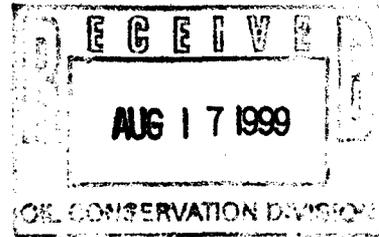


EXXON COMPANY, U.S.A.

POST OFFICE BOX 4358 • HOUSTON, TEXAS 77210-4358



HOUSTON PRODUCTION ORGANIZATION
PERMITTING

August 13, 1999

Administrative Application
For Non-Standard Gas Spacing
And Proration Units for the
New Mexico "G" State Well
Nos. 2 and 10, Section 26,
T21S, R36E Lea County, New Mexico

Ms. Lori Wrotenbery, Director
New Mexico Oil Conservation Division
2040 Pacheco
Santa Fe, New Mexico 87505

Dear Ms. Wrotenbery,

Exxon requests administrative approval of two 40-acre Non-Standard Gas Spacing and Proration Units for Well Nos. 2 and 10 located within our New Mexico "G" State Lease. ~~The reduction of the existing 560-acre Non-Standard Gas Spacing and Proration Unit to two 40-acre Non-Standard Gas Spacing and Proration Units will provide additional available acreage for development of the lease.~~ To assist in the review effort of your staff, we have enclosed the following documents:

- Plats of Requested 40 Acre Non-Standard Proration Units for Well Nos. 2 and 10
- Documentation of Notification to Offset Operators
- A Plat of the Surrounding Acreage and the Current Operators
- Current Configuration of Lease
- Proposed Configuration of Lease
- A Brief History of Administrative Orders
- A Copy of Applicable NMOCD Orders

After the review of this request is complete, your administrative approval of the above mentioned Non-Standard Gas Spacing and Proration Units of 40-acres for Well Nos. 2 and 10 would be appreciated. If you have questions, call Bob Ward at 713-431-1024.

Sincerely,

Charlotte Harper 8/13

Charlotte Harper
Permitting Supervisor

CHH/slf

Enclosure

District I
PO Box 1980, Hobbs, NM 88241-1980

District II
PO Drawer DD, Artesia, NM 88211-0719

District III
100 Rio Brasos Rd., Aztec, NM 87410

District IV
PO Box 2088, Santa Fe, NM 87504-2088

State of New Mexico
Energy, Minerals & Natural Resources Department

Form C-102
Revised February 10, 1994
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

OIL CONSERVATION DIVISION

PO Box 2088
Santa Fe, NM 87504-2088

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

1 API Number 3002504779	2 Pool Code 76480	3 Pool Name EUMONT YATES 7 RVRS QN (PRO GAS)
4 Property Code 004194	5 Property Name NEW MEXICO "G" STATE	6 Well Number 2
7 GRID No. 007673	8 Operator Name Exxon Corporation	9 Elevation 3525' GR

¹⁰Surface Location

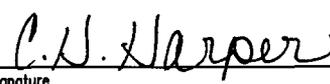
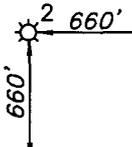
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
P	26	21 S	36 E		660	SOUTH	660	EAST	LEA

¹¹Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

¹² Dedicated Acres 40	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
-------------------------------------	-------------------------------	----------------------------------	-------------------------

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNIT ALL INTERESTS HAVE BEEN CONSOLIDATED
OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

D	C	B	A	¹⁷ OPERATOR CERTIFICATION <i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</i>  Signature C. H. Harper Printed Name Permits Supervisor Title 8-12-99 Date
E	F	G	H	
L	K	J	I	
M	N	O	P	
				¹⁸ SURVEYOR CERTIFICATION <i>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.</i> 6-23-42 Date of Survey Signature and Seal of Professional Surveyor. Certificate Number

6 Miles NW of Eunice, New Mexico.

File No. A-10317-b

District I
PO Box 1980, Hobbs, NM 88241-1980

District II
PO Drawer DD, Artesia, NM 88211-0719

District III
1000 Rio Brasos Rd., Aztec, NM 87410

District IV
PO Box 2088, Santa Fe, NM 87504-2088

State of New Mexico
Energy, Minerals & Natural Resources Department

Form C-102
Revised February 10, 1994
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

OIL CONSERVATION DIVISION

PO Box 2088
Santa Fe, NM 87504-2088

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

1	API Number 3002504785	2	Pool Code 76480	3	Pool Name EUMONT YATES 7 RVRS QN (PRO GAS)
4	Property Code 004194	5	Property Name NEW MEXICO "G" STATE	6	Well Number 10
7	OGRID No. 007673	8	Operator Name Exxon Corporation	9	Elevation 3545' DF

¹⁰Surface Location

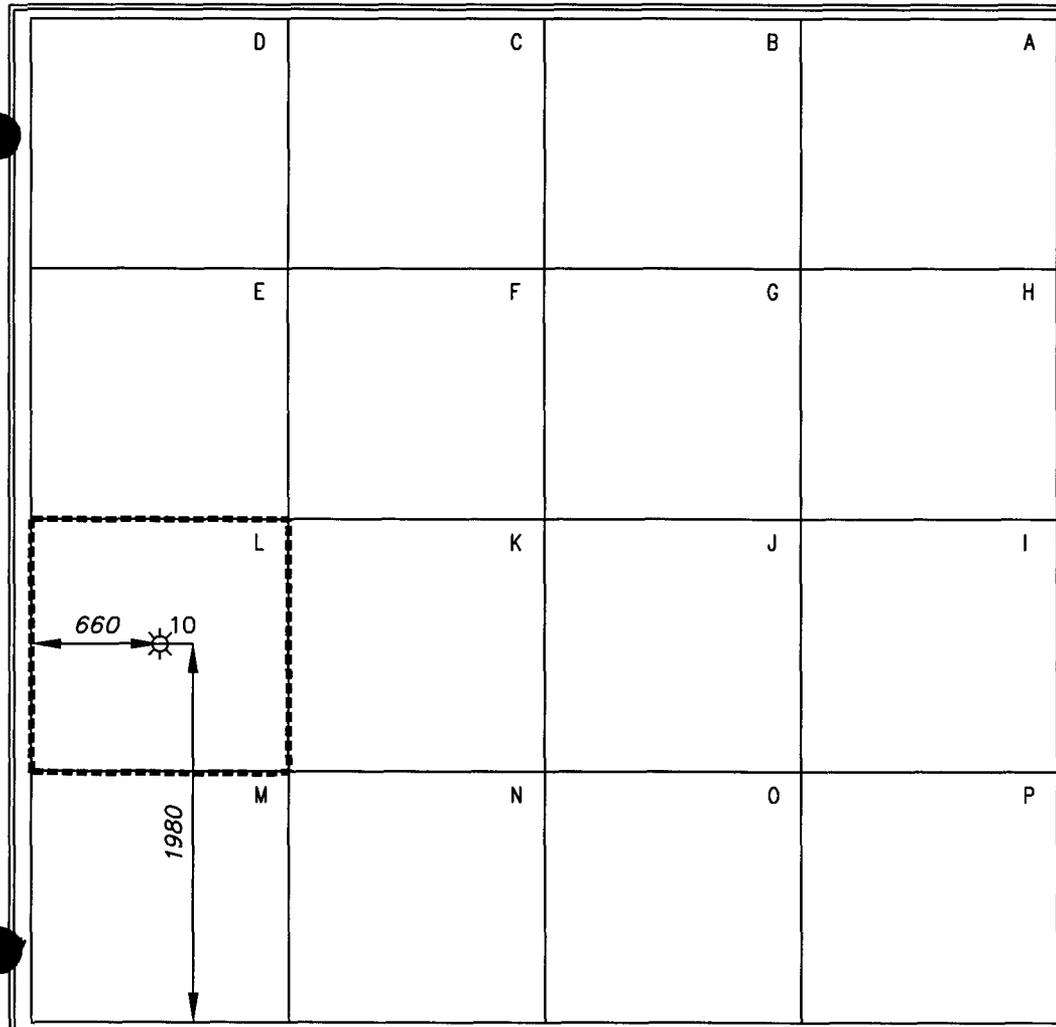
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
L	26	21 S	36 E		1980	SOUTH	660	WEST	LEA

¹¹Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

¹² Dedicated Acres 40	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
-------------------------------------	-------------------------------	----------------------------------	-------------------------

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNIT ALL INTERESTS HAVE BEEN CONSOLIDATED
OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION



¹⁷ OPERATOR CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

C. H. Harper
Signature
C. H. Harper
Printed Name
Permits Supervisor
Title
8-12-99
Date

¹⁸ SURVEYOR CERTIFICATION

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

12-21-57
Date of Survey
Signature and Seal of Professional Surveyor.

Certificate Number

**New Mexico "G" State
Lea County, New Mexico
Offset Operator List**

ARCO Permian
P. O. Box 1610
Midland, Texas 79702-1610
ATTN: Land Department

Chevron USA, Inc.
P. O. Box 1150
Midland, Texas 79702
ATTN: Land Department

Conoco Inc.
10 Desta Drive West
Suite 100W
Midland, Texas 79705

EXXON COMPANY, U.S.A.

POST OFFICE BOX 4358 • HOUSTON, TEXAS 77210-4358

HOUSTON PRODUCTION ORGANIZATION
PERMITTING

August 4, 1999

Administrative Application
For 40-Acre Non-Standard
Gas Spacing and Proration
Units for Exxon's New Mexico
"G" State, Well Nos. 2 and 10
Notice to Offset Operators

Dear Offset Operators:

Exxon is requesting administrative approval for 40-Acre Non-Standard Gas Spacing Proration Units for the New Mexico "G" State lease, Well Nos. 2 and 10. Offset Operator notification is required per Oil Conservation Division, Rule 104.D(2).

You are allowed twenty (20) days in which to protest this application. Correspondence regarding this issue, is sent to the Santa Fe office of the NMOCD. If you have general questions, call me at 713-431-1024.

Sincerely,



J. R. Ward
Sr. Regulatory Specialist

Z 260 316 338

US Postal Service
Receipt for Certified Mail

No Insurance Coverage Provided.
Do not use for International Mail (See reverse)

Sent to	
Chevron USA, Inc.	
Street & Number	
P.O. Box 150	
Post Office, State, & ZIP Code	
Midland, TX 79702	
Postage	\$
Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	
Return Receipt Showing to Whom, Date, & Addressee's Address	
TOTAL Postage & Fees	\$
Postmark or Date	

PS Form 3800, April 1995

Z 260 316 337

US Postal Service
Receipt for Certified Mail

No Insurance Coverage Provided.
Do not use for International Mail (See reverse)

Sent to	
Conoco, Inc.	
Street & Number	
101 Deste Drive W.	
Post Office, State, & ZIP Code	
Midland, TX 79705	
Postage	\$
Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	
Return Receipt Showing to Whom, Date, & Addressee's Address	
TOTAL Postage & Fees	\$
Postmark or Date	

PS Form 3800, April 1995

Z 260 316 336

US Postal Service
Receipt for Certified Mail

No Insurance Coverage Provided.
Do not use for International Mail (See reverse)

Sent to	
ARCO Permian	
Street & Number	
P.O. Box 1610	
Post Office, State, & ZIP Code	
Midland, TX 79702-1610	
Postage	\$
Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	
Return Receipt Showing to Whom, Date, & Addressee's Address	
TOTAL Postage & Fees	\$
Postmark or Date	

PS Form 3800, April 1995

Is your RETURN ADDRESS completed on the reverse side?

SENDER:

- Complete items 1 and/or 2 for additional services.
- Complete items 3, 4a, and 4b.
- Print your name and address on the reverse of this form so that we can return this card to you.
- Attach this form to the front of the mailpiece, or on the back if space does not permit.
- Write "Return Receipt Requested" on the mailpiece below the article number.
- The Return Receipt will show to whom the article was delivered and the date delivered.

I also wish to receive the following services (for an extra fee):

1. Addressee's Address

2. Restricted Delivery

Consult postmaster for fee.

3. Article Addressed to:

Conoco Inc.
10 Deste Drive West
Suite 100W
Midland, TX 79705

4a. Article Number
Z 260 316 337

4b. Service Type

Registered Certified

Express Mail Insured

Return Receipt for Merchandise COD

7. Date of Delivery
8/19

5. Received By: (Print Name)

8. Addressee's Address (Only if requested and fee is paid)

6. Signature: (Addressee or Agent)
X Anita Gonzalez

Thank you for using Return Receipt Service.

Is your RETURN ADDRESS completed on the reverse side?

SENDER:

- Complete items 1 and/or 2 for additional services.
- Complete items 3, 4a, and 4b.
- Print your name and address on the reverse of this form so that we can return this card to you.
- Attach this form to the front of the mailpiece, or on the back if space does not permit.
- Write "Return Receipt Requested" on the mailpiece below the article number.
- The Return Receipt will show to whom the article was delivered and the date delivered.

I also wish to receive the following services (for an extra fee):

1. Addressee's Address

2. Restricted Delivery

Consult postmaster for fee.

3. Article Addressed to:

ARCO Permian
P.O. Box 1610
Midland, TX 79702-1610
ATTN: Land Department

4a. Article Number
Z 260 316 336

4b. Service Type

Registered Certified

Express Mail Insured

Return Receipt for Merchandise COD

7. Date of Delivery
AUG 09 1999

5. Received By: (Print Name)

8. Addressee's Address (Only if requested and fee is paid)

6. Signature: (Addressee or Agent)
X Frank Pen

Thank you for using Return Receipt Service.

Is your RETURN ADDRESS completed on the reverse side?

SENDER:

- Complete items 1 and/or 2 for additional services.
- Complete items 3, 4a, and 4b.
- Print your name and address on the reverse of this form so that we can return this card to you.
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- Write "Return Receipt Requested" on the mailpiece below the article number.
- The Return Receipt will show to whom the article was delivered and the date delivered.

I also wish to receive the following services (for an extra fee):

1. Addressee's Address

2. Restricted Delivery

Consult postmaster for fee.

3. Article Addressed to:

Chevron USA, Inc.
P.O. Box 1130
Midland, TX 79702
ATTN: Land Department

4a. Article Number
Z 260 316 331

4b. Service Type

Registered Certified

Express Mail Insured

Return Receipt for Merchandise COD

7. Date of Delivery
AUG 09 1999

5. Received By: (Print Name)

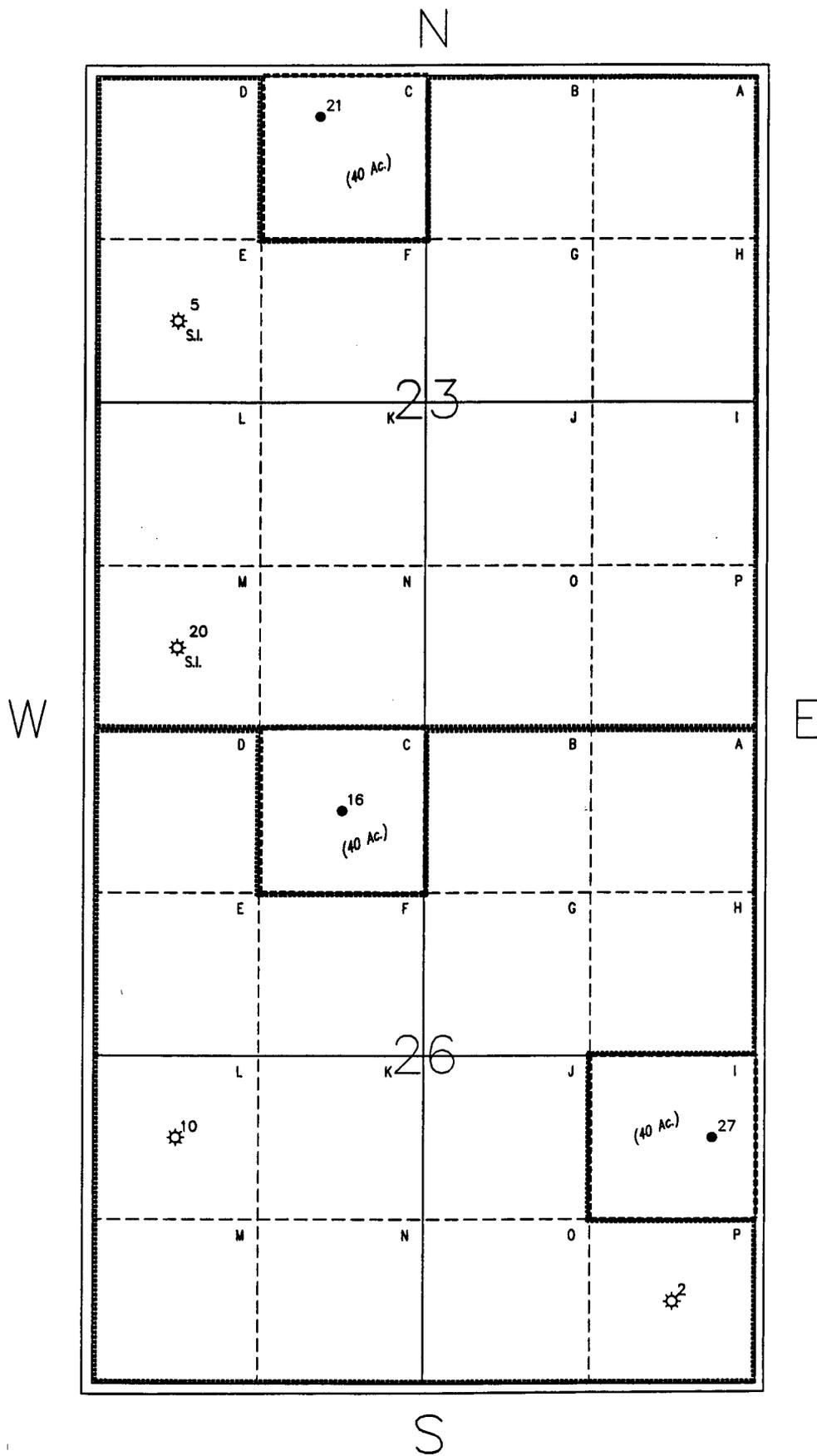
8. Addressee's Address (Only if requested and fee is paid)

6. Signature: (Addressee or Agent)
X [Signature]

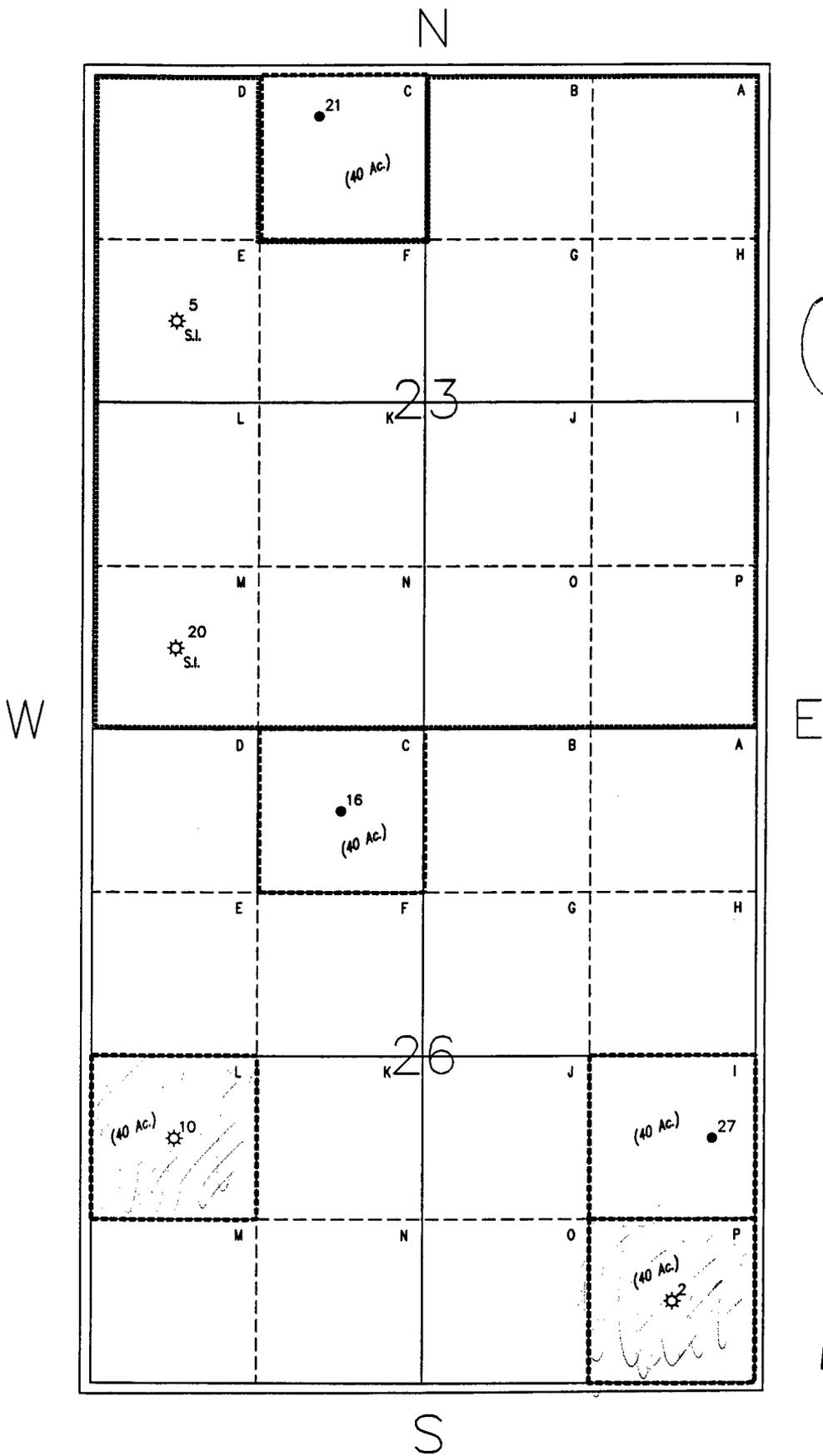
Thank you for using Return Receipt Service.

Offset Operators - New Mexico State "G" Lease
 Sections 23 and 26, T-21-S, R-36-E, Lea County, New Mexico

	15	14	13	
Conoco	Conoco	Chevron	Conoco	
	22	23	24	
Chevron	EXXON	EXXON	Chevron	
	27	26	25	
Chevron	EXXON	Chevron	Arco	
	34	35	36	
Chevron	Chevron	Chevron	Chevron	



Current New Mexico "G" State Lease
Lease Proration Status



Proposed New Mexico "G" State Lease
Lease Proration Status

**New Mexico "G" State Lease
Lea County, New Mexico
Section 23 and 26
Details**

Approval Date	Adm. Order # or Case #	Well(s) No.(s)	Detailed Description
January 30, 1990	NSP-1592	2	Authorized an 80-acre non-standard gas spacing and proration unit comprised of the SE/2 SE/4 of Section 26 for Well 2.
February 1, 1990	NSP-1594	20	Authorized a 40-acre non-standard gas spacing and proration unit comprised of SW/4 SW/4 of Section 23 for Well 20.
May 11, 1994	NSP-1593-A(SD)	6 10	Authorized a 160-acre non-standard gas spacing and proration unit comprised of SW/4, Section 26. Simultaneously dedicated Wells 6 and 10.
May 11, 1994	NSP-1690 (SD)(L)	5 9 20	Authorized a 600-acre non-standard gas spacing and proration unit comprised of NE/4, W/2 NW/4, SE/4 NW/4, and S/2 of Section 23. Simultaneously dedicated Wells 5, 9 and 20. Placed NSP-1594 in abeyance.
May 11, 1994	NSP-1691(SD)(L)	4 11 16	Authorized a 320-acre non-standard gas spacing and proration unit comprised of the N/2 of Section 26. Simultaneously dedicated Wells 4, 11 and 16.
July 26, 1994	NSP-1701(SD)(L)	2 4 6 10 11 16	Authorized the omission of the 40-acres comprising NE/4 NW/4 of Section 26. Simultaneously dedicated to the 600-acre non-standard gas spacing and proration unit, wells 2, 4, 6, 10, 11 and 16. Placed NSP-1592, NSP 1593-A(SD) and NSP-1691 (SD) in abeyance.
November 25, 1996	NSP-1701-A(L)(SD)	2 10 11	Authorized the omission of the 40-acres comprising the NW/4 NW/4 of Section 26, thereby creating a 560 acre non-standard gas spacing and proration unit comprised of NE/4, W/2 NW/4, SE/4 NW/4, SW/4, W/2 SE/4 and SE/4 SE4 and dedicated to Well Nos. 2, 10 and 11.

STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION

E
B

GARREY CARRUTHERS
GOVERNOR

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

January 30, 1990

Exxon Company, USA
P.O. Box 1600
Midland, TX 79702-1600

Attention: Charlotte Harper

Administrative Order NSP-1592

Dear Ms. Harper:

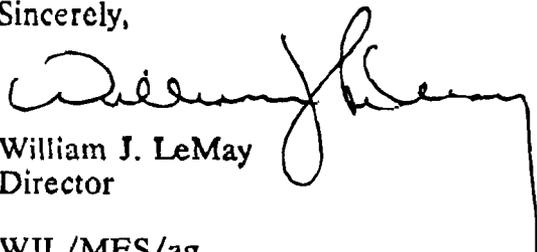
Reference is made to your application of September 11, 1989 for an 80-acre non-standard gas proration unit consisting of the following acreage in the Eumont Gas Pool:

LEA COUNTY, NEW MEXICO
TOWNSHIP 21 SOUTH, RANGE 36 EAST, NMPM
Section 26: S/2 SE/4

It is my understanding that this unit is to be dedicated to your existing New Mexico "G" State Well No. 2 located at a standard gas well location 660 feet from the South and East lines (Unit P) of said Section 26.

By authority granted me under the provisions of Rule 2(a)4 of the Special Rules and Regulations for the Eumont Gas Pool, as promulgated by Division Order No. R-8170, as amended, the above non-standard gas proration unit is hereby approved.

Sincerely,


William J. LeMay
Director

WJL/MES/ag

cc: Oil Conservation Division - Hobbs
NM Oil and Gas Engineering Committee - Hobbs
NM State Land Office - Santa Fe



STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION

GARREY CARRUTHERS
GOVERNOR

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

February 1, 1990

Exxon Company, USA
P.O. Box 1600
Midland, TX 79702-1600

Attention: Charlotte Harper

Administrative Order NSP-1594

Dear Ms. Harper:

Reference is made to your application of September 11, 1989 for a 40-acre non-standard gas proration unit consisting of the following acreage in the Eumont Gas Pool:

LEA COUNTY, NEW MEXICO
TOWNSHIP 21 SOUTH, RANGE 36 EAST, NMPM
Section 23: SW/4 SW/4

It is my understanding that this unit is to be dedicated to your existing New Mexico "G" State Well No. 20 located at a standard gas well location 660 feet from the South and West lines (Unit M) of said Section 23.

By authority granted me under the provisions of Rule 2(a)4 of the Special Rules and Regulations for the Eumont Gas Pool, as promulgated by Division Order No. R-8170, as amended, the above non-standard gas proration unit is hereby approved.

Sincerely,

William J. LeMay
Director

WJL/MES/ag

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



STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION



MAY 2 1994

BRUCE KING
GOVERNOR

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

ANITA LOCKWOOD
CABINET SECRETARY

May 11, 1994

N.M. "G" ST.
#1's G & 10

Exxon Corporation
P.O. Box 1600
Midland, TX 79702-1600

Attention: Alex M. Correa

Administrative Order NSP-1593-A(SD)

Dear Mr. Correa:

Reference is made to your application April 7, 1994 for a 160-acre non-standard gas spacing and proration unit consisting of the following acreage in the Eumont Gas Pool:

LEA COUNTY, NEW MEXICO
TOWNSHIP 21 SOUTH, RANGE 36 EAST, NMPM
Section 26: SW/4

It is our understanding that this unit is to be simultaneously dedicated to your existing New Mexico "G" State Well No. 6 located at a standard gas well location 660 feet from the South and West lines (Unit M) of said Section 26 and to your existing New Mexico "G" State Well No. 10 located at a standard gas well location 1980 feet from the South line and 660 feet from the West line (Unit L) of said Section 26.

By authority granted me under the provisions of Rule 2(a)4 of the Special Rules and Regulations for the Eumont Gas Pool, as promulgated by Division Order No. R-8170, as amended, you are hereby authorized to operate the above-described acreage as a non-standard gas proration unit, with allowable to be assigned thereto in accordance with Rules 5 and 8 of said pool rules based upon the unit size of 160-acres.

Administrative Order NSL-1593-A(SD)

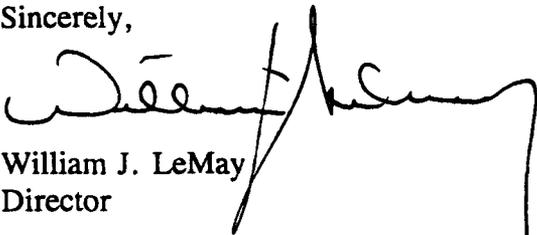
Exxon Corporation

May 11, 1994

Page 2

Further, the provisions of Division Administrative Order NSP-1593, dated January 30, 1990, which authorized a 120-acre non-standard gas proration unit in the Eumont Gas Pool comprising the NE/4 SW/4 and S/2 SW/4 of said Section 26 and had dedicated thereon the New Mexico "G" State Well No. 6 is hereby placed in abeyance until further notice.

Sincerely,



William J. LeMay
Director

WJL/MES/amg

cc: Oil Conservation Division - Hobbs
NM State Land Office - Santa Fe
File: NSP-1593



STATE OF NEW MEXICO
 ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
 OIL CONSERVATION DIVISION



BRUCE KING
 GOVERNOR

MAY 2 1994

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

ANITA LOCKWOOD
 CABINET SECRETARY

May 11, 1994

Exxon Corporation
 P.O. Box 1600
 Midland, TX 79702-1600

Attention: Alex M. Correa

Administrative Order NSP-1690(SD)(L)

Dear Mr. Correa:

Reference is made to your application dated April 7, 1994 for a 600-acre non-standard gas spacing and proration unit (GPU) consisting of the following acreage in the Eumont Pool:

LEA COUNTY, NEW MEXICO
TOWNSHIP 21 SOUTH, RANGE 36 EAST, NMPM
 Section 23: NE/4, W/2 NW/4, SE/4 NW/4, and S/2

It is my understanding that this unit is to be simultaneously dedicated to the following three existing wells on the New Mexico "G" State Lease.

<i>Well No.</i>	<i>Description</i>	<i>Unit</i>	<i>Location</i>
5	1980' FNL - 660' FWL	E	Non-standard
9	1980' FN & EL	G	Non-standard
20	660' FS & WL	M	Non-standard

By authority granted me under the provisions of Rule 2(a)4 and 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 non-standard gas spacing and proration unit and resulting unorthodox gas well locations are hereby approved. Also, you are hereby permitted to produce the allowable assigned the subject GPU from all wells in any proportion.

Administrative Order NSP-1690(SD)(L)

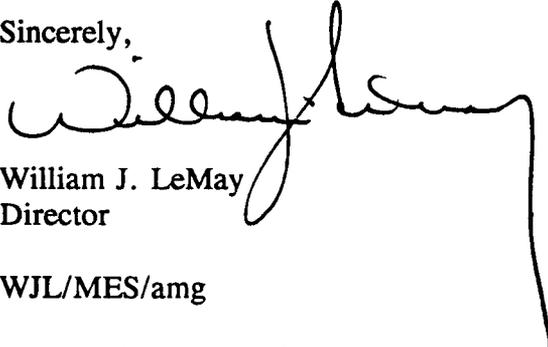
Exxon Corporation

May 11, 1994

Page 2

Further, Division Administrative Order NSP-1594, dated February 1, 1990, which authorized a 40-acre non-standard gas spacing and proration unit in the Eumont Gas Pool comprising the SW/4 SW/4 of said Section 23 and had dedicated thereon the New Mexico "G" State Well No. 20 is hereby placed in abeyance until further notice.

Sincerely,



William J. LeMay
Director

WJL/MES/amg

cc: Oil Conservation Division - Hobbs
NM State Land Office - Santa Fe
File: NSP-1594



STATE OF NEW MEXICO
 ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
 OIL CONSERVATION DIVISION



BRUCE KING
 GOVERNOR

ANITA LOCKWOOD
 CABINET SECRETARY

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

MAY 11 1994

May 11, 1994

Exxon Corporation
 P.O. Box 1600
 Midland, TX 79702-1600

Attention: Alex M. Correa

Administrative Order NSP-1691(SD)(L)

Dear Mr. Correa:

Reference is made to your application dated April 7, 1994 for a 320-acre non-standard gas spacing and proration unit (GPU) consisting of the following acreage in the Eumont Pool:

LEA COUNTY, NEW MEXICO
TOWNSHIP 21 SOUTH, RANGE 36 EAST, NMPM
 Section 26: N/2

It is my understanding that this unit is to be simultaneously dedicated to the following three existing wells on the New Mexico "G" State Lease.

<i>Well No.</i>	<i>Description</i>	<i>Unit</i>	<i>Location</i>
4	1980' FN & EL	G	Standard
11	1980' FNL & 785' FWL	E	Non-standard
16	660' FNL & 1980' FWL	C	Standard

Administrative Order NSP-1691(SD)(L)

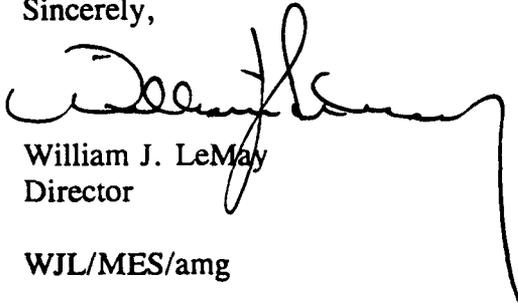
Exxon Corporation

May 11, 1994

Page 2

By authority granted me under the provisions of Rule 2(a)4 and 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 non-standard gas spacing and proration unit and resulting unorthodox gas well location are hereby approved. Also, you are hereby permitted to produce the allowable assigned the subject GPU from all wells in any proportion.

Sincerely,



William J. LeMay
Director

WJL/MES/amg

cc: Oil Conservation Division - Hobbs
NM State Land Office - Santa Fe
File: NSP-1594



STATE OF NEW MEXICO
 ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION



BRUCE KING
 GOVERNOR

ANITA LOCKWOOD
 CABINET SECRETARY

N. M. G. St. #'s 2, 6, 10, 11, 16.

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

July 26, 1994

AUG 1994

Exxon Company, USA
 P.O. Box 1600
 Midland, TX 79702-1600

Attention: Alex M. Correa

Administrative Order NSP-1701(SD)(L)

Dear Mr. Correa:

Reference is made to your application dated June 20, 1994 to redesignate acreage by consolidating three existing non-standard Eumont gas spacing and proration units (GPU) in order to form a single 600-acre GPU to comprise the N/2, SW/4, W/2 SE/4 AND SE/4 SE/4 of Section 26, Township 21 south, Range 36 East, NMPM, Lea County, New Mexico.

By Division Administrative Order NSP-1592, dated January 30, 1990, an 80-acre GPU, comprising the S/2 SE/4 of said Section 26, was authorized for the New Mexico "G" State Well No. 2 located 660 feet from the South and East lines (Unit P) of said Section 26.

By Division Administrative Order NSP-1593-A(SD), dated May 11, 1994, a 160-acre GPU, comprising the SW/4 of said Section 26 was formed and is currently simultaneously dedicated to the New Mexico "G" State Well No. 6, located 660 feet from the South and West lines (Unit M) of said Section 26 and to the New Mexico "G" State Well No. 10 located 1980 feet from the South line and 660 feet from the West line (Unit L) of said Section 26.

Similarly, Division Administrative Order NSP-1691(SD)(L), dated May 11, 1994, authorized a 320-acre GPU, comprising the N/2 of said Section 26, for the following three New Mexico "G" State Lease wells in said Section 26:

<i>Well No.</i>	<i>Description</i>	<i>Unit</i>	<i>Location</i>
4	1980' FN & EL	G	Standard
11	1980' FNL & 785' FWL	E	Non-standard
16	660' FNL & 1980' FWL	C	Standard

Administrative Order NSP-1701(SD)(L)

Exxon Corporation

July 26, 1994

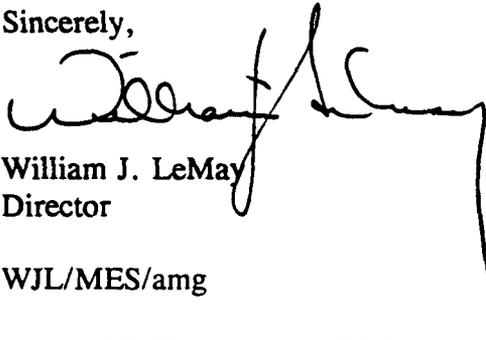
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It is our understanding at this time that all six of the aforementioned wells are to be simultaneously dedicated to the proposed 600-acre non-standard gas spacing and proration unit. Said application has been reviewed and the required twenty-day suspense period has lapsed with no objection from any offset operator.

By authority granted me under the provisions of Rule 2(a)4 and 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 600-acre non-standard gas spacing and proration unit and resulting unorthodox gas well locations for the New Mexico "G State Well Nos. 2, 6, 10, 11, and 16 are hereby approved. 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 600 acres, from all wells in any proportion.

Further, Division Administrative Orders NSP-1592, NSP-1593-A(SD) and NSP-1691(SD) shall be placed in abeyance until further notice.

Sincerely,



William J. LeMay
Director

WJL/MES/amg

cc: Oil Conservation Division - Hobbs
NM State Land Office - Santa Fe
File: NSP-1592
NSP-1593
NSP-1593-A(SD)
NSP-1691(SD)(L)