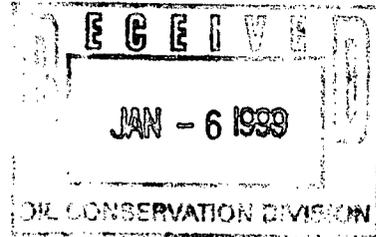




December 30, 1998

Administrative Application
For Non-Standard Oil Well Location
Chevron USA Production Co.
Monument "36" State #2
1632' FSL and 1298' FEL
Section 36, T18S, R36E
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.: Ms. Lori Wrotenbery -- Director

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

Chevron proposes to drill the Monument "36" State #2 at a non-standard location. The target is a shelf margin Abo carbonate build-up that is defined with wells and 3D seismic. The reason for the location to be non-standard is a major powerline running to the east of the location. The location has to be 150' from the powerline. The North Monument Abo Pool is developed on 40 acre spacing. Chevron operated acreage surrounds the proposed well on all sides. No correlative rights will be violated as ownership does not vary within Section 36.

A Form C-102 plat is attached. The approximate location of the powerline is noted on the C-102 plat. 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

Attachment

cc: NMOCD -- Hobbs, NM
Conoco
J.K. Ripley
N.V. Mouser
Well File

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

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

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

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

DISTRICT IV
P.O. BOX 2088, SANTA FE, N.M. 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 2
OGRID No.	Operator Name CHEVRON U.S.A. PRODUCTION CO.		Elevation 3742

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
1	36	18 S	36 E		1632	SOUTH	1298	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 the 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 29, 1998</p> <p>Date Surveyed _____ DMCC</p> <p>Signature & Seal of Professional Surveyor </p> <p>Certificate No. RONALD G. EIDSON 3239 GARY EIDSON 12641 MARGARET McDONALD 12185</p>

T-18-South
R-36-East
Section 36
Lea County, NM

Ownership

Royalty - State of
New Mexico 12.5%

Working Interest -
Chevron 50%
Conoco 50%

034443-002

36

034443-001



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

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

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

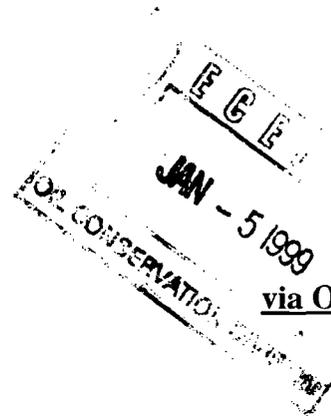
North Monument Abo Pool

Lea County, New Mexico

Chevron U.S.A. Production Company

P.O. Box 1150

Midland, TX 79702



via Overnight Mail

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



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 #2
1632' FSL and 1298' FEL
Section 36, T-18-S, R-36-E
North Monument Abo Pool
Lea County, New Mexico



via Overnight Mail

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

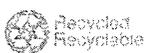
Attn.: Mr. William J. LeMay -- Director

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 #2 (36 #2) at a non-standard location. The target for the 36 #2 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 #2 is the lowest risk location in unit letter I 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.



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,

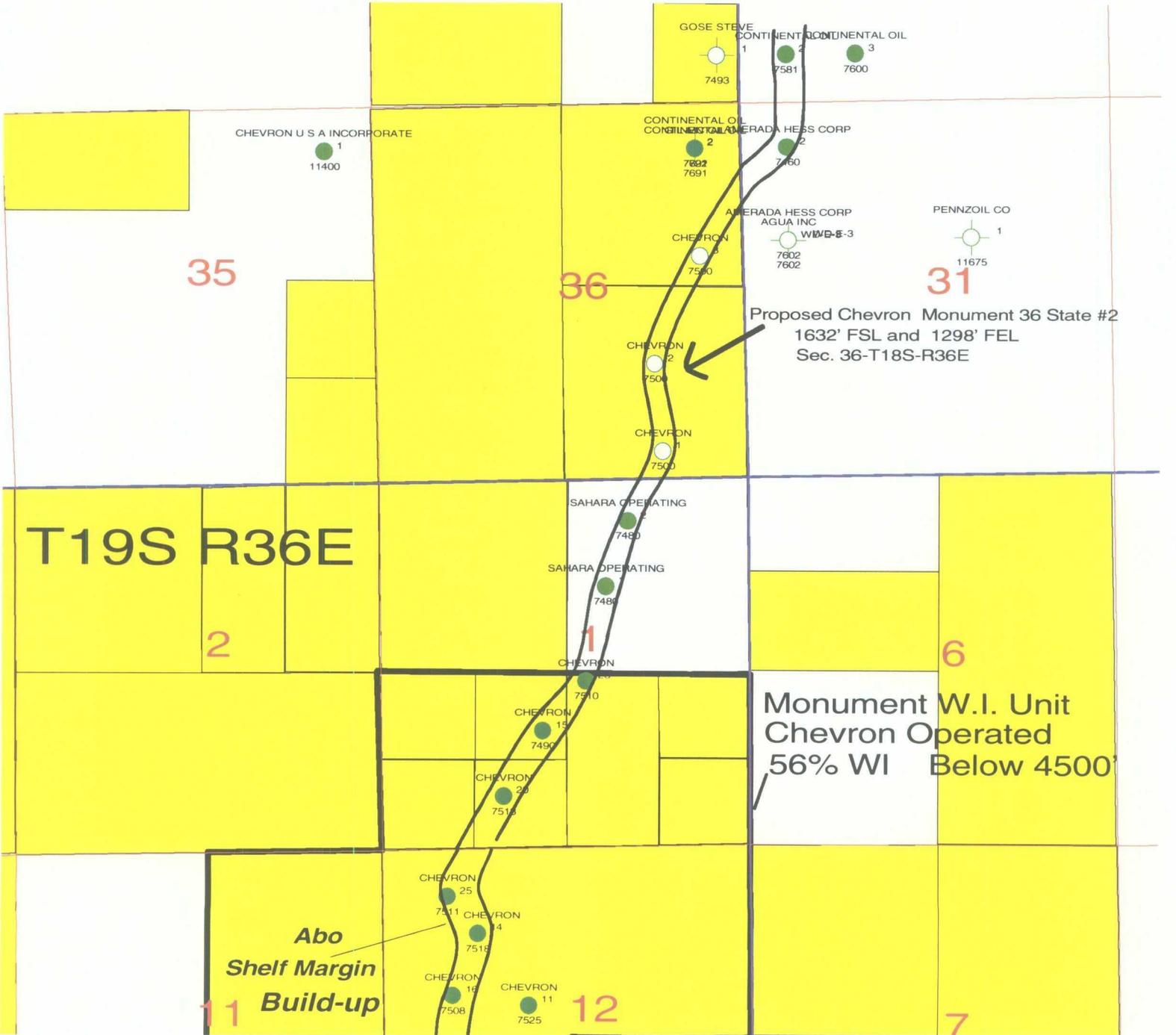
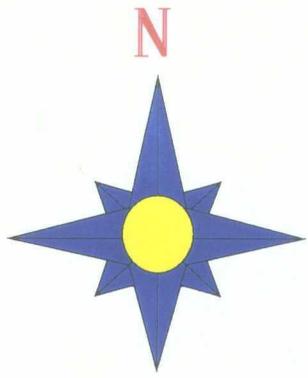
A handwritten signature in black ink, appearing to read "Tim Denny". The signature is fluid and cursive, with a large initial "T" and "D".

Tim Denny
Geologist - New Mexico Area

trd
Attachments

cc: Conoco, Inc.

Chevron USA		
North Monument Field Proposed Monument 36 St #2 Non-Standard Location		
Tim Denny		1/4/99
	Scale 1:24454.97	



Proposed Chevron Monument 36 State #2
1632' FSL and 1298' FEL
Sec. 36-T18S-R36E

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

**Abo
Shelf Margin
Build-up**

T19S R36E

35

36

31

2

6

11

12

7

DISTRICT I
P.O. Box 1653, Hobbs, NM 88241-1980

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 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

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 2
OGRID No.	Operator Name CHEVRON U.S.A. PRODUCTION CO.	Elevation 3742

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
1	36	18 S	36 E		1632	SOUTH	1298	EAST	LEA

Bottom Hole Location If Different From Surface

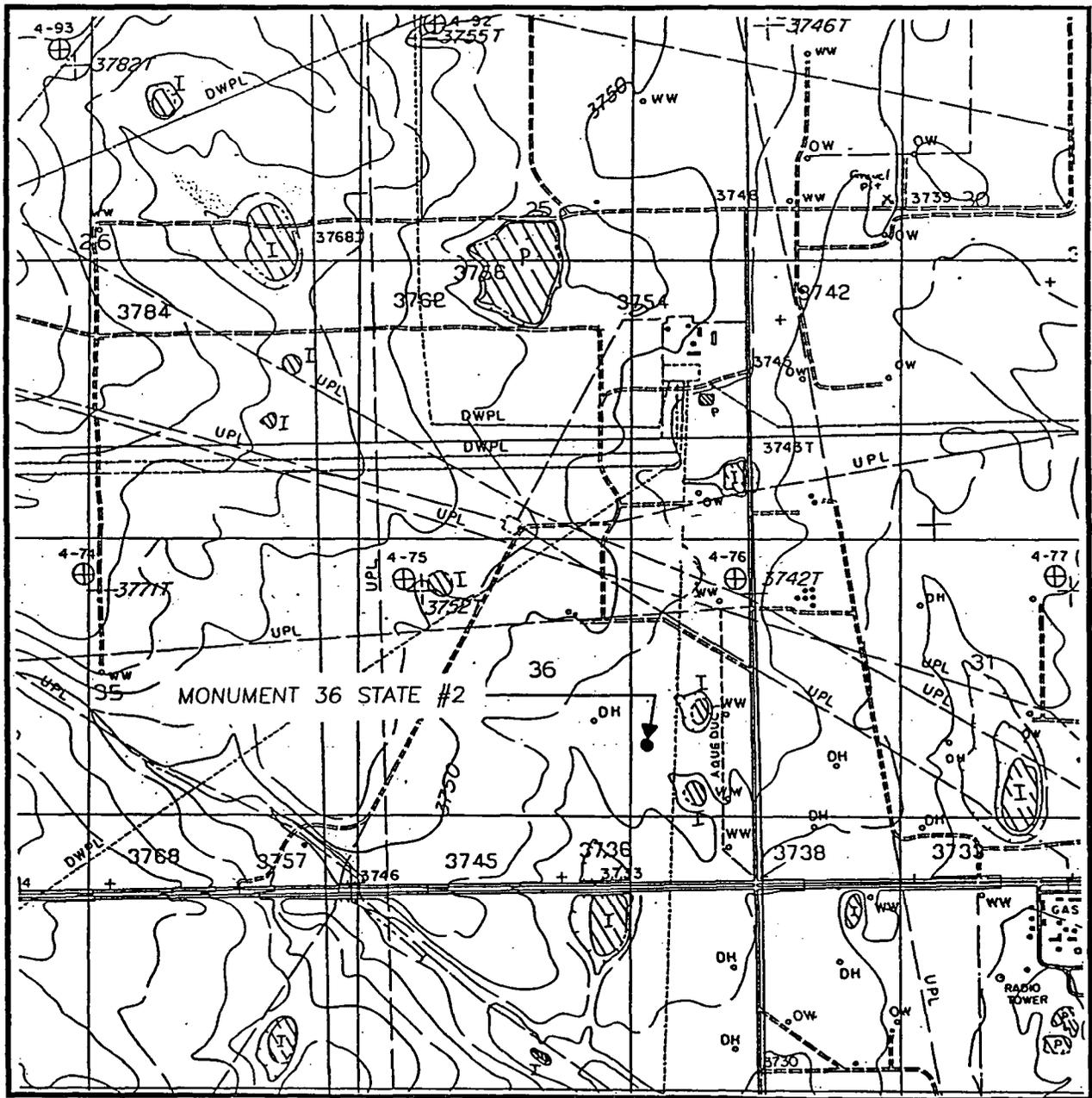
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

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 the 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 29, 1998</p> <p>Date Surveyed _____ DMCC</p> <p>Signature & Seal of Professional Surveyor </p> <p>Certificate No. RONALD J. EDSON 3239 GARY EDSON 1264 WAGON McDONALD 12155</p>

LOCATION VERIFICATION MAP



SCALE: 1" = 2000'

CONTOUR INTERVAL:
MONUMENT NORTH - 10'
WITH 5' SUPPL.

SEC. 36 TWP. 18-S RGE. 36-E

SURVEY N.M.P.M.

COUNTY LEA

DESCRIPTION 1632' FSL & 1298' FEL

ELEVATION 3742

OPERATOR CHEVRON U.S.A. PRODUCTION CO.

LEASE MONUMENT 36 STATE

U.S.G.S. TOPOGRAPHIC MAP
MONUMENT NORTH, N.M.

JOHN WEST ENGINEERING
HOBBS, NEW MEXICO
(505) 393-3117