STATE OF NEW MEXICO



ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

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

July 31, 1995

OXY USA, Inc. Box 50250 Midland, Texas 79710

Attention: Richard E. Foppiano

Administrative Order NSL-3554(SD)

Dear Mr. Foppiano:

Reference is made to your application dated June 16, 1995 for an unorthodox Eumont gas well location in an existing non-standard 157.28-acre gas spacing and proration unit ("GPU") for said Eumont Gas Pool comprising Lots 3 and 4 and the E/2 SW/4 (SW/4 equivalent) of Section 30, Township 19 South, Range 37 East, NMPM, Lea County, New Mexico. Said GPU was authorized by Division Administrative Order NSP-224, dated January 21, 1956, and had dedicated thereon the State "E" Well No. 5 (API No. 30-025-05743), located 1020 feet from the South line and 1504 feet from the West line (Unit N) of said Section 30.

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 the following unorthodox Eumont gas well location is hereby approved:

State "E" Well No. 6 2145'FSL - 495'FWL (Lot 3/Unit L) of said Section 30 API No. 30-025-32722

Also, you are hereby authorized to simultaneously dedicate Eumont Gas production from the State "E" Well No. 5 with the proposed State "E" Well No. 6. Furthermore, you are hereby permitted to produce the allowable assigned the subject GPU from both wells in any proportion.

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All provisions of said Division Administrative Order NSP-224 shall remain in full force and effect until further notice.

Sincerely,

William J. LeMa

Director

WJL/MES

cc: Oil Conservation Division - Nobbs

New Mexico State Land Office - Santa Fe

File: NSP-224