



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON
Governor
Betty Rivera
Cabinet Secretary

November 15, 2002

Lori Wrotenbery
Director
Oil Conservation Division

ChevronTexaco
15 Smith Road
Midland, Texas 79705
Attention: Scott M. Ingram

Telefax No. (915) 687-7905

Administrative Order NSL-4810

Dear Mr. Ingram:

Reference is made to the following: (i) your faxed application on November 15, 2002 (*application reference No. pWVJ0231951948*); and (ii) the records of the New Mexico Oil Conservation Division ("Division") in Santa Fe: all concerning ChevronTexaco's request for a unorthodox gas well location in the Morrow formation, for its Skelly Unit Well No. 950 to be drilled at a location 973 feet from the North line and 2226 feet from the West line (Unit C) of Section 28, Township 17 South, Range 31 East, NMPM, Eddy County, New Mexico.

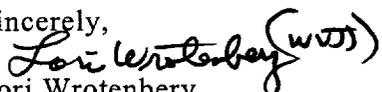
The N/2 of Section 28, Township 17 South, Range 31 East, NMPM, Eddy County, New Mexico being a standard 320-acre gas spacing and proration unit in the Undesignated East Cedar Lake-Morrow (Gas 74605) or the Undesignated North Cedar Lake-Morrow (Gas 74600) is to be dedicated to this well.

This application has been duly filed under the provisions of Division Rule 104.F, revised by Division Order No.R-11231, issued by the New Mexico Oil Conservation Commission in Case No. 12119 on August 12, 1999.

It is our understanding that ChevronTexaco obtained this lease from Mack Energy Corporation and is seeking this unorthodox location because of geological considerations. It is unorthodox because it is closer than 660 feet from the quarter section boundary and the entire North half of section 28 has identical ownership.

By the authority granted me under the provisions of Division Rule 104.F (2), the above-described unorthodox gas well location in the Morrow formation within this 320-acre unit comprising the N/2 of Section 28 is hereby **approved**.

Sincerely,


Lori Wrotenbery
Director

LW/wvjj

cc: New Mexico Oil Conservation Division – Artesia
Bureau of Land Management - Carlsbad