

~~NSP-770~~
770 1st

Rec: 11-4-99
Sup: 11-24-99
Released 11-24

November 23, 1999

Gruy Petroleum Management Company
600 East Colinas Blvd. - Suite 1100
Irving, Texas 75039

Telefax No. (972) 443-6450

Attention: Zeno Farris

Second Amendment to Division Administrative Order NSP-770 (NSL)

Dear Mr. Farris:

Reference is made to your letter of petition dated November 2, 1999, which included supporting information and notice to off-set operators, requesting the reinstatement of Division Administrative Order NSP-770, dated December 28, 1966, and to place the AMENDED Order NSP-770, dated January 19, 1967, in abeyance at this time.

The December 28, 1966 Division Administrative Order NSP-770 initially established an 80-acre non-standard gas spacing and proration unit in the Eumont Gas Pool comprising the W/2 SE/4 of Section 12, Township 19 South, Range 36 East, NMPM, Lea County, New Mexico, and had dedicated thereon the Coleman Well No. 1 (API No. 30-025-08716), located at an unorthodox gas well location 2310 feet from the South and East lines (Unit J) of Section 17.

Due to several objections filed by offset operators at the time an Amended Order NSP-770 was issued by the Division, which restricted production operations of this well to the bradenhead.

It is our understanding at this time that the Coleman Well No. 1 has undergone an extensive workover in the Eumont interval and that Gruy Petroleum Management Company is requesting an amendment to Division Order NSP-770 authorizing conventional producing methods for the entire vertical interval of the Eumont Gas Pool.

By the authority granted me under the provisions of **Rule 2(d)** of the "General Rules for the Prorated Gas Pools of New Mexico/Special Rules and Regulations for the Eumont Gas Pool", as promulgated by Division Order No. R-8170, as amended, and Division Rules 104.D and 104.F (2): (i) the above-described non-standard 80-acre gas spacing and proration unit is hereby restored; (ii) the unorthodox gas well location of the Coleman Well No. 1 is hereby approved; and (iii) Division Administrative Order NSP-770 issued on December 28, 1966 shall be reinstated to the fullest extent and is to remain in full force and affect until further notice. Further, the Amended Administrative Order NSP-770 issued on January 19, 1967 is hereby placed in abeyance until further notice.

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

Sincerely,

LORI WROTENBERY
Director

LW/MES/kv

cc: New Mexico Oil Conservation Division - Hobbs
File: NSP-770