



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

'90 OCT 9 AM 9:40

October 2, 1990

Administrative Application for
Unorthodox Gas Well Location
and Simultaneous Dedication
Eumont Yates 7 Rvrs QN
~~1195' FEL AND 1190' FSL~~
Section 5, ~~T19S, R37E~~ NMPM
(Pro Gas) Pool
Lea County, New Mexico

State of New Mexico
Energy, Minerals & Natural Resources Dept.
Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87504

Attention: Mr. William J. LeMay - Director

Gentlemen:

Chevron U.S.A. Inc. respectfully requests your approval of our administrative application for the subject Unorthodox Gas Well Location and Simultaneous Dedication, per our conversation of 09/26/90 with Mr. Mike Stogner.

We are currently planning to drill the J. R. Holt (NCT-C) Com No. 2, and complete this well in the Eumont Yates 7 Rivers Queen (Pro Gas) Pool. The well will be located 1195' FEL and 1190' FSL of Section 5, T-19-S, R-37-E, Lea County, New Mexico. The location will be within an existing 240-acre Eumont Gas Proration Unit currently dedicated to Chevron's J. R. Holt (NCT-C) Com No. 1 (Order NSP-397). We plan to Simultaneously Dedicate this 240-acres to both of these wells. This location will be unorthodox since it is less than 330' from the quarter/quarter section line. The location is chosen as a result of pipelines and a natural lake in the area, and is the only acceptable location to the landowner based on drainage patterns and ground cover.

In order to prevent waste, Chevron respectfully requests your approval of this administrative application under the provisions of Rule 104 (F). Attached are a map showing offset operators and

State of New Mexico

-2-

October 2, 1990

a Form C-102. A copy of this letter and attachments are being furnished to the Offset Operators by Certified Mail, as notice of this application.

Yours very truly,

A handwritten signature in cursive script that reads "Alan W. Bohling".

A. W. Bohling

JRCH:sg
ENM00918.20
Attachments
Enclosures

cc: NMOCD - Hobbs

CHEVRON USA, INC.
J. R. Holt (NCT-C) Lease

Application for an Unorthodox
Gas Well location
and
Simultaneous Dedication of Acreage,
Eumont Yates 7 Rivers Queen (Prorated Gas)
1195' FEL and 1190' FSL
Section 5, T19S, R37E
Lea County, New Mexico

Amerada Hess Corporation
Entex Building
1200 Milam St.
Houston, Texas 77002

Pitco Energy
P. O. Box 5317
Midland, Texas 79704

Lanexco, Inc.
P. O. Box 2730
Midland, Texas 79702

Texaco Producing Company
P. O. Box 3109
Midland, Texas 79702

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

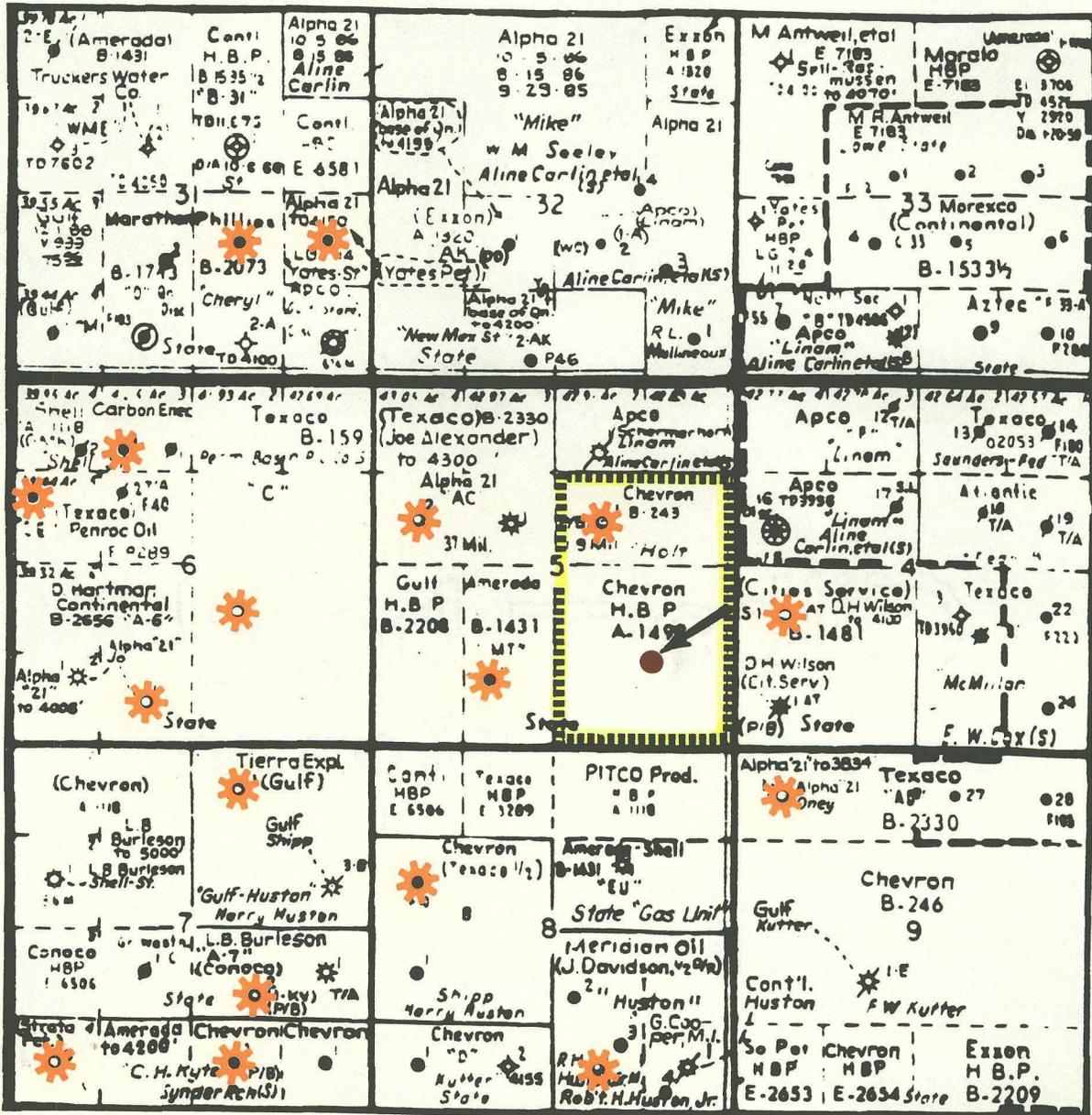
Tierra Exploration
800 W. Wall, Ste. C
Midland, Texas 79701

Oxy USA, Inc.
P. O. Box 50250
Midland, Texas 79710
Attn: Richard E. Foppiano

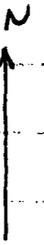
D. H. Wilson
P. O. Box 755
Hobbs, NM 88240

CHEVRON USA, INC.
J. R. Holt (NCT-C) Lease

Application for an Unorthodox
 Gas Well location
 and
 Simultaneous Dedication of Acreage,
 Eumont Yates 7 Rivers Queen (Prorated Gas)
 1195' FEL and 1190' FSL
 Section 5, T19S, R37E
Lea County, New Mexico



J.R. HOLT #2

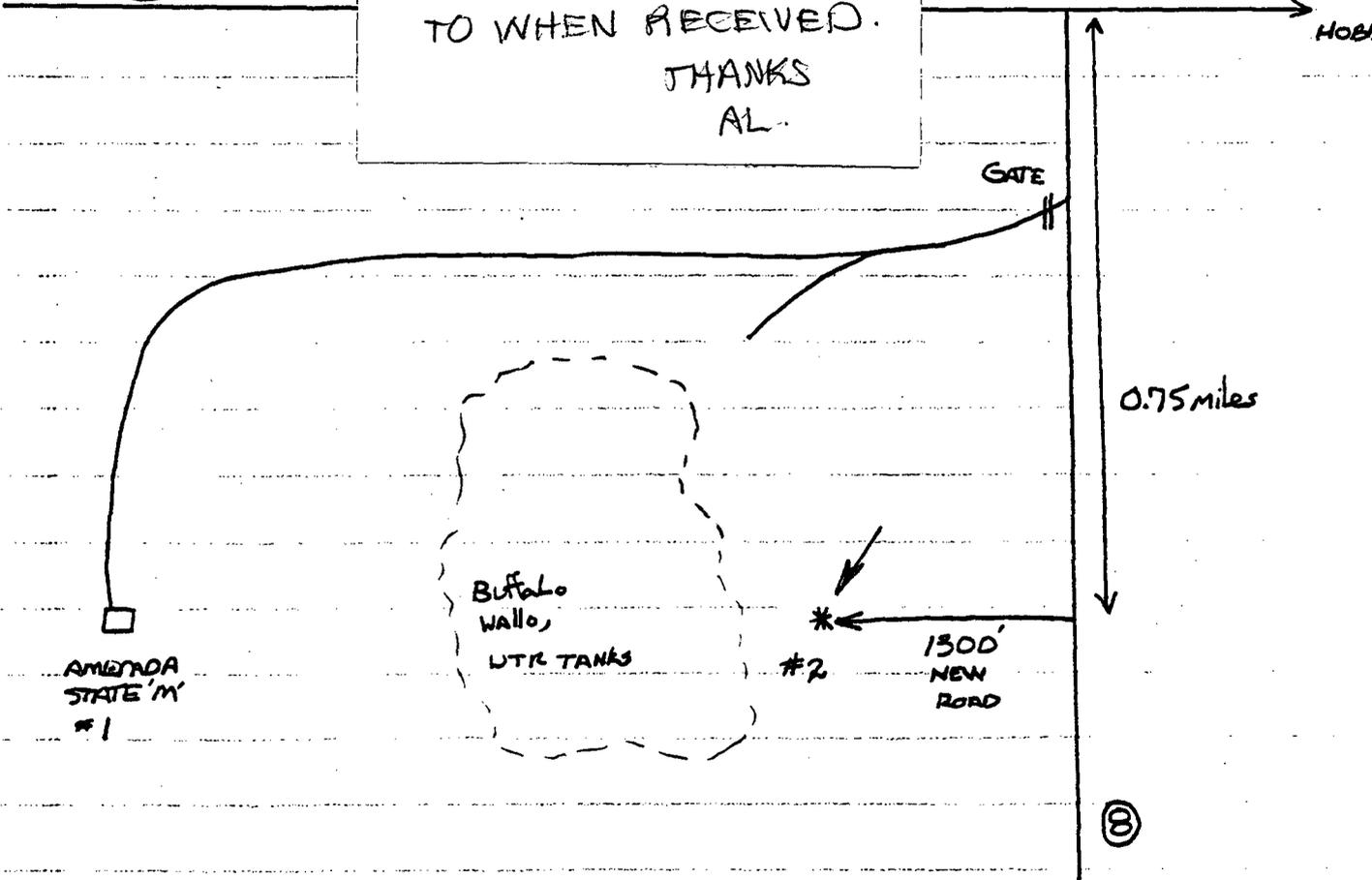


MR. MICHAEL STOSNER

AGAIN I DONT HAVE
THE SURVEYOR'S PLAT
SHOWING RESTRICTIONS
EG. THE "BUFFALO WALLO"
AND WATER TANKS.
I WILL SEND IT TO
TO WHEN RECEIVED.

THANKS
AL.

(62/180)



CURRENT
LOCATION:

1195' FEL + 1190' FSL

Submit to Appropriate District Office
 State Lease - 6 copies
 Fee Lease - 5 copies

State of New Mexico
 Energy, Minerals and Natural Resources Department

Form C-101
 Revised 1-1-89

OIL CONSERVATION DIVISION
 P.O. Box 2088
 Santa Fe, New Mexico 87504-2088

DISTRICT I
 P.O. Box 1980, Hobbs, NM 88240

DISTRICT II
 P.O. Drawer DD, Artesia, NM 88210

DISTRICT III
 1000 Rio Brazos Rd., Aztec, NM 87410

API NO. (assigned by OCD on New Wells)

5. Indicate Type of Lease
 STATE FEE

6. State Oil & Gas Lease No.

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. Type of Work: DRILL <input checked="" type="checkbox"/> RE-ENTER <input type="checkbox"/> DEEPEN <input type="checkbox"/> PLUG BACK <input type="checkbox"/>		7. Lease Name or Unit Agreement Name J.R. Holt NCT-C
b. Type of Well: OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER <input type="checkbox"/> SINGLE ZONE <input type="checkbox"/> MULTIPLE ZONE <input type="checkbox"/>		
2. Name of Operator Chevron U.S.A. Inc.		8. Well No. 2
3. Address of Operator P.O. Box 670, Hobbs, NM 88240		9. Pool name or Wildcat Eumont-Y-SR

4. Well Location
 Unit Letter _____ : 990 Feet From The South Line and 1980 Feet From The East Line
 Section 5 Township 19S Range 37E NMPM Lea County

10. Proposed Depth 3900		11. Formation Yates/Seven Rivers	12. Rotary or C.T. Rotary
13. Elevations (Show whether DF, RT, GR, etc.)	14. Kind & Status Plug, Bond blanket	15. Drilling Contractor unknown	16. Approx. Date Work will start 10-10-90

17. **PROPOSED CASING AND CEMENT PROGRAM**

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	SACKS OF CEMENT	EST. TOP
11"	8 5/8"	24#	1250	350 sx	Circ.
7 7/8"	5 1/2"	15.5#	3900	400 sx	Circ.

MUD PROGRAM:
 0-1250 FW SPUD MUD 9.0 PPG
 1250-3900 BW STARCH 10#

BOP EQUIPMENT:
 3000 PSI WP-SEE ATTACHED CHEVRON CLASS III BOP DRAWING

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: IF PROPOSAL IS TO DEEPEN OR PLUG BACK, GIVE DATA ON PRESENT PRODUCTIVE ZONE AND PROPOSED NEW PRODUCTIVE ZONE. GIVE BLOWOUT PREVENTER PROGRAM, IF ANY.

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE M. E. Akins 8/20/90 TITLE Staff Drlg. Engr. DATE 8-20-90

TYPE OR PRINT NAME M. E. Akins TELEPHONE NO. 393-4121

(This space for State Use)

APPROVED BY _____ TITLE _____ DATE _____

CONDITIONS OF APPROVAL, IF ANY:

Submit to Appropriate District Office
 State Leases - 4 copies
 Fee Leases - 3 copies

State of New Mexico
 Energy, Minerals and Natural Resources Department

Form C-102
 Revised 1-1-89

OIL CONSERVATION DIVISION
 P.O. Box 2088
 Santa Fe, New Mexico 87504-2088

DISTRICT I
 P.O. Box 1980, Hobbs, NM 88240

DISTRICT II
 P.O. Drawer DD, Artesia, NM 88210

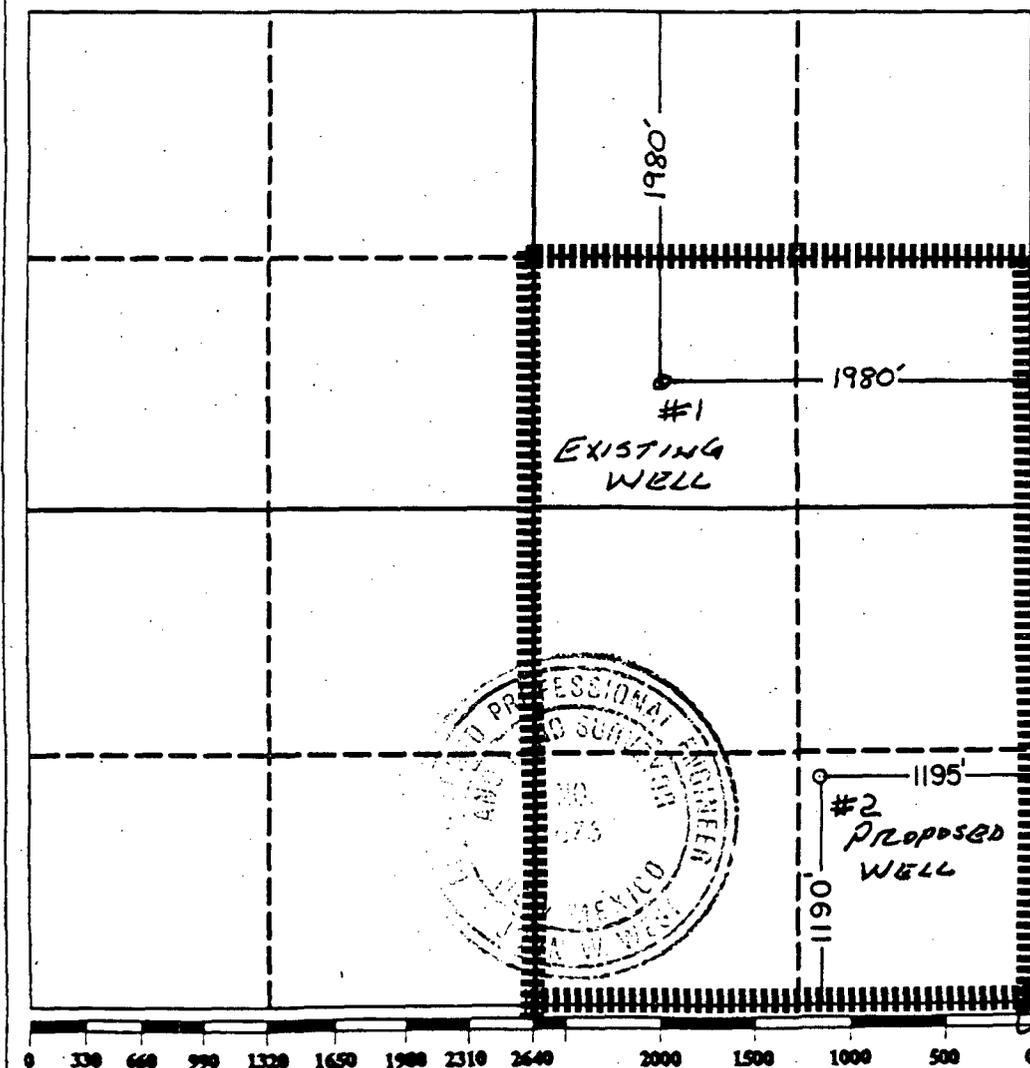
DISTRICT III
 1000 Rio Brazos Rd., Aztec, NM 87410

WELL LOCATION AND ACREAGE DEDICATION PLAT

All Distances must be from the outer boundaries of the section

Operator CHEVRON USA INC			Lease J. R. Holt NCT-C Gas Com.		Well No. 1
Unit Letter P	Section 5	Township 19 South	Range 37 East	Country Lea	
Actual Footage Location of Well: 1980 feet from the North line and 1980 feet from the East line					
Ground level Elev. 3693.8	Producing Formation	Pool	Dedicated Acreage: 240 Acres		

- Outline the acreage dedicated to the subject well by colored pencil or hectare marks on the plat below.
- If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
- If more than one lease of different ownership is dedicated to the well, have the interest of all owners been consolidated by communitization, unitization, force-pooling, etc.?
 - Yes No If answer is "yes" type of consolidation _____
 If answer is "no" list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.) _____
 No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interest, has been approved by the Division.



OPERATOR CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

Signature
M. E. Akins
 Printed Name
 M. E. Akins
 Position
 Staff Dir., Engr.
 Company
 Chevron U.S.A. Inc.
 Date
 8-27-90

SURVEYOR CERTIFICATION

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.

Date Surveyed
 August 17, 1990
 Signature & Seal of Professional Surveyor
John W. West
 Certificate No. JOHN W. WEST, 676
 RONALD J. EIDSON, 3239

125930



OIL CONSERVATION DIVISION

P.O. Box 2088

Santa Fe, New Mexico 87504-2088

DISTRICT I

P.O. Box 1980, Hobbs, NM 88240

DISTRICT II

P.O. Drawer DD, Artesia, NM 88210

DISTRICT III

1000 Rio Brazos Rd., Aztec, NM 87410

WELL LOCATION AND ACREAGE DEDICATION PLAT

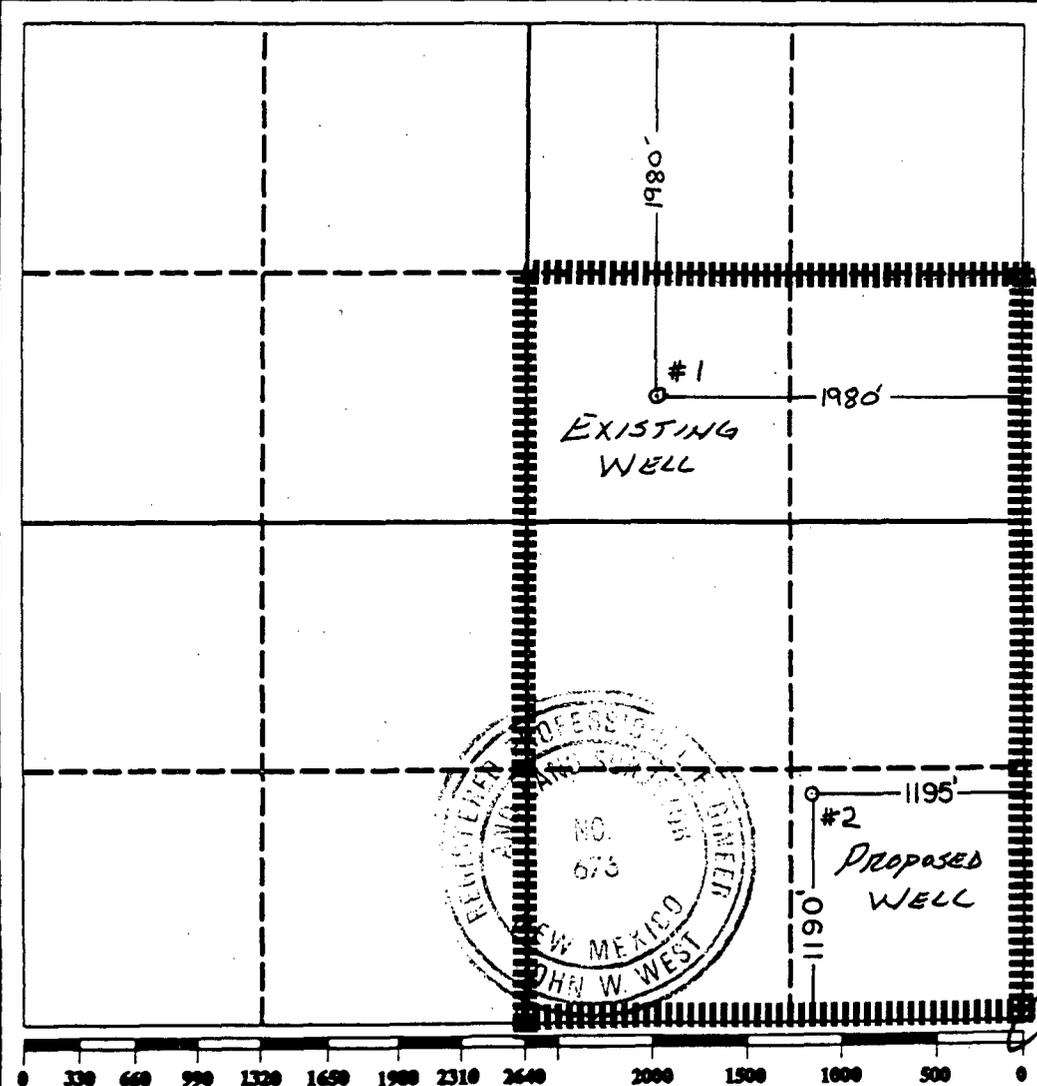
All Distances must be from the outer boundaries of the section

Operator CHEVRON USA INC			Lease J. R. Holt NCT-C Gas Com.			Well No. 2		
Unit Letter P	Section 5	Township 19 South	Range 37 East	County Lea		NMPM		
Actual Footage Location of Well: 1190 feet from the South line and 1195 feet from the East line								
Ground level Elev. 3693.8		Producing Formation			Pool		Dedicated Acreage: 240 Acres	

- Outline the acreage dedicated to the subject well by colored pencil or hatchure marks on the plat below.
- If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
- If more than one lease of different ownership is dedicated to the well, have the interest of all owners been consolidated by communitization, unitization, force-pooling, etc.?
 - Yes No If answer is "yes" type of consolidation _____

If answer is "no" list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.)

No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interest, has been approved by the Division.



OPERATOR CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

Signature
M. E. Akins

Printed Name
M. E. Akins

Position
Staff Drlg. Engr.

Company
Chevron U.S.A. Inc.

Date

SURVEYOR CERTIFICATION

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.

Date Surveyed
August 17, 1990

Signature & Seal of Professional Surveyor
John W. West

Certificate No. **JOHN W. WEST, 676**
RONALD J. EIDSON, 3239

GOVERNOR
EDWIN L. MECHEM
CHAIRMAN

New Mexico

OIL CONSERVATION COMMISSION

LAND COMMISSIONER, MURRAY E. MORGAN
MEMBER

STATE GEOLOGIST, A.L. PORTER, JR.
SECRETARY DIRECTOR



P. O. BOX 871
SANTA FE, NEW MEXICO
October 25, 1957



Gulf Oil Corporation
P. O. Drawer 1290
Fort Worth 1, Texas

Attention: B. E. Thompson

Name _____ Ini _____
Taylor *CTJ*
Russell _____
Bumpass *CM*
Campbell _____
Sears *AS*

Administrative Order NSP-397

Gentlemen:

1 sheet Jones _____
File _____

Reference is made to your application for approval of 240-acre non-standard gas proration unit in the Eumont Gas Pool consisting of the following acreage:

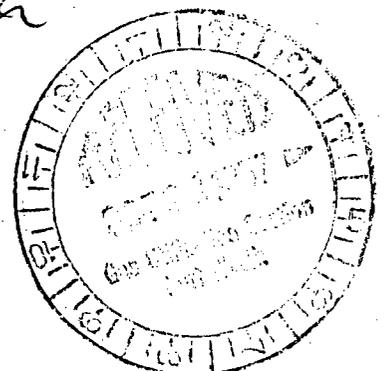
Township 19 South, Range 37 East
Section 5: SE/4 and S/2 NE/4

It is understood that this unit is to be ascribed to your J. R. Holt "C" Well No. 1, located 1980 feet from the North line and 1980 feet from the East line of said Section 5.

By authority granted me under provisions of Rule 5, Section (b) of the Special Rules and Regulations for the Eumont Gas Pool, as set forth in Order R-520, you are hereby authorized to operate the above described acreage as a non-standard gas proration unit, with allowable to be assigned thereto in accordance with Rule 12 of the pool rules, based upon the unit size of 240 acres.

Very truly yours,

A. L. PORTER, Jr.
Secretary-Director



DSN:omg

cc: Oil Conservation Commission - Hobbs
New Mexico Oil & Gas Engineering Committee
El Paso Natural Gas - Jal
El Paso Natural Gas - El Paso
New Mexico State Land Office- (Mrs. Rhea)



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**

Amerada Hess Corporation
Entex Bldg.
1200 Milam Street
Houston, Texas 77002

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,

Alan W. Bohling

A. W. Bohling
Proration Engineer

JRCH:db
EMN/00918.20a



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**

Lanexco, Inc.
P. O. Box 2730
Midland, Texas 79702

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
A. W. Bohling
Proration Engineer

JRCH:db
EMN/00918.20a



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

PITCO Energy
P. O. Box 5317
Midland, Texas 79704

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
A. W. Bohling
Proration Engineer

JRCH:db
EMN/00918.20a



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
EMN/00918.20a



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

Tierra Exploration
800 W. Wall, Ste. C
Midland, Texas 79701

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,

Alan W. Bohling
A. W. Bohling
Proration Engineer

JRCH:db
EMN/00918.20a



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

D. H. Wilson
P. O. Box 755
Hobbs, NM 88240

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
EMN/00918.20a



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**

Texaco Producing Company
P. O. Box 3109
Midland, Texas 79702

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
A. W. Bohling
Proration Engineer

JRCH:db
EMN/00918.20a



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

Oxy USA Inc.
P. O. Box 50250
Midland, Texas 79710
Attention: Richard E. Foppiano

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
EMN/00918.20a

Chevron U.S.A. Inc.
J. R. Holt (NCT-C) Lease

Application for an Unorthodox
Gas Well Location

and

Simultaneous Dedication of Acreage

Eumont Yates 7 Rvrs Qn (Pro Gas)

1195' FEL AND 1190' FSL

Section 5, T-19-S, R-37-E

Lea County, New Mexico

WAIVER TO OBJECTION

We, the undersigned, as an offset operator, waive any objection to Chevron U.S.A. Inc.'s application for NMOCD approval of an Unorthodox Gas Well Location in the Eumont Yates 7 Rvrs Qn (Pro Gas) Pool. This location is to be 1195' FEL and 1190' FSL, Section 5, T-19-S, R-37-E, NMPM, Lea County, New Mexico. We further understand that this well will also be assigned to the already dedicated 240-acre proration unit of Chevron's J. R. Holt (NCT-C) No.1 comprising the S/2 NE/4 and SE/4 of Section 5, T-19-S, R-37-E, NMPM, Lea County, New Mexico.

Company: _____

Representative: _____

Signature: _____

Title: _____

Date: _____