



# Chevron

U.S.A. Production —  
Permian Basin Profit Centers

**PROPOSED INFILL WELLS  
ARROWHEAD GRAYBURG UNIT  
WELL NO.s 336, 369, 390  
LEA COUNTY, NEW MEXICO**

New Mexico Oil Conservation Division  
2040 South Pacheco  
Santa Fe, New Mexico 87505

February 9, 1998

Gentlemen:

The Permian Basin Profit Center of Chevron USA Inc. respectfully requests your administrative approval for unorthodox location for the subject proposed infill producing wells. We further request that you waive the 20 day waiting period requirement of Rule 104 (F) (IV) since the subject proration units of the unorthodox locations are surrounded by proration units operated by Chevron.

The proposed location for these Arrowhead Grayburg Unit infill producing wells, as shown on the attached plats and map, will be in an existing approved waterflood project, Order No. R-9482 (copy enclosed). These locations will also meet the spacing requirements of Rule 104 (F) (I) which states that a well will be no closer than 330 feet to the outer boundary of the unitized area, and no closer than 10 feet to any quarter-quarter section line. The basis for these unorthodox locations is to improve oil recovery from the Grayburg waterflood by locally infilling with 20 acre producers in areas that are technically and economically feasible to do so.

These three wells are to be located in NMPM, Arrowhead-Grayburg-San Andres Pool, Arrowhead Grayburg Area, Lea County, New Mexico.

Well No.	Township, Range	Footage Location	Section	Unit / Lot #	40-ac Tract
336	T22S, R36E	50' FNL & 55' FEL	2	1	NE/4
369	T22S, R36E	160' FNL & 1220' FWL	12	D	NE/4
390	T22S, R36E	1130' FSL & 1070' FEL	12	P	NW/4

Chevron has notified all Working Interest Owners in the Eunice Monument South Unit and will obtain at least 65% and 2 partners approval thereby satisfying Unit Operating Agreement requirements. Also, all directly offsetting Unit and non-Unit wells and their respective proration units to the proposed infill wells are operated by Chevron.

Based upon the foregoing information, Chevron requests your administrative approval of the attached applications for permits to drill these three subject infill wells at their unorthodox locations to improve oil recovery from the Grayburg waterflood. To expedite Chevron's drilling of these proposed infill wells, we are further requesting that the Oil Conservation Division waive the 20 day waiting requirement in granting these administrative applications.

For further information concerning these requests, please do not hesitate to contact John Fricke at (915) 687-7104 or Michael Villalva (915) 687-7262. Your prompt consideration will be greatly appreciated.

Yours very truly,

A handwritten signature in cursive script, reading "Michael R. Villalva".

**Michael R. Villalva**  
Petroleum Engineer  
New Mexico Waterfloods

Enclosures

cc: OCD - Hobbs, NM (w/original APD's)