

February 16, 1998



Administrative Application For
Non-Standard Gas Well Location
And Simultaneous Dedication
Eumont Yates 7Rvrs Qn (Pro Gas) Pool
H. T. Orcutt (NCT-B) # 14
1500' FNL and 725' FWL
Section 4, T-21-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.: Mrs. Kathleen A. Garland – Acting 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 **H. T. Orcutt (NCT-B) # 14** in the Eumont Yates 7 Rvrs Qn (Pro Gas) Pool at the beginning of 1998. We are requesting NMOCDD approval for a Non-Standard Gas well location. It is also our desire to simultaneously dedicate the 160-acre Eumont Gas Proration Unit currently assigned to our H. T. Orcutt (NCT-B) # 1 (Order No. R-652) to both wells. The 160-acre gas proration unit comprises Lots 4 and 5 of Section 4 and Lots 7 and 8 of Section 5, T-21-S, R-36-E, Lea County, New Mexico. As the H. T. Orcutt (NCT-B) # 1 is producing at a current rate of 150 MCF/D, the completion of Well # 14 will essentially capture reserves which otherwise would not be produced from this GPU.

The nearest "Standard Location" (1980' FNL & 660' FWL) to this proposed well is occupied by the Eunice Monument South Unit well # 200. The proposed location at 1500' FNL and 725' FWL is "Non-Standard" because it is less than 660 feet from the edge of the GPU boundary. There is a primary EDS power line west of the current proposed location. The Eunice Monument South Unit's (EMSU) power lines and injection lines are also to the west. To the north and south are injection manifolds and other injection equipment for EMSU. In addition to the EMSU operations, there is a water supply line for the Eunice Monument South Unit B (EMSUB) to the east. There is also a 2" flow line crossing the proposed location. The proposed location will