



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

July 29, 2005

Mark E. Fesmire, P.E.

Director

Oil Conservation Division

Chevron U.S.A., Inc.
15 Smith Road
Midland, Texas 79705

Attention: **Keith Lopez, Petroleum Engineer**
lopk@chevron.com

RE: NMOCD Correspondence Reference No. SD-05-01: Monument-Tubb Pool (47090) development within Chevron U.S.A., Inc.'s existing 80-acre standard lay-down oil spacing and proration unit comprising the N/2 SW/4 (Units K and L) of Section 12, Township 20 South, Range 37 East, NMPM, Lea County, New Mexico.

Dear Mr. Lopez:

Reference is made to the following: (i) your letter dated July 11, 2005 (*Division administrative reference No. pSEM0-519630601*); and (ii) the records of the New Mexico Oil Conservation Division ("Division").

The rules currently governing spacing, well locations, gas/oil ratio limitation, and allowables for the Monument-Tubb Pool include, but not necessarily limited to:

- (a) Division Order No. R-2800, issued in Case No. 3123 on November 10, 1964
- (b) Division Order No. R-10128, issued in Case No. 10984 on June 3, 1994; and
- (c) Division Rule 505.A.

It is the Division's understanding that oil and casinghead gas production attributed to the Monument-Tubb Pool within this 80-acre unit is to be simultaneously dedicated to the following two described Chevron U.S.A., Inc. operated wells:

- (1) C. H. Weir "A" Well No. 14 (API No. 30-025-27829), which is this unit's original well located at a standard oil well location 1980 feet from the South line and 1815 feet from the West line (Unit K) of Section 12; and.
- (2) C. H. Weir "A" Well No. 7 (API No. 30-025-0673), to be recompleted into the Monument-Tubb Pool at a standard infill oil well location 1985 feet from the South line and 660 feet from the West line (Unit L) of Section 12.

Sincerely,

Michael E. Stogner
Engineer

cc: New Mexico Oil Conservation Division - Hobbs