

BEFORE THE

OIL CONSERVATION DIVISION

NEW MEXICO DEPARTMENT OF ENERGY, MINERALS AND NATURAL RESOURCES

IN THE MATTER OF THE APPLICATION OF  
CHEVRON U.S.A., INC. FOR A NON-  
STANDARD PRORATION UNIT,  
UNORTHODOX GAS WELL LOCATIONS,  
AND SIMULTANEOUS DEDICATION,  
LEA COUNTY, NEW MEXICO.

RECEIVED

MAY 8 1990

OIL CONSERVATION DIVISION

CASE NO. 9949

APPLICATION

CHEVRON U.S.A., INC., through its undersigned attorneys, hereby makes application to the New Mexico Oil Conservation Division for approval of a non-standard proration unit, unorthodox gas well locations and simultaneous dedication, and in support thereof states:

1. Applicant is the operator of a proposed 400-acre non-standard gas proration unit to be comprised of Lots 11, 12, 13, and 14 of Section 5 and Lots 15 and 16 and the SE/4 of Section 6, Township 21 South, Range 36 East, N.M.P.M., Eumont Gas Pool, Lea County, New Mexico.

2. Applicant seeks exceptions to the well location requirements of Rule 2(b) of the Special Rules and Regulations for the Eumont Gas Pool (1) to permit the drilling of a well at an unorthodox location 1175 feet from the South line and 1375 feet from the East line of Section 6 to a depth sufficient to adequately test the Eumont formation, Eumont Gas Pool, and (2) for its Orcutt (NCT-A) No. 1 Well located 3200 feet from the North line and 1980 feet from the West line of Section 5 (this location becomes

unorthodox upon dedication to a 400-acre unit).

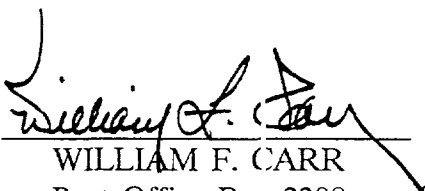
3. Applicant proposes to simultaneously dedicate the proposed well, the Orcutt (NCT-A) No. 1 and its Graham State (NCT-E) No. 2 Well located 1980 feet from the South and East lines of Section 6 to the proposed 400-acre Eumont gas proration unit.

4. That approval of this application will afford applicant the opportunity to produce its just and equitable share of hydrocarbons underlying this spacing unit and will otherwise be in the best interest of conservation, the prevention of waste and the protection of correlative rights.

WHEREFORE, Applicant respectfully requests that this matter be set for hearing before a duly appointed Examiner of the Oil Conservation Division on May 30, 1990, and that after notice and hearing as required by law, the Division enter its order granting this application and providing such other relief as is proper.

Respectfully submitted,

CAMPBELL & BLACK, P.A.

By:   
WILLIAM F. CARR  
Post Office Box: 2208  
Santa Fe, New Mexico 87504  
Telephone: (505) 988-4421

ATTORNEYS FOR CHEVRON U.S.A. INC.