



**NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT**

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

March 24, 2000

FOR RECORD ONLY

Aspen Pumping
33 West Blevins Road
Artesia, New Mexico 88210
Attention: James D. Adamson

Administrative Order NSP-1815(L)

Dear Mr. Adamson:

Reference is made to: (i) the New Mexico Oil Conservation's ("Division") records in Santa Fe and Hobbs, including Division Case No. 8465; and (ii) a telephone conversation between Mr. Michael E. Stogner, Engineer/Chief Hearing Officer in Santa Fe, and Ms. Donna Pitzer, Oil Conservation Staff Specialist in Hobbs, on Monday, March 20, 2000: all concerning the need to create a 240-acre non-standard gas spacing and proration unit within the Southeast Chaves-Queen Area Associated Pool consisting of the following acreage in order to facilitate the development of Queen oil and gas production within this area in a manner that conforms with the Division's applicable rules and procedures:

CHAVES COUNTY, NEW MEXICO
TOWNSHIP 13 SOUTH, RANGE 30 EAST, NMPM
Section 34: E/2 NW/4 and SW/4.

The Division Finds That:

(1) The Southeast Chaves-Queen Area Associated Pool comprises the following described area in Chaves County, New Mexico and is governed, in part, under the provisions of Rules 2 (a), 2 (b), and 5 (b) of the *"General Rules and Regulations for the Associated Oil and Gas Pools of Northwest New Mexico and Southeast New Mexico/Special Rules and Regulations for the Southeast Chaves-Queen Area Associated Pool"*, as promulgated by Division Order No. R-5353, as amended, which: (i) provides for oil wells to be developed on 40-acre spacing and proration units comprising a single governmental quarter-quarter section substantially in the form of a square, being a legal subdivision of the United States Public Land Surveys, and for such oil wells to be located no closer than 330 feet to the outer boundary of a spacing unit; (ii) provides for gas wells to be spaced on 320-acre units that consist of two contiguous quarter sections, being the N/2, S/2, E/2, or W/2 of a single governmental section, and for wells to be no closer than 660 feet to the nearest side boundary nor closer than 1980 feet to the nearest end boundary of the spacing unit nor closer than 330 feet to any quarter-quarter section or subdivision inner boundary; and (iii) prohibits the simultaneous dedication of any acreage to an oil well with acreage assigned a gas well: