STATE OF NEW MEXICO



ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

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

September 25, 1995

Mewbourne Oil Company 500 West Texas - Suite 1020 Midland, Texas 79701

Attn: Steve Cobb

Amoco Production Company Permian Basin Business Unit P. O. Box 4891 Houston, Texas 77210

Attn: Jerry D. West

Division Administrative Order NSP-1742(L)(SD)

Dear Messrs. Cobb and West

Reference is made to Mewbourne Oil Company ("Mewbourne") application dated June 27, 1995 and the application dated September 1, 1995 from Amoco Production Company ("Amoco"), to divide the existing 320-acre non-standard gas spacing and proration unit ("GPU") in the Eumont Gas Pool currently operated by Amoco and comprising the E/2 of Section 21, Township 20 South, Range 37 East, N.M.P.M., Lea County, New Mexico, into two separate 160-acre gas spacing and proration units.

Said 320-acre GPU was authorized by Division Order R-835, dated July 9, 1956, and is currently simultaneously dedicated to the (1) Gillully "B" Federal R/A "A" Well No. 6-Y (API No. 30-025-06201), located 390 feet from the North line and 660 feet from the East line (Unit A) of said Section 21, (2) the Gillully "B" Federal R/A "A" Well No. 17 (API No. 30-025-25864), located at a previously approved unorthodox gas well location for the subject 320-acre GPU (see Division Administrative Order NSL-3110(SD), dated April 20, 1992) 660 feet from the North line and 1650 feet from the East line (Unit B) of said Section 21, and (3) the Gillully "B" Federal R/A "A" Well No. 20 (API No. 30-025-25937), located at a standard gas well location 1930 feet from the North line and 760 feet from the East line (Unit H) of said Section 21.

Division Administrative Order NSP-1742(SD)(L) Mewbourne Oil Company/Amoco Production Company September 25, 1995 Page 2

It is our understanding at this time that:

- (1) the acreage dedication for the three aforementioned Amoco Gillully "B" Federal R/A "A" lease wells will be changed to a non-standard **160-acre** GPU comprising the NE/4 of said Section 21; and,
- the remaining 160 acres comprising the SE/4 of said Section 21 is to be dedicated to Mewbourne's proposed Eumont "21" Federal Well No. 1 to be drilled at a standard gas well location 660 feet from the South line and 1880 feet from the East line (Unit O) of said Section 21.

The operator of each of the above-described units shall file, within 20-days from the date of this order a new OCD Form C-102 for each well with the Division reflecting the above-described acreage changes.

By the authority granted me under the provisions of **Rule 2(a)4** 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 two above-described non-standard gas spacing and proration units in the E/2 of said Section 21 are hereby approved with allowables to be assigned thereto in accordance with **Rule 5** of said pool rules based upon its respective unit size. Further, the resulting unorthodox gas well location for Amoco's Gillully "B" Federal R/A "A" Well No. 6-Y is hereby approved under authority of **Rule 2(c)** of said Special Eumont Pool Rules, the remaining wells are all considered to be standard pursuant to special **Rule 2(b)4**.

At this time both Division Administrative Order NSL-3110(SD) and Order No. R-835 are hereby placed in abeyance until further notice.

Sincerely, WILLIAM J. LE Director

WJL/MES/kv

cc: Oil Conservation Division - Hobbs
U. S. Bureau of Land Management - Carlsbad
File: NSL-3110(SD)



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Amoco Exploration and Production U.S.A. Operations Group

Permian Basin Business Unit

501 WestLake Park Boulevard Post Office Box 4891 Houston, Texas 77210

September 1, 1995

Mr. William J. LeMay, Director New Mexico Oil Conservation Division 2040 South Pacheco Santa Fe, New Mexico 87504

Re: Administrative Application for a 160-acre non-standard gas spacing and proration unit ("GPU") in the SE/4 of Section 21 Township 20 South, Range 37 East, NMPM, Eumont Gas Pool Lea County, New Mexico

Gentlemen:

Amoco Production Company respectfully requests administrative approval for the creation of a nonstandard 160-acre Eumont Gas Proration Unit for the Gillully /B/ Federal R/A "A" Well Nos. 6-Y, 17, and 2 located in the NE/4 of Section 21-20S-37E, Lea County, New Mexico.

A 320 acre non-standard gas proration unit was approved for these wells under Administrative Order NSL-3110(SD), April 20, 1992. Due to the marginal status of these wells a 160 acre proration unit is sufficient for allowable purposes. The remaining 160 acres (SE/4) has been farmed out to Mewbourne Oil Company, which will result in an additional well being drilled. Additional reserves should be the result of this drilling. Addition reserves should be the result of this drilling.

A copy of this administrative application is being provided to our offset operators via certified mail. Attached is a map illustrating the proration unit acreage. Also attached is a copy of the letter to our offset operators.

If you have any questions, please contact Jerry West at (713) 366-3588.

Yours very truly,

Gerry D. West Jerry D. West

JDW/DMP

Attachments

cc w/attachments:

Mewbourne Oil Company 500 West Texas - Suite 1020 Midland, Texas 79701 Attn: Steve Cobb

Offset Operators, per attachment

HUG-28-195 15:35 ID: AMOCO WESTLAKE TEL NO: 7133662139 #659 P86

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Amoco Exploration and Production U.S.A. Operations Group

Permian Basin Business Unit

501 WestLake Park Boulevard Post Office Box 4891 Houston, Texas 77210

September 1, 1995

Certified Mail - Return Receipt Requested

Re: Administrative Application for a 160-acre non-standard gas spacing and proration unit ("GPU") in the SE/4 of Section 21 Township 20 South, Range 37 East, NMPM, Eumont Gas Pool Lea County, New Mexico

OFFSET OPERATORS Gillully /B/ Federal R/A "A" Wells No. 6Y, 17 and 2 (Mailing List Attached)

Gentlemen:

Attached is a copy of an administrative application for New Mexico Oil Conservation Division approval for the creation of a 160 acre non-standard Eumont Gas Proration Unit for the Gillully /B/ Federal R/A "A" Wells No. 6Y, 17 and 2 located in the NE/4 of Section 21-20S-37E, Lea County, New Mexico.

A 320 acre non-standard gas proration unit was approved for these wells under Administrative Order NSL-3110(SD) April 2, 1992. Due to the marginal status of these wells a 160 acre proration unit is sufficient for allowable purposes. The remaining 160 acres (SE/4) has been farmed out to Mewbourne Oil Company, which will result in an additional well being drilled.

If you have any questions regarding this application, please contact Jerry West (713) 366-3588.

Yours very truly,

gerry D. West

Jerry D. West

cc: Mewbourne Oil Company 500 West Texas - Suite 1020 Midland, Texas 79701 Attn: Steve Cobb (with attachments)

Amoco Production Company

Administrative Application for a 160-acre non-standard gas spacing and proration unit ("GPU") in the SE/4 of Section 21, Township 20 South, Range 37 East, NMPM, Eumont Gas Pool Lea County, New Mexico

Offset Operators

Chevron USA Inc. P.O. Box 1150 Midland, TX 79702

Attn: L.V. Trautman

Conoco, Inc. 10 Desta Drive Midland, TX 79705 Attn: Mike Johnson

Texaco Expl. & Prod. Inc. P.O. Box 3109 Midland, TX 79702 Attn: Ron Lanning

Marathon Oil Company P. O. Box 552 Midland, TX 79702-0552 Attn: J.F. Rusnak

Zachary Oil Operating Co. 307 West 7th Street, Suite 1212 Fort Worth, TX 76102-5178 Attn: Mr. Rios Amerada Hess Corporation P.O. Box 2040 Houston, TX 77252-2040 Attn: Peter Bacon

John Hendrix Corporation P.O. Box 3040 Midland, TX 797902 Attn: Ronnie Westbrook

> R.B. Honeyman P.O. Box 755 Hobbs, NM 88241 Attn: Laren Holler

Mobil Expl.& Prod. USA Inc. P. O. Box 633 Midland, TX 79702 Attn: Mark Haralson Doyle Hartman P.O. Box 10426 Midland, TX 79702-7426

Meridian Oil Inc. 3300 North "A", Building 6 Midland, TX 79705 Attn: Dennis Sledge

> ARCO Permian P.O. Box 1610 Midland, TX 79702 Attn: John E. Lodge

ORYX Energy P.O. Box 2880 Dallas, TX 85221-2880 Attn: Glynn Broussard Re: Administrative Application for a 160-acre non-standard gas spacing and proration unit ("GPU") in the SE/4 of Section 21 Township 20 South, Range 37 East, NMPM, Eumont Gas Pool, Lea County, New Mexico

Mr. William J. LeMay, Director New Mexico Oil Conservation Division 2040 South Pacheco Santa Fe, New Mexico 87504

As an offset operator, the undersigned has no objection to Amoco Production Company's application for a 160 acre non-standard gas spacing and proration unit ("GPU") in the SE/4 of Section 21, Township 20 South, Range 37 East, NMPM, Eumont Gas Pool, Lea County, New Mexico.

Approved By:_____

Representing:		
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Date: _____

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