



STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

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

July 10, 1997

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

Administrative Order SD-97-4

Dear Mr. Saenz:

Reference is made to your application dated May 5, 1997. Chevron U.S.A. Inc. ("Chevron") is hereby authorized to simultaneously dedicate Eumont Gas Pool production to the previously approved non-standard 310.01-acre gas spacing and proration unit ("GPU") comprising Lots 3 and 4, the E/2 SW/4, and the SE/4 (S/2 equivalent) of Section 7, Township 21 South, Range 36 East, NMPM, Lea County, New Mexico (approved by Division Administrative Order NSP-157, dated September 7, 1955) from the following four wells:

- the existing Campbell Houston Gas Com Well No. 2 (API No. 30-025-04551) located at a standard gas well location 1980 feet from the South and West lines (Unit K) of said Section 7;
- the existing Campbell Houston Gas Com Well No. 4 (API No. 30-025-04548) located at a standard gas well location 1980 feet from the South and East lines (Unit J) of said Section 7;
- the existing Campbell Houston Gas Com Well No. 5 (API No. 30-025-31150) located at a previously approved unorthodox gas well location [Division Administrative Order NSL-2993(SD), dated March 7, 1991] 760 feet from the South line and 1140 feet from the East line (Unit P) of said Section 7; and,
- the newly drilled Campbell Houston Gas Com Well No. 6 (API No. 30-025-33795) located at a standard Eumont gas well location 990 feet from the South and West lines (Lot 4/Unit M) of said Section 7.

Administrative Order SD-97-4

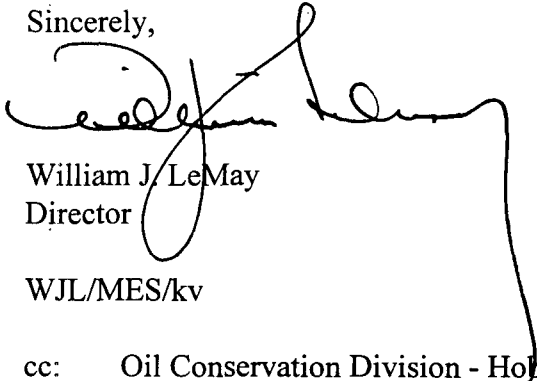
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Further, Chevron is permitted to produce the allowable assigned said non-standard 310.01-acre GPU from all four wells in any proportion.

Sincerely,

A handwritten signature in black ink, appearing to read 'William J. LeMay', is written over the typed name and title. The signature is fluid and cursive, with a long horizontal stroke extending to the right.

William J. LeMay
Director

WJL/MES/kv

cc: Oil Conservation Division - Hobbs
New Mexico State Land Office - Santa Fe
File: NSP-157
NSL-2993(SD)