



NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION
2040 South Pacheco Street
Santa Fe, New Mexico 87505
(505) 827-7131

August 13, 1997

Chevron U.S.A. Inc.
P. O. Box 1150
Midland, Texas 79702

11849

Attention: J. H. Saenz

Re: *Application to reinstate Division Order No. R-1084-B, authorizing a 440-acre non-standard gas spacing and proration unit in the Eumont Gas Pool comprising the SW/4 of Section 1 and the NE/4, N/2 NW/4, and SE/4 NW/4 of Section 12, both in Township 22 South Range 36 East, NMPM, Lea County, New Mexico and for an unorthodox gas well location for the H. T. Mattern (NCT-E) Well No. 3 (API No. 30-025-08880), located 660 feet from the North and West lines (Unit D) of said Section 12.*

Dear Mr. Saenz:

I am unable to process your application dated May 5, 1997 through the administrative process for various reasons. In anticipation that this request will not be opposed I will set this matter on the next available examiner's hearing docket and cause it to be advertised in the following manner:

Application of Chevron U.S.A. Inc. for an unorthodox gas well location, simultaneous dedication, and to reinstate Division Order No. R-1084-B, Lea County, New Mexico. Applicant seeks to reinstate Division Order No. R-1084-B, dated May 23, 1991, which authorized a 440-acre non-standard gas spacing and proration unit ("GPU") in the Eumont Gas Pool comprising the SW/4 of Section 1 and the NE/4, N/2 NW/4, and SE/4 NW/4 of Section 12, both in Township 22 South Range 36 East, which is located approximately 4 miles west-southwest of Eunice, New Mexico. Applicant further seeks approval of an unorthodox Eumont gas well location for said 440-acre GPU of its existing H. T. Mattern (NCT-E) Well No. 3 (API No. 30-025-08880), located 660 feet from the North and West lines (Unit D) of said Section 12. Eumont gas production attributed to said 440-acre GPU is to be simultaneously dedicated to said H. T. Mattern (NCT-E) Well No. 3 and its H. T. Mattern (NCT-E) Well Nos. 10, 11, and 13 located in Unit "N" of said Section 1 and Units "B" and "H" of said Section 12, respectively. In the absence of objection, this application will be taken under advisement.

Chevron U.S.A. Inc.

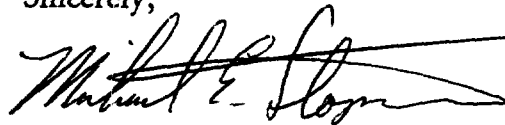
J. H. Saenz

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Chevron is expected to provide adequate notice of this matter pursuant to Division General Rule 1207.

Should you have any questions or comments concerning this matter, please contact me in Santa Fe at (505) 827-8185. Thank you.

Sincerely,

A handwritten signature in black ink, appearing to read "Michael E. Stogner", with a long horizontal flourish extending to the right.

Michael E. Stogner
Chief Hearing Officer/Engineer

cc: New Mexico Oil Conservation Division - Hobbs
New Mexico State Land Office - Santa Fe
William F. Carr - Santa Fe
Kathy Valdes - OCD, Santa Fe