



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

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

February 11, 2000

Joe Melton Drilling Co., Inc.
P. O. Box 4203
Midland, Texas 79701
Attention: Joe Melton

Telefax No. (915) 687-6500

Administrative Order NSP-1701-C (L) (SD)

Dear Mr. Melton:

Reference is made to the following: (i) your initial application dated January 10, 2000; (ii) a telephone conversation between Mr. Michael E. Stogner, Engineer/Chief Hearing Officer with the New Mexico Oil Conservation Division ("Division") in Santa Fe and Mr. Mark T. Hawkins in your office on Tuesday, January 18, 2000; (iii) Mr. Hawkins telefax dated January 18, 2000 with additional information; (iv) your supplemental application dated January 19, 2000; and (v) the records of the Division: all concerning Joe Melton Drilling Co., Inc.'s request to establish the following described 480-acre non-standard gas spacing and proration unit ("GPU") within the Eumont Gas Pool in Lea County, New Mexico:

TOWNSHIP 21 SOUTH, RANGE 36 EAST, NMPM

Section 26: NE/4, W/2 NW/4, SE/4 NW/4, NE/4 SW/4, SW/4 SW/4, and W/2 SE/4.

It is our understanding that Joe Melton Drilling Co., Inc. proposes to re-enter the following two plugged and abandoned wells within this GPU and complete them in the Eumont Gas Pool:

- (1) Exxon Corporation New Mexico "G" State Well No. 12 (API No. 30-025-04787), to be renamed by Joe Melton Drilling Co., Inc. the New Mexico State "G" Lease Well No. 12, located 1980 feet from the South and West lines (Unit K) of Section 26, which is considered to be an unorthodox gas well location for this GPU; and
- (2) Exxon Corporation New Mexico "G" State Well No. 14 (API No. 30-025-04789), to be renamed by Joe Melton Drilling Co., Inc. the New Mexico State "G" Lease Well No. 14, located 1980 feet from the North and West lines (Unit F) of Section 26, which is also considered to be an unorthodox gas well location for this GPU.

By authority granted me under the provisions Rule 2(d) of the "*Special Rules and*