

all seven of the above-described Harry Leonard NCT-A Wells No. 3, 6, 7, 12, 13, 14, and 15.

Note: Records indicate that Chevron U.S.A., Inc.'s Harry Leonard NCT-A Well No. 8 (API No. 30-025-04761), located 660 feet from the South line and 1980 feet from the East line (Unit O) of Section 22, is a Eumont oil well that is currently dedicated to a standard 40-acre oil spacing and proration unit comprising the SW/4 SE/4 of Section 22. It will be necessary for the applicant to address this matter at the time of the hearing.

CASE 12610: Continued from June 14, 2001, Examiner Hearing.

Application of Chevron U.S.A., Inc. for simultaneous dedication, Lea County, New Mexico. Applicant, pursuant to the rules governing the Eumont Gas Pool and the stipulated declaratory judgement issued by the First Judicial District Court in Santa Fe County, New Mexico on December 15, 2000, seeks to simultaneously dedicate Eumont gas production to the previously approved 160-acre non-standard gas spacing and proration unit comprising the SE/4 of Section 28, Township 21 South, Range 36 East (approved by Division Administrative Order NSP-272, dated June 27, 1956) from the following four wells:

- existing S. E. Felton Well No. 1 (API No. 30-025-04815) located at a standard gas well location 660 feet from the South and East lines (Unit P) of Section 28;
- existing S. E. Felton Well No. 2 (API No. 30-025-25352) located at a standard gas well location either 800 feet or 880 feet from the South line and 1980 feet from the East line (Unit O) of Section 28; and,
- existing S. E. Felton Well No. 5 (API No. 30-025-33796) located at a standard Eumont gas well location 1980 feet from the South and East lines (Unit J) of Section 28; and
- proposed S. E. Felton Well No. 6 (API No. 30-025-35395) to be drilled at a standard infill gas well location 1980 feet from the South line and 660 feet from the East line (Unit I) of Section 28.

This unit is located approximately eight miles southwest of Monument, New Mexico.

CASE 12686: **Application of Chevron U.S.A., Inc. for a non-standard gas proration unit, Lea County, New Mexico.** Applicant seeks to establish a non-standard 160-acre gas spacing and proration unit within the Tubb Oil and Gas Pool comprising the N/2 NE/4, SE/4 NE/4, and NE/4 NW/4 of Section 30, Township 22 South, Range 38 East, which is located approximately 6.5 miles south-southeast of Eunice, New Mexico. This unit is to be dedicated to the existing Vivian Well No. 11 (API No. 30-025-28590), located at a standard gas well location 660 feet from the North line and 990 feet from the East line (Unit A) of Section 30.

CASE 12687: **Application of Chevron U.S.A., Inc. for a non-standard gas proration unit and an unorthodox gas well location, Lea County, New Mexico.** Applicant seeks to establish a non-standard 160-acre gas spacing and proration unit within the Tubb Oil and Gas Pool comprising the NE/4 SW/4, S/2 SW/4, and SW/4 SE/4 of Section 30, Township 22 South, Range 38 East, which is located approximately 6.5 miles south-southeast of Eunice, New Mexico. This unit is to be simultaneously dedicated to the: (i) existing Drinkard (NCT-B) Well No. 7 (API No. 30-025-28590), located at an unorthodox gas well location 2120 feet from the South line and 1980 feet from the West line (Unit K) of Section 30; and (ii) existing Drinkard (NCT-B) Well No. 8 (API No. 30-025-28594), located



NEW MEXICO ENERGY, MINERALS and
NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON
Governor
Jennifer A. Salisbury
Cabinet Secretary

June 8, 2001

Lori Wrotenbery
Director
Oil Conservation Division

Chevron U.S.A. Production Company
P. O. Box 1150
Midland, Texas 79702

Case 12687

Attention: A. M. Howell

Re: Two administrative applications to form non-standard 160-acre gas spacing and proration units within the Tubb Oil and Gas Pool in Section 30, Township 22 South, Range 38 East, NMPM, Lea County, New Mexico, comprising: (i) the NE/4 SW/4, S/2 SW/4, and SW/4 SE/4 of Section 30; and (ii) the N/2 NE/4, SE/4 NE/4, and NE/4 NW/4 of Section 30.

Dear Mr. Howell:

I have reviewed the two subject applications, as you know the Tubb Oil and Gas Pool is subject to: (i) special pool rules (see Division Order No. R-8170, as amended); (ii) the gas proration rules under Division Rule 605; and (iii) Division Rule 104. Since both proposed 160-acre units are to cross a governmental quarter section line and take portions of acreage from two quarter sections, these applications can not be processed administratively [see Division Rules 605.B (2) (b) and 104.D (2) (b) (ii)].

Both applications have therefore been set for hearing and will appear on the Division's first available docketed scheduled for July 12, 2001. Should you have any questions concerning this matter please refer them to your legal counsel.

Sincerely

Michael E. Stogner
Chief Hearing Officer/Engineer

cc: New Mexico Oil Conservation Division – Hobbs
Mr. Ray Vaden, Chevron U.S.A. Production Company - Midland
William F. Carr, Legal Counsel for Chevron U.S.A. Production Company - Santa Fe
Kathy Valdes - NMOCD, Santa Fe

DATE IN 4/26/01	SUSPENSE 5/16/01	ENGINEER MS	LOGGED MV	TYPE NSL
-----------------	------------------	-------------	-----------	----------

ABOVE THIS LINE FOR DIVISION USE ONLY

111731432

NEW MEXICO OIL CONSERVATION DIVISION

- Engineering Bureau -

Case 12687

ADMINISTRATIVE APPLICATION COVERSHEET

THIS COVERSHEET IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS

Application Acronyms:

- [NSP-Non-Standard Proration Unit] [NSL-Non-Standard Location]
- [DD-Directional Drilling] [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]

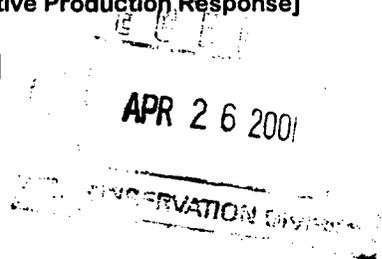
[1] TYPE OF APPLICATION - Check Those Which Apply for [A]

- [A] Location - Spacing Unit - Directional Drilling
 NSL NSP DD SD

Check One Only for [B] and [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



[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] INFORMATION / DATA SUBMITTED IS COMPLETE - Statement of Understanding

I hereby certify that I, or personnel under my supervision, have read and complied with all applicable Rules and Regulations of the Oil Conservation Division. Further, I assert that the attached application for administrative approval is accurate and complete to the best of my knowledge and where applicable, verify that all interest (WI, RI, ORRI) is common. I understand that any omission of data, information or notification is cause to have the application package returned with no action taken.

Note: Statement must be completed by an individual with supervisory capacity.

A. M. Howell

A. M. Howell

Sr. Petro. Engineer

4/23/2001

Print or Type Name

Signature

Title

Date

April 23, 2001



Administrative Application For
160-Acre Non-Standard Proration Unit,
Unorthodox Gas Well Location, And
Simultaneous Dedication
Drinkard (NCT-B) # 7
2120' FSL & 1980' FWL, Unit K
Drinkard (NCT-B) # 8
810' FSL & 1980' FWL, Unit N
Section 30, T22S, R38E
Lea County, New Mexico

Chevron U.S.A. Production Company
P.O. Box 1150
Midland, TX 79702

New Mexico Oil Conservation Division
Attn: Lori Wrottenbury
2040 South Pacheco
Santa Fe, NM 87505

Dear Ms. Wrottenbury:

Chevron respectfully requests NMOCD administrative approval for a 160-acre non-standard proration unit consisting of the E $\frac{1}{2}$ SW $\frac{1}{4}$, SW $\frac{1}{4}$ SW $\frac{1}{4}$, and SW $\frac{1}{4}$ SE $\frac{1}{4}$ of Section 30 and simultaneous dedication to Drinkard (NCT-B) # 7 and # 8. Also, since the Drinkard B # 8 is located 520' from the north lease line, approval is requested for an unorthodox gas well location in the Tubb Oil & Gas Pool.

The Drinkard (NCT-B) # 7 was drilled and completed in the Tubb Oil & Gas Pool during September 1985. The well has produced since initial completion in the Tubb as an oil well, with 40 acres assigned to the oil proration unit. However, on the last annual gas-oil ratio test filed, the GOR increased to above 50,000:1, so it is necessary to reclassify the well as a gas well. Since the B # 7 is located only 520' from the north lease line, the location is unorthodox for a Tubb gas well.

The Drinkard (NCT-B) # 8 was drilled and completed in the Tubb Oil & Gas Pool during December 1985. The well produced since initial completion in the Tubb as an oil well, with 40 acres assigned to the oil proration unit. As with the B # 7, the GOR of Drinkard B # 8 has increased to above 50,000:1. Therefore, it is also necessary to reclassify the B # 8 as a gas well in the Tubb Oil & Gas Pool.

In order to correct the classifications of these wells, it is proposed to form a 160-acre gas proration unit in the Tubb Oil & Gas Pool, simultaneously dedicated to Drinkard (NCT-B) # 7 and # 8. There are 160 acres available for dedication in the S $\frac{1}{2}$ of Section 30, but they do not comprise a standard governmental quarter-section. Therefore, NMOCD administrative approval

is requested to form a 160-acre non-standard gas proration unit in the Tubb Oil & Gas Pool, simultaneously dedicated to Drinkard (NCT-B) # 7 and # 8. Administrative approval is also requested for the unorthodox gas well location created by the re-classification of Drinkard B # 7.

A copy of this application was mailed via certified mail to all affected offset operators.

If you have any questions concerning this application, please contact Mike Howell at (915) 687-7516.

Sincerely,



A. M. Howell
Sr. Petroleum Engineer

Attachments

cc: NMOCD – Hobbs, New Mexico
Nathan Mouser
Mike Howell
Janice Ripley
Denise Beckham
Well Files

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

State of New Mexico
Energy, Minerals & Natural Resources Department

Form C-102
Revised March 17, 1999

District II
811 South First, Artesia, NM 88210

OIL CONSERVATION DIVISION
2040 South Pacheco
Santa Fe, NM 87505

Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

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

District IV
2040 South Pacheco, Santa Fe, NM 87505

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-025-28590		² Pool Code 86440		³ Pool Name Tubb Oil & Gas	
⁴ Property Code 2605		⁵ Property Name Drinkard (NCT-B)		⁶ Well Number 7	
⁷ OGRID No. 4323		⁸ Operator Name Chevron U.S.A., Inc.		⁹ Elevation 3338'	

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
K	30	22S	38E		2120	South	1980	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 160	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>16</p>	<p>17</p> <p>OPERATOR CERTIFICATION</p> <p><i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</i></p> <p><i>A. M. Howell</i></p> <p>Signature _____ A. M. Howell</p> <p>Printed Name _____ Sr. Petroleum Engineer</p> <p>Title _____ April 23, 2001</p>
	<p>18</p> <p>SURVEYOR CERTIFICATION</p> <p><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></p> <p>Signature and Seal of Professional Surveyor: _____</p> <p>Certificate Number _____</p>

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

State of New Mexico
Energy, Minerals & Natural Resources Department

Form C-102
Revised March 17, 1999

District II
811 South First, Artesia, NM 88210

OIL CONSERVATION DIVISION

Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

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

2040 South Pacheco
Santa Fe, NM 87505

AMENDED REPORT

District IV
2040 South Pacheco, Santa Fe, NM 87505

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-025-28594		² Pool Code 86440		³ Pool Name Tubb Oil & Gas	
⁴ Property Code 2605		⁵ Property Name Drinkard (NCT-B)			⁶ Well Number 8
⁷ OGRID No. 4323		⁸ Operator Name Chevron U.S.A., Inc.			⁹ Elevation 3334'

¹⁰ Surface Location

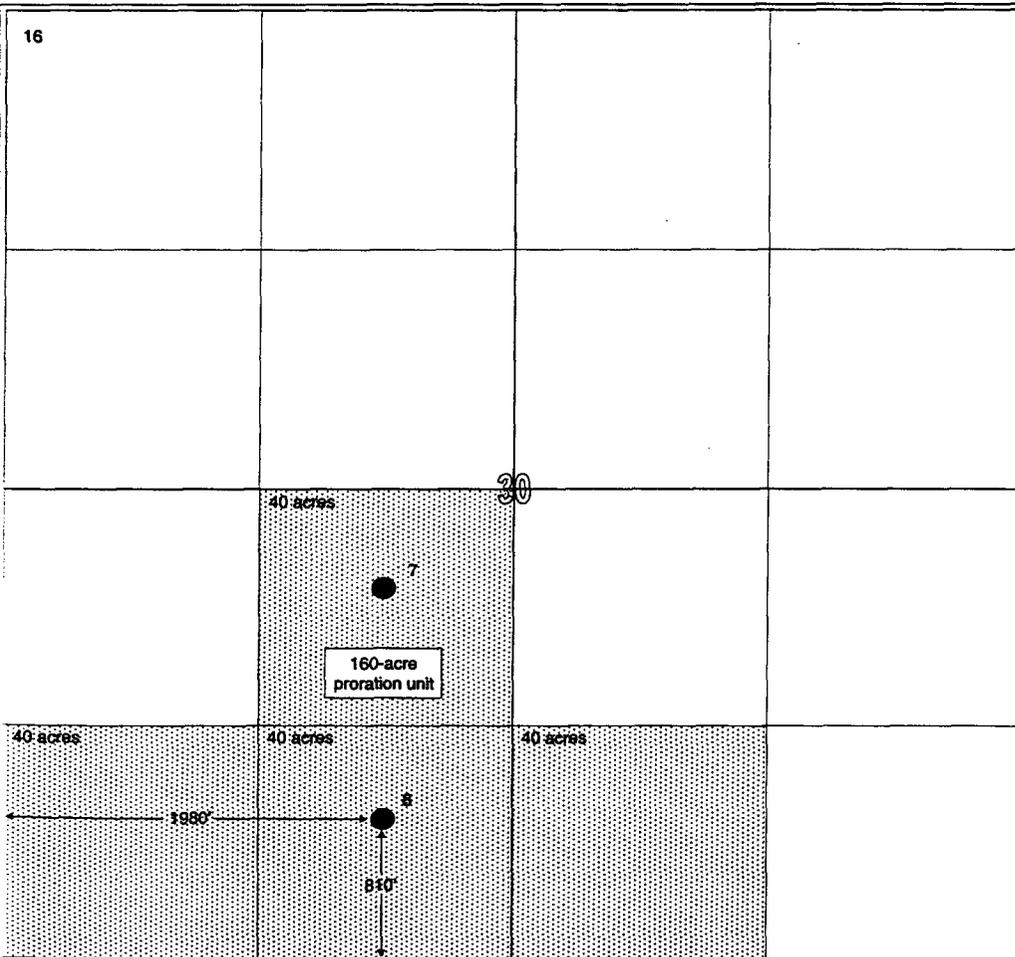
UL or Lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
N	30	22S	38E		810	South	1980	West	Lea

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 160	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



¹⁷ OPERATOR CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

A. M. Howell

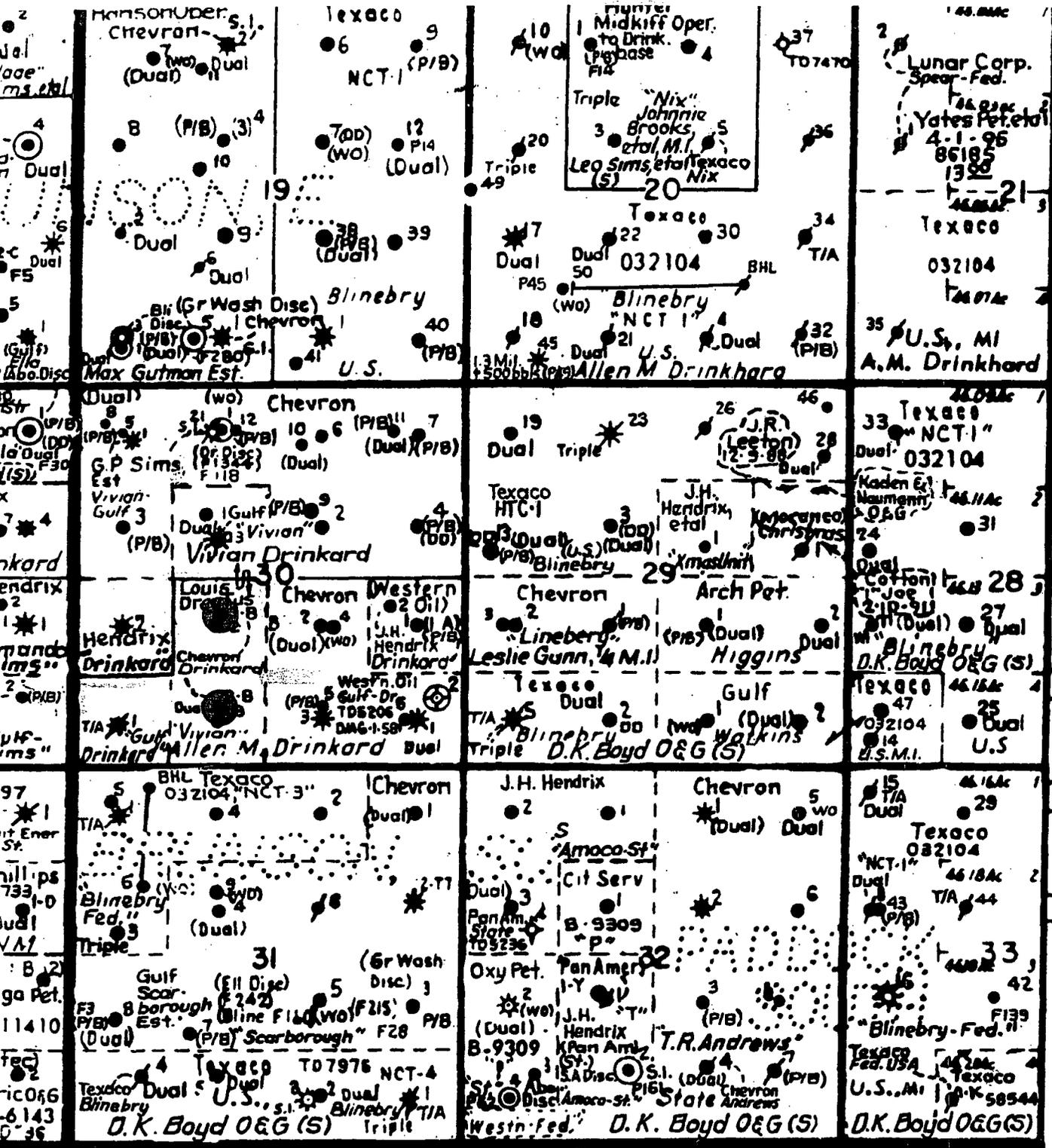
Signature _____
Printed Name **A. M. Howell**
Title **Sr. Petroleum Engineer**
Date **April 23, 2001**

¹⁸ 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.

Signature and Seal of Professional Surveyor: _____

Certificate Number _____



Chevron U.S.A. Inc.
 Drinkard (NCT-B) # 7
 2120' FSL & 1980' FWL, Unit K
 Drinkard (NCT-B) # 8
 810' FSL & 1980' FWL, Unit N
 Section 30, T22S, R38E
 Lea County, New Mexico

- Drinkard (NCT-B) Lease
 - 160-acre Gas Proration Unit

Scale: 1" = 2,000'

020

**Drinkard (NCT-B) # 7 & # 8
Chevron U.S.A. Inc.
160-Acre Non-Standard Gas Proration Unit,
Unorthodox Gas Well Location, And
Simultaneous Dedication
Request For Administrative Approval**

List Of Offset Operators:

1. Texaco Exploration And Production, Inc.
P.O. Box 3109
Midland, TX 79702-3109
2. John H. Hendrix Corporation
P. O. Box 3040
Midland, TX 79702-3040



April 23, 2001

Chevron U.S.A. Production Company
P.O. Box 1150
Midland, TX 79702

Notice Of Administrative Application For
160-Acre Non-Standard Proration Unit,
Unorthodox Gas Well Location, And
Simultaneous Dedication
Drinkard (NCT-B) # 7
2120' FSL & 1980' FWL, Unit K
Drinkard (NCT-B) # 8
810' FSL & 1980' FWL, Unit N
Section 30, T22S, R38E
Lea County, New Mexico

Texaco Exploration And Production, Inc.
P.O. Box 3109
Midland, TX 79702-3109

Dear Sir or Madam:

Attached is a copy of an administrative application for NMOCD approval for a 160-acre non-standard gas proration unit, an unorthodox gas well location, and simultaneous dedication for the subject wells.

Any objections must be filed with the Oil Conservation Division within 20 days of the division receiving this application.

If you have any questions concerning this application, please contact Mike Howell at (915) 687-7516.

Sincerely,

A handwritten signature in cursive script that reads "A. M. Howell".

A. M. Howell
Sr. Petroleum Engineer



April 23, 2001

Chevron U.S.A. Production Company
P.O. Box 1150
Midland, TX 79702

Notice Of Administrative Application For
160-Acre Non-Standard Proration Unit,
Unorthodox Gas Well Location, And
Simultaneous Dedication
Drinkard (NCT-B) # 7
2120' FSL & 1980' FWL, Unit K
Drinkard (NCT-B) # 8
810' FSL & 1980' FWL, Unit N
Section 30, T22S, R38E
Lea County, New Mexico

John H. Hendrix Corporation
P. O. Box 3040
Midland, TX 79702-3040

Dear Sir or Madam:

Attached is a copy of an administrative application for NMOCD approval for a 160-acre non-standard gas proration unit, an unorthodox gas well location, and simultaneous dedication for the subject wells.

Any objections must be filed with the Oil Conservation Division within 20 days of the division receiving this application.

If you have any questions concerning this application, please contact Mike Howell at (915) 687-7516.

Sincerely,

A handwritten signature in cursive script that reads "A. M. Howell".

A. M. Howell
Sr. Petroleum Engineer