



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON
Governor
Jennifer A. Salisbury
Cabinet Secretary

December 27, 2000

Lori Wrotenbery
Director
Oil Conservation Division

Chevron U.S.A., Inc.
P. O. Box 1150
Midland, Texas 79702
Attention: C. J. Affeld

Administrative Order NSL-2995-B(SD)

Dear Mr. Affeld:

Reference is made to the following: (i) your application dated December 4, 2000; and (ii) the New Mexico Oil Conservation Division's ("Division") records in Santa Fe, including the files on Division Administrative Orders NSL-1077, NSL-2995(SD), and NSL-2995-A(SD) and Division Case No. 2060: all concerning Chevron U.S.A., Inc.'s ("Chevron") requests for an unorthodox Jalmat infill gas well location within an existing non-standard 480.20-acre gas spacing and proration unit ("GPU") for the Jalmat Gas Pool comprising the following described acreage in Lea County, New Mexico:

TOWNSHIP 21 SOUTH, RANGE 36 EAST, NMPM

Section 33: SE/4
Section 34: SW/4

TOWNSHIP 22 SOUTH, RANGE 36 EAST, NMPM

Section 3: Lots 3 and 4 and S/2 NW/4.

This application has been duly filed under the provisions of: (i) Division Rule 104.F, revised by Division Order No. R-11231, issued by the New Mexico Oil Conservation Commission in Case No. 12119 on August 12, 1999; (ii) Division Rule 605; and (iii) the "*Special Rules and Regulations for the Jalmat Gas Pool*," as promulgated by Division Order No. R-8170, as amended.

This GPU was initially established by Division Order No. R-1770, issued in Case No. 2060 dated September 16, 1960, and had dedicated thereon the W. A. Ramsay (NCT-A) Com Well No. 1 (**API No. 30-025-04911**), located 330 feet from the South and West lines (Unit M) of said Section 34.

By Division Administrative Order NSL-1077, dated September 26, 1979, a second well, the W. A. Ramsay (NCT-A) Com Well No. 2 (**API No. 30-025-04894**), located at an unorthodox gas well location 1980 feet from the South line and 660 feet from the East line (Unit I) of Section 33 was approved for the subject GPU.

By Division Administrative Order NSL-2995(SD), dated March 8, 1991, an additional well, the W. A. Ramsay (NCT-A) Com Well No. 3 (**API No. 30-025-08763**), located at an unorthodox gas well location 660 feet from the North line and 1980 feet from the West line (Lot 3/Unit C) of Section 3 was also approved for the subject GPU.

The Division's most recent action within this 480.20-acre GPU was by Division Administrative Order NSL-2995-A(SD), dated November 11, 1997, which authorized the recompletion of Chevron's W. A. Ramsay (NCT-A) Com Well No. 36 (**API No. 30-025-04899**) into the Jalmat gas Pool at an unorthodox infill gas well location 660 feet from the South line and 1980 feet from the West line (Unit N) of Section 34.

The Division's records indicate that the aforementioned W. A. Ramsay (NCT-A) Com Well No. 1 was plugged and abandoned in late 1997; therefore, this well can now be omitted from the GPU.

It is our understanding that the subject well to be considered at this time is currently completed in the South Eunice-Seven Rivers-Queen Pool at standard oil well location; however, this well is to be plugged back and recompleted up-hole into the Jalmat Gas Pool upon issuance of this order. The location of this well within the Jalmat Gas Pool is considered to be unorthodox pursuant to **Rule 4 (b) 2** of the Jalmat special pool rules.

By the authority granted me under the provisions of Division Rule 104.F (2), as revised, Division Rule 605.B (2) (b), and the applicable provisions of the special pool rules governing the Jalmat Gas Pool, the following described unorthodox Jalmat gas well location is hereby approved:

**Harry Leonard (NCT-D) Well No. 10
to be renamed the W. A. Ramsay (NCT-A) Com Well No. 4
(API No. 30-025-08760)
1980' FN & WL (Unit F)
Section 3, Township 22 South, Range 36 East, NMPM.**

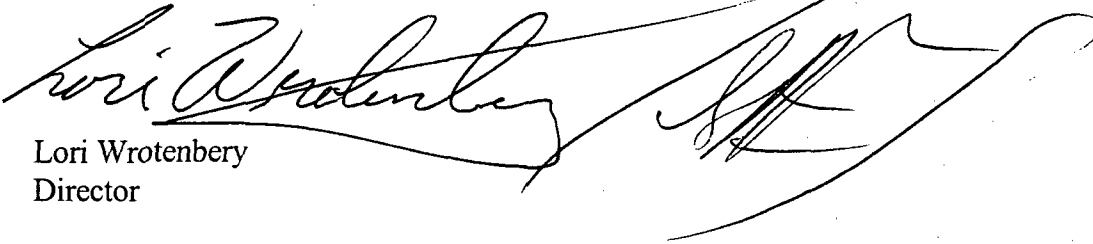
Also, Chevron is hereby authorized to simultaneously dedicate Jalmat gas production from the proposed W. A. Ramsay (NCT-A) Com Well No. 4 with the W. A. Ramsey (NCT-A) Com Wells No. 2, 3, and 36. Furthermore, Chevron is hereby permitted to produce the allowable assigned the subject 480.20-acre GPU from all four of the above-described wells in any proportion

All provisions applicable to the subject GPU in Division Order No. R-1770 and Division Administrative Orders NSL-1077, NSL-2995(SD), and NSL-2995-A(SD) shall remain in full force and affect until further notice.

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Jurisdiction of this matter shall be further retained for the entry of any such subsequent orders, as the Division may deem necessary.

Sincerely,

A large, stylized handwritten signature in black ink, appearing to read "Lori Wrotenbery". The signature is written over a horizontal line and extends to the right with a long, sweeping flourish.

Lori Wrotenbery
Director

LW/MES/kv

cc: New Mexico Oil Conservation Division - Hobbs
New Mexico State Land Office - Santa Fe
File: NSL-1077
NSL-2995 (SD)
NSL-2995-A (SD)