



STATE OF NEW MEXICO  
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT  
OIL CONSERVATION DIVISION

GARREY CARRUTHERS  
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October 29, 1990

Chevron USA, Inc.  
P.O. Box 1150  
Midland, TX 79702

Attention: A. W. Bohling

*RE: Administrative application for a non-standard gas proration unit and simultaneous dedication; A. B. Reeves Lease, S/2 N/2 and N/2 S/2 of Section 29, Township 20 South, Range 37 East, NMPM, Eumont Gas Pool, Lea County, New Mexico.*

Dear Mr. Bohling:

The subject application has been docketed for the November 14, 1990 hearing as Case No. 10153, please take special note as to the style in which this matter was advertised.

Please be prepared at that time to show cause why Chevron is "flip-flopping" the proration units on this lease in the following manner:

- two 160-acre non-standard units, S/2 N/2 and N/2 S/2 dedications, by Division Administrative Orders NSP-93 and 97;
- to a single 320-acre unit comprising the N/2 S/2 and S/2 N/2; and
- then to two 160-acre units comprising the N/2 NW/4 and S/2 SW/4 (NSP-1473(SD)) and the N/2 NE/4 and S/2 SE/4 (NSP-1408); and
- is proposing to reform the 320-acre unit comprising the S/2 N/2 and N/2 S/2 of the section.