

State of New Mexico  
Energy, Minerals and Natural Resources Department

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**Susana Martinez**  
Governor

**David Martin**  
Cabinet Secretary

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

**Jami Bailey, Division Director**  
Oil Conservation Division



August 20, 2014

Chevron USA Inc.  
Attn: Ms. Cindy Herrera-Murillo

ADMINISTRATIVE NON-STANDARD LOCATION ORDER

**Administrative Order NSL-5906-A**  
**Administrative Application Reference No. pMAM1420930674**

**Chevron USA Inc.**  
OGRID 4323  
**C.L. Hardy Well No. 10**  
**API No. 30-025-39240**

**Proposed Location:**

<u>Footages</u>	<u>Unit</u>	<u>Section</u>	<u>Township</u>	<u>Range</u>	<u>County</u>
1270 FSL & 482 FWL	M	20	21S	37E	Lea

**Proposed Project Area:**

<u>Description</u>	<u>Acres</u>	<u>Pool</u>	<u>Pool Code</u>
SW/4 SW/4 of Section 20	40	Penrose Skelly; Grayburg	50350

Reference is made to your application received on July 25, 2014.

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 19.15.15.9.A NMAC, which provides for 40-acre units with wells located at least 330 feet from a unit or lot 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 19.15.4.12.A (2) NMAC.

It is our understanding that you are seeking this location due to an unforeseen pipeline in the area.

It is also understood that notice of this application to offsetting operators or owners is unnecessary due to common ownership.

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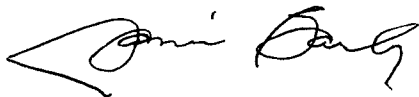
Pursuant to the authority conferred by Division Rule 9.15.15.13 (B) NMAC, the above-described unorthodox location is hereby approved.

This order supersedes Order No. CTB 5906, issued October 22, 2008.

This approval is subject to your being in compliance with all other applicable Division rules, including, but not limited to Division Rule 19.15.5.9 NMAC.

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

DONE at Santa Fe, New Mexico, on August 20, 2014.

A handwritten signature in black ink, appearing to read "Jami Bailey". The signature is stylized with a large, sweeping initial "J" and a cursive "Bailey".

Jami Bailey  
Director

JB/mam

cc: New Mexico Oil Conservation Division – Hobbs