

December 4, 1997



Administrative Application For
Non-Standard Gas Well Location
And Simultaneous Dedication
Eumont Yates 7 Rvrs 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

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

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

Attn.: Mr. William J. LeMay -- Director

Gentlemen:

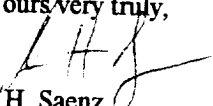
Chevron U.S.A. Inc. respectfully requests your approval of this administrative application for a Non-Standard Gas Well Location and Simultaneous Dedication in the Eumont Yates 7 Rvrs Qn (Pro Gas) Pool.

Chevron will drill the **H. T. Mattern (NCT-E) #16** in the Eumont Yates 7 Rvrs Qn (Pro Gas) Pool at the beginning of 1998. We are requesting NMOCD approval for a Non-Standard Gas well location. The location chosen for the subject well was controlled by surface obstructions (flow lines, primary power lines, and other non-movable equipment). It is also our desire to simultaneously dedicate the 440-acre Eumont Gas Proration Unit currently assigned to our H. T. Mattern (NCT-E) #3, #10, #11, and #13 to all five wells. The 440-acre gas proration unit comprises the SW/4 of Section 1, T-22-S, R-36-E, and NE/4, N/2 NW/4, SE/4 NW/4 of Section 12, T-22-S, R-36-E, Lea County, New Mexico. As the H. T. Mattern (NCT-E) #3, #10, #11, and #13 are producing at a combined current rate of 1,200 MCF/D, the completion of Well #16 will essentially capture reserves which otherwise would not be produced from this GPU.

Chevron respectfully requests your approval of this administrative application for simultaneous dedication. Attached is a history of the subject GPU, a vicinity map and a Form C-102 plat. A copy of this letter and attachments are being furnished by Certified Mail to offset operators as their notice of this application.

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
J. K. Ripley
N. V. Mouser

D. K. Beckham
J. B. Wilkinson
Central Files - Lease/Well Files