 feet from the East line (Unit H) of Section 3; and (ii) Mark Well No. 11 (API No. 30-025-26051), located at an unorthodox gas well location 430 feet from the North line and 960 feet from the East line (Lot 1/Unit A) of Section 3.

By Division Administrative Order NSP-1716-B, dated January 4, 1996, the aforementioned 79.77-acre GPU was reduced to a 40-acre GPU, comprising only the SE/4 NE/4 (Unit H) of Section 3. This 40-acre GPU is currently dedicated (as referenced in Order NSP-1716-B) to the aforementioned Mark Well No. 7. This 40-acre GPU was created by deleting therefrom the 39.77 acres comprising Lot 1 (Unit A) of Section 3 in order to establish a standard Blinebry oil spacing and proration unit for the Mark Well No. 11, which had been reclassified from a Blinebry "gas well" to an "oil well".

The Blinebry interval in the Mark Well No. 11 was abandoned in July, 1998 and the well was subsequently recompleted to the Wantz-Abo Pool.

It is our understanding at this time that Chevron intends to reestablish Blinebry gas production in the Mark Well No. 11 and combine Blinebry gas production from both the Mark Well Nos. 7 and 11 in order to reestablish the 79.77-acre GPU.

By the authority granted me under the provisions of **Rule 2(d)** of the special Blinebry Oil and Gas Pool rules, the above-described 79.77-acre GPU should be restored and that Division Administrative Order NSP-1716-A (SD)(L) shall be reinstated to its initial extent and is to remain

Administrative Order NSP-1716-A(SD)(L)

Chevron U.S.A. Inc.

March 4, 1999

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in full force and affect until further notice. Also, Chevron is hereby permitted to produce the allowable assigned the subject GPU, in accordance with Rule 5 of said pool rules based upon a unit size of 79.77 acres, from the Mark Well Nos. 7 and 11 in any proportion.

Further, Division Administrative Order No. NSP-1716-B is hereby placed in abeyance 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 Wrottenbery" followed by a flourish and the initials "LW/MES".

LORI WROTENBERY

Director

LW/MES/kv

cc: New Mexico Oil Conservation Division - Hobbs

File: NSP-1716 (SD)(L)
NSP-1716-A (SD)(L)
NSP-1716-B
NSP-612
NSP-1446 /



STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

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

January 4, 1996

Chevron U.S.A. Production Company
P.O. Box 1156
Midland, Texas 79702-1150

Attention: Michelle L. LeVan

Administrative Order NSP-1716-B

Dear Ms. LeVan:

By Division Administrative Order NSP-1716-A(SD)(L), dated May 15, 1995, Chevron was authorized a 79.77-acre non-standard gas spacing and proration unit ("GPU") in the Blinebry Oil and Gas Pool comprising Lot 1 and the SE/4 NE/4 of Section 3, Township 22 South, Range 37 East, NMPM, Lea County, New Mexico. Blinebry gas production from said unit to be simultaneously dedicated to the Mark Well No. 7 (API No. 30-025-09997), located at an unorthodox gas well location for the subject 79.77-acre GPU 1980 feet from the North line and 760 feet from the East line (Unit H) of said Section 3 and the Mark Well No. 11 (API No. 30-025-26051), also located at an unorthodox gas well location for the subject GPU 430 feet from the North line and 960 feet from the East line (Lot 1/Unit A) of said Section 3.

Reference is made to your application dated November 22, 1995 to reduce said 79.77-acre GPU by deleting the 39.77 acres comprising Lot 1 (Unit A) of said Section 3. It is our understanding that Lot 1 is to be utilized as a standard "oil" spacing and proration unit in the Blinebry Oil and Gas Pool for the Mark Well No. 11, which was recently reclassified from a Blinebry "gas well" to an "oil well".

By authority granted me under the provisions of Rule 4(b)2 of the "*Special Rules and Regulations for the Blinebry Oil and Gas Pool*" as promulgated by Division Order No. R-8170, as amended, the following **40-acre** non-standard gas spacing and proration unit is hereby approved:

LEA COUNTY, NEW MEXICO
TOWNSHIP 22 SOUTH, RANGE 37 EAST, NMPM
Section 3: SE/4 NE/4.

Said 40-acre GPU is to be dedicated to the above-described **Mark Well No. 7**, which is now considered to be at a standard gas well location for the subject 40-acre GPU.

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Further, said Division Administrative Order NSP-1716-A(SD)(L) shall be placed in abeyance until further notice.

Sincerely,

William J. LeMay
Director

WJL/MES/kv

cc: Oil Conservation
File: NSP-1716(SD)(L)
NSP-1716-A(SD)(L)
NSP-612
NSP-1446 ✓