



NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT

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

March 10, 1998

Chevron U.S.A., Inc.
P.O. Box 1150
Midland, Texas 79702-1150
Attention: J. H. Saenz

Administrative Order NSL-3968(SD)

Dear Mr. Saenz:

Reference is made to your application dated February 16, 1998, for a non-standard Eumont gas well location in an existing non-standard 158.72-acre gas spacing and proration unit ("GPU") for said Eumont Gas Pool comprising Lots 4 and 5 of irregular Section 4 and Lots 7 and 8 of irregular Section 5, both in Township 21 South, Range 36 East, NMPM, Lea County, New Mexico. Said GPU was authorized by Division Order No. R-652, dated June 20, 1955 and had dedicated thereon Chevron's H. T. Orcutt (NCT-B) Well No. 1 (API No. 30-025-04509), located at a standard gas well location 1980 feet from the North and East lines (Lot 7/Unit G) of said Section 5.

The subject application has been duly filed under the provisions of Rule 104.F of the General Rules and Regulations of the New Mexico Oil Conservation Division.

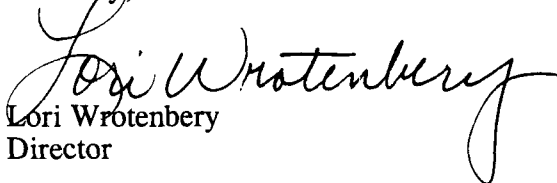
By the authority granted me under the provisions of **Rule 2(d)** of the "*General Rules for the Prorated Gas Pools of New Mexico/Special Rules and Regulations for the Eumont Gas Pool*", as promulgated by Division Order No. R-8170, as amended, and Division General Rule 104.F(2) the following described well to be drilled at an unorthodox Eumont gas well location is hereby approved:

***H. T. Orcutt (NCT-B) Well No.14
1500' FNL - 725' FWL (Lot 5/Unit E) of said Section 4.***

Also, Chevron U.S.A. Inc. is hereby authorized to simultaneously dedicate Eumont Gas production from the H. T. Orcutt (NCT-B) Well No. 14 with the existing H. T. Orcutt (NCT-B) Well No. 1. Furthermore, you are hereby permitted to produce the allowable assigned the subject GPU from both wells in any proportion.

Further, all applicable previous of said Division Order No. R-652 shall remain in full force and effect until further notice.

Sincerely,


Lori Wrotenberg
Director

LW/MES/kv

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