



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON
Governor
Jennifer A. Salisbury
Cabinet Secretary

February 13, 2001

Lori Wrotenbery
Director
Oil Conservation Division

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

Case 12610

Attention: C. J. Affeld

Re: *Administrative application for simultaneous dedication of Eumont gas production to the previously approved 160-acre non-standard gas spacing and proration unit comprising the SE/4 of Section 28, Township 21 South, Range 36 East, Eumont Gas Pool, Lea County, New Mexico (approved by Division Administrative Order NSP-272, dated June 27, 1956) from Chevron U.S.A., Inc.'s S. E. Fulton Wells No. 1, 2, 5, and 6.*

Dear Mr. Affeld:

Since there are no clear procedures for administrative review, either contained in the Division's rules governing the Eumont Gas Pool or the stipulated declaratory judgement issued by the First Judicial District Court in Santa Fe County, New Mexico on December 15, 2000, for future infill gas wells that result in spacing of less than 160 acres per well on a proration unit, your application dated January 22, 2001 will be placed on the next available docket scheduled for hearing on March 8, 2001.

I have prepared the attached advertisement for this matter. Should you have any questions concerning this matter, please contact Mr. William F. Carr, Legal Counsel for Chevron U.S.A., Inc., in Santa Fe at (505) 988-4421.

Sincerely

Michael E. Stogner
Chief Hearing Officer/Engineer

cc: New Mexico Oil Conservation Division – Hobbs
William F. Carr, Legal Counsel for Chevron U.S.A. Production Company - Santa Fe
Kathy Valdes - NMOCD, Santa Fe
Florene Davidson NMOCD, Santa Fe

CASE 12610 : Application of Chevron U.S.A., Inc. for simultaneous dedication, Lea County, New Mexico.

Applicant, pursuant to the rules governing the Eumont Gas Pool and the stipulated declaratory judgement issued by the First Judicial District Court in Santa Fe County, New Mexico on December 15, 2000, seeks to simultaneously dedicate Eumont gas production to the previously approved 160-acre non-standard gas spacing and proration unit comprising the SE/4 of Section 28, Township 21 South, Range 36 East (approved by Division Administrative Order NSP-272, dated June 27, 1956) from the following four wells:

- existing S. E. Felton Well No. 1 (**API No. 30-025-04815**) located at a standard gas well location 660 feet from the South and East lines (Unit P) of Section 28;
- existing S. E. Felton Well No. 2 (**API No. 30-025-25352**) located at a standard gas well location either 800 feet or 880 feet from the South line and 1980 feet from the East line (Unit O) of Section 28; and,
- existing S. E. Felton Well No. 5 (**API No. 30-025-33796**) located at a standard Eumont gas well location 1980 feet from the South and East lines (Unit J) of Section 28; and
- proposed S. E. Felton Well No. 6 (**API No. 30-025-35395**) to be drilled at a standard infill gas well location 1980 feet from the South line and 660 feet from the East line (Unit I) of Section 28.

This unit is located approximately eight miles southwest of Monument, New Mexico.