



STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

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

March 22, 1995

Chevron U.S.A. Inc.
Attn: Richard E. Black
P. O. Box 1150
Midland, Texas 79702

Administrative Order NSL-3503(SD)

Dear Mr. Black:

Reference is made to your application dated February 21, 1995 for an unorthodox Eumont gas well location in an existing non-standard 320-acre gas spacing and proration unit ("GPU") for said Eumont Gas Pool comprising the N/2 of Section 25, Township 21 South, Range 36 East, NMPM, Lea County, New Mexico. Said GPU was established by Division Order No. R-659, dated July 14, 1995, and had dedicated thereon the W. A. Ramsey (NCT-B) Well No. 2 (API No. 30-025-04773), located at a standard gas well location 1980 feet from the North line and 660 feet from the West line (Unit E) of said Section 25.

By Division Correspondence dated December 10, 1976, an additional well was completed in the subject GPU and simultaneous dedication was approved for the W. A. Ramsey (NCT-B) Well No. 1 (API No. 30-025-04772), located at a standard gas well location 1980 feet from the North and West lines (Unit F) of said Section 25.

It is our understanding that the subject well to be considered in this application is currently a producing oil well in the Blinebry Oil Pool and upon issuance of this order will be recompleted up-hole into the Eumont Gas Pool.

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 following described well located at an unorthodox Eumont gas well location is hereby approved:

W. A. Ramsey (NCT-B) Well No. 7
2310' FNL & 1900' FWL (Unit G) of said Section 25
API No. 30-025-25439

Administrative Order NSL-3503(SD)

Chevron U.S.A. Inc.

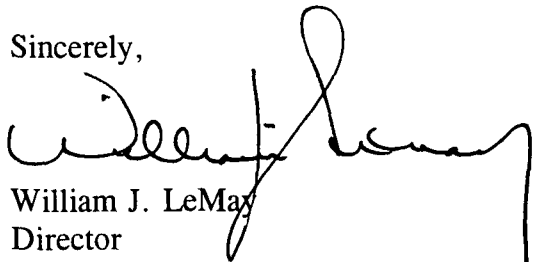
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Also, you are hereby authorized to simultaneously dedicate Eumont gas production from the W. A. Ramsey (NCT-B) Well No. 7 with the two existing W. A. Ramsey (NCT-B) Well Nos. 1 and 2. Furthermore, you are hereby permitted to produce the allowable assigned the subject GPU from all three wells in any proportion.

All provisions of said Division Order No. R-659 and Division Correspondence dated December 10, 1976 shall remain in full force and effect until further notice.

Sincerely,

A handwritten signature in black ink, appearing to read "William J. LeMay". The signature is fluid and cursive, with a long, sweeping underline that extends downwards and to the right.

William J. LeMay
Director

WJL/MES/kv

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