

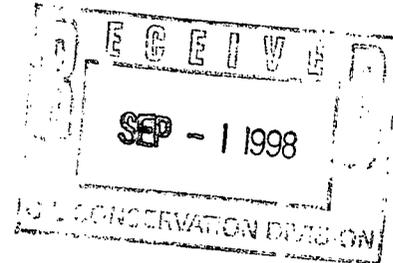
AMEND NSP 9/21/98



August 26, 1998

Administrative Application For
Amendment of Order NSP-152
And Simultaneous Dedication
Eumont (Pro Gas) Pool
Section 24, T-21-S, R-36-E
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 S. Pacheco
Santa Fe, New Mexico 87504

Attention: Ms. Lori Wrotenbery – Chair

Madame:

Chevron U.S.A. Inc. respectfully requests administrative approval to amend Order NSL-152 by reducing the 320-acre non-standard Eumont Gas Proration Unit comprising the south half of section 24, to a 280-acre non-standard gas proration unit. The reason for the reduction is due to the recent completion of the H.T. Mattern (NCT-A) Well No. 6 (API No. 30-025-34265) as an Eumont Oil well. This well is located 1980' FSL and 660' FWL of Unit L, Section 24, T-21-S, R-36-E, NMPM, Lea County, New Mexico. At this time we are also requesting simultaneous dedication of the H.T. Mattern (NCT-A) Wells No. 2 and 5 to the above listed 280-acre non-standard gas proration unit. The 280-acre proration unit will be formed by deleting the NW / 4 SW / 4 of said Section 24 from the current proration unit. In support thereof, Chevron U.S.A. Inc. states the following facts:

- 1) Order NSP-152, dated June 15, 1955, established a 320-acre non-standard gas proration unit in the Eumont Gas Pool comprising the S / 2 of Section 24, in T-21-S, R-36-E, NMPM, Lea County, New Mexico.
- 2) Order NSP-152-A(SD), dated May 31, 1991, deleted the SW / 4 SW / 4 of section 24 from the GPU making it a 280-acre GPU in order to form an oil proration unit for the H. T. Mattern (NCT-A) # 5 Eumont Oil well, and dedicated the H. T. Mattern (NCT-A) # 2 and H.T. Mattern (NCT-A) # 1 to the GPU.
- 3) Order NSP-152(SD), is reinstated on August 16, 1996, re-establishing a 320-acre GPU and simultaneously dedicating the H.T. Mattern (NCT-A) # 5 to the GPU.

- 4) The H.T. Mattern A No.1 (API No. 30-025-12738) was, plugged and abandoned on March 3, 1998.
- 5) That Chevron's H.T. Mattern (NCT-A) Well No. 6 located in Unit L of Section 24, T-21-S, R-36-E, has recently been completed as an Eumont oil well.
- 6) That we wish to simultaneously dedicate H.T. Mattern (NCT-A) Well No. 2 (API No. 30-028-04769), and H.T. Mattern (NCT-A) Well No. 5 (API No. 30-025-31013) to the above mentioned 280-acre non-standard gas proration unit, comprising the SW/4 SW/4, E/2 of SW/4 and the SE/4 of Section 24, T-21-S, R-36-E.

Attached is a plat outlining the proposed non-standard Gas Proration Unit, the standard 40-acre Eumont oil proration unit, a copy of the letter sent to the offset operators, and a map showing all offset properties and wells.

In view of the facts submitted, Chevron U.S.A. Inc. requests that administrative approval of the amendment to Order NSP-152 and simultaneous dedication be granted. If further information is required, please contact me at (915) 687-7318.

Sincerely,



A. H. Schaeffer
Petroleum Engineer
New Mexico Area

Attachments

cc: NMOCD – Hobbs, New Mexico
N. V. Mouser
J. H. Saenz
A. H. Schaeffer
J. K. Ripley
J. B. Wilkinson
D. K. Beckham
Central Files

Chevron U.S.A. Inc.
H.T. Mattern (NCT-A) Lease

Administrative Application For
Amendment of Order NSP-152
And Simultaneous Dedication
Eumont (Pro Gas) Pool
H.T. Mattern (NCT-A) Well No. 6
1980' FSL and 660' FWL
Section 24, T-21-S, R-36-E
Lea County, New Mexico

Offset Operators

Exxon Corporation
P. O. Box 1600
Midland, Texas 79702

Texaco E&P Inc.
205 E. Bender
Hobbs, New Mexico 88240

Titan Resources, Inc.
500 W. Texas, Ste. 500
Midland, Texas 79701

Zachary Oil Operating Company
307 W. 7th St., Ste. 1212
Ft. Worth, Texas 76102-5178

Pioneer Natural Resources
303 W. Wall St.
Midland, Texas 79701

Conoco Inc.
10 Desta Drive West, Ste. 100W
Midland, Texas 79705

ARCO Permian
P. O. Box 1089
Eunice, New Mexico 88231-1089

District I
 PO Box 1908, Hobbs, NM 88241-1908
 District II
 PO Drawer DD, Artesia, NM 88211-0719
 District III
 1000 Rio Brazos Rd., Aztec, NM 87410
 District IV
 PO Box 2088, Santa Fe, NM 87504-2088

State of New Mexico
 Energy, Minerals & Natural Resources Department

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

OIL CONSERVATION DIVISION
 PO Box 2088
 Santa Fe, NM 87504-2088

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-025-34265		Pool Code 22800		Pool Name EUMONT : YATES-7 RIVERS-QUEEN (OEL)	
Property Code 2681		Property Name H.T. MATTERN "A"		Well Number 6	
OGRID No.		Operator Name CHEVRON U.S.A. PRODUCTION COMPANY		Elevation 3529	

10 Surface Location

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

11 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
L	24	21S	36E		1980	SOUTH	660	WEST	2EA

12 District	13 Acres	14 Joint or Infill	15 Consolidation Code	16 Order No.
40				

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

16 	17 OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief. Signature ALAN SCHAEFFER Printed Name PETROLEUM ENGINEER Title AUGUST 19, 1998 Date			
	18 SURVEYOR CERTIFICATION 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. Date of Survey Signature and Seal of Professional Surveyor: Certificate Number			

District I
 PO Box 1988, Hobbs, NM 88241-1988
 District II
 PO Drawer DD, Artesia, NM 88211-8719
 District III
 1000 Rio Brazos Rd., Aztec, NM 87410
 District IV
 PO Box 2088, Santa Fe, NM 87504-2088

State of New Mexico
 Energy, Minerals & Natural Resources Department

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OIL CONSERVATION DIVISION
 PO Box 2088
 Santa Fe, NM 87504-2088

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-025-12738		Pool Code 76480		Pool Name EUMONT: YATES - 7 RIVERS - QUEEN	
Property Code 2681		Property Name H.T. MATTERN "A"			Well Number # 1
OGRID No.		Operator Name CHEVRON U.S.A. PRODUCTION COMPANY			Elevation

10 Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
0	24	21S	36E		330	SOUTH	2310	EAST	LEA

11 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

12 Deduct Acres 280	13 Joint or Infill	14 Consolidation Code	15 Order No.
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16					17 OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.	
					Signature ALAN SCHAEFFER Printed Name PETROLEUM ENGINEER Title 8/26/98 Date	
18 SURVEYOR CERTIFICATION 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.				Date of Survey Signature and Seal of Professional Surveyor: Certificate Number		

District I
 PO Box 1988, Hobbs, NM 88241-1988
 District II
 PO Drawer DD, Artesia, NM 88211-0719
 District III
 1000 Rio Brazos Rd., Aztec, NM 87410
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OIL CONSERVATION DIVISION
 PO Box 2088
 Santa Fe, NM 87504-2088

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-025-04769	Pool Code 76480	Pool Name EUMONT: YATES - 7 RIVERS - QUEEN (PRO GAS)
Property Code 2681	Property Name H.T. MATTERN "A"	Well Number 2
OGRID No.	Operator Name CHEVRON U.S.A. PRODUCTION COMPANY	Elevation 3526' GROUND

10 Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
J	24	21S	36E		1650	SOUTH	1650	EAST	LEA

11 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

12 District 280	13 Acres	14 Joint or Infill	15 Consolidation Code	16 Order No.
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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

16	17 OPERATOR CERTIFICATION			
	<p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</p> <p><i>Alan Schaeffer</i> Signature ALAN SCHAEFFER Printed Name PETROLEUM ENGINEER Title 8/26/98 Date</p>			
18 SURVEYOR CERTIFICATION				
<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>Date of Survey Signature and Seal of Professional Surveyor: Certificate Number</p>				

District I
 PO Box 1988, Hobbs, NM 88241-1988
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 PO Drawer DD, Artesia, NM 88211-0719
 District III
 1000 Rio Bravo Rd., Aztec, NM 87410
 District IV
 PO Box 2088, Santa Fe, NM 87504-2088

State of New Mexico
 Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION
 PO Box 2088
 Santa Fe, NM 87504-2088

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AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-025-31013		Pool Code 76480		Pool Name EUMONT: YATES-7 RIVERS-QUEEN (PRO GAS)	
Property Code 2681		Property Name H.T. MATTERN "A"			Well Number 5
OGRID No.		Operator Name CHEVRON U.S.A. PRODUCTION COMPANY			Elevation 3523' GROUND

10 Surface Location

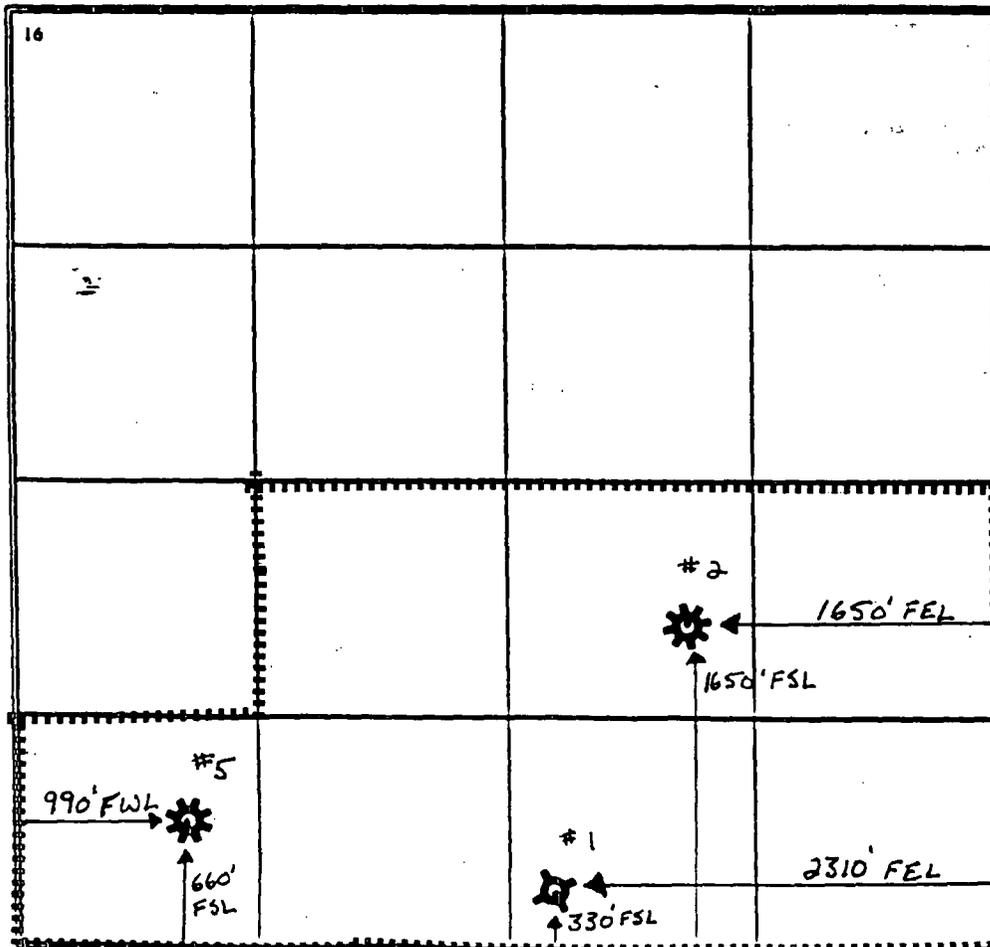
UL or lot no.	Section	Township	Range	Lot Ida	Feet from the	North/South line	Feet from the	East/West line	County
M	24	21S	36E		660	SOUTH	990	WEST	LEA

11 Bottom Hole Location if Different From Surface

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

12 Ductile 1/2 Acres 280	13 Joint or Infill	14 Consolidation Code	15 Order No.
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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



17 OPERATOR CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

Alan Schaeffer
 Signature
 ALAN SCHAEFFER
 Printed Name
 PETROLEUM ENGINEER
 Title
 8/26/98
 Date

18 SURVEYOR CERTIFICATION

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.

Date of Survey
 Signature and Seal of Professional Surveyor
 Certificate Number



NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT

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

January 20, 1998

Chevron U.S.A., Inc.
P. O. Box 1150
Midland, Texas 79702
Attention: John H. Saenz

Administrative Order NSL-3935(SD)

Dear Mr. Saenz:

Reference is made to the following: (i) Chevron U.S.A., Inc.'s ("Chevron") original application to the Division, dated December 23, 1997; (ii) the Division's initial response to said application by letter from Mr. Michael E. Stogner dated January 8, 1998; (iii) Mr. John H. Saenz's response dated January 19, 1998; and, (vi) the records of the Division in Santa Fe: all concerning Chevron's request for an unorthodox Eumont Gas well location in an existing non-standard 320-acre gas spacing and proration unit ("GPU") for the Eumont Gas Pool comprising the S/2 of Section 24, Township 21 South, Range 36 East, NMPM, Lea County, New Mexico. Said GPU was initially established by Division Administrative Order NSP-152, dated June 15, 1955, and was later reinstated by the Division on August 16, 1996.

Eumont gas production from said GPU is currently simultaneously dedicated to the:

- (1) H. T. Mattern (NCT-A) Well No. 1 (API No. 30-025-12738), located 330 feet from the South line and 2310 feet from the East line (Unit O) of said Section 24, which was "grand-fathered" in as a standard Eumont gas well location for the subject 320-acre GPU pursuant to **Rule 2(b)** of the "General Rules for the Prorated Gas Pools of New Mexico/Special Rules and Regulations for the Eumont Gas Pool," as promulgated by Division Order No. R-8170, dated March 28, 1986; and,
- (2) H. T. Mattern (NCT-A) Well No. 2 (API No. 30-025-04769), located at a standard gas well location 1650 feet from the South and East lines (Unit J) of said Section 24;
- (3) H. T. Mattern (NCT-A) Well No. 5 (API No. 30-025-31013), located at a standard Eumont gas well location 660 feet from the South line and 990 feet from the West line (Unit M) of said Section 24.

Administrative Order NSL-3935(SD)

Chevron U.S.A., Inc.

January 20, 1988

Page 2

By the authority granted me under the provisions of **Rule 2(d)** of the "*General Rules for the Prorated Gas Pools of New Mexico/Special Rules and Regulations for the Eumont Gas Pool*," as promulgated by Division Order No. R-8170, as amended, the following described well to be drilled at an unorthodox Eumont gas well location is hereby approved:

*H. T. Mattern (NCT-A) Well No. 6
1980'FSL - 660'FWL (Unit L) of said Section 24.*

Also, you are hereby authorized to simultaneously dedicate Eumont Gas Pool production from the H. T. Mattern (NCT-A) Well Nos. 1, 2, and 5 with the H. T. Mattern (NCT-A) Well No. 6. Furthermore, you are hereby permitted to produce the allowable assigned the subject GPU from all four wells in any proportion.

Sincerely,



Kathleen A. Garland
Acting Director

KAG/MES/kv

cc: New Mexico Oil Conservation Division - Hobbs
File: NSP-152
NSP-152-A(SD) /

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 31, 1991

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

Attention: A. W. Bohling

Administrative Order NSP-152-A(SD)

Dear Mr. Bohling:

Reference is made to your application dated May 1, 1991 to reduce an existing 320-acre non-standard gas spacing and proration unit in the Eumont Gas Pool by 40 acres thereby forming a 280-acre non-standard gas spacing and proration unit. Said 320-acre unit was authorized by Division Administrative Order NSP-152, dated June 15, 1955 and had dedicated thereon the Chevron H. T. Mattern (NCT-A) Well No. 1 located 330 feet from the South line and 2310 feet from the East line (Unit O) of Section 24, Township 21 South, Range 36 East, NMPM, Lea County, New Mexico, which is considered a standard gas well location pursuant to Rule 2(b) of the Special Rules and Regulations for the Eumont Gas Pool, as promulgated by Division Order No. R-8170, as amended.

It is our understanding that in December, 1990 Chevron completed their H. T. Mattern (NCT-A) Well No. 5 located 660 feet from the South line and 990 feet from the West line (Unit M) of said Section 24 as an oil well in said Eumont Pool and it is the 40 acres comprising the SW/4 SW/4 of said Section 24 that is to be deleted from the existing 320-acre gas proration unit and will therefore be dedicated to the No. 5 well forming a standard 40-acre oil spacing and proration unit for said pool. Further, it is our understanding that the existing H. T. Mattern (NCT-A) Well No. 2 located 1650 feet from the South and East lines (Unit J) of said Section 24, which is presently classified as a temporarily abandoned well will be recompleted in the Eumont Gas Pool upon issuance of this order.

By authority granted me under the provisions of Rule 2(a)4 of said Special Eumont Gas Pool rules, a 280-acre non-standard gas spacing and proration unit in said pool comprising the N/2 SW/4, SE/4 SW/4, and SE/4 of said Section 24 is hereby approved.

Administrative Order NSP-152-A(SD)

Chevron USA, Inc.

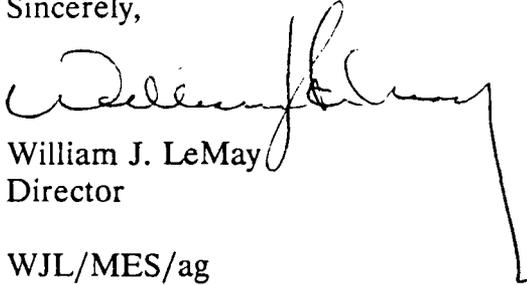
May 31, 1991

Page 2

Furthermore, you are hereby permitted to produce the allowable assigned the subject GPU from both of said wells in any proportion.

NOTE: Said Division Order No. NSP-152 is hereby placed in abeyance until further notice.

Sincerely,

A handwritten signature in black ink, appearing to read 'William J. LeMay', with a long vertical line extending downwards from the end of the signature.

William J. LeMay
Director

WJL/MES/ag

cc: Oil Conservation Division - Hobbs
File: NSP-152
NM State Land Office - Santa Fe

OIL CONSERVATION COMMISSION

P. O. BOX 871

SANTA FE, NEW MEXICO

June 15, 1955

Gulf Oil Corporation
P. O. Drawer 1290
Fort Worth 1, Texas

Attention: Mr. B. E. Thompson

Administrative Order NSP-152

Gentlemen:

Reference is made to your application for approval of a 320-acre non-standard gas proration unit in the Arrow Gas Pool consisting of the following acreage:

Township 21 South, Range 36 East, NMPM
5/2 of Section 24

It is understood that this unit is to be ascribed to your H. T. Mattern "A" Well No. 1, located 330 feet from the South line and 2310 feet from the East line of Section 24, SW/4 SE/4, Township 21 South, Range 36 East, NMPM, Lea County, New Mexico.

By authority granted me under provisions of Rule 5, Section (b)-6 of the Special Rules and Regulations for the Arrow Gas Pool, as set forth in Order R-520, you are hereby authorized to operate the above described acreage as a non-standard gas proration unit, with allowable to be assigned thereto in accordance with pool rules, based upon the unit size of 320 acres.

Very truly yours,

W. B. MACEY,
Secretary-Director

WBM/ir

C
O
P
Y