



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON

Governor

Jennifer A. Salisbury
Cabinet Secretary

July 13, 2000

Lori Wrotenbery

Director

Oil Conservation Division

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

Administrative Order NSP-876-A (SD)

Dear Mr. Howell:

Reference is made to the following: (i) your letter of application dated April 4, 2000; (ii) the New Mexico Oil Conservation Division's ("Division") initial response by letter from Mr. Michael E. Stogner, Engineer/Chief Hearing Officer in Santa Fe dated April 17, 2000; (iii) your telephone conversation with Mr. Stogner on Thursday, April 27, 2000; (iv) your application submitted to the Division on May 22, 2000; and (v) the Division's records in Santa Fe, including the file on Division Administrative Order NSP-876: all concerning Chevron U.S.A., Inc.'s ("Chevron") request for an exception to **Rule 2** of the "*Special Rules and Regulations for the South Eunice-San Andres Pool*," as promulgated by Division Order No. R-3706, as amended, in order to form a non-standard, or disoriented, 80-acre stand-up oil spacing and proration unit within this pool underlying the following described acreage in Lea County, New Mexico:

TOWNSHIP 22 SOUTH, RANGE 37 EAST, NMPM
Section 10: E/2 NE/4.

This newly established unit is to be simultaneously dedicated to the two following described wells:

- (1) Eaves Well No. 1 (API No. 30-025-10163), located at a standard oil well location 660 feet from the North and East lines (Unit A) of Section 10; and
- (2) Eaves Well No. 4 (API No. 30-025-10167), located at a standard oil well location 1874 feet from the North line and 554 feet from the East line (Unit H) of Section 10.

By the authority granted me under the provision of the special pool rules governing the South Eunice-San Andres Pool, Division Memorandum 4-86, dated June 2, 1986, and Division Rule 104.D (2), revised by Division Order No. R-11231, issued by the New Mexico Oil Conservation Commission in Case No. 12119 on August 12, 1999, the above-described 80-acre non-standard oil spacing and proration unit is hereby approved.

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This newly established 80-acre unit is to be simultaneously dedicated to the above-described Eaves Wells No. 1 and 4, with allowable assigned thereto in accordance with Rule 6 of the special pool rules.

It is further ordered that Division Administrative Order NSP-876, dated April 12, 1972, which established a 40-acre non-standard oil spacing and proration unit comprising the SE/4 NE/4 (Unit H) of Section 10 for the above-described Eaves Well No. 4, shall be placed in abeyance until further notice.

Sincerely,

A handwritten signature in cursive script, appearing to read "Lori Wrotenbery", followed by a large, stylized flourish or signature mark.

Lori Wrotenbery
Director

LW/MES/kv

cc: New Mexico Oil Conservation Division - Hobbs /
File: NSP-876