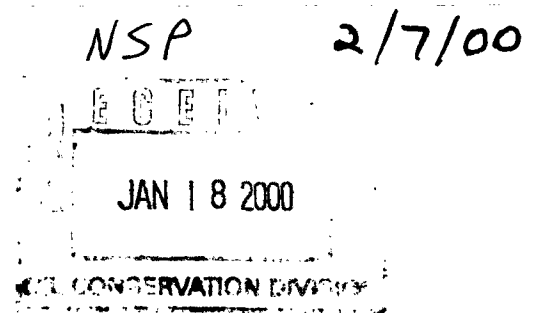


Joe Melton Drilling Co., Inc.  
P.O. Box 4203  
Midland, Texas 79701



January 10, 2000

Administrative Application  
For Non-Standard Gas Spacing  
New Mexico "G" State Lease  
Section 26, T21S, R36E  
Lea County, New Mexico

Ms. Lori Wrotenbery, Director  
New Mexico Oil Conservation Division  
2040 Pacheco  
Santa Fe, New Mexico 87505

Dear Ms. Wrotenbery:

Joe Melton Drilling Co., Inc. (Melton) requests administrative approval to form a 480 acre Non-Standard Gas Proration Unit for potential gas wells resulting from new drilling and re-entry of abandoned wells on the aforementioned lease in Section 26 of T21S-R36E. At the recommendation of Michael Stogner we are requesting administrative approval prior to the initiation of this project so that the Unit will be in place when the first well is completed.

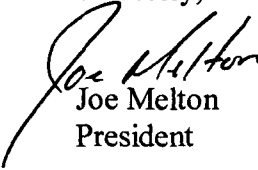
Currently there are four producing wells in section 26. All of these wells are on individual 40 acre spacing units and all are operated by Exxon. Two of the wells are classified as gas wells and are on recently approved 40 acre non-standard gas proration units in the Eunice Gas Field and two are classified as oil wells and are on standard 40 acre proration units in the Eunice Oil Field. Enclosed is a plat showing the current unit configuration.

The formation of a 480 acre non- standard gas proration unit comprised of the balance of the acreage in section 26 will allow Melton to proceed with plans to drill new gas wells and reenter some of the old abandoned wells and attempt to recomplete them as gas wells. The proposed 480 acre non standard gas spacing unit is shown on a plat also enclosed herein. To assist in the review effort of your staff we have enclosed the following documents:

- Plats of current Unit configuration and proposed 480 acre Non Standard Gas Spacing Unit
- Documentation of Notification to Offset Operators
- Plat of the Surrounding Acreage and Current Operators
- A brief history of Administrative Orders
- A Copy of Applicable NMOCD Orders

After the review of this request is complete, your administrative approval of the above mentioned Non Standard Gas Spacing Unit would be appreciated. If you have questions please call Mark Hawkins at (915) 687-6500.

Sincerely,

A handwritten signature in black ink, appearing to read "Joe Melton". The signature is fluid and cursive, with a long horizontal stroke extending to the left.

Joe Melton  
President

District I  
PO Box 1980, Hobbs, NM 88241-1980

District II  
PO Drawer DD, Artesia, NM 88211-0719

District III  
1000 Rio Brasos Rd., Aztec, NM 87410

District IV  
PO Box 2088, Santa Fe, NM 87504-2088

State of New Mexico  
Energy, Minerals & Natural Resources Department

Form C-102  
Revised February 10, 1994  
Submit to Appropriate District Office  
State Lease - 4 Copies  
Fee Lease - 3 Copies

# OIL CONSERVATION DIVISION

PO Box 2088  
Santa Fe, NM 87504-2088

☐ AMENDED REPORT

## WELL LOCATION AND ACREAGE DEDICATION PLAT

1 (see plat below)	2 API Number 76480	3 Pool Code EUMONT YATES 7 RVRS QN (PRO GAS)
4 Property Code 004194	5 Property Name NEW MEXICO "G" STATE	6 Well Number #2, #10, #16, #27
7 OGRID No. 007673	8 Operator Name Exxon Corporation	9 Elevation

### <sup>10</sup>Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
	26	21S	36E						LEA

### <sup>11</sup>Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

12 Dedicated Acres	13 Joint or Infill	14 Consolidation Code	15 Order No.

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED  
OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

D	C	B	A
E	F	G	H
L	K	J	I
M	N	O	P

Diagram showing well locations and acreage units. Well #16 is located in Section C, 660' from the North line and 1480' from the West line. Well #10 is located in Section L, 660' from the North line and 1480' from the West line. Well #27 is located in Section I, 350' from the North line and 1480' from the West line. Well #2 is located in Section P, 660' from the North line and 660' from the West line. Acreage units are labeled: 40 ac. SOPU (Standard Oil Production Unit) and 40 ac. NSGPU (Non-Standard Gas Production Unit).

### <sup>17</sup> OPERATOR CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

*Karen Allen*  
Signature  
Karen Allen  
Printed Name  
Secretary  
Title  
1-12-00  
Date

### <sup>18</sup> SURVEYOR CERTIFICATION

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

6-23-42  
Date of Survey  
Signature and Seal of Professional Surveyor.

Certificate Number

EXISTING UNIT CONFIGURATION FOR SECTION 26, T21S-R36E

NSGPU: NON-STANDARD GAS PRODUCTION UNIT

SOPU: STANDARD OIL PRODUCTION UNIT



District I  
1625 N. French Dr., Hobbs, NM 88240  
District II  
811 South First, Artesia, NM 88210  
District III  
1000 Rio Brazos Rd., Aztec, NM 87410  
District IV  
2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico  
Energy, Minerals & Natural Resources **Department**

Form C-102  
Revised March 17, 1999

OIL CONSERVATION DIVISION  
2040 South Pacheco  
Santa Fe, NM 87505

Submit to Appropriate District Office  
State Lease - 4 Copies  
Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

<sup>1</sup> API Number (No wells in Unit yet)	<sup>2</sup> Pool Code 76480	<sup>3</sup> Pool Name EUMONT YATES 7 RIVERS QUEEN (PRO GAS)
<sup>4</sup> Property Code 004194	<sup>5</sup> Property Name NEW MEXICO "G" STATE	<sup>6</sup> Well Number
<sup>7</sup> OGRID No. 11916	<sup>8</sup> Operator Name JOE MELTON DRILLING CO., INC.	<sup>9</sup> Elevation

<sup>10</sup> Surface Location									
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
	26	21 S	36 E						

<sup>11</sup> Bottom Hole Location If Different From Surface									
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

<sup>12</sup> Dedicated Acres	<sup>13</sup> Joint or Infill	<sup>14</sup> Consolidation Code	<sup>15</sup> Order No.

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

	<b><sup>17</sup> OPERATOR CERTIFICATION</b> I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief   _____ Signature Karen Allen _____ Title Secretary _____ Date 1-12-00
	<b><sup>18</sup> SURVEYOR CERTIFICATION</b> I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.  _____ Date of Survey _____ Signature and Seal of Professional Surveyer:  _____ Certificate Number

PROPOSED 480 ACRE NON-STANDARD GAS PRORATION UNIT



PHONE 915 682-5461

**JOE MELTON DRILLING CO., INC.**

P. O. BOX 4203  
MIDLAND, TEXAS 79704

December 20, 1999

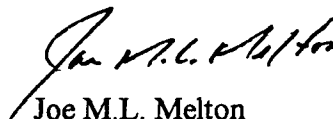
Re: Administrative Application for 480  
Acre Non-Standard Gas Proration Unit  
New Mexico State "G" Lease  
Section 26, T-21-S, R-36-E  
Lea County, New Mexico

Dear Offset Operators:

Joe Melton Drilling Co., Inc. (hereinafter Melton) is requesting administrative approval for a 480 acre Non-Standard Gas Proration Unit for the aforementioned lease. Melton acquired this acreage on term conveyance from Exxon and has plans to drill new wells and reenter and attempt recompletion of plugged and abandoned wells in the Eunice Gas Field. Exxon currently operates four producing wells in Section 26, all of which are on 40 acre spacing. Two of the wells are classified as oil wells and are on standard 40 acre units in the Eunice Oil Pool and two wells are classified as gas wells and are on 40 acre Non-Standard Gas Proration units in the Eunice Gas Pool. Melton is requesting administrative approval to take the balance of the acreage in Section 26 and form a 480 acre Non-Standard Gas Proration Unit.

Offset Operator notification is required per Oil Conservation Division Rule 104.D(2). You are allowed twenty (20) days in which to protest this application. Correspondence regarding this issue should be sent to the Santa Fe office of the NMOCD. If you have general questions please call Mark Hawkins at 915-687-6500.

Sincerely,

  
Joe M.L. Melton  
President

**New Mexico "G" State  
Lea County, New Mexico  
Offset Operator List**

ARCO Permian  
P. O. Box 1610  
Midland, Texas 79702-1610  
ATTN: Land Department

Chevron USA, Inc.  
P. O. Box 1150  
Midland, Texas 79702  
ATTN: Land Department

Conoco Inc.  
10 Desta Drive West  
Suite 100W  
Midland, Texas 79705  
ATTN: Land Department

Exxon Company, U.S.A.  
P.O. Box 4353  
Houston, Texas 77210-4353  
ATTN: Land Department

Z 100 640 132

US Postal Service

**Receipt for Certified Mail**

No Insurance Coverage Provided.

Do not use for International Mail (See reverse)

Sent to CONOCO Inc.	
Attn: Land Department	
Street & Number 10 Desta Dr. West, Suite 100W	
Post Office, State, & ZIP Code Midland, Texas 79705	
Postage	\$ 33
Certified Fee	1.40
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	125
Return Receipt Showing to Whom, Date, & Addressee's Address	
TOTAL Postage & Fees	\$ 298
Postmark or Date DEC 20 1999 MIDLAND, TX USPS	

PS Form 3800, April 1995

Z 100 640 130

US Postal Service

**Receipt for Certified Mail**

No Insurance Coverage Provided.

Do not use for International Mail (See reverse)

Sent to Arco Permian	
Street & Number P.O. Box 1610	
Post Office, State, & ZIP Code Attn: Land Department Midland, Texas 79702-1610	
Postage	\$ 33
Certified Fee	1.40
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	135
Return Receipt Showing to Whom, Date, & Addressee's Address	
TOTAL Postage & Fees	\$ 298
Postmark or Date DEC 20 1999 MIDLAND, TX USPS	

PS Form 3800, April 1995

Z 100 640 131

US Postal Service

**Receipt for Certified Mail**

No Insurance Coverage Provided.

Do not use for International Mail (See reverse)

Sent to Chevron USA Inc.	
Street & Number P.O. Box 1150	
Post Office, State, & ZIP Code Attn: Land Department Midland, Texas 79702-1150	
Postage	\$ 33
Certified Fee	1.40
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	125
Return Receipt Showing to Whom, Date, & Addressee's Address	
TOTAL Postage & Fees	\$ 298
Postmark or Date DEC 20 1999 MIDLAND, TX USPS	

PS Form 3800, April 1995

Z 100 640 133

US Postal Service

**Receipt for Certified Mail**

No Insurance Coverage Provided.

Do not use for International Mail (See reverse)

Sent to Exxon Company USA	
Attn: Land Department	
Street & Number P.O. Box 4358	
Post Office, State, & ZIP Code Houston, TX 77210-4358	
Postage	\$ 33
Certified Fee	1.40
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	125
Return Receipt Showing to Whom, Date, & Addressee's Address	
TOTAL Postage & Fees	\$ 298
Postmark or Date DEC 20 1999 MIDLAND, TX USPS	

PS Form 3800, April 1995

Is your RETURN ADDRESS completed on the reverse side?

**SENDER:**

- Complete items 1 and/or 2 for additional services.
- Complete items 3, 4a, and 4b.
- Print your name and address on the reverse of this form so that we can return this card to you.
- Attach this form to the front of the mailpiece, or on the back if space does not permit.
- Write "Return Receipt Requested" on the mailpiece below the article number.
- The Return Receipt will show to whom the article was delivered and the date delivered.

I also wish to receive the following services (for an extra fee):

1. ☐ Addressee's Address
2. ☐ Restricted Delivery

Consult postmaster for fee.

3. Article Addressed to:

ARCO Permian  
P.O. Box 1610  
Midland, Texas 79702-1610  
Attn: Land Department

4a. Article Number

Z100 640 130

4b. Service Type

- |   |   |
|---|---|
| <input type="checkbox"/> Registered                     | <input checked="" type="checkbox"/> Certified |
| <input type="checkbox"/> Express Mail                   | <input type="checkbox"/> Insured              |
| <input type="checkbox"/> Return Receipt for Merchandise | <input type="checkbox"/> COD                  |

7. Date of Delivery

5. Received By: (Print Name)

8. Addressee's Address (Only if requested and fee is paid)

6. Signature: (Addressee or Agent)

X

PS Form 3811, December 1994

102595-98-B-0229

Domestic Return Receipt

Thank you for using Return Receipt Service.

Is your RETURN ADDRESS completed on the reverse side?

**SENDER:**

- Complete items 1 and/or 2 for additional services.
- Complete items 3, 4a, and 4b.
- Print your name and address on the reverse of this form so that we can return this card to you.
- Attach this form to the front of the mailpiece, or on the back if space does not permit.
- Write "Return Receipt Requested" on the mailpiece below the article number.
- The Return Receipt will show to whom the article was delivered and the date delivered.

I also wish to receive the following services (for an extra fee):

1. ☐ Addressee's Address
2. ☐ Restricted Delivery

Consult postmaster for fee.

3. Article Addressed to:

Chevron USA Inc.  
P.O. Box 1150  
Midland, Texas 79702  
Attn: Land Department

4a. Article Number

Z 100 640 131

4b. Service Type

- |   |   |
|---|---|
| <input type="checkbox"/> Registered                     | <input checked="" type="checkbox"/> Certified |
| <input type="checkbox"/> Express Mail                   | <input type="checkbox"/> Insured              |
| <input type="checkbox"/> Return Receipt for Merchandise | <input type="checkbox"/> COD                  |

7. Date of Delivery

5. Received By: (Print Name)

8. Addressee's Address (Only if requested and fee is paid)

6. Signature: (Addressee or Agent)

X

PS Form 3811, December 1994

102595-98-B-0229

Domestic Return Receipt

Thank you for using Return Receipt Service.



Is your RETURN ADDRESS completed on the reverse side?

**SENDER:**

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- Write "Return Receipt Requested" on the mailpiece below the article number.
- The Return Receipt will show to whom the article was delivered and the date delivered.

I also wish to receive the following services (for an extra fee):

1. ☐ Addressee's Address
2. ☐ Restricted Delivery

Consult postmaster for fee.

3. Article Addressed to:

Conoco Inc.  
10 Desta Drive West, Suite 100W  
Midland, Texas 79705  
Attn: Land Department

4a. Article Number

Z 100 640 132

4b. Service Type

- |   |   |
|---|---|
| <input type="checkbox"/> Registered                     | <input checked="" type="checkbox"/> Certified |
| <input type="checkbox"/> Express Mail                   | <input type="checkbox"/> Insured              |
| <input type="checkbox"/> Return Receipt for Merchandise | <input type="checkbox"/> COD                  |

7. Date of Delivery

5. Received By: (Print Name)

6. Signature: (Addressee or Agent)

X

8. Addressee's Address (Only if requested and fee is paid)

Thank you for using Return Receipt Service.

PS Form 3811, December 1994

102595-98-B-0229 Domestic Return Receipt

Is your RETURN ADDRESS completed on the reverse side?

**SENDER:**

- Complete items 1 and/or 2 for additional services.
- Complete items 3, 4a, and 4b.
- Print your name and address on the reverse of this form so that we can return this card to you.
- Attach this form to the front of the mailpiece, or on the back if space does not permit.
- Write "Return Receipt Requested" on the mailpiece below the article number.
- The Return Receipt will show to whom the article was delivered and the date delivered.

I also wish to receive the following services (for an extra fee):

1. ☐ Addressee's Address
2. ☐ Restricted Delivery

Consult postmaster for fee.

3. Article Addressed to:

Exxon Company USA  
P.O. Box 4358  
Houston, Texas 77210-4358  
Attn: Land Department

4a. Article Number

Z 100 640 133

4b. Service Type

- |   |   |
|---|---|
| <input type="checkbox"/> Registered                     | <input checked="" type="checkbox"/> Certified |
| <input type="checkbox"/> Express Mail                   | <input type="checkbox"/> Insured              |
| <input type="checkbox"/> Return Receipt for Merchandise | <input type="checkbox"/> COD                  |

7. Date of Delivery

5. Received By: (Print Name)

6. Signature: (Addressee or Agent)

X

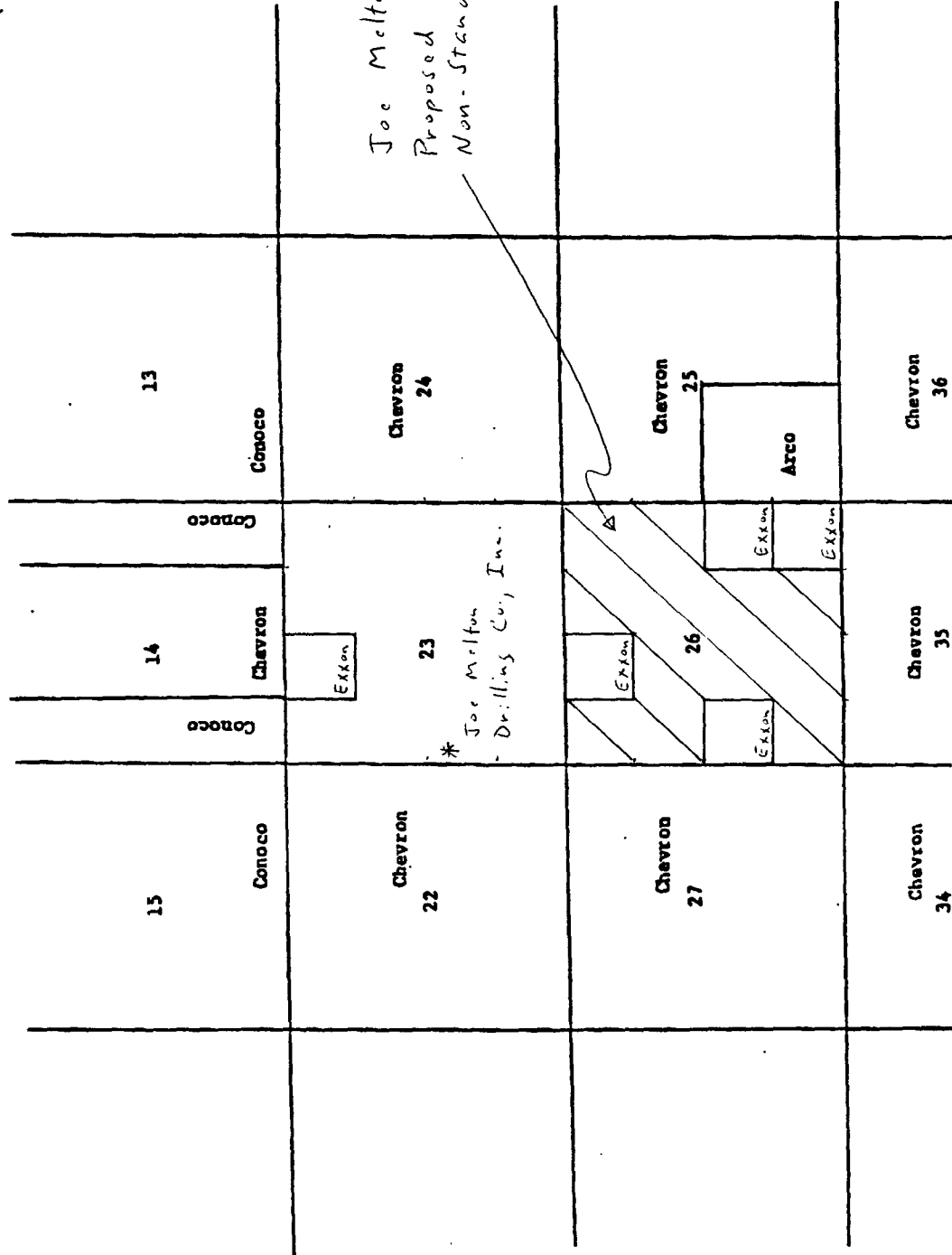
8. Addressee's Address (Only if requested and fee is paid)

Thank you for using Return Receipt Service.

PS Form 3811, December 1994

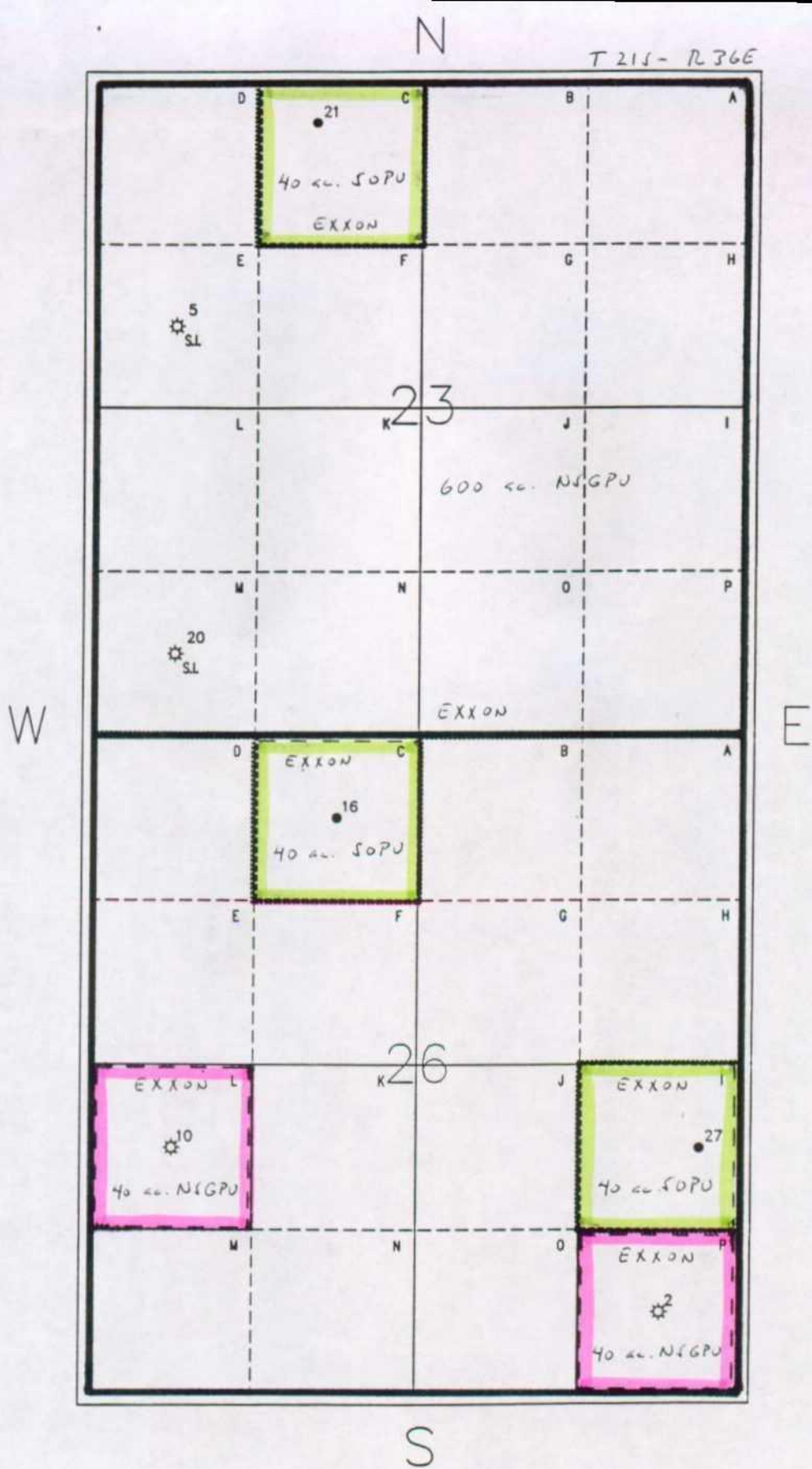
102595-98-B-0229 Domestic Return Receipt

Offset Operators - New Mexico State "G" Lease  
 Sections 23 and 26, T-21-S, R-36-E, Lea County, New Mexico



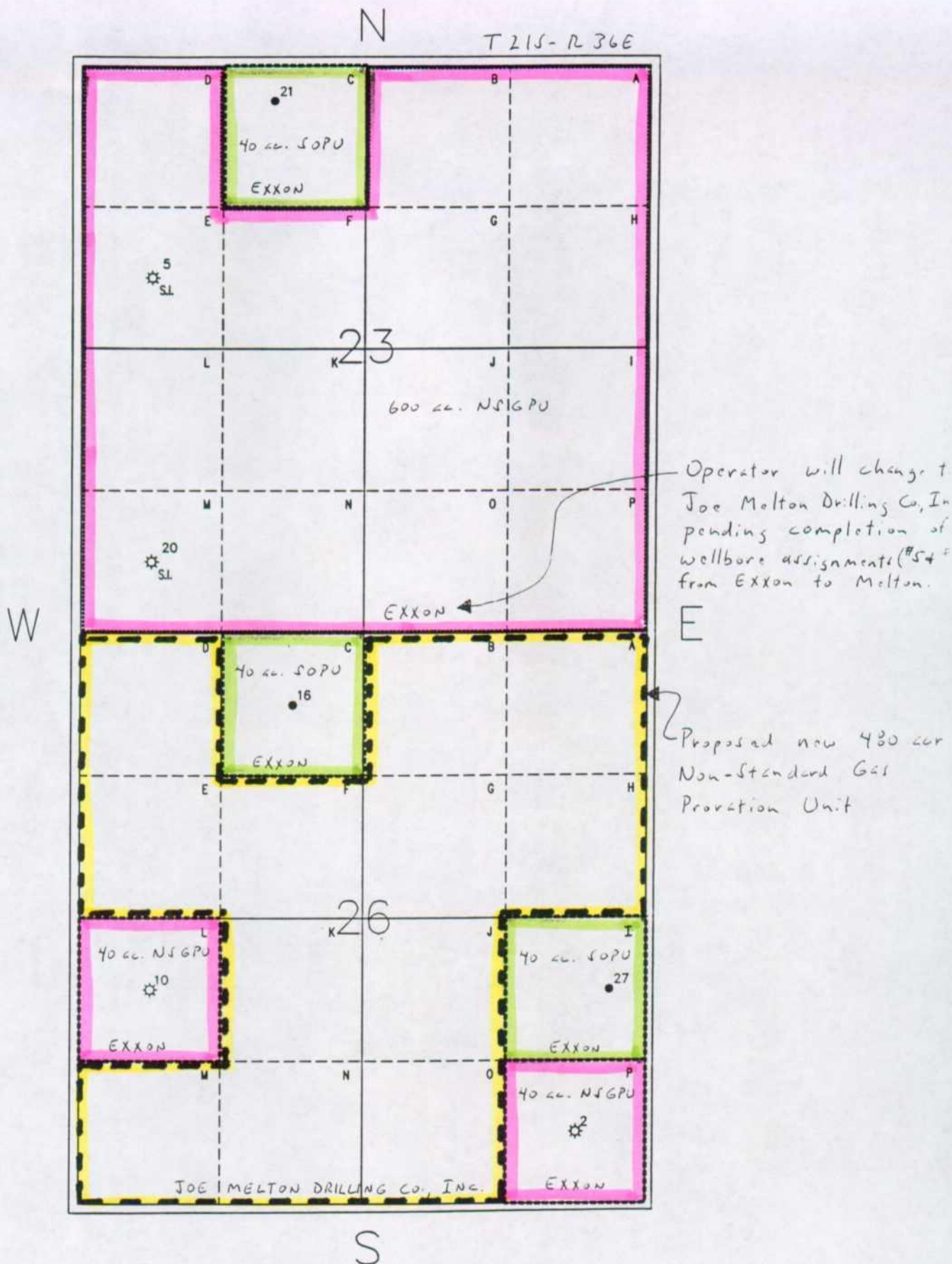
Joe Melton Drilling Co., Inc.  
 Proposed 480 acre  
 Non-Standard Gas Production Unit

\* Change of Operator Pending



## Current New Mexico "G" State Lease Lease Proration Status

NSGPU: NON STANDARD GAS PRORATION UNIT  
SOPU: STANDARD OIL PRORATION UNIT



## Proposed New Mexico "G" State Lease Lease Proration Status

NSGPU: NON STANDARD GAS PRORATION UNIT  
SOPU: STANDARD OIL PRORATION UNIT

**New Mexico "G" State Lease  
Lea County, New Mexico  
Section 23 and 26  
Details**

Approval Date	Adm. Order # or Case #	Well(s) No.(s)	Detailed Description
January 30, 1990	NSP-1592	2	Authorized an 80-acre non-standard gas spacing and proration unit comprised of the SE/2 SE/4 of Section 26 for Well 2.
February 1, 1990	NSP-1594	20	Authorized a 40-acre non-standard gas spacing and proration unit comprised of SW/4 SW/4 of Section 23 for Well 20.
May 11, 1994	NSP-1593-A(SD)	6 10	Authorized a 160-acre non-standard gas spacing and proration unit comprised of SW/4, Section 26. Simultaneously dedicated Wells 6 and 10.
May 11, 1994	NSP-1690 (SD)(L)	5 9 20	Authorized a 600-acre non-standard gas spacing and proration unit comprised of NE/4, W/2 NW/4, SE/4 NW/4, and S/2 of Section 23. Simultaneously dedicated Wells 5, 9 and 20. Placed NSP-1594 in abeyance.
May 11, 1994	NSP-1691(SD)(L)	4 11 16	Authorized a 320-acre non-standard gas spacing and proration unit comprised of the N/2 of Section 26. Simultaneously dedicated Wells 4, 11 and 16.
July 26, 1994	NSP-1701(SD)(L)	2 4 6 10 11 16	Authorized the omission of the 40-acres comprising NE/4 NW/4 of Section 26. Simultaneously dedicated to the 600-acre non-standard gas spacing and proration unit, wells 2, 4, 6, 10, 11 and 16. Placed NSP-1592, NSP 1593-A(SD) and NSP-1691 (SD) in abeyance.
November 25, 1996	NSP-1701-A(L)(SD)	2 10 11	Authorized the omission of the 40-acres comprising the NW/4 NW/4 of Section 26, thereby creating a 560 acre non-standard gas spacing and proration unit comprised of NE/4, W/2 NW/4, SE/4 NW/4, SW/4, W/2 SE/4 and SE/4 SE4 and dedicated to Well Nos. 2, 10 and 11.
December 7, 1999	NSP-1701-B	2 10	<ul style="list-style-type: none"> <li>- Placed 560 acre non-standard gas spacing and proration unit established by order NSP-1701-A(L)(SD) in abeyance</li> <li>- Authorized 40 acre NSGPO for well #2</li> <li>- Authorized 40 acre NSGPO for well #10</li> </ul> <p>Notes: Well #11 P+A in June, 1976</p>

STATE OF NEW MEXICO  
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT  
OIL CONSERVATION DIVISION

E  
Z

GARREY CARRUTHERS  
GOVERNOR

POST OFFICE BOX 2088  
STATE LAND OFFICE BUILDING  
SANTA FE, NEW MEXICO 87504  
(505) 827-5800

January 30, 1990

Exxon Company, USA  
P.O. Box 1600  
Midland, TX 79702-1600

Attention: Charlotte Harper

*Administrative Order NSP-1592*

Dear Ms. Harper:

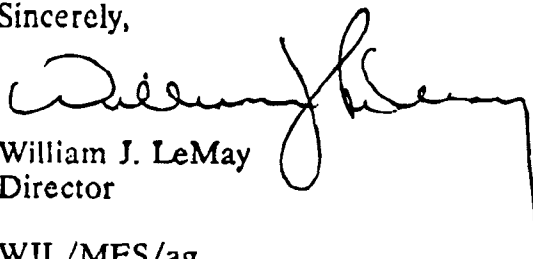
Reference is made to your application of September 11, 1989 for an 80-acre non-standard gas proration unit consisting of the following acreage in the Eumont Gas Pool:

LEA COUNTY, NEW MEXICO  
TOWNSHIP 21 SOUTH, RANGE 36 EAST, NMPM  
Section 26: S/2 SE/4

It is my understanding that this unit is to be dedicated to your existing New Mexico "G" State Well No. 2 located at a standard gas well location 660 feet from the South and East lines (Unit P) of said Section 26.

By authority granted me under the provisions of Rule 2(a)4 of the Special Rules and Regulations for the Eumont Gas Pool, as promulgated by Division Order No. R-8170, as amended, the above non-standard gas proration unit is hereby approved.

Sincerely,



William J. LeMay  
Director

WJL/MES/ag

cc: Oil Conservation Division - Hobbs  
NM Oil and Gas Engineering Committee - Hobbs  
NM State Land Office - Santa Fe



STATE OF NEW MEXICO  
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT  
OIL CONSERVATION DIVISION

GARREY CARRUTHERS  
GOVERNOR

POST OFFICE BOX 2088  
STATE LAND OFFICE BUILDING  
SANTA FE, NEW MEXICO 87504  
(505) 827-5800

February 1, 1990

Exxon Company, USA  
P.O. Box 1600  
Midland, TX 79702-1600

Attention: Charlotte Harper

*Administrative Order NSP-1594*

Dear Ms. Harper:

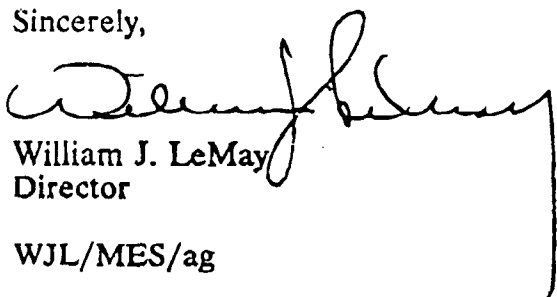
Reference is made to your application of September 11, 1989 for a 40-acre non-standard gas proration unit consisting of the following acreage in the Eumont Gas Pool:

LEA COUNTY, NEW MEXICO  
TOWNSHIP 21 SOUTH, RANGE 36 EAST, NMPM  
Section 23: SW/4 SW/4

It is my understanding that this unit is to be dedicated to your existing New Mexico "G" State Well No. 20 located at a standard gas well location 660 feet from the South and West lines (Unit M) of said Section 23.

By authority granted me under the provisions of Rule 2(a)4 of the Special Rules and Regulations for the Eumont Gas Pool, as promulgated by Division Order No. R-8170, as amended, the above non-standard gas proration unit is hereby approved.

Sincerely,

  
William J. LeMay  
Director

WJL/MES/ag

cc: Oil Conservation Division - Hobbs  
NM State Land Office - Santa Fe



STATE OF NEW MEXICO  
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT  
OIL CONSERVATION DIVISION



MAY 11 1994

BRUCE KING  
GOVERNOR

ANITA LOCKWOOD  
CABINET SECRETARY

POST OFFICE BOX 2088  
STATE LAND OFFICE BUILDING  
SANTA FE, NEW MEXICO 87504  
(505) 827-5800

May 11, 1994

N. 17. "G" ST.  
#1's G #10

Exxon Corporation  
P.O. Box 1600  
Midland, TX 79702-1600

Attention: Alex M. Correa

*Administrative Order NSP-1593-A(SD)*

Dear Mr. Correa:

Reference is made to your application April 7, 1994 for a 160-acre non-standard gas spacing and proration unit consisting of the following acreage in the Eumont Gas Pool:

LEA COUNTY, NEW MEXICO  
TOWNSHIP 21 SOUTH, RANGE 36 EAST, NMPM  
Section 26: SW/4

It is our understanding that this unit is to be simultaneously dedicated to your existing New Mexico "G" State Well No. 6 located at a standard gas well location 660 feet from the South and West lines (Unit M) of said Section 26 and to your existing New Mexico "G" State Well No. 10 located at a standard gas well location 1980 feet from the South line and 660 feet from the West line (Unit L) of said Section 26.

By authority granted me under the provisions of Rule 2(a)4 of the Special Rules and Regulations for the Eumont Gas Pool, as promulgated by Division Order No. R-8170, as amended, you are hereby authorized to operate the above-described acreage as a non-standard gas proration unit, with allowable to be assigned thereto in accordance with Rules 5 and 8 of said pool rules based upon the unit size of 160-acres.

*Administrative Order NSL-1593-A(SD)*

*Exxon Corporation*

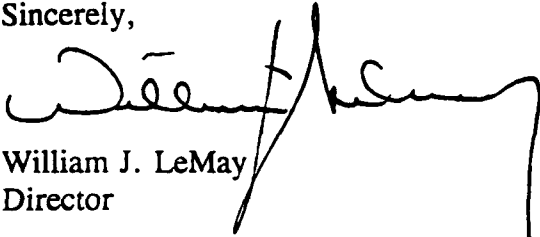
*May 11, 1994*

*Page 2*

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Further, the provisions of Division Administrative Order NSP-1593, dated January 30, 1990, which authorized a 120-acre non-standard gas proration unit in the Eumont Gas Pool comprising the NE/4 SW/4 and S/2 SW/4 of said Section 26 and had dedicated thereon the New Mexico "G" State Well No. 6 is hereby placed in abeyance until further notice.

Sincerely,

A handwritten signature in black ink, appearing to read "William J. LeMay". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

William J. LeMay  
Director

WJL/MES/amg

cc: Oil Conservation Division - Hobbs  
NM State Land Office - Santa Fe  
File: NSP-1593



STATE OF NEW MEXICO  
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT  
OIL CONSERVATION DIVISION



BRUCE KING  
GOVERNOR

ANITA LOCKWOOD  
CABINET SECRETARY

MAY 2 1994

POST OFFICE BOX 2088  
STATE LAND OFFICE BUILDING  
SANTA FE, NEW MEXICO 87504  
(505) 827-5800

May 11, 1994

Exxon Corporation  
P.O. Box 1600  
Midland, TX 79702-1600

Attention: Alex M. Correa

*Administrative Order NSP-1690(SD)(L)*

Dear Mr. Correa:

Reference is made to your application dated April 7, 1994 for a 600-acre non-standard gas spacing and proration unit (GPU) consisting of the following acreage in the Eumont Pool:

LEA COUNTY, NEW MEXICO  
TOWNSHIP 21 SOUTH, RANGE 36 EAST, NMPM  
Section 23: NE/4, W/2 NW/4, SE/4 NW/4, and S/2

It is my understanding that this unit is to be simultaneously dedicated to the following three existing wells on the New Mexico "G" State Lease.

<i>Well No.</i>	<i>Description</i>	<i>Unit</i>	<i>Location</i>
5	1980' FNL - 660' FWL	E	Non-standard
9	1980' FN & EL	G	Non-standard
20	660' FS & WL	M	Non-standard

By authority granted me under the provisions of Rule 2(a)4 and 2(c) of the Special Rules and Regulations for the Eumont Gas Pool as promulgated by Division Order No. R-8170, as amended, the above-described non-standard gas spacing and proration unit and resulting unorthodox gas well locations are hereby approved. Also, you are hereby permitted to produce the allowable assigned the subject GPU from all wells in any proportion.

*Administrative Order NSP-1690(SD)(L)*

*Exxon Corporation*

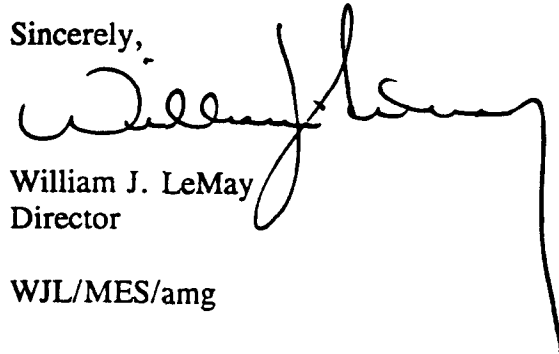
*May 11, 1994*

*Page 2*

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Further, Division Administrative Order NSP-1594, dated February 1, 1990, which authorized a 40-acre non-standard gas spacing and proration unit in the Eumont Gas Pool comprising the SW/4 SW/4 of said Section 23 and had dedicated thereon the New Mexico "G" State Well No. 20 is hereby placed in abeyance until further notice.

Sincerely,

A handwritten signature in black ink, appearing to read 'William J. LeMay', with a long horizontal stroke extending to the right.

William J. LeMay  
Director

WJL/MES/amg

cc: Oil Conservation Division - Hobbs  
NM State Land Office - Santa Fe  
File: NSP-1594



STATE OF NEW MEXICO  
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT  
OIL CONSERVATION DIVISION



BRUCE KING  
GOVERNOR

ANITA LOCKWOOD  
CABINET SECRETARY

POST OFFICE BOX 2088  
STATE LAND OFFICE BUILDING  
SANTA FE, NEW MEXICO 87504  
(505) 827-5800

May 11, 1994

Exxon Corporation  
P.O. Box 1600  
Midland, TX 79702-1600

Attention: Alex M. Correa

*Administrative Order NSP-1691(SD)(L)*

Dear Mr. Correa:

Reference is made to your application dated April 7, 1994 for a 320-acre non-standard gas spacing and proration unit (GPU) consisting of the following acreage in the Eumont Pool:

LEA COUNTY, NEW MEXICO  
TOWNSHIP 21 SOUTH, RANGE 36 EAST, NMPM  
Section 26: N/2

It is my understanding that this unit is to be simultaneously dedicated to the following three existing wells on the New Mexico "G" State Lease.

<i>Well No.</i>	<i>Description</i>	<i>Unit</i>	<i>Location</i>
4	1980' FN & EL	G	Standard
11	1980' FNL & 785' FWL	E	Non-standard
16	660' FNL & 1980' FWL	C	Standard



*Administrative Order NSP-1691(SD)(L)*

*Exxon Corporation*

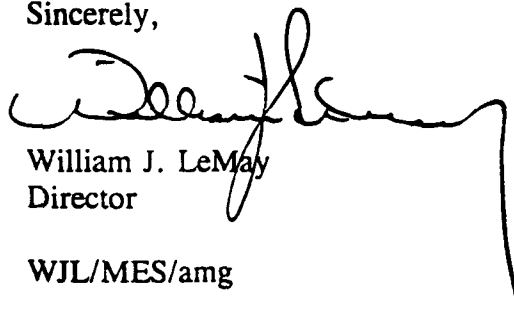
*May 11, 1994*

*Page 2*

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By authority granted me under the provisions of Rule 2(a)4 and 2(c) of the Special Rules and Regulations for the Eumont Gas Pool as promulgated by Division Order No. R-8170, as amended, the above-described non-standard gas spacing and proration unit and resulting unorthodox gas well location are hereby approved. Also, you are hereby permitted to produce the allowable assigned the subject GPU from all wells in any proportion.

Sincerely,



William J. LeMay  
Director

WJL/MES/amg

cc: Oil Conservation Division - Hobbs  
NM State Land Office - Santa Fe  
File: NSP-1594



STATE OF NEW MEXICO  
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT  
OIL CONSERVATION DIVISION



BRUCE KING  
GOVERNOR

ANITA LOCKWOOD  
CABINET SECRETARY

N. M. G. St. #'s 2, 6, 10, 11, 16.

July 26, 1994

POST OFFICE BOX 2088  
STATE LAND OFFICE BUILDING  
SANTA FE, NEW MEXICO 87504  
(505) 827-5800

Exxon Company, USA  
P.O. Box 1600  
Midland, TX 79702-1600

Attention: Alex M. Correa

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

Dear Mr. Correa:

Reference is made to your application dated June 20, 1994 to redesignate acreage by consolidating three existing non-standard Eumont gas spacing and proration units (GPU) in order to form a single 600-acre GPU to comprise the N/2, SW/4, W/2 SE/4 AND SE/4 SE/4 of Section 26, Township 21 south, Range 36 East, NMPM, Lea County, New Mexico.

By Division Administrative Order NSP-1592, dated January 30, 1990, an 80-acre GPU, comprising the S/2 SE/4 of said Section 26, was authorized for the New Mexico "G" State Well No. 2 located 660 feet from the South and East lines (Unit P) of said Section 26.

By Division Administrative Order NSP-1593-A(SD), dated May 11, 1994, a 160-acre GPU, comprising the SW/4 of said Section 26 was formed and is currently simultaneously dedicated to the New Mexico "G" State Well No. 6, located 660 feet from the South and West lines (Unit M) of said Section 26 and to the New Mexico "G" State Well No. 10 located 1980 feet from the South line and 660 feet from the West line (Unit L) of said Section 26.

Similarly, Division Administrative Order NSP-1691(SD)(L), dated May 11, 1994, authorized a 320-acre GPU, comprising the N/2 of said Section 26, for the following three New Mexico "G" State Lease wells in said Section 26:

Well No.	Description	Unit	Location
4	1980' FN & EL	G	Standard
11	1980' FNL & 785' FWL	E	Non-standard
16	660' FNL & 1980' FWL	C	Standard

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

*Exxon Corporation*

*July 26, 1994*

*Page 2*

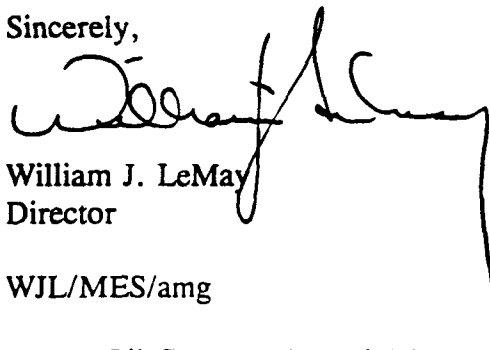
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It is our understanding at this time that all six of the aforementioned wells are to be simultaneously dedicated to the proposed 600-acre non-standard gas spacing and proration unit. Said application has been reviewed and the required twenty-day suspense period has lapsed with no objection from any offset operator.

By authority granted me under the provisions of Rule 2(a)4 and 2(c) of the Special Rules and Regulations for the Eumont Gas Pool as promulgated by Division Order No. R-8170, as amended, the above-described 600-acre non-standard gas spacing and proration unit and resulting unorthodox gas well locations for the New Mexico "G State Well Nos. 2, 6, 10, 11, and 16 are hereby approved. Also, you are hereby permitted to produce the allowable assigned the subject GPU, in accordance with Rule 5 of said pool rules based upon a unit size of 600 acres, from all wells in any proportion.

Further, Division Administrative Orders NSP-1592, NSP-1593-A(SD) and NSP-1691(SD) shall be placed in abeyance until further notice.

Sincerely,



William J. LeMay  
Director

WJL/MES/amg

cc: Oil Conservation Division - Hobbs  
NM State Land Office - Santa Fe  
File: NSP-1592  
NSP-1593  
NSP-1593-A(SD)  
NSP-1691(SD)(L)



STATE OF NEW MEXICO  
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

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

November 25, 1996

**Hinkle, Cox, Eaton, Coffield & Hensley P.L.L.C.**

**Attn: James Bruce**

**P. O. Box 2068**

**Santa Fe, New Mexico 87504-2068**

**Exxon Corporation**

**Attn: Alex Correa**

**P. O. Box 1600**

**Midland, Texas 79702-1600**

***Administrative Order NSP-1701-A(L)(SD)***

Gentlemen:

Reference is made to Exxon Corporation's application by letter from Mr. Alex Correa dated October 11, 1996 and by letter from Mr. James Bruce dated November 15, 1996 to reduce the acreage of the existing 600-acre non-standard gas spacing and proration unit ("GPU") in the Eumont Gas Pool comprising the N/2, SW/4, W/2 SE/4, and SE/4 SE/4 of Section 26, Township 21 South, Range 36 East, NMPM, Lea County, New Mexico, which was approved by Division Administrative Order NSP-1701(SD)(L), dated July 26, 1994, by omitting the 40 acres comprising the NE/4 NW/4 (Unit C) of said Section 26 from said GPU. Said Order NSP-1701(SD)(L) further authorized the simultaneous dedication of the 600-acre unit to the following New Mexico "G" State lease wells:

<i>Well No.</i>	<i>API Number</i>	<i>Description</i>	<i>Unit</i>	<i>Location</i>
2	30-025-04779	660' FS & EL	P	Non-Standard
4	30-025-04781	1980' FN & EL	G	Standard
6	30-025-04782	660' FS & WL	M	Non-Standard
10	30-025-04785	1980' FSL & 660' FWL	L	Non-Standard
11	30-025-04786	1980' FNL & 785' FWL	E	Non-Standard
16	30-025-04791	660' FNL & 1980' FWL	C	Non-Standard

It is our understanding that such reduction of acreage is necessary due to the re-classification of the New Mexico "G" State Well No. 16 in Unit "C" as a Eumont oil completion.

The Division further understands that the Eumont zone within the New Mexico "G" State Well Nos. 4 and 6 are currently abandoned and are to be withdrawn from consideration for any Eumont GPU's in said Section 26.

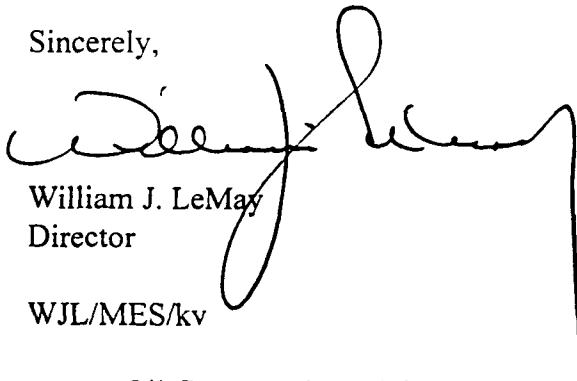
By authority granted me under the provisions of Rule 2(d) of the "*General Rules for the Prorated Gas Pools of New Mexico/Special Rules and Regulations for the Eumont Gas Pool*", as promulgated by Division Order No. R-8170, as amended, the following described 560-acre non-standard gas spacing and proration unit is hereby approved:

LEA COUNTY, NEW MEXICO  
TOWNSHIP 21 SOUTH, RANGE 36 EAST, NMPM

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

Authorization for the remaining New Mexico "G" State Well Nos. 2, 10, and 11, as unorthodox gas well location in the Eumont Gas Pool approved by said Order NSP-1701(SD)(L), are hereby continued under the provisions of this order; however, all other provisions of said order shall be placed in abeyance until further notice. Also, Exxon is hereby permitted to produce the allowable assigned the subject 560-acre GPU, in accordance with Rule 5 of said special pool rules based upon a unit size of 560 acres, from all three wells in any proportion.

Sincerely,



William J. LeMay  
Director

WJL/MES/kv

cc: Oil Conservation Division - Hobbs  
New Mexico State Land Office - Santa Fe  
File: NSP-1592  
NSP-1593  
NSP-1593-A(SD)  
NSP-1691(SD)(L)  
NSP-1701(SD)(L)



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

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

December 7, 1999

**Exxon Corporation**  
**P. O. Box 4358**  
**Houston, Texas 77210-4358**  
**Attention: Charlotte Harper**

**Hawkins Exploration, Inc.**  
**550 W. Texas Ave. - Suite 625**  
**Midland, Texas 79701**  
**Attention: Mark T. Hawkins**

***Administrative Order NSP-1701-B***

Dear Ms. Harper and Mr. Hawkins:

Reference is made to the following: (i) your application dated August 13, 1999; (ii) the New Mexico Oil Conservation Division's ("Division") initial response by letter dated August 23, 1999; (iii) a letter dated December 6, 1999 from Mr. Mark T. Hawkins; (iv) several telephone conversations between Mr. Hawkins and Mr. Michael E. Stogner, Engineer/Chief Hearing Officer with the Division in Santa Fe and between Mr. Bill Duncan with Exxon Corporation ("Exxon") in Houston and Mr. Stogner; and (v) the records of the Division: all concerning Exxon's request to establish the following two described 40-acre non-standard gas spacing and proration units within the Eumont Gas Pool in Section 26, Township 21 South, Range 36 East, NMPM, Lea County, New Mexico:

- (A) the SE/4 SE/4 (Unit P), which is to be dedicated to the existing New Mexico "G" State Well No. 2 (API No. 30-025-04779) located at a standard gas well location 660 feet from the South and East lines of Section 26; and
- (B) the NW/4 SW/4 (Unit L), which is to be dedicated to the existing New Mexico "G" State Well No. 10 (API No. 30-025-04785) located at a standard gas well location 1980 feet from the South line and 660 feet from the East line of Section 26.

The subject requests have been duly filed under the provisions of New Mexico Oil Conservation Division ("Division") Rule 104.F.



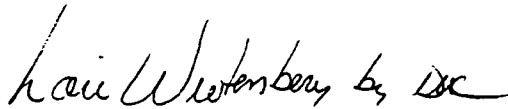
Administrative Order NSP-1701-B  
Exxon Corporation  
December 7, 1999  
Page 2

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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 Rule 104.D (2) the two above-described non-standard 40-acre gas spacing and proration units are hereby approved.

**It is further ordered that** Division Administrative Order NSP-1701-A (L) (SD), which order established a 560-acre non-standard Eumont gas spacing and proration unit comprising the NE/4, W/2 NW/4, SE/4 NW/4, SW/4, W/2 SE/4, and SE/4 SE/4 of Section 26 and was simultaneously dedicated to Exxon's New Mexico "G" State Wells No. 2, 10, and 11, is hereby placed in abeyance until further notice.

Sincerely,

A handwritten signature in cursive script, appearing to read "Lori Wrotenbery", followed by a small mark that looks like "LWC".

Lori Wrotenbery  
Director

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

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