

STATE OF NEW MEXICO

ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION

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STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87504
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July 26, 1994

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:

<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-1701(SD)(L)

Exxon Corporation

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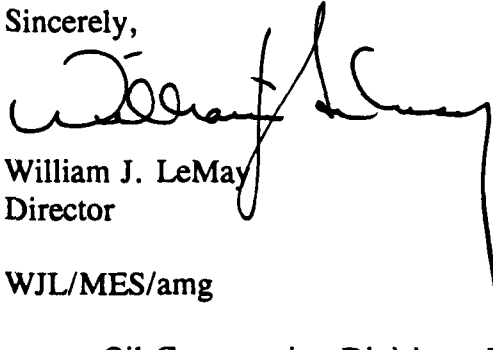
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It is our understanding at this time that all six of the aforementioned wells are to be simultaneously dedicated to the proposed 600-acre non-standard gas spacing and proration unit. Said application has been reviewed and the required twenty-day suspense 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)