



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

September 28, 1995

Permian Basin Production Business Unit

**PROPOSED INFILL WELLS
EUNICE MONUMENT SOUTH UNIT
WELL NOS. 621, 641 and 649
EUNICE-MONUMENT (G-SA) OIL POOL
LEA COUNTY, NEW MEXICO**

State of New Mexico
Energy, Minerals & Natural Resources Dept.
Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87504

Attention: William J. LeMay, Director

Gentlemen:

Chevron U.S.A. Inc. respectfully requests your administrative approval of three unorthodox well locations in the Eunice-Monument (G-SA) Oil Pool for the subject infill producing wells. We further request that the 20-day notice period of Rule 104 (F) (4) be waived since the subject oil proration and spacing units are surrounded by Chevron operated oil proration units within said pool.

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 meet the requirements of Rule 104 (F) (1) in that they are 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, these locations were chosen so as to be within a 40-acre proration unit associated with existing water injection wells.

The purpose of the unorthodox locations is to intersect a pinched out zone within the Grayburg formation. The pinch out contains banked oil which is not being drained by the current 40 acre well spacing. The unorthodox locations will maintain normal 20 acre spacing which will yield further information for future infill drilling from which a more efficient production and injection pattern can be established to enhance recovery from this secondary waterflood project.

Chevron has notified all working interest owners in the Eunice Monument South Unit and expects to receive sufficient approval to satisfy the Unit Operating Agreement requirements.

