



STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION

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

August 24, 1995

Exxon Corporation
P. O. Box 1600
Midland, Texas 79702-1600

Attention: Alex M. Correa

Administrative Order NSL-3440-A(SD)

Dear Mr. Correa:

Reference is made to your application dated July 31, 1995, for two additional wells, one of which is considered to be at an unorthodox gas well location, within an existing non-standard 320-acre gas spacing and proration unit ("GPU") in the Eumont Gas Pool.

Said GPU comprises the E/2 of Section 10, Township 21 South, Range 36 East, NMPM, Lea County, New Mexico and was authorized by Division Administrative Order NSP-77A, dated January 24, 1955 and had dedicated thereon the John D. Knox Well No. 1 (**API No. 30-025-04595**), located at a standard gas well location 1980 feet from the South and East lines (Unit J) of said Section 10.

By Division Order No. R-6119, dated September 24, 1979, an additional well to be drilled and completed in the subject GPU was approved for the John D. Knox Well No. 13 (**API No. 30-025-26326**), located at an unorthodox gas well location 1650 feet from the North line and 990 feet from the East line (Unit H) of said Section 10.

By Division Administrative Order NSL-3440(SD), dated December 1, 1994, a third well, the John D. Knox Well No. 9 (**API No. 30-025-20166**), located at an unorthodox gas well location 330 feet from the North line and 990 feet from the East line (Unit A) of said Section 10, was incorporated into the subject 320-acre unit.

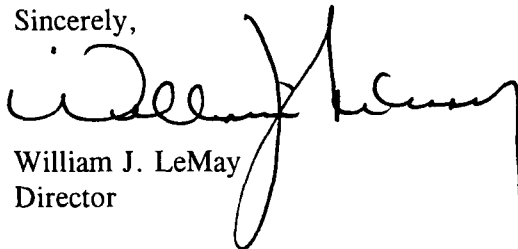
It is our understanding that the subject wells to be considered in this application are both currently completed as oil wells in deeper horizons and upon issuance of this order will be recompleted up-hole into the Eumont Gas Pool. The John D. Knox Well No. 12 (**API No. 30-025-20706**), located 990 feet from the South line and 1652 feet from the East line (Unit O) of said Section 10, is considered to be a "standard" gas well location for this particular 320-acre unit, however the John D. Knox Well No. 5 (**API No. 30-025-04599**) located 660 feet from the South and East lines (Unit P) of said Section 10 is "unorthodox".

By authority granted me under the provisions of Rule 2(c) of the Special Rules and Regulations for the Eumont Gas Pool, as promulgated by Division Order No. R-8170, as amended, the location for the above-described John D. Knox Well No. 5 is hereby approved.

Also, you are hereby authorized to simultaneously dedicate Eumont gas production from the John D. Knox Well Nos. 1, 9, and 13 with the John D. Knox Well Nos. 5 and 12. Furthermore, you are hereby permitted to produce the allowable assigned the subject GPU from all five wells in any proportion.

All provisions of said Division Administrative Orders NSP-77A and NSL-3440(SD) and Order No. R-6119 shall remain in full force and effect until further notice.

Sincerely,



William J. LeMay
Director

WJL/MES

cc: Oil Conservation Division - Hobbs
File: NSP-77A
NSL-3440(SD)