

DATE IN 8/13/08	SUSPENSE	ENGINEER Brooks	LOGGED IN 8/13/08	TYPE NSL	APP NO. PKVR 0822639649
--------------------	----------	--------------------	----------------------	-------------	----------------------------

ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION
- Engineering Bureau -
1220 South St. Francis Drive, Santa Fe, NM 87505



Chevron USA Inc
Emilio King #35
5904

ADMINISTRATIVE APPLICATION CHECKLIST

THIS CHECKLIST IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE

Application Acronyms:

[NSL-Non-Standard Location] [NSP-Non-Standard Proration Unit] [SD-Simultaneous Dedication]
[DHC-Downhole Commingling] [CTB-Lease Commingling] [PLC-Pool/Lease Commingling]
[PC-Pool Commingling] [OLS - Off-Lease Storage] [OLM-Off-Lease Measurement]
[WFX-Waterflood Expansion] [PMX-Pressure Maintenance Expansion]
[SWD-Salt Water Disposal] [IPI-Injection Pressure Increase]
[EOR-Qualified Enhanced Oil Recovery Certification] [PPR-Positive Production Response]

[1] TYPE OF APPLICATION - Check Those Which Apply for [A]

[A] Location - Spacing Unit - Simultaneous Dedication
☒ NSL ☐ NSP ☐ SD

Check One Only for [B] or [C]

[B] Commingling - Storage - Measurement
☐ DHC ☐ CTB ☐ PLC ☐ PC ☐ OLS ☐ OLM

[C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery
☐ WFX ☐ PMX ☐ SWD ☐ IPI ☐ EOR ☐ PPR

[D] Other: Specify _____

[2] NOTIFICATION REQUIRED TO: - Check Those Which Apply, or ☒ Does Not Apply

- [A] ☐ Working, Royalty or Overriding Royalty Interest Owners
- [B] ☐ Offset Operators, Leaseholders or Surface Owner
- [C] ☐ Application is One Which Requires Published Legal Notice
- [D] ☐ Notification and/or Concurrent Approval by BLM or SLO
U.S. Bureau of Land Management - Commissioner of Public Lands, State Land Office
- [E] ☐ For all of the above, Proof of Notification or Publication is Attached, and/or,
- [F] ☐ Waivers are Attached

[3] SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED ABOVE.

[4] CERTIFICATION: I hereby certify that the information submitted with this application for administrative approval is **accurate** and **complete** to the best of my knowledge. I also understand that **no action** will be taken on this application until the required information and notifications are submitted to the Division.

Note: Statement must be completed by an individual with managerial and/or supervisory capacity.

Casey R. Mobley
Print or Type Name

Signature

Project Manager / Geologist
Title

8/08/2008
Date

Casey.Mobley@chevron.com
e-mail Address



Casey R. Mobley
Project Manager / Geologist

North America Upstream
Midcontinent Business Unit
11111 S. Wilcrest, Rm S-1037
Houston, Texas 77099
Tel (281) 561-4830
Fax (281) 561-3576
Casey.Mobley@chevron.com

August 8, 2008

**Request for Administrative Approval of
Unorthodox Oil Well Location**

Mr. Mark E. Fesmire
New Mexico Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, New Mexico 87505

Dear Mr. Fesmire:

Chevron respectfully requests administrative approval of an unorthodox oil well location for the following well:

Eunice King #35
1260' FNL & 330' FWL, NW/4 NW/4 of
Section 28, T21S, R37E, Unit Letter D
Lea County, New Mexico

The proposed well will be an infill producer in the Penrose Skelly, Grayburg Pool [Pool Code 50350], which is an oil pool spaced on 40 acres. This well is a continuation of our 4 year infill drilling in the same Pool. Chevron's technical analysis of the reservoir still supports the contention that typical Grayburg wells cannot drain 40 acres.

The NW/4 NW/4 of Section 28 will be simultaneously dedicated in the Penrose Skelly, Grayburg Pool to the proposed well and to the Eunice King #2, Eunice King #6, and Eunice King #30 wells, pursuant to statewide Rule 104.B(1). The Eunice King #2 was drilled in 1937 and was re-completed as a Penrose Skelly, Grayburg producer in 2005. The Eunice King #6 was drilled in 1947 and is currently inactive as a Penrose Skelly, Grayburg producer. The Eunice King #30 was drilled in 2006 and is currently completed as a Penrose Skelly, Grayburg producer.

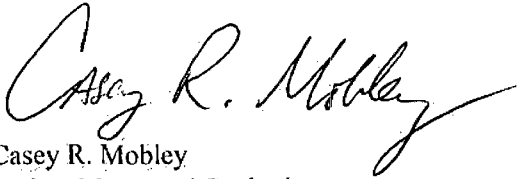
This application is based on geological and engineering analysis. The analysis and justification for this request is attached as Exhibit 1, along with other supporting documentation. There are nine wells that have produced the Grayburg formation in the NW/4 of Section 28. The proposed well will be located in the approximate western center point of those wells and 330' off the lease line. Based on drainage calculations, Chevron believes that drilling the infill well will recover reserves that would not be recovered by existing Grayburg producers.

A land plat highlighting the proposed well's location is attached as Exhibit 2. The N/2 of Section 28 is covered by a single fee lease and has common royalty and working interest ownerships. For that reason and the proposed location of the infill well, there are no adversely affected interest owners and no one has been notified of this application.

August 8, 2008
Page 2

If you have any questions concerning this application or need additional information, please contact me by phone at (281) 561-4830 or by email at Casey.Mobley@chevron.com. If I am not available, you can also reach Meilin Du by phone at (281) 561-3654 or by email at meilin.du@chevron.com. Thank you for consideration of this matter.

Sincerely,

A handwritten signature in cursive script that reads "Casey R. Mobley". The signature is written in dark ink and is positioned above the printed name and title.

Casey R. Mobley
Project Manager / Geologist

Attachments

cc: NMOCD District 1 – Hobbs, NM
Meilin Du
Ed Van Reet
Well File

NOTIFICATION LIST

Application of Chevron U.S.A. Inc. for Administrative Approval of an Unorthodox Oil Well Location:

Eunice King #35

1260' FNL & 330' FWL

Section 28, T21S, R37E, Unit Letter D

Lea County, New Mexico

Offset Operators, Working Interest Owners, N/2 Section 28:

- | | | |
|----|---------------------|------------------|
| 1. | Chevron U.S.A. Inc. | Operator/100% WI |
| | 11111 S. Wilcrest | |
| | Houston, TX 77099 | |

EXHIBIT 1

ENGINEERING AND GEOLOGICAL JUSTIFICATION

Application of Chevron U.S.A. Inc. for Administrative Approval of an Unorthodox Oil Well Location:

Eunice King #35
1260' FNL & 330' FWL
Section 28, T21S, R37E, Unit Letter D
Lea County, New Mexico

PRIMARY OBJECTIVE: GRAYBURG

SUPPORTING DATA:

1. Chevron U.S.A. Inc. (Chevron) is the operator of the proposed Eunice King #35 well (Exhibit 3). The proposed total depth is 4300' in the top of the San Andres formation.
2. The completion will be in the Penrose Skelly, Grayburg Oil Pool and the proposed location encroaches toward the following wells (Exhibit 4).

Operator	Well	API #	Location	Formation	Cum Prod		Current Prod		Status
					MBO.	MMCF	BOPD	MCFPD	
Chevron	Eunice King #1	30025068370000	28E 21S 37E	Grayburg	191	1,270	1	160	Oil
Chevron	Eunice King #2	30025068380000	28D 21S 37E	Grayburg	61	220	4	257	Oil
Chevron	Eunice King #3	30025068390000	28F 21S 37E	Grayburg	121	1,040	2	172	Oil
Gulf	Eunice King #6	30025068420002	28D 21S 37E	Grayburg	32	284	-	-	Inactive Oil
Chevron	Eunice King #7	30025068430000	28G 21S 37E	Grayburg	44	496	2	229	Oil
Chevron	Eunice King #8	30025068440005	28H 21S 37E	Grayburg	11	263	2	235	Oil
Chevron	Eunice King #11	30025068470001	28B 21S 37E	Grayburg	78	596	12	133	Oil
Chevron	Eunice King #12	30025068480000	28A 21S 37E	Grayburg	24	365	11	167	Oil
Gulf	Eunice King #16	30025068530002	28A 21S 37E	Grayburg	190	94	-	-	Inactive Oil
Chevron	Eunice King #19	30025068560005	28C 21S 37E	Grayburg	13	396	5	162	Oil
Gulf	Eunice King #26	30025068660001	28H 21S 37E	Grayburg	12	72	-	-	Inactive Oil
Chevron	Eunice King #27	30025367380000	28C 21S 37E	Grayburg	12	470	6	191	Oil
Chevron	Eunice King #28	30025367390000	28B 21S 37E	Grayburg	19	269	10	233	Oil
Chevron	Eunice King #29	30025371870000	28F 21S 37E	Grayburg	12	173	6	243	Oil
Chevron	Eunice King #30	30025378310000	28D 21S 37E	Grayburg	8	125	9	257	Oil
Chevron	Eunice King #31	30025378320000	28B 21S 37E	Grayburg	7	158	1	99	Oil
Chevron	Eunice King #32	30025383360000	28A 21S 37E	Grayburg	7	56	13	153	Oil
Chevron	Eunice King #33	30025383370000	28F 21S 37E	Grayburg	1	114	7	389	Oil

3. The proposed Eunice King #35 unorthodox Grayburg location is based primarily on drainage considerations:

a. Grayburg Reservoir

The Grayburg is a series of alternating subtidal and supratidal dolomites with the subtidal rock having porosity and hydrocarbons while the supratidal rock is tight. The Grayburg depositional environments varied rapidly so that many porous and tight intervals are not continuous from well to well on 40-acre spacing. Tight dolomite and/or anhydrite intervals within the Grayburg create vertical and horizontal flow barriers between different zones of porosity. Additionally, average porosity of the Grayburg is less than 10%, and the average permeability is less than 1 millidarcy. For all of these reasons, Grayburg wells are not usually capable of draining a 40-acre proration unit.

The reservoir was also analyzed by mapping the Hydrocarbon Pore Volume (HCPV) (Exhibit 5). HCPV is the product of feet of net pay (h) times average porosity (phi) times oil saturation (S_o). The attached map is the arithmetic product of grids interpreted from those values. The values were obtained as follows:

1. Net pay was read from either modern neutron-density logs or estimated from a map developed from gross pay times net-to-gross ratio (Exhibit 4).
2. Average porosity was calculated from modern well logs using a minimum of 6% crossplot porosity and a maximum of 20%.
3. Oil saturation was calculated from a fractional flow curve using representative water cut values.

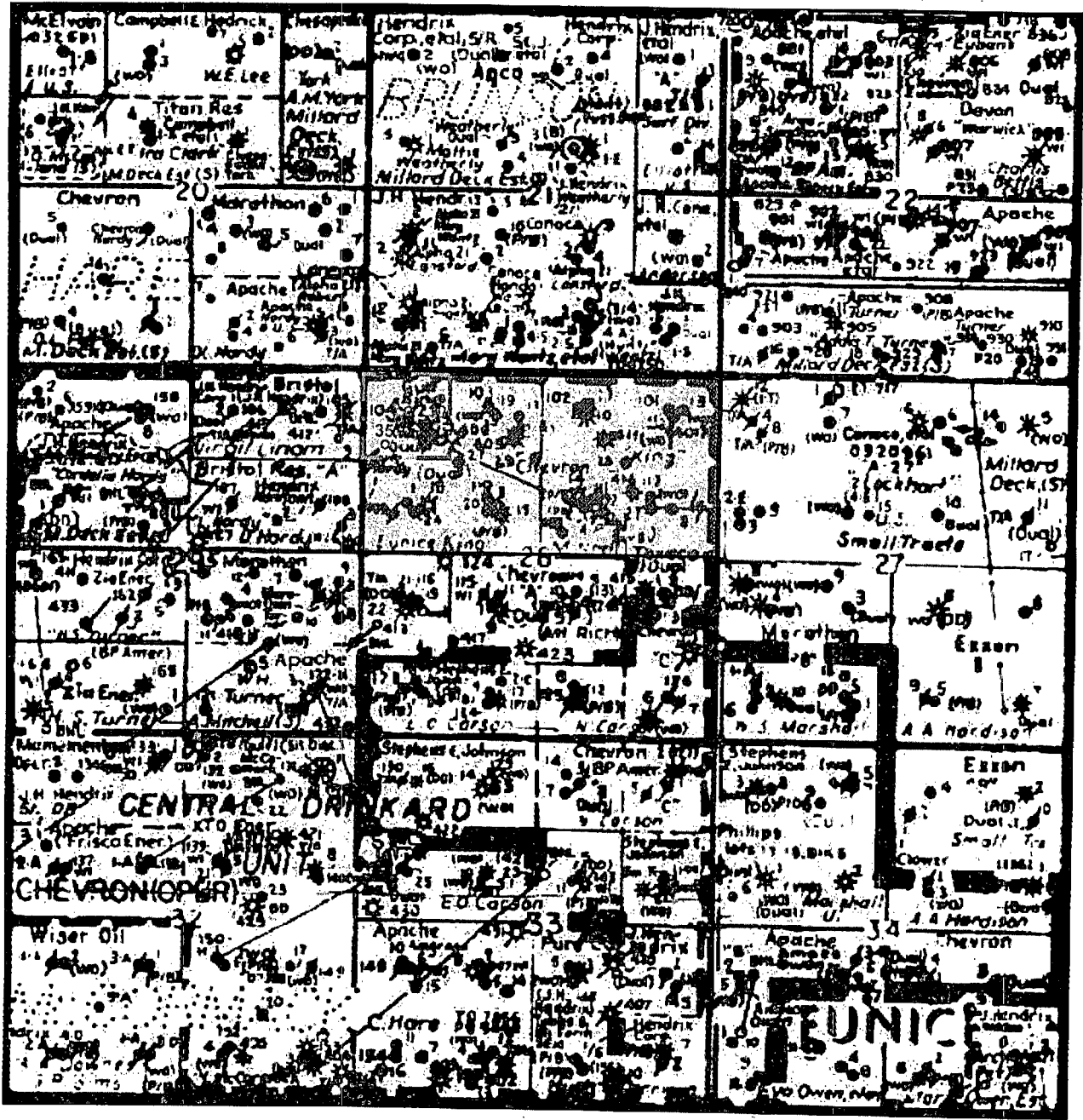
The following table provides drainage areas calculated from the HCPV map and reserves of the offsetting wells.

Operator	Well	API #	Location	Formation	Drainage Acres	EUR	
						MBO	MMCF
Chevron	Eunice King #1	30025068370000	28E 21S 37E	Grayburg	18	191	1,315
Chevron	Eunice King #2	30025068380000	28D 21S 37E	Grayburg	7	67	453
Chevron	Eunice King #3	30025068390000	28F 21S 37E	Grayburg	12	123	1,152
Gulf	Eunice King #6	30025068420002	28D 21S 37E	Grayburg	3	32	284
Chevron	Eunice King #7	30025068430000	28G 21S 37E	Grayburg	6	46	713
Chevron	Eunice King #8	30025068440005	28H 21S 37E	Grayburg	2	14	436
Chevron	Eunice King #11	30025068470001	28B 21S 37E	Grayburg	14	101	800
Chevron	Eunice King #12	30025068480000	28A 21S 37E	Grayburg	7	48	706
Gulf	Eunice King #16	30025068530002	28A 21S 37E	Grayburg	26	190	94
Chevron	Eunice King #19	30025068560005	28C 21S 37E	Grayburg	2	15	501
Gulf	Eunice King #26	30025068660001	28H 21S 37E	Grayburg	2	12	72
Chevron	Eunice King #27	30025367380000	28C 21S 37E	Grayburg	3	27	703
Chevron	Eunice King #28	30025367390000	28B 21S 37E	Grayburg	5	39	570
Chevron	Eunice King #29	30025371870000	28F 21S 37E	Grayburg	3	23	332
Chevron	Eunice King #30	30025378310000	28D 21S 37E	Grayburg	1	14	260
Chevron	Eunice King #31	30025378320000	28B 21S 37E	Grayburg	2	12	351
Chevron	Eunice King #32	30025383360000	28A 21S 37E	Grayburg	4	33	283
Chevron	Eunice King #33	30025383370000	28F 21S 37E	Grayburg	1	6	544

As seen above, the average drainage area of the offsetting locations is only 12 acres, and additional reserves can be recovered by drilling the proposed infill well at an approximate equidistant location from the existing offsetting producers. Reserves for the proposed location were calculated using the HCPV map, a 8 acre drainage area, and a 15% recovery factor. The results are as follows:

Operator	Well	Location	HCPV	Drainage Acres	EUR	
					MBO	MMCF
Chevron	Eunice King #35	28-D	19	8	47	201

4. The N/2 of Section 28 is covered by a single fee lease which has common royalty and working interest ownerships. Chevron is the operator and 100% working interest owner of the Grayburg wells toward which the proposed well will encroach. Therefore, there are no offset interest owners or adversely affected parties to notify of this application.
5. The proposed Eunice King #35 will share a 40-acre proration unit and will be simultaneously dedicated with the Eunice King #2, Eunice King #6, and Eunice King #30 as a Penrose Skelly, Grayburg producer in Section 28, Unit Letter D.
6. Approval of this application will allow for the recovery of oil and gas reserves which would not otherwise be recovered.



Chevron USA Inc.

Eunice King #2
660 FNL & 660 FWL, Unit D
Eunice King #6
766 FNL & 554 FWL, Unit D
Eunice King #30
330 FNL & 1310 FWL, Unit D
Eunice King #35 (proposed)
1260 FNL & 330 FWL, Unit D
Section 28, T21S-R37E
Lea County, New Mexico

 Eunice King Lease

40 Acre Proration Unit

Scale: 1"=2000' Approx.

DISTRICT I

1625 N. FRENCH DR., BOBBS, NM 88240

DISTRICT II

1301 W. GRAND AVENUE, ARTESIA, NM 88210

DISTRICT III

1000 Rio Brazos Rd., Aztec, NM 87410

DISTRICT IV

1220 S. ST. FRANCIS DR., SANTA FE, NM 87505

State of New Mexico

Energy, Minerals and Natural Resources Department

OIL CONSERVATION DIVISION

1220 SOUTH ST. FRANCIS DR.
Santa Fe, New Mexico 87505

Form C-102

Revised October 12, 2005

Submit to Appropriate District Office

State Lease - 4 Copies

Fee Lease - 3 Copies

WELL LOCATION AND ACREAGE DEDICATION PLAT

☐ AMENDED REPORT

API Number	Pool Code 50350	Pool Name Penrose Shelly Grayburg
Property Code	Property Name EUNICE KING	Well Number 36 35
OGRID No.	Operator Name CHEVRON USA INC.	Elevation 3470'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
D	28	21-S	37-E		1260	NORTH	330	WEST	LEA

Bottom Hole Location If Different From Surface

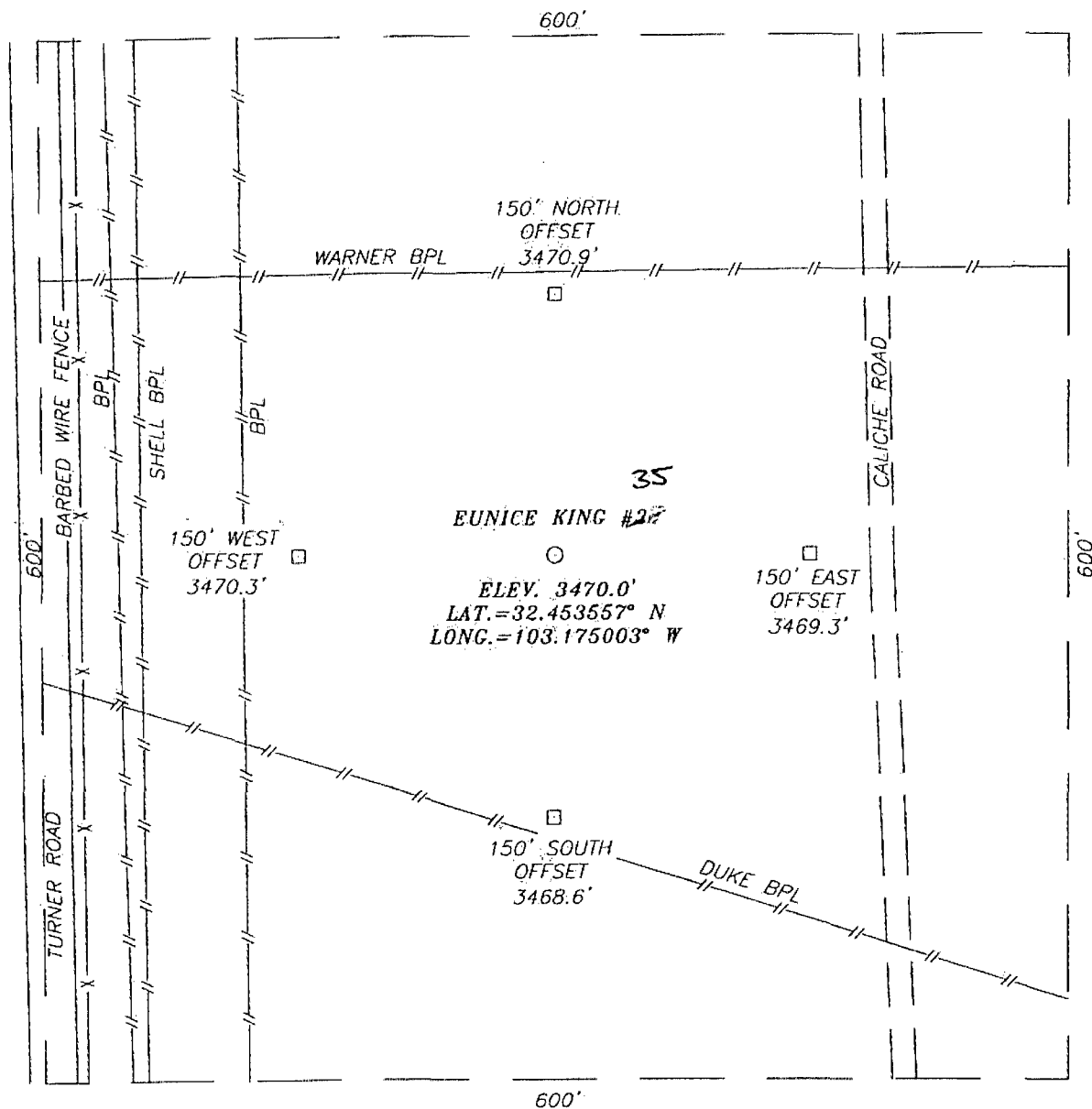
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

Dedicated Acres	Joint or Infill	Consolidation Code	Order No.

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED
OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

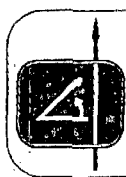
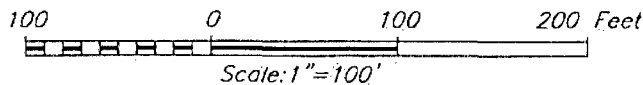
	<p>GEODETIC COORDINATES NAD 27 NME</p> <p>Y=530656.0 N X=857307.8 E</p> <p>LAT.=32.453557° N LONG.=103.175003° W</p>		<p>OPERATOR CERTIFICATION</p> <p>I hereby certify that the information herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</p> <p>Signature _____ Date _____</p> <p>Printed Name _____</p>
			<p>SURVEYOR CERTIFICATION</p> <p>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.</p>
			<p>DATE SURVEYED: JULY 21, 2008</p> <p>SIGNATURE: [Signature]</p> <p>PROFESSIONAL SURVEYOR: 3239</p>
			<p>Certificate No. RONALD EIDSON 3239</p>

SECTION 28, TOWNSHIP 21 SOUTH, RANGE 37 EAST, N.M.P.M.,
LEA COUNTY, NEW MEXICO



DIRECTIONS TO LOCATION

FROM INTERSECTION ST. HWY. #8 AND CO. RD. #E33 (TURNER), GO NORTH ON CO. RD. #E33 APPROX. 0.8 MILES. THIS LOCATION IS APPROX. 300. FEET EAST.



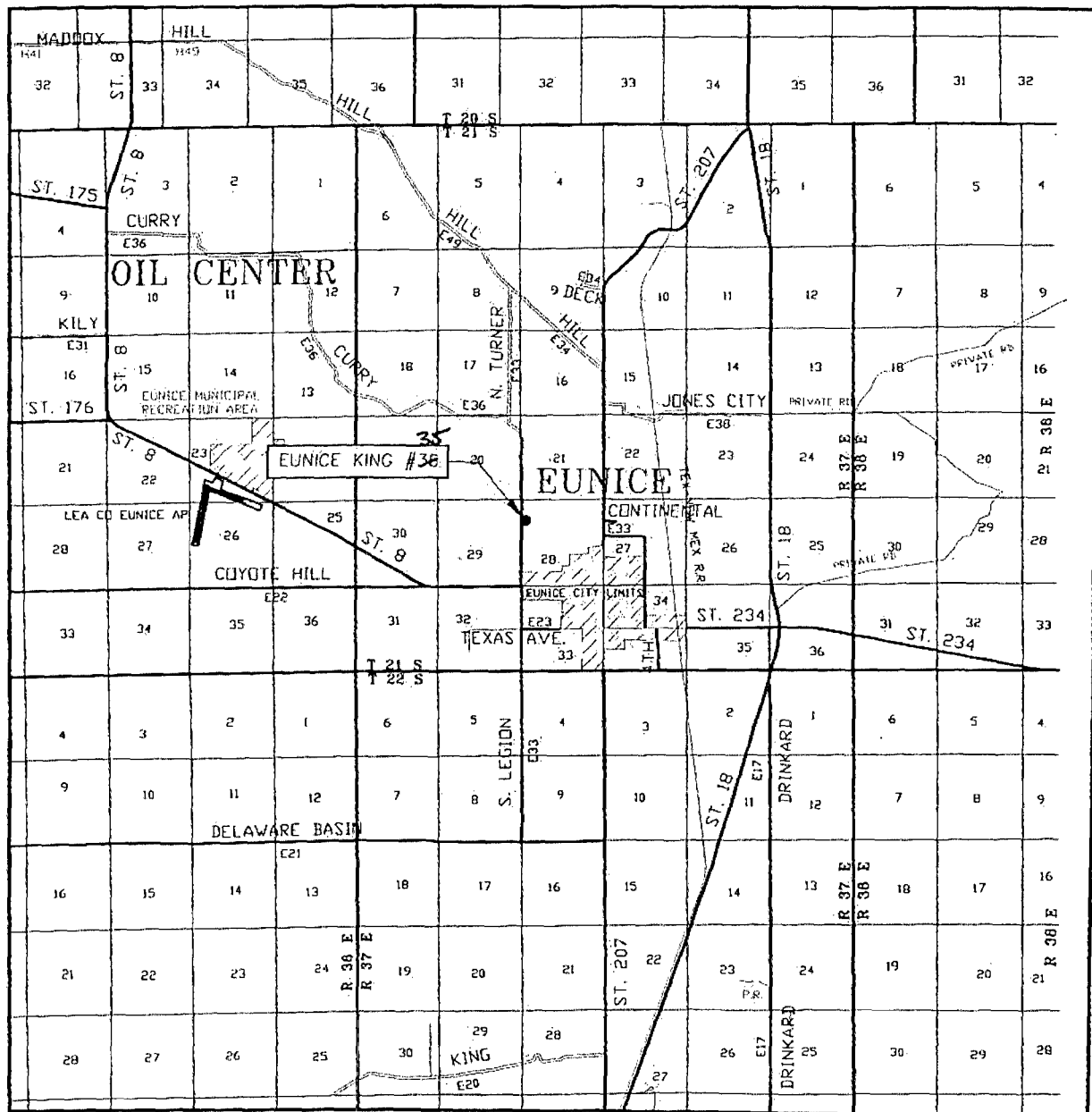
PROVIDING SURVEYING SERVICES
SINCE 1946
JOHN WEST SURVEYING COMPANY
412 N. DAL PASO
HOBBS, N.M. 88240
(505) 393-3117

CHEVRON USA INC.

EUNICE KING #27 WELL
LOCATED 1260 FEET FROM THE NORTH LINE
AND 330 FEET FROM THE WEST LINE OF SECTION 28,
TOWNSHIP 21 SOUTH, RANGE 37 EAST, N.M.P.M.,
LEA COUNTY, NEW MEXICO.

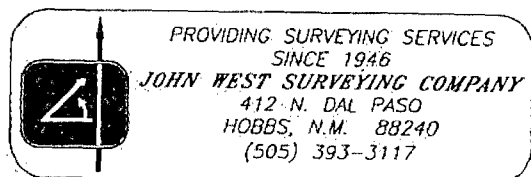
Survey Date: 7/28/08	Sheet 1 of 1 Sheets
W.O. Number: 08.11.1131	Dr By: LA
Date: 7/28/08	08111131
Scale: 1"=100'	

VICINITY MAP

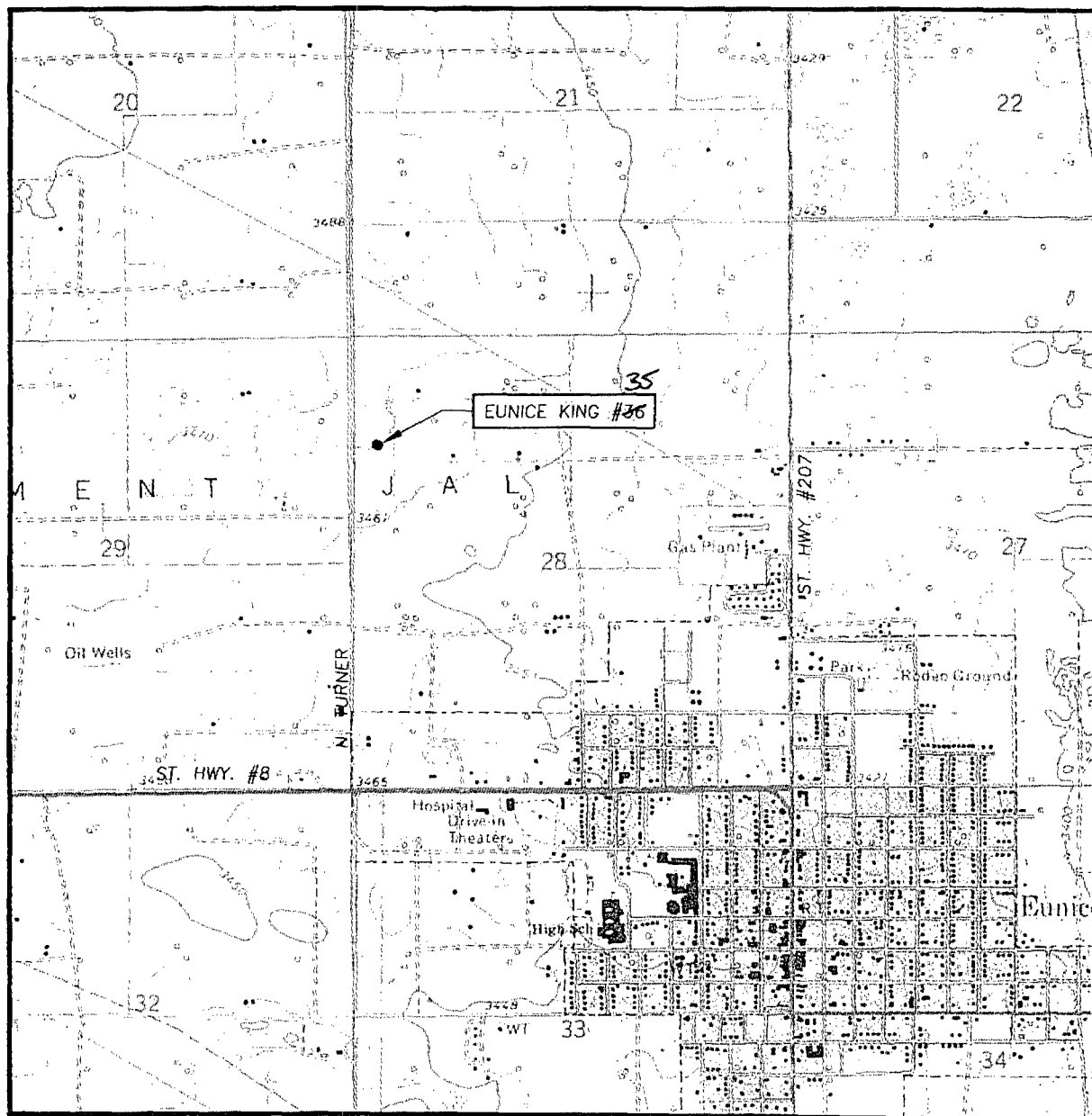


SCALE: 1" = 2 MILES

SEC. 28 TWP. 21-S RGE. 37-E
 SURVEY N.M.P.M.
 COUNTY LEA STATE NEW MEXICO
 DESCRIPTION 1260' FNL & 330' FWL
 ELEVATION 3470'
 OPERATOR CHEVRON U.S.A. INC.
 LEASE EUNICE KING



LOCATION VERIFICATION MAP



SCALE: 1" = 2000'

CONTOUR INTERVAL:
EUNICE, N.M. - 10'

SEC. 28 TWP. 21-S RGE. 37-E

SURVEY N.M.P.M.

COUNTY LEA STATE NEW MEXICO

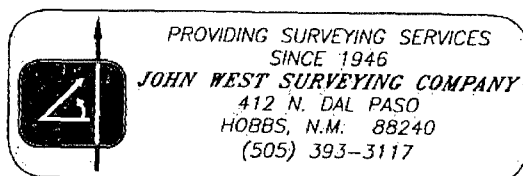
DESCRIPTION 1260' FNL & 330' FWL

ELEVATION 3470'

OPERATOR CHEVRON USA INC.

LEASE EUNICE KING

U.S.G.S. TOPOGRAPHIC MAP
EUNICE, N.M.



District I
1625 N. French Dr., Hobbs, NM 88240

State of New Mexico
Energy, Minerals & Natural Resources Department

Form C-102
Revised June 10, 2003

District II
1301 W. Grand Avenue, Artesia, NM 88210

OIL CONSERVATION DIVISION

Submit to District Office

District III
1000 Rio Brazos Rd., Aztec, NM 87410

1220 South St. Francis Dr.
Santa Fe, NM 87505

Exhibit 3.1

District IV
1220 South St. Francis Dr., Santa Fe, NM
87505

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number	² Pool Code 50350	³ Pool Name Penrose Skelly; Grayburg
⁴ Property Code	⁵ Property Name Eunice King	⁶ Well Number 35
⁷ OGRID No.	⁸ Operator Name Chevron U.S.A., Inc.	⁹ Elevation 3470'

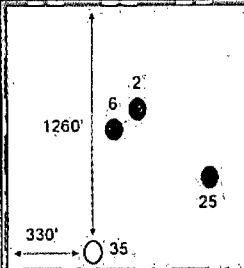
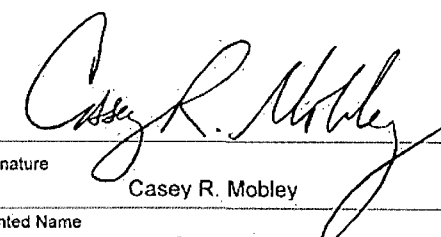
¹⁰ Surface Location

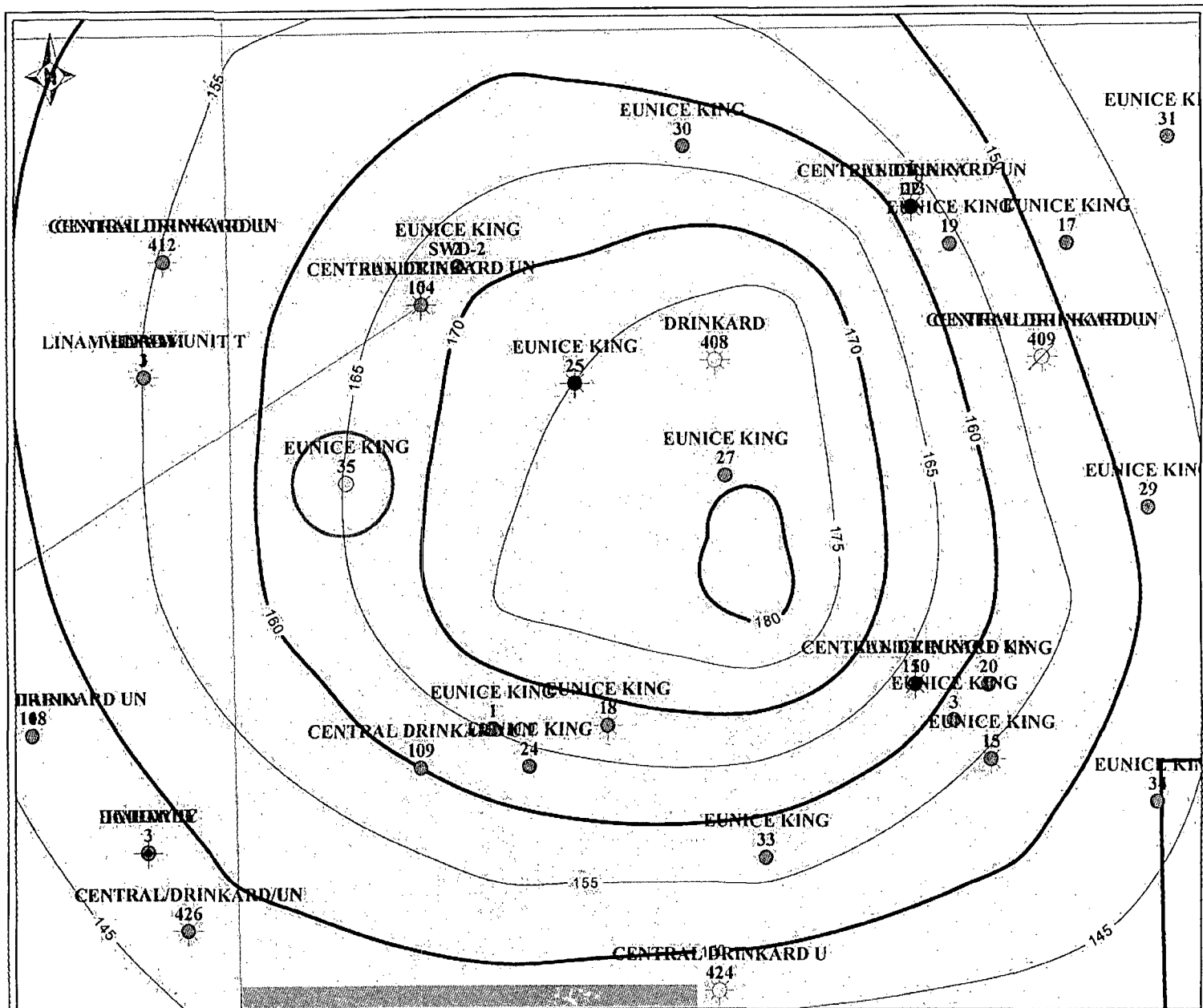
UL or Lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
D	28	21S	37E		1260	North	330	West	Lea

¹¹ Bottom Hole Location If Different From Surface

UL or Lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
¹² Dedicated Acres 40	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.						

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A
NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

 <p>40-acre proration unit</p>	Eunice King Lease	¹⁷ OPERATOR CERTIFICATION <i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</i>  Signature Casey R. Mobley Printed Name Geologist Title August 9, 2008
		¹⁸ SURVEYOR CERTIFICATION <i>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.</i> Signature and Seal of Professional Surveyor:
		Certificate Number



PETRA 8/7/2008 8:08:12 AM



Chevron U.S.A. Inc.

EXHIBIT 4

PENROSE-SKELLY FIELD EUNICE KING #35

Sec 28, T21S-R37E, Lea Co., New Mexico

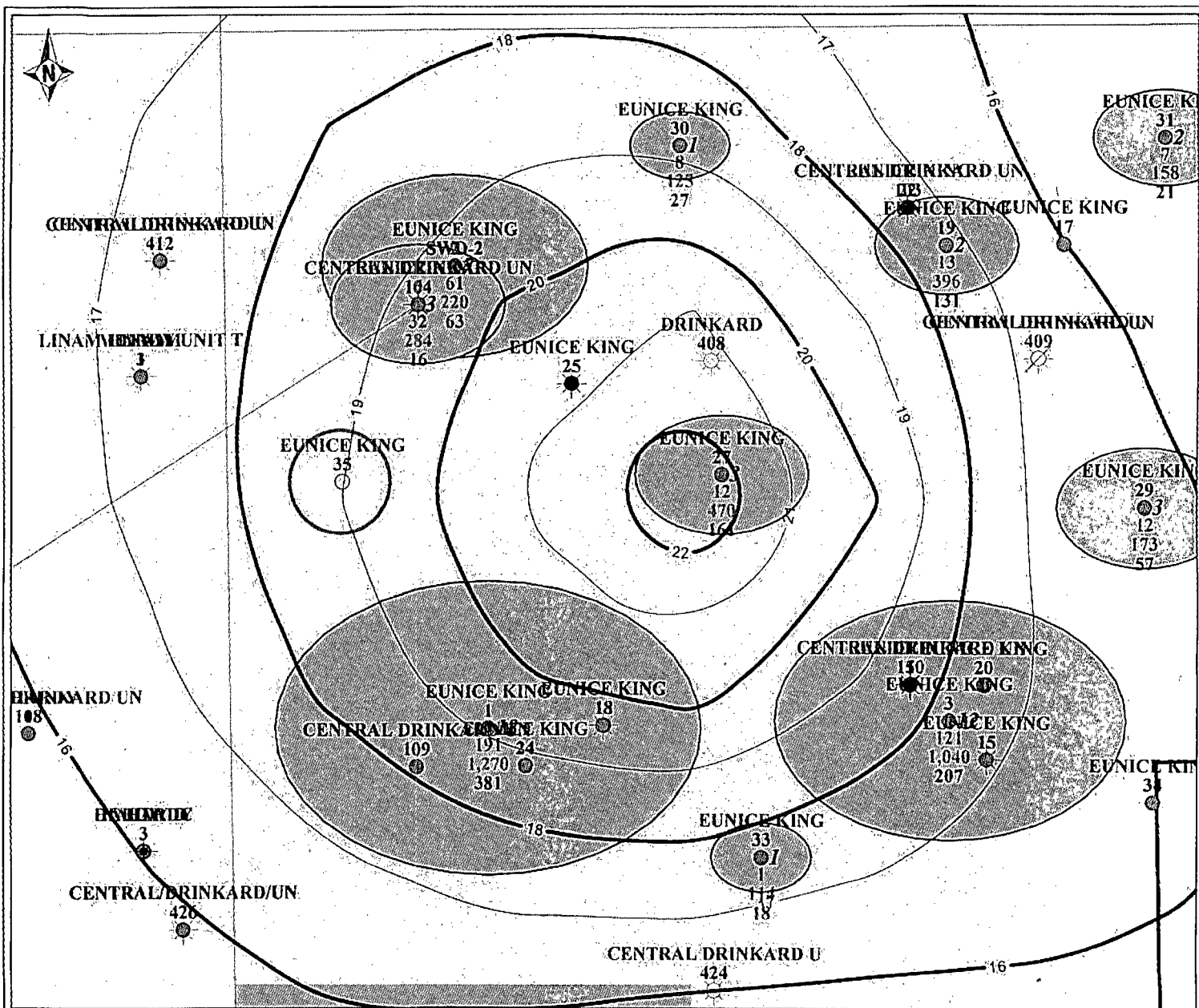
Grayburg Net Pay CI=5' [GR<40, Por>6%]

POSTED WELL DATA

Well Name
Well Number



August 7, 2008



PETRA 6/7/2008 8:03:45 AM



Chevron U.S.A. Inc.

EXHIBIT 5

PENROSE-SKELLY FIELD EUNICE KING #35.

Sec 28, T21S-R37E, Lea Co., New Mexico

Grayburg HCPV CI=0.5 & EUR - Drainage

POSTED WELL DATA

Well Name
Well Number

● GRBG Drained Area

Grayburg Cum Oil Prod (MBO)
Grayburg Cum Gas Prod (MMCF)
Grayburg Cum Water Prod (MBO)



August 7, 2008



James E. Baca
Staff Land
Representative
Land Department
New Mexico Asset
Development

Chevron North America
Exploration and Production
Company
MidContinent Alaska BU
11111 S. Wilcrest
Houston, Texas 77099
Tel 281-561-3605
Fax 866-887-5130
jmeb@chevron.com

2008 SEP 2 PM 3 24
RECEIVED

August 29, 2008


Bristol Resources Corporation
Attn: Land Department
6655 S. Lewis, Suite 200
Tulsa, Oklahoma 74136

Dear Sir or Madam:

Chevron U.S.A. Inc. has filed an application with the New Mexico Oil Conservation Division seeking an unorthodox oil well location for the Eunice King #35 located 1,260' FNL, & 330' FWL, NW1/4NW1/4, Unit Letter D, of Section 28 Township 21 South, Range 37 East, N.M.P.M., Lea County, New Mexico. A copy of the application is enclosed. If you object to the application, you must notify the Division in writing no later than 20 days from the date of this letter (the Division's address is 1220 South Saint Francis Drive, Santa Fe, New Mexico 87505). Failure to object will preclude you from contesting this matter at a later date. The director may approve the unorthodox location upon receipt of waivers from all the affected persons or if no affected person has filed an objection within the 20-day period.

If you have no objection to this unorthodox well location, please sign in the space provided below and return one copy to my attention at the fax number or address shown in the letterhead.

Sincerely,


James E. Baca, CPL
Enclosure

cc: Mr. Mark Fesmire, P.E., Director, Oil Conservation Division

BRISTOL RESOURCES CORPORATION HAS NO OBJECTIONS TO THE UNORTHODOX WELL LOCATION DESCRIBED ABOVE.

AGREED TO AND ACCEPTED THIS _____ DAY OF _____, 2008

BRISTOL RESOURCES CORPORATION

By: _____

Printed Name: _____

Title: _____



James E. Baca
Staff Land
Representative
Land Department
New Mexico Asset
Development

Chevron North America
Exploration and Production
Company
MidContinent Alaska BU
11111 S. Wilcrest
Houston, Texas 77099
Tel 281-561-3605
Fax 866-887-5130
jmeb@chevron.com

August 29, 2008

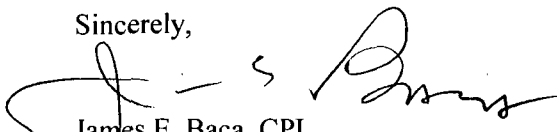
Cheyenne Partners V, Ltd.
Attn: Land Department
711 Louisiana, Suite 1740
Houston, Texas 77002

Dear Sir or Madam:

Chevron U.S.A. Inc. has filed an application with the New Mexico Oil Conservation Division seeking an unorthodox oil well location for the Eunice King #35 located 1,260' FNL, & 330' FWL, NW1/4NW1/4, Unit Letter D, of Section 28 Township 21 South, Range 37 East, N.M.P.M., Lea County, New Mexico. A copy of the application is enclosed. If you object to the application, you must notify the Division in writing no later than 20 days from the date of this letter (the Division's address is 1220 South Saint Francis Drive, Santa Fe, New Mexico 87505). Failure to object will preclude you from contesting this matter at a later date. The director may approve the unorthodox location upon receipt of waivers from all the affected persons or if no affected person has filed an objection within the 20-day period.

If you have no objection to this unorthodox well location, please sign in the space provided below and return one copy to my attention at the fax number or address shown in the letterhead.

Sincerely,



James E. Baca, CPL
Enclosure

cc: Mr. Mark Fesmire, P.E., Director, Oil Conservation Division

CHEYENNE PARTNERS V, LTD. HAS NO OBJECTIONS TO THE UNORTHODOX WELL LOCATION DESCRIBED ABOVE.

AGREED TO AND ACCEPTED THIS _____ DAY OF _____, 2008

CHEYENNE PARTNERS V, LTD.

By: _____
Printed Name: _____
Title: _____



James E. Baca
Staff Land
Representative
Land Department
New Mexico Asset
Development

Chevron North America
Exploration and Production
Company
MidContinent Alaska BU
11111 S. Wilcrest
Houston, Texas 77099
Tel 281-561-3605
Fax 866-887-5130
jmeb@chevron.com

August 29, 2008

Devon Energy Corporation
Attn: Land Department
20 North Broadway
Oklahoma City, Oklahoma 73102

Dear Sir or Madam:

Chevron U.S.A. Inc. has filed an application with the New Mexico Oil Conservation Division seeking an unorthodox oil well location for the Eunice King #35 located 1,260' FNL, & 330' FWL, NW1/4NW1/4, Unit Letter D, of Section 28 Township 21 South, Range 37 East, N.M.P.M., Lea County, New Mexico. A copy of the application is enclosed. If you object to the application, you must notify the Division in writing no later than 20 days from the date of this letter (the Division's address is 1220 South Saint Francis Drive, Santa Fe, New Mexico 87505). Failure to object will preclude you from contesting this matter at a later date. The director may approve the unorthodox location upon receipt of waivers from all the affected persons or if no affected person has filed an objection within the 20-day period.

If you have no objection to this unorthodox well location, please sign in the space provided below and return one copy to my attention at the fax number or address shown in the letterhead.

Sincerely,

James E. Baca, CPL
Enclosure

cc: Mr. Mark Fesmire, P.E., Director, Oil Conservation Division

DEVON ENERGY CORPORATION HAS NO OBJECTIONS TO THE UNORTHODOX WELL LOCATION DESCRIBED ABOVE.

AGREED TO AND ACCEPTED THIS _____ DAY OF _____, 2008.

DEVON ENERGY CORPORATION

By: _____

Printed Name: _____

Title: _____



James E. Baca
Staff Land
Representative
Land Department
New Mexico Asset
Development

**Chevron North America
Exploration and Production
Company**
MidContinent Alaska BU
11111 S. Wilcrest
Houston, Texas 77099
Tel 281-561-3605
Fax 866-887-5130
jmeb@chevron.com

August 29, 2008

ExxonMobil Corporation
Attn: Land Department
P. O. Box 4610
Houston, Texas 77210

Dear Sir or Madam:

Chevron U.S.A. Inc. has filed an application with the New Mexico Oil Conservation Division seeking an unorthodox oil well location for the Eunice King #35 located 1,260' FNL, & 330' FWL, NW1/4NW1/4, Unit Letter D, of Section 28 Township 21 South, Range 37 East, N.M.P.M., Lea County, New Mexico. A copy of the application is enclosed. If you object to the application, you must notify the Division in writing no later than 20 days from the date of this letter (the Division's address is 1220 South Saint Francis Drive, Santa Fe, New Mexico 87505). Failure to object will preclude you from contesting this matter at a later date. The director may approve the unorthodox location upon receipt of waivers from all the affected persons or if no affected person has filed an objection within the 20-day period.

If you have no objection to this unorthodox well location, please sign in the space provided below and return one copy to my attention at the fax number or address shown in the letterhead.

Sincerely,

James E. Baca, CPL
Enclosure

cc: Mr. Mark Fesmire, P.E., Director, Oil Conservation Division

**EXXONMOBIL CORPORATION HAS NO OBJECTIONS TO THE UNORTHODOX WELL
LOCATION DESCRIBED ABOVE.**

AGREED TO AND ACCEPTED THIS _____ DAY OF _____, 2008

EXXONMOBIL CORPORATION

By: _____

Printed Name: _____

Title: _____



James E. Baca
Staff Land
Representative
Land Department
New Mexico Asset
Development

**Chevron North America
Exploration and Production
Company**
MidContinent Alaska BU
11111 S. Wilcrest
Houston, Texas 77099
Tel 281-561-3605
Fax 866-887-5130
jmeb@chevron.com

August 29, 2008

Floyd Oil Company
Attn: Land Department
711 Louisiana, Suite 1740
Houston, Texas 77002

Dear Sir or Madam:

Chevron U.S.A. Inc. has filed an application with the New Mexico Oil Conservation Division seeking an unorthodox oil well location for the Eunice King #35 located 1,260' FNL, & 330' FWL, NW1/4NW1/4, Unit Letter D, of Section 28 Township 21 South, Range 37 East, N.M.P.M., Lea County, New Mexico. A copy of the application is enclosed. If you object to the application, you must notify the Division in writing no later than 20 days from the date of this letter (the Division's address is 1220 South Saint Francis Drive, Santa Fe, New Mexico 87505). Failure to object will preclude you from contesting this matter at a later date. The director may approve the unorthodox location upon receipt of waivers from all the affected persons or if no affected person has filed an objection within the 20-day period.

If you have no objection to this unorthodox well location, please sign in the space provided below and return one copy to my attention at the fax number or address shown in the letterhead.

Sincerely,

James E. Baca, CPL

Enclosure

cc: Mr. Mark Fesmire, P.E., Director, Oil Conservation Division

FLOYD OIL COMPANY HAS NO OBJECTIONS TO THE UNORTHODOX WELL LOCATION DESCRIBED ABOVE.

AGREED TO AND ACCEPTED THIS _____ DAY OF _____, 2008.

FLOYD OIL COMPANY

By: _____

Printed Name: _____

Title: _____



James E. Baca
Staff Land
Representative
Land Department
New Mexico Asset
Development

**Chevron North America
Exploration and Production
Company**
MidContinent Alaska BU
11111 S. Wilcrest
Houston, Texas 77099
Tel 281-561-3605
Fax 866-887-5130
jmeb@chevron.com

August 29, 2008

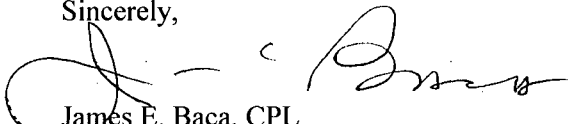
Geronimo Holding Corporation
Attn: Land Department
1801 W. Texas
Midland, Texas 79701

Dear Sir or Madam:

Chevron U.S.A. Inc. has filed an application with the New Mexico Oil Conservation Division seeking an unorthodox oil well location for the Eunice King #35 located 1,260' FNL, & 330' FWL, NW1/4NW1/4, Unit Letter D, of Section 28 Township 21 South, Range 37 East, N.M.P.M., Lea County, New Mexico. A copy of the application is enclosed. If you object to the application, you must notify the Division in writing no later than 20 days from the date of this letter (the Division's address is 1220 South Saint Francis Drive, Santa Fe, New Mexico 87505). Failure to object will preclude you from contesting this matter at a later date. The director may approve the unorthodox location upon receipt of waivers from all the affected persons or if no affected person has filed an objection within the 20-day period.

If you have no objection to this unorthodox well location, please sign in the space provided below and return one copy to my attention at the fax number or address shown in the letterhead.

Sincerely,



James E. Baca, CPL
Enclosure

cc: Mr. Mark Fesmire, P.E., Director, Oil Conservation Division

**GERONIMO HOLDING CORPORATION HAS NO OBJECTIONS TO THE UNORTHODOX
WELL LOCATION DESCRIBED ABOVE.**

AGREED TO AND ACCEPTED THIS _____ DAY OF _____, 2008

GERONIMO HOLDING CORPORATION

By: _____

Printed Name: _____

Title: _____



James E. Baca
Staff Land
Representative
Land Department
New Mexico Asset
Development

**Chevron North America
Exploration and Production
Company**
MidContinent Alaska BU
11111 S. Wilcrest
Houston, Texas 77099
Tel 281-561-3605
Fax 866-887-5130
jmeb@chevron.com

August 29, 2008

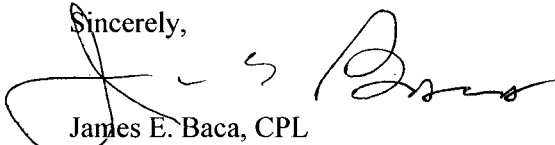
John H. Hendrix Corporation
Attn: Land Department
P. O. Box 3040
Midland, Texas 79702

Dear Sir or Madam:

Chevron U.S.A. Inc. has filed an application with the New Mexico Oil Conservation Division seeking an unorthodox oil well location for the Eunice King #35 located 1,260' FNL, & 330' FWL, NW1/4NW1/4, Unit Letter D, of Section 28 Township 21 South, Range 37 East, N.M.P.M., Lea County, New Mexico. A copy of the application is enclosed. If you object to the application, you must notify the Division in writing no later than 20 days from the date of this letter (the Division's address is 1220 South Saint Francis Drive, Santa Fe, New Mexico 87505). Failure to object will preclude you from contesting this matter at a later date. The director may approve the unorthodox location upon receipt of waivers from all the affected persons or if no affected person has filed an objection within the 20-day period.

If you have no objection to this unorthodox well location, please sign in the space provided below and return one copy to my attention at the fax number or address shown in the letterhead.

Sincerely,



James E. Baca, CPL
Enclosure

cc: Mr. Mark Fesmire, P.E., Director, Oil Conservation Division

**JOHN H. HENDRIX CORPORATION HAS NO OBJECTIONS TO THE UNORTHODOX
WELL LOCATION DESCRIBED ABOVE.**

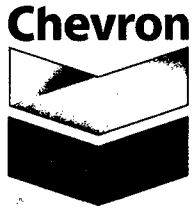
AGREED TO AND ACCEPTED THIS _____ DAY OF _____, 2008

JOHN H. HENDRIX CORPORATION

By: _____

Printed Name: _____

Title: _____



James E. Baca
Staff Land
Representative
Land Department
New Mexico Asset
Development

**Chevron North America
Exploration and Production
Company**
MidContinent Alaska BU
11111 S. Wilcrest
Houston, Texas 77099
Tel 281-561-3605
Fax 866-887-5130
jmeb@chevron.com

August 29, 2008

Michael L. Klein
Attn: Land Department
500 W. Texas, Suite 1230
Midland, Texas 79701

Dear Sir or Madam:

Chevron U.S.A. Inc. has filed an application with the New Mexico Oil Conservation Division seeking an unorthodox oil well location for the Eunice King #35 located 1,260' FNL, & 330' FWL, NW1/4NW1/4, Unit Letter D, of Section 28 Township 21 South, Range 37 East, N.M.P.M., Lea County, New Mexico. A copy of the application is enclosed. If you object to the application, you must notify the Division in writing no later than 20 days from the date of this letter (the Division's address is 1220 South Saint Francis Drive, Santa Fe, New Mexico 87505). Failure to object will preclude you from contesting this matter at a later date. The director may approve the unorthodox location upon receipt of waivers from all the affected persons or if no affected person has filed an objection within the 20-day period.

If you have no objection to this unorthodox well location, please sign in the space provided below and return one copy to my attention at the fax number or address shown in the letterhead.

Sincerely,

James E. Baca, CPL
Enclosure

cc: Mr. Mark Fesmire, P.E., Director, Oil Conservation Division

MICHAEL L. KLEIN HAS NO OBJECTIONS TO THE UNORTHODOX WELL LOCATION DESCRIBED ABOVE.

AGREED TO AND ACCEPTED THIS _____ DAY OF _____, 2008

MICHAEL L. KLEIN



James E. Baca
Staff Land
Representative
Land Department
New Mexico Asset
Development

**Chevron North America
Exploration and Production
Company**
MidContinent Alaska BU
11111 S. Wilcrest
Houston, Texas 77099
Tel 281-561-3605
Fax 866-887-5130
jmec@chevron.com

August 29, 2008

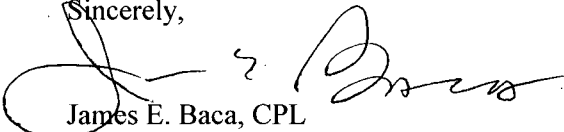
Marathon Oil Company
Attn: Land Department
P. O. Box 3487
Houston, Texas 77253

Dear Sir or Madam:

Chevron U.S.A. Inc. has filed an application with the New Mexico Oil Conservation Division seeking an unorthodox oil well location for the Eunice King #35 located 1,260' FNL, & 330' FWL, NW1/4NW1/4, Unit Letter D, of Section 28 Township 21 South, Range 37 East, N.M.P.M., Lea County, New Mexico. A copy of the application is enclosed. If you object to the application, you must notify the Division in writing no later than 20 days from the date of this letter (the Division's address is 1220 South Saint Francis Drive, Santa Fe, New Mexico 87505). Failure to object will preclude you from contesting this matter at a later date. The director may approve the unorthodox location upon receipt of waivers from all the affected persons or if no affected person has filed an objection within the 20-day period.

If you have no objection to this unorthodox well location, please sign in the space provided below and return one copy to my attention at the fax number or address shown in the letterhead.

Sincerely,



James E. Baca, CPL
Enclosure

cc: Mr. Mark Fesmire, P.E., Director, Oil Conservation Division

**MARATHON OIL COMPANY HAS NO OBJECTIONS TO THE UNORTHODOX WELL
LOCATION DESCRIBED ABOVE.**

AGREED TO AND ACCEPTED THIS _____ DAY OF _____, 2008

MARATHON OIL COMPANY

By: _____

Printed Name: _____

Title: _____



James E. Baca
Staff Land
Representative
Land Department
New Mexico Asset
Development

Chevron North America
Exploration and Production
Company
MidContinent Alaska BU
11111 S. Wilcrest
Houston, Texas 77099
Tel 281-561-3605
Fax 866-887-5130
jmeb@chevron.com

August 29, 2008

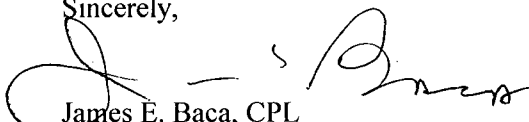
National XP Company, Ltd.
Attn: Land Department
P. O. Box 25202
Dallas, Texas 75225

Dear Sir or Madam:

Chevron U.S.A. Inc. has filed an application with the New Mexico Oil Conservation Division seeking an unorthodox oil well location for the Eunice King #35 located 1,260' FNL, & 330' FWL, NW1/4NW1/4, Unit Letter D, of Section 28 Township 21 South, Range 37 East, N.M.P.M., Lea County, New Mexico. A copy of the application is enclosed. If you object to the application, you must notify the Division in writing no later than 20 days from the date of this letter (the Division's address is 1220 South Saint Francis Drive, Santa Fe, New Mexico 87505). Failure to object will preclude you from contesting this matter at a later date. The director may approve the unorthodox location upon receipt of waivers from all the affected persons or if no affected person has filed an objection within the 20-day period.

If you have no objection to this unorthodox well location, please sign in the space provided below and return one copy to my attention at the fax number or address shown in the letterhead.

Sincerely,


James E. Baca, CPL
Enclosure

cc: Mr. Mark Fesmire, P.E., Director, Oil Conservation Division

NATIONAL XP COMPANY, LTD. HAS NO OBJECTIONS TO THE UNORTHODOX WELL LOCATION DESCRIBED ABOVE.

AGREED TO AND ACCEPTED THIS _____ DAY OF _____, 2008

NATIONAL XP COMPANY, LTD.

By: _____
Printed Name: _____
Title: _____



James E. Baca
Staff Land
Representative
Land Department
New Mexico Asset
Development

Chevron North America
Exploration and Production
Company
MidContinent Alaska BU
11111 S. Wilcrest
Houston, Texas 77099
Tel 281-561-3605
Fax 866-887-5130
jmeb@chevron.com

August 29, 2008

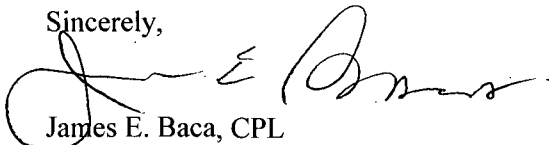
Nowitzki Oil & Gas, LP
Attn: Land Department
301 Commerce Street, Suite 1830
Fort Worth, Texas 76102

Dear Sir or Madam:

Chevron U.S.A. Inc. has filed an application with the New Mexico Oil Conservation Division seeking an unorthodox oil well location for the Eunice King #35 located 1,260' FNL, & 330' FWL, NW1/4NW1/4, Unit Letter D, of Section 28 Township 21 South, Range 37 East, N.M.P.M., Lea County, New Mexico. A copy of the application is enclosed. If you object to the application, you must notify the Division in writing no later than 20 days from the date of this letter (the Division's address is 1220 South Saint Francis Drive, Santa Fe, New Mexico 87505). Failure to object will preclude you from contesting this matter at a later date. The director may approve the unorthodox location upon receipt of waivers from all the affected persons or if no affected person has filed an objection within the 20-day period.

If you have no objection to this unorthodox well location, please sign in the space provided below and return one copy to my attention at the fax number or address shown in the letterhead.

Sincerely,



James E. Baca, CPL
Enclosure

cc: Mr. Mark Fesmire, P.E., Director, Oil Conservation Division

NOWITZKI OIL & GAS, LP HAS NO OBJECTIONS TO THE UNORTHODOX WELL LOCATION DESCRIBED ABOVE.

AGREED TO AND ACCEPTED THIS _____ DAY OF _____, 2008

NOWITZKI OIL & GAS, LP

By: _____
Printed Name: _____
Title: _____



James E. Baca
Staff Land
Representative
Land Department
New Mexico Asset
Development

**Chevron North America
Exploration and Production
Company**
MidContinent Alaska BU
11111 S. Wilcrest
Houston, Texas 77099
Tel 281-561-3605
Fax 866-887-5130
jmeb@chevron.com

August 29, 2008

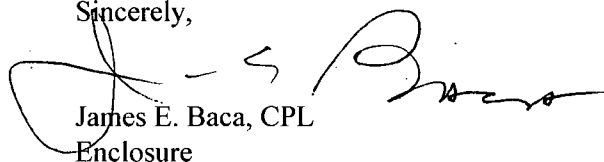
S & J Operating Company
Attn: Land Department
811 6th Street
Wichita Falls, Texas 76301

Dear Sir or Madam:

Chevron U.S.A. Inc. has filed an application with the New Mexico Oil Conservation Division seeking an unorthodox oil well location for the Eunice King #35 located 1,260' FNL, & 330' FWL, NW1/4NW1/4, Unit Letter D, of Section 28 Township 21 South, Range 37 East, N.M.P.M., Lea County, New Mexico. A copy of the application is enclosed. If you object to the application, you must notify the Division in writing no later than 20 days from the date of this letter (the Division's address is 1220 South Saint Francis Drive, Santa Fe, New Mexico 87505). Failure to object will preclude you from contesting this matter at a later date. The director may approve the unorthodox location upon receipt of waivers from all the affected persons or if no affected person has filed an objection within the 20-day period.

If you have no objection to this unorthodox well location, please sign in the space provided below and return one copy to my attention at the fax number or address shown in the letterhead.

Sincerely,



James E. Baca, CPL
Enclosure

cc: Mr. Mark Fesmire, P.E., Director, Oil Conservation Division

**S & J OPERATING COMPANY HAS NO OBJECTIONS TO THE UNORTHODOX WELL
LOCATION DESCRIBED ABOVE.**

AGREED TO AND ACCEPTED THIS _____ DAY OF _____, 2008

S & J OPERATING COMPANY

By: _____

Printed Name: _____

Title: _____



James E. Baca
Staff Land
Representative
Land Department
New Mexico Asset
Development

**Chevron North America
Exploration and Production
Company**
MidContinent Alaska BU
11111 S. Wilcrest
Houston, Texas 77099
Tel 281-561-3605
Fax 866-887-5130
jmeb@chevron.com

August 29, 2008

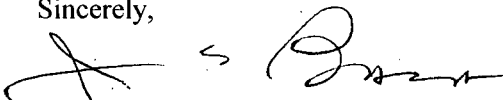
James L. Tull
Attn: Land Department
811 6th Street
Wichita Falls, Texas 76301

Dear Sir or Madam:

Chevron U.S.A. Inc. has filed an application with the New Mexico Oil Conservation Division seeking an unorthodox oil well location for the Eunice King #35 located 1,260' FNL, & 330' FWL, NW1/4NW1/4, Unit Letter D, of Section 28 Township 21 South, Range 37 East, N.M.P.M., Lea County, New Mexico. A copy of the application is enclosed. If you object to the application, you must notify the Division in writing no later than 20 days from the date of this letter (the Division's address is 1220 South Saint Francis Drive, Santa Fe, New Mexico 87505). Failure to object will preclude you from contesting this matter at a later date. The director may approve the unorthodox location upon receipt of waivers from all the affected persons or if no affected person has filed an objection within the 20-day period.

If you have no objection to this unorthodox well location, please sign in the space provided below and return one copy to my attention at the fax number or address shown in the letterhead.

Sincerely,


James E. Baca, CPL
Enclosure

cc: Mr. Mark Fesmire, P.E., Director, Oil Conservation Division

**JAMES L. TULL HAS NO OBJECTIONS TO THE UNORTHODOX WELL LOCATION
DESCRIBED ABOVE.**

AGREED TO AND ACCEPTED THIS _____ DAY OF _____, 2008

JAMES L. TULL



James E. Baca
Staff Land
Representative
Land Department
New Mexico Asset
Development

Chevron North America
Exploration and Production
Company
MidContinent Alaska BU
11111 S. Wilcrest
Houston, Texas 77099
Tel 281-561-3605
Fax 866-887-5130
jmeb@chevron.com

August 29, 2008

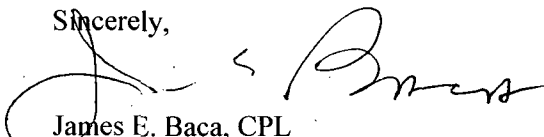
Robert McGaughey
Attn: Land Department
811 6th Street
Wichita Falls, Texas 76301

Dear Sir or Madam:

Chevron U.S.A. Inc. has filed an application with the New Mexico Oil Conservation Division seeking an unorthodox oil well location for the Eunice King #35 located 1,260' FNL, & 330' FWL, NW1/4NW1/4, Unit Letter D, of Section 28 Township 21 South, Range 37 East, N.M.P.M., Lea County, New Mexico. A copy of the application is enclosed. If you object to the application, you must notify the Division in writing no later than 20 days from the date of this letter (the Division's address is 1220 South Saint Francis Drive, Santa Fe, New Mexico 87505). Failure to object will preclude you from contesting this matter at a later date. The director may approve the unorthodox location upon receipt of waivers from all the affected persons or if no affected person has filed an objection within the 20-day period.

If you have no objection to this unorthodox well location, please sign in the space provided below and return one copy to my attention at the fax number or address shown in the letterhead.

Sincerely,



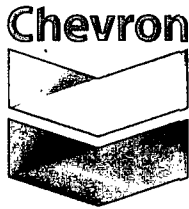
James E. Baca, CPL
Enclosure

cc: Mr. Mark Fesmire, P.E., Director, Oil Conservation Division

ROBERT MCGAUGHEY HAS NO OBJECTIONS TO THE UNORTHODOX WELL LOCATION DESCRIBED ABOVE.

AGREED TO AND ACCEPTED THIS _____ DAY OF _____, 2008

ROBERT MCGAUGHEY



James E. Baca
Staff Land
Representative
Land Department
New Mexico Asset
Development

**Chevron North America
Exploration and Production
Company**
MidContinent Alaska BU
11111 S. Wilcrest
Houston, Texas 77099
Tel 281-561-3605
Fax 866-887-5130
jmeb@chevron.com

August 29, 2008.

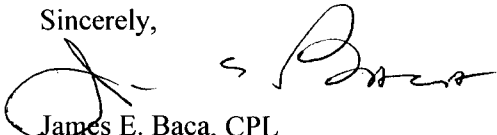
Billy Clay Carver
Attn: Land Department
811 6th Street
Wichita Falls, Texas 76301

Dear Sir or Madam:

Chevron U.S.A. Inc. has filed an application with the New Mexico Oil Conservation Division seeking an unorthodox oil well location for the Eunice King #35 located 1,260' FNL, & 330' FWL, NW1/4NW1/4, Unit Letter D, of Section 28 Township 21 South, Range 37 East, N.M.P.M., Lea County, New Mexico. A copy of the application is enclosed. If you object to the application, you must notify the Division in writing no later than 20 days from the date of this letter (the Division's address is 1220 South Saint Francis Drive, Santa Fe, New Mexico 87505). Failure to object will preclude you from contesting this matter at a later date. The director may approve the unorthodox location upon receipt of waivers from all the affected persons or if no affected person has filed an objection within the 20-day period.

If you have no objection to this unorthodox well location, please sign in the space provided below and return one copy to my attention at the fax number or address shown in the letterhead.

Sincerely,


James E. Baca, CPL
Enclosure

cc: Mr. Mark Fesmire, P.E., Director, Oil Conservation Division

BILLY CLAY CARVER HAS NO OBJECTIONS TO THE UNORTHODOX WELL LOCATION DESCRIBED ABOVE.

AGREED TO AND ACCEPTED THIS _____ DAY OF _____, 2008

BILLY CLAY CARVER



James E. Baca
Staff Land
Representative
Land Department
New Mexico Asset
Development

**Chevron North America
Exploration and Production
Company**
MidContinent Alaska BU
11111 S. Wilcrest
Houston, Texas 77099
Tel 281-561-3605
Fax 866-887-5130
jmeb@chevron.com

August 29, 2008

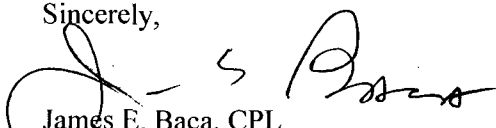
Thomas P. Stephens
Attn: Land Department
811 6th Street
Wichita Falls, Texas 76301

Dear Sir or Madam:

Chevron U.S.A. Inc. has filed an application with the New Mexico Oil Conservation Division seeking an unorthodox oil well location for the Eunice King #35 located 1,260' FNL, & 330' FWL, NW1/4NW1/4, Unit Letter D, of Section 28 Township 21 South, Range 37 East, N.M.P.M., Lea County, New Mexico. A copy of the application is enclosed. If you object to the application, you must notify the Division in writing no later than 20 days from the date of this letter (the Division's address is 1220 South Saint Francis Drive, Santa Fe, New Mexico 87505). Failure to object will preclude you from contesting this matter at a later date. The director may approve the unorthodox location upon receipt of waivers from all the affected persons or if no affected person has filed an objection within the 20-day period.

If you have no objection to this unorthodox well location, please sign in the space provided below and return one copy to my attention at the fax number or address shown in the letterhead.

Sincerely,


James E. Baca, CPL
Enclosure

cc: Mr. Mark Fesmire, P.E., Director, Oil Conservation Division

THOMAS P. STEPHENS HAS NO OBJECTIONS TO THE UNORTHODOX WELL LOCATION DESCRIBED ABOVE.

AGREED TO AND ACCEPTED THIS _____ DAY OF _____, 2008

THOMAS P. STEPHENS



James E. Baca
Staff Land
Representative
Land Department
New Mexico Asset
Development

**Chevron North America
Exploration and Production
Company**
MidContinent Alaska BU
11111 S. Wilcrest
Houston, Texas 77099
Tel 281-561-3605
Fax 866-887-5130
jmeb@chevron.com

August 29, 2008

Bob Gilmore
Attn: Land Department
811 6th Street
Wichita Falls, Texas 76301

Dear Sir or Madam:

Chevron U.S.A. Inc. has filed an application with the New Mexico Oil Conservation Division seeking an unorthodox oil well location for the Eunice King #35 located 1,260' FNL, & 330' FWL, NW1/4NW1/4, Unit Letter D, of Section 28 Township 21 South, Range 37 East, N.M.P.M., Lea County, New Mexico. A copy of the application is enclosed. If you object to the application, you must notify the Division in writing no later than 20 days from the date of this letter (the Division's address is 1220 South Saint Francis Drive, Santa Fe, New Mexico 87505). Failure to object will preclude you from contesting this matter at a later date. The director may approve the unorthodox location upon receipt of waivers from all the affected persons or if no affected person has filed an objection within the 20-day period.

If you have no objection to this unorthodox well location, please sign in the space provided below and return one copy to my attention at the fax number or address shown in the letterhead.

Sincerely,

James E. Baca, CPL

Enclosure

cc: Mr. Mark Fesmire, P.E., Director, Oil Conservation Division

**BOB GILMORE HAS NO OBJECTIONS TO THE UNORTHODOX WELL LOCATION
DESCRIBED ABOVE.**

AGREED TO AND ACCEPTED THIS _____ DAY OF _____, 2008

BOB GILMORE



James E. Baca
Staff Land
Representative
Land Department
New Mexico Asset
Development

Chevron North America
Exploration and Production
Company
MidContinent Alaska BU
11111 S. Wilcrest
Houston, Texas 77099
Tel 281-561-3605
Fax 866-887-5130
jmeb@chevron.com

August 29, 2008

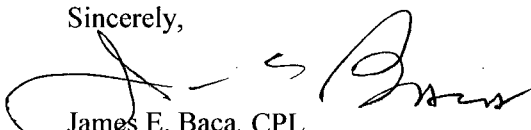
Bruce Robertson
Attn: Land Department
811 6th Street
Wichita Falls, Texas 76301

Dear Sir or Madam:

Chevron U.S.A. Inc. has filed an application with the New Mexico Oil Conservation Division seeking an unorthodox oil well location for the Eunice King #35 located 1,260' FNL, & 330' FWL, NW1/4NW1/4, Unit Letter D, of Section 28 Township 21 South, Range 37 East, N.M.P.M., Lea County, New Mexico. A copy of the application is enclosed. If you object to the application, you must notify the Division in writing no later than 20 days from the date of this letter (the Division's address is 1220 South Saint Francis Drive, Santa Fe, New Mexico 87505). Failure to object will preclude you from contesting this matter at a later date. The director may approve the unorthodox location upon receipt of waivers from all the affected persons or if no affected person has filed an objection within the 20-day period.

If you have no objection to this unorthodox well location, please sign in the space provided below and return one copy to my attention at the fax number or address shown in the letterhead.

Sincerely,


James E. Baca, CPL
Enclosure

cc: Mr. Mark Fesmire, P.E., Director, Oil Conservation Division

BRUCE ROBERTSON HAS NO OBJECTIONS TO THE UNORTHODOX WELL LOCATION DESCRIBED ABOVE.

AGREED TO AND ACCEPTED THIS _____ DAY OF _____, 2008

BRUCE ROBERTSON



James E. Baca
Staff Land
Representative
Land Department
New Mexico Asset
Development

Chevron North America
Exploration and Production
Company
MidContinent Alaska BU
11111 S. Wilcrest
Houston, Texas 77099
Tel 281-561-3605
Fax 866-887-5130
jmeb@chevron.com

August 29, 2008

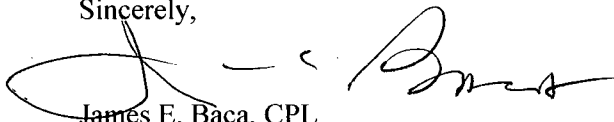
Dale T. Dreher
Attn: Land Department
811 6th Street
Wichita Falls, Texas 76301

Dear Sir or Madam:

Chevron U.S.A. Inc. has filed an application with the New Mexico Oil Conservation Division seeking an unorthodox oil well location for the Eunice King #35 located 1,260' FNL, & 330' FWL, NW1/4NW1/4, Unit Letter D, of Section 28 Township 21 South, Range 37 East, N.M.P.M., Lea County, New Mexico. A copy of the application is enclosed. If you object to the application, you must notify the Division in writing no later than 20 days from the date of this letter (the Division's address is 1220 South Saint Francis Drive, Santa Fe, New Mexico 87505). Failure to object will preclude you from contesting this matter at a later date. The director may approve the unorthodox location upon receipt of waivers from all the affected persons or if no affected person has filed an objection within the 20-day period.

If you have no objection to this unorthodox well location, please sign in the space provided below and return one copy to my attention at the fax number or address shown in the letterhead.

Sincerely,



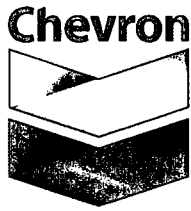
James E. Baca, CPL
Enclosure

cc: Mr. Mark Fesmire, P.E., Director, Oil Conservation Division

DALE T. DREHER HAS NO OBJECTIONS TO THE UNORTHODOX WELL LOCATION DESCRIBED ABOVE.

AGREED TO AND ACCEPTED THIS _____ DAY OF _____, 2008

DALE T. DREHER



James E. Baca
Staff Land
Representative
Land Department
New Mexico Asset
Development

**Chevron North America
Exploration and Production
Company**
MidContinent Alaska BU
11111 S. Wilcrest
Houston, Texas 77099
Tel 281-561-3605
Fax 866-887-5130
jmeb@chevron.com

August 29, 2008

Jeffrey W. Ritchie
Attn: Land Department
811 6th Street
Wichita Falls, Texas 76301

Dear Sir or Madam:

Chevron U.S.A. Inc. has filed an application with the New Mexico Oil Conservation Division seeking an unorthodox oil well location for the Eunice King #35 located 1,260' FNL, & 330' FWL, NW1/4NW1/4, Unit Letter D, of Section 28 Township 21 South, Range 37 East, N.M.P.M., Lea County, New Mexico. A copy of the application is enclosed. If you object to the application, you must notify the Division in writing no later than 20 days from the date of this letter (the Division's address is 1220 South Saint Francis Drive, Santa Fe, New Mexico 87505). Failure to object will preclude you from contesting this matter at a later date. The director may approve the unorthodox location upon receipt of waivers from all the affected persons or if no affected person has filed an objection within the 20-day period.

If you have no objection to this unorthodox well location, please sign in the space provided below and return one copy to my attention at the fax number or address shown in the letterhead.

Sincerely,

James E. Baca, CPL
Enclosure

cc: Mr. Mark Fesmire, P.E., Director, Oil Conservation Division

JEFFREY W. RITCHIE HAS NO OBJECTIONS TO THE UNORTHODOX WELL LOCATION DESCRIBED ABOVE.

AGREED TO AND ACCEPTED THIS _____ DAY OF _____, 2008

JEFFREY W. RITCHIE



James E. Baca
Staff Land
Representative
Land Department
New Mexico Asset
Development

**Chevron North America
Exploration and Production
Company**
MidContinent Alaska BU
11111 S. Wilcrest
Houston, Texas 77099
Tel 281-561-3605
Fax 866-887-5130
jmeb@chevron.com

August 29, 2008

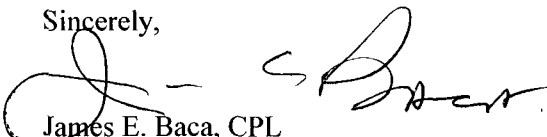
Max R. Vordenbaum
Attn: Land Department
811 6th Street
Wichita Falls, Texas 76301

Dear Sir or Madam:

Chevron U.S.A. Inc. has filed an application with the New Mexico Oil Conservation Division seeking an unorthodox oil well location for the Eunice King #35 located 1,260' FNL, & 330' FWL, NW1/4NW1/4, Unit Letter D, of Section 28 Township 21 South, Range 37 East, N.M.P.M., Lea County, New Mexico. A copy of the application is enclosed. If you object to the application, you must notify the Division in writing no later than 20 days from the date of this letter (the Division's address is 1220 South Saint Francis Drive, Santa Fe, New Mexico 87505). Failure to object will preclude you from contesting this matter at a later date. The director may approve the unorthodox location upon receipt of waivers from all the affected persons or if no affected person has filed an objection within the 20-day period.

If you have no objection to this unorthodox well location, please sign in the space provided below and return one copy to my attention at the fax number or address shown in the letterhead.

Sincerely,


James E. Baca, CPL
Enclosure

cc: Mr. Mark Fesmire, P.E., Director, Oil Conservation Division

**MAX R. VORDENBAUM HAS NO OBJECTIONS TO THE UNORTHODOX WELL
LOCATION DESCRIBED ABOVE.**

AGREED TO AND ACCEPTED THIS _____ DAY OF _____, 2008

MAX R. VORDENBAUM



James E. Baca
Staff Land
Representative
Land Department
New Mexico Asset
Development

**Chevron North America
Exploration and Production
Company**
MidContinent Alaska BU
11111 S. Wilcrest
Houston, Texas 77099
Tel 281-561-3605
Fax 866-887-5130
jmeb@chevron.com

August 29, 2008

C. K. Co.
Attn: Land Department
811 6th Street
Wichita Falls, Texas 76301

Dear Sir or Madam:

Chevron U.S.A. Inc. has filed an application with the New Mexico Oil Conservation Division seeking an unorthodox oil well location for the Eunice King #35 located 1,260' FNL, & 330' FWL, NW1/4NW1/4, Unit Letter D, of Section 28 Township 21 South, Range 37 East, N.M.P.M., Lea County, New Mexico. A copy of the application is enclosed. If you object to the application, you must notify the Division in writing no later than 20 days from the date of this letter (the Division's address is 1220 South Saint Francis Drive, Santa Fe, New Mexico 87505). Failure to object will preclude you from contesting this matter at a later date. The director may approve the unorthodox location upon receipt of waivers from all the affected persons or if no affected person has filed an objection within the 20-day period.

If you have no objection to this unorthodox well location, please sign in the space provided below and return one copy to my attention at the fax number or address shown in the letterhead.

Sincerely,

James E. Baca, CPL
Enclosure

cc: Mr. Mark Fesmire, P.E., Director, Oil Conservation Division

C. K. CO. HAS NO OBJECTIONS TO THE UNORTHODOX WELL LOCATION DESCRIBED ABOVE.

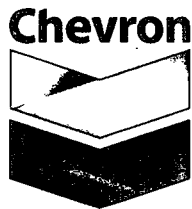
AGREED TO AND ACCEPTED THIS _____ DAY OF _____, 2008

C. K. CO.

By: _____

Printed Name: _____

Title: _____



James E. Baca
Staff Land
Representative
Land Department
New Mexico Asset
Development

**Chevron North America
Exploration and Production
Company
MidContinent Alaska BU**
11111 S. Wilcrest
Houston, Texas 77099
Tel 281-561-3605
Fax 866-887-5130
jmeb@chevron.com

August 29, 2008

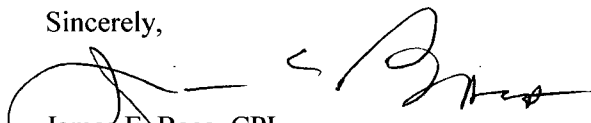
Ted H. Smith Jr.
Attn: Land Department
811 6th Street
Wichita Falls, Texas 76301

Dear Sir or Madam:

Chevron U.S.A. Inc. has filed an application with the New Mexico Oil Conservation Division seeking an unorthodox oil well location for the Eunice King #35 located 1,260' FNL, & 330' FWL, NW1/4NW1/4, Unit Letter D, of Section 28 Township 21 South, Range 37 East, N.M.P.M., Lea County, New Mexico. A copy of the application is enclosed. If you object to the application, you must notify the Division in writing no later than 20 days from the date of this letter (the Division's address is 1220 South Saint Francis Drive, Santa Fe, New Mexico 87505). Failure to object will preclude you from contesting this matter at a later date. The director may approve the unorthodox location upon receipt of waivers from all the affected persons or if no affected person has filed an objection within the 20-day period.

If you have no objection to this unorthodox well location, please sign in the space provided below and return one copy to my attention at the fax number or address shown in the letterhead.

Sincerely,


James E. Baca, CPL
Enclosure

cc: Mr. Mark Fesmire, P.E., Director, Oil Conservation Division

**TED H. SMITH JR. HAS NO OBJECTIONS TO THE UNORTHODOX WELL LOCATION
DESCRIBED ABOVE.**

AGREED TO AND ACCEPTED THIS _____ DAY OF _____, 2008

TED H. SMITH JR.



James E. Baca
Staff Land
Representative
Land Department
New Mexico Asset
Development

**Chevron North America
Exploration and Production
Company**
MidContinent Alaska BU
11111 S. Wilcrest
Houston, Texas 77099
Tel 281-561-3605
Fax 866-887-5130
jmeb@chevron.com

August 29, 2008

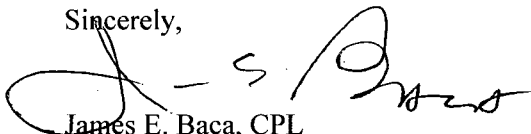
J & N Property Co., Ltd.
Attn: Land Department
811 6th Street
Wichita Falls, Texas 76301

Dear Sir or Madam:

Chevron U.S.A. Inc. has filed an application with the New Mexico Oil Conservation Division seeking an unorthodox oil well location for the Eunice King #35 located 1,260' FNL, & 330' FWL, NW1/4NW1/4, Unit Letter D, of Section 28 Township 21 South, Range 37 East, N.M.P.M., Lea County, New Mexico. A copy of the application is enclosed. If you object to the application, you must notify the Division in writing no later than 20 days from the date of this letter (the Division's address is 1220 South Saint Francis Drive, Santa Fe, New Mexico 87505). Failure to object will preclude you from contesting this matter at a later date. The director may approve the unorthodox location upon receipt of waivers from all the affected persons or if no affected person has filed an objection within the 20-day period.

If you have no objection to this unorthodox well location, please sign in the space provided below and return one copy to my attention at the fax number or address shown in the letterhead.

Sincerely,


James E. Baca, CPL
Enclosure

cc: Mr. Mark Fesmire, P.E., Director, Oil Conservation Division

**J & N PROPERTY CO., LTD. HAS NO OBJECTIONS TO THE UNORTHODOX WELL
LOCATION DESCRIBED ABOVE.**

AGREED TO AND ACCEPTED THIS _____ DAY OF _____, 2008

J & N PROPERTY CO., LTD.

By: _____

Printed Name: _____

Title: _____



James E. Baca
Staff Land
Representative
Land Department
New Mexico Asset
Development

**Chevron North America
Exploration and Production
Company
MidContinent Alaska BU**
11111 S. Wilcrest
Houston, Texas 77099
Tel 281-561-3605
Fax 866-887-5130
jmeb@chevron.com

August 29, 2008

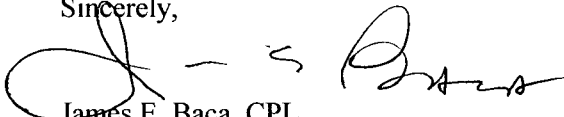
Stephens Partnership Co., Ltd.
Attn: Land Department
811 6th Street
Wichita Falls, Texas 76301

Dear Sir or Madam:

Chevron U.S.A. Inc. has filed an application with the New Mexico Oil Conservation Division seeking an unorthodox oil well location for the Eunice King #35 located 1,260' FNL, & 330' FWL, NW1/4NW1/4, Unit Letter D, of Section 28 Township 21 South, Range 37 East, N.M.P.M., Lea County, New Mexico. A copy of the application is enclosed. If you object to the application, you must notify the Division in writing no later than 20 days from the date of this letter (the Division's address is 1220 South Saint Francis Drive, Santa Fe, New Mexico 87505). Failure to object will preclude you from contesting this matter at a later date. The director may approve the unorthodox location upon receipt of waivers from all the affected persons or if no affected person has filed an objection within the 20-day period.

If you have no objection to this unorthodox well location, please sign in the space provided below and return one copy to my attention at the fax number or address shown in the letterhead.

Sincerely,


James E. Baca, CPL
Enclosure

cc: Mr. Mark Fesmire, P.E., Director, Oil Conservation Division

**STEPHENS PARTNERSHIP CO., LTD. HAS NO OBJECTIONS TO THE UNORTHODOX
WELL LOCATION DESCRIBED ABOVE.**

AGREED TO AND ACCEPTED THIS _____ DAY OF _____, 2008

STEPHENS PARTNERSHIP CO., LTD.

By: _____

Printed Name: _____

Title: _____

Baca, James (JMEB)

From: dg.heck@heckex.com
Sent: Friday, August 29, 2008 10:56 AM
To: Baca, James (JMEB)
Subject: Updated Notification List; Working Interest Owners; SE1/4NE1/4 of Sec. 29, T-21-S, R-37-E, (surface to 4,000 feet), Lea County, New Mexico

Attachments: Chevron-Notify.xls



Chevron-Notify.xls
(39 KB)

Updated Notification List

Company	Address	City	ST	Zip
Bristol Resources Corporation	6655 S. Lewis, Suite 200	Tulsa	OK	74136
Cheyenne Partners V, Ltd.	711 Louisiana, Suite 1740	Houston	TX	77002
Devon Energy Corporation	20 N. Broadway	Oklahoma City	OK	73102
ExxonMobil Corporation	P.O. Box 4610	Houston	TX	77210
Floyd Oil Company	711 Louisiana, Suite 1740	Houston	TX	77002
Geronimo Holding Corporation	1801 W. Texas	Midland	TX	79701
John H. Hendrix Corporation	P.O. Box 3040	Midland	TX	79702
Marathon Oil Company	P.O. Box 3487	Houston	TX	77253
Michael L. Klein	500 W. Texas, Suite 1230	Midland	TX	79701
National XP Company, Ltd.	P.O. Box 25202	Dallas	TX	75225
Nowitzki Oil & Gas, LP	301 Commerce Street, Suite 1830	Fort Worth	TX	76102
S&J Operating Company	811 6th Street	Wichita Falls	TX	76301
Stephens Partnership Co., Ltd.	811 6th Street	Wichita Falls	TX	76301
J&N Property Co., Ltd.	811 6th Street	Wichita Falls	TX	76301
C.K. Co.	811 6th Street	Wichita Falls	TX	76301
Ted H. Smith Jr.	811 6th Street	Wichita Falls	TX	76301
Max R. Vordenbaum	811 6th Street	Wichita Falls	TX	76301
Thomas P. Stephens	811 6th Street	Wichita Falls	TX	76301
Bob Gilmore	811 6th Street	Wichita Falls	TX	76301
Bruce Robertson	811 6th Street	Wichita Falls	TX	76301
Dale T. Dreher	811 6th Street	Wichita Falls	TX	76301
Jeffrey W. Ritchie	811 6th Street	Wichita Falls	TX	76301
Robert McGaughey	811 6th Street	Wichita Falls	TX	76301
Billy Clay Carver	811 6th Street	Wichita Falls	TX	76301
James L. Tull	811 6th Street	Wichita Falls	TX	76301



Casey R. Mobley
Project Manager / Geologist

North America Upstream
Midcontinent Business Unit
11111 S. Wilcrest, Rm S-1037
Houston, Texas 77099
Tel (281) 561-4830
Fax (281) 561-3576
Casey.Mobley@chevron.com

August 8, 2008

Request for Administrative Approval of
Unorthodox Oil Well Location

Mr. Mark E. Fesmire
New Mexico Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, New Mexico 87505

Dear Mr. Fesmire:

Chevron respectfully requests administrative approval of an unorthodox oil well location for the following well:

Eunice King #35
1260' FNL & 330' FWL, NW/4 NW/4 of
Section 28, T21S, R37E, Unit Letter D
Lea County, New Mexico

The proposed well will be an infill producer in the Penrose Skelly, Grayburg Pool [Pool Code 50350], which is an oil pool spaced on 40 acres. This well is a continuation of our 4 year infill drilling in the same Pool. Chevron's technical analysis of the reservoir still supports the contention that typical Grayburg wells cannot drain 40 acres.

The NW/4 NW/4 of Section 28 will be simultaneously dedicated in the Penrose Skelly, Grayburg Pool to the proposed well and to the Eunice King #2, Eunice King #6, and Eunice King #30 wells, pursuant to statewide Rule 104.B(1). The Eunice King #2 was drilled in 1937 and was re-completed as a Penrose Skelly, Grayburg producer in 2005. The Eunice King #6 was drilled in 1947 and is currently inactive as a Penrose Skelly, Grayburg producer. The Eunice King #30 was drilled in 2006 and is currently completed as a Penrose Skelly, Grayburg producer.

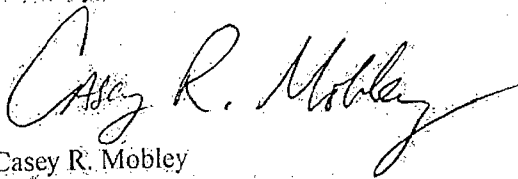
This application is based on geological and engineering analysis. The analysis and justification for this request is attached as Exhibit 1, along with other supporting documentation. There are nine wells that have produced the Grayburg formation in the NW/4 of Section 28. The proposed well will be located in the approximate western center point of those wells and 330' off the lease line. Based on drainage calculations, Chevron believes that drilling the infill well will recover reserves that would not be recovered by existing Grayburg producers.

A land plat highlighting the proposed well's location is attached as Exhibit 2. The N/2 of Section 28 is covered by a single fee lease and has common royalty and working interest ownerships. For that reason and the proposed location of the infill well, there are no adversely affected interest owners and no one has been notified of this application.

August 8, 2008
Page 2

If you have any questions concerning this application or need additional information, please contact me by phone at (281) 561-4830 or by email at Casey.Mobley@chevron.com. If I am not available, you can also reach Meilin Du by phone at (281) 561-3654 or by email at meilin.du@chevron.com. Thank you for consideration of this matter.

Sincerely,

A handwritten signature in cursive script that reads "Casey R. Mobley". The signature is written in dark ink and is positioned above the printed name and title.

Casey R. Mobley
Project Manager / Geologist

Attachments

cc: NMOCD District 1 - Hobbs, NM
Meilin Du
Ed Van Reet
Well File

NOTIFICATION LIST

Application of Chevron U.S.A. Inc. for Administrative Approval of an Unorthodox Oil Well Location:

Eunice King #35

1260' FNL & 330' FWL

Section 28, T21S, R37E, Unit Letter D

Lea County, New Mexico

Offset Operators, Working Interest Owners, N/2 Section 28:

- | | | |
|----|---------------------|------------------|
| 1. | Chevron U.S.A. Inc. | Operator/100% WI |
| | 11111 S. Wilcrest | |
| | Houston, TX 77099 | |

DATE IN	SUSPENSE	ENGINEER	LOGGED IN	TYPE	APP. NO.
---------	----------	----------	-----------	------	----------

ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION

- Engineering Bureau -

1220 South St. Francis Drive, Santa Fe, NM 87505



ADMINISTRATIVE APPLICATION CHECKLIST

THIS CHECKLIST IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE

Application Acronyms:

[NSL-Non-Standard Location] **[NSP-Non-Standard Proration Unit]** **[SD-Simultaneous Dedication]**
[DHC-Downhole Commingling] **[CTB-Lease Commingling]** **[PLC-Pool/Lease Commingling]**
[PC-Pool Commingling] **[OLS - Off-Lease Storage]** **[OLM-Off-Lease Measurement]**
[WFX-Waterflood Expansion] **[PMX-Pressure Maintenance Expansion]**
[SWD-Salt Water Disposal] **[IPI-Injection Pressure Increase]**
[EOR-Qualified Enhanced Oil Recovery Certification] **[PPR-Positive Production Response]**

[1] TYPE OF APPLICATION - Check Those Which Apply for [A]

[A] Location - Spacing Unit - Simultaneous Dedication
☒ NSL ☐ NSP ☐ SD

Check One Only for [B] or [C]

[B] Commingling - Storage - Measurement
☐ DHC ☐ CTB ☐ PLC ☐ PC ☐ OLS ☐ OLM

[C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery
☐ WFX ☐ PMX ☐ SWD ☐ IPI ☐ EOR ☐ PPR

[D] Other: Specify _____

[2] NOTIFICATION REQUIRED TO: - Check Those Which Apply, or ☒ Does Not Apply

[A] ☐ Working, Royalty or Overriding Royalty Interest Owners

[B] ☐ Offset Operators, Leaseholders or Surface Owner

[C] ☐ Application is One Which Requires Published Legal Notice

[D] ☐ Notification and/or Concurrent Approval by BLM or SLO
 U.S. Bureau of Land Management - Commissioner of Public Lands, State Land Office

[E] ☐ For all of the above, Proof of Notification or Publication is Attached, and/or,

[F] ☐ Waivers are Attached

[3] SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED ABOVE.

[4] **CERTIFICATION:** I hereby certify that the information submitted with this application for administrative approval is accurate and complete to the best of my knowledge. I also understand that **no action** will be taken on this application until the required information and notifications are submitted to the Division.

Note: Statement must be completed by an individual with managerial and/or supervisory capacity.

Casey R. Mobley
Print or Type Name

Signature

Project Manager / Geologist
Title

8/08/2008
Date

Casey.Mobley@chevron.com
e-mail Address

EXHIBIT 1

ENGINEERING AND GEOLOGICAL JUSTIFICATION

Application of Chevron U.S.A. Inc. for Administrative Approval of an Unorthodox Oil Well Location:

Eunice King #35

1260' FNL & 330' FWL

Section 28, T21S, R37E, Unit Letter D

Lea County, New Mexico

PRIMARY OBJECTIVE: GRAYBURG

SUPPORTING DATA:

1. Chevron U.S.A. Inc. (Chevron) is the operator of the proposed Eunice King #35 well (Exhibit 3). The proposed total depth is 4300' in the top of the San Andres formation.
2. The completion will be in the Penrose Skelly, Grayburg Oil Pool and the proposed location encroaches toward the following wells (Exhibit 4).

Operator	Well	API #	Location	Formation	Cum Prod		Current Prod		Status
					MBO	MMCF	BOPD	MCFPD	
Chevron	Eunice King #1	30025068370000	28E 21S 37E	Grayburg	191	1,270	1	160	Oil
Chevron	Eunice King #2	30025068380000	28D 21S 37E	Grayburg	61	220	4	257	Oil
Chevron	Eunice King #3	30025068390000	28F 21S 37E	Grayburg	121	1,040	2	172	Oil
Gulf	Eunice King #6	30025068420002	28D 21S 37E	Grayburg	32	284	-	-	Inactive Oil
Chevron	Eunice King #7	30025068430000	28G 21S 37E	Grayburg	44	496	2	229	Oil
Chevron	Eunice King #8	30025068440005	28H 21S 37E	Grayburg	11	263	2	235	Oil
Chevron	Eunice King #11	30025068470001	28B 21S 37E	Grayburg	78	596	12	133	Oil
Chevron	Eunice King #12	30025068480000	28A 21S 37E	Grayburg	24	365	11	167	Oil
Gulf	Eunice King #16	30025068530002	28A 21S 37E	Grayburg	190	94	-	-	Inactive Oil
Chevron	Eunice King #19	30025068560005	28C 21S 37E	Grayburg	13	396	5	162	Oil
Gulf	Eunice King #26	30025068660001	28H 21S 37E	Grayburg	12	72	-	-	Inactive Oil
Chevron	Eunice King #27	30025367380000	28C 21S 37E	Grayburg	12	470	6	191	Oil
Chevron	Eunice King #28	30025367390000	28B 21S 37E	Grayburg	19	269	10	233	Oil
Chevron	Eunice King #29	30025371870000	28F 21S 37E	Grayburg	12	173	6	243	Oil
Chevron	Eunice King #30	30025378310000	28D 21S 37E	Grayburg	8	125	9	257	Oil
Chevron	Eunice King #31	30025378320000	28B 21S 37E	Grayburg	7	158	1	99	Oil
Chevron	Eunice King #32	30025383360000	28A 21S 37E	Grayburg	7	56	13	153	Oil
Chevron	Eunice King #33	30025383370000	28F 21S 37E	Grayburg	1	114	7	389	Oil

3. The proposed Eunice King #35 unorthodox Grayburg location is based primarily on drainage considerations:

a. Grayburg Reservoir

The Grayburg is a series of alternating subtidal and supratidal dolomites with the subtidal rock having porosity and hydrocarbons while the supratidal rock is tight. The Grayburg depositional environments varied rapidly so that many porous and tight intervals are not continuous from well to well on 40-acre spacing. Tight dolomite and/or anhydrite intervals within the Grayburg create vertical and horizontal flow barriers between different zones of porosity. Additionally, average porosity of the Grayburg is less than 10%, and the average permeability is less than 1 millidarcy. For all of these reasons, Grayburg wells are not usually capable of draining a 40-acre proration unit.

The reservoir was also analyzed by mapping the Hydrocarbon Pore Volume (HCPV) (Exhibit 5). HCPV is the product of feet of net pay (h) times average porosity (phi) times oil saturation (S_o). The attached map is the arithmetic product of grids interpreted from those values. The values were obtained as follows:

1. Net pay was read from either modern neutron-density logs or estimated from a map developed from gross pay times net-to-gross ratio (Exhibit 4).
2. Average porosity was calculated from modern well logs using a minimum of 6% crossplot porosity and a maximum of 20%.
3. Oil saturation was calculated from a fractional flow curve using representative water cut values.

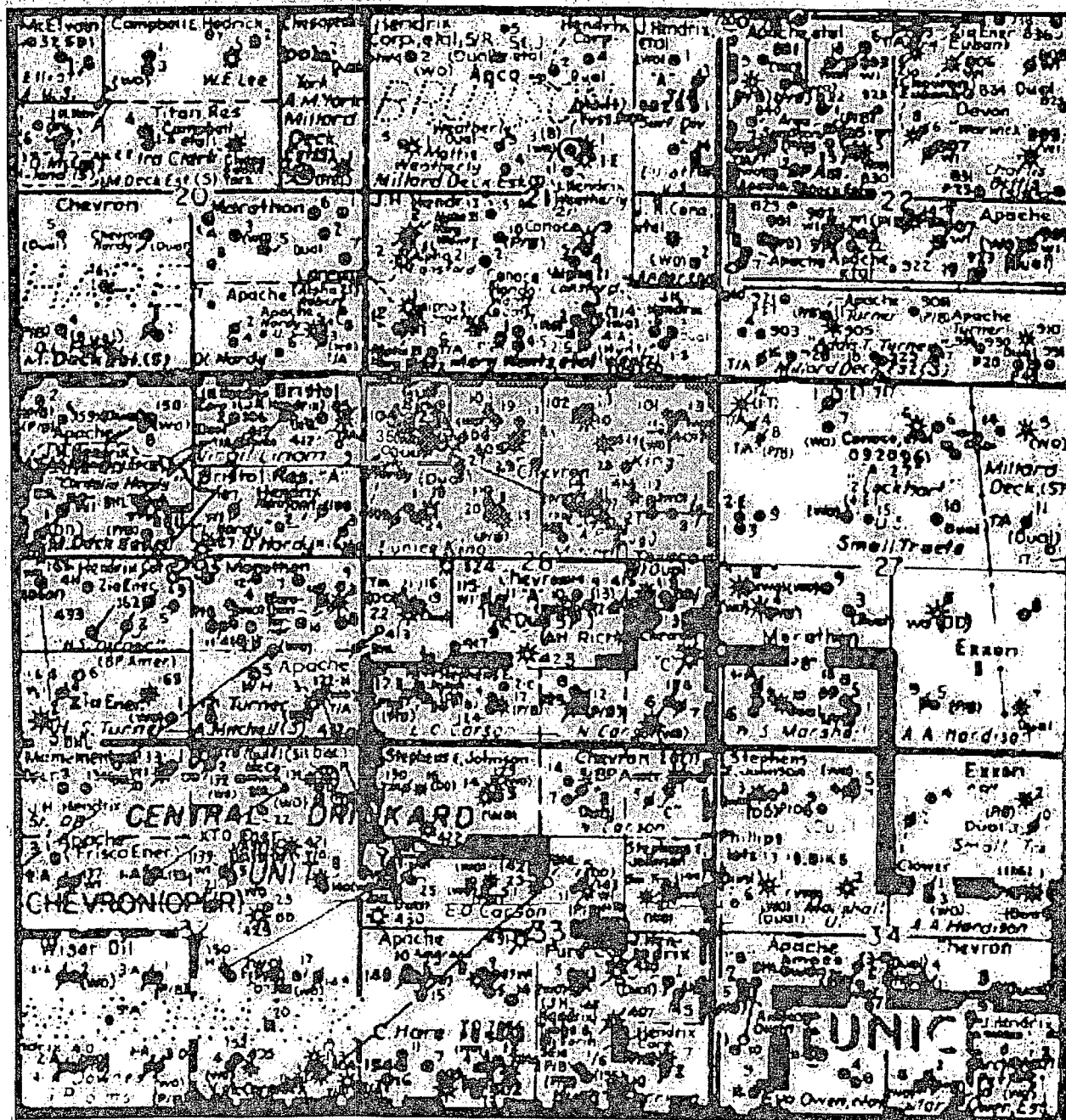
The following table provides drainage areas calculated from the HCPV map and reserves of the offsetting wells.

Operator	Well	API #	Location	Formation	Drainage Acres	EUR	
						MBO	MMCF
Chevron	Eunice King #1	30025068370000	28E 21S 37E	Grayburg	18	191	1,315
Chevron	Eunice King #2	30025068380000	28D 21S 37E	Grayburg	7	67	453
Chevron	Eunice King #3	30025068390000	28F 21S 37E	Grayburg	12	123	1,152
Gulf	Eunice King #6	30025068420002	28D 21S 37E	Grayburg	3	32	284
Chevron	Eunice King #7	30025068430000	28G 21S 37E	Grayburg	6	46	713
Chevron	Eunice King #8	30025068440005	28H 21S 37E	Grayburg	2	14	436
Chevron	Eunice King #11	30025068470001	28B 21S 37E	Grayburg	14	101	800
Chevron	Eunice King #12	30025068480000	28A 21S 37E	Grayburg	7	48	706
Gulf	Eunice King #16	30025068530002	28A 21S 37E	Grayburg	26	190	94
Chevron	Eunice King #19	30025068560005	28C 21S 37E	Grayburg	2	15	501
Gulf	Eunice King #26	30025068660001	28H 21S 37E	Grayburg	2	12	72
Chevron	Eunice King #27	30025367380000	28C 21S 37E	Grayburg	3	27	703
Chevron	Eunice King #28	30025367390000	28B 21S 37E	Grayburg	5	39	570
Chevron	Eunice King #29	30025371870000	28F 21S 37E	Grayburg	3	23	332
Chevron	Eunice King #30	30025378310000	28D 21S 37E	Grayburg	1	14	260
Chevron	Eunice King #31	30025378320000	28B 21S 37E	Grayburg	2	12	351
Chevron	Eunice King #32	30025383360000	28A 21S 37E	Grayburg	4	33	283
Chevron	Eunice King #33	30025383370000	28F 21S 37E	Grayburg	1	6	544

As seen above, the average drainage area of the offsetting locations is only 12 acres, and additional reserves can be recovered by drilling the proposed infill well at an approximate equidistant location from the existing offsetting producers. Reserves for the proposed location were calculated using the HCPV map, a 8 acre drainage area, and a 15% recovery factor. The results are as follows:

Operator	Well	Location	HCPV	Drainage Acres	EUR	
					MBO	MMCF
Chevron	Eunice King #35	28-D	19	8	47	201

4. The N/2 of Section 28 is covered by a single fee lease which has common royalty and working interest ownerships. Chevron is the operator and 100% working interest owner of the Grayburg wells toward which the proposed well will encroach. Therefore, there are no offset interest owners or adversely affected parties to notify of this application.
5. The proposed Eunice King #35 will share a 40-acre proration unit and will be simultaneously dedicated with the Eunice King #2, Eunice King #6, and Eunice King #30 as a Penrose Skelly, Grayburg producer in Section 28, Unit Letter D.
6. Approval of this application will allow for the recovery of oil and gas reserves which would not otherwise be recovered.



Chevron USA Inc.



Eunie King #2
 660 FNL & 660 FWL, Unit D
 Eunie King #6
 766 FNL & 554 FWL, Unit D
 Eunie King #30
 330 FNL & 1310 FWL, Unit D
 Eunie King #35 (proposed)
 1260 FNL & 330 FWL, Unit D
 Section 28, T21S-R37E
 Lea County, New Mexico

Eunie King Lease

40 Acre Proration Unit

Scale: 1"=2000' Approx.

State of New Mexico

Energy, Minerals and Natural Resources Department

DISTRICT I

1625 N. FRENCH DR., HOBBBS, NM 88240

DISTRICT II

1301 W. GRAND AVENUE, ARTESIA, NM 88210

DISTRICT III

1000 Rio Brazos Rd., Aztec, NM 87410

DISTRICT IV

1220 S. ST. FRANCIS DR., SANTA FE, NM 87505

OIL CONSERVATION DIVISION

1220 SOUTH ST. FRANCIS DR.
Santa Fe, New Mexico 87505

Form C-102

Revised October 12, 2005

Submit to Appropriate District Office

State Lease - 4 Copies

Fee Lease - 3 Copies

WELL LOCATION AND ACREAGE DEDICATION PLAT

☐ AMENDED REPORT

API Number	Pool Code	Pool Name
Property Code	Property Name EUNICE KING	Well Number 36 35
GRID No.	Operator Name CHEVRON USA INC.	Elevation 3470'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
D	28	21-S	37-E		1260	NORTH	330	WEST	LEA

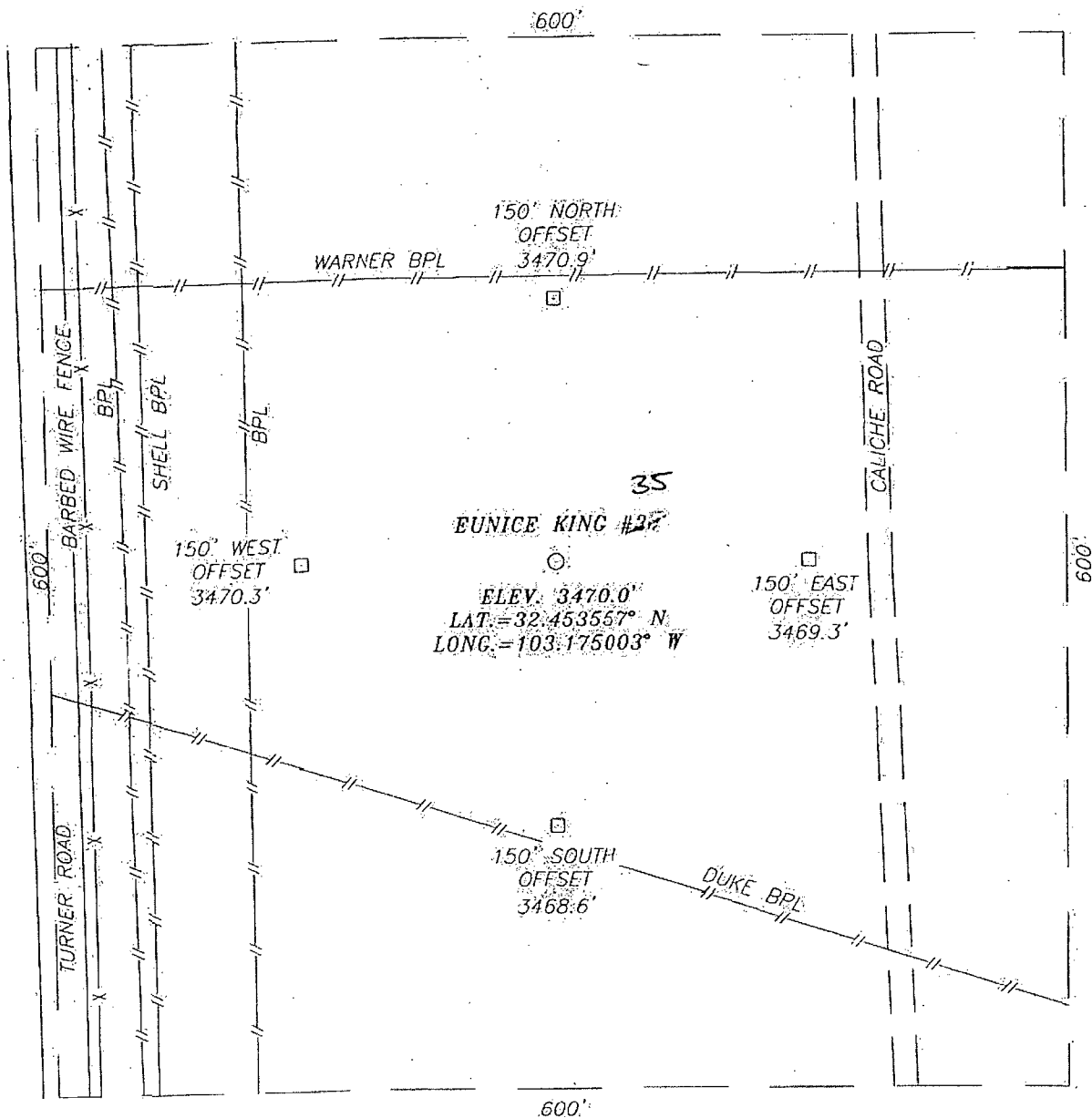
Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
Dedicated Acres	Joint or Infill	Consolidation Code	Order No.						

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED
OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

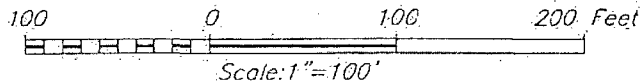
	OPERATOR CERTIFICATION I hereby certify that the information herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest, or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division. Signature _____ Date _____ Printed Name _____
	SURVEYOR CERTIFICATION I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief. Date Surveyed: JULY 21, 2008 LA Signature: Ronald J. Eidson Seal of Professional Surveyor 3239 Certificate No: RONALD EIDSON 3239

SECTION 28, TOWNSHIP 21 SOUTH, RANGE 37 EAST, N.M.P.M.,
LEA COUNTY, NEW MEXICO



DIRECTIONS TO LOCATION

FROM INTERSECTION ST. HWY. #8 AND CO. RD. #E33 (TURNER), GO NORTH ON CO. RD. #E33 APPROX. 0.8 MILES. THIS LOCATION IS APPROX. 300 FEET EAST.



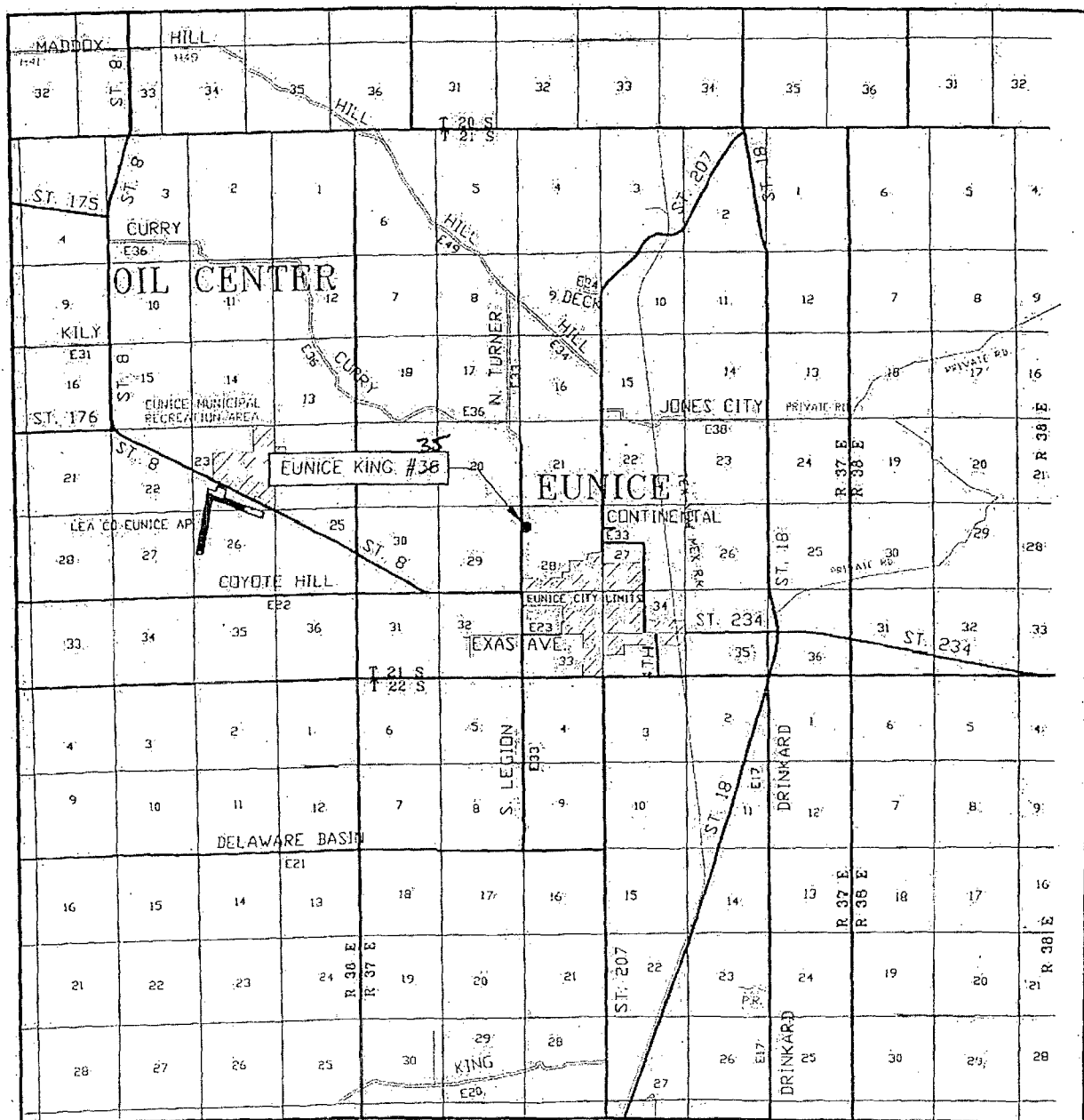
CHEVRON USA INC.

EUNICE KING #35 WELL
LOCATED 1,260 FEET FROM THE NORTH LINE
AND 330 FEET FROM THE WEST LINE OF SECTION 28,
TOWNSHIP 21 SOUTH, RANGE 37 EAST, N.M.P.M.,
LEA COUNTY, NEW MEXICO.

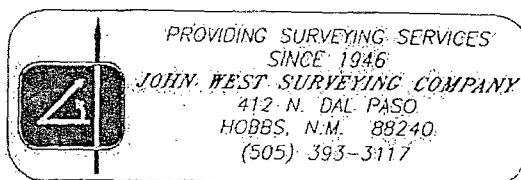
Survey Date: 7/28/08	Sheet 1 of 1 Sheets
W.O. Number: 08-11-1131	Dr By: LA
Date: 7/28/08	08111131
	Scale: 1"=100'



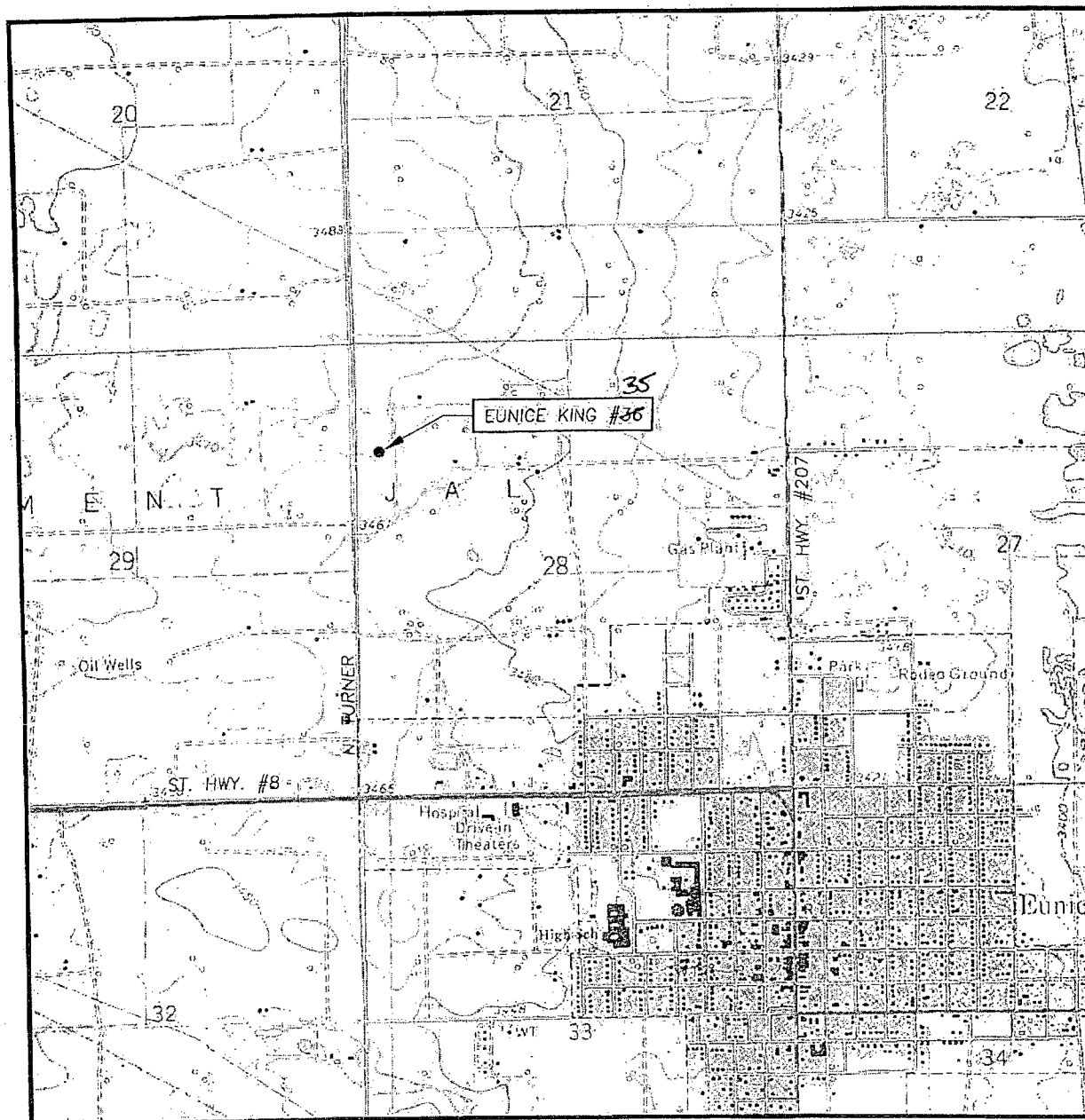
PROVIDING SURVEYING SERVICES
SINCE 1946
JOHN WEST SURVEYING COMPANY
412 N. DAL PASO
HOBBS, N.M. 88240
(505) 393-3117



SEC. 23 TWP. 21-S RGE. 37-E
SURVEY _____ N.M.P.M. _____
COUNTY _____ LEA _____ STATE NEW MEXICO
DESCRIPTION 1260' FNL & 330' FWL
ELEVATION _____ 3470' _____
OPERATOR _____ CHEVRON U.S.A. INC. _____
LEASE _____ EUNICE KING _____



LOCATION VERIFICATION MAP



SCALE: 1" = 2000'

CONTOUR INTERVAL:
EUNICE, N.M. - 10'

SEC. 28 TWP. 21-S RGE. 37-E

SURVEY N.M.P.M.

COUNTY LEA STATE NEW MEXICO

DESCRIPTION 1260' FNL & 330' FWL

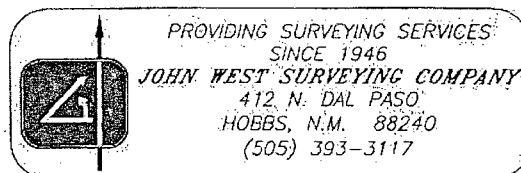
ELEVATION 3470'

OPERATOR CHEVRON USA INC.

LEASE EUNICE KING

U.S.G.S. TOPOGRAPHIC MAP

EUNICE, N.M.



District I
1625 N. French Dr., Hobbs, NM 88240

District II
1301 W. Grand Avenue, Artesia, NM 88210

District III
1000 Rio Brazos Rd., Aztec, NM 87410

District IV
1220 South St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals & Natural Resources Department

Form C-102
Revised June 10, 2003

OIL CONSERVATION DIVISION

1220 South St. Francis Dr.
Santa Fe, NM 87505

Submit to District Office

Exhibit 3.1

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number	² Pool Code 50350	³ Pool Name Penrose Skelly, Grayburg
⁴ Property Code	⁵ Property Name Eunice King	⁶ Well Number 35
⁷ OGRID No.	⁸ Operator Name Chevron U.S.A., Inc.	⁹ Elevation 3470'

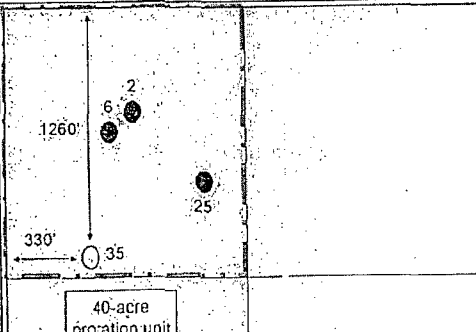
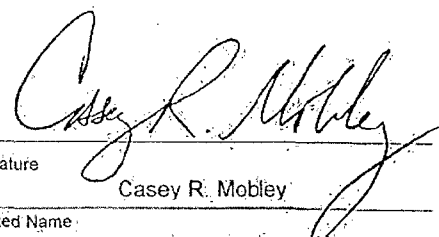
¹⁰ Surface Location

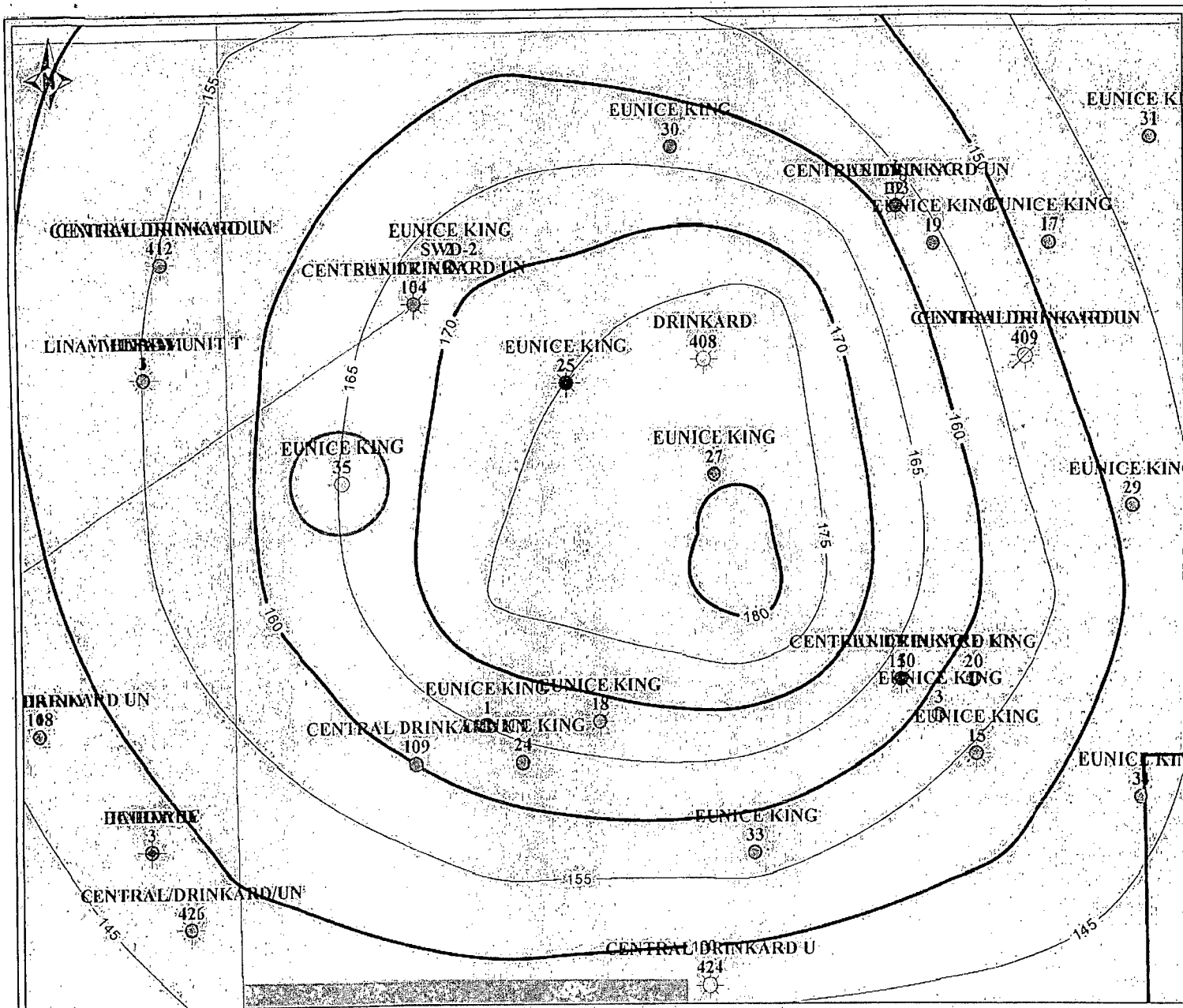
UL or Lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
D	28	21S	37E		1260	North	330	West	Lea

¹¹ Bottom Hole Location If Different From Surface

UL or Lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
¹² Dedicated Acres 40	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.						

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

	Eunice King Lease	<p>¹⁷ OPERATOR CERTIFICATION</p> <p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</p> <p></p> <p>Signature Casey R. Mobley</p> <p>Printed Name Geologist</p> <p>Title August 9, 2008</p>
		<p>¹⁸ SURVEYOR CERTIFICATION</p> <p>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.</p> <p>Signature and Seal of Professional Surveyor:</p> <p>Certificate Number</p>



PETRA 8/7/2008 8:08:12 AM



Chevron U.S.A. Inc.

EXHIBIT 4

PENROSE-SKELLY FIELD EUNICE KING #35

Sec 28; T21S; R37E, Lea Co., New Mexico

Grayburg Net Pay CI=5' [GR<40', Por>6%]

POSTED WELL DATA

Well Name
Well Number



0 500 1,000
FEET

August 7, 2008

