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ADMINISTRATIVE APPLICATION FOR UNORTHODOX SURFACE LOCATION AND DIRECTIONAL DRILLING TO A STANDARD BOTTOM-HOLE LOCATION FADE-AWAY RIDGE DELAWARE FIELD SECTION 31, T-19-S, R-28-E, NMPM EDDY COUNTY, NEW MEXICO

State Of New Mexico Energy, Minerals & Natural Resources Dept. Oil Conservation Division P. O. Box 2088 Santa Fe, New Mexico 87504

Attention: Mr. William J. LeMay - Director

Gentlemen:

Chevron U.S.A. Inc. respectfully requests your approval of our administrative application for the subject Unorthodox Surface Location and Directional Drilling to a Standard Bottom-Hole Location.

Chevron is proposing to drill a directional oil well in the Fade-Away Ridge Delaware Field, Eddy County, New Mexico. The proposed surface location for our Pacheco Federal Well No. 5 will be at an Unorthodox Location of 760 feet FSL and 1580 feet FWL, Section 31, T-19-S, R-28-E, NMPM, Eddy County, New Mexico. The projected bottom-hole location will be at a Standard Location of 760 feet FSL and 1980 feet FWL, Section 31, T-19-S, R-28-E, NMPM, Eddy County, New Mexico.

The Pacheco Federal Well No. 5 requires this Unorthodox Surface Location and Directional Drilling due to the presence of a surface archeological site that precludes the drilling of an Orthodox or Standard vertical location.

In order to prevent waste, Chevron respectfully requests

your approval of this administrative application under the provisions of Rule 104 (F). Attached are a map showing offset operators and a Form C-102. A copy of this letter with attachments are being furnished to the Offset Operators by Certified Mail, as their notice of this application.

Due to the nature of this request in that the bottom-hole location will be at a Standard location and that Chevron is currently the only operator in the subject pool, we would further request that approval of this application be expedited to facilitate the drilling of this well this year.

Yours very truly, alash Bohlmg

A. W. BOHLING

awb Attachments Enclosures

cc: NMOCD - Artesia