

December 4, 1996



Administrative Application For Unorthodox
Gas Well Location and Simultaneous Dedication
Eumont Yates 7Rvrs Qn (Pro Gas) Pool
330' FSL and 990' FEL
Section 6, T-20-S, R-37-E
Lea County, New Mexico

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

State of New Mexico
Energy, Minerals & Natural Resources Dept.
Oil Conservation Division
2040 South Pacheco
Santa Fe, New Mexico 87504

Attn.: Mr. William J. LeMay -- Director

Gentlemen:

Chevron U.S.A. Inc. respectfully requests your approval of this administrative application for the subject Unorthodox Gas Well Location and Simultaneous Dedication.

Chevron is planning to re-complete the G. C. Mathews #12 in the Eumont Yates 7 Rvrs Qn (Pro Gas) Pool. It is also our desire to simultaneously dedicate the existing 160-acre Eumont Gas Proration Unit currently assigned to our G. C. Mathews #2 [Administrative Order NSP-312] to both wells. The 160-acre gas proration unit comprises the SE/4 of Section 6, T-20-S, R-37-E, Lea County, New Mexico. As the G. C. Mathews Well #2 is producing at a current rate of only 3-4 MCF/D, the proposed re-completion of Well #12 will essentially act as a replacement well for Well #2 to preserve the 160-acre GPU thus preventing waste through utilization of an existing wellbore and capturing reserves which otherwise would not be produced from this GPU.

As a result, the proposed location for the G. C. Mathews #12 of 330 feet FSL and 990 feet FEL, Unit Letter P, Section 6, Township 20 South, Range 37 East, Lea County, New Mexico is unorthodox.

In order to prevent waste, Chevron respectfully requests your approval of this administrative application for an unorthodox gas well location and simultaneous dedication. Attached is a map showing offset operators and a Form C-102 plat. A copy of this letter and attachments are being furnished by Certified Mail to offset operators as their notice of this application.