

STATE OF NEW MEXICO

ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION



BRUCE KING
GOVERNOR

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87504
(505) 827-5800

May 30, 1991

OXY USA, Inc.
Box 50250
Midland, TX 79710

Attention: Richard E. Foppiano

Chevron USA, Inc.
P.O. Box 1150
Midland, TX 79702

Attention: A. W. Bohling

Campbell & Black, P.A.
P.O. Box 2208
Santa Fe, NM 87504-2208

Attention: William F. Carr

RE: Division Administrative Order NSL-3007(SD)

Dear Messrs. Foppiano, Bohling and Carr:

Please refer to OXY USA Inc.'s letter dated May 2, 1991 objecting to Chevrons USA Inc.'s administrative application for an unorthodox Eumont Gas well location and simultaneous dedication for their Arnott Ramsey (NCT-C) Well No. 5, located in Unit N of Section 21, Township 21 South, Range 36 East, NMPM, Lea County, New Mexico. Said application was filed with the Division on April 1, 1991. Also, refer to Chevron's official response to said May 2nd letter from William F. Carr of Campbell & Black, P.A. of Santa Fe, New Mexico dated May 7, 1991 (see copies of both letters attached).

The subject application was filed by Chevron pursuant to the Special Rules and Regulations for the Eumont Gas Pool, as promulgated by Division Order No. R-8170, as amended. Since all of the requirements under Rule 2(c) of said Special Rules and Regulations were met, Order NSL-3007(SD) was subsequently issued by the Division.

OXY USA, Inc.
Chevron USA, Inc.
Campbell & Black, P.A.
May 30, 1991
Page 2

In reviewing the file for said Order and both of the letters, it appears adequate notice was given to all parties concerned in the matter and that the required 20-day waiting period had lapsed with no objections. Therefore, all provisions of NSL-3007(SD) shall continue in full force and effect until further notice.

I would suggest that Chevron update their mailing list to correctly show OXY's Midland address so that this situation will not arise in the future.

Should any party have any questions or additional concerns, please contact me.

Sincerely,



Michael E. Stogner
Chief Hearing Officer/Engineer

MES/ag

cc: Oil Conservation Division - Hobbs
File: NSL-3007(SD)
William J. LeMay, Director - OCD
NM State Land Office - Santa Fe



OIL CONSERVATION DIVISION
RECEIVED

OXY USA INC.
Box 50250, Midland, TX 79710

'91 MAY 6 AM 9 01

May 2, 1991

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

**Re: Chevron U.S.A. Inc. Application for
Administrative Approval of Unorthodox Gas
Well Location and Simultaneous
Dedication, Eumont Yates Seven-Rivers
Queen Pool, Lea County, New Mexico.**

Dear Mr. Lemay:

OXY USA Inc., an offset operator, hereby protests the application of Chevron U.S.A Inc. to recomplete its Arnott Ramsay (NCT-C) Well No. 5 in the subject pool and simultaneously dedicate an existing 640 acre proration unit to Well No. 5 and No. 13. Our concern is that this would allow Chevron U.S.A. to produce a 640 acre allowable from a well located 660 feet from our 160 acre Felton unit, which is restricted to a 160 acre top allowable. Such a situation could adversely affect our correlative rights in the Eumont pool, hence our protest. We proposed that Chevron consider some alternative that would address our concerns but have yet to receive a response.

I am attaching a copy of the notice that was sent to OXY regarding the request for administrative approval of their application. Please note that it was sent to OXY's office in Tulsa, Oklahoma, to my attention. Since I don't work in Tulsa and haven't since 1989, I did not receive the notice until almost mid-April. I have notified Chevron to change the address on future mailings.

By copy of this letter, I am notifying Chevron U.S.A of our protest. If you have any questions, I can be reached at 915/685-5913.

Yours truly,

Richard E. Foppiano
Regulatory Affairs Advisor
Western Region - Midland Office

XC: Chevron U.S.A. Inc., Midland, Texas; Attention: A. W. Bohling



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

Permian Basin Production Business Unit

March 26, 1991

WAIVER REQUEST
UNORTHODOX GAS WELL LOCATION
AND SIMULTANEOUS DEDICATION
EUMONT YATES 7-RVRS QN (PRO GAS)
660' FSL AND 1980' FWL
SECTION 21, T-21-S, R-36-E, NMPM
LEA COUNTY, NEW MEXICO

Oxy U.S.A., Inc.
P.O. Box 300
Tulsa, Oklahoma 74102
Attn: R. E. Foppiano

Gentlemen:

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

Chevron is planning to re-complete it's Arnott Ramsay (NCT-C) Well No. 5 in the Eumont Yates 7-Rvrs Qn (Pro Gas) Pool. It is our desire to simultaneously dedicate an existing 640-acre Eumont Gas Proration Unit assigned to our Arnott Ramsay (NCT-C) Well No. 13 to both of these wells. As a result, the location of the Arnott Ramsay Well No. 5 is unorthodox. The location of Well No. 5 is 660 feet FSL and 1980 feet FWL of Section 21, T-21-S, R-36-E, NMPM, Lea County, New Mexico.

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 would 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