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BEFORE THE

OIL CONSERVATION DIVISION

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NEW MEXICO DEPARTMENT OF ENERGY, MINERALS AND NATURAL RESOURCES

IN THE MATTER OF THE APPLICATION OF
CHEVRON U.S.A., INC. FOR A NON-
STANDARD PRORATION UNIT, AND,
UNORTHODOX GAS WELL LOCATION,
LEA COUNTY, NEW MEXICO.

CASE NO. 9948

APPLICATION

CHEVRON U.S.A., INC., through its undersigned attorneys, hereby makes application to the New Mexico Oil Conservation Division for approval of a non-standard proration unit and an unorthodox gas well location, and in support thereof would show the Division:

1. Applicant is the operator of the NE/4 and the N/2 NW/4 of Section 34, Township 19 South, Range 36 East, N.M.P.M., Lea County, New Mexico and proposes to drill its J.W. Smith No. 7 Well at a location 1900 feet from the North line and 660 feet from the East line of said Section 34.

2. Applicant seeks an exception to the well location requirements of Rule 2(b) of the Special Rules and Regulations for the Eumont Gas Pool to permit the drilling of the well at the above-described unorthodox location to a depth sufficient to adequately test the Eumont formation, Eumont Gas Pool.

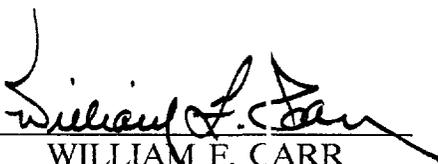
3. A non-standard 240-acre proration unit comprised of the NE/4 and the N/2 NW/4 of said Section 34 should be dedicated to the well.

4. That approval of this application will afford applicant the opportunity to produce its just and equitable share of hydrocarbons underlying this spacing unit and will otherwise be in the best interest of conservation, the prevention of waste and the protection of correlative rights.

WHEREFORE, Applicant respectfully requests that this matter be set for hearing before a duly appointed Examiner of the Oil Conservation Division on May 30, 1990, and that after notice and hearing as required by law, the Division enter its order granting this application and providing such other and further relief as is proper in the premises.

Respectfully submitted,

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