

January 15, 1998

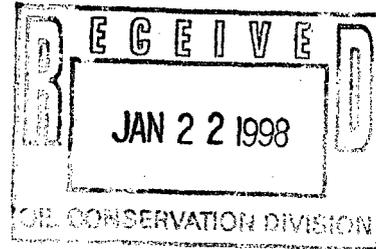


State of New Mexico
Energy, Minerals & Natural Resources Dept.
Oil Conservation Division
2040 South Pacheco
Santa Fe, New Mexico 87504

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

Attn.: Mr. Michael E. Stogner – Chief Hearing Officer / Engineer

Re: Letter dated on January 8, 1998 about:
Administrative Application For
Non-Standard Gas Well Location
And Simultaneous Dedication
Eumont Yates 7Rvrs Qn (Pro Gas) Pool
H. T. Mattern (NCT-E) # 16
1670' FSL and 685' FWL
Section 1, T-22-S, R-36-E
Lea County, New Mexico



Dear Mr. Stogner:

In response to your questions in your letter dated on January 8, 1998, the closest standard location (1650' FSL & 990' FWL) is currently congested with major battery flow lines and injection lines associated with the Arrowhead Grayburg Waterflood Unit (AGU). An Eott oil pipe line crosses south and east of the proposed location limiting eastward movement. Additionally, EDS primary power lines run west and south of our proposed location of 1670' FSL & 685' FWL.

Therefore, your approval of the subject administrative NSL application dated December 4, 1997 is respectfully requested.

Attached is the Form C-102 and a topographic map showing the location of proposed well. On the attached C-102, red is for the nearest "standard location", and yellow is for the proration unit boundary.

If you have any questions or require any further information concerning this application, please contact me at (915) 687-7347.

Yours very truly,

A handwritten signature in black ink, appearing to read "J. H. Saenz".
J. H. Saenz
Petroleum Engineer

Attachments

cc: NMOCD – Hobbs, NM

OIL CONSERVATION DIVISION

P.O. Box 2088

Santa Fe, New Mexico 87504-2088

AMENDED REPORT

DISTRICT I
P.O. Box 1890, Hobbs, NM 88241-1890

DISTRICT II
P.O. Drawer DD, Artesia, NM 88211-0719

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

DISTRICT IV
P.O. BOX 2088, SANTA FE, N.M. 87604-2088

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number	Pool Code 76480	Pool Name Eumont - Yts-7ks-Qn (Pro Gas)
Property Code 2686	Property Name H.T. MATTERN NCT-E	Well Number 16
OGRID No. 4323	Operator Name CHEVRON U.S.A. PRODUCTION COMPANY	Elevation 3518'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
L	1	22 S	36 E		1670	SOUTH	685	WEST	LEA

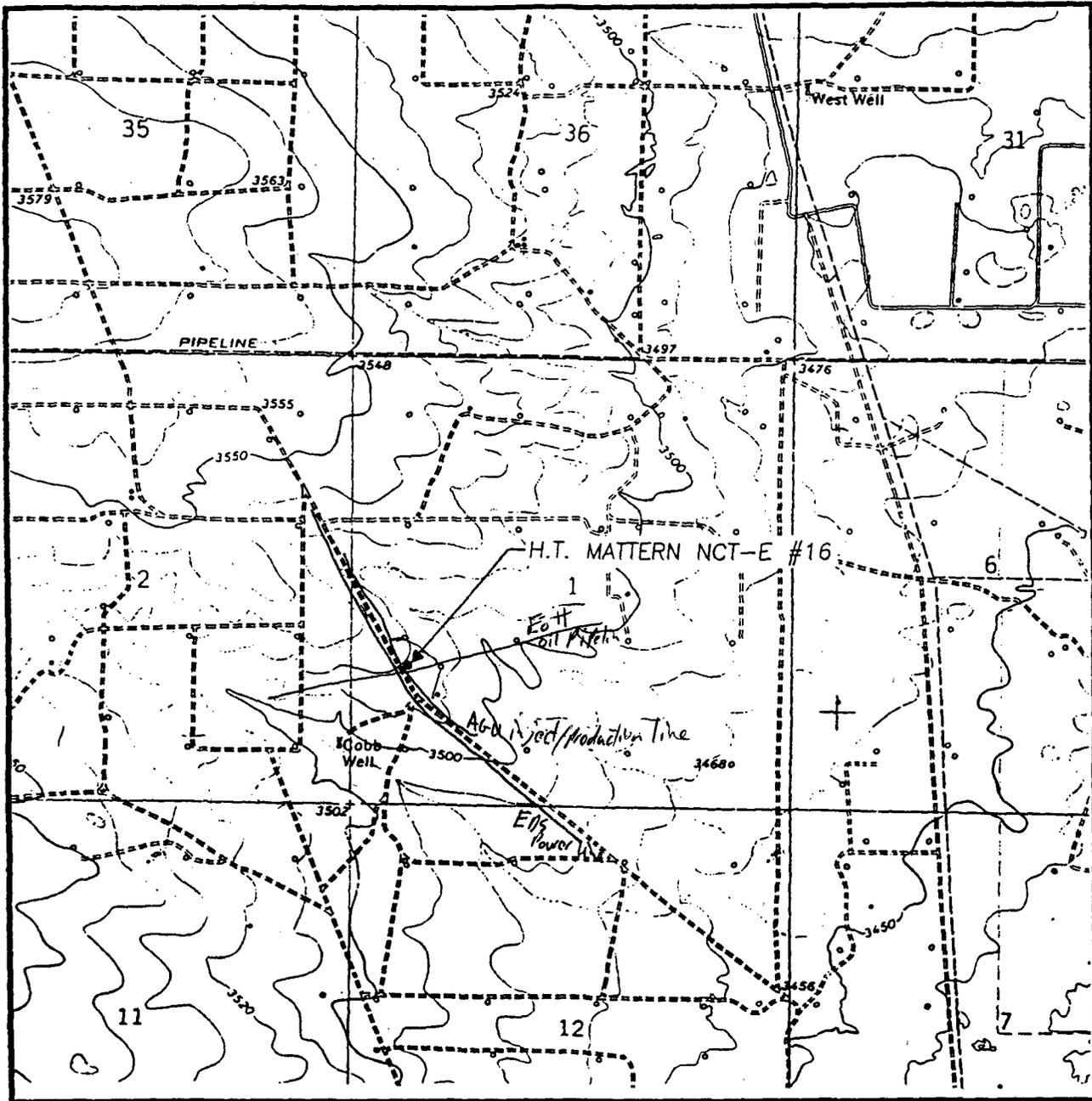
Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
Dedicated Acres 440	Joint or Infill	Consolidation Code	Order No.						

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

	<p>OPERATOR CERTIFICATION</p> <p>I hereby certify the the information contained heretn is true and complete to the best of my knowledge and belief.</p> <p><i>[Signature]</i> Signature John H Saenz Printed Name Producing Eng. Title 1-15-98 Date</p>
	<p>SURVEYOR CERTIFICATION</p> <p>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 belief.</p> <p>NOVEMBER 26, 1997</p> <p>Date Surveyed Signature & Seal of Professional Surveyor <i>[Signature]</i> RONALD J. EDSON 11-28-97 97-11-1913</p> <p>Certificate No. JOHN W. WEST 676 RONALD J. EDSON 3239 GARY EIDSON 12641</p>

LOCATION VERIFICATION MAP



SCALE: 1" = 2000'

CONTOUR INTERVAL
EUNICE - 10'

SEC. 1 TWP. 22-S RGE. 36-E

SURVEY N.M.P.M.

COUNTY EDDY

DESCRIPTION 1670' FSL & 685' FWL

ELEVATION 3518'

OPERATOR CHEVRON U.S.A. PRODUCTION COMPANY

LEASE H.T. MATTERN NCT-E

U.S.G.S. TOPOGRAPHIC MAP

EUNICE, NM

**JOHN WEST ENGINEERING
HOBBS, NEW MEXICO**

(505) 393-3117



NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION
2040 South Pacheco Street
Santa Fe, New Mexico 87505
(505) 827-7131

January 8, 1998

Chevron U.S.A. Production Company
Attention: J. H. Saenz
P. O. Box 1150
Midland, Texas 79702

RE: Administrative application dated December 4, 1997 to drill the proposed H. T. Mattern (NCT-E) Well No. 16 at an unorthodox Eumont gas well location within the existing 440-acre gas spacing and proration unit ("GPU") comprising the SW/4 of Section 1 and the NE/4, N/2 NW/4, and SE/4 NW/4 of Section 12, both in Township 22 South, Range 36 East, NMPM, Eumont Gas Pool, Lea County, New Mexico.

Dear Mr. Saenz:

On the attached land plat, please indicate the closest location to your proposed drill site that is considered to be "standard" for the subject GPU. Further, please explain why the proposed H. T. Mattern (NCT-E) Well No. 16 can not be drilled at a "standard location" within the subject GPU. Provide supporting data.

Thank you.

Sincerely,

Michael E. Stogner
Chief Hearing Officer/Engineer

cc: New Mexico Oil Conservation Division - Hobbs
William F. Carr - Santa Fe



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& NATURAL RESOURCES DEPARTMENT

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Thank you.

Sincerely,

A handwritten signature in black ink, appearing to read "Michael E. Stogner".

Michael E. Stogner
Chief Hearing Officer/Engineer

cc: New Mexico Oil Conservation Division - Hobbs
William F. Carr - Santa Fe

State of New Mexico

Energy, Minerals and Natural Resources Department

Form C-102
 Revised February 10, 1994
 Submit to Appropriate District Office
 State Lease - 4 Copies
 Fee Lease - 3 Copies

DISTRICT I
 P.O. Box 1880, Hobbs, NM 88241-1880

DISTRICT II
 P.O. Drawer DD, Artesia, NM 88211-0719

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

OIL CONSERVATION DIVISION

P.O. Box 2088

Santa Fe, New Mexico 87504-2088

DISTRICT IV
 P.O. BOX 2088, SANTA FE, N.M. 87504-2088

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

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Property Code	Property Name H.T. MATTERN NCT-E	Well Number 16
OGRID No.	Operator Name CHEVRON U.S.A. PRODUCTION COMPANY	Elevation 3518'

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	<p>OPERATOR CERTIFICATION</p> <p><i>I hereby certify the the information contained hereth is true and complete to the best of my knowledge and belief.</i></p> <p>Signature _____</p> <p>Printed Name _____</p> <p>Title _____</p> <p>Date _____</p>	
	<p>SURVEYOR CERTIFICATION</p> <p><i>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 belief.</i></p> <p>NOVEMBER 26, 1997</p> <p>Date Surveyed _____ CDG</p> <p>Signature & Seal of Professional Surveyor</p> <p><i>Ronald J. Edson</i> 11-28-97</p> <p>97-11-1913</p> <p>Certificate No. JOHN W. WEST 676 RONALD J. EDSON 3239 GARY EIDSON 12641</p>	