



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON

Governor

Jennifer A. Salisbury

Cabinet Secretary

July 13, 2000

Lori Wrotenbery

Director

Oil Conservation Division

Chevron U.S.A., Inc.
P. O. Box 1150
Midland, Texas 79702
Attention: A. M. Howell

Administrative Order NSP-876-A (SD)

Dear Mr. Howell:

Reference is made to the following: (i) your letter of application dated April 4, 2000; (ii) the New Mexico Oil Conservation Division's ("Division") initial response by letter from Mr. Michael E. Stogner, Engineer/Chief Hearing Officer in Santa Fe dated April 17, 2000; (iii) your telephone conversation with Mr. Stogner on Thursday, April 27, 2000; (iv) your application submitted to the Division on May 22, 2000; and (v) the Division's records in Santa Fe, including the file on Division Administrative Order NSP-876: all concerning Chevron U.S.A., Inc.'s ("Chevron") request for an exception to **Rule 2** of the "*Special Rules and Regulations for the South Eunice-San Andres Pool*," as promulgated by Division Order No. R-3706, as amended, in order to form a non-standard, or disoriented, 80-acre stand-up oil spacing and proration unit within this pool underlying the following described acreage in Lea County, New Mexico:

TOWNSHIP 22 SOUTH, RANGE 37 EAST, NMPM

Section 10: E/2 NE/4.

This newly established unit is to be simultaneously dedicated to the two following described wells:

- (1) Eaves Well No. 1 (**API No. 30-025-10163**), located at a standard oil well location 660 feet from the North and East lines (Unit A) of Section 10; and
- (2) Eaves Well No. 4 (**API No. 30-025-10167**), located at a standard oil well location 1874 feet from the North line and 554 feet from the East line (Unit H) of Section 10.

By the authority granted me under the provision of the special pool rules governing the South Eunice-San Andres Pool, Division Memorandum 4-86, dated June 2, 1986, and Division Rule 104.D (2), revised by Division Order No. R-11231, issued by the New Mexico Oil Conservation Commission in Case No. 12119 on August 12, 1999, the above-described 80-acre non-standard oil spacing and proration unit is hereby approved.

Administrative Order NSP-876-A(SD)

Chevron USA Inc.

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This newly established 80-acre unit is to be simultaneously dedicated to the above-described Eaves Wells No. 1 and 4, with allowable assigned thereto in accordance with Rule 6 of the special pool rules.

It is further ordered that Division Administrative Order NSP-876, dated April 12, 1972, which established a 40-acre non-standard oil spacing and proration unit comprising the SE/4 NE/4 (Unit H) of Section 10 for the above-described Eaves Well No. 4, shall be placed in abeyance until further notice.

Sincerely,

A handwritten signature in cursive script, appearing to read "Lori Wrotenbery / by MES".

Lori Wrotenbery
Director

LW/MES/kv

cc: New Mexico Oil Conservation Division - Hobbs
File: NSP-876



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July 13, 2000

Chevron U.S.A., Inc.
P. O. Box 1150
Midland, Texas 79702
Attention: A. M. Howell

Administrative Order NSP-1825

Dear Mr. Howell:

Reference is made to the following: (i) your letter of application dated April 4, 2000 concerning Chevron U.S.A., Inc.'s ("Chevron") planned development of the South Eunice-San Andres Pool within the E/2 NE/4 of Section 10, Township 22 South, Range 37 East, NMPM, Lea County, New Mexico; (ii) the New Mexico Oil Conservation Division's ("Division") initial response by letter from Mr. Michael E. Stogner, Engineer/Chief Hearing Officer in Santa Fe dated April 17, 2000; (iii) your telephone conversation with Mr. Stogner on Thursday, April 27, 2000; (iv) your application submitted to the Division on May 22, 2000; and (v) the Division's records in Santa Fe, including the file on Division Administrative Orders NSP-876 and NSP-876-A (SD): all concerning Chevron's request for an exception to **Rule 2** of the "*Special Rules and Regulations for the South Eunice-San Andres Pool*," as promulgated by Division Order No. R-3706, as amended, in order to form a non-standard, or disoriented, 80-acre stand-up oil spacing and proration unit within this pool underlying the following described acreage in Lea County, New Mexico:

TOWNSHIP 22 SOUTH, RANGE 37 EAST, NMPM

Section 10: W/2 NE/4.

This newly established 80-unit is to be dedicated to Chevron's Rollon Brunson Well No. 5, which is located at a standard oil well location 2086 feet from the North and East lines (Unit G) of Section 10. The Division's records indicate that this well was originally drilled to a total depth of 5,270 feet in 1947 by Gulf Oil Corporation and completed within the Paddock Pool. In 1987 Chevron plugged and abandoned this well.

By the authority granted me under the provision of the special pool rules governing the South Eunice-San Andres Pool, Division Memorandum 4-86, dated June 2, 1986, and Division Rule 104.D (2), revised by Division Order No. R-11231, issued by the New Mexico Oil Conservation Commission in Case No. 12119 on August 12, 1999, above-described 80-acre non-standard oil spacing and proration unit is hereby approved.

Further, the aforementioned Rollon Brunson Well No. 5 and 80-acre spacing unit will be

Administrative Order NSP-1825

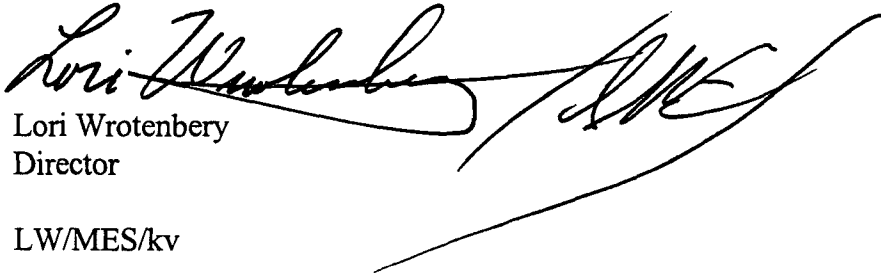
Chevron U.S.A. Inc.

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subject to all existing rules, regulations, policies, and procedures applicable to these pools.

Sincerely,

A handwritten signature in black ink, appearing to read "Lori Wrotenbery", followed by a large, stylized flourish or mark.

Lori Wrotenbery
Director

LW/MES/kv

cc: New Mexico Oil Conservation Division - Hobbs
File: NSP-876
NSP-876-A (SD)
NSP-611