STATE OF NEW MEXICO

ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION



GARREY CARRUTHERS GOVERNOR

October 28, 1987

POST OFFICE BOX 2088 STATE LAND OFFICE BUILDING SANTA FE, NEW MEXICO 87504 (505) 827-5800

Exxon Company P.O. Box 1600 Midland, TX 79702-1600

Attention: David H. Murray Permits Supervisor

RE:

Non-Standard Gas Spacing and Proration Unit for the Eumont Gas Com 3 Well No. 1, A-35-T20S-R36E, Lea County, New Mexico.

Dear Mr. Murray:

After an extensive review of this application I find that each of the Eumont wells in the NE/4 of Section 35 have the following producing intervals:

Well No. 1	(Unit A)	perf. OH	3575 - 3713 3713 - 3788	(proposed 120 acre gas unit)
Well No. 8	(Unit B)	perf.	3800 - 3828	(40 acre oil unit)
Well No. 7	(Unit G)	perf.	3790 - 3802	(40 acre oil unit)
Well No. 2	(Unit H)	OH	3704 - 3860	(40 acre oil unit)

It therefore appears that Well Nos. 1 and 2 have overlapping producing intervals, as do Wells Nos. 2, 7 and 8. The policy of the NMOCD is to disallow the simultaneous dedication of oil wells and gas wells in any pool. At this time I can not approve this application; therefore, please submit either an amended application for a 40-acre non-standard gas proration unit for your No. 1 well or submit additional data to support this application.

Sincerely,

Michael E. Stogner Engineer

MES/ag

cc: Jerry Sexton William J. LeMay

