

# New Mexico Energy, Minerals and Natural Resources Department

**Bill Richardson**  
Governor

Joanna Prukop  
Cabinet Secretary  
Reese Fullerton  
Deputy Cabinet Secretary

Mark Fesmire  
Division Director  
Oil Conservation Division



July 3, 2008

Chevron USA, Inc.  
Attn: Mr. Casey R. Mobley  
11111 S. Wilcrest, Rm S-1037  
Houston, TX 77099

**Administrative Order NSL-5867**

**Re: Mittie Weatherly Well No. 9  
API No. 30-025-  
2335 FNL and 1470 FWL  
Unit F, Section 17-21S-37E  
Lea County, New Mexico**

Dear Mr. Mobley:

Reference is made to the following:

(a) your application (**administrative application reference No. pKVR08-15754217**) submitted to the New Mexico Oil Conservation Division (the Division) in Santa Fe, New Mexico on June 5, 2008, and

(b) the Division's records pertinent to this request.

Chevron USA, Inc. (Chevron) has requested to drill the above-referenced well at an unorthodox oil well location, as described above in the caption of this letter. The SE/4 NW/4 of Section 17 will be dedicated to this well in order to form a standard 40-acre oil spacing unit in the Penrose-Skelly Grayburg Pool (50350). This pool is governed by statewide Rule 104.B(1), which provides for 40-acre units, with wells located at least 330 feet from a unit outer boundary. This location is less than 330 feet from the western unit boundary.

Your application has been duly filed under the provisions of Division Rules 104.F and 1210.A(2).

It is our understanding that this location is being requested because Chevron's geologic interpretation indicates that the well can tap into stranded reserves located on the margins of existing spacing units that cannot be effectively drained by wells located at standard locations.

Oil Conservation Division \* 1220 South St. Francis Drive  
\* Santa Fe, New Mexico 87505

\* Phone: (505) 476-3440 \* Fax (505) 476-3462\* <http://www.emnrd.state.nm.us>



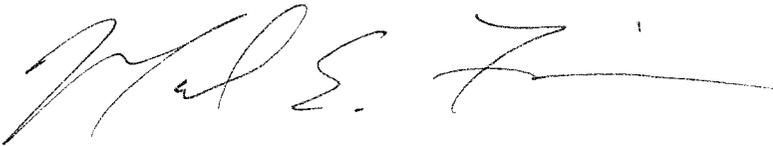
It is also understood that notice of this application to offsetting operators or owners is unnecessary because of common ownership.

Pursuant to the authority conferred by Division Rule 104.F(2), the above-described unorthodox location is hereby approved.

This approval is subject to your being in compliance with all other applicable Division rules, including, but not limited to Division Rule 40.

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

Sincerely,

A handwritten signature in black ink, appearing to read 'Mark E. Fesmire', written in a cursive style.

Mark E. Fesmire, P.E.  
Director

MEF/db

cc: New Mexico Oil Conservation Division - Hobbs