



NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT

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

January 6, 1999

Chevron U.S.A. Production Company
P. O. Box 1150
Midland, Texas 79702
Attention: Lloyd V. Trautman

Administrative Order NSL-4193

Dear Mr. Trautman:

Reference is made to your application dated January 4, 1999 for an unorthodox Abo oil well location for the proposed Monument "36" State Well No. 2 to be drilled 1632 feet from the South line and 1298 feet from the East line (Unit I) of Section 36, Township 18 South, Range 36 East, NMPM, Lea County, New Mexico. The NE/4 SE/4 of Section 36 is to be dedicated to this well in order to form a standard 40-acre oil spacing and proration unit for either the Undesignated Goodwin-Abo or Undesignated North Monument-Abo Pool.

The application has been duly filed under the provisions of Rule 104.F of the General Rules and Regulations of the New Mexico Oil Conservation Division ("Division").

From the explanation provided the requested unorthodox oil well location is being sought for both topographical and geological reasons. Further, all of Section 36 is a single State lease in which Chevron U.S.A. Production Company is the leasehold operator; therefore, there are no effected offsets to the subject 40-acre tract within the Abo interval other than Chevron.

By the authority granted me under the provisions of Division General Rule 104.F(2), the above-described unorthodox oil well location is hereby approved.

Sincerely,

Lori Wrotenbery
Director

LW/MES/kv

cc: New Mexico Oil Conservation Division - Hobbs
New Mexico State Land Office - Santa Fe