



NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION
2040 South Pacheco Street
Santa Fe, New Mexico 87505
(505) 827-7131

October 28, 1997

Chevron U.S.A. Production Company
P.O. Box 1150
Midland, TX 79702-1150
Attention: J. H. Saenz

Administrative Order NSP-1779

Dear Mr. Saenz:

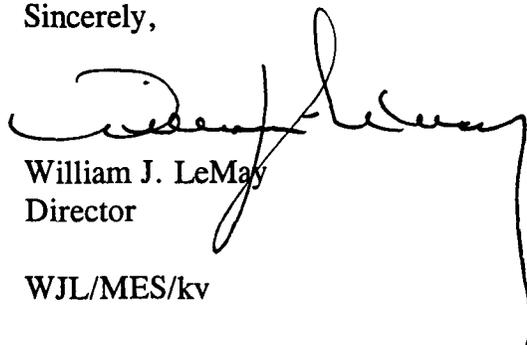
Reference is made to: (i) your application dated August 4, 1997; and, (ii) the Division's records in Santa Fe: all of which refer to Chevron's request for a 75.63-acre non-standard gas spacing and proration unit ("GPU") consisting of the following acreage in the Jalmat Gas Pool:

LEA COUNTY, NEW MEXICO
TOWNSHIP 22 SOUTH, RANGE 36 EAST, NMPM
Section 6: Lot 5 and the SE/4 NW/4.

It is my understanding that this unit is to be dedicated to the existing J. H. Day Well No. 2 (API No. 30-025-08810), located at a standard gas well location 1980 feet from the North and West lines (Unit F) of said Section 6.

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 Jalmat Gas Pool*," as promulgated by Division Order No. R-8170, as amended, you are hereby authorized to operate the above-described non-standard gas spacing and proration unit, with allowable assigned thereto in accordance with Rule 5 of said special pool rules based upon the unit size of 75.63 acres.

Sincerely,



William J. LeMay
Director

WJL/MES/kv

cc: Oil Conservation Division - Hobbs