



NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT

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

October 30, 1997

Chevron U.S.A. Production Company
P. O. Box 1150
Midland, Texas 79702
Attention: Dave Rittersbacher

Administrative Order NSL-3888

Dear Mr. Rittersbacher:

Reference is made to: (i) your original application dated October 9, 1997; (ii) your supplemental geological data dated October 27, 1997; and, (iii) the records of the Division in Santa Fe: all of which refer to Chevron's request for a non-standard oil well location in the Undesignated North Monument-Abo Pool for your proposed Monument "12" State Well No. 14 to be drilled 1200 feet from the North line and 1350 feet from the West line (Unit C) of Section 12, Township 19 South, Range 36 East, NMPM, Lea County, New Mexico. The NE/4 NW/4 of said Section 12 is to be dedicated to said well to form a standard 40-acre oil spacing and proration unit for said pool.

The geologic interpretation submitted with this application indicates that a well drilled at the proposed unorthodox oil well location will be at a more favorable geologic position within the potentially productive interval of the Abo formation than a well drilled at a location considered to be standard within the subject 40-acre oil spacing and proration unit.

Further, the N/2 of said Section 12 is a single State lease (Lease No. B-10164) in which Chevron U.S.A. Production Company ("Chevron") is the leasehold operator; therefore, there are no affected offsets to the subject 40-acre tract within the Abo interval other than Chevron.

The application has been duly filed under the provisions of Rule 104.F of the General Rules and Regulations of the New Mexico Oil Conservation Division ("Division").

By the authority granted me under the provisions of Division General Rule 104.F(2), the above-described unorthodox oil well location is hereby approved.

Sincerely,

A handwritten signature in black ink, appearing to read "William J. LeMay". The signature is written in a cursive style with a large loop at the end.

William J. LeMay
Director

WJL/MES/kv

cc: New Mexico Oil Conservation Division - Artesia
New Mexico State Land Office - Santa Fe