

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 Galisteo
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

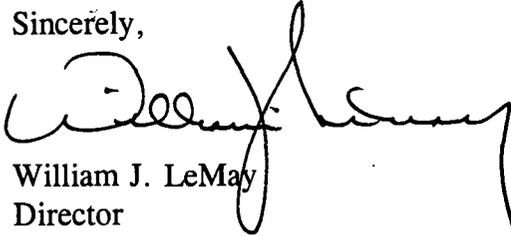
2040 South Pacheco
Office of the Secretary
827-5950
Administrative Services
827-5925
Energy Conservation & Management
827-5900
Mining and Minerals
827-5970
Oil Conservation
827-7131

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

Further, 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 and 11, located at unorthodox gas well locations for the subject 79.77-acre unit are hereby approved. Chevron is authorized to simultaneously dedicate Blinebry 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