



NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT

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

January 12, 1998

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

Administrative Order SD-98-1

Dear Mr. Wright:

Reference is made to your application dated January 6, 1998. Chevron U.S.A. Inc. ("Chevron") is hereby authorized to simultaneously dedicate Blinebry Oil and Gas Pool production to the previously approved non-standard 120-acre gas spacing and proration unit ("GPU") comprising the NW/4 NW/4 and S/2 NW/4 of Section 14, Township 22 South, Range 37 East, NMPM, Lea County, New Mexico [approved by Division Administrative Order NSP-1780(L), dated October 28, 1997] from the following three wells:

- the existing Hugh Well No. 1 (API No. 30-025-10257) located at a standard gas well location 660 feet from the North and West lines (Unit D) of said Section 14;
- the existing Hugh Well No. 5 (API No. 30-025-10261) located at a standard gas well location 1980 feet from the North and West lines (Unit F) of said Section 14; and,
- the existing Hugh Well No. 8 (API No. 30-025-21625), located at a previously approved unorthodox gas well location [Division Administrative Order NSP-1780(L)] 2030 feet from the North line and 560 feet from the West line (Unit E) of said Section 14.

Chevron is hereby permitted to produce the allowable assigned said non-standard 120-acre gas spacing and proration unit from all three wells in any proportion. Further, all provisions of said Administrative Order NSP-1780(L) shall remain in full force and affect until further notice.

Sincerely,

Kathleen A. Garland
Director

KAG/MES/kv

cc: New Mexico Oil Conservation Division - Hobbs
Files: NSP-1780(L)
NSL-3508