



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

Mark E. Fesmire, P.E.

Director

Oil Conservation Division

May 9, 2007

Chevron U.S.A., Inc.
1111 S. Wilcrest
Houston, Texas 77099

Attention: Ms. Sarah C. Rittenhouse

Re: **G. L. Erwin B Federal NCT-2 Well No. 13**
API No. N/A
2430' FSL & 660' FEL, Unit I,
Section 35, T-24 South, R-37 East, NMPM,
Lea County, New Mexico

Administrative Order NSL-5623

Dear Ms. Rittenhouse:

Reference is made to the following:

(a) the application of Chevron U.S.A., Inc. ("Chevron" or "applicant") for a non-standard well location (*administrative application reference No. pCLP0712731427*) for the G. L. Erwin B Federal NCT-2 Well No. 13 that was submitted to the New Mexico Oil Conservation Division ("Division") in Santa Fe, New Mexico on May 3, 2007; and

(b) the Division's records pertinent to your request.

The applicant requests approval of an unorthodox oil well location for its G. L. Erwin B Federal NCT-2 Well No. 13 in the Langlie-Mattix (Seven Rivers-Queen-Grayburg) Pool (Oil – 37240) which is to be drilled 2430 feet from the South line and 660 feet from the East line (Unit I) of Section 35, Township 24 South, Range 37 East, NMPM, Lea County, New Mexico. The NE/4 SE/4 of Section 35 is to be dedicated to the well in the Langlie-Mattix (Seven Rivers-Queen-Grayburg) Pool forming a standard 40-acre oil spacing and proration unit.

The Langlie-Mattix (Seven Rivers-Queen-Grayburg) Pool is currently governed by Division Rule No. 19.15.3.104(B).

The proposed unorthodox well location is necessitated by topographic considerations within the NE/4 SE/4 of Section 35.

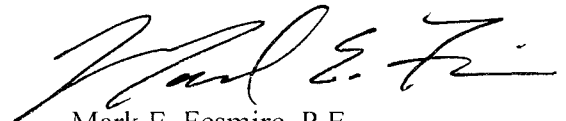
It is our understanding that the G. L. Erwin B Federal Lease encompasses the SE/4 of Section 35, and that the C. C. Fristoe B Federal Lease, being the affected offset acreage, encompasses the NE/4 and

the E/2 NW/4 of Section 35. It is further our understanding that the ownership between the G. L. Erwin B Federal Lease and the C. C. Fristoe B Federal Lease is identical. Consequently, there are no adversely affected offset operators and/or interest owners.

Division records show that there are no other wells currently producing from the Langlie-Mattix (Seven Rivers-Queen-Grayburg) Pool within the NE/4 SE/4 of Section 35.

Pursuant to the authority granted under the provisions of Division Rule 19.15.3.104.F(2), the above-described unorthodox oil well location in the Langlie-Mattix (Seven Rivers-Queen-Grayburg) Pool is hereby approved.

Sincerely,

A handwritten signature in black ink, appearing to read "Mark E. Fesmire".

Mark E. Fesmire, P.E.
Division Director

MEF/drc

cc: OCD-Hobbs
 Bureau of Land Management-Carlsbad