



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON
Governor
Jennifer A. Salisbury
Cabinet Secretary

August 29, 2001

Lori Wrotenbery
Director
Oil Conservation Division

Chevron U.S.A. Production Company
c/o **Holland & Hart LLP and Campbell & Carr**
Attention: **William F. Carr**
P. O. Box 2208
Santa Fe, New Mexico 87504-2208

Reinstatement of Division Administrative Order NSL-3752-A

Dear Mr. Carr:

Reference is made to the following: (i) your letter of request on behalf of Chevron U.S.A. Production Company ("Chevron") dated April 26, 2001; and (ii) the record of Division Cases No. 12587 and 12605: all concerning Chevron's request to reinstate the provisions of Division Administrative Order NSL-3752-A, which order granted Chevron the authority to deepen and recomplete its G. C. Matthews Well No. 12 (**API No. 30-025-05953**), located 330 feet from the South line and 990 feet from the East line (Unit P) of Section 6, Township 20 South, Range 37 East, NMPM, Lea County, New Mexico, into the Undesignated West Monument-Tubb Gas Pool at an unorthodox gas well location within a standard 160-acre gas spacing and proration unit for the Undesignated West Monument-Tubb Gas Pool comprising the SE/4 of Section 6.

Proper notice pursuant to Division Rule 1207.A (2) having now been given and no objections filed, the Division Examiner's verbal directive of March 1, 2001 staying Administrative Order NSL-3752-A, is hereby lifted and the provisions of Administrative Order NSL-3752-A shall be reinstated to its initial extent and is to remain in full force and affect until further notice.

Jurisdiction of this matter shall be further retained for the entry of any such subsequent orders, as the Division may deem necessary.

Sincerely,

LORI WROTENBERY
Director

LW/MES/kv

cc: New Mexico Oil Conservation Division - Hobbs
W. Thomas Kellahin, Legal Counsel for Sapient Energy Corporation - Santa Fe
File: NSL-3752
Case 12586
Case 12587

HOLLAND & HART ^{LLP}
AND
CAMPBELL & CARR
ATTORNEYS AT LAW

DENVER • ASPEN
BOULDER • COLORADO SPRINGS
DENVER TECH CENTER
BILLINGS • BOISE
CHEYENNE • JACKSON HOLE
SALT LAKE CITY • SANTA FE
WASHINGTON, D.C.

SUITE 1
110 NORTH GUADALUPE
SANTA FE, NEW MEXICO 87501-6525
MAILING ADDRESS
P.O. BOX 2208
SANTA FE, NEW MEXICO 87504-2208

TELEPHONE (505) 988-4421
FACSIMILE (505) 983-6043
www.hollandhart.com

April. 26, 2001

HAND DELIVERED

Michael E. Stogner
Chief Hearing Officer / Engineer
Oil Conservation Division
New Mexico Department of Energy,
Minerals and Natural Resources
1220 South Saint Francis Drive
Santa Fe, New Mexico 87505

Re: **REINSTATEMENT OF ORDER NSL-3752-A**
Application for Chevron U.S.A. Production Company for administrative
approval of an unorthodox gas well location, Lea County, New Mexico.

Dear Mr. Stogner;

Division Administrative Order No. NSL-3752-A was entered on January 24, 2001 approving an unorthodox gas well location for Chevron U.S.A. Production Company's G. C. Matthews Well No. 12 (API No. 30-025-05953) to be re-entered and deepened into the Undesignated West Monument-Tubb Gas Pool at a location 330 feet from the South line and 990 feet from the East line (Unit P) of Section 6, Township 20 South, Range 37 East, NMPM, Lea County, New Mexico. At the March 1, 2001 Special Examiner Hearing on the applications of Sapient Energy Corporation in Cases 12587 and 12605 it was discovered that the lessees of record in the E/2 NE/4 of Section 7, Township 20 South, Range 37 East, NMPM had not been notified of the administrative application of Chevron U.S.A. Production Company for this unorthodox gas well location. Accordingly, at that time, Administrative Order NSL-3752-A was stayed and Chevron was directed to notify these lessees as required by Division Rules 104.F and 1207.A(2).

By letters dated March 5, 2001, all lessees of record in the E/2 NE/4 of Section 7 (See Chevron Exhibit A, Cases 12587 and 12605 (Consolidated)) were provided copies of Chevron's administrative application and advised that they had 20 days to make

01 APR 27 AM 9:44
CLERK OF DISTRICT COURT

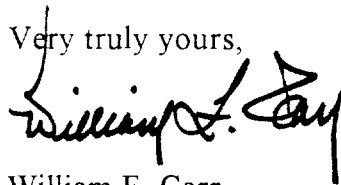
Letter to Michael E. Stogner
April 26, 2001
Page 2

objections to the Oil Conservation Division's Santa Fe Office. It is my understanding that no objections have been made. Copies of these letters and the return receipts are attached hereto.

I have been advised that a rig has become available to drill this well and if Order No. NSL-3752-A is reinstated, they can move onto this location at the end of this week. Chevron therefore requests that the March 1, 2001 stay be lifted and Administrative Order NSL-3752-A be reinstated.

Your attention to this matter is appreciated.

Very truly yours,

A handwritten signature in black ink, appearing to read "William F. Carr". The signature is stylized with a large, sweeping "W" and a long, trailing "y" at the end.

William F. Carr
Attorney for Chevron U.S.A. Inc.

enc.

cc: Abel P. Lobato
Chevron U.S.A. Inc.

District II
811 South First, Artesia, NM 88210
District III
1090 Rio Brazos Rd., Aztec, NM 87410
District IV
2040 South Pacheco, Santa Fe, NM 87505

Form C-102
Revised March 17, 1999

OIL CONSERVATION DIVISION
2040 South Pacheco
Santa Fe, NM 87505

Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

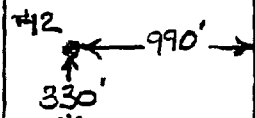
AMENDED REPORT

¹ API Number 30-025-05953		² Pool Code	³ Pool Name Monument; Tubb West	
⁴ Property Code 2688	⁵ Property Name G. C. Mathews			⁶ Well Number 12
⁷ OGRID No. 4323	⁸ Operator Name Chevron			⁹ Elevation 3556

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
P	6	20S	37E		330	South	990	East	Lea

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
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¹² Deductible Acres 160	¹³ John or Infill N	¹⁴ Consolidation Code	¹⁵ Order No.
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16					17 OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief <u>Lloyd V. Trawman</u> Signature <u>Lloyd V. Trawman</u> Printed Name <u>Sr. Pet. Eng.</u> Title <u>10/11/2000</u> Date
					18 SURVEYOR CERTIFICATION I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief. Date of Survey _____ Signature and Seal of Professional Surveyor: _____ Certificate Number _____
				 <p>742 330 990'</p>	

March 5, 2001

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

Conoco Inc.
10 Desta Drive
Suite 100W
Midland, Texas 79705-4500

Ladies/Gentlemen:

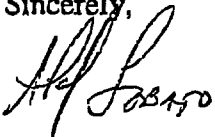
Attached is a copy of an administrative application for a non-standard Monument Tubb West gas well location.

Chevron U.S.A. is planning to deepen the existing G. C. Matthews #12, which is at a non-standard location for the Monument Tubb West Pool.

Any objections to this application must be filed with the New Mexico Oil Conservation Division within 20 days after the Division has received the application.

If you have any questions regarding this application, please contact Abel Lobato at (915) 687-7254.

Sincerely,



Abel P. Lobato
Petroleum Engineer
New Mexico Area

Attachments

cc: Central Files - Lease and Well Files

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Conoco Inc
10 Desta Drive, Ste 100W
Midland TX 79705

G.C. Matthews #12

2. Article Number (Copy from service label)

COMPLETE THIS SECTION ON DELIVERY

A. Received by (Please Print Name) **B. Date of Delivery**

C. Signature **D. Is delivery address different from item 1? ☐ Yes**
If YES, enter delivery address below: **☐ No**

Jhanna Williams **Agent**
Address

3. Service Type
☒ Certified Mail ☐ Express Mail
☐ Registered ☐ Return Receipt for Merchandise
☐ Insured Mail ☐ C.O.D.

4. Restricted Delivery? (Extra Fee) ☐ Yes

March 20, 2001

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

Phillips Petroleum Co.
4001 Penbrook
Odessa, TX 79762

Ladies/Gentlemen:

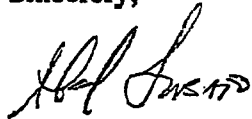
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Petroleum Engineer
New Mexico Area

Attachments

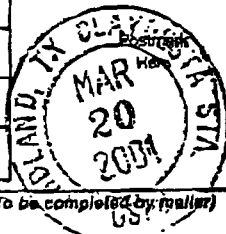
cc: Central Files - Lease and Well Files

U.S. Postal Service
CERTIFIED MAIL RECEIPT
 (Domestic Mail Only; No Insurance Coverage Provided)

5292 6296 0020 0025 0007

Phillips Petroleum - G.C. Matthews 12

Postage	\$ 34.
Certified Fee	190
Return Receipt Fee (Endorsement Required)	150
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	\$ 374



A **Chevron U.S.A.** (To be completed by addressee)
 Attn: Abel Lobato
 P. O. Box 1150
 Midland, TX 79702

PS Form 3800, February 2000 See Reverse for Instructions

Phillips Petroleum Co.
 4001 Penbrook
 Odessa, TX 79762

6. Signature
 x *Abel Lobato*
 7. Date of Delivery
 3/21/01

PS Form 3812, Mar. 1987, PSN 7530-01-000-9000 DOMESTIC RETURN RECEIPT

March 20, 2001

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

Ruth Sutton
2826 Moss Av.
Midland, TX 79705

Ms. Sutton,

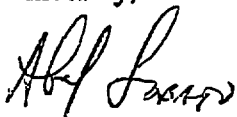
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Sincerely,



Abel P. Lobato
Petroleum Engineer
New Mexico Area

Attachments

cc: Central Files - Lease and Well Files



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

sent this out March 20 2001
but it sat in business mailbox
without opening. Sent back
to Chevron.
Sent second certified letter
on April 16th. No response yet.

HW

CERTIFIED MAIL



7000 0520 0000 3929 3925

Certified Mail

Ruth Sutton
2826 Moss Av.
Midland, TX 79705

79705 X 4485 050 1 1 30

Midland, TX 79705

U.S. Postal Service
CERTIFIED MAIL RECEIPT
(Domestic Mail Only; No Insurance Coverage Provided)

Ruth Sutton - G.C. Matthews (2)

Postage	34
Certified Fee	190
Return Receipt Fee (Endorsement Required)	150
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	\$ 374

(To be completed by mailer)

Chevron U.S.A.
Attn: Abel Lobato
P.O. Box 1150
Midland, TX 79702

See Reverse for Instructions

Ruth Sutton
2826 Moss Av.
Midland, TX 79705

7000 0520 0000 3929 3925

March 20, 2001

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

Larry Nernmyr
P.O. Box 4106
Sydney, MT 59270

Mr. Nernmyr,

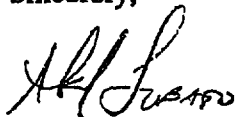
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Sincerely,



Abel P. Lobato
Petroleum Engineer
New Mexico Area

Attachments

cc: Central Files - Lease and Well Files

7000 0520 0020 3929 3949

U.S. Postal Service
CERTIFIED MAIL RECEIPT
(Domestic Mail Only: No Insurance Coverage Provided)

Larry Nermyr - G. Matthews 12

Postage	\$ 34
Certified Fee	190
Return Receipt Fee (Endorsement Required)	160
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	\$ 374



Chevron U.S.A.
Attn: Abel Lobato
P. O. Box 1150
Midland, TX 79702

(To be completed by mailer)

See Reverse for Instructions

Larry Nermyr
P. O. Box 4106
Sydney, MT 59270

March 20, 2001

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

James E. Burr
P.O. Box 50233
Midland, TX 79710

Mr. Burr,

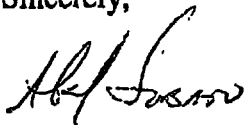
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Sincerely,



Abel P. Lobato
Petroleum Engineer
New Mexico Area

Attachments

cc: Central Files - Lease and Well Files

U.S. Postal Service
CERTIFIED MAIL RECEIPT
 (Domestic Mail Only; No Insurance Coverage Provided)

2000 0520 0020 0000 0020 0000 0020 0000 0020 0000

James Burr - GC Matthews 12

Postage	\$ 34
Certified Fee	190
Return Receipt Fee (Endorsement Required)	150
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	\$ 374



Chevron U.S.A.
Attn: Abel Lobato
P. O. Box 1150
Midland, TX 79702

(To be completed by mailer)

PS Form 3811, February 2000

See Reverse for Instructions

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

James E. Burr
3803 Wedgewood Ct.
Midland, TX 79707

COMPLETE THIS SECTION ON DELIVERY

A. Received by (Please Print Clearly) **Jim Burr** B. Date of Delivery **8-27-01**

C. Signature **Jim Burr** ☐ Agent ☐ Addressee

D. Is delivery address different from item 1? ☐ Yes ☐ No
 If YES, enter delivery address below:

3. Service Type
☒ Certified Mail ☐ Express Mail
☐ Registered ☐ Return Receipt for Merchandise
☐ Insured Mail ☐ C.O.D.

4. Restricted Delivery? (Extra Fee) ☐ Yes ☐ No

Article Number (Copy from service label)

Form 3811 July 1999 Domestic Return Receipt