

*Javice*

May 15, 2000



Administrative Application For  
Non-Standard Proration Units And  
Simultaneous Dedication

Eaves # 1

660' FNL & 660' FEL, Unit A

Eaves # 4

1,874' FNL & 554' FEL, Unit H

Rollon Brunson # 5

2,086' FNL & 2,086' FEL, Unit G

Section 10, T22S, R37E

Lea County, New Mexico

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

*USP-876-A <SD>*

New Mexico Oil Conservation Division

Attn: Michael Stogner

2040 South Pacheco

Santa Fe, NM 87505

Dear Mr. Stogner:

Attached is an administrative application for NMOCD approval of two non-standard stand-up 80-acre proration units; one consisting of the E/2 NE/4 of Section 10 and simultaneously dedicated to Eaves # 1 & # 4, and one consisting of the W/2 NE/4 of Section 10 and assigned to Rollon Brunson # 5.

Eaves # 4, located 1,874' FNL & 554' FEL of Section 10 (Unit H), is currently producing from the South Eunice - San Andres Pool, and is assigned to a non-standard 40-acre oil proration unit consisting of the SE/4 NE/4 of Section 10. Eaves # 1, located 660' FNL & 660' FEL of Section 10 (Unit A), was plugged and abandoned in 1990 after producing to economic depletion in the Penrose Skelly; Grayburg Pool. Recently, the Eaves # 1 was re-entered and deepened to the San Andres Formation. Following completion, the well tested at 1 BOPD and 39 MCFPD on rod pump. With your approval, it is our intention to create a non-standard stand-up 80-acre oil proration unit in the South Eunice - San Andres Pool, simultaneously dedicated to Eaves # 1 and Eaves # 4. Per our conversation on April 27, 2000, please disregard my correspondence dated April 4, 2000 pertaining to the Eaves # 1 and Eaves # 4. A further review of our records indicates that as you stated, the Eaves # 4 is currently assigned to a non-standard 40-acre oil proration unit. I apologize for any inconvenience caused by my error.

Rollon Brunson # 5 was plugged and abandoned in 1987 after becoming uneconomic in the Paddock Formation. Chevron plans to re-enter Brunson # 5 and recomplete in the San Andres Formation. We request your approval for the creation of a second non-standard stand-up 80-acre oil proration unit in the South Eunice - San Andres Pool, assigned to Rollon Brunson # 5.

A copy of this application was mailed via certified mail to all affected offset operators.

If you have any questions concerning this application, please contact Mike Howell at (915) 687-7516.

Sincerely,

A handwritten signature in cursive script, appearing to read "A. M. Howell".

A. M. Howell  
Sr. Petroleum Engineer