



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 27, 1995

Chevron U.S.A. Inc.
P.O. Box 1150
Midland, Texas 79702

Attention: Lloyd V. Trautman

Administrative Order NSP-1721

Dear Mr. Trautman:

Reference is made to your application dated February 22, 1995 for the creation of a non-standard 120-acre Blinebry gas spacing and proration unit ("GPU") in the NE/4 of Section 14, Township 22 South, Range 37 East, NMPM, Lea County, New Mexico.

It is our understanding that both the Hugh Well No. 4 (API No. 30-025-10260), located 660 feet from the North and East lines (Unit A) of said Section 14 and the Hugh Well No. 9 (API No. 30-025-24637), located 1980 feet from the North and East lines (Unit G) of said Section 14 have both recently been reclassified from Blinebry oil wells to gas wells. It is further understood that both wells are to be simultaneously dedicated to a proposed 120-acre GPU.

By authority granted me under the provisions of Rule 2(a)4 of the Special Rules and Regulations for the Blinebry Oil and Gas Pool, as promulgated by Division Order No. R-8170, as amended, the following described 120-acre non-standard gas spacing and proration unit is hereby approved:

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

Administrative Order NSP-1721

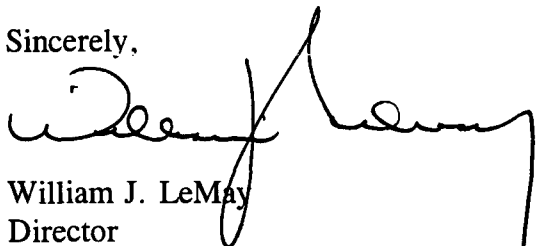
Chevron U.S.A. Inc.

March 27, 1995

Page 2

Also, Chevron is hereby authorized to simultaneously dedicate Blinebry gas production from the Hugh Well Nos. 4 and 9. Furthermore, you are hereby permitted to produce the allowable assigned the subject GPU from both wells in any proportion.

Sincerely,

A handwritten signature in black ink, appearing to read 'William J. LeMay', with a long horizontal stroke extending to the right.

William J. LeMay
Director

WJL/MES/kv

cc: Oil Conservation Division - Hobbs