November 7, 2000



P.O. Box 1150 Midland, TX 79702

Chevron U.S.A. Production Company

NOV - 8 2000

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Administrative Application For Non-Standard Gas Well Location Chevron USA Production Co. G. C. Matthews #12 Surface Loc. 330' FSL & 990' FEL Section 6, T20S, R37E Monument Tubb West Pool Lea County, New Mexico

State of New Mexico
Energy, Minerals & Natural Resources Dept.
Oil Conservation Division
Attn.: Mr. Michael Stogner
2040 South Pacheco
Santa Fe. New Mexico 87505

Dear Mr. Stogner:

This letter is in response to your letter dated October 26, 2000, (copy attached) concerning why well #12 was chosen for the Tubb recompletion.

Here is a recap of the process used to determine the proper well to recomplete into the Tubb formation in section 6. While reviewing Chevron's G. C. Matthews lease for production inprovements or cost reduction ideas, we noticed the activity in Section 5 and 7 of T20S, R37E in the Tubb. At this time we decided to recomplete the #6 well. It is located 990' FEL and 1650' FSL of Section 6. Permits were obtained and the work was completed July 14, 2000 and the Tubb zone was tight. Proper treatment was not possible as we screened out on a fracture treatment and could not pump an acid stimulation at the desired rate. Production testing resulted in no fluid entry.

At this time we reviewed the rest of the wells in the SE/4; well bore schematics of the wells are attached for you to look at. Following is a well by well discussion of this review. Wells #3, 4, 8, and 11 are P&A'd, therefore not considered as a candidate well. Well # 5 has a 4 $\frac{1}{2}$ " liner across the Tubb, but is another nonstandard location, 2310' FSL and 2310' FEL. Well #2 has a 4 $\frac{1}{2}$ " liner cemented in and would have to be deepened about 2600'. This small size liner would cause longer time to drill, more costs and would limit the completion tool selection and production that could be obtained from the well. Therefore, wells #2 and 5 were not considered as preferred candidates. Well =10 has 7" casing and would have to be deepened about 800', and is at a non-

standard location at 1650' FSL and 2310' FEL. Well #7 has 5 ¹/₂" casing and is a non-standard location at 990' FSL and 330' FEL. Well #9 has 5 ¹/₂" casing at 5250' and is at a standard location, 660' FSL and 1650' FEL. Well #1 has 7" casing at 3714' and would have to be deepened about 2600' and is a standard location at 660' FSL and 1980' FEL. Well #12 has 7" casing at 5700' and would have to be deepened about 800' and is at a non-standard location.

Summarizing the details above, the P&A'd wells and the wells with 4 $\frac{1}{2}$ " casing or liners were not considered to be viable candidates, so wells #3, 4, 8, 11, 5, and 2 were put aside. Of the wells with 5 $\frac{1}{2}$ " and 7" casing, the 7" casing is the preferred size as it allows us to run 4 $\frac{1}{2}$ " casing as opposed to 3 $\frac{1}{2}$ " casing. The increased casing size allows us to run more conventional tools in the well for completion. The cost to drill a 4 $\frac{1}{2}$ " hole as compared to a 6 1/8" hole would be increased as we estimate an additional 4-5 days to drill to TD with the smaller hole. This makes wells #1, 10, and 12 the most desirable candidates. Of these three, well #12 was decided upon. Well #10 was in a nonfavorable location based upon the results of well #6, and #1 required an additional 1800' of hole to be drilled, which was estimated to take an additional 4-5 days and cost an additional \$30,000 - \$40,000. Well #12 also allows Chevron to protect the reserves on our lease from being drained by a well 330' from the lease line in a non-standard 160 acre standup proration unit.

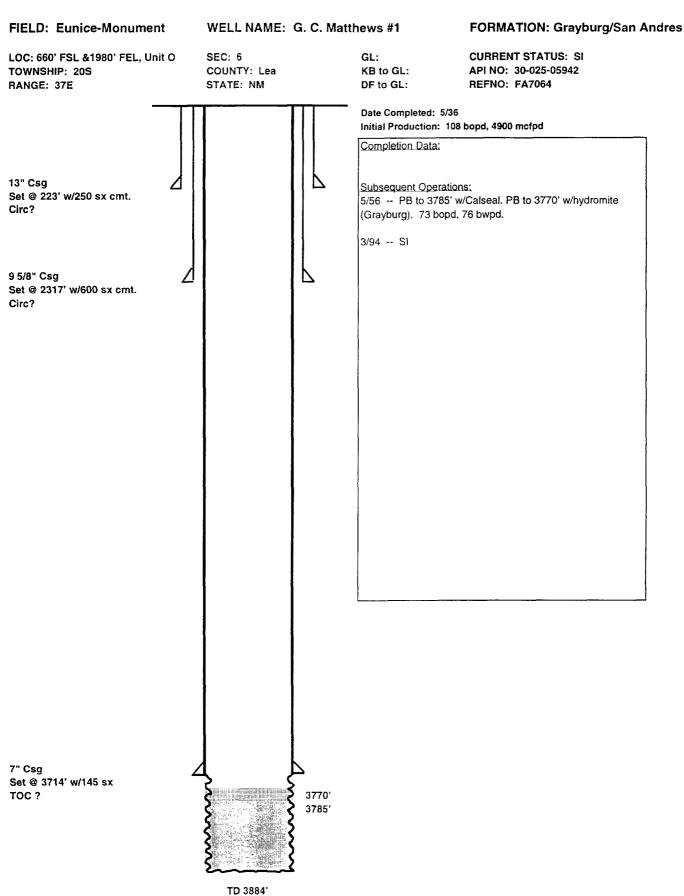
Attachments include: wellbore schematics of Chevron's wells, copy of OCD letter to Chevron dated October 26, 2000, Tubb structure map, and a map of the G. C. Matthews lease. If you have any questions or require any further information concerning this information, please contact me at (915) 687-7152.

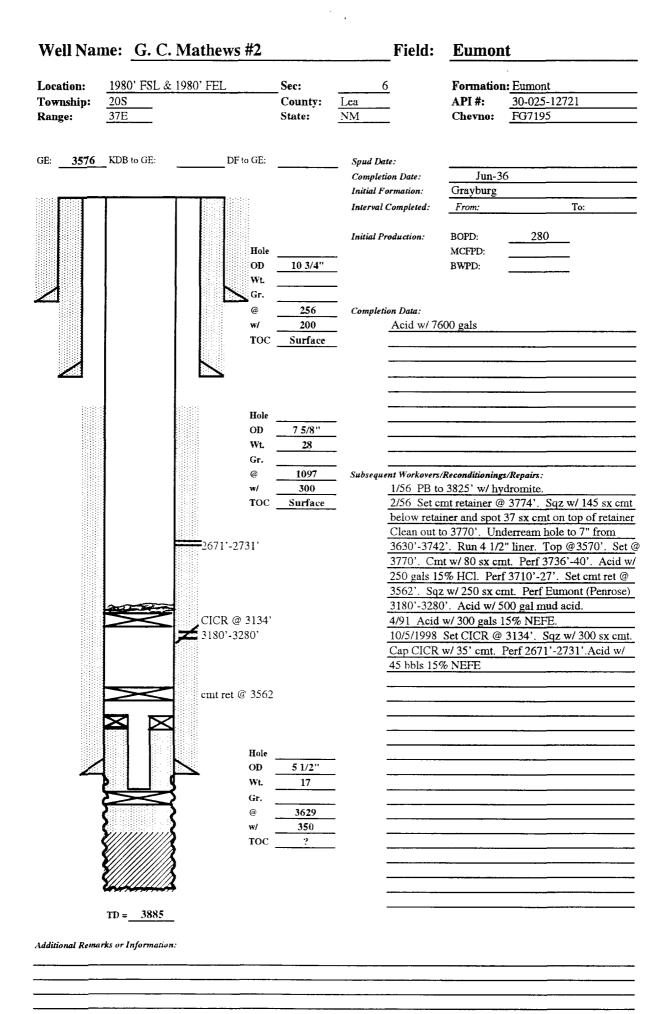
Sincerely,

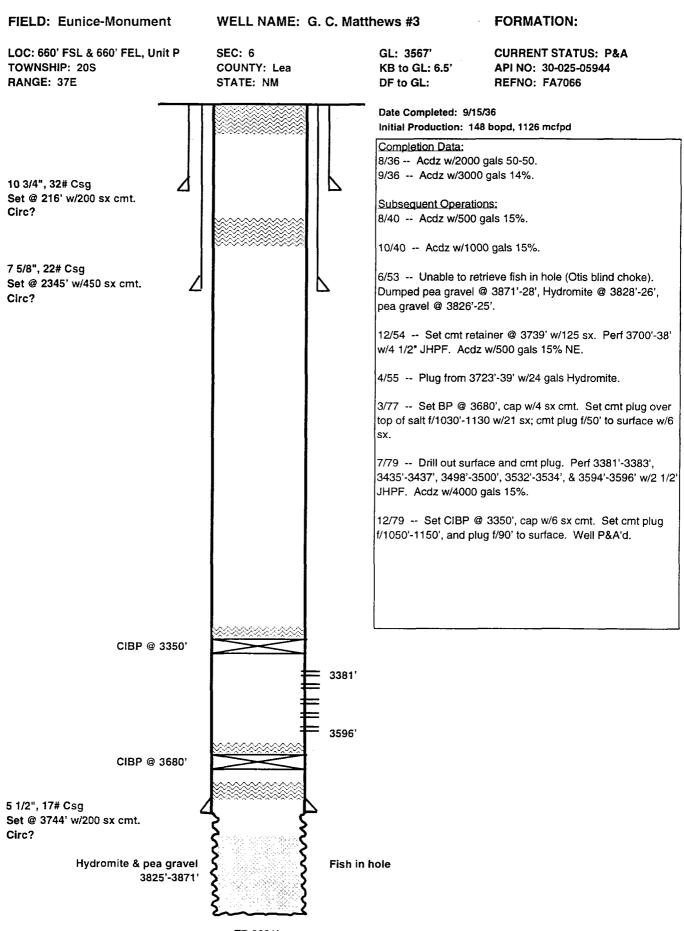
Lloyd V. Trautman Sr. Petroleum Engineer New Mexico Area

lvt Attachments

cc: NMOCD -- Hobbs, NM J. K. Ripley T. R. Denny L. V. Trautman R. M. Vaden Central Files







TD 3891'

FIELD: Eunice Monument

WELL NAME: G. C. Matthews #4

LOC: 1980' FSL & 660' FEL TOWNSHIP: 20-S RANGE: 37-E

10 3/4" OD, 32.75# Sur. pipe set at 297' w/ 200 sxs cmt.

7 5/8", 36# csg

set at 2342' w 400 sx

SEC: 6, Unit I COUNTY: Lea STATE: NM

3412-14'

3445-47'

3469-71'

3514-16'

3556-58'

3714-15' sqzd

3730-82' sazd

CICR AT 3805'

PBTD

unknown

3763' hydromite

GL: 3567' KB to GL: 6' CURRENT STATUS: TA'd API NO: 30-025-05945 CHEVNO: FA7067

Date Completed:	#####
Initial Production:	715 bopd, 1578 mcfd
Initial Formation:	Grayburg
FROM: 3815'	TO: 3897'

Well History

5/52 PB w/ hydromite to 3858', Install gas lift. IP 65 BO, 29 BW

3/57 Ran CICR set at 3805 Sqz OH w/ 213 sx. Perf 3730-82' w 4 JSPF. Acdz w/ 250 gal. Well flowed. PB to 3763' with Hydromite & Calseal. Treat 3730-63' w/ 7476 gal lease crude w/ 1 ppg sd. PB to 3720' w/ hydromite. Perf 3714-15' w/ 8 JSPF. Set CICR at 3690'. DO to 3720'. Csg would not test. Set CICR at 3685'. Pump 500 gal Cealment. DO cmt to 3720'. test perfs at 3715 to 500 psi, ok. DO hydromite and sand to 3763'. Swab well, kicked off. [Assume that perfs 3730-63' open because of being covered w/ sand and hydromite was used as a cap on the sand.]

5/58 Sqz perfs 3730-63 w/ 87 sx cmt. TA'd

4/60 P&A w/ Aquagel mud. Spot 10 sx cmt at top of 5 1/2" csg. Set marker.

7/69 Re-enter. CO to 3675'. Spot 15% Acid. Perf 3412-14', 3445-47', 3469-71', 3514-16', 3556-58', w/ 2 JSPF. Acdz w/ 3000 gal 15% ND Acid. IP 1 BO ? Gas

8/79 Note in file that well has been TA'd. No details given.

5 1/2" OD17# set at 3815' cmt w/ 200 sx FORMATION TOPS: Rustier 1080 T/ Salt 1120 B/ Salt 2270 Yates 2380 Queen 3036 Grayburg 3680

Mat_4wb.xls TD 3897' 11/7/2000 10:29 AM FILE: mat_4wb.XLS spm 12/1/93

FORMATION: Grayburg





FIELD: Monument

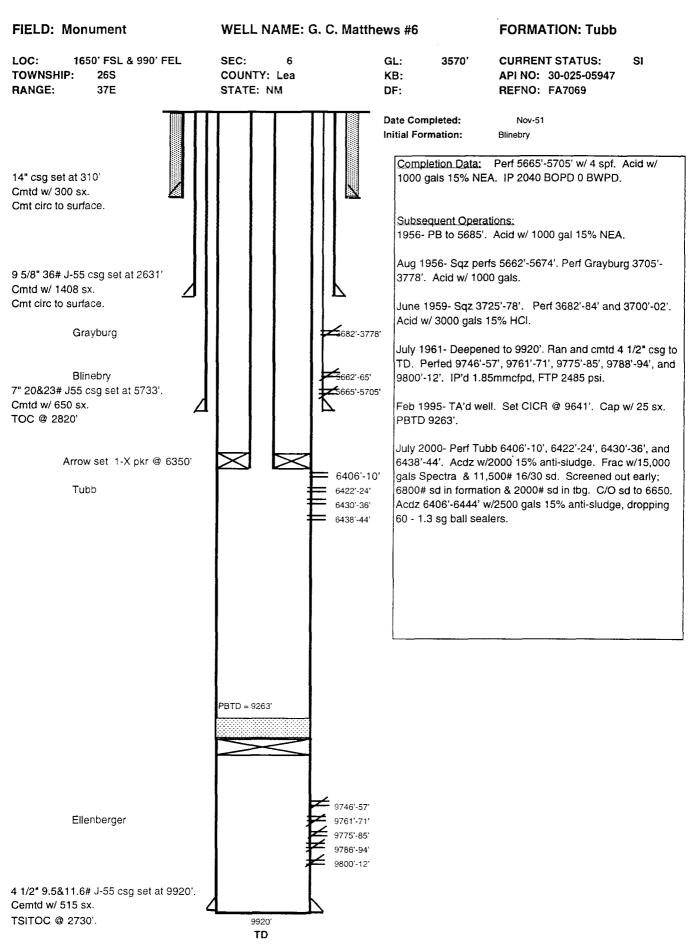
WELL DATA SHEET

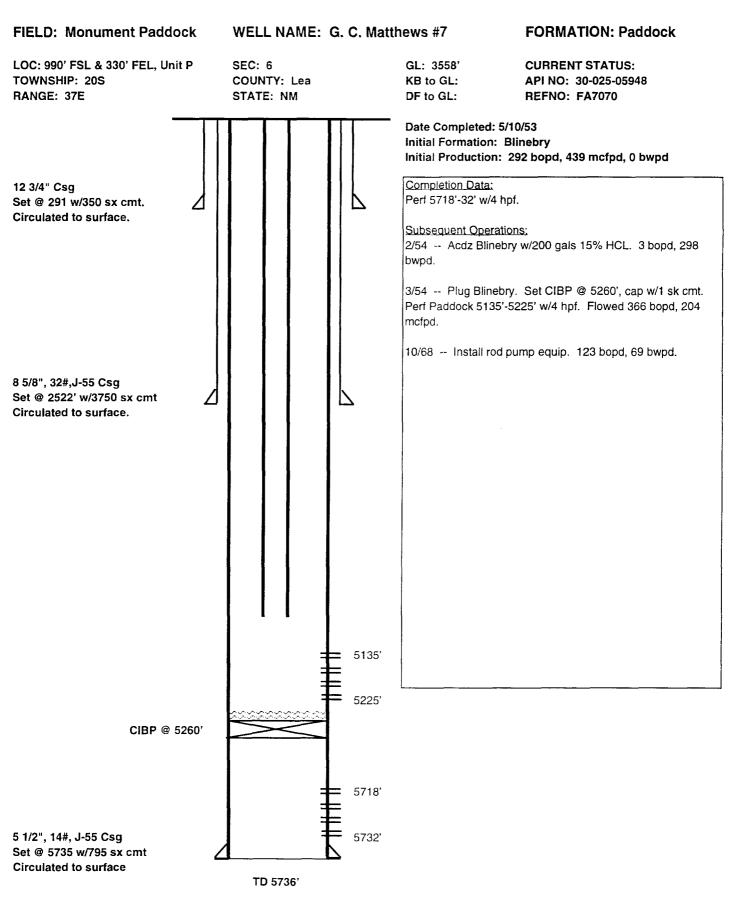
WELL NAME: G. C. Matthews # 5

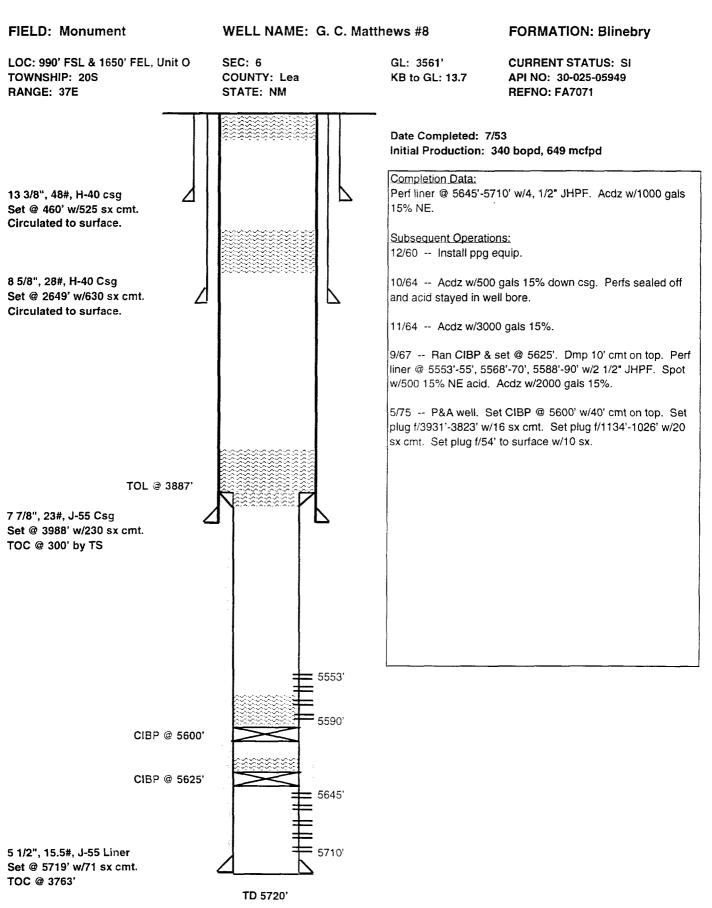
FORMATION: Abo

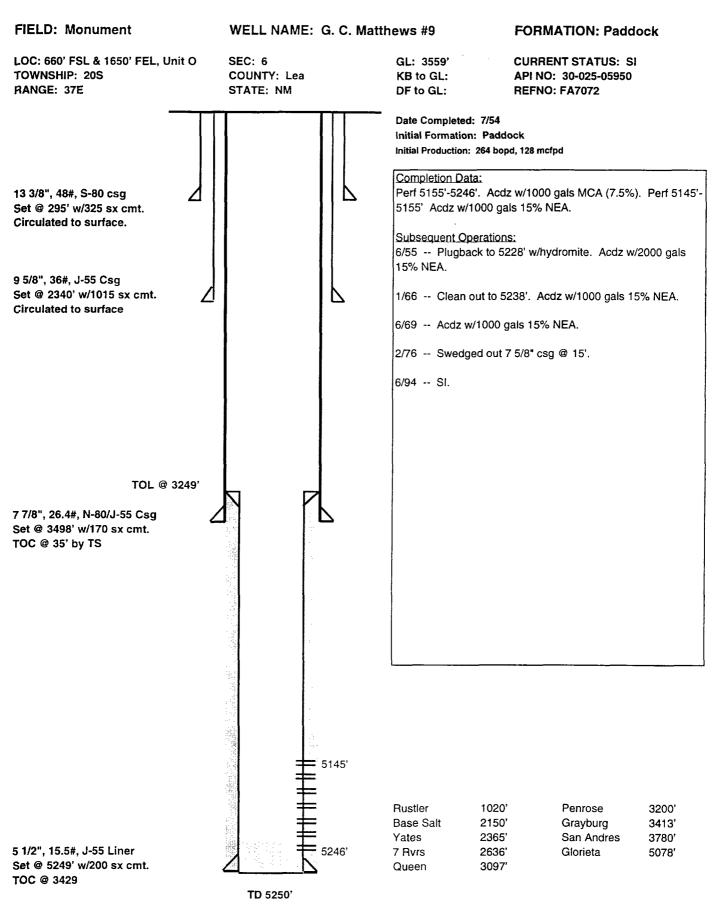
LOC: 2310' FSL & 2310' FEL SEC: 6. Unit I CURRENT STATUS: SI GL: 3559' **TOWNSHIP: 20-S** COUNTY: Lea KB to GL: 10.4' API NO: 30-025-05946 RANGE: 37-E STATE: NM CHEVNO: FA7068 Date Completed: 06/22/1951 Initial Production: 960 BO, 0 BW, 570 MCF Initial Formation: Paddock/Blinebry FROM: TO: 5650' 5700' 13 3/8" OD, 48#, H-4C: Sur. pipe set at 326' Well History w/ 325 sxs cmt. 5/51 Spud, Paddock/Blinebry Test, TD 5780', PBTD 5745' Circ. to surf. 3/56 Installed Pumping Unit, 103 BO, 157 BW 9 5/8", 36# csg, 8rd, J-55 11/60 TA'd well set at 2650' w 1500 sx 6/61 Test Blinebry. Set Cl @ 5640', Squeezed perfs 5650' to 5700' in 7" CSG. Perf 4 SPF TOC at 950' by TS 5576' - 78', 5584'-86', 5600'-02'. Treated w/ 750 gal 15% NEA, using 15 7/8" RCNB. Grayburg PBTD 5736'. Prod. 182 BO, 0 BW, 108 MCF. Squeezed 4/67 Acdz w/ 1000 gal 28% NEA. Before 22 BO, After 33 BO. 3386'-88' Squeezed 8/67 Installed Pumping Equipment. 3437'-3612' 5/68 Acdz. 5000 gal 15%. No change in prod. 5/69 Test Grayburg. Set BP on WL @ 5500'. Dumped 2 sxs CMT. Perf. 3610'-12', 3546'-48', 3506'-3508', 3466'-68' & 3437'-39'. Acdz w/ 4000 gai 15% NE acid, 4 bpm, Pmax 3600 psi. 6/72 Dual Grayburg with Paddock. Perf 7" CSG w/ 2, 1/2" JHPF @ 5139'-43', 5172'-76', 5186', 92', and 5204'-08'. Acdz w/ 3000 gal 15% NE acid. Acdz perfs again w/ 3500 gal 15% NE acid. Paddock Ran long string w/ RKR @ 5050', end of TBG @ 5116'. Short String @ 3403'. Soueezed 6/75 TA'd Paddock. 5139'-5208 8/76 Pulled both strings & TA Paddock w/ BP @ 5050'. TA Grayburg w/ RBP @ 3412'. Perf 7" CSG w/ 4, 1/2" JHPF @ 3386'-88'. Acdz w/ 1000 gal 15% NE acid. Put on prod. TOL 5333 10/77 Sqeeze Paddock. 5139'-5208' w/ 150 sxs Cl *C*. Squeeze Graybury, 3326'-3612' 7" OD 23#, 8 rd, J-55 w/ 300 sxs Cl "C". C/O to 5780' & squeeze Blinebry, 5576'-5602' w/ 400 sxs Cl "C". set at 5779' Deepen with 6 1/4" bit to 7400'. Set 4 1/2" liner with top at 5333', bottom at 7398'. Blinebry, Squeezed Perf Abo at 7045'-47', 7079'-81', 7119'-21', 7149'-51', 7196'-98', 7216'-18', 7250'-52'. cmt w/ 650 sx 5576'-5602' Acdz w/ 12,000 gal 15% HCl at 15 BPM. ISIP 4450 psi. 15 MIN SI 4000 psi. TOC at 2660' by TS Soueezed IPP = 8 BOPD, 9 BWPD. 5650'-5700 10/87 Perf 7159',55', 46', 44', 40', 38', 34', 32', 09', 7072', 71', 70', 62', 60' with 1 SPF. Acdz with 5500 gals 20% HCI. (appears all pay was acidized) Run Rods & Pump. Off Report - 9 BO, 9 BW, 17 MCF. Existing 3/88 Acid Frac 7045'-7252' with 30,000 gals XL Gel, 15,000 gals 20% Gelled NEFe, 6862'- 6986' 3750 gals 20% Slick NEFe, 12,000 gals non-XL Gelled 8.6 lb BW and 288,000 scf N2. Rate of 12 bpm, 4540 psi Pmax. Run Pump Eq. Before - 2 BO, 1 BW, 19 MCF. After - 1 BO, 4 BW, 99 MCF. 7045 2/90 Production less than 1 BOPD, 0 BWPD. Moved 228 Lufkin pumping unit. SI. 4 1/2" OD 11.6#, K-55 through Liner set at 7398' 7252' w/ 250 sx. TOL at 5333'

Gcm5_wbs.xis TD 7400' 11/7/2000 10:29 AM, b**PBCPD 7367'**

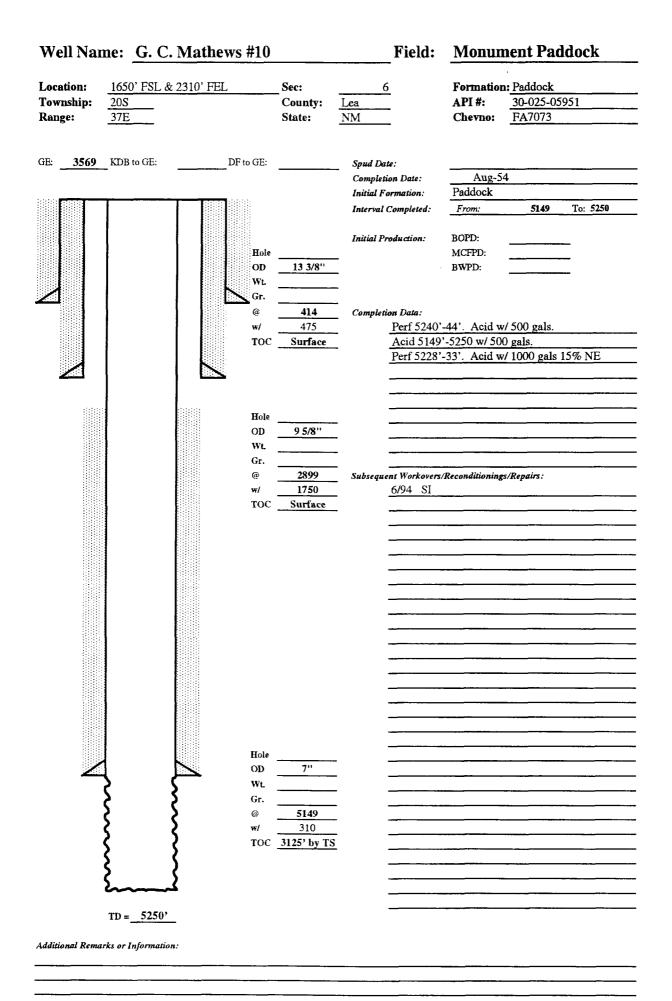








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FIELD: Monument Blinebry WELL NAME: G. C. Matthews #11

LOC: 2310' FSL & 990' FEL TOWNSHIP: 20-S RANGE: 37-E

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SEC: 6, Unit I COUNTY: Lea STATE: NM

T T - 7

GL: 3558' DF to GL: 12' **CURRENT STATUS: TA'd** API NO: 30-025-05952 CHEVNO: FA7074

13 3/8" OD, 48# Sur. pipe set at 413'		Date Completed:######Initial Production:130 BOPD, no wtrInitial Formation:PaddockFROM:5150'TO:5230'
w/ 500 sxs cmt. circ. to surf.		Well History 10/54 Perf. 5150-5230' w/ 4 JSPF. Acdz w/ 2500 gal 15% HCl. Flowed 1230 BOPD, no wtr
9 5/8", 36# csg set at 2899' w 1900 sx TOC at 735' by TS	/8", 36# csg at 2899' w 1900 sx	 8/57 Plugged bacd to 5205' w/ hydromite. Acdz perfs 5150-5205' w/ 4000 gal 15%. Flow 103 BO, 22 BWPD, GOR 8541. 6/59 ETP 6/62 Deepened w/ 6 1/8" bit from 5234' to 5750', now TD. Ran 5' OD Hydril 14.8#, J-55 FJ liner from 5728 to 5193' (TOL). Cmtd w/ 30 sx. Circculated. Perf Blinebry 5564-68', 5573-77', 5588-92', 5602-06' w/ 2 JSPF. Attempted to acdz but communicated to liner top. Perf liner at 5550' & circulated cmt to liner top and sqzd. DO Inr & test to 2,000 psi. Acdz perfs, swab 100% wtr. Sqzd perfs 5564-5606' w/ 200 sx. Re-sqzd w/ 155 sx. DO to 5730, FBTD, test to 2,000 psi, OK. Perf 5650' and 5666' with 3 JH in a plane. Acdz w/ 500 gal. Flowed 221 BO in 10 hrs. Set Model 'D' pkr at 5635' on WL. Dual completed. Acdz Paddock w/ 500 gal 15%. 2/64 ETP Blinebry. 4/66 Acdz Paddock w/ 1000 gal. 3/71Acdz Paddock w/ 1000 gal. 5/79 Repair tbg leak. Acdz Paddock using RBP & pkr w/ 1500 gal 15%.
CIBP AT 5100' W/ 35 ' CMT		7/82Chemical Sqz Blinebry w/ Corrosion Inhibitor 2/83 Repair tbl leak & return to production
7" OD 23#, 8 rd, J-55 set at 5234' cmt w/ 825 sx	Paddock perfs 5150'-5230' Isolated w/ Inr and sqzd off.	7/85 Sqzd Paddock perfs twice w/ 300 sx. Removed Model 'D' pkr. Acdz Blinebry w/ 500 gal 15% NEFE HCI. Paddock P&A'd. Blinebry completion only.
TOC at 2238' by TS Perf 5564-68' 5573-77' 5589-92' 5602-06' SQZD w/ 200 sx 5" OD 14.8#, J-55 FJ Liner set at 5728' w/ 30 sx. TOL at 5193'	CIBP AT 5640' W/ 35 ' CMT perfs 5650' and 5666' each with 3 holes in a plane	FORMATION TOPS: Rustler 1035 T/ Salt 1070 B/ Salt 2190 Yates 2392 Queen 3065 Grayburg 3430 Glorieta (Paddock) 5098 Blinebry 5310
	TD 5750'	FILE: mat_11wb.XLS

Mat_11wb.xls 11/7/2000 10:31 AM PBTD 5730'

FORMATION: Blinebry

spm 11/17/93

FIELD: Eunice Monument

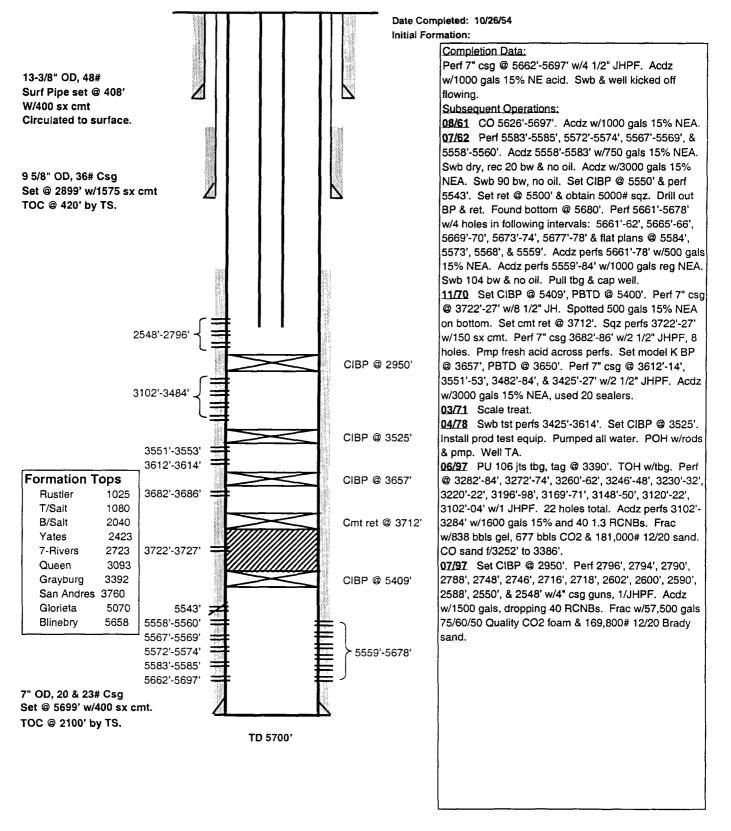
LOC: 330' FSL & 990' FEL TOWNSHIP: 20S RANGE: 37E

WELL NAME: G. C. Matthews #12

SEC: 6 COUNTY: Lea STATE: NM GL: 3556' KB to GL: 11' DF to GL:

FORMATION: Yates

CURRENT STATUS: API NO: 30-025-05953 REFNO: FA7075





NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON Governor Jennifer A. Salisbury Cabinet Secretary Lori Wrotenbery Director Oil Conservation Division

October 26, 2000

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

Attention: Lloyd V. Trautman

Re: Application for administrative approval for Chevron U.S.A. Production Company's existing G. C. Matthews Well No. 12 (API No. 30-025-05953) located 330' FSL & 990' FEL (Unit P) of Section 6, Township 20 South, Range 37 East, NMPM, Lea County, New Mexico, to be deepened to the Undesignated West Monument-Tubb Gas Pool and completed at the above-described unorthodox gas well location within the SE/4 of Section 6, being a standard 160-acre gas spacing and proration unit for this pool.

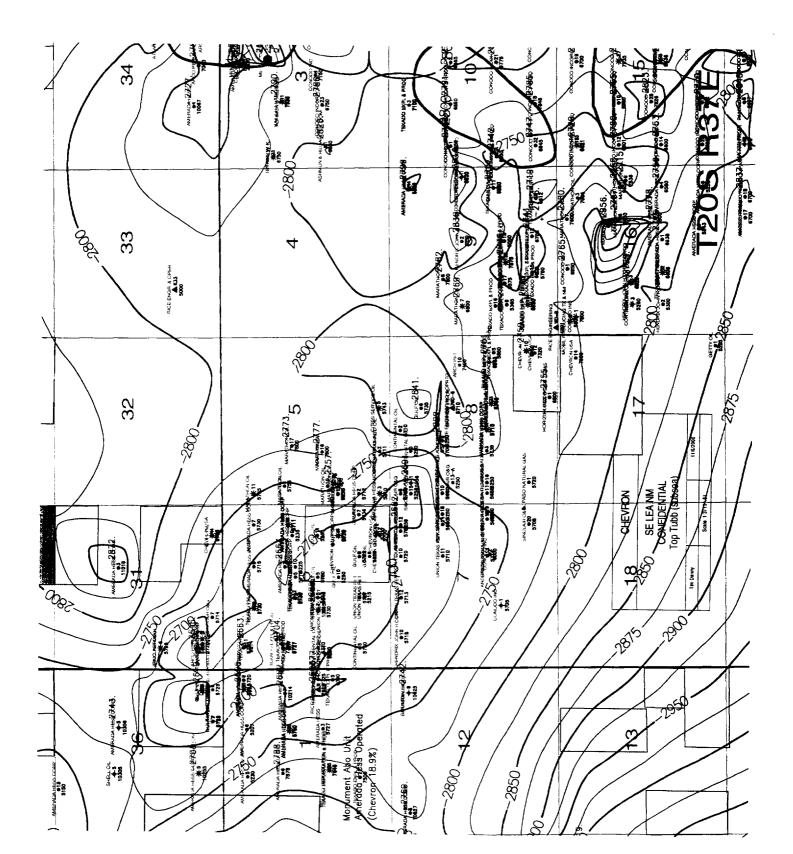
Dear Mr. Trautman:

In reviewing the subject application I can't help but notice the availability of several other Chevron owned wells within the SE/4 of Section 6 located at standard gas well locations that could be deepened or others that would require a recompletion to add the Tubb interval. Why was this well chosen?

Sincerely

Michael E. Stogner Chief Hearing Officer/Engineer

cc: New Mexico Oil Conservation Division – Hobbs



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