

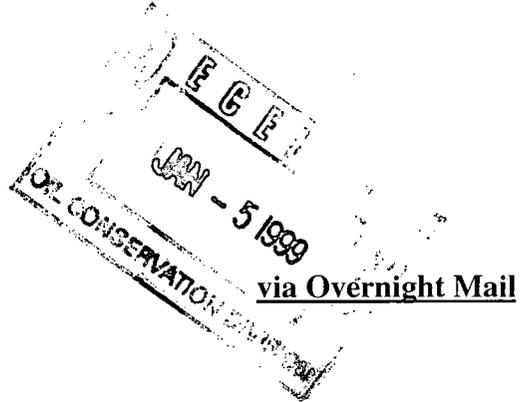


**Chevron**

January 4, 1999

Administrative Application for Unorthodox  
Oil Well Location  
Chevron USA Production Co.  
Monument "36" State #1  
384' FSL and 1216' FEL  
Monument "36" State #2  
1632' FSL and 1298' FEL  
Section 36, T-18-S, R-36-E  
North Monument Abo Pool  
Lea County, New Mexico

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



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

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

Dear Mr. Stogner:

Per your letter dated December 10, 1998 (copy attached), Chevron U.S.A. is resubmitting the administrative applications for the two subject Unorthodox Oil Well Locations in the North Monument Abo Pool.

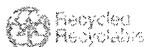
Attached is a Form C-102 plat original, a Location Verification Map, an Abo Build-Up Map, and the Land Ownership Plat you requested. If you have any questions or require any further information concerning this application, please contact me at (915) 687-7152.

Sincerely,

Lloyd V. Trautman  
Sr. Petroleum Engineer - New Mexico Area

lvt  
Attachments

cc: NMOCD – Hobbs, NM  
Well File  
Conoco, Inc.





NEW MEXICO ENERGY, MINERALS  
& NATURAL RESOURCES DEPARTMENT

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

December 10, 1998

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

Attention: Lloyd V. Trautman

*Re: Applications for administrative approval to drill the Monument "36" State Wells No. 1 and 2 at unorthodox oil well locations within either the Undesignated North Monument-Abo or Undesignated Goodwin-Abo Pools: (i) 384' FSL & 1216' FEL (Unit P); and, (ii) 1632' FSL & 1298' FEL (Unit I), respectively, in Section 36, Township 18 South, Range 36 East, NMPM, Lea County, New Mexico.*

Dear Mr. Trautman:

I am returning the two referenced applications as incomplete, please refer to Division Rule 104.F(3), see copy attached, and submit all relevant geological data to adequately support both applications. Further, in order to determine that correlative rights of all concerned are being adequately protected and to expedite the review process, please submit a land ownership plat that shows the extent of the Monument "36" State lease. Thank you for your cooperation in this matter.

Sincerely,

Michael E. Stogner  
Chief Hearing Officer/Engineer

cc: New Mexico Oil Conservation Division - Hobbs  
Kathy Valdes, NMOCD - Santa Fe



**Chevron**

January 4, 1999

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

Administrative Application For Unorthodox  
Oil Well Location  
Chevron USA Production Co.  
Monument "36" State #1  
384' FSL and 1216' FEL  
Section 36, T-18-S, R-36-E  
North Monument Abo Pool  
Lea County, New Mexico

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

Attn.: Mr. William J. LeMay -- Director

Gentlemen:

Chevron U.S.A. respectfully requests your approval of this administrative application for the subject Unorthodox Oil Well Location in the North Monument Abo Pool.

Chevron proposes to drill the Monument "36" State #1 (36 #1) at a non-standard location. The target for the 36 #1 is a shelf margin Abo carbonate build-up that is defined with wells and 3D seismic. The attached map shows the interpreted north to northeast orientation of this carbonate build-up. The build-up is narrow and based on seismic, the location of the 36 #1 is the lowest risk location in unit letter P of section 36. There is a large power line located ~ 200' east of the proposed location making it impossible to move the location farther east. The previous wells drilled in the North Monument field normally drift ~ 200' east of the surface location. Therefore moving the location east would encounter the powerline and make hitting the proposed location difficult and expensive.

Chevron has the lease on all of section 36. Because the non-standard part of the location is the proximity to the west line no rights will be violated as ownership does not vary.

REG  
JAN - 5 1999  
Via Overnight Mail  
OIL CONSERVATION DIVISION

In addition to the Abo Build-Up Map, a Form C-102 plat original, and a Location Verification Map is attached. If you have any questions or require any further information concerning this application, please contact me at (915) 687-7343.

Sincerely,

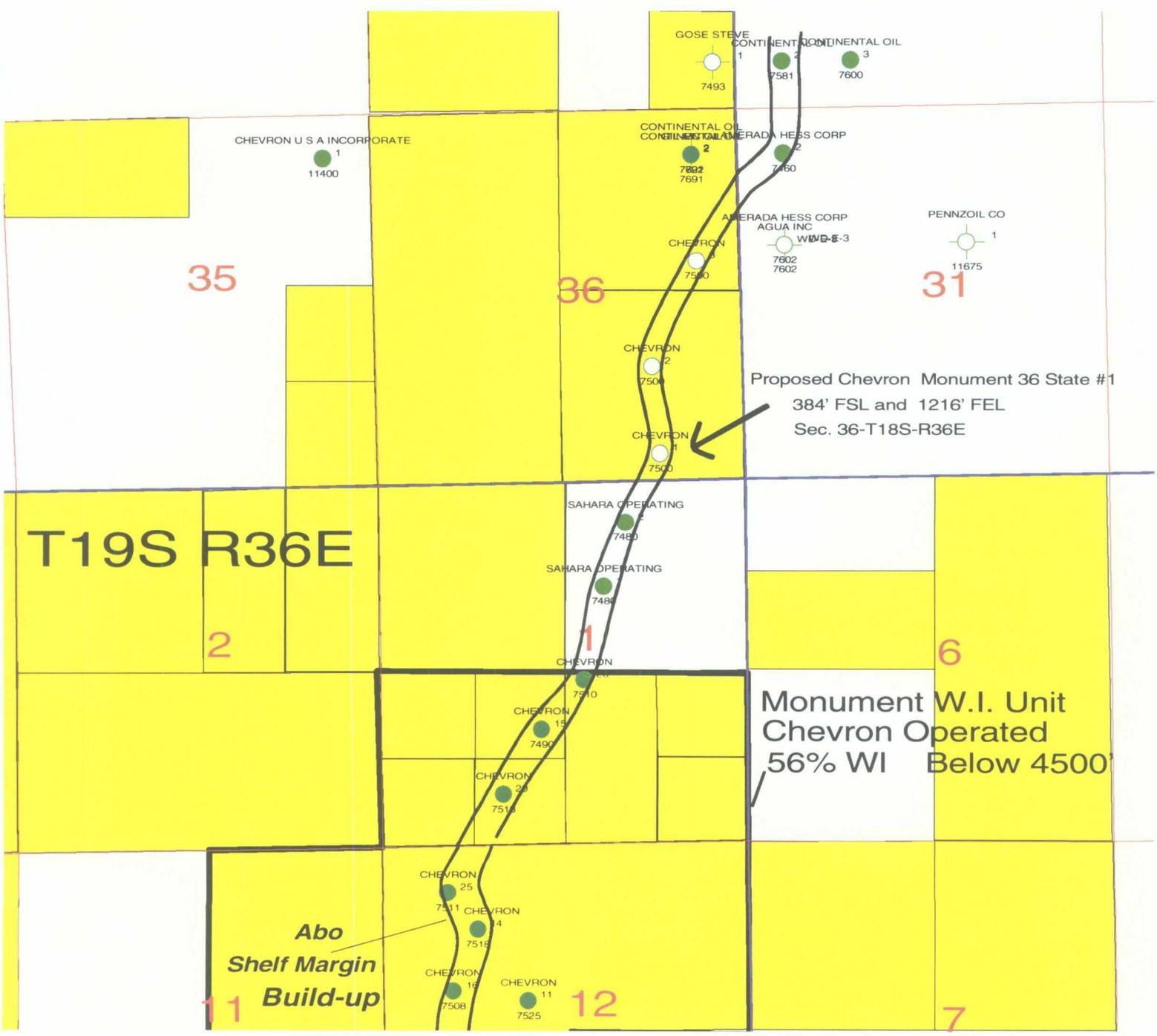
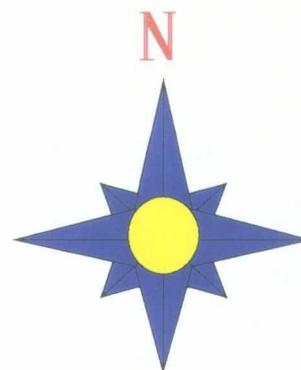
A handwritten signature in black ink, appearing to read "Tim Denny", written in a cursive style.

Tim Denny  
Geologist - New Mexico Area

trd  
Attachments

cc: Conoco, Inc.

Chevron USA		
North Monument Field Proposed Monument 36 St #1 Non-Standard Location		
Tim Denny		1/4/99
	Scale 1:24454.97	



Proposed Chevron Monument 36 State #1  
384' FSL and 1216' FEL  
Sec. 36-T18S-R36E

Monument W.I. Unit  
Chevron Operated  
56% WI Below 4500'

**Abo  
Shelf Margin  
Build-up**

**T19S R36E**

DISTRICT I  
P.O. Box 1980, Hobbs, NM 88241-1980

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. 87504-2088

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

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

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number	Pool Code	Pool Name
Property Code	Property Name MONUMENT 36 STATE	Well Number 1
OGRID No.	Operator Name CHEVRON U.S.A. PRODUCTION COMPANY	Elevation 3739'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
P	36	18 S	36 E		384	SOUTH	1216	EAST	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	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>I hereby certify that the information contained herein 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>OCTOBER 12, 1998</p> <p>Date Surveyed _____ CDG</p> <p>Signature <i>[Signature]</i> See to Professional Surveyor</p> <p><i>[Stamp: NEW MEXICO SURVEYORS ASSOCIATION]</i></p> <p>86-11-1350 10-22-98</p>	
	<p>NEW MEXICO EAST NAD 1927 Y=619127 X=817061</p> <p>384'      1216'</p>	
	<p>Certificate No. RONALD J. EDSON 3239 GARY EDSON 12641</p>	



CMD :  
OG5SECT

ONGARD  
INQUIRE LAND BY SECTION

01/06/99 10:30:30  
OGOMES -TPIM  
PAGE NO: 1

Sec : 36 Twp : 18S Rng : 36E Section Type : NORMAL

<p>D 40.00 CS B02657 0000 09/38 CONOCO INC</p>	<p>C 40.00 CS B02657 0000 09/38 CONOCO INC</p>	<p>B 40.00 CS B02657 0000 09/38 CONOCO INC</p>	<p>A 40.00 CS B02657 0000 09/38 CONOCO INC</p>
<p>E 40.00 CS B02657 0000 09/38 CONOCO INC</p>	<p>F 40.00 CS B02657 0000 09/38 CONOCO INC</p>	<p>G 40.00 CS B02657 0000 09/38 CONOCO INC</p>	<p>H 40.00 CS B02657 0000 09/38 CONOCO INC  A</p>

M0002: This is the first page

PF01 HELP      PF02              PF03 EXIT      PF04 GoTo      PF05              PF06  
PF07 BKWD      PF08 FWD          PF09 PRINT      PF10 SDIV      PF11              PF12

CMD :  
OG5SECT

ONGARD  
INQUIRE LAND BY SECTION

01/06/99 09:26:58  
OGOMES -TPIM  
PAGE NO: 2

Sec : 36 Twp : 18S Rng : 36E Section Type : NORMAL

<p>L 40.00 CS B02657 0000 09/38 CONOCO INC</p>	<p>K 40.00 CS B02657 0000 09/38 CONOCO INC</p>	<p>J 40.00 CS B02657 0000 09/38 CONOCO INC</p>	<p>I 40.00 CS B02657 0000 09/38 CONOCO INC</p>
<p>M 40.00 CS B02657 0000 09/38 CONOCO INC</p>	<p>N 40.00 CS B02657 0000 09/38 CONOCO INC</p>	<p>O 40.00 CS B02657 0000 09/38 CONOCO INC</p>	<p>P 40.00 CS B02657 0000 09/38 CONOCO INC</p>

PF01 HELP    PF02            PF03 EXIT    PF04 GoTo    PF05            PF06  
PF07 BKWD   PF08 FWD      PF09 PRINT   PF10 SDIV     PF11            PF12