



STATE OF NEW MEXICO  
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION

2040 S. PACHECO  
SANTA FE, NEW MEXICO 87505  
(505) 827-7131

March 27, 1995

Chevron U.S.A. Production Company  
P.O. Box 1150  
Midland, TX 79702

Attention: Lloyd V. Trautman

***Re: Application for Administrative Approval of an  
Unorthodox Gas Well Location for the W. T.  
McComack Well No. 18: 210'FNL - 2390'FEL  
(Unit B) of Section 32, Township 21 South, Range  
37 East, NMPM, Tubb oil and Gas Pool, Lea  
County, New Mexico.***

Dear Mr. Trautman:

Reference is made to your letter dated March 16, 1995 concerning the subject application and Division's correspondence dated January 6, 1995. A most interesting administrative dilemma appears to have developed in this situation in that:

- (1) Texaco Exploration and Production Company ("Texaco") has refused to submit a waiver of objection in this matter; and,
- (2) no written record of notification to Zia Energy, Inc. ("Zia") exist in this filing.

The Division, having reviewed this matter further, will not act on this application under the administrative process; therefore, this application will be set for hearing on the next available docket scheduled for April 20, 1995.

Because of the unique situation that exists in this matter, the Division will accept for the record Chevron's application in this matter, the Division's records and file on the subject well, the waiver letter submitted by Amoco Production Company, dated January 24, 1995 (provided the "original" and not a "faxed" copy is submitted for the record), and a copy of the certified notification of this case, pursuant to the procedures in General Rule 1207. A, to both Texaco and Zia. It will not be necessary for Chevron to appear at this hearing, unless either party objects to the application.

Should you have any questions or comments concerning this matter and/or procedure, please contact me in Santa Fe at (505) 827-8185.

Thank you for your cooperation.

Sincerely,

A handwritten signature in black ink, appearing to read "Michael E. Stogner", with a long horizontal flourish extending to the right.

Michael E. Stogner  
Chief Hearing Officer/Engineer

cc: Jerry Sexton - Oil Conservation Division, Hobbs  
William J. LeMay, Director - OCD, Santa Fe  
Rand Carroll, Counsel - OCD, Santa Fe  
William F. Carr - Santa Fe