



NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION
2040 South Pacheco Street
Santa Fe, New Mexico 87505
(505) 827-7131

October 28, 1997

Chevron U.S.A. Production Company
P.O. Box 1150
Midland, Texas 79702-1150
Attention: Craig A. Wright

Administrative Order NSP-1780(L)

Dear Mr. Wright:

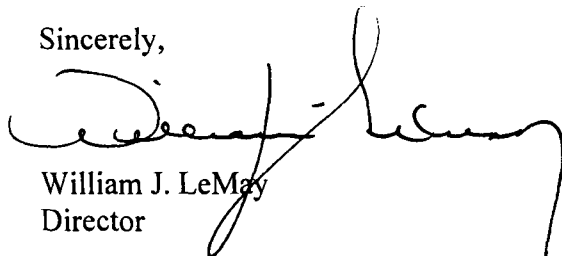
Reference is made to your application dated September 8, 1997, as revised September 29, 1997, for a 120-acre non-standard gas spacing and proration unit ("GPU") consisting of the following acreage in the Blinebry Oil and Gas Pool:

LEA COUNTY, NEW MEXICO
TOWNSHIP 22 SOUTH, RANGE 37 EAST, NMPM
Section 14: NW/4 NW/4 and S/2 NW/4.

It is my understanding that this unit is to be dedicated to the existing Hugh Well No. 8 (API No. 30-025-21625), which was drilled in 1965 and completed in the Drinkard Pool at a standard oil well location 2030 feet from the North line and 560 feet from the West line (Unit E) of said Section 14. Upon issuance of an order by the Division in this matter, said Hugh Well No. 8 is to be re-completed up-hole into the Blinebry Oil and Gas Pool. This location, pursuant to **Rule 2(b)1** of the "*General Rules for the Prorated Gas Pools of New Mexico/Special Rules and Regulations for the Blinebry Oil and Gas Pool*," is considered to be "unorthodox".

By authority granted me under the provisions of **Rule 2(d)** of said special pool rules the above-described 120-acre non-standard gas spacing and proration unit and unorthodox gas well location for the Hugh Well No. 8 are hereby approved. Also, you are hereby permitted to produce the allowable assigned the subject GPU, in accordance with Rule 5 of said pool rules based upon a unit size of 120 acres.

Sincerely,



William J. LeMay
Director

WJL/MES/kv

cc: Oil Conservation Division - Hobbs
File: Division Administrative Order NSL-3508 /