



STATE OF NEW MEXICO  
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

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

September 6, 1996

Jack Huff, Oil and Gas Producer  
Attention: Chris Huff, Operations Manager  
P. O. Box 50190  
Midland, Texas 79710

Oil & Gas Operations, Inc.  
Attention: Greg Short, P.E.  
HC "31"  
Box 51-V-50  
Midland, Texas 79707

*Administrative Order NSP-1529-A*

Dear Messrs. Huff and Short:

Reference is made to: (i) the application filed by Mr. Chris Huff by letter dated July 23, 1996; (ii) the Division's initial response to said application from Mr. Michael E. Stogner by letter dated August 6, 1996; and, (iii) to Mr. Chris Huff's second letter concerning this matter dated August 15, 1996; all of which concern the request of Jack Huff, Oil and Gas Producer to detach the 40 acres comprising the NE/4 SE/4 (Unit I) of Section 14, Township 19 South, Range 36 East, N.M.P.M., Lea County, New Mexico, from the existing 120-acre non-standard gas spacing and proration unit ("GPU") in the Eumont Gas Pool comprising the NE/4 SE/4 and S/2 SE/4 of said Section 14. Said 120-acre GPU was authorized by Division Administrative Order NSP-1529, dated February 23, 1988 and had dedicated thereon the Greg Short Bren "A" Well No. 1 (API No. 30-025-04012), located at a standard gas well location for the 120-acre GPU 661 feet from the South line and 660 feet from the East line (Unit P) of said Section 14.

It is our understanding by the subject application and related correspondence that:

- (1) Jack Huff, Oil and Gas Operator now owns the Eumont rights underlying both the NE/4 SE/4 (Unit I) and the SW/4 SE/4 (Unit O) of said Section 14 and is proposing to form a non-standard