

**HINKLE, COX, EATON, COFFIELD & HENSLEY,
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*NOT LICENSED IN NEW MEXICO

November 15, 1996

VIA HAND DELIVERY

Michael E. Stogner
New Mexico Oil Conservation Division
2040 South Pacheco Street
Santa Fe, New Mexico 87505

Re: Administrative application of Exxon Corporation for simultaneous dedication and a non-standard 560-acre gas spacing and proration unit; New Mexico "G" State Well Nos. 2, 10, and 11, located in Units "P", "L", and "E", respectively, of Section 26, Township 21 South, Range 36 East, NMPM, Eumont Gas Pool, Lea County, New Mexico.

Dear Mr. Stogner:

Exxon Corporation requested me to respond to your letter of November 1, 1996.

Regarding the three issues raised in your letter, Exxon's response is as follows:

- (i) The NE $\frac{1}{4}$ NW $\frac{1}{4}$ of Section 26 is being deleted from the 600-acre unit approved by Administrative Order NSP-1701(SD)(L) because the New Mexico State "G" Well No. 16, located thereon, became an Eumont oil well. As a result, Exxon has filed Forms C-103 and C-102, copies of which are attached as Exhibit A, designating a standard 40-acre Eumont oil well unit for Well No. 16.

POST OFFICE BOX 10
ROSWELL, NEW MEXICO 88202
(505) 622-6510
FAX (505) 623-9332

POST OFFICE BOX 3580
MIDLAND, TEXAS 79702
(915) 683-4691
FAX (915) 683-6518

POST OFFICE BOX 9238
AMARILLO, TEXAS 79105
(806) 372-5569
FAX (806) 372-9761

POST OFFICE BOX 2043
ALBUQUERQUE, NEW MEXICO 87103
(505) 768-1500
FAX (505) 768-1529

401 W. 15TH STREET, SUITE 800
AUSTIN, TEXAS 78701
(512) 476-7137
FAX (512) 476-5431

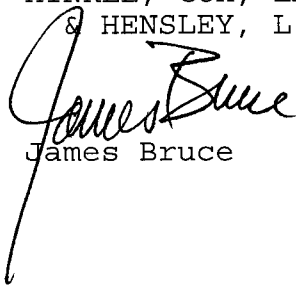
Michael E. Stogner
November 15, 1996
Page 2

- (ii) Exxon requests that Well Nos. 4 and 6 be deleted from the current order, NSP-1701(SD)(L), for the following reasons: (a) Well No. 6, which had been a producing Eumont gas well, has recently been plugged and abandoned; and (b) Well No. 4 had been plugged and abandoned. Exxon had intended to re-enter the well and produce it as a gas well. However, due to a change in plans, the well will remain plugged and abandoned.
- (iii) A draft administrative order is attached as Exhibit B, together with a disk containing the order.

Please call me if you need anything further in this matter.
Thank you.

Very truly yours,

HINKLE, COX, EATON, COFFIELD
& HENSLEY, L.L.P.



James Bruce

JB/bc

cc: William T. Duncan, Jr.

AMC

Submit 3 Copies
to Appropriate
District Office

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-103
Revised 1-1-89

DISTRICT I
P.O. Box 1980, Hobbs, NM 88240

DISTRICT II
P.O. Drawer DD, Artesia, NM 88210

DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

OIL CONSERVATION DIVISION
P O. Box 2088
Santa Fe, New Mexico 87504-2088

WELL APT NO. 3002504791	
5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> X FEE <input type="checkbox"/>	
6. State Oil & Gas Lease No. B-935	
7. Lease Name or Unit Agreement Name NEW MEXICO & STATE	
8. Well No. 16	
9. Pool name or Wildcat EUMONT YATES 7 RIVERS QUEEN	

SUNDRY NOTICES AND REPORTS ON WELLS (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)	
1. Type of Well: OIL WELL <input checked="" type="checkbox"/> X GAS <input type="checkbox"/> WELL <input type="checkbox"/> OTHER <input type="checkbox"/>	
2. Name of Operator EXXON CORPORATION	
3. Address of Operator ATTN: REGULATORY AFFAIRS MLW14 P. O. BOX 1600 MIDLAND, TX 79702	
4. Well Location Unit Letter C : 660 Feet From The NORTH Line and 1980 Feet From The WEST Line Section 26 Township 21S Range 36E NMPM LEA County 10. Elevation (Show whether DF, RKB, RT, GR, etc.) 3566' DF	

Check Appropriate Box to Indicate Nature of Notice, Report, or Other Data

NOTICE OF INTENTION TO:

PERFORM REMEDIAL WORK ☐ PLUG AND ABANDON ☐
 TEMPORARILY ABANDON ☐ CHANGE PLANS ☐
 PULL OR ALTER CASING ☐
 OTHER: ☐

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐
 COMMENCE DRILLING OPNS. ☐ PLUG & ABANDONMENT ☐
 CASING TEST AND CEMENT JOB ☐
 OTHER: **REDUCE PRORATION UNIT TO 40 AC** ☒ **X**

12. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work) SEE RULE 1103.

THIS WELL IS NOW AN OIL WELL IN THE EUMONT YATES 7 RIVERS QUEEN OIL POOL. NSP-1701 (SD) (L), DATED 07/26/94, ESTABLISHED A 600 AC. GAS PRORATION UNIT THAT INCLUDED THIS WELL. AS AN OIL WELL, A 40 AC. OIL PRORATION UNIT IS REQUESTED.

C-102 IS ATTACHED.

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

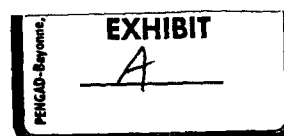
SIGNATURE *Alex M. Correa* TITLE Sr. Regulatory Specialist DATE 09/27/96

TYPE OR PRINT NAME Alex M. Correa (915) 688-6782 TELEPHONE NO.

(This space for State Use)

APPROVED BY _____ TITLE _____ DATE _____

CONDITIONS OF APPROVAL, IF ANY:



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

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

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

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

State of New Mexico
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION
PO Box 2088
Santa Fe, NM 87504-2088

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

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 3002504791	Pool Code 22800	Pool Name EUMONT; YATES-7 RVRS-QUEEN (OIL)
Property Code 004194	Property Name NEW MEXICO "G" STATE	Well Number 16
OCRID No. 007673	Operator Name Exxon Corp.	Elevation 3566 DF

Surface Location

UL or lot no.	Section	Township	Range	Lot 1/4	Feet from the	North/South line	Feet from the	East/West line	County
C	26	21S	36E		660	NORTH	1980	WEST	LEA

Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot 1/4	Feet from the	North/South line	Feet from the	East/West line	County

Dedicated Acres 40	Joint or Infill	Consolidation Code	Order No.
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NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED
OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

	<p>OPERATOR CERTIFICATION</p> <p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</p> <p><i>C. H. Harper</i></p> <p>Signature _____</p> <p>C.H. Harper</p> <p>Printed Name _____</p> <p>Permits Supervisor</p> <p>Title _____</p> <p>9-27-96</p> <p>Date _____</p>	
	<p>SURVEYOR CERTIFICATION</p> <p>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.</p> <p>Date of Survey _____</p> <p>Signature and Seal of Professional Surveyor _____</p> <p>Certificate Number _____</p>	

Distance to nearest town 6 Miles West of Eunice, New Mexico.	Drawn By S.R. Patterson	Date 9/23/96	Drawing File Name File No.: A-0803
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November _____, 1996

Exxon Corporation
Post Office Box 1600
Midland, Texas 79702-1600

Attention: Alex M. Correa

Re: Administrative Order NSP-_____ (SD) (L)

Dear Mr. Correa:

Reference is made to your application dated _____, 1996 for a 560-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: NE $\frac{1}{4}$, NW $\frac{1}{4}$ NW $\frac{1}{4}$, S $\frac{1}{2}$ NW $\frac{1}{4}$, SW $\frac{1}{4}$, NW $\frac{1}{4}$ SE $\frac{1}{4}$, S $\frac{1}{2}$ SE $\frac{1}{4}$

It is my understanding that this unit is to be simultaneously dedicated to your New Mexico "G" State Well Nos. 2, 10, and 11, located at non-standard gas well locations in Units P, L, and E, respectively, of said Section 26.

By authority granted me under the provisions of Rule 2 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 spacing and proration unit, with an allowable to be assigned thereto in accordance with Rule 5 of said pool rules based upon the unit size of 560 acres.

Further, Division Administrative Order NSP-1701(SD) (L), dated July 26, 1994, which authorized a 600-acre non-standard Eumont gas proration unit for the aforementioned wells, comprising all of said Section 26 except for the NE $\frac{1}{4}$ SE $\frac{1}{4}$, is hereby superseded by this order.

Sincerely,

William J. LeMay
Director

cc: Oil Conservation Division - Hobbs
New Mexico State Land Office - Santa Fe
File: NSP-1701

