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NSL-HESS.1

January 10, 1995

Amerada Hess Corporation
P. O. Box 840
Seminole, Texas 79360

Attention: Randall L. Howell

Administrative Order NSL-749-A(SD)

Dear Mr. Howell:

Reference is made to your application dated November 30, 1994 for an unorthodox Eumont gas well location in an existing non-standard 440.26-acre gas spacing and proration unit (GPU) for said Eumont Gas Pool comprising Lot 3 (the NE/4 NW/4 equivalent), the S/2 NW/4, and the S/2 of Section 2, Township 20 South, Range 36 East, NMPM, Lea County, New Mexico. Said GPU was established by Division Administrative Order NSP-269, as amended.

Eumont gas production from said GPU is currently simultaneously dedicated to the State "J" Gas Com Well No. 4 (API No. 30-025-25216), located at a previously approved unorthodox gas well location (Division Administrative Order NSL-749, dated February 9, 1976) 1980 feet from the South line and 2081 feet from the West line (Unit K) of said Section 2, the State "J" Gas Com Well No. 5 (API No. 30-025-32341), located at a standard gas well location (see Division Administrative Order SD-92-5, dated November 11, 1992) 1650 feet from the South line and 990 feet from the East line (Unit I) of said Section 2, and the State "J" Gas Com Well No. 6 (API No. 30-025-32533), located at a standard gas well location 990 feet from the South and West lines (Unit M) of said Section 2.

By authority granted me under the provisions of Rule 2(c) of the Special Rules and Regulations for the Eumont Gas Pool, as promulgated by Division Order No. R-8170, as amended, the following described well to be drilled at an unorthodox Eumont gas well location is hereby approved:

*State "J" Gas Com Well No. 7
2312'FNL - 1220'FWL (Unit "E") of said Section 2*

Also, you are hereby authorized to simultaneously dedicate Eumont Gas Pool production from

the proposed State "J" Gas Com Well No. 7 with the existing State "J" Gas Com Well Nos. 4, 5, and 6. Furthermore, you are hereby permitted to produce the allowable assigned the subject GPU from all four wells in any proportion.

All provisions of said Division Administrative Orders NSP-269, NSL-749, and SD-92-5 shall remain in full force and effect until further notice.

Sincerely,

William J. LeMay
Director

WJL/MES/kv

cc: Oil Conservation Division - Hobbs
New Mexico Oil Conservation Division - Santa Fe
File: NSP-269
NSL-749
SD-92-5