



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON

Governor

Jennifer A. Salisbury
Cabinet Secretary

June 8, 2001

Lori Wrotenberg

Director

Oil Conservation Division

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

Case 12687

Attention: A. M. Howell

Re: Two administrative applications to form non-standard 160-acre gas spacing and proration units within the Tubb Oil and Gas Pool in Section 30, Township 22 South, Range 38 East, NMPM, Lea County, New Mexico, comprising: (i) the NE/4 SW/4, S/2 SW/4, and SW/4 SE/4 of Section 30; and (ii) the N/2 NE/4, SE/4 NE/4, and NE/4 NW/4 of Section 30.

Dear Mr. Howell:

I have reviewed the two subject applications, as you know the Tubb Oil and Gas Pool is subject to: (i) special pool rules (see Division Order No. R-8170, as amended); (ii) the gas proration rules under Division Rule 605; and (iii) Division Rule 104. Since both proposed 160-acre units are to cross a governmental quarter section line and take portions of acreage from two quarter sections, these applications can not be processed administratively [see Division Rules 605.B (2) (b) and 104.D (2) (b) (ii)].

Both applications have therefore been set for hearing and will appear on the Division's first available docket scheduled for July 12, 2001. Should you have any questions concerning this matter please refer them to your legal counsel.

Sincerely

Michael E. Stogner
Chief Hearing Officer/Engineer

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