



NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT

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

January 8, 1998

Chevron U.S.A. Production Company
Attention: J. H. Saenz
P. O. Box 1150
Midland, Texas 79702

RE: Administrative application dated December 4, 1997 to drill the proposed H. T. Mattern (NCT-E) Well No. 16 at an unorthodox Eumont gas well location within the existing 440-acre gas spacing and proration unit ("GPU") comprising the SW/4 of Section 1 and the NE/4, N/2 NW/4, and SE/4 NW/4 of Section 12, both in Township 22 South, Range 36 East, NMPM, Eumont Gas Pool, Lea County, New Mexico.

Dear Mr. Saenz:

On the attached land plat, please indicate the closest location to your proposed drill site that is considered to be "standard" for the subject GPU. Further, please explain why the proposed H. T. Mattern (NCT-E) Well No. 16 can not be drilled at a "standard location" within the subject GPU. Provide supporting data.

Thank you.

Sincerely,

Michael E. Stogner
Chief Hearing Officer/Engineer

cc: New Mexico Oil Conservation Division - Hobbs
William F. Carr - Santa Fe