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SANTA FE, NEW MEXICO 87504-2265

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July 20, 1990

HAND DELIVERED

Mr. William J. LeMay
Oil Conservation Division
Post Office Box 2088
Santa Fe, New Mexico 87504

Re: Application of Chevron USA, Inc.
for Amendment of Order R-7765 and
for Expansion of the Statutorily
Unitized Eunice Monument South Unit,
Lea County, New Mexico

Application of Chevron USA, Inc.
for Authority to Expand its Waterflood
Project for the Eunice Monument South
Unit and Amend Order R-7766,
Lea County, New Mexico

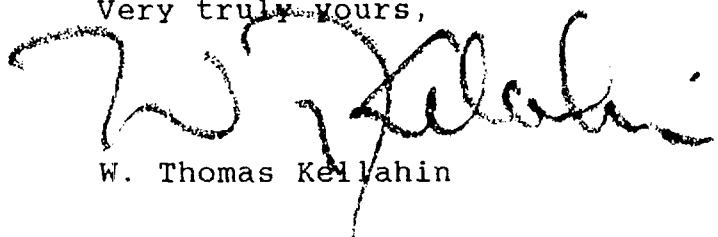
Application of Chevron USA, Inc.
for Pool Extension and Contraction,
Lea County, New Mexico

Dear Mr. LeMay:

On behalf of Chevron USA, Inc., please find enclosed an original and two copies of each of the three above referenced applications along with two copies of the Form C-108 with attachments for the injection well program for the expansion area waterflood application.

We request that these cases be docketed as three separate cases on the next available examiner's docket now scheduled for hearing on August 22, 1990 in the Division's hearing room, State Land Office Building, Santa Fe, New Mexico.

Very truly yours,



W. Thomas Kellahin

RECEIVED

JUL 24 1990

OIL CONSERVATION DIVISION

10061

Mr. William J. Lemay
July 20, 1990
Page 2

WTK/tic
Enclosures

cc: Via Federal Express

Mr. Ray Vaden
Chevron USA, Inc.
15 Smith Road
Midland, Texas 79705

Mr. James Dolan
Chevron USA, Inc.
1923 Dal Paso
Hobbs, New Mexico 88240

Mr. Sam Martin
Chevron USA, Inc.
1301 McKinney
Houston, Texas 77010



STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION

GARREY CARRUTHERS
GOVERNOR

October 22, 1990

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE NEW MEXICO 87504
15051 827-5800

Mr. Thomas Kellahin
Kellahin, Kellahin & Aubrey
Attorneys at Law
Post Office Box 2265
Santa Fe, New Mexico

Re: CASE NO. 10061
ORDER NO. R-7767-A

Applicant:

Chevron U.S.A, Inc.

Dear Sir:

Enclosed herewith are two copies of the above-referenced
Division order recently entered in the subject case.

Sincerely,

Florene Davidson

FLORENE DAVIDSON
OC Staff Specialist

Copy of order also sent to:

Hobbs OCD x
Artesia OCD x
Aztec OCD

Other Dan Currens, William F. Carr

STATE OF NEW MEXICO
ENERGY, MINERALS, AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
DIVISION FOR THE PURPOSE OF
CONSIDERING:

NOMENCLATURE
CASE NO. 10061
Order No. R-7767-A

APPLICATION OF CHEVRON U.S.A. INC.
FOR POOL EXTENSION AND CONTRACTION,
LEA COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8:15 a.m. on August 22, 1990, at Santa Fe, New Mexico, before Examiner David R. Catanach.

NOW, on this 19th day of October, 1990, the Division Director, having considered the testimony, the record, and the recommendations of the Examiner, and being fully advised in the premises,

FINDS THAT:

(1) Due public notice having been given as required by law, the Division has jurisdiction of this cause and the subject matter thereof.

(2) Division Case Nos. 10059, 10060 and 10061 were consolidated at the time of the hearing for the purpose of testimony.

(3) The applicant, Chevron U.S.A. Inc., is the operator of the Eunice Monument South Unit Expansion Area B with horizontal limits encompassing that acreage described on Exhibit "A" attached hereto.

NOMENCLATURE

CASE NO. 10061

Order No. R-7767-A

Page -2-

(4) The applicant seeks the vertical extension of the upper limits of the Eunice Monument Grayburg-San Andres Pool to include either the top of the Grayburg formation or to a subsea datum of minus 100 feet, whichever is higher, and the concomitant amendment of the vertical limits of the Eumont Gas Pool by contracting its lower limits to either the base of the Queen formation or to a subsea datum of minus 100 feet, whichever is higher, underlying said area.

(5) The proposed amendment of pool vertical limits is necessary to permit the applicant to successfully carry out secondary recovery operations within the full oil column underlying said unit.

(6) No party appeared and objected to the proposed amendment of said vertical limits.

(7) Granting this application will serve to prevent waste and will not violate correlative rights.

IT IS THEREFORE ORDERED THAT:

(1) Within the area designated as the Eunice Monument South Unit Expansion Area B, as described on Exhibit "A" attached hereto, the vertical limits of the Eumont Gas Pool are hereby amended to be from the top of the Yates formation to a lower limit described as the base of the Queen formation or 100 feet below mean sea level, whichever is higher; the geologic markers having been previously found to occur at 2,747 feet and 3,666 feet, respectively, in Continental Oil Company's Meyer B-4 Well No. 23 located 660 feet from the South line and 1980 feet from the East line of Section 4, Township 21 South, Range 36 East, NMPM, Lea County, New Mexico, as recorded on the Welex Acoustic Velocity Log taken on October 30, 1962, said log being measured from a kelly drive bushing elevation of 3,595 feet above sea level.

(2) Within the area designated as the Eunice Monument South Unit Expansion Area B, as described on Exhibit "A" attached hereto, the vertical limits of the Eunice Monument Grayburg-San Andres Pool are hereby amended to be from an upper limit described as 100 feet below mean sea

NOMENCLATURE

CASE NO. 10061

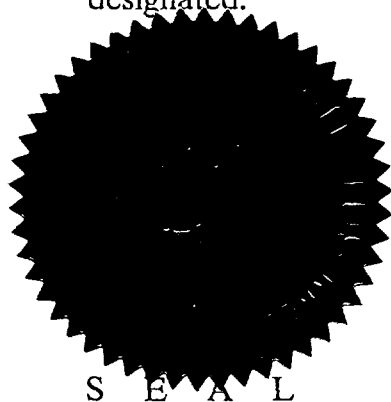
Order No. R-7767-A

Page -3-

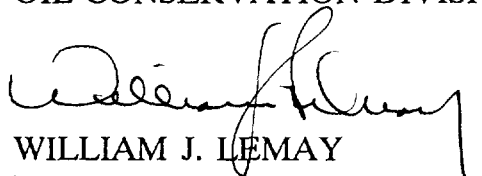
level or at the top of the Grayburg formation, whichever is higher, to a lower limit at the base of the San Andres formation; the geologic markers having been previously found to occur at 3,666 feet and 5,283 feet, respectively, in Continental Oil Company's Meyer B-4 Well No. 23 located 660 feet from the South line and 1980 feet from the East line of Section 4, Township 21 South, Range 36 East, NMPM, Lea County, New Mexico, as recorded on the Welex Acoustic Velocity Log taken on October 30, 1962, said log being measured from a kelly drive bushing elevation of 3,595 feet above sea level.

(3) Jurisdiction of this cause is retained for the entry of such further orders as the Division may deem necessary.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.



STATE OF NEW MEXICO
OIL CONSERVATION DIVISION


WILLIAM J. LEMAY
Director

CASE NO. 10061
DIVISION ORDER NO. R-7767-A
EXHIBIT "A"

TOWNSHIP 20 SOUTH, RANGE 36 EAST, NMPM

Section 10: E/2 E/2
Section 11: W/2 NE/4, W/2, SE/4
Section 13: W/2, S/2 SE/4
Section 14: All
Section 15: NE/4 NE/4
Section 23: All
Section 24: N/2, SW/4, W/2 SE/4

ALL IN LEA COUNTY, NEW MEXICO