



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

October 2, 1990

Waiver Request
Unorthodox Gas Well Location
and Simultaneous Dedication
Eumont Yates 7 Rvrs QN
(Pro Gas) Pool
1195' FEL and 1190' FSL
Section 5, T-19-S, R-37-E, NMPM
Lea County, New Mexico

Morexco, Inc.
P. O. Box 481
Artesia, NM 88210

Gentlemen:

Attached is a copy of Chevron's administrative application for NMOCD approval for an Unorthodox Gas Well Location and Simultaneous Dedication in the Eumont Yates 7 Rvrs QN (Pro Gas) Pool.

Chevron plans to drill the J. R. Holt (NCT-C) Com No.2, located 1195' FEL and 1190' from FSL of Section 5, T-19-S, R-37-E, Lea County, New Mexico. This location will be within an existing 240-acre Eumont Gas Proration Unit currently dedicated to Chevron's existing J. R. Holt (NCT-C) Com Well No. 1. We plan to Simultaneously Dedicate this 240-acres to both of these wells. This location is unorthodox due to the proximity to the quarter-quarter section, less than 330', resulting from topographic restraints at the orthodox location.

As an offset operator, if you do not have any objections to the attached application, please sign the enclosed waivers and mail the original and two copies to the NMOCD in Santa Fe and one copy to the NMOCD in Hobbs. We also request that you send a copy to Chevron U.S.A. Inc. in Midland. We have enclosed self addressed, stamped envelopes for your convenience.

If you have any questions, please contact Mr. A. W. Bohling at (915) 687-7246. Your prompt consideration in the above matter is appreciated.

Yours very truly,

A. W. Bohling
Proration Engineer

JRCH:db
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