



**NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT**

OIL CONSERVATION DIVISION
2040 South Pacheco Street
Santa Fe, New Mexico 87505
(505) 827-7131

February 11, 2000

**Joe Melton Drilling Co., Inc.
P. O. Box 4203
Midland, Texas 79701
Attention: Joe Melton**

Telefax No. (915) 687-6500

Administrative Order NSP-1701-C (L) (SD)

Dear Mr. Melton:

Reference is made to the following: (i) your initial application dated January 10, 2000; (ii) a telephone conversation between Mr. Michael E. Stogner, Engineer/Chief Hearing Officer with the New Mexico Oil Conservation Division ("Division") in Santa Fe and Mr. Mark T. Hawkins in your office on Tuesday, January 18, 2000; (iii) Mr. Hawkins telefax dated January 18, 2000 with additional information; (iv) your supplemental application dated January 19, 2000; and (v) the records of the Division: all concerning Joe Melton Drilling Co., Inc.'s request to establish the following described 480-acre non-standard gas spacing and proration unit ("GPU") within the Eumont Gas Pool in Lea County, New Mexico:

TOWNSHIP 21 SOUTH, RANGE 36 EAST, NMPM

Section 26: NE/4, W/2 NW/4, SE/4 NW/4, NE/4 SW/4, SW/4 SW/4, and W/2 SE/4.

It is our understanding that Joe Melton Drilling Co., Inc. proposes to re-enter the following two plugged and abandoned wells within this GPU and complete them in the Eumont Gas Pool:

- (1) Exxon Corporation New Mexico "G" State Well No. 12 (API No. 30-025-04787), to be renamed by Joe Melton Drilling Co., Inc. the New Mexico State "G" Lease Well No. 12, located 1980 feet from the South and West lines (Unit K) of Section 26, which is considered to be an unorthodox gas well location for this GPU; and
- (2) Exxon Corporation New Mexico "G" State Well No. 14 (API No. 30-025-04789), to be renamed by Joe Melton Drilling Co., Inc. the New Mexico State "G" Lease Well No. 14, located 1980 feet from the North and West lines (Unit F) of Section 26, which is also considered to be an unorthodox gas well location for this GPU.

By authority granted me under the provisions Rule 2(d) of the "Special Rules and


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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), the above-described 480-acre non-standard GPU and the two unorthodox Eumont gas well locations for the above-described New Mexico State "G" Lease Wells No. 12 and 14 are hereby approved.

Also, Joe Melton Drilling Co., Inc. is hereby authorized to simultaneously dedicate Eumont gas production from both of the above described wells and is also permitted to produce the allowable assigned the subject 480-acre GPU from both wells in any proportion.

Furthermore, Division Administrative Order NSP-1701-B, which order established two 40-acre non-standard Eumont GPU's comprising: (i) the NW/4 SW/4 (Unit L) of Section 26; and (ii) the SE/4 SE/4 (Unit P) of Section 26, shall remain in full force and effect until further notice.

Sincerely,



Lori Wrotenbery
Director

cc: New Mexico Oil Conservation Division - Hobbs
New Mexico State Land Office - Santa Fe
Exxon Corporation - Midland
File: NSL-1701 (SD) (L)
NSL-1701-A (L) (SD)
NSL-1701-B