

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

BRUCE KING
GOVERNOR

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

May 31, 1991

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

Attention: A. W. Bohling

Administrative Order NSP-152-A(SD)

Dear Mr. Bohling:

Reference is made to your application dated May 1, 1991 to reduce an existing 320-acre non-standard gas spacing and proration unit in the Eumont Gas Pool by 40 acres thereby forming a 280-acre non-standard gas spacing and proration unit. Said 320-acre unit was authorized by Division Administrative Order NSP-152, dated June 15, 1955 and had dedicated thereon the Chevron H. T. Mattern (NCT-A) Well No. 1 located 330 feet from the South line and 2310 feet from the East line (Unit O) of Section 24, Township 21 South, Range 36 East, NMPM, Lea County, New Mexico, which is considered a standard gas well location pursuant to Rule 2(b) of the Special Rules and Regulations for the Eumont Gas Pool, as promulgated by Division Order No. R-8170, as amended.

It is our understanding that in December, 1990 Chevron completed their H. T. Mattern (NCT-A) Well No. 5 located 660 feet from the South line and 990 feet from the West line (Unit M) of said Section 24 as an oil well in said Eumont Pool and it is the 40 acres comprising the SW/4 SW/4 of said Section 24 that is to be deleted from the existing 320-acre gas proration unit and will therefore be dedicated to the No. 5 well forming a standard 40-acre oil spacing and proration unit for said pool. Further, it is our understanding that the existing H. T. Mattern (NCT-A) Well No. 2 located 1650 feet from the South and East lines (Unit J) of said Section 24, which is presently classified as a temporarily abandoned well will be recompleted in the Eumont Gas Pool upon issuance of this order.

By authority granted me under the provisions of Rule 2(a)4 of said Special Eumont Gas Pool rules, a 280-acre non-standard gas spacing and proration unit in said pool comprising the N/2 SW/4, SE/4 SW/4, and SE/4 of said Section 24 is hereby approved.

Administrative Order NSP-152-A(SD)

Chevron USA, Inc.

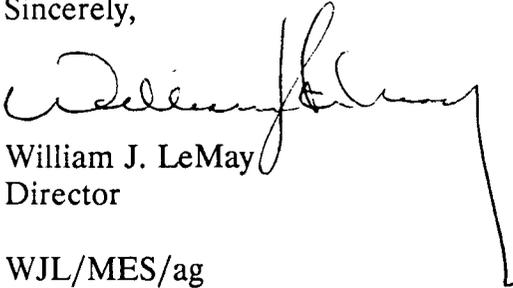
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Furthermore, you are hereby permitted to produce the allowable assigned the subject GPU from both of said wells in any proportion.

NOTE: Said Division Order No. NSP-152 is hereby placed in abeyance until further notice.

Sincerely,



William J. LeMay
Director

WJL/MES/ag

cc: Oil Conservation Division - Hobbs
File: NSP-152
NM State Land Office - Santa Fe