

November 3, 1994

State of New Mexico
Oil Conservation Division
2040 S. Pacheco
Santa Fe, New Mexico 87504

Received 11/7/94



Chevron U.S.A. Production Company
P.O. Box 1150
Midland, TX 79702

Attention: Mr. Michael E. Stogner, Hearing Examiner

AIRBORNE EXPRESS

11/5/94

Re: Objection to Application of Oxy USA Inc.
for Unorthodox Gas Well Location
State "E" No. 6, 2145 FSL, 495 FWL,
Section 30, T-19- S, R-37-E,
Eumont Yates Seven Rivers Queen,
Lea County, New Mexico

Gentlemen:

Chevron U.S.A. Production Company, as an offset operator to Oxy USA Inc.'s proposed State "E" No. 6, hereby objects to Oxy's request for administrative approval of its application for an unorthodox gas well location at the captioned site.

Oxy's application letter dated October 20, 1994, refers to a pipeline which will interfere with the staked legal location, which allegedly necessitates an unorthodox location. However, neither the application letter nor accompanying plats show the pipeline's location or demonstrates why the well's location must be moved closer to the offsetting operator's leaselines to avoid the pipeline rather than to a standard location within Oxy's 160-acre proration unit.

Chevron anticipates that Oxy's proposed unorthodox location will encroach on Chevron's lease and drain its reserves, which will infringe upon the correlative rights of Chevron and the other working interest owners under Chevron's lease.

Chevron, therefore, respectfully requests that you deny Oxy's request for administrative approval of its application for the captioned unorthodox gas well location and notify Chevron in the event a hearing is set to consider Oxy's application. If you have any questions relating to this matter, please call me at 915/687-7246.

Very truly yours,

Alan W. Bohling

Alan W. Bohling
Petroleum Engineer

AWB/MRG:yj
cc: William F. Carr
Oxy USA Inc.