



**NEW MEXICO ENERGY, MINERALS  
& NATURAL RESOURCES DEPARTMENT**

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

April 10, 2000

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

***Administrative Order NSL-4432(BHL)***

Dear Mr. Trautman:

Reference is made to the following: (i) your application dated February 28, 2000; (ii) the New Mexico Oil Conservation Division's ("Division") response by letter dated March 7, 2000 from Mr. Michael E. Stogner, Engineer in Santa Fe; (iii) your telephone conversation with Mr. Michael E. Stogner, Division Engineer/Chief Hearing Officer in Santa Fe, on Wednesday, March 15, 2000; (iv) your letter dated March 15, 2000, which was received by the Division on March 20, 2000, with the required supplemental data attached; and (v) the records of the Division: all concerning Chevron U.S.A., Inc.'s ("Chevron") request for an unorthodox bottomhole oil well location within a standard 40-acre oil spacing and proration unit comprising the SE/4 SW/4 (Unit N) of Section 29, Township 18 South, Range 32 East, NMPM, Lea County, New Mexico, for the Undesignated North Lusk-Strawn Pool.

This well's approved "*Amended Application for Permit to Drill*" ("APD"), dated August 3, 1999, authorized Chevron to vertically drill its North Lusk "29" Federal Well No. 1 (API No. 30-025-34673) at a standard oil well location 330 feet from the South line and 2005 feet from the West line of Section 29 in order to test the Undesignated North Lusk-Strawn Pool within a standard 40-acre oil spacing and proration unit comprising the SE/4 SW/4 of Section 29.

It is our understanding that this well unintentionally deviated while drilling and at a total depth of 11,860 feet (MD), 11850 feet (TVD), the location of this wellbore was found to be 219.55 feet from the South line and 1964.49 feet from the West line of Section 29, which pursuant to Division Rule 104.B (1), revised by Division Order No. R-11231, issued by the New Mexico Oil Conservation Commission in Case No. 12119 on August 12, 1999, is unorthodox.

This application has been duly filed under the provisions currently governing the Undesignated North Lusk-Strawn Pool including Division Rules 104.F, 111.C (3), and 1207.A (2).

By the authority granted me under the provisions of Division Rule 104.F (2), the above-described non-standard subsurface bottomhole oil well location for the Undesignated North Lusk-Strawn Pool within the 40-acre unit comprising the SE/4 SW/4 (Unit N) of Section 29 is hereby approved.