

January 15, 1998



State of New Mexico
Energy, Minerals & Natural Resources Dept.
Oil Conservation Division
2040 South Pacheco
Santa Fe, New Mexico 87504

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

Attn.: Mr. Michael E. Stogner – Chief Hearing Officer / Engineer

Re: Letter dated on January 8, 1998 about:
Administrative Application For
Non-Standard Gas Well Location
And Simultaneous Dedication
Eumont Yates 7Rvrs Qn (Pro Gas) Pool
H. T. Mattern (NCT-E) # 16
1670' FSL and 685' FWL
Section 1, T-22-S, R-36-E
Lea County, New Mexico

Dear Mr. Stogner:

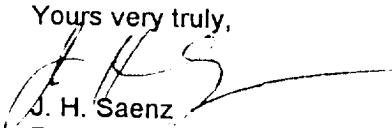
In response to your questions in your letter dated on January 8, 1998, the closest standard location (1650' FSL & 990' FWL) is currently congested with major battery flow lines and injection lines associated with the Arrowhead Grayburg Waterflood Unit (AGU). An Eott oil pipe line crosses south and east of the proposed location limiting eastward movement. Additionally, EDS primary power lines run west and south of our proposed location of 1670' FSL & 685' FWL.

Therefore, your approval of the subject administrative NSL application dated December 4, 1997 is respectfully requested.

Attached is the Form C-102 and a topographic map showing the location of proposed well. On the attached C-102, red is for the nearest "standard location", and yellow is for the proration unit boundary.

If you have any questions or require any further information concerning this application, please contact me at (915) 687-7347.

Yours very truly,


J. H. Saenz
Petroleum Engineer

Attachments

cc: NMOCD – Hobbs, NM