



STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

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

February 6, 1996

Mewbourne Oil Company
500 West Texas - Suite 1020
Midland, Texas 79701
Attn: Steve Cobb

Amoco Production Company
Permian Basin Business Unit
P. O. Box 4891
Houston, Texas 77210
Attn: Jerry D. West

Division Administrative Order NSP-1750(SD)

Dear Messrs. Cobb and West

Reference is made to Mewbourne Oil Company's ("Mewbourne") application dated June 23, 1995 and the applications dated January 9, 11, and 31, 1996 from Amoco Production Company ("Amoco"), to divide the existing 360-acre non-standard gas spacing and proration unit ("GPU") in the Eumont Gas Pool currently operated by Amoco and comprising the S/2 NE/4, SE/4 NW/4, E/2 SW/4, and SE/4 of Section 33, Township 20 South, Range 37 East, N.M.P.M., Lea County, New Mexico, into two separate gas spacing and proration units comprising 160 acres and 200 acres.

Said 360-acre GPU was authorized by Division Order R-657, dated July 14, 1955, and is currently simultaneously dedicated to the (1) Gillully "B" Federal R/A "A" Well No. 3 (API No. 30-025-06209), located 660 feet from the South line and 1980 feet from the West line (Unit N) of said Section 33, (2) the Gillully "B" Federal R/A "A" Well No. 15 (API No. 30-025-24911), located at a previously approved unorthodox gas well location for the subject 360-acre GPU (see Division Administrative Order R-4958, dated February 11, 1975) 1980 feet from the North line and 660 feet from the East line (Unit H) of said Section 33, and (3) the Gillully "B" Federal R/A "A" Well No. 22 (API No. 30-025-26129), located at a previously approved unorthodox gas well location for the subject 360-acre GPU (see Division Administrative Order R-4958-A, dated November 30, 1978) 2310 feet from the North line and 1980 feet from the East line (Unit F) of said Section 33.

It is our understanding at this time that:

- (1) the acreage dedication for the three aforementioned Amoco Gillully "B" Federal R/A "A" lease wells will be changed to a non-standard **200-acre** GPU comprising the S/2 NE/4, SE/4 NW/4 and E/2 SW//4 of said Section 33; and,

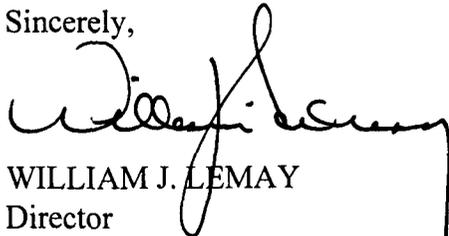
- (2) the remaining **160 acres** comprising the **SE/4** of said Section 33 is to be dedicated to Mewbourne's proposed Eumont "33" Federal Well No. 1 to be drilled at a standard gas well location 660 feet from the South and East lines (Unit P) of said Section 33.

The operator of each of the above-described units shall file, within 20-days from the date of this order a new OCD Form C-102 for each well with the Division reflecting the above-described acreage changes.

By the authority granted me under the provisions of **Rule 2(a)4** 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 two above-described non-standard gas spacing and proration units in said Section 33 are hereby approved with allowables to be assigned thereto in accordance with **Rule 5** of said pool rules based upon its respective unit size.

At this time Division Order Nos. R-657, R-4958, and R-4958-A are hereby placed in abeyance until further notice.

Sincerely,



WILLIAM J. LEMAY
Director

WJL/MES/kv

cc: Oil Conservation Division - Hobbs
U. S. Bureau of Land Management - Carlsbad