



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



March 10, 2009
Administrative Order SD-200902

Chevron U.S.A., Inc.
15 Smith Road
Midland, Texas 79705
Attention: Carolyn Haynie

Re: Chevron's SD Application: J.R. Phillips Well No.6 & J.R. Phillips Well No.15

J.R. Phillips Well No. 6

API No. 30-025-05959
1897' FNL & 660 FWL, Unit E
Section 6, T-20 South, R-37 East, NMPM, Lea County, New Mexico

J.R. Phillips Well No. 15

API No. 30-025-35119
660' FNL & 1865 FWL, Unit C
Section 6, T-20 South, R-37 East, NMPM, Lea County, New Mexico

Dear Ms. Haynie:

Reference is made to the following:

(a) Chevron U.S.A., Inc. ("Chevron") application for simultaneous dedication [SD] (**administrative application reference No. pKAA0905055963**) for the J. R. Phillips Well No. 6 and Well No. 15 wells that was submitted to the New Mexico Oil Conservation Division ("Division") in Santa Fe, New Mexico on March 19, 2009, and

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

Chevron (OGRID 4323) has requested to simultaneously dedicate the NW/4 of Section 6, Township 20 South, Range 37 East in Lea County, NM in the West Monument-Tubb Gas Pool (96968), to:



(a) its existing J. R. Phillips Well No. 6 (API No. 30-025-05959) that was originally drilled in 1949 as a Monument Abo producer [Chevron now intends to re-complete this well up-hole in the West Monument-Tubb Gas Pool (96968)]; and

(b) its existing J. R. Phillips Well No. 15 (API No. 30-025-35119) that was originally drilled to the Tubb formation and is dedicated to this 160 acre West Monument-Tubb (Gas) Proration Unit.

Spacing, well locations, and allowables for this pool are governed by statewide Rule 15.10.C which provides for 160-acre units, limited to one well per unit,

Your application has been duly filed under the provisions of Division Rules 15.11.C and 4.12.A.

It is our understanding that you are seeking simultaneous dedication of this unit to the two wells described for geological reasons, in order to prevent waste and maximize production from this unit.

We further understand that you have given due notice of this application to all "affected persons," as defined in Rule 4.12.A (2) (a), in all existing spacing units in the Tubb adjoining the proposed unit.

Pursuant to the provisions of Division Rules 15.11.C and 4.12.A the above-described simultaneous dedication is hereby approved.

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

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

Sincerely,



Mark E. Fesmire, P.E.
Division Director

MEF/tw

cc: New Mexico Oil Conservation Division - Hobbs
File: SD-200902