



# NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

**BILL RICHARDSON**

Governor

**Joanna Prukop**

Cabinet Secretary

July 18, 2006

**Mark E. Fesmire, P.E.**

Director

Oil Conservation Division

Chevron U.S.A., Inc.  
11,111 S. Wilcrest Drive  
Houston, Texas 77099

Attention: Carl Okpattah, Geologist  
*cokpattah@chevron.com*

**RE: NMOCD Correspondence Reference No. SD-06-19: Monument-Tubb Pool (47090) development within Chevron U.S.A., Inc.'s ("Chevron") existing 80-acre standard lay-down oil spacing and proration unit comprising the N/2 NE/4 (Units A and B) of Section 13, Township 20 South, Range 37 East, NMPM, Lea County, New Mexico.**

Dear Mr. Okpattah:

Reference is made to the following: (i) your letter dated June 20, 2006 (*Division administrative reference No. pMES0-619955820*); and (ii) the records of the New Mexico Oil Conservation Division ("Division") in Hobbs and Santa Fe, including the file on a previously denied (letter of denial dated June 6, 2006) Chevron application (*see Division administrative reference pTDS0-611836444*).

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 Rules 505.A and 506.

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) L. R. Kershaw Well No. 15 (*API No. 30-025-30806*), which is this unit's original well (spud date: April 7, 1990) located at a standard oil well location 330 feet from the North line and 2305 feet from the East line (Unit B) of Section 13; and.

Chevron U.S.A., Inc.

July 18, 2006

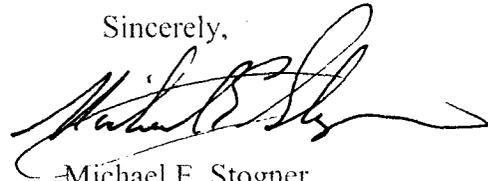
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- (2) L. R. Kershaw Well No. 16 to be drilled and completed at a standard Monument-Tubb oil well location 990 feet from the North line and 500 feet from the East line (Unit A) of Section 13.

Sincerely,



Michael E. Stogner  
Staff Engineer

cc: New Mexico Oil Conservation Division – Hobbs

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