



STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION

2040 S. PACHECO
SANTA FE, NEW MEXICO 87505
(505) 827-7131

January 2, 1997

Chevron U.S.A. Inc.
P. O. Box 1150
Midland, Texas 79702
Attn: A. W. Bohling

Administrative Order NSL-3752(SD)

Dear Mr. Bohling:

Reference is made to your application dated December 4, 1996 for an unorthodox Eumont gas well location in an existing non-standard 160-acre gas spacing and proration unit ("GPU") for said Eumont Gas Pool comprising the SE/4 of Section 6, Township 20 South, Range 37 East, NMPM, Lea County, New Mexico. Said GPU was established by Division Administrative Order NSP-312, dated September 7, 1956, and had dedicated thereon the G. C. Matthews Well No. 2 (API No. 30-025-12721), located at a standard gas well location 1980 feet from the South and East line (Unit J) of said Section 6.

It is our understanding that the subject well to be considered in this application is currently a producing oil well in the Eunice Monument-Grayburg San Andres Pool and upon issuance of this order will be recompleted up-hole into the Eumont Gas Pool.

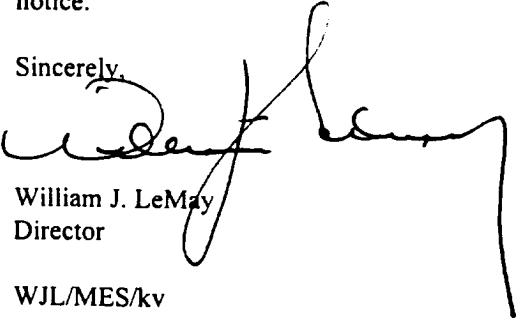
By authority granted me under the provisions of Rule 2(d) of the "*Special Rules and Regulations for the Eumont Gas Pool*", as promulgated by Division Order No. R-8170, as amended, the following described well located at an unorthodox Eumont gas well location is hereby approved:

*G. C. Matthews Well No. 12
330' FSL & 990' FEL (Unit P) of said Section 6
API No. 30-025-05953.*

Also, you are hereby authorized to simultaneously dedicate Eumont gas production from both the G. C. Matthews Well Nos. 2 and 12. Furthermore, you are hereby permitted to produce the allowable assigned the subject GPU from both wells in any proportion.

All provisions of said Division Administrative Order NSP-312 shall remain in full force and effect until further notice.

Sincerely,


William J. LeMay
Director

WJL/MES/kv

cc: Oil Conservation Division - Hobbs
NSP-312