



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON
Governor
Jennifer A. Salisbury
Cabinet Secretary

December 8, 2000

Lori Wrotenbery
Director
Oil Conservation Division

Chevron U.S.A. Production Company
P. O. 1150
Midland, Texas 79702
Attention: A. M. Howell

Administrative Order NSP-1836

Dear Mr. Howell:

Reference is made to the following: (i) your application dated November 7, 2000; and (ii) the records of the New Mexico Oil Conservation Division ("Division") in Santa Fe: all concerning Chevron U.S.A. Production Company's ("Chevron") request for a 119.97-acre non-standard gas spacing and proration unit consisting of the following acreage in the Tubb Oil and Gas Pool:

LEA COUNTY, NEW MEXICO
TOWNSHIP 22 SOUTH, RANGE 37 EAST, NMPM
Section 1: Lot 1 and the S/2 NE/4.

This unit is to be dedicated to Chevron's existing Alice Paddock Well No. 4 (API No. 30-025-09940), located at a standard gas well location 1980 feet from the North and East lines (Unit G) of Section 1. It is our understanding that this well was drilled in 1946 by Gulf Oil Corporation ("Gulf") to a total depth of 5,263 feet and completed as an oil well in the Paddock Pool where the location was considered to be a standard oil well location for the assigned 40-acre oil spacing and proration unit comprising the SW/4 NE/4 of Section 1. The Paddock zone was abandoned in 1963 when Gulf deepened the well to 5,711 feet and recompleted this well into the oil-bearing portion of the Blinebry Oil and Gas Pool.

It is further understood that Chevron, successor operator to Gulf, now intends to abandon the Blinebry interval within the Alice Paddock Well No. 4, deepen to a 6,200 feet and recomplete into the Tubb Oil and Gas Pool in order to establish gas production.

This application has been duly filed under the provisions of: (i) Division Rule 104.D (2), revised by Division Order No. R-11231, issued by the New Mexico Oil Conservation Commission in Case No. 12119 on August 12, 1999; (ii) Division Rule 605; and (iii) the "Special Rules and Regulations for the Tubb Oil and Gas Pool", as promulgated by Division Order No. R-8170, as amended.


By authority granted me under the provisions of Division Rules 605.B (2) (b) and 104.D (2)

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and the applicable provisions of the special pool rules governing the Tubb Oil and Gas Pool, the above-described 119.97-acre non-standard gas spacing and proration unit and unorthodox Tubb gas well location for the above-described Alice Paddock Well No. 4 is hereby approved.

Further, Chevron is permitted to produce the allowable assigned this 119.97-acre unit from the Alice Paddock Well No. 4 in accordance with Rule 8 of the special rules governing the Tubb Oil and Gas Pool and Division Rule 605.D (4) (a).

Sincerely,


Lori Wrotenbery
Director

cc: New Mexico Oil Conservation Division – Hobbs