

DATE IN 6/6/08	SUSPENSE	ENGINEER Brooks	LOGGED 6/6/08	USL PKURO815849987
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ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION
- Engineering Bureau -

Chevron USA Inc
FB Davis #6

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

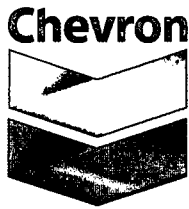
RECEIVED
2008 JUN 6 PM 1 43

[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		Sr. Advisor Petro. Engr	5/30/2008
Print or Type Name	Signature	Title	Date



A. M. Howell
Sr Advisor Petr Engineer
Permian Basin

Mid-Continent Business Unit
Chevron U.S.A. Inc.
15 Smith Road
Midland, Texas 79705
Tel 432-687-7516
Fax 432-687-7871
maho@chevron.com

May 29, 2008

Request for Administrative Approval
Unorthodox Oil Well Location
F. B. Davis # 6
510' FNL & 1350' FEL
Unit B, Section 8, T23S, R37E
Lea County, New Mexico

New Mexico Oil Conservation Division
Attn: David Brooks
1220 S. St. Francis Dr.
Santa Fe, NM 87505

Dear Mr. Brooks:

Attached is an administrative application for NMOCD approval of an unorthodox oil well location in the Langlie Mattix; 7 Rivers/Queen/Grayburg Pool.

With your approval it is our intention to recomple the F. B. Davis # 6 as a oil well in the Langlie Mattix; 7 Rivers/Queen/Grayburg Pool. The subject well was originally drilled and completed in the Teague Southwest; Glorieta-U. Paddock Pool in October 1997. The well was drilled at an unorthodox location under NSL-3866 due to geological considerations. Oil and gas production became marginal in that reservoir and the well was deepened and recompleted in the Teague North; L. Paddock-Blinebry Pool in January 2000 under NSL-3866-A. Currently, production from that pool has become marginal at 2 BOPD & 8 MCFPD. The proposed recompletion to the Langlie Mattix; 7 Rivers/Queen/Grayburg Pool would also be at an unorthodox oil well location. If approved, it would allow the F. B. Davis # 6 to be returned to economic production. Please note that Chevron's recompletion of the subject well will be into the Grayburg formation only, at a depth below 3663'. Whiting Petroleum Corporation owns mineral rights down to 3663' and operates two Langlie Mattix wells in this 40-acre oil proration unit, both completed in the Queen formation above 3663'. A waiver from Whiting for Chevron's additional well in the proration unit is attached.

A copy of this letter was mailed via certified mail to all affected offset operators. A list of all offset operators is attached. If you have any questions concerning this application, please contact Mike Howell at (432) 687-7516.

Sincerely,

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

A. M. Howell
Sr. Advisor Petr. Engineer

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

District II
1301 W Grand Ave, Artesia, NM 88210

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

District IV
1220 S St Francis Dr, Santa Fe, NM 87505

State of New Mexico
Energy, Minerals & Natural Resources Department

Form C-102
Revised March 17, 1999

OIL CONSERVATION DIVISION

1220 South St. Francis Dr.
Santa Fe, NM 87505

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

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-025-34105	² Pool Code 37240	³ Pool Name Langlie Mattix; 7 Rivers/Queen/Grayburg
⁴ Property Code 29938	⁵ Property Name F. B. Davis	⁶ Well Number 6
⁷ OGRID No. 4323	⁸ Operator Name Chevron U.S.A., Inc.	⁹ Elevation 3325' GL

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
B	8	23S	37E		510	North	1350	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

<div>16</div> <p>(Whiting) Skelly Penrose B Unit # 74</p> <p>(Whiting) Skelly Penrose B Unit # 63</p> <p>40-acre oil proration unit</p> <p>(Chevron) F. B. Davis # 6</p> <p>510'</p> <p>1350'</p>

Certificate Number

December 19, 2007

Potential Recompletions/New drills in Langlie Mattix
By Chevron U.S.A. Inc.
Unit Letter A, B, C, F, G, H, Section 8, T-23S, R-37E
Lea County, NM

Chevron U.S.A. Inc.
Attn: Tami Parham
15 Smith Road
Midland, TX 79705

Dear Ms. Parham:

Whiting Petroleum Corporation waives any objection to Chevron drilling and completing new wells or recompleting any of Chevron's existing wells in the LANGLEIE MATTIX; 7 RVRS-Q-GRAYBURG Pool and located in Unit A,B,C,F,G or H, Section 8, T-23S, R-37E, Lea County, New Mexico. Whiting's lease rights extend only to the base of the Queen formation at 3663' at this location, and it is our understanding that the Chevron recompletion in the subject wells will be into the Grayburg formation at a depth below 3663'.

Sincerely,

Whiting Petroleum Corporation

Name: Billy D. Stevens

Billy D. Stevens

Title: Senior Landman

Date: March 7, 2008

F. B. Davis # 6

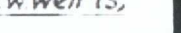
Chevron U.S.A. Inc.

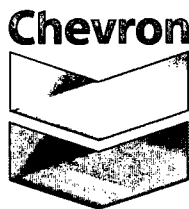
Unorthodox Oil Well Location

Request For Administrative Approval

List Of Offset Operators:

1. Whiting Petroleum Corporation
400 W. Illinois Ave.
Midland, TX 79701





A. M. Howell
Advisor Petr. Engineer
Permian Basin

Mid-Continent Business Unit
Chevron U.S.A. Inc.
15 Smith Road
Midland, Texas 79705
Tel 432-687-7516
Fax 432-687-7871
maho@chevron.com

May 30, 2008

Notice Of Request For Administrative Approval
Unorthodox Oil Well Location
F. B. Davis # 6
510' FNL & 1350' FEL
Unit B, Section 8, T23S, R37E
Lea County, New Mexico

Whiting Petroleum Corporation
400 W. Illinois Ave.
Midland, TX 79701

Dear Sir or Madam:

Attached is a copy of an administrative application for NMOCD approval for an unorthodox oil well location in the Langlie Mattix; 7 Rivers/Queen/Grayburg Pool. Please note that Chevron's recompletion of the subject well will be into the Grayburg formation only, at a depth below 3663'.

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 (432) 687-7516.

Sincerely,

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

A. M. Howell
Advisor Petr. Engineer

Cc: Central Files – Well File
Denise Pinkerton

Brooks, David K., EMNRD

From: Howell, Mike (MAHO) [MAHO@chevron.com]
Sent: Thursday, July 10, 2008 2:43 PM
To: Brooks, David K., EMNRD
Subject: RE: FB Davis No. 6; NSL Application

David - Sorry for the delay in getting back to you. Yes, Chevron is 100% WI owner in the Grayburg in Unit Letter A of Section 8, T23S, R37E. This is a new area of Grayburg development for us and we are working our way toward Unit A. If F. B Davis # 6 is approved and successful, we will probably go there next.

Thanks,
Mike

From: Brooks, David K., EMNRD [mailto:david.brooks@state.nm.us]
Sent: Thursday, July 03, 2008 4:15 PM
To: Howell, Mike (MAHO)
Subject: FB Davis No. 6; NSL Application

Dear Mr. Howell

You state in your application that you have notified all offsetting operators.

It appears, however, that that there are no wells completed in the Grayburg in Unit A of Section 8. Is Chevron 100% working interest owner in Unit A? If not, is working interest ownership in that unit identical to Unit B where the F.B. Davis #6 is located. Otherwise, notice to working interest owners in Unit A is required.

Thanks in advance for your attention.

Sincerely

David K. Brooks
Legal Examiner
505-476-3450

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7/15/2008