

State of New Mexico
Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

David Martin
Cabinet Secretary-Designate

Brett F. Woods, Ph.D.
Deputy Cabinet Secretary

Jami Bailey, Division Director
Oil Conservation Division



November 14, 2013

Chevron USA, Inc.
Attn: Mr. Daniel Pequeno

ADMINISTRATIVE NON-STANDARD LOCATION ORDER

Administrative Order NSL-6880
Administrative Application Reference No. pPRG1331755212

Chevron USA, Inc.
OGRID 4323
Vacuum Grayburg San Andres Unit Well No. 113
API No. 30-025-41369

Proposed Location:

<u>Footages</u>	<u>Unit</u>	<u>Section</u>	<u>Township</u>	<u>Range</u>	<u>County</u>
820 FSL & 175 FEL	P	1	17S	34E	Lea

Proposed Unit:

<u>Description</u>	<u>Acres</u>	<u>Pool</u>	<u>Pool Code</u>
SE/4 SE/4 of Section 1	40	Vacuum; Grayburg-San Andres	62180

Reference is made to your application received on November 8, 2013.

You have requested to drill this well at an unorthodox oil well location described above in the referenced pool or formation. This location is governed by statewide Rule 15.9.A [19.15.15.9A. NMAC], which provides for 40-acre units with wells located at least 330 feet from a unit outer boundary. This location is less than 330 feet from a unit outer boundary.

Your application has been duly filed under the provisions of Division Rules 15.13 [19.15.15.13 NMAC] and 4.12A.(2) [19.15.4.12A.(2) NMAC].

It is our understanding that you are seeking this location due to surface restrictions associated with utility right-of-ways in an area identified for development of the remaining resources.

November 14, 2013

Page 2

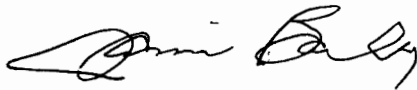
It is also understood that you have given due notice of this application to all operators or owners who are "affected persons," as defined in Rule 4.12A.(2), in all adjoining units towards which the proposed location encroaches, and that the only such affected person has executed a written waiver of objection which was filed with your application.

Pursuant to the authority conferred by Division Rule 15.13B., the above-described unorthodox location is hereby approved.

This approval is subject to your being in compliance with all other applicable Division rules, including, but not limited to Division Rule 5.9 [19.15.15.9 NMAC].

Jurisdiction of this case is retained for the entry of such further orders as the Division may deem necessary.

Sincerely,

A handwritten signature in black ink, appearing to read "Jami Bailey", with a stylized, cursive script.

Jami Bailey
Director

JB/prg

cc: New Mexico Oil Conservation Division – Hobbs Office
New Mexico State Land Office – Oil, Gas, and Minerals Division