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ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION



BRUCE KING
MAY 19 1994
MIDLAND, TEXAS

September 8, 1994

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

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

Attention: Alex M. Correa

Administrative Order NSP-1688-B(SD)(L)

Dear Mr. Correa:

Reference is made to your application dated August 16, 1994 to essentially reinstate a previously approved non-standard 320-acre gas spacing and proration unit in the Eumont Gas Pool ("GPU") comprising the S/2 of Section 29, Township 21 South, Range 36 East, NMPM, Lea County, New Mexico.

By Division Order No. R-854, dated August 10, 1956, said 320-acre GPU, comprising the S/2 of said Section 29, was initially established and had dedicated thereon the Eumont Gas Com "2" Well No. 1 (API No. 30-025-04823), located at a standard gas well location 1980 feet from the South line and 660 feet from the East line (Unit I) of said Section 29.

By Division Administrative Order NSP-1688, dated April 4, 1994, the aforementioned 320-acre GPU was reduced to a 160-acre non-standard gas spacing and proration unit, comprising the N/2 S/2 of said Section 29 in which said Eumont Gas Com "2" Well No. 1 and the Eumont Gas Com "2" Well No. 2 (API No. 30-025-04825), located at a standard gas well location 1980 feet from the South and West lines (Unit K) of said Section 29, were simultaneously dedicated.

By Division Administrative Order NSP-1688-A(SD)(L), dated June 14, 1994, this 160-acre GPU was expanded to include an additional 40 acres thereby creating a 200-acre non-standard Eumont gas spacing and proration unit comprising the N/2 SW/4, SE/4 SW/4, and N/2 SE/4 of said Section 29. Said Order NSP-1688-A(SD)(L) also approved for the simultaneous dedication of a third well to this 200-acre GPU, the Eumont Gas Com "2" Well No. 3 (API No. 30-025-04825), located at an unorthodox gas well location 660 feet from South line and 1980 feet from the West line (Unit N) of said Section 29.

It is our understanding at this time that the following described three additional wells are to be included in the proposed 320-acre GPU, which are all currently completed in the lower oil producing Queen interval; however, upon issuance of this order all three wells will be plugged back and re-completed up hole into the Eumont Gas Pool:

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<i>Current New Mexico "B" State Well No.</i>	<i>Proposed Eumont Gas Com "2" Well No.</i>	<i>Footage Location</i>	<i>Unit Letter</i>	<i>API No.</i>
6	6	660' FSL - 1980' FEL	O	30-025-04822
8	4	660' FS & EL	P	30-025-04824
11	5	660' FSL - 990' FWL	M	30-025-04827

It is also our understanding that all six of the aforementioned wells are to be simultaneously dedicated to the proposed 320-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 320-acre non-standard gas spacing and proration unit and resulting unorthodox gas well locations for the Eumont Gas Com "2" Well Nos. 1 and 4 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 320 acres, from all six wells in any proportion.

Further, Division Administrative Orders NSP-1688 and NSP-1688-A(SD)(L) shall be placed in abeyance until further notice.

Sincerely,



WJL

William J. LeMay
Director

WJL/MES/amg

cc: Oil Conservation Division - Hobbs
NM State Land Office - Santa Fe
File: NSP-1688(SD)(L)