

ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION
 - Engineering Bureau -
 2009 MAR 11 11:22 AM
 120 South St. Francis Drive, Santa Fe, NM 87505



30-025
 WT McDermack #30
 Chevron USA
 4323

ADMINISTRATIVE APPLICATION CHECKLIST

6017

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

Casey R. Mobley
 Signature

Project Manager / Geologist
 Title

3/2/2009
 Date

Casey.Mobley@chevron.com
 e-mail Address



Casey R. Mobley
Project Manager / Geologist

North America Upstream
Midcontinent Business Unit
11111 S. Wilcrest, Rm S1037
Houston, Texas 77099
Tel (281) 561-4830
Fax (281) 561-3576
Casey.Mobley@chevron.com

RECEIVED

2009 MAR 4 PM 1 22

March 2, 2009

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:

W.T. McComack #30
1515' FSL & 330' FEL, NE/4 SE/4 of
Section 32, T21S, R37E, Unit Letter I
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 6 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 NE/4 SE/4 of Section 32 will be simultaneously dedicated in the Penrose Skelly, Grayburg Pool to the proposed well and to the W.T. McComack #7 and W.T. McComack #17, pursuant to statewide Rule 104.B(1). The W.T. McComack #7 was drilled in 1939 by Gulf Oil Company and was completed as a Penrose Skelly, Grayburg producer; this well is currently active as a Drinkard producer. The W.T. McComack #17 was drilled in 1969 by Gulf Oil Company as an Ordovician Montoya well. This well was recompleted in 2003 by Chevron USA Inc. as a Penrose Skelly, Grayburg producer; it is currently active as a 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 eight wells that have produced the Grayburg formation in the SE/4 of Section 32. The proposed well will be located in the approximate eastern 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 E/2 of Section 32 is covered by a single Chevron U.S.A. Inc. fee lease which has common royalty and working interest ownerships. Chevron U.S.A. Inc. owns a 100% working interest as to all depths on the E/2 of Section 32. The proposed location encroaches upon a fee lease covering the SW1/4 SW1/4 (Unit Letter M) of

March 2, 2009

Page 2

Section 33. Notification letters have been sent to the offset working interest owners covering this fee lease, and their approval is pending.

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 Nestor Santos by phone at (281) 561-4731 or by email at Nestor.Santos@chevron.com. Thank you for consideration of this matter.

Sincerely,



Casey R. Mobley
Project Manager / Geologist

Attachments

cc: NMOCD District 1 – Hobbs, NM
Casey R. Mobley
Nestor Santos
Ed Van Reet
Well File

NOTIFICATION LIST

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

W.T. McComack #30

1515' FSL & 330' FEL, NE/4 SE/4 of
Section 32, T21S, R37E, Unit Letter I
Lea County, New Mexico

Offset Operators, Working Interest Owners, E/2 Section 32:

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:

W.T. McComack #30

1515' FSL & 330' FEL, NE/4 SE/4 of
Section 32, T21S, R37E, Unit Letter I
Lea County, New Mexico

PRIMARY OBJECTIVE: GRAYBURG

SUPPORTING DATA:

1. Chevron U.S.A. Inc. (Chevron) is the operator of the proposed W.T. McComack #30 well (Exhibit 3). The proposed total depth is 4300' in 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	W T MCCOMACK #1	30025069300000	32A 21S 37E	Grayburg	28	922	4	140	Active
Chevron	W T MCCOMACK #11	30025069400000	32A 21S 37E	Grayburg	4	7	-	-	Inactive
Chevron	W T MCCOMACK #17	30025231170002	32I 21S 37E	Grayburg	14	603	6	264	Active
Chevron	W T MCCOMACK #2	30025069310000	32B 21S 37E	Grayburg	119	831	13	170	Active
Chevron	W T MCCOMACK #20	30025367430000	32O 21S 37E	Grayburg	13	283	5	99	Active
Chevron	W T MCCOMACK #21	30025367440000	32G 21S 37E	Grayburg	7	308	6	161	Active
Chevron	W T MCCOMACK #22	30025371800000	32B 21S 37E	Grayburg	10	241	5	303	Active
Chevron	W T MCCOMACK #23	30025371790000	32G 21S 37E	Grayburg	11	213	15	128	Active
Chevron	W T MCCOMACK #24	30025378370000	32B 21S 37E	Grayburg	5	138	21	290	Active
Chevron	W T MCCOMACK #25	30025378380000	32P 21S 37E	Grayburg	9	143	10	173	Active
Chevron	W T MCCOMACK #3	30025069320001	32P 21S 37E	Grayburg	10	527	3	275	Active
Chevron	W T MCCOMACK #3	30025069320000	32P 21S 37E	Grayburg	92	817	-	-	Inactive
Chevron	W T MCCOMACK #4	30025069330000	32O 21S 37E	Grayburg	95	688	0	30	Active
Chevron	W T MCCOMACK #5	30025069340000	32G 21S 37E	Grayburg	0	0	-	-	Inactive
Chevron	W T MCCOMACK #6	30025069350000	32J 21S 37E	Grayburg	81	833	2	161	Active
Chevron	W T MCCOMACK #8	30025069370000	32H 21S 37E	Grayburg	68	913	3	141	Active
Chevron	W T MCCOMACK #7	30025069360000	32I 21S 37E	Grayburg	33	0	-	-	Inactive

3. The proposed W.T. McComack #30 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 (ϕ) 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.

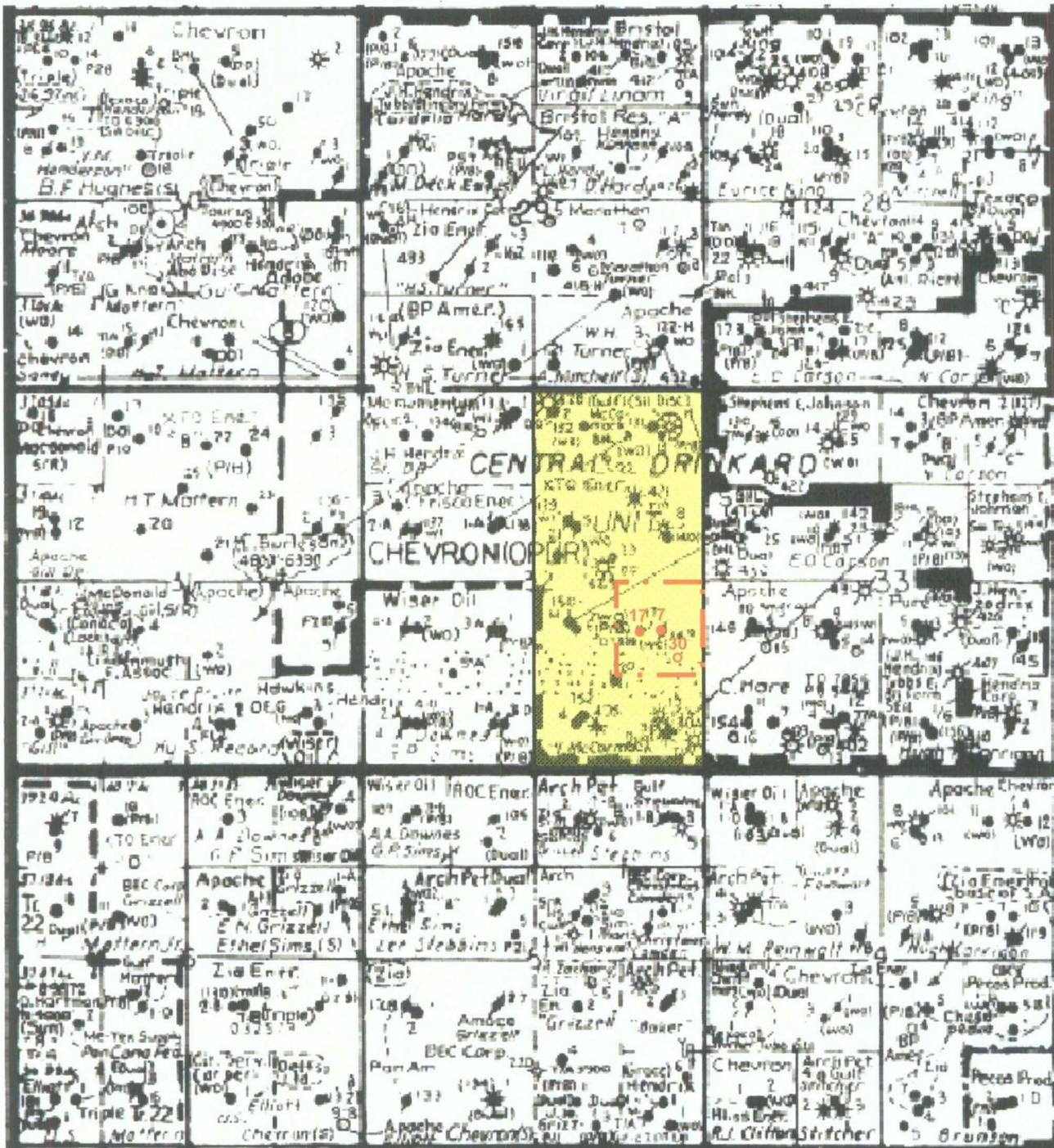
The following table provides drainage areas calculated from the HCPV map and reserves of the offsetting wells.

Operator	Well	API #	Location	Formation	Drainage Acres	EUR	
						MBO	MMCF
Chevron	W T MCCOMACK #1	30025069300000	32A 21S 37E	Grayburg	4	30	985
Chevron	W T MCCOMACK #11	30025069400000	32A 21S 37E	Grayburg	0	4	7
Chevron	W T MCCOMACK #17	30025231170002	32I 21S 37E	Grayburg	2	17	798
Chevron	W T MCCOMACK #2	30025069310000	32B 21S 37E	Grayburg	16	127	1065
Chevron	W T MCCOMACK #20	30025367430000	32O 21S 37E	Grayburg	4	32	616
Chevron	W T MCCOMACK #21	30025367440000	32G 21S 37E	Grayburg	1	8	375
Chevron	W T MCCOMACK #22	30025371800000	32B 21S 37E	Grayburg	3	26	599
Chevron	W T MCCOMACK #23	30025371790000	32G 21S 37E	Grayburg	2	16	350
Chevron	W T MCCOMACK #24	30025378370000	32B 21S 37E	Grayburg	1	6	197
Chevron	W T MCCOMACK #25	30025378380000	32P 21S 37E	Grayburg	2	19	224
Chevron	W T MCCOMACK #3	30025069320001	32P 21S 37E	Grayburg	2	13	722
Chevron	W T MCCOMACK #3	30025069320000	32P 21S 37E	Grayburg	11	92	817
Chevron	W T MCCOMACK #4	30025069330000	32O 21S 37E	Grayburg	11	95	712
Chevron	W T MCCOMACK #5	30025069340000	32G 21S 37E	Grayburg	0	0	0
Chevron	W T MCCOMACK #6	30025069350000	32J 21S 37E	Grayburg	9	81	940
Chevron	W T MCCOMACK #8	30025069370000	32H 21S 37E	Grayburg	8	69	972
Chevron	W T MCCOMACK #7	30025069360000	32I 21S 37E	Grayburg	4	33	0

As seen above, the average drainage area of the offsetting locations is only 5 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 5 acre drainage area, and a 15% recovery factor. The results are as follows:

Operator	Well	Location	HCPV	Drainage Acres	EUR	
					MBO	MMCF
Chevron	W. T. McComack #30	32-I	9.1	5	25	230

4. A land plat highlighting the proposed well's location is attached as Exhibit 2. The E/2 of Section 32 is covered by a single Chevron U.S.A. Inc. fee lease which has common royalty and working interest ownerships. Chevron U.S.A. Inc. owns a 100% working interest as to all depths on the E/2 of Section 32. The proposed location encroaches upon a fee lease covering the SW1/4 SW1/4 (Unit Letter M) of Section 33. Notification letters have been sent to the offset working interest owners covering this fee lease, and their approval is pending.
5. The proposed W.T. McComack #30 will share a 40-acre proration unit and will be simultaneously dedicated with the W.T. McComack #7 and the W.T. McComack #17, pursuant to statewide Rule 104.B(1), as a Penrose Skelly, Grayburg producer in Section 32, Unit Letter I.
6. Approval of this application will allow for the recovery of oil and gas reserves which would not otherwise be recovered.



Chevron USA Inc.

W. T. McComack #7
 1980 FSL & 660 FEL
 W. T. McComack #17
 1930 FSL & 990 FEL
 W. T. McComack #30 (proposed)
 1515 FSL & 330 FEL

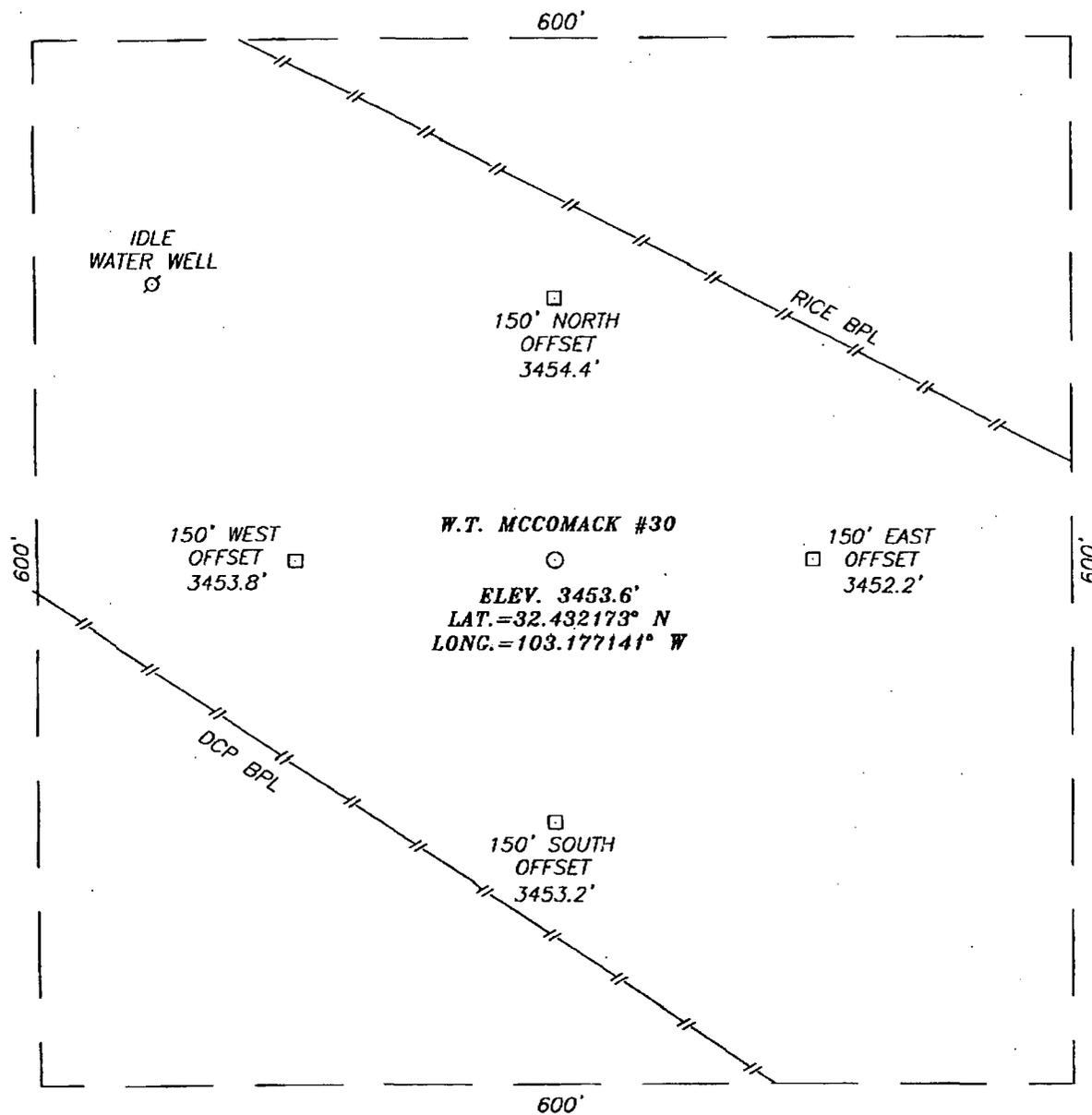
Section 32, T21S-R37E
 Lea County, New Mexico

W. T. McComack Lease

40 Acre Proration Unit

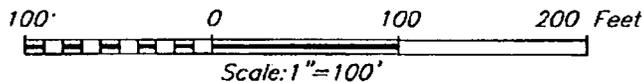
Scale: 1"=2000 Approx.'

SECTION 32, TOWNSHIP 21 SOUTH, RANGE 37 EAST, N.M.P.M.,
 LEA COUNTY, NEW MEXICO



DIRECTIONS TO LOCATION

FROM THE INTERSECTION OF TEXAS ST. AND
 LEGION RD., GO SOUTH ON LEGION ROAD APPROX.
 0.2 MILES. THIS LOCATION IS APPROX. 300 FEET
 WEST OF RIGHT OF WAY FENCE.



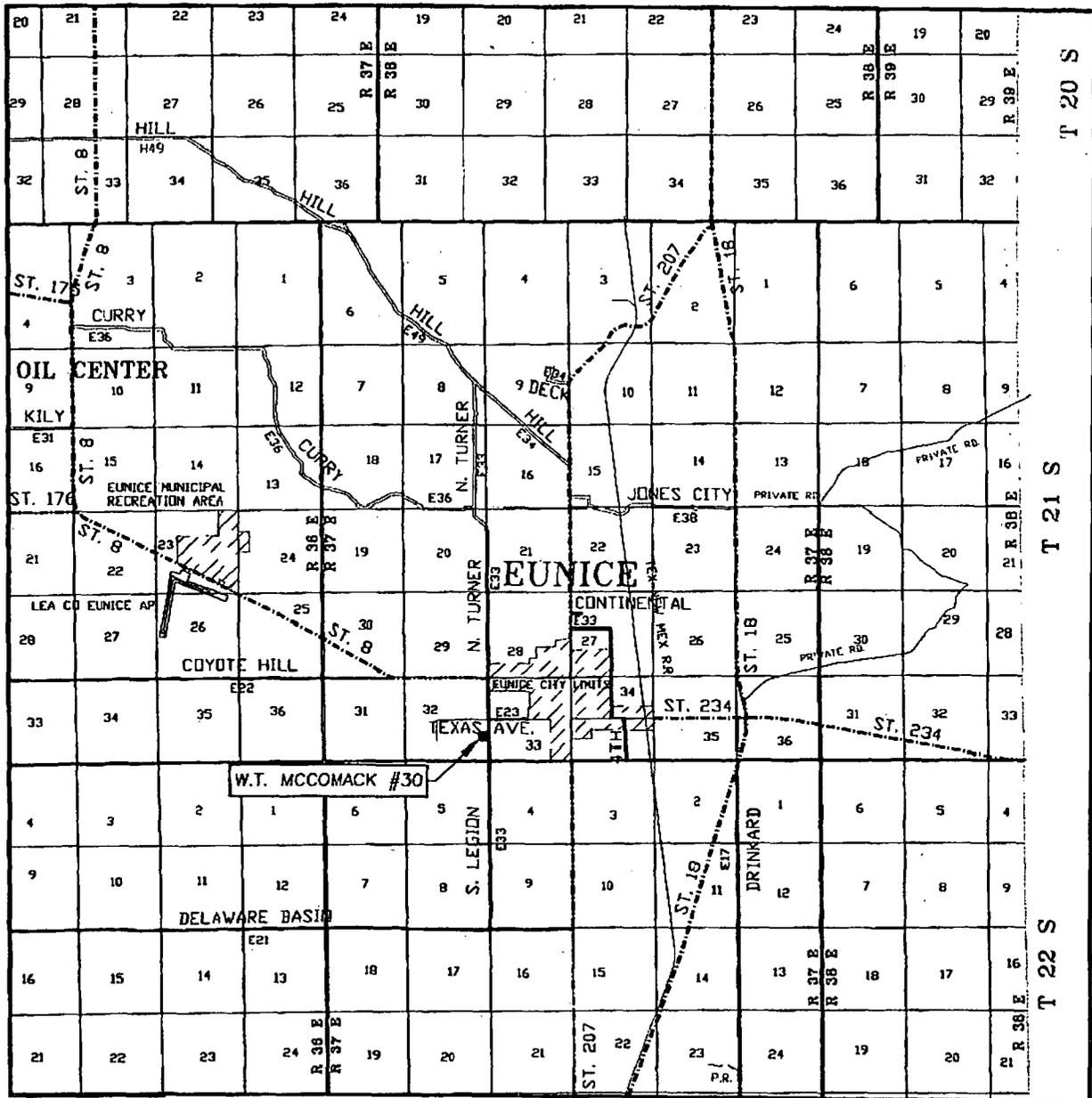
CHEVRON USA INC.

W.T. MCCOMACK #30 WELL
 LOCATED 1515 FEET FROM THE SOUTH LINE
 AND 330 FEET FROM THE EAST LINE OF SECTION 32,
 TOWNSHIP 21 SOUTH, RANGE 37 EAST, N.M.P.M.,
 LEA COUNTY, NEW MEXICO.

Survey Date: 1/16/09	Sheet 1 of 1 Sheets	
W.O. Number: 09.11.0031	Dr By: LA	Rev 1:N/A
Date: 1/24/09	09110031	Scale: 1"=100'

PROVIDING SURVEYING SERVICES
 SINCE 1946
JOHN WEST SURVEYING COMPANY
 412 N. DAL PASO
 HOBBS, N.M. 88240
 (575) 393-3117

VICINITY MAP

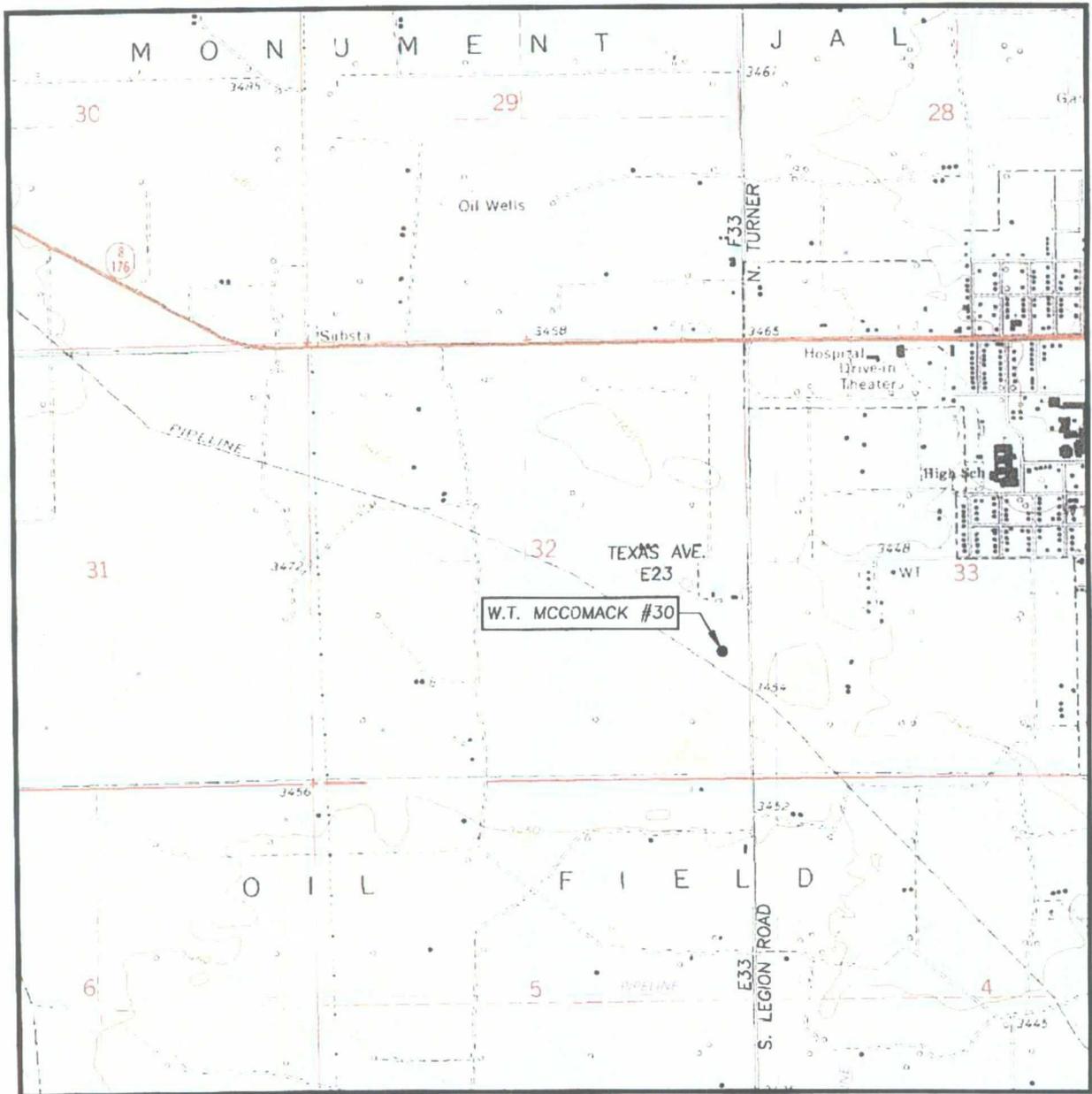


SCALE: 1" = 2 MILES

SEC. 32 TWP. 21-S RGE. 37-E
 SURVEY N.M.P.M.
 COUNTY LEA STATE NEW MEXICO
 DESCRIPTION 1515' FSL & 330' FEL
 ELEVATION 3454'
 OPERATOR CHEVRON USA INC.
 LEASE W.T. MCCOMACK

PROVIDING SURVEYING SERVICES
 SINCE 1946
JOHN WEST SURVEYING COMPANY
 412 N. DAL PASO
 HOBBS, N.M. 88240
 (575) 393-3117

LOCATION VERIFICATION MAP



SCALE: 1" = 2000'

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

SEC. 32 TWP. 21-S RGE. 37-E

SURVEY N.M.P.M.

COUNTY LEA STATE NEW MEXICO

DESCRIPTION 1515' FSL & 330' FEL

ELEVATION 3454'

OPERATOR CHEVRON USA INC.

LEASE W.T. MCCOMACK

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



PROVIDING SURVEYING SERVICES
SINCE 1946
JOHN WEST SURVEYING COMPANY
412 N. DAL PASO
HOBBS, N.M. 88240
(575) 393-3117

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 Appropriate 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 30-025-		² Pool Code 50350		³ Pool Name Penrose Skelly; Grayburg			
⁴ Property Code		⁵ Property Name W.T. McComack				⁶ Well Number 30	
⁷ OGRID No. 4323		⁸ Operator Name Chevron U.S.A., Inc.				⁹ Elevation 3454'	

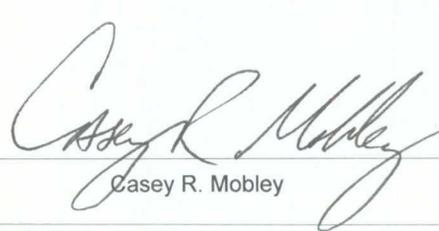
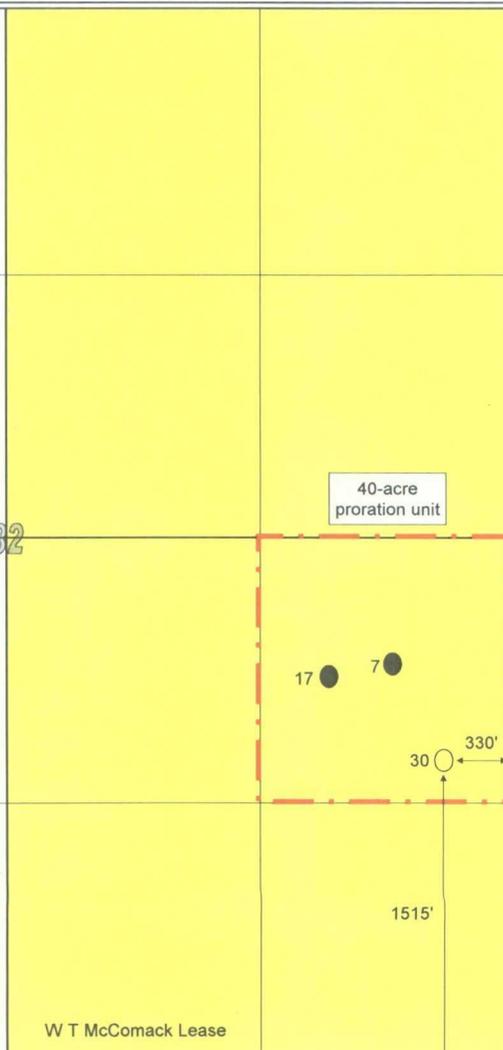
¹⁰ Surface Location

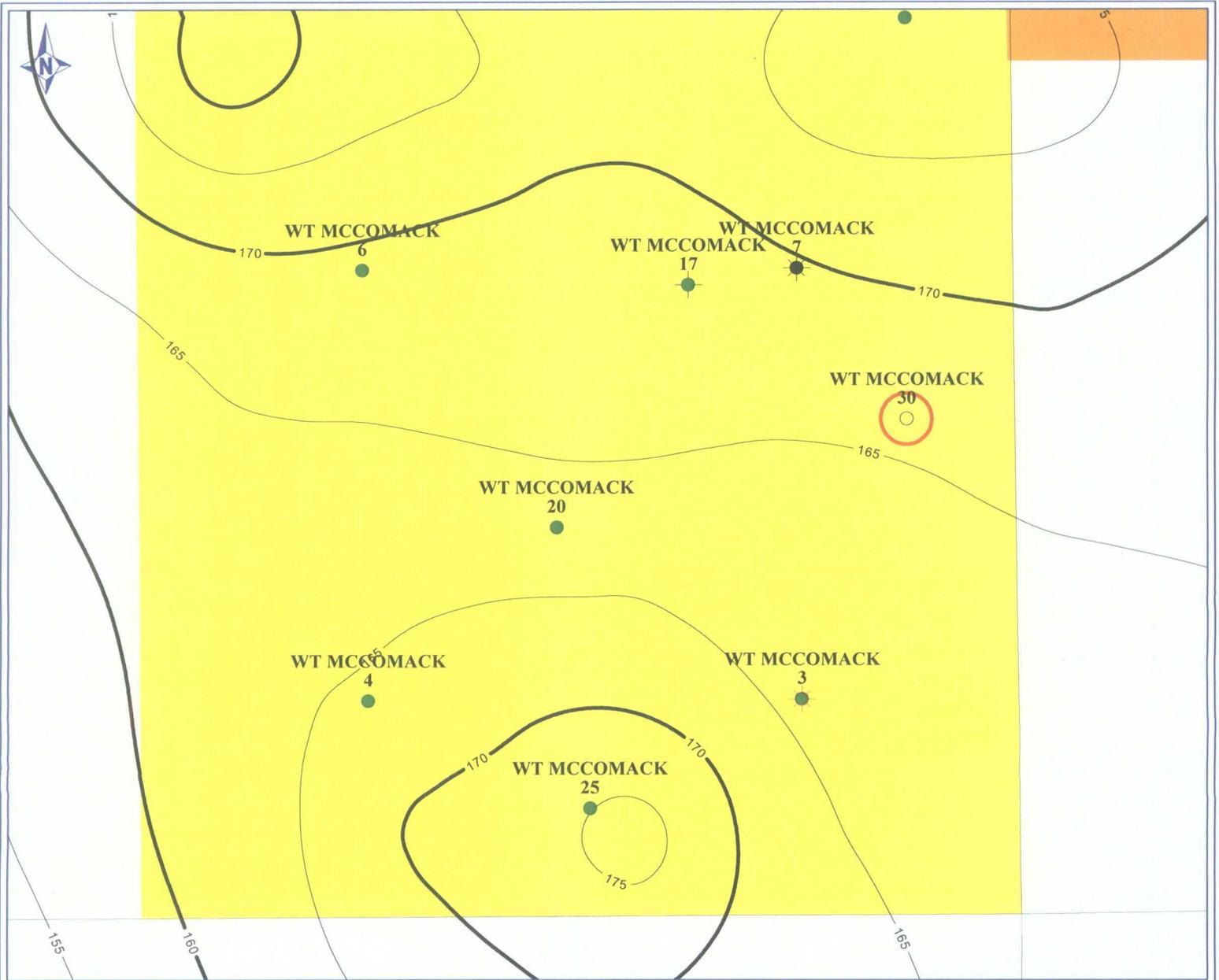
UL or Lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
I	32	21S	37E		1515	South	330	East	Lea

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

16					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>  Casey R. Mobley Printed Name Geologist Title February 16, 2009
	40-acre proration unit				
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	32				
					



PETRA 1/19/2009 10:07:30 AM



Chevron U.S.A. Inc.

EXHIBIT 4

W.T. MCCOMACK #30

Sec 32, T21S-R37E, Lea Co., New Mexico

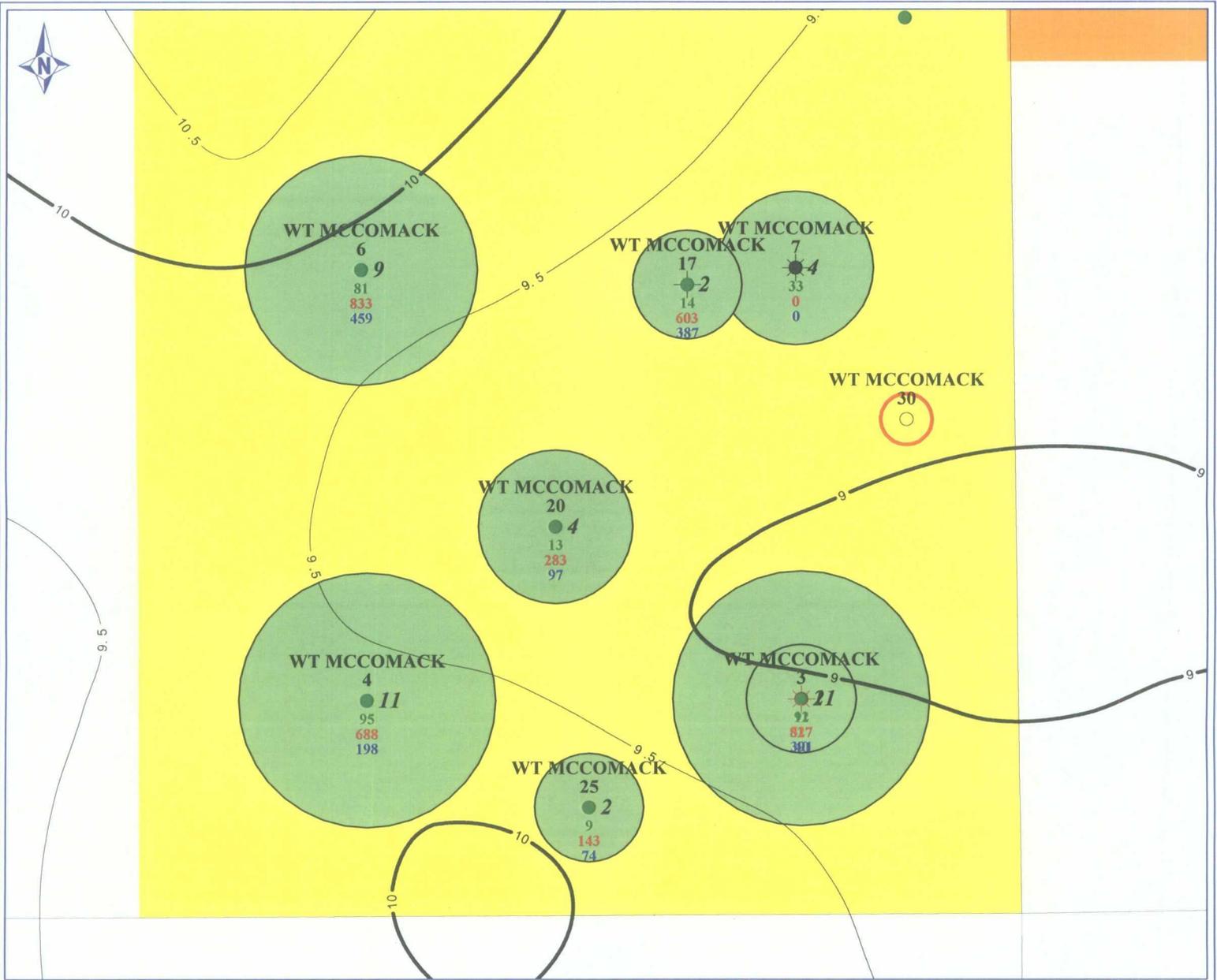
Grayburg Net Pay CI=5' [GR<40, Por>6%]

POSTED WELL DATA

Well Name
Well Number



January 19, 2009



PETRA 1/19/2009 10:04:58 AM



Chevron U.S.A. Inc.

EXHIBIT 5

W.T. MCCOMACK #30

Sec 32, T21S-R37E, Lea Co., New Mexico

Grayburg HCPV CI=0.5 & EUR - Drainage

POSTED WELL DATA

Well Name
Well Number

● GRBG Drained Area (ACRES)

Grayburg Cum Oil Production (MBO)
Grayburg Cum Gas Production (MMCF)
Grayburg Cum Water Production (MBW)



January 19, 2009

Brooks, David K., EMNRD

From: Brooks, David K., EMNRD
Sent: Monday, March 23, 2009 11:24 AM
To: 'Casey.Mobley@chevron.com'
Subject: WT McComack #30; NSL Application

Dear Mr. Mobley

Your application correctly recognizes that this proposed location encroaches toward the SW/4 SW/4 of Section 33, and states that notice has been sent to the working interest owners in that tract. However, I find nothing in the materials submitted that either identified the owners notified, or constitutes evidence that the form of notification complied with the requirements of Rule 15.13.D.

Please furnish a list of the persons notified and a copy of the notification letter sent to them.

Thanks

David K. Brooks
Legal Examiner
505-476-3450

January 16, 2009

Offset Owner Notification

T-21-S, R-37-E, Lea Co. New Mexico
Surface to 4300'

SW/4 NW/4 Section 15 (State of NM land)

Oxy USA Inc.
P.O. Box 4294
Houston, TX 77210

State 5 #12

990 FNL

1330 FNL Sec 15, 21-S, R-37-E
Unit Letter C, NE 1/4 NW 1/4

SE/4 SW/4 Section 32 (Fee land)

Black Stone Minerals Co. LP
1001 Fannin, Suite 2020
Houston, TX 77002

Wiser Oil Co.
8115 Preston Rd.
Dallas, TX 75225

W.T. McCannock #28

1330 FSL

2310 FEL Sec. 32, T-21-S

NE 1/4 SE 1/4, Unit Letter J
R-37-E

SW/4 NW/4 Section 33 (Fee land)

Exxon Mobil Production Co.
P.O. Box 4610
Houston, TX 77210

W.T. McCannock #27

1150 FNL

330 FEL Sec 32 21-S R-37-E

NE NE, Unit Letter A

SW/4 SW/4 Section 33 (Fee land)

Apache Corp.
2000 Post Oak Blvd., Suite 100
Houston, TX 77056

W.T. McCannock #30

1515 FSL

330 FEL

Sec 32, T-21-S,

R-37-E

NE SE

Unit Letter I



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

January 29, 2009

VIA CERTIFIED MAIL - RETURN RECEIPT REQUESTED

RECEIVED

FEB 04 2009

TULSA
LAND DEPT.

Apache Corp.
Attn: Land Department
2000 Post Oak Blvd., Suite 100
Houston, Texas 77056

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 W. T. McComack #30 located 1,515' FSL, & 330' FEL, NE1/4SE1/4, Unit Letter I, of Section 32 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
James E. Baca, CPL

Enclosure

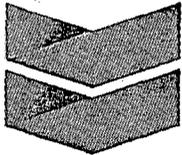
cc: Mr. Mark Fesmire, P.E., Director, Oil Conservation Division

APACHE CORP. HAS NO OBJECTIONS TO THE UNORTHODOX WELL LOCATION DESCRIBED ABOVE.

AGREED TO AND ACCEPTED THIS 4th DAY OF February, 2009

Michelle Hanson
APACHE CORP.
By: Michelle Hanson
Printed Name: Michelle Hanson
Title: Landman

Chevron



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

January 29, 2009

VIA CERTIFIED MAIL - RETURN RECEIPT REQUESTED

Apache Corp.
Attn: Land Department
2000 Post Oak Blvd., Suite 100
Houston, Texas 77056

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 W. T. McComack #30 located 1,515' FSL, & 330' FEL, NE1/4SE1/4, Unit Letter I, of Section 32 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,

A handwritten signature in black ink, appearing to read "James E. Baca".

James E. Baca, CPL

Enclosure

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

**APACHE CORP. HAS NO OBJECTIONS TO THE UNORTHODOX WELL LOCATION
DESCRIBED ABOVE.**

AGREED TO AND ACCEPTED THIS _____ DAY OF _____, 2009

APACHE CORP.

By: _____
Printed Name: _____
Title: _____