



STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION

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

May 2, 1995

Texaco Exploration and Production, Inc.
P.O. Box 3109
Midland, TX 79702

Attention: C. W. Howard

Administrative Order NSP-1725

Dear Mr. Howard:

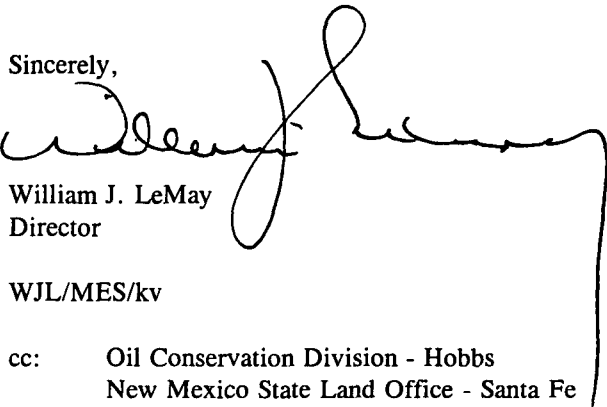
Reference is made to your application dated March 22, 1995 to essentially reinstate a previously approved non-standard 160-acre gas spacing and proration unit in the Eumont Gas Pool ("GPU") comprising the NW/4 of Section 16, Township 19 South, Range 37 East, NMPM, Lea County, New Mexico. Said GPU was established by Division Order No. R-520, dated August 12, 1954.

According to Oil Conservation Division records the original well dedicated to this unit was the Chevron U.S.A. Inc. Lea "DZ" State Well No. 1 (API No. 30-025-05604), located at a standard gas well location 660 feet from the North and West lines (Unit D) of said Section 16, is to be, if it has not already been, plugged and abandoned.

Furthermore, it is our understanding that this unit will now be dedicated to Texaco's proposed Eumont "16" State Well No. 1 to be drilled at a standard gas well location 1930 feet from the North line and 760 feet from the West line (Unit E) of said Section 16.

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, Texaco is hereby authorized to continue operating the above-described acreage as a non-standard gas spacing and proration unit, with allowable to be assigned thereto in accordance with Rule 5 of said pool rules based upon the unit size of 160 acres.

Sincerely,


William J. LeMay
Director

WJL/MES/kv

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