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October 31, 1989

Working Interest Owners
Proposed Eunice Monument West Unit (EMWU)
(Addressee List Attached)

RECEIVED

NOV 6 '89

File: JCA-234-416

Gentlemen:

HOESU AREA

EMWU/EMSU Expansion Ballot (7/6/89)
Lea County, New Mexico

This is to advise you that Ballot (7/6/89) has been approved by the Eunice Monument West Unit (EMWU) Working Interest Owners, thereby (1) approving the Technical Committee Study, (2) approving the use of the Eunice Monument South Unit (EMSU) participation formula for the basis of EMWU participation in the expanded EMSU, and (3) authorizing Amoco, as EMWU expediter, to apply to Chevron (EMSU operator) for expansion of the EMSU to include the EMWU area. Attached are the ballot voting results and a copy of Amoco's letter to Chevron applying for an expansion of the EMSU to include the EMWU area.

Also attached is an Information Request Sheet we received from Chevron. Information of this type will greatly aid Chevron in preparation of an EMSU expansion proposal to the EMWU Working Interest Owners and in preparation for the New Mexico Oil Conservation Division (NMOCD) unit expansion hearing. We ask that you send the requested information to the following address as soon as possible:

Chevron U.S.A. Inc.
P. O. Box 670
Hobbs, NM 88240
Attn: Mr. J. D. Dolan

We thank you again for your support and request your continued cooperation as Chevron, as EMSU operator, now expedites this unit expansion project.

Yours very truly,

DAJ

Attachments

BEFORE EXAMINER CANTANERO
OIL CONSERVATION DIVISION
Chevron EXPEDIT NO. <u>8</u>
CASE NO. <u>10059-61</u>

EUNICE MONUMENT WEST STUDY AREA
WORKING INTEREST OWNERS
ADDRESS LIST

Amerada Hess Corporation
P. O. Box 2040
Tulsa, OK 74102
Attn: Mr. J. C. Hefley

Conoco Inc.
P. O. Box 460
Hobbs, NM 88240
Attn: Mr. D. W. Johnson

Amoco Production Company
P. O. Box 3092
Houston, TX 77253
Attn: Mr. J. C. Allen

Shell Western E&P Inc.
P. O. Box 576
Houston, TX 77001
Attn: Mr. J. H. Smitherman

Chevron U.S.A. Inc.
P. O. Box 670
Hobbs, NM 88240
Attn: Mr. R. C. Anderson
Mr. J. C. Prindle

ARCO Oil and Gas Company
P. O. Box 1610
Midland, TX 79702

Attn: Mr. Sam Keasler
Mr. J. A. Nicholson

Chevron U.S.A. Inc.
P. O. Box 1635
Houston, TX 77251
Attn: Mr. R. M. Vaden
Mr. G. C. Thakur

BALLOT (7/6/89)
EMWU/EMSU EXPANSION
LEA COUNTY, NEW MEXICO

It is recommended that the Eunice Monument West Unit (EMWU) Working Interest Owners hereby:

1. Approve the EMWU Technical Committee Study (which includes the March 12, 1987 report, the February 19, 1988 addendum, and data from the May 12, 1989 letter to the Technical Committee representatives).
2. Approve the use of the Eunice Monument South Unit (EMSU) participation formula for the basis of EMWU participation in the expanded EMSU. This formula is as follows:

$$\begin{aligned} \text{Tract Participation} = & 50\% (\text{Tract Oil Cumulative} \\ & \text{Production as of 9/30/82 / EMWU} \\ & \text{Total Cumulative Oil Production as} \\ & \text{of 9/30/82}) \\ & + 40\% (\text{Remaining Primary Oil} \\ & \text{Reserves for the Tract as of} \\ & \text{10/1/82 / Remaining Primary Oil} \\ & \text{Reserves for all EMWU Tracts as of} \\ & \text{10/1/82}) \\ & + 10\% (\text{Oil Production by the Tract} \\ & \text{from 1/1/82 through 9/30/82 / Oil} \\ & \text{Production by all EMWU Tracts from} \\ & \text{1/1/82 through 9/30/82}) \end{aligned}$$

3. Authorize Amoco Production Company, as EMWU expediter, to apply to Chevron (EMSU operator) for expansion of the EMSU to include the EMWU area.

VOTING RESULTS

	<u>YES</u>	<u>NO</u>	<u>NO RESPONSE</u>
Amerada Hess (4.4215%)		x	
Amoco (27.7913%)	x		
ARCO (29.5221%)	x		
Chevron (18.6067%)	x		
Conoco (12.9670%)			x
SWEPI (5.4760%)	x		
Texaco (1.2154%)			x
Total	81.3961%	4.4215%	14.1824%

BALLOT APPROVED.

Eunice Monument West Unit

Information Request Sheet

1. List of tentative wells to be relinquished to the unit.
2. Copy of available New Mexico OCD forms by well, lease. - Forms 1, 2, 3, SW-1, C-101, C-102, C-103, C-104, C-116, etc.
3. Detailed, updated Well Data Sheets for all proposed unit area wells. Also include well data sheets for any well operated by EMWU WIO within two locations of the proposed unit boundary. Include the following:
 - Casings, perfs, completions and recompletions, cums by well by completion horizon, work performed (ie. plugback, acid job, etc.) and work results (before & after).
 - Core analysis, temperature surveys, production logs, DST's, etc, if available.
 - Results of well tests; production, flow and pressure buildups.
 - Subsurface oil sample reports, if available.
 - Water analysis by well.
4. Map of lease(s) showing all wells on the lease, current and past producing horizons, well classification (oil and gas) and well status (T/A, P&A, SI, active).
5. List of existing surface facilities. Identify any commingled batteries.
6. Well inventory (preliminary) showing pumping unit size, motor size, etc.
7. Two sets of Tank Tables by Facility.
8. Casing head Gas Contracts by Property.