



STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

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

March 23, 1995

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

Attention: Brian Huzzey

Administrative Order NSL-3505

Dear Mr. Huzzey:

Reference is made to your application dated March 1, 1995 for a non-standard Wolfcamp gas well location for your existing Marquardt Federal Well No. 1 (API No. 30-015-22674), which was drilled in 1978 and completed in the White City-Pennsylvanian Gas Pool at a standard gas well location (pursuant to the Special Rules and Regulations for the White City-Pennsylvanian Gas Pool, as promulgated by Division Order No. R-2429-A, as amended) 1650 feet from the North and West lines (Unit F) of Section 1, Township 25 South, Range 26 East, NMPM, Eddy County, New Mexico.

It is our understanding that the well will be dually completed in both the White City-Pennsylvanian Gas Pool and Wolfcamp formation, and pursuant to Division General Rule 104.B(1)(a) said location is considered to be unorthodox in the Wolfcamp interval.

By authority granted me under the provisions of Division General Rule 104.F(1), the above-described unorthodox Wolfcamp gas well location is hereby approved. Further, Lots 1 through 4 and the S/2 N/2 (N/2 equivalent) of said Section 1 shall be dedicated to said well forming a standard 320.48-acre gas spacing and proration unit for Wolfcamp gas production.

Sincerely,

A handwritten signature in black ink, appearing to read "William J. LeMay", written over the typed name and title.

William J. LeMay
Director

WJL/MES/kv

cc: Oil Conservation Division - Artesia
Bureau of Land Management - Carlsbad