



STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

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

November 25, 1996

Hinkle, Cox, Eaton, Coffield & Hensley P.L.L.C.
Attn: James Bruce
P. O. Box 2068
Santa Fe, New Mexico 87504-2068

Exxon Corporation
Attn: Alex Correa
P. O. Box 1600
Midland, Texas 79702-1600

Administrative Order NSP-1701-A(L)(SD)

Gentlemen:

Reference is made to Exxon Corporation's application by letter from Mr. Alex Correa dated October 11, 1996 and by letter from Mr. James Bruce dated November 15, 1996 to reduce the acreage of the existing 600-acre non-standard gas spacing and proration unit ("GPU") in the Eumont Gas Pool comprising 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, which was approved by Division Administrative Order NSP-1701(SD)(L), dated July 26, 1994, by omitting the 40 acres comprising the NE/4 NW/4 (Unit C) of said Section 26 from said GPU. Said Order NSP-1701(SD)(L) further authorized the simultaneous dedication of the 600-acre unit to the following New Mexico "G" State lease wells:

<i>Well No.</i>	<i>API Number</i>	<i>Description</i>	<i>Unit</i>	<i>Location</i>
2	30-025-04779	660' FS & EL	P	Non-Standard
4	30-025-04781	1980' FN & EL	G	Standard
6	30-025-04782	660' FS & WL	M	Non-Standard
10	30-025-04785	1980' FSL & 660' FWL	L	Non-Standard
11	30-025-04786	1980' FNL & 785' FWL	E	Non-Standard
16	30-025-04791	660' FNL & 1980' FWL	C	Non-Standard

Administrative Order NSP-1701-A(L)(SD)

Exxon Corporation

November 25, 1996

Page 2

It is our understanding that such reduction of acreage is necessary due to the re-classification of the New Mexico "G" State Well No. 16 in Unit "C" as a Eumont oil completion.

The Division further understands that the Eumont zone within the New Mexico "G" State Well Nos. 4 and 6 are currently abandoned and are to be withdrawn from consideration for any Eumont GPU's in said Section 26.

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 Eumont Gas Pool*", as promulgated by Division Order No. R-8170, as amended, the following described 560-acre non-standard gas spacing and proration unit is hereby approved:

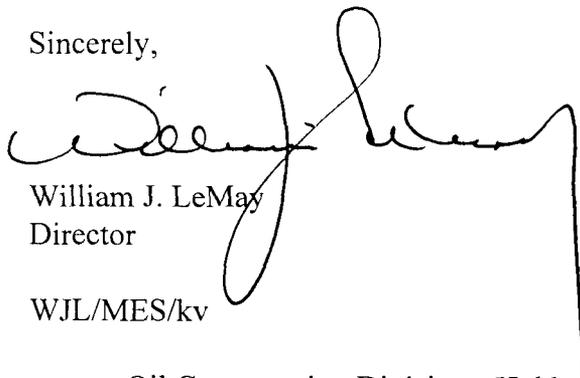
LEA COUNTY, NEW MEXICO

TOWNSHIP 21 SOUTH, RANGE 36 EAST, NMPM

Section 26: NE/4, W/2 NW/4, SE/4 NW/4, SW/4, W/2 SE/4, and SE/4 SE/4

Authorization for the remaining New Mexico "G" State Well Nos. 2, 10, and 11, as unorthodox gas well location in the Eumont Gas Pool approved by said Order NSP-1701(SD)(L), are hereby continued under the provisions of this order; however, all other provisions of said order shall be placed in abeyance until further notice. Also, Exxon is hereby permitted to produce the allowable assigned the subject 560-acre GPU, in accordance with Rule 5 of said special pool rules based upon a unit size of 560 acres, from all three wells in any proportion.

Sincerely,



William J. LeMay
Director

WJL/MES/kv

cc: Oil Conservation Division - Hobbs
New Mexico State Land Office - Santa Fe
File: NSP-1592
NSP-1593
NSP-1593-A(SD)
NSP-1691(SD)(L) /
NSP-1701(SD)(L)