



STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

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

July 30, 1996

Chevron U.S.A. Inc.
P.O. Box 1150
Midland, TX 79702
Attention: A. H. Bohling

Administrative Order NSL-3000-D(SD)

Dear Mr. Bohling:

Reference is made to your applications dated July 1, 1996 for two additional unorthodox Eumont gas well locations within an existing standard 640-acre gas spacing and proration unit ("GPU") for said Eumont Gas Pool comprising all of Section 27, Township 21 South, Range 36 East, NMPM, Lea County, New Mexico.

By Division Order No. R-4496, dated March 21, 1973, authorization was given to simultaneously dedicate Eumont Gas production to the subject GPU from the W.A. Ramsay (NCT-A) Well No. 17 (**API No. 30-025-08718**), located at a standard gas well location 1980 feet from the South and East lines (Unit J) of said Section 27 and the W.A. Ramsay (NCT-A) Well No. 46 (**API No. 30-025-04805**), located at an unorthodox gas well location 1980 feet from the North line and 660 feet from the West line (Unit E) of said Section 27.

By Division Administrative Order NSL-3000(SD), dated April 1, 1991, an additional well, the W.A. Ramsay (NCT-A) Well No. 35 (**API No. 30-025-08719**), located at an unorthodox gas well location 660 feet from the South line and 1980 feet from the West line (Unit N) of said Section 27 was approved for the subject GPU.

By Division Administrative Order NSL-3000-A(SD), dated July 24, 1991, a fourth well, the W.A. Ramsay (NCT-A) Well No 42 (**API No. 30-025-04804**), located at an unorthodox gas well location 660 feet from the North line and 1980 feet from the East line (Unit B) of said Section 27 was approved for the subject GPU.

By Division Administrative Order NSL-3000-B(SD), dated May 26, 1993, a fifth well, the W.A. Ramsay (NCT-A) Well No 37 (**API No. 30-025-04795**), located at an unorthodox gas well location 1980 feet from the North line and 660 feet from the East line (Unit H) of said Section 27 was also approved for the subject GPU.

By Division Administrative Order NSL-3000-C(SD), dated January 24, 1994, a sixth well, the W.A. Ramsay (NCT-A) Well No 29 (**API No. 30-025-04797**), located at an unorthodox gas well location 610 feet from the South line and 660 feet from the East line (Unit P) of said Section 27 was also approved for the subject GPU.

Administrative Order NSL-3000-D(SD)
Chevron U.S.A. Inc.
July 30, 1996
Page 2

It is our understanding that the subject wells in this application have been classified Eumont oil wells since their inception in 1958; however, in April, 1996 both wells were reclassified as "gas wells" within the Eumont Gas Pool.

By authority granted me under the provisions of **Rule 2(d)** of the "*General Rules for the Prorated Gas Pools of New Mexico/Special Rules and Regulations for the Eumont Gas Pool*", as promulgated by Division Order No. R-8170, as amended, the following described wells both located at unorthodox Eumont gas well locations are hereby approved:

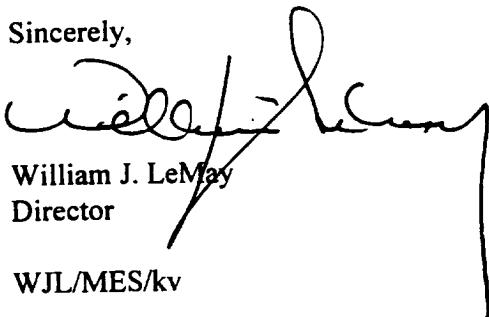
W.A. Ramsay (NCT-A) Well No. 40
(API No. 30-025-04799)
660 feet from the North and East lines (Unit A)

and

W.A. Ramsay (NCT-A) Well No. 44
(API No. 30-025-04801)
660 feet from the North and West lines (Unit D)

Also, you are hereby authorized to simultaneously dedicate Eumont Gas production from both the W.A. Ramsay (NCT-A) Well Nos. 40 and 44 with the W.A. Ramsay (NCT-A) Well Nos. 17, 29, 35, 37, 42 and 46. Furthermore, you are hereby permitted to produce the allowable assigned the subject GPU from all eight wells in any proportion.

Sincerely,



William J. LeMay
Director

WJL/MES/kv

cc: Oil Conservation Division - Hobbs
New Mexico State Land Office - Santa Fe
File: NSL-3000(SD)
NSL-3000-A(SD)
NSL-3000-B(SD)
NSL-3000-C(SD)