



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON
Governor
Jennifer A. Salisbury
Cabinet Secretary

July 16, 2001

Lori Wrotenbery
Director
Oil Conservation Division

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

Administrative Order NSP-1844(L)(SD)

Dear Mr. Howell:

Reference is made to the following: (i) your application that was submitted to the New Mexico Oil Conservation Division ("Division") on June 22, 2001 (*NMOCD Reference No. pKRV0117755394*); and (ii) the Division's records in Santa Fe including the file in Division Case No. 12687: all concerning Chevron U.S.A. Production Company's ("Chevron") request for a 120-acre non-standard gas spacing and proration unit ("GPU") consisting of the following acreage in the Tubb Oil and Gas Pool (86440):

LEA COUNTY, NEW MEXICO
TOWNSHIP 22 SOUTH, RANGE 38 EAST, NMPM
Section 30: NE/4 SW/4 and S/2 SW/4.

This application has been duly filed under the provisions of: (i) Division Rules 104.F and 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; (ii) Division Rule 605; and (iii) the "*Special Rules and Regulations for the Tubb Oil and Gas Pool*", as promulgated by Division Order No. R-8170, as amended.

It is our understanding that this unit is to be simultaneously dedicated to the following two existing Chevron wells:

- (1) Drinkard (NCT-B) Well No. 7 (**API No. 30-025-28590**), located at an unorthodox gas well location 2120 feet from the South line and 1980 feet from the West line (Unit K) of Section 30; and
- (2) Drinkard (NCT-B) Well No. 8 (**API No. 30-025-28594**), located at a standard gas well location 810 feet from the South line and 1980 feet from the West line (Unit N) of Section 30.

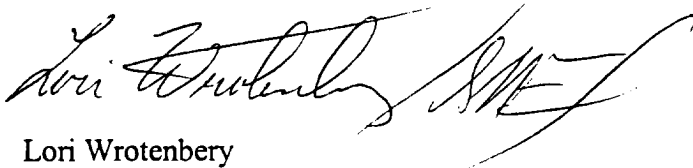
By the authority granted me under the provisions of Division Rules 104.F (2) and 104.D (2), as revised, Division Rule 605.B (2) (b), and the applicable provisions of the special pool

rules governing the Tubb Oil and Gas Pool, the above-described 120-acre non-standard gas spacing and proration unit and resulting unorthodox gas well location for the Drinkard (NCT-B) Well No. 7 is hereby approved.

This newly established 120-acre non-standard spacing and proration unit is to be simultaneously dedicated to the above-described Drinkard (NCT-B) Wells No. 7 and 8, with allowable assigned thereto in accordance with Rule 8 of the special rules governing the Tubb Oil and Gas Pool and Division Rule 605.D (40 (a) based upon the unit size of 120 acres.

Jurisdiction of this matter shall be further retained for the entry of any such subsequent orders, as the Division may deem necessary.

Sincerely,

A handwritten signature in cursive script, appearing to read "Lori Wrotenbery" followed by a stylized monogram or initials.

Lori Wrotenbery
Director

LW/MES/kv

cc: New Mexico Oil Conservation Division – Hobbs ✓
William F. Carr, Legal Counsel for Chevron U.S.A. Production Company - Santa Fe
File: Case No. 12687