



NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT

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

December 2, 1998

CW
Aloma

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

*Reinstatement of Division
Administrative Order NSP-152-B(SD)*

Dear Mr. Schaeffer:

Reference is made to your application dated August 26, 1998 to reduce the acreage of the existing 320-acre non-standard gas spacing and proration unit ("GPU") in the Eumont Gas Pool comprising the S/2 of Section 24, Township 21 South, Range 36 East, NMPM, Lea County, New Mexico by omitting the 40 acres comprising the NW/4 SW/4 (Unit L) of Section 24.

By Division Administrative Order NSP-152, dated June 15, 1955, a 320-acre a non-standard GPU, comprising the S/2 of Section 24, was initially established and had dedicated thereon the H. T. Mattern (NCT-A) Well No. 1 (API No. 30-025-12738), located 330 feet from the South line and 2310 feet from the East line (Unit O) of Section 24, which was "grandfathered" in as a standard Eumont gas well location for the subject 320-acre GPU pursuant to **Rule 2(b)** 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, dated March 28, 1986.

By Division Administrative Order NSP-152-A(SD), dated May 31, 1991, the aforementioned 320-acre GPU was reduced to a 280-acre non-standard gas spacing and proration unit, comprising the N/2 SW/4, SE/4 SW/4, and SE/4 of Section 24, and had dedicated to it the aforementioned H. T. Mattern (NCT-A) Well No. 1 and to the H. T. Mattern (NCT-A) Well No. 2 (API No. 30-025-04769), located at a standard gas well location 1650 feet from the South and East lines (Unit J) of Section 24. This 280-acre GPU was created by deleting therefrom the 40 acres comprising the SW/4 SW/4 (Unit M) of Section 24 in order to establish a standard 40-acre Eumont oil spacing and proration unit for the H. T. Mattern (NCT-A) Well No. 5 (API No. 30-025-31013), located at a standard Eumont oil well location 660 feet from the South line and 990 feet from the West line (Unit M) of Section 24 [also referenced in Order NSP-152-A(SD)].

By an Order dated August 16, 1996 the Division reinstated Division Administrative Order NSP-152 and reestablished the previously authorized 320-acre GPU comprising the S/2 of Section 24, in which Eumont gas production from the H. T. Mattern (NCT-A) Well Nos. 1, 2, and 5 (which had been reclassified as a Eumont gas well) is currently simultaneously dedicated. This Order further placed Division Administrative Order NSP-152-A(SD) in abeyance.

On January 20, 1998 the Division issued Administrative Order NSL-3935(SD) authorizing Chevron U.S.A., Inc. to drill its H. T. Mattern (NCT-A) Well No. 6 (API No. 30-025-34265) at an unorthodox gas well location 1980 feet from the South line and 660 feet from the West line (Unit L) of Section 24 within this 320-acre GPU. This order further authorized the simultaneous dedication of Eumont gas production from the H. T. Mattern (NCT-A) Well Nos. 1, 2, 5, and 6 to this GPU.