



Chevron U.S.A. Inc.
P.O. Box 670, Hobbs, NM 88240

R. C. Anderson
Division Manager
Production Department
Hobbs Division

August 2, 1990

**PROPOSED INFILL WELLS
EUNICE MONUMENT SOUTH UNIT
WELL NOS. 642 AND 679
LEA COUNTY, NEW MEXICO**

New Mexico Oil Conservation Division
310 Old Santa Fe Trail, Room 206
Santa Fe, New Mexico 87503

Attention: William J. LeMay, Director

Gentlemen:

The New Mexico District of Chevron U.S.A. Inc. respectfully requests your administrative approval for unorthodox locations 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 locations for these Eunice Monument South Unit infill producing wells, as shown on the attached map and plats, will be in an existing approved waterflood project, Order No. R-7766 (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. In addition, the locations were chosen to be within the 40-acre proration units now associated with water-injection wells. The basis for these two unorthodox infill locations is to more efficiently produce an area of "banked oil" running northwest to southeast along the western portion of the Eunice Monument South Unit.

Chevron has notified all working interest owners in the Eunice Monument South Unit and expects to receive sufficient approval by mid-August, thereby satisfying Unit Operating Agreement requirements. Also, all directly offsetting unit wells, completed in the Eunice Monument Oil Pool, 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 two subject infill wells at their unorthodox locations. To enable Chevron to drill these proposed infill wells this quarter, we are further requesting that the Oil Conservation Division waive the 20 day waiting requirements in granting these administrative applications.

For further information regarding this matter, please contact A. W. Bohling or D. L. Hendrix at (505) 393-4121. Your prompt consideration will be greatly appreciated.

Yours very truly,


R. C. ANDERSON

DLH/AWB/pf 08020/01

Attachments

cc: Oil Conservation Division
District 1
P. O. Box 1980
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Attn: Mr. Jerry T. Sexton

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