STATE OF NEW MEXICO



ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION

GARREY CARRUTHERS

November 28, 1990

POST OFFICE BOX 2088 STATE LAND OFFICE BUILDING SANTA FE, NEW MEXICO 87504 (505) 827-5800

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

Attention: A. W. Bohling

Administrative Order NSL-2954 (DD)

Dear Mr. Bohling:

Reference is made to your application dated November 8, 1990 for a non-standard surface oil well location for your Pacheco Federal Well No. 5 to be located 760 feet from the South line and 1580 feet from the West line (Unit N) of Section 31, Township 19 South, Range 28 East, NMPM, Fadeaway Ridge-Delaware Pool, Eddy County, New Mexico. It is our understanding that the subject well will be directionally drilled to a standard bottomhole location 760 feet from the South line and 1980 feet from the West line (Unit N) of said Section 31, and that the SE/4 SW/4 of said Section 31 shall be dedicated to the well forming a standard 40-acre oil spacing and proration unit.

By the authority granted me under the provisions of General Rule Nos. Ill and 104.F.l the above-described unorthodox surface oil well location and directional drilling are hereby approved.

Sincerely,

Milliam J. Leway William J. Leway

Director

WJL/MES/fd

cc: Oil Conservation Division - Artesia

US Bureau of Land Management - Carlsbad