



STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION

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

October 17, 1996

Chevron U.S.A. Production Company
P.O. Box 1150
Midland, Texas 79702
Attention: Craig Wright

Administrative Order SD-96-14

Dear Mr. Wright:

Reference is made to your application dated September 10, 1996. Chevron U.S.A. Inc. is hereby authorized to simultaneously dedicate Indian Basin-Upper Pennsylvanian Gas Pool production to the established 640-acre standard gas spacing and proration unit ("GPU") comprising all of Section 10, Township 22 South, Range 23 East, NMPM, Eddy County, New Mexico, from the existing Bogle Flats Unit Well No. 4 (**API No. 30-015-10576**) located at a standard gas well location 2100 feet from the North line and 1650 feet from the West line (Unit F) of said Section 10 and to your proposed Bogle Flats Unit Well No. 16 to be drilled at a standard gas well location 1980 feet from the South line and 1815 feet from the West line (Unit K) of said Section 10.

Further, Chevron U.S.A. Inc. is permitted to produce the allowable assigned said 640-acre GPU from both wells in any proportion.

Sincerely,

A handwritten signature in black ink, appearing to read "William J. LeMay".

William J. LeMay
Director

WJL/MES/kv

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