



STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION
HOBBS DISTRICT OFFICE

December 20, 1990

GARREY CARRUTHERS
GOVERNOR

POST OFFICE BOX 1980
HOBBS, NEW MEXICO 88241-1980
(505) 393-6161

Chevron USA Inc.
P.O. Box 1150
Midland, TX 79702

Attn: Al Bohling

Re: H.T. Mattern NCT-E #15-E
Sec. 12, T22S, R36E
Eumont-Y-SR-Qn (oil) Completion

Gentlemen:

The above-referenced well was completed as a Eumont oil well inside a Eumont gas 480-acre proration unit consisting of the SW/4 Section 1 and N/2 Section 12.

Our geologist indicates there is some overlap of producing zones in the gas wells and the oil well. If you disagree with this, please contact Paul Kautz at (505) 393-6161. If you concur with his findings it will be necessary for you to squeeze off the overlapping intervals or get the 480-acre NSP reduced by the deletion of unit E Section 12.

Please advise this office which option you select in order that we will know what to do about reducing the gas acreage. We feel 60 days is ample time to get this matter resolved.

Very truly yours,

OIL CONSERVATION DIVISION

Jerry Sexton
Supervisor, District I

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Note: The other two wells involved are: #10-N 1-22-36 & 11-B 12-22-36