



**NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT**

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

April 17, 2000

Chevron U.S.A., Inc.
P. O. Box 1150
Midland, Texas 79702

Attention: A. M. Howell

Re: *South Eunice-San Andres Pool development within the NE/4 of Section 10, Township 22 South, Range 37 East, NMPM, Lea County, New Mexico.*

Dear Mr. Howell:

I have reviewed your letter dated April 4, 2000 and the following records of the New Mexico Oil Conservation Division in Santa Fe ("Division"): (i) the "*Special Rules and Regulations for the South Eunice- San Andres Pool*", as promulgated by Division Order No. R-3706, as amended; (ii) Division Administrative Order NSP-876, dated April 12, 1972; and (iii) and both well records for the Eaves Well No. 1 (API No. 30-025-10163), located 660 feet from the North and East lines (Unit A) of Section 10, and Eaves Well No. 4 (API No. 30-025-10167), located 1874 feet from the North line and 554 feet from the East line (Unit H) of Section 10. I find no record of the existing non-standard stand-up 80-acre oil spacing and proration unit consisting of the E/2 NE/4 of Section 10 for the Eaves Well No. 4 mentioned in your letter, please provide me with a copy of the Division order that established this unit.

Thank you for your cooperation in this matter.

Sincerely,

Michael E. Stogner
Chief Hearing Officer/Engineer

LW/mes

cc: New Mexico Oil Conservation Division - Hobbs
Mr. Ray Vaden, Chevron U.S.A. Production Company - Midland