

February 7, 1991

Permian Basin Production Business Unit

ADMINISTRATIVE APPLICATION FOR UNORTHODOX GAS WELL LOCATION AND SIMULTANEOUS DEDICATION JALMAT TANSIL YT 7 RVRS (PRO GAS) 660' FSL AND 1980' FEL SECTION 3, T-22-S, R-36-E, NMPM LEA COUNTY, NEW MEXICO

State Of New Mexico Energy, Minerals & Natural Resources Dept. Oil Conservation Division P. O. Box 2088 Santa Fe, New Mexico 87504

Attention: Mr. William J. LeMay - Director

Gentlemen:

Chevron U.S.A. Inc. respectfully requests your approval of our administrative application for the subject Unorthodox Gas Well Location and Simultaneous Dedication.

Chevron has just recently re-completed it's Harry Leonard (NCT-D) Well No. 16 in the Jalmat Tansil Yates Seven Rivers (Pro Gas) Pool. It is our desire to simultaneously dedicate an existing 480-acre Jalmat Gas Proration Unit assigned to our Harry Leonard (NCT-D) Well No. 3 (Order NSP-68) to both the No. 16 and No. 3 wells. As a result, the location of the Harry Leonard Well No. 16 is unorthodox in that it is less than 990' from the outer boundary of the proration unit. The location of Well No. 16 is 660 feet FSL and 1980 feet FEL of Section 3, T-22-S, R-36-E, NMPM, Lea County, New Mexico.

In order to prevent waste, Chevron respectfully requests your approval of this administrative application for an unorthodox gas well location and simultaneous dedication under the provisions of Rule 104 (F). Attached is a map showing offset operators and a Form C-102. A copy of this letter and