

DATE IN 8/13/08	SUSPENSE	ENGINEER Brooks	LOGGED IN 8/13/08	TYPE NSL	APP NO. PKVR 0822639649
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ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION  
- Engineering Bureau -  
1220 South St. Francis Drive, Santa Fe, NM 87505



*Chevron USA Inc  
Eunice King #35  
5904*

**ADMINISTRATIVE APPLICATION CHECKLIST**

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

8/08/2008  
Date

Casey.Mobley@chevron.com  
e-mail Address



Casey R. Mobley  
Project Manager / Geologist

North America Upstream  
Midcontinent Business Unit  
11111 S. Wilcrest, Rm S-1037  
Houston, Texas 77099  
Tel (281) 561-4830  
Fax (281) 561-3576  
Casey.Mobley@chevron.com

August 8, 2008

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:

**Eunice King #35**  
1260' FNL & 330' FWL, NW/4 NW/4 of  
Section 28, T21S, R37E, Unit Letter D  
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 4 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 NW/4 NW/4 of Section 28 will be simultaneously dedicated in the Penrose Skelly, Grayburg Pool to the proposed well and to the Eunice King #2, Eunice King #6, and Eunice King #30 wells, pursuant to statewide Rule 104.B(1). The Eunice King #2 was drilled in 1937 and was re-completed as a Penrose Skelly, Grayburg producer in 2005. The Eunice King #6 was drilled in 1947 and is currently inactive as a Penrose Skelly, Grayburg producer. The Eunice King #30 was drilled in 2006 and is currently completed as a Penrose Skelly, 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 nine wells that have produced the Grayburg formation in the NW/4 of Section 28. The proposed well will be located in the approximate western 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 N/2 of Section 28 is covered by a single fee lease and has common royalty and working interest ownerships. For that reason and the proposed location of the infill well, there are no adversely affected interest owners and no one has been notified of this application.

August 8, 2008  
Page 2

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](mailto:Casey.Mobley@chevron.com). If I am not available, you can also reach Meilin Du by phone at (281) 561-3654 or by email at [meilin.du@chevron.com](mailto:meilin.du@chevron.com). Thank you for consideration of this matter.

Sincerely,



Casey R. Mobley  
Project Manager / Geologist

Attachments

cc: NMOCD District 1 – Hobbs, NM  
Meilin Du  
Ed Van Reet  
Well File

## NOTIFICATION LIST

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

**Eunice King #35**  
1260' FNL & 330' FWL  
Section 28, T21S, R37E, Unit Letter D  
Lea County, New Mexico

### Offset Operators, Working Interest Owners, N/2 Section 28:

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:

**Eunice King #35**  
1260' FNL & 330' FWL  
Section 28, T21S, R37E, Unit Letter D  
Lea County, New Mexico

#### PRIMARY OBJECTIVE: GRAYBURG

#### SUPPORTING DATA:

1. Chevron U.S.A. Inc. (Chevron) is the operator of the proposed Eunice King #35 well (Exhibit 3). The proposed total depth is 4300' in the top of 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	Eunice King #1	30025068370000	28E 21S 37E	Grayburg	191	1,270	1	160	Oil
Chevron	Eunice King #2	30025068380000	28D 21S 37E	Grayburg	61	220	4	257	Oil
Chevron	Eunice King #3	30025068390000	28F 21S 37E	Grayburg	121	1,040	2	172	Oil
Gulf	Eunice King #6	30025068420002	28D 21S 37E	Grayburg	32	284	-	-	Inactive Oil
Chevron	Eunice King #7	30025068430000	28G 21S 37E	Grayburg	44	496	2	229	Oil
Chevron	Eunice King #8	30025068440005	28H 21S 37E	Grayburg	11	263	2	235	Oil
Chevron	Eunice King #11	30025068470001	28B 21S 37E	Grayburg	78	596	12	133	Oil
Chevron	Eunice King #12	30025068480000	28A 21S 37E	Grayburg	24	365	11	167	Oil
Gulf	Eunice King #16	30025068530002	28A 21S 37E	Grayburg	190	94	-	-	Inactive Oil
Chevron	Eunice King #19	30025068560005	28C 21S 37E	Grayburg	13	396	5	162	Oil
Gulf	Eunice King #26	30025068660001	28H 21S 37E	Grayburg	12	72	-	-	Inactive Oil
Chevron	Eunice King #27	30025367380000	28C 21S 37E	Grayburg	12	470	6	191	Oil
Chevron	Eunice King #28	30025367390000	28B 21S 37E	Grayburg	19	269	10	233	Oil
Chevron	Eunice King #29	30025371870000	28F 21S 37E	Grayburg	12	173	6	243	Oil
Chevron	Eunice King #30	30025378310000	28D 21S 37E	Grayburg	8	125	9	257	Oil
Chevron	Eunice King #31	30025378320000	28B 21S 37E	Grayburg	7	158	1	99	Oil
Chevron	Eunice King #32	30025383360000	28A 21S 37E	Grayburg	7	56	13	153	Oil
Chevron	Eunice King #33	30025383370000	28F 21S 37E	Grayburg	1	114	7	389	Oil

3. The proposed Eunice King #35 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 ( $\phi$ ) 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.

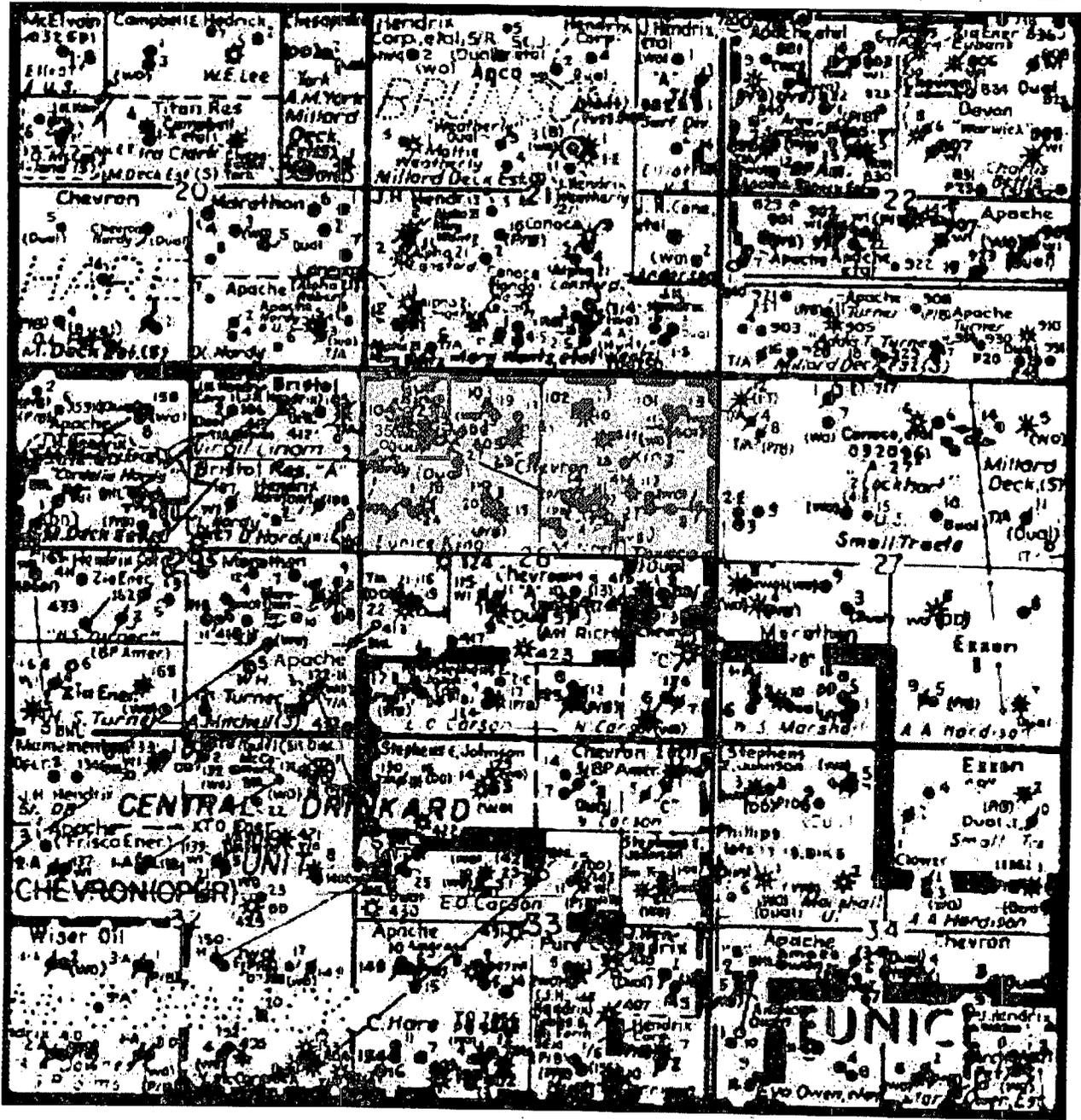
The following table provides drainage areas calculated from the HCPV map and reserves of the offsetting wells.

Operator	Well	API #	Location	Formation	Drainage Acres	EUR	
						MBO	MMCF
Chevron	Eunice King #1	30025068370000	28E 21S 37E	Grayburg	18	191	1,315
Chevron	Eunice King #2	30025068380000	28D 21S 37E	Grayburg	7	67	453
Chevron	Eunice King #3	30025068390000	28F 21S 37E	Grayburg	12	123	1,152
Gulf	Eunice King #6	30025068420002	28D 21S 37E	Grayburg	3	32	284
Chevron	Eunice King #7	30025068430000	28G 21S 37E	Grayburg	6	46	713
Chevron	Eunice King #8	30025068440005	28H 21S 37E	Grayburg	2	14	436
Chevron	Eunice King #11	30025068470001	28B 21S 37E	Grayburg	14	101	800
Chevron	Eunice King #12	30025068480000	28A 21S 37E	Grayburg	7	48	706
Gulf	Eunice King #16	30025068530002	28A 21S 37E	Grayburg	26	190	94
Chevron	Eunice King #19	30025068560005	28C 21S 37E	Grayburg	2	15	501
Gulf	Eunice King #26	30025068660001	28H 21S 37E	Grayburg	2	12	72
Chevron	Eunice King #27	30025367380000	28C 21S 37E	Grayburg	3	27	703
Chevron	Eunice King #28	30025367390000	28B 21S 37E	Grayburg	5	39	570
Chevron	Eunice King #29	30025371870000	28F 21S 37E	Grayburg	3	23	332
Chevron	Eunice King #30	30025378310000	28D 21S 37E	Grayburg	1	14	260
Chevron	Eunice King #31	30025378320000	28B 21S 37E	Grayburg	2	12	351
Chevron	Eunice King #32	30025383360000	28A 21S 37E	Grayburg	4	33	283
Chevron	Eunice King #33	30025383370000	28F 21S 37E	Grayburg	1	6	544

As seen above, the average drainage area of the offsetting locations is only 12 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 8 acre drainage area, and a 15% recovery factor. The results are as follows:

Operator	Well	Location	HCPV	Drainage Acres	EUR	
					MBO	MMCF
Chevron	Eunice King #35	28-D	19	8	47	201

4. The N/2 of Section 28 is covered by a single fee lease which has common royalty and working interest ownerships. Chevron is the operator and 100% working interest owner of the Grayburg wells toward which the proposed well will encroach. Therefore, there are no offset interest owners or adversely affected parties to notify of this application.
5. The proposed Eunice King #35 will share a 40-acre proration unit and will be simultaneously dedicated with the Eunice King #2, Eunice King #6, and Eunice King #30 as a Penrose Skelly, Grayburg producer in Section 28, Unit Letter D.
6. Approval of this application will allow for the recovery of oil and gas reserves which would not otherwise be recovered.



**Chevron USA Inc.**



- Eunice King #2
- 660 FNL & 660 FWL, Unit D
- Eunice King #6
- 766 FNL & 554 FWL, Unit D
- Eunice King #30
- 330 FNL & 1310 FWL, Unit D
- Eunice King #35 (proposed)
- 1260 FNL & 330 FWL, Unit D
- Section 28, T21S-R37E
- Lea County, New Mexico

Eunice King Lease

40 Acre Proration Unit

Scale: 1"=2000' Approx.

State of New Mexico

Energy, Minerals and Natural Resources Department

DISTRICT I

1625 N. FRENCH DR., HOBBBS, NM 88240

DISTRICT II

1301 W. GRAND AVENUE, ARTESIA, NM 86210

DISTRICT III

1000 Rio Brazos Rd., Aztec, NM 87410

DISTRICT IV

1220 S. ST. FRANCIS DR., SANTA FE, NM 87505

OIL CONSERVATION DIVISION

1220 SOUTH ST. FRANCIS DR.  
Santa Fe, New Mexico 87505

Form C-102  
Revised October 12, 2005  
Submit to Appropriate District Office  
State Lease - 4 Copies  
Fee Lease - 3 Copies

WELL LOCATION AND ACREAGE DEDICATION PLAT

AMENDED REPORT

API Number	Pool Code <i>50350</i>	Pool Name <i>Penrose Shelly Grayburg</i>
Property Code	Property Name EUNICE KING	Well Number <i>38 35</i>
OGRID No.	Operator Name CHEVRON USA INC.	Elevation 3470'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
D	28	21-S	37-E		1260	NORTH	330	WEST	LEA

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

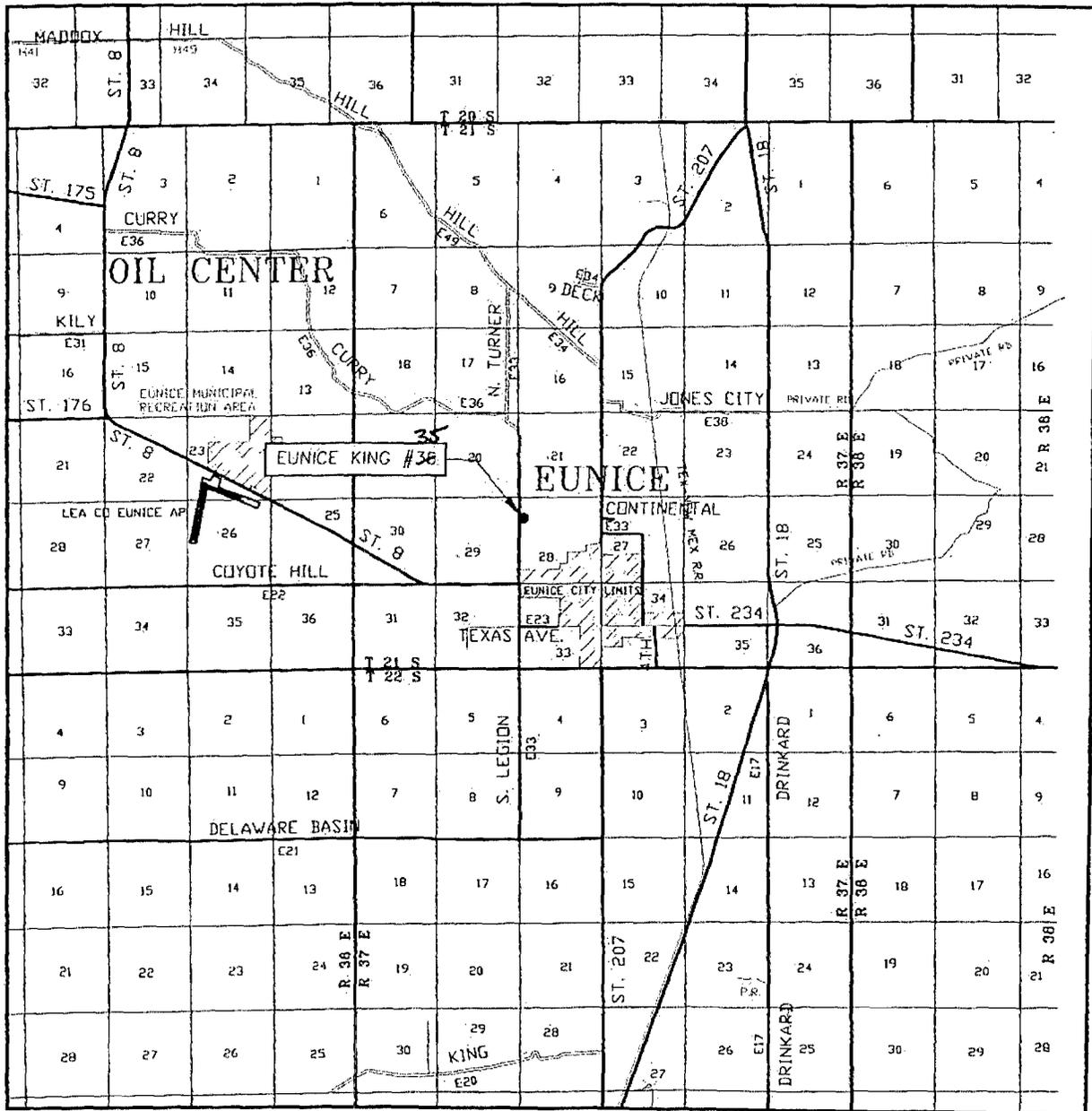
Dedicated Acres	Joint or Infill	Consolidation Code	Order No.

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>GEODETIC COORDINATES NAD 27 NME</p> <p>Y=530656.0 N X=857307.8 E</p> <p>LAT.=32.453557' N LONG.=103.175003' W</p>	<p><b>OPERATOR CERTIFICATION</b></p> <p><i>I hereby certify that the information herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</i></p> <p>Signature _____ Date _____</p> <p>Printed Name _____</p>
		<p><b>SURVEYOR CERTIFICATION</b></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>Date Surveyed: <i>July 21, 2008</i></p> <p>Signature: <i>Ronald J. Eidson</i></p> <p>Professional Surveyor Seal of Professional Surveyor 3239</p> <p>Certificate No. RONALD EIDSON 3239</p>



# VICINITY MAP



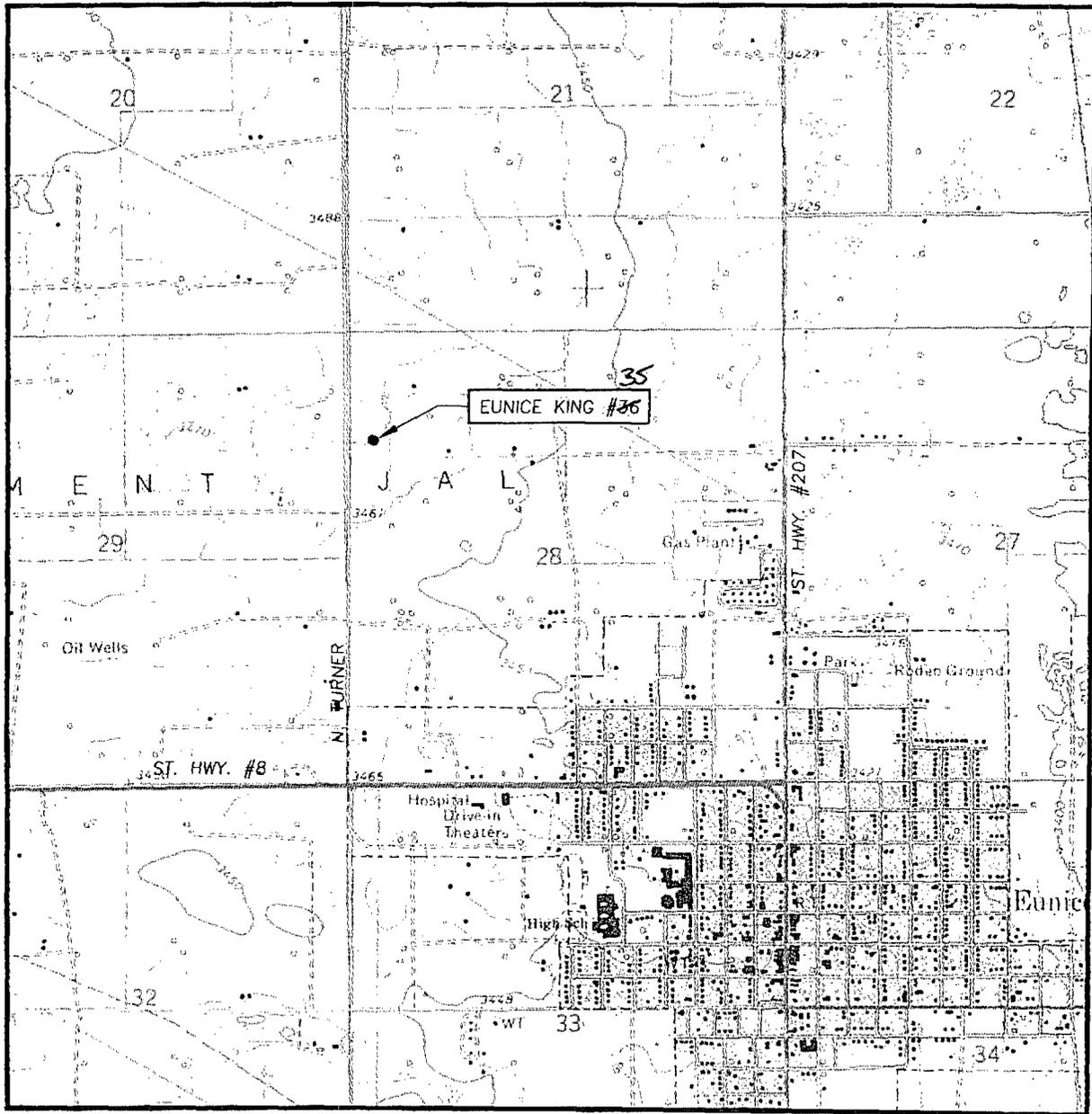
SCALE: 1" = 2 MILES

SEC. 28 TWP. 21-S RGE. 37-E  
 SURVEY \_\_\_\_\_ N.M.P.M. \_\_\_\_\_  
 COUNTY LEA STATE NEW MEXICO  
 DESCRIPTION 1260' FNL & 330' FWL  
 ELEVATION 3470'  
 OPERATOR CHEVRON U.S.A. INC.  
 LEASE EUNICE KING



PROVIDING SURVEYING SERVICES  
 SINCE 1946  
**JOHN WEST SURVEYING COMPANY**  
 412 N. DAL PASO  
 HOBBS, N.M. 88240  
 (505) 393-3117

# LOCATION VERIFICATION MAP



SCALE: 1" = 2000'

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

SEC. 28 TWP. 21-S RGE. 37-E

SURVEY N.M.P.M.

COUNTY LEA STATE NEW MEXICO

DESCRIPTION 1260' FNL & 330' FWL

ELEVATION 3470'

OPERATOR CHEVRON USA INC.

LEASE EUNICE KING

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  
(505) 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 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**

<sup>1</sup> API Number		<sup>2</sup> Pool Code 50350	<sup>3</sup> Pool Name Penrose Skelly; Grayburg	
<sup>4</sup> Property Code	<sup>5</sup> Property Name Eunice King			<sup>6</sup> Well Number 35
<sup>7</sup> OGRID No.	<sup>8</sup> Operator Name Chevron U.S.A., Inc.			<sup>9</sup> Elevation 3470'

<sup>10</sup> Surface Location

UL or Lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
D	28	21S	37E		1260	North	330	West	Lea

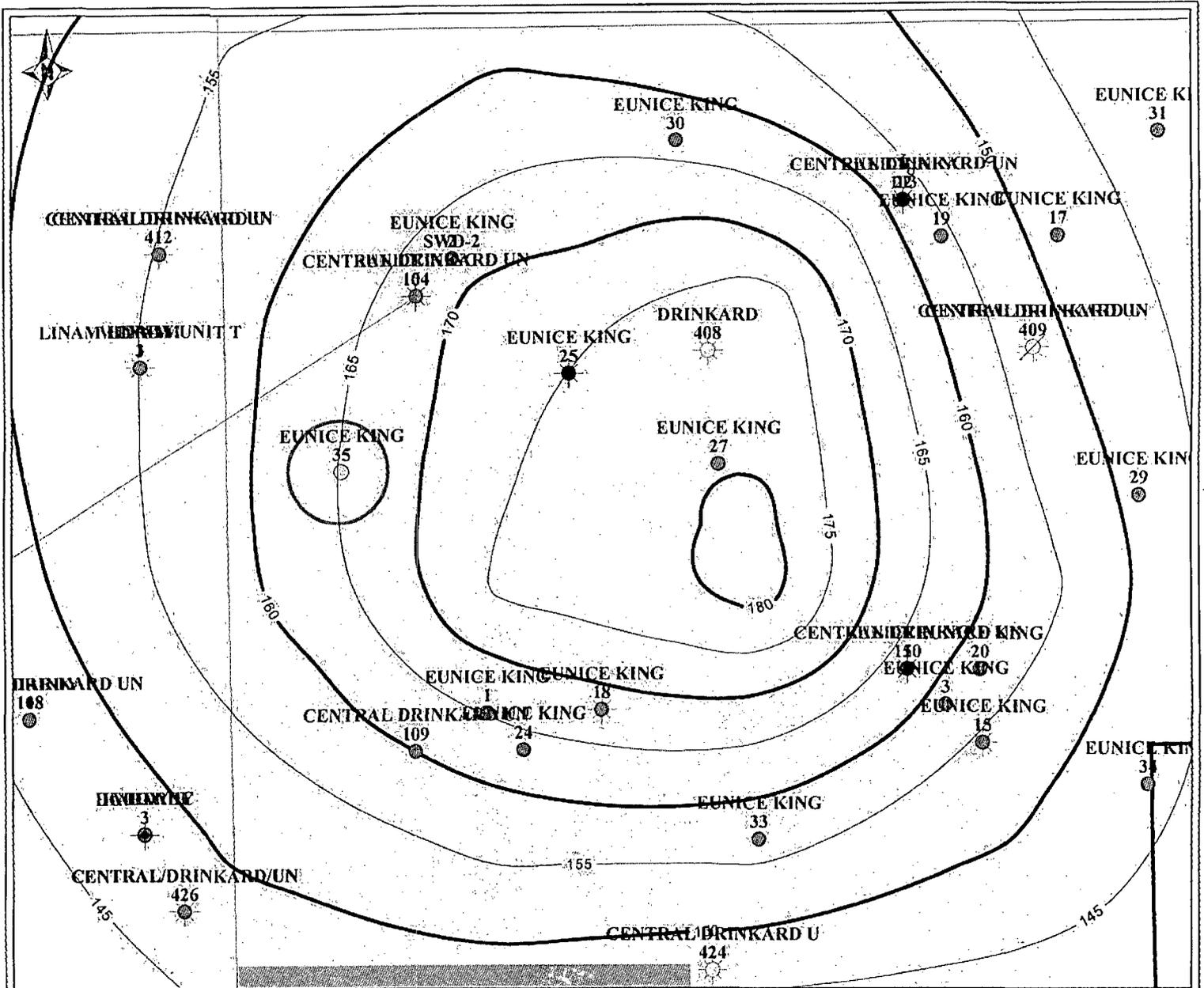
<sup>11</sup> Bottom Hole Location If Different From Surface

UL or Lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

<sup>12</sup> Dedicated Acres 40	<sup>13</sup> Joint or Infill	<sup>14</sup> Consolidation Code	<sup>15</sup> Order No.
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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>40-acre proration unit</p>	Eunice King Lease	<p>20 20</p>	<p>17 <b>OPERATOR CERTIFICATION</b></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></p> <p>Signature _____ Casey R. Mobley Printed Name _____ Geologist Title _____ August 9, 2008</p>
			<p>18 <b>SURVEYOR CERTIFICATION</b></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>



PETRA 8/7/2008 8:08:12 AM



**Chevron U.S.A. Inc.**

**EXHIBIT 4**

PENROSE-SKELLY FIELD EUNICE KING #35

Sec 28, T21S-R37E, Lea Co., New Mexico

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

**POSTED WELL DATA**

Well Name  
Well Number



August 7, 2008





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

2008 SEP 2 PM 3 24  
RECEIVED

August 29, 2008

Bristol Resources Corporation  
Attn: Land Department  
6655 S. Lewis, Suite 200  
Tulsa, Oklahoma 74136

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 Eunice King #35 located 1,260' FNL, & 330' FWL, NW1/4NW1/4, Unit Letter D, of Section 28 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, CPL  
Enclosure

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

**BRISTOL RESOURCES CORPORATION HAS NO OBJECTIONS TO THE UNORTHODOX WELL LOCATION DESCRIBED ABOVE.**

AGREED TO AND ACCEPTED THIS \_\_\_\_\_ DAY OF \_\_\_\_\_, 2008

BRISTOL RESOURCES CORPORATION

By: \_\_\_\_\_

Printed Name: \_\_\_\_\_

Title: \_\_\_\_\_



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

August 29, 2008

Cheyenne Partners V, Ltd.  
Attn: Land Department  
711 Louisiana, Suite 1740  
Houston, Texas 77002

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 Eunice King #35 located 1,260' FNL, & 330' FWL, NW1/4NW1/4, Unit Letter D, of Section 28 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, CPL  
Enclosure

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

**CHEYENNE PARTNERS V, LTD. HAS NO OBJECTIONS TO THE UNORTHODOX WELL LOCATION DESCRIBED ABOVE.**

AGREED TO AND ACCEPTED THIS \_\_\_\_\_ DAY OF \_\_\_\_\_, 2008

CHEYENNE PARTNERS V, LTD.

By: \_\_\_\_\_  
Printed Name: \_\_\_\_\_  
Title: \_\_\_\_\_



**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

August 29, 2008

Devon Energy Corporation  
Attn: Land Department  
20 North Broadway  
Oklahoma City, Oklahoma 73102

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 Eunice King #35 located 1,260' FNL, & 330' FWL, NW1/4NW1/4, Unit Letter D, of Section 28 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, CPL  
Enclosure

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

**DEVON ENERGY CORPORATION HAS NO OBJECTIONS TO THE UNORTHODOX WELL LOCATION DESCRIBED ABOVE.**

AGREED TO AND ACCEPTED THIS \_\_\_\_\_ DAY OF \_\_\_\_\_, 2008.

DEVON ENERGY CORPORATION

By: \_\_\_\_\_

Printed Name: \_\_\_\_\_

Title: \_\_\_\_\_



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

August 29, 2008

ExxonMobil Corporation  
Attn: Land Department  
P. O. Box 4610  
Houston, Texas 77210

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 Eunice King #35 located 1,260' FNL, & 330' FWL, NW1/4NW1/4, Unit Letter D, of Section 28 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, CPL

Enclosure

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

**EXXONMOBIL CORPORATION HAS NO OBJECTIONS TO THE UNORTHODOX WELL LOCATION DESCRIBED ABOVE.**

AGREED TO AND ACCEPTED THIS \_\_\_\_\_ DAY OF \_\_\_\_\_, 2008

EXXONMOBIL CORPORATION

By: \_\_\_\_\_

Printed Name: \_\_\_\_\_

Title: \_\_\_\_\_



**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

August 29, 2008

Floyd Oil Company  
Attn: Land Department  
711 Louisiana, Suite 1740  
Houston, Texas 77002

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 Eunice King #35 located 1,260' FNL, & 330' FWL, NW1/4NW1/4, Unit Letter D, of Section 28 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, CPL  
Enclosure

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

**FLOYD OIL COMPANY HAS NO OBJECTIONS TO THE UNORTHODOX WELL LOCATION DESCRIBED ABOVE.**

AGREED TO AND ACCEPTED THIS \_\_\_\_\_ DAY OF \_\_\_\_\_, 2008.

FLOYD OIL COMPANY

By: \_\_\_\_\_

Printed Name: \_\_\_\_\_

Title: \_\_\_\_\_



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

August 29, 2008

Geronimo Holding Corporation  
Attn: Land Department  
1801 W. Texas  
Midland, Texas 79701

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 Eunice King #35 located 1,260' FNL, & 330' FWL, NW1/4NW1/4, Unit Letter D, of Section 28 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, CPL  
Enclosure

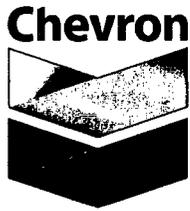
cc: Mr. Mark Fesmire, P.E., Director, Oil Conservation Division

**GERONIMO HOLDING CORPORATION HAS NO OBJECTIONS TO THE UNORTHODOX WELL LOCATION DESCRIBED ABOVE.**

AGREED TO AND ACCEPTED THIS \_\_\_\_\_ DAY OF \_\_\_\_\_, 2008

GERONIMO HOLDING CORPORATION

By: \_\_\_\_\_  
Printed Name: \_\_\_\_\_  
Title: \_\_\_\_\_



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

August 29, 2008

John H. Hendrix Corporation  
Attn: Land Department  
P. O. Box 3040  
Midland, Texas 79702

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 Eunice King #35 located 1,260' FNL, & 330' FWL, NW1/4NW1/4, Unit Letter D, of Section 28 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, CPL  
Enclosure

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

**JOHN H. HENDRIX CORPORATION HAS NO OBJECTIONS TO THE UNORTHODOX WELL LOCATION DESCRIBED ABOVE.**

AGREED TO AND ACCEPTED THIS \_\_\_\_\_ DAY OF \_\_\_\_\_, 2008

JOHN H. HENDRIX CORPORATION

By: \_\_\_\_\_  
Printed Name: \_\_\_\_\_  
Title: \_\_\_\_\_



**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

August 29, 2008

Michael L. Klein  
Attn: Land Department  
500 W. Texas, Suite 1230  
Midland, Texas 79701

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 Eunice King #35 located 1,260' FNL, & 330' FWL, NW1/4NW1/4, Unit Letter D, of Section 28 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, CPL  
Enclosure

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

**MICHAEL L. KLEIN HAS NO OBJECTIONS TO THE UNORTHODOX WELL LOCATION DESCRIBED ABOVE.**

AGREED TO AND ACCEPTED THIS \_\_\_\_\_ DAY OF \_\_\_\_\_, 2008

\_\_\_\_\_  
MICHAEL L. KLEIN



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

August 29, 2008

Marathon Oil Company  
Attn: Land Department  
P. O. Box 3487  
Houston, Texas 77253

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 Eunice King #35 located 1,260' FNL, & 330' FWL, NW1/4NW1/4, Unit Letter D, of Section 28 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, CPL  
Enclosure

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

**MARATHON OIL COMPANY HAS NO OBJECTIONS TO THE UNORTHODOX WELL  
LOCATION DESCRIBED ABOVE.**

AGREED TO AND ACCEPTED THIS \_\_\_\_\_ DAY OF \_\_\_\_\_, 2008

MARATHON OIL COMPANY

By: \_\_\_\_\_

Printed Name: \_\_\_\_\_

Title: \_\_\_\_\_



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

August 29, 2008

National XP Company, Ltd.  
Attn: Land Department  
P. O. Box 25202  
Dallas, Texas 75225

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 Eunice King #35 located 1,260' FNL, & 330' FWL, NW1/4NW1/4 , Unit Letter D, of Section 28 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, CPL  
Enclosure

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

**NATIONAL XP COMPANY, LTD. HAS NO OBJECTIONS TO THE UNORTHODOX WELL LOCATION DESCRIBED ABOVE.**

AGREED TO AND ACCEPTED THIS \_\_\_\_\_ DAY OF \_\_\_\_\_, 2008

NATIONAL XP COMPANY, LTD.

By: \_\_\_\_\_  
Printed Name: \_\_\_\_\_  
Title: \_\_\_\_\_



**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

August 29, 2008

Nowitzki Oil & Gas, LP  
Attn: Land Department  
301 Commerce Street, Suite 1830  
Fort Worth, Texas 76102

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 Eunice King #35 located 1,260' FNL, & 330' FWL, NW1/4NW1/4, Unit Letter D, of Section 28 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, CPL  
Enclosure

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

**NOWITZKI OIL & GAS, LP HAS NO OBJECTIONS TO THE UNORTHODOX WELL LOCATION DESCRIBED ABOVE.**

AGREED TO AND ACCEPTED THIS \_\_\_\_\_ DAY OF \_\_\_\_\_, 2008

NOWITZKI OIL & GAS, LP

By: \_\_\_\_\_  
Printed Name: \_\_\_\_\_  
Title: \_\_\_\_\_



**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

August 29, 2008

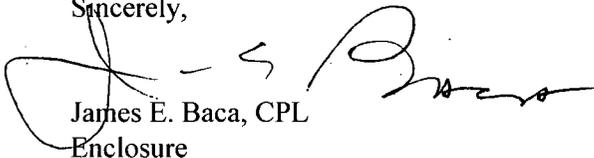
S & J Operating Company  
Attn: Land Department  
811 6<sup>th</sup> Street  
Wichita Falls, Texas 76301

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 Eunice King #35 located 1,260' FNL, & 330' FWL, NW1/4NW1/4, Unit Letter D, of Section 28 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, CPL  
Enclosure

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

**S & J OPERATING COMPANY HAS NO OBJECTIONS TO THE UNORTHODOX WELL LOCATION DESCRIBED ABOVE.**

AGREED TO AND ACCEPTED THIS \_\_\_\_\_ DAY OF \_\_\_\_\_, 2008

S & J OPERATING COMPANY

By: \_\_\_\_\_  
Printed Name: \_\_\_\_\_  
Title: \_\_\_\_\_



**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

August 29, 2008

James L. Tull  
Attn: Land Department  
811 6<sup>th</sup> Street  
Wichita Falls, Texas 76301

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 Eunice King #35 located 1,260' FNL, & 330' FWL, NW1/4NW1/4, Unit Letter D, of Section 28 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, CPL  
Enclosure

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

**JAMES L. TULL HAS NO OBJECTIONS TO THE UNORTHODOX WELL LOCATION DESCRIBED ABOVE.**

AGREED TO AND ACCEPTED THIS \_\_\_\_\_ DAY OF \_\_\_\_\_, 2008

\_\_\_\_\_  
JAMES L. TULL



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

August 29, 2008

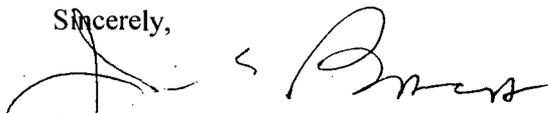
Robert McGaughey  
Attn: Land Department  
811 6<sup>th</sup> Street  
Wichita Falls, Texas 76301

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 Eunice King #35 located 1,260' FNL, & 330' FWL, NW1/4NW1/4, Unit Letter D, of Section 28 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,



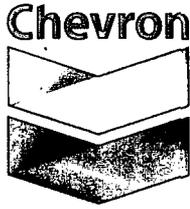
James E. Baca, CPL  
Enclosure

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

**ROBERT MCGAUGHEY HAS NO OBJECTIONS TO THE UNORTHODOX WELL LOCATION DESCRIBED ABOVE.**

AGREED TO AND ACCEPTED THIS \_\_\_\_\_ DAY OF \_\_\_\_\_, 2008

\_\_\_\_\_  
ROBERT MCGAUGHEY



**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

August 29, 2008.

Billy Clay Carver  
Attn: Land Department  
811 6<sup>th</sup> Street  
Wichita Falls, Texas 76301

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 Eunice King #35 located 1,260' FNL, & 330' FWL, NW1/4NW1/4, Unit Letter D, of Section 28 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, CPL  
Enclosure

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

**BILLY CLAY CARVER HAS NO OBJECTIONS TO THE UNORTHODOX WELL LOCATION DESCRIBED ABOVE.**

AGREED TO AND ACCEPTED THIS \_\_\_\_\_ DAY OF \_\_\_\_\_, 2008

\_\_\_\_\_  
BILLY CLAY CARVER



**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

August 29, 2008

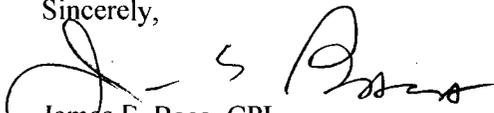
Thomas P. Stephens  
Attn: Land Department  
811 6<sup>th</sup> Street  
Wichita Falls, Texas 76301

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 Eunice King #35 located 1,260' FNL, & 330' FWL, NW1/4NW1/4, Unit Letter D, of Section 28 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, CPL  
Enclosure

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

**THOMAS P. STEPHENS HAS NO OBJECTIONS TO THE UNORTHODOX WELL LOCATION DESCRIBED ABOVE.**

AGREED TO AND ACCEPTED THIS \_\_\_\_\_ DAY OF \_\_\_\_\_, 2008

\_\_\_\_\_  
THOMAS P. STEPHENS



**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

August 29, 2008

Bob Gilmore  
Attn: Land Department  
811 6<sup>th</sup> Street  
Wichita Falls, Texas 76301

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 Eunice King #35 located 1,260' FNL, & 330' FWL, NW1/4NW1/4, Unit Letter D, of Section 28 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, CPL  
Enclosure

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

**BOB GILMORE HAS NO OBJECTIONS TO THE UNORTHODOX WELL LOCATION  
DESCRIBED ABOVE.**

AGREED TO AND ACCEPTED THIS \_\_\_\_\_ DAY OF \_\_\_\_\_, 2008

\_\_\_\_\_  
BOB GILMORE



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

August 29, 2008

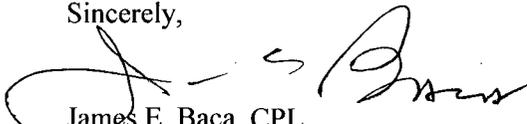
Bruce Robertson  
Attn: Land Department  
811 6<sup>th</sup> Street  
Wichita Falls, Texas 76301

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 Eunice King #35 located 1,260' FNL, & 330' FWL, NW1/4NW1/4, Unit Letter D, of Section 28 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, CPL  
Enclosure

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

**BRUCE ROBERTSON HAS NO OBJECTIONS TO THE UNORTHODOX WELL LOCATION  
DESCRIBED ABOVE.**

AGREED TO AND ACCEPTED THIS \_\_\_\_\_ DAY OF \_\_\_\_\_, 2008

\_\_\_\_\_  
BRUCE ROBERTSON



**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

August 29, 2008

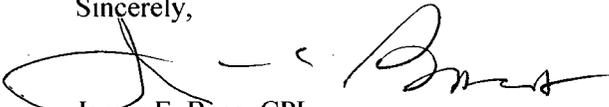
Dale T. Dreher  
Attn: Land Department  
811 6<sup>th</sup> Street  
Wichita Falls, Texas 76301

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 Eunice King #35 located 1,260' FNL, & 330' FWL, NW1/4NW1/4, Unit Letter D, of Section 28 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, CPL  
Enclosure

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

**DALE T. DREHER HAS NO OBJECTIONS TO THE UNORTHODOX WELL LOCATION  
DESCRIBED ABOVE.**

AGREED TO AND ACCEPTED THIS \_\_\_\_\_ DAY OF \_\_\_\_\_, 2008

\_\_\_\_\_  
DALE T. DREHER



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

August 29, 2008

Jeffrey W. Ritchie  
Attn: Land Department  
811 6<sup>th</sup> Street  
Wichita Falls, Texas 76301

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 Eunice King #35 located 1,260' FNL, & 330' FWL, NW1/4NW1/4, Unit Letter D, of Section 28 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, CPL  
Enclosure

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

**JEFFREY W. RITCHIE HAS NO OBJECTIONS TO THE UNORTHODOX WELL LOCATION DESCRIBED ABOVE.**

AGREED TO AND ACCEPTED THIS \_\_\_\_\_ DAY OF \_\_\_\_\_, 2008

\_\_\_\_\_  
JEFFREY W. RITCHIE



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

August 29, 2008

Max R. Vordenbaum  
Attn: Land Department  
811 6<sup>th</sup> Street  
Wichita Falls, Texas 76301

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 Eunice King #35 located 1,260' FNL, & 330' FWL, NW1/4NW1/4, Unit Letter D, of Section 28 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, CPL  
Enclosure

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

**MAX R. VORDENBAUM HAS NO OBJECTIONS TO THE UNORTHODOX WELL  
LOCATION DESCRIBED ABOVE.**

AGREED TO AND ACCEPTED THIS \_\_\_\_\_ DAY OF \_\_\_\_\_, 2008

\_\_\_\_\_  
MAX R. VORDENBAUM



**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

August 29, 2008

C. K. Co.  
Attn: Land Department  
811 6<sup>th</sup> Street  
Wichita Falls, Texas 76301

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 Eunice King #35 located 1,260' FNL, & 330' FWL, NW1/4NW1/4, Unit Letter D, of Section 28 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, CPL

Enclosure

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

**C. K. CO. HAS NO OBJECTIONS TO THE UNORTHODOX WELL LOCATION DESCRIBED ABOVE.**

AGREED TO AND ACCEPTED THIS \_\_\_\_\_ DAY OF \_\_\_\_\_, 2008

C. K. CO.

By: \_\_\_\_\_

Printed Name: \_\_\_\_\_

Title: \_\_\_\_\_



**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

August 29, 2008

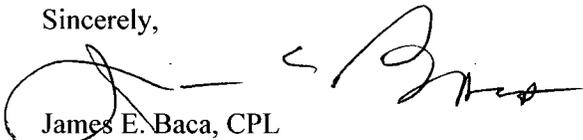
Ted H. Smith Jr.  
Attn: Land Department  
811 6<sup>th</sup> Street  
Wichita Falls, Texas 76301

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 Eunice King #35 located 1,260' FNL, & 330' FWL, NW1/4NW1/4, Unit Letter D, of Section 28 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, CPL  
Enclosure

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

**TED H. SMITH JR. HAS NO OBJECTIONS TO THE UNORTHODOX WELL LOCATION  
DESCRIBED ABOVE.**

AGREED TO AND ACCEPTED THIS \_\_\_\_\_ DAY OF \_\_\_\_\_, 2008

\_\_\_\_\_  
TED H. SMITH JR.



**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

August 29, 2008

J & N Property Co., Ltd.  
Attn: Land Department  
811 6<sup>th</sup> Street  
Wichita Falls, Texas 76301

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 Eunice King #35 located 1,260' FNL, & 330' FWL, NW1/4NW1/4, Unit Letter D, of Section 28 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, CPL

Enclosure

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

**J & N PROPERTY CO., LTD. HAS NO OBJECTIONS TO THE UNORTHODOX WELL  
LOCATION DESCRIBED ABOVE.**

AGREED TO AND ACCEPTED THIS \_\_\_\_\_ DAY OF \_\_\_\_\_, 2008

J & N PROPERTY CO., LTD.

By: \_\_\_\_\_

Printed Name: \_\_\_\_\_

Title: \_\_\_\_\_



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

August 29, 2008

Stephens Partnership Co., Ltd.  
Attn: Land Department  
811 6<sup>th</sup> Street  
Wichita Falls, Texas 76301

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 Eunice King #35 located 1,260' FNL, & 330' FWL, NW1/4NW1/4, Unit Letter D, of Section 28 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, CPL

Enclosure

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

**STEPHENS PARTNERSHIP CO., LTD. HAS NO OBJECTIONS TO THE UNORTHODOX WELL LOCATION DESCRIBED ABOVE.**

AGREED TO AND ACCEPTED THIS \_\_\_\_\_ DAY OF \_\_\_\_\_, 2008

STEPHENS PARTNERSHIP CO., LTD.

By: \_\_\_\_\_

Printed Name: \_\_\_\_\_

Title: \_\_\_\_\_

**Baca, James (JMEB)**

---

**From:** dg.heck@heckex.com  
**Sent:** Friday, August 29, 2008 10:56 AM  
**To:** Baca, James (JMEB)  
**Subject:** Updated Notification List; Working Interest Owners; SE1/4NE1/4 of Sec. 29, T-21-S, R-37-E, (surface to 4,000 feet), Lea County, New Mexico

**Attachments:** Chevron-Notify.xls



Chevron-Notify.xls  
(39 KB)

Updated Notification List

<b>Company</b>	<b>Address</b>	<b>City</b>	<b>ST</b>	<b>Zip</b>
Bristol Resources Corporation	6655 S. Lewis, Suite 200	Tulsa	OK	74136
Cheyenne Partners V, Ltd.	711 Louisiana, Suite 1740	Houston	TX	77002
Devon Energy Corporation	20 N. Broadway	Oklahoma City	OK	73102
ExxonMobil Corporation	P.O. Box 4610	Houston	TX	77210
Floyd Oil Company	711 Louisiana, Suite 1740	Houston	TX	77002
Geronimo Holding Corporation	1801 W. Texas	Midland	TX	79701
John H. Hendrix Corporation	P.O. Box 3040	Midland	TX	79702
Marathon Oil Company	P.O. Box 3487	Houston	TX	77253
Michael L. Klein	500 W. Texas, Suite 1230	Midland	TX	79701
National XP Company, Ltd.	P.O. Box 25202	Dallas	TX	75225
Nowitzki Oil & Gas, LP	301 Commerce Street, Suite 1830	Fort Worth	TX	76102
S&J Operating Company	811 6th Street	Wichita Falls	TX	76301
Stephens Partnership Co., Ltd.	811 6th Street	Wichita Falls	TX	76301
J&N Property Co., Ltd.	811 6th Street	Wichita Falls	TX	76301
C.K. Co.	811 6th Street	Wichita Falls	TX	76301
Ted H. Smith Jr.	811 6th Street	Wichita Falls	TX	76301
Max R. Vordenbaum	811 6th Street	Wichita Falls	TX	76301
Thomas P. Stephens	811 6th Street	Wichita Falls	TX	76301
Bob Gilmore	811 6th Street	Wichita Falls	TX	76301
Bruce Robertson	811 6th Street	Wichita Falls	TX	76301
Dale T. Dreher	811 6th Street	Wichita Falls	TX	76301
Jeffrey W. Ritchie	811 6th Street	Wichita Falls	TX	76301
Robert McGaughey	811 6th Street	Wichita Falls	TX	76301
Billy Clay Carver	811 6th Street	Wichita Falls	TX	76301
James L. Tull	811 6th Street	Wichita Falls	TX	76301



Casey R. Mobley  
Project Manager / Geologist

North America Upstream  
Midcontinent Business Unit  
11111 S. Wilcrest, Rm S-1037  
Houston, Texas 77099  
Tel: (281) 561-4830  
Fax: (281) 561-3576  
Casey.Mobley@chevron.com

August 8, 2008

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:

**Eunice King #35**  
1260' FNL & 330' FWL, NW/4 NW/4 of  
Section 28, T21S, R37E, Unit Letter D  
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 4 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 NW/4 NW/4 of Section 28 will be simultaneously dedicated in the Penrose Skelly, Grayburg Pool to the proposed well and to the Eunice King #2, Eunice King #6, and Eunice King #30 wells, pursuant to statewide Rule 104.B(1). The Eunice King #2 was drilled in 1937 and was re-completed as a Penrose Skelly, Grayburg producer in 2005. The Eunice King #6 was drilled in 1947 and is currently inactive as a Penrose Skelly, Grayburg producer. The Eunice King #30 was drilled in 2006 and is currently completed as a Penrose Skelly, Grayburg producer.

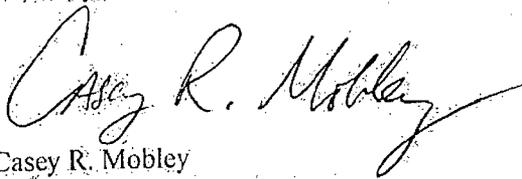
This application is based on geological and engineering analysis. The analysis and justification for this request is attached as Exhibit 1, along with other supporting documentation. There are nine wells that have produced the Grayburg formation in the NW/4 of Section 28. The proposed well will be located in the approximate western 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 N/2 of Section 28 is covered by a single fee lease and has common royalty and working interest ownerships. For that reason and the proposed location of the infill well, there are no adversely affected interest owners and no one has been notified of this application.

August 8, 2008  
Page 2

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](mailto:Casey.Mobley@chevron.com). If I am not available, you can also reach Meilin Du by phone at (281) 561-3654 or by email at [meilin.du@chevron.com](mailto:meilin.du@chevron.com). Thank you for consideration of this matter.

Sincerely,

A handwritten signature in cursive script that reads "Casey R. Mobley". The signature is written in black ink and is positioned above the printed name and title.

Casey R. Mobley  
Project Manager / Geologist

Attachments

cc: NMOCD District 1 - Hobbs, NM  
Meilin Du  
Ed Van Reet  
Well File

NOTIFICATION LIST

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

**Eunice King #35**  
1260' FNL & 330' FWL  
Section 28, T21S, R37E, Unit Letter D  
Lea County, New Mexico

Offset Operators, Working Interest Owners, N/2 Section 28:

- |    |   |                  |
|----|---|------------------|
| 1. | Chevron U.S.A. Inc.<br>11111 S. Wilcrest<br>Houston, TX 77099 | Operator/100% WI |
|----|---|------------------|

DATE IN	SUSPENSE	ENGINEER	LOGGED IN	TYPE	APP. NO.
---------	----------	----------	-----------	------	----------

ABOVE THIS LINE FOR DIVISION USE ONLY

**NEW MEXICO OIL CONSERVATION DIVISION**

- Engineering Bureau -

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



**ADMINISTRATIVE APPLICATION CHECKLIST**

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

Signature

Project Manager / Geologist  
 Title

8/08/2008  
 Date

Casey.Mobley@chevron.com  
 e-mail Address

**EXHIBIT 1**

**ENGINEERING AND GEOLOGICAL JUSTIFICATION**

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

**Eunice King #35**  
1260' FNL & 330' FWL  
Section 28, T21S, R37E, Unit Letter D  
Lea County, New Mexico

**PRIMARY OBJECTIVE: GRAYBURG**

**SUPPORTING DATA:**

1. Chevron U.S.A. Inc. (Chevron) is the operator of the proposed Eunice King #35 well (Exhibit 3). The proposed total depth is 4300' in the top of 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	Eunice King #1	30025068370000	28E 21S 37E	Grayburg	191	1,270	1	160	Oil
Chevron	Eunice King #2	30025068380000	28D 21S 37E	Grayburg	61	220	4	257	Oil
Chevron	Eunice King #3	30025068390000	28F 21S 37E	Grayburg	121	1,040	2	172	Oil
Gulf	Eunice King #6	30025068420002	28D 21S 37E	Grayburg	32	284	-	-	Inactive Oil
Chevron	Eunice King #7	30025068430000	28G 21S 37E	Grayburg	44	496	2	229	Oil
Chevron	Eunice King #8	30025068440005	28H 21S 37E	Grayburg	11	263	2	235	Oil
Chevron	Eunice King #11	30025068470001	28B 21S 37E	Grayburg	78	596	12	133	Oil
Chevron	Eunice King #12	30025068480000	28A 21S 37E	Grayburg	24	365	11	167	Oil
Gulf	Eunice King #16	30025068530002	28A 21S 37E	Grayburg	190	94	-	-	Inactive Oil
Chevron	Eunice King #19	30025068560005	28C 21S 37E	Grayburg	13	396	5	162	Oil
Gulf	Eunice King #26	30025068660001	28H 21S 37E	Grayburg	12	72	-	-	Inactive Oil
Chevron	Eunice King #27	30025367380000	28C 21S 37E	Grayburg	12	470	6	191	Oil
Chevron	Eunice King #28	30025367390000	28B 21S 37E	Grayburg	19	269	10	233	Oil
Chevron	Eunice King #29	30025371870000	28F 21S 37E	Grayburg	12	173	6	243	Oil
Chevron	Eunice King #30	30025378310000	28D 21S 37E	Grayburg	8	125	9	257	Oil
Chevron	Eunice King #31	30025378320000	28B 21S 37E	Grayburg	7	158	1	99	Oil
Chevron	Eunice King #32	30025383360000	28A 21S 37E	Grayburg	7	56	13	153	Oil
Chevron	Eunice King #33	30025383370000	28F 21S 37E	Grayburg	1	114	7	389	Oil

3. The proposed Eunice King #35 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 ( $\phi$ ) 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.

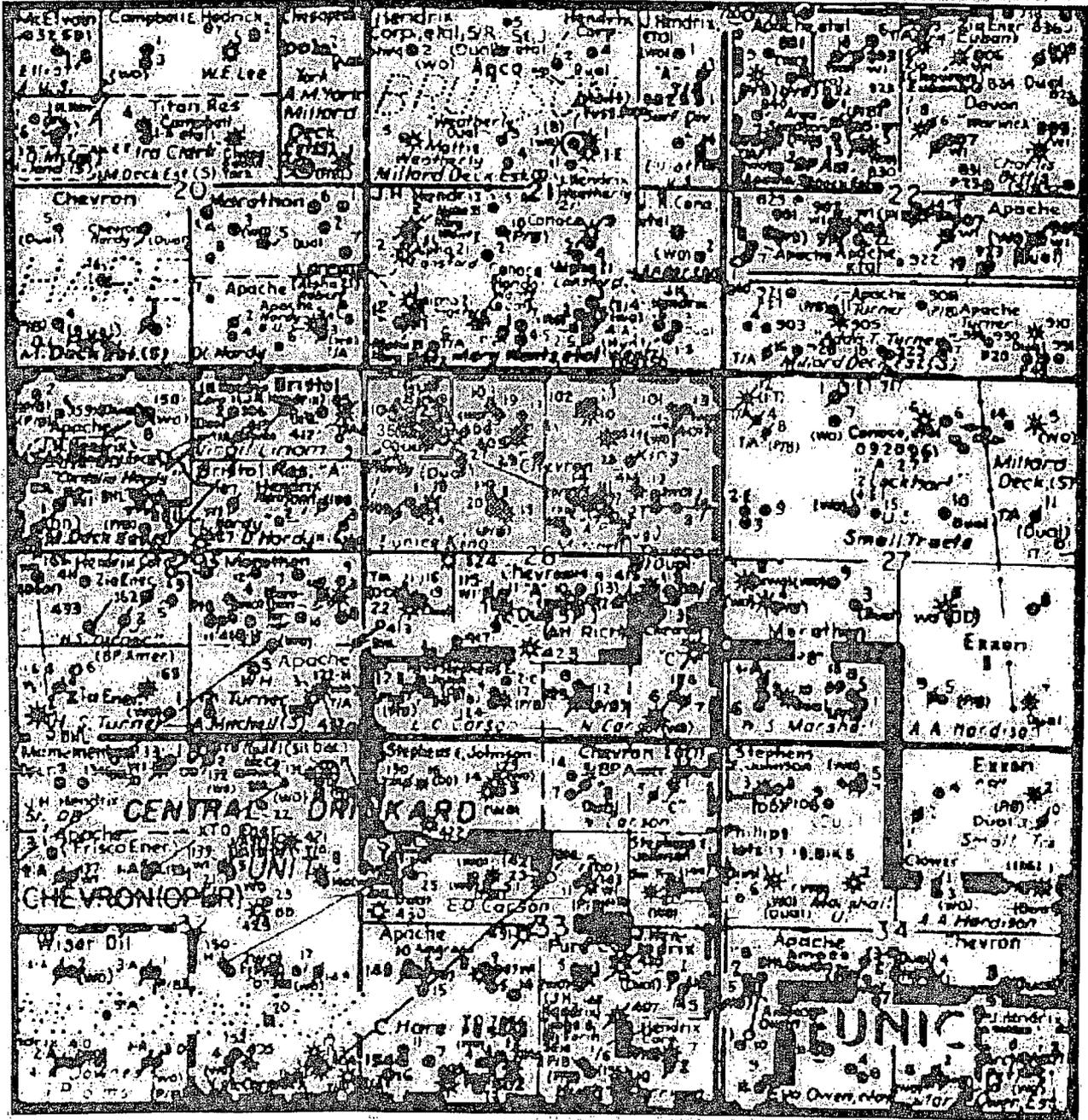
The following table provides drainage areas calculated from the HCPV map and reserves of the offsetting wells.

Operator	Well	API #	Location	Formation	Drainage Acres	EUR	
						MBO	MMCF
Chevron	Eunice King #1	30025068370000	28E 21S 37E	Grayburg	18	191	1,315
Chevron	Eunice King #2	30025068380000	28D 21S 37E	Grayburg	7	67	453
Chevron	Eunice King #3	30025068390000	28F 21S 37E	Grayburg	12	123	1,152
Gulf	Eunice King #6	30025068420002	28D 21S 37E	Grayburg	3	32	284
Chevron	Eunice King #7	30025068430000	28G 21S 37E	Grayburg	6	46	713
Chevron	Eunice King #8	30025068440005	28H 21S 37E	Grayburg	2	14	436
Chevron	Eunice King #11	30025068470001	28B 21S 37E	Grayburg	14	101	800
Chevron	Eunice King #12	30025068480000	28A 21S 37E	Grayburg	7	48	706
Gulf	Eunice King #16	30025068530002	28A 21S 37E	Grayburg	26	190	94
Chevron	Eunice King #19	30025068560005	28C 21S 37E	Grayburg	2	15	501
Gulf	Eunice King #26	30025068660001	28H 21S 37E	Grayburg	2	12	72
Chevron	Eunice King #27	30025367380000	28C 21S 37E	Grayburg	3	27	703
Chevron	Eunice King #28	30025367390000	28B 21S 37E	Grayburg	5	39	570
Chevron	Eunice King #29	30025371870000	28F 21S 37E	Grayburg	3	23	332
Chevron	Eunice King #30	30025378310000	28D 21S 37E	Grayburg	1	14	260
Chevron	Eunice King #31	30025378320000	28B 21S 37E	Grayburg	2	12	351
Chevron	Eunice King #32	30025383360000	28A 21S 37E	Grayburg	4	33	283
Chevron	Eunice King #33	30025383370000	28F 21S 37E	Grayburg	1	6	544

As seen above, the average drainage area of the offsetting locations is only 12 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 8 acre drainage area, and a 15% recovery factor. The results are as follows:

Operator	Well	Location	HCPV	Drainage Acres	EUR	
					MBO	MMCF
Chevron	Eunice King #35	28-D	19	8	47	201

4. The N/2 of Section 28 is covered by a single fee lease which has common royalty and working interest ownerships. Chevron is the operator and 100% working interest owner of the Grayburg wells toward which the proposed well will encroach. Therefore, there are no offset interest owners or adversely affected parties to notify of this application.
5. The proposed Eunice King #35 will share a 40-acre proration unit and will be simultaneously dedicated with the Eunice King #2, Eunice King #6, and Eunice King #30 as a Penrose Skelly, Grayburg producer in Section 28, Unit Letter D.
6. Approval of this application will allow for the recovery of oil and gas reserves which would not otherwise be recovered.



**Chevron USA Inc.**



- Eunice King #2
- 660 FNL & 660 FWL, Unit D.
- Eunice King #6
- 766 FNL & 554 FWL, Unit D.
- Eunice King #30
- 330 FNL & 1310 FWL, Unit D.
- Eunice King #35 (proposed)
- 1280 FNL & 330 FWL, Unit D
- Section 28, T21S-R37E
- Lea County, New Mexico

Eunice King Lease

40 Acre Proration Unit

Scale: 1"=2000' Approx.

State of New Mexico

Energy, Minerals and Natural Resources Department

DISTRICT I  
1625 N. FRENCH DR., HOBBS, NM 88240

DISTRICT II  
1301 W. GRAND AVENUE, ARTESIA, NM 88210

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

DISTRICT IV  
1220 S. ST. FRANCIS DR., SANTA FE, NM 87505

OIL CONSERVATION DIVISION  
1220 SOUTH ST. FRANCIS DR.  
Santa Fe, New Mexico 87505

Form C-102

Revised October 12, 2005

Submit to Appropriate District Office  
State Lease - 4 Copies  
Pec. Lease - 3 Copies

WELL LOCATION AND ACREAGE DEDICATION PLAT

AMENDED REPORT

API Number	Pool Code	Pool Name
Property Code	Property Name <b>EUNICE KING</b>	Well Number <b>36 35</b>
OGRID No.	Operator Name <b>CHEVRON USA INC.</b>	Elevation <b>3470'</b>

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
D	28	21-S	37-E		1260	NORTH	330	WEST	LEA

Bottom Hole Location If Different From Surface

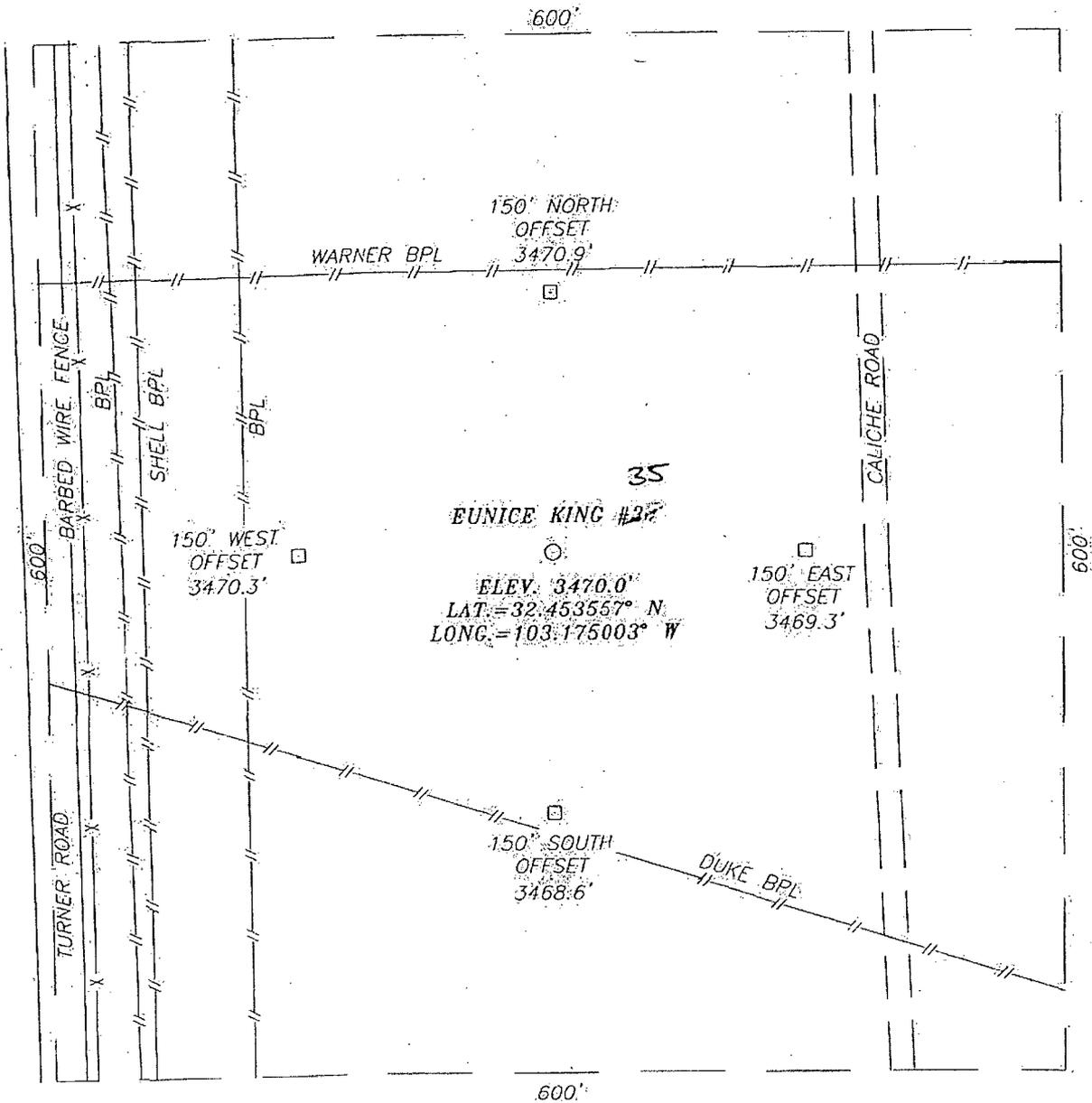
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

Dedicated Acres	Joint or Infill	Consolidation Code	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

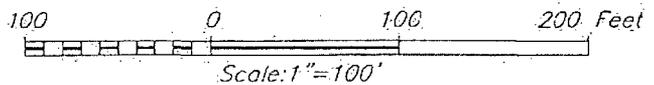
	<p>GEODETTIC COORDINATES NAD 27 NME</p> <p>Y=530656.0 N X=857307.8 E</p> <p>LAT.=32.453557° N LONG.=103.175003° W</p>	<p><b>OPERATOR CERTIFICATION</b></p> <p>I hereby certify that the information herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</p>
		<p>Signature _____ Date _____</p> <p>Printed Name _____</p>
		<p><b>SURVEYOR CERTIFICATION</b></p> <p>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.</p>
		<p>Date Surveyed: _____ MEXICO LA</p> <p>Signature: _____ Seal of Professional Surveyor 3239</p> <p><i>Ronald J. Eidson</i> 10/30/08</p>
		<p>Certificate No: RONALD EIDSON 3239</p>

SECTION 28, TOWNSHIP 21 SOUTH, RANGE 37 EAST, N.M.P.M.,  
LEA COUNTY, NEW MEXICO



DIRECTIONS TO LOCATION

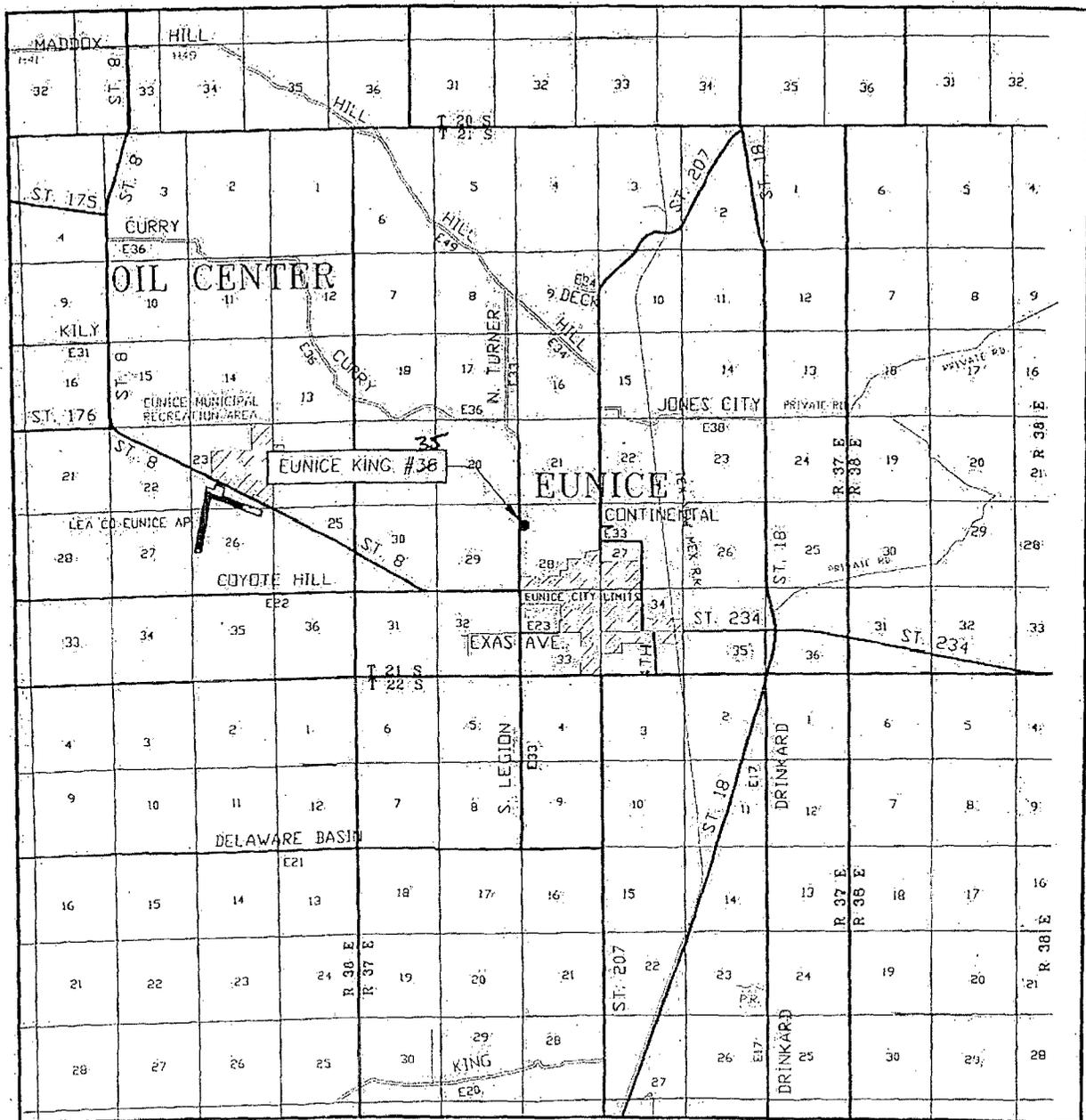
FROM INTERSECTION ST. HWY. #8 AND CO. RD. #E33 (TURNER), GO NORTH ON CO. RD. #E33 APPROX. 0.8 MILES. THIS LOCATION IS APPROX. 300 FEET EAST.



PROVIDING SURVEYING SERVICES  
SINCE 1946  
**JOHN WEST SURVEYING COMPANY**  
412 N. DAL PASO  
HOBBS, N.M. 88240  
(505) 393-3117

<b>CHEVRON USA INC.</b>			
35 EUNICE KING #35 WELL LOCATED 1260 FEET FROM THE NORTH LINE AND 330 FEET FROM THE WEST LINE OF SECTION 28, TOWNSHIP 21 SOUTH, RANGE 37 EAST, N.M.P.M., LEA COUNTY, NEW MEXICO.			
Survey Date: 7/28/08	Sheet 1 of 1 Sheets		
W.O. Number: 08-11-1131	Dr By: LA	Rev. 1: N/A	
Date: 7/28/08	08111131	Scale: 1" = 100'	

# VICINITY MAP



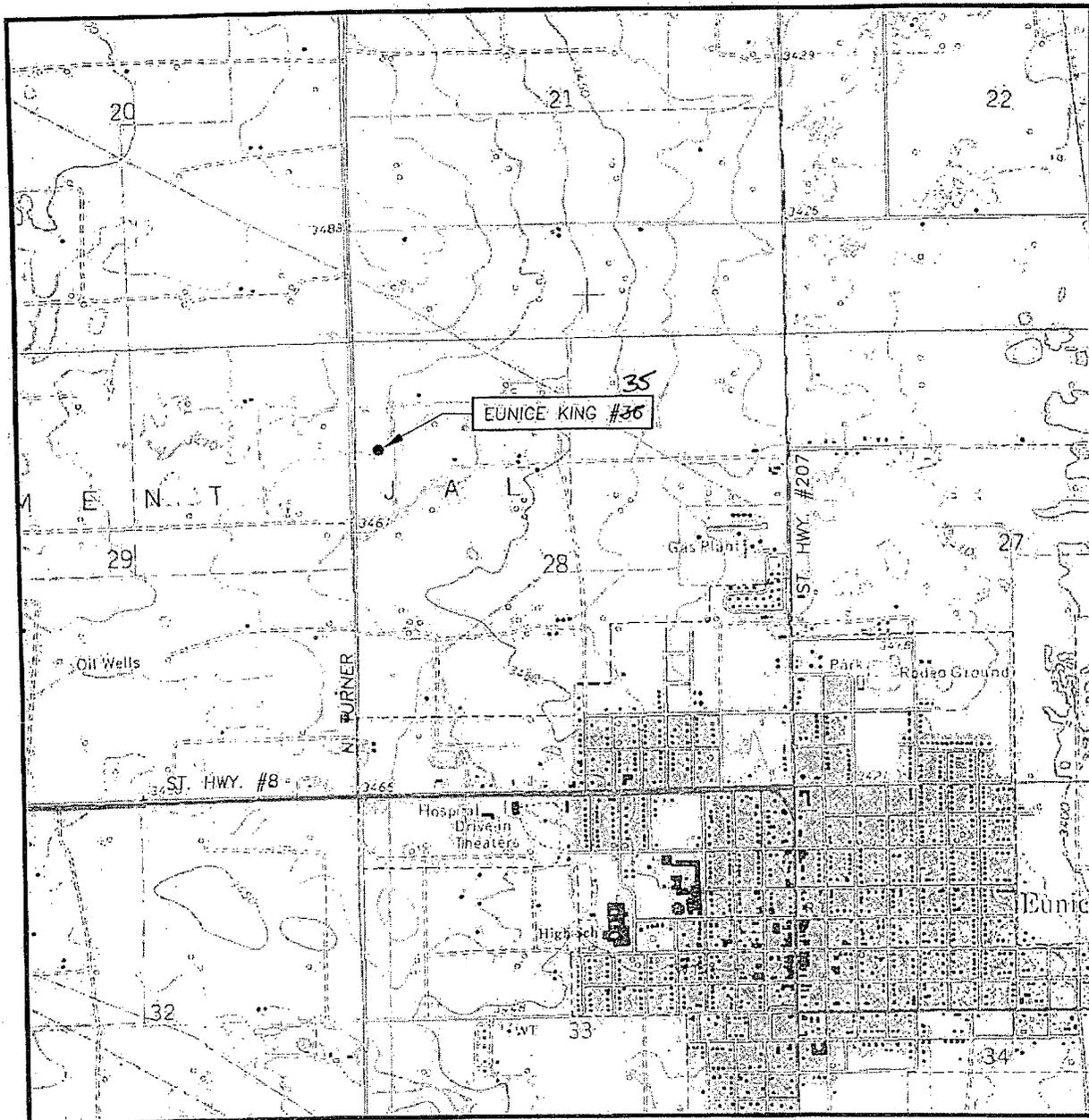
SCALE: 1" = 2 MILES

SEC. 28 TWP. 21-S RGE. 37-E  
 SURVEY N.M.P.M.  
 COUNTY LEA STATE NEW MEXICO  
 DESCRIPTION 1260' FNL & 330' FWL  
 ELEVATION 3470'  
 OPERATOR CHEVRON U.S.A. INC.  
 LEASE EUNICE KING



PROVIDING SURVEYING SERVICES  
 SINCE 1946  
**JOHN WEST SURVEYING COMPANY**  
 412 N. DAL PASO  
 HOBBS, N.M. 88240  
 (505) 393-3117

# LOCATION VERIFICATION MAP



SCALE: 1" = 2000'

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

SEC. 28 TWP. 21-S RGE. 37-E

SURVEY N.M.P.M.

COUNTY LEA STATE NEW MEXICO

DESCRIPTION 1260' FNL & 330' FWL

ELEVATION 3470'

OPERATOR CHEVRON USA INC.

LEASE EUNICE KING

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  
(505) 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 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**

<sup>1</sup> API Number		<sup>2</sup> Pool Code 50350	<sup>3</sup> Pool Name Penrose Skelly, Grayburg
<sup>4</sup> Property Code	<sup>5</sup> Property Name Eunice King		<sup>6</sup> Well Number 35
<sup>7</sup> OGRID No.	<sup>8</sup> Operator Name Chevron U.S.A., Inc.		<sup>9</sup> Elevation 3470'

<sup>10</sup> Surface Location

UL or Lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
D	28	21S	37E		1260	North	330	West	Lea

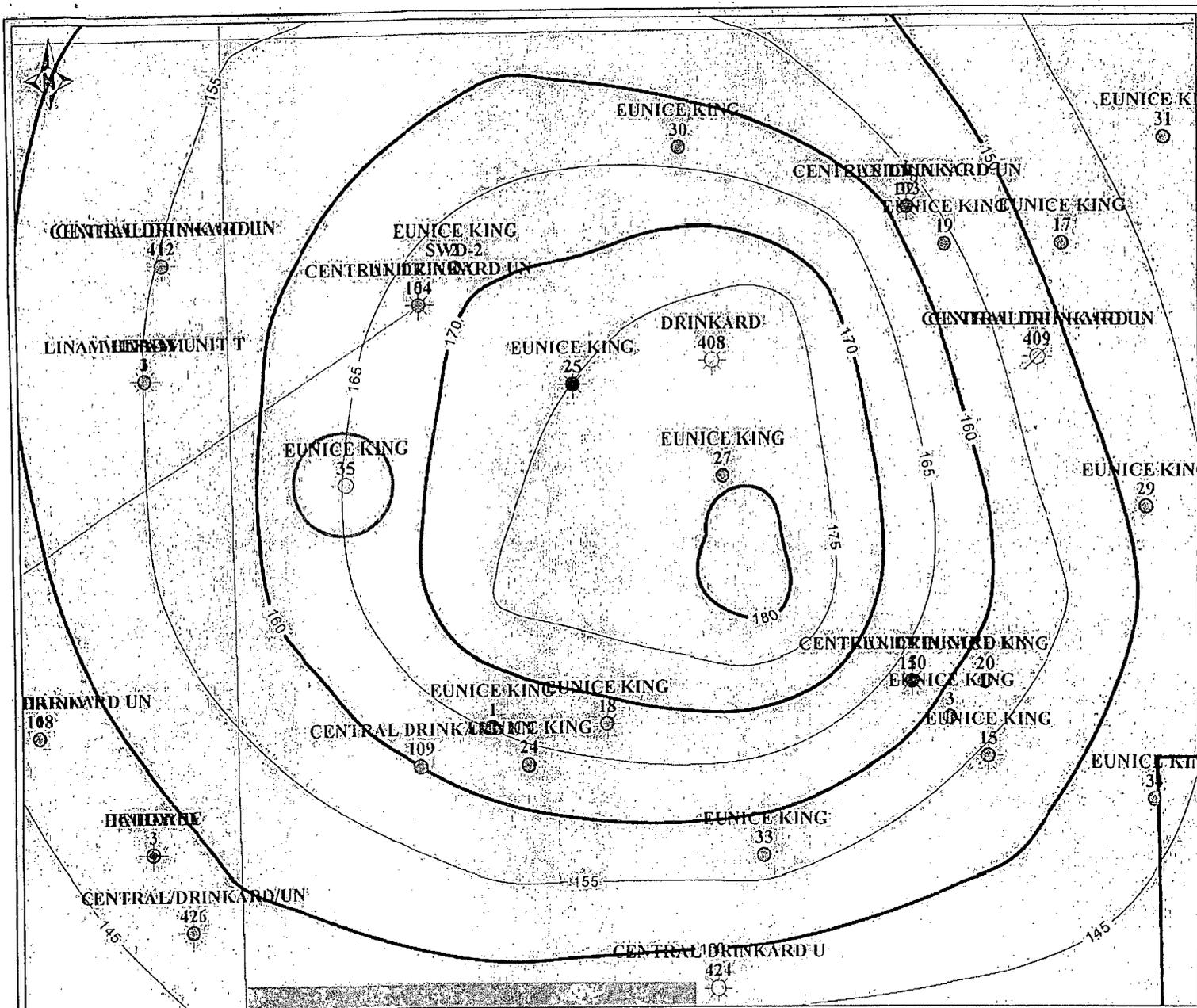
<sup>11</sup> Bottom Hole Location If Different From Surface

UL or Lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

<sup>12</sup> Dedicated Acres 40	<sup>13</sup> Joint or Infill	<sup>14</sup> Consolidation Code	<sup>15</sup> Order No.
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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>40-acre production unit</p>	<p>Eunice King Lease</p>	<p><sup>17</sup> 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></p> <p>Signature: Casey R. Mobley</p> <p>Printed Name: Geologist</p> <p>Title: August 9, 2008</p>
		<p><sup>18</sup> 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>



PETRA 8/7/2008 9:08:12 AM



**Chevron U.S.A. Inc.**

**EXHIBIT 4**

PENROSE-SKELLY FIELD EUNICE KING #35

Sec 28, T21S-R37E, Lea Co., New Mexico

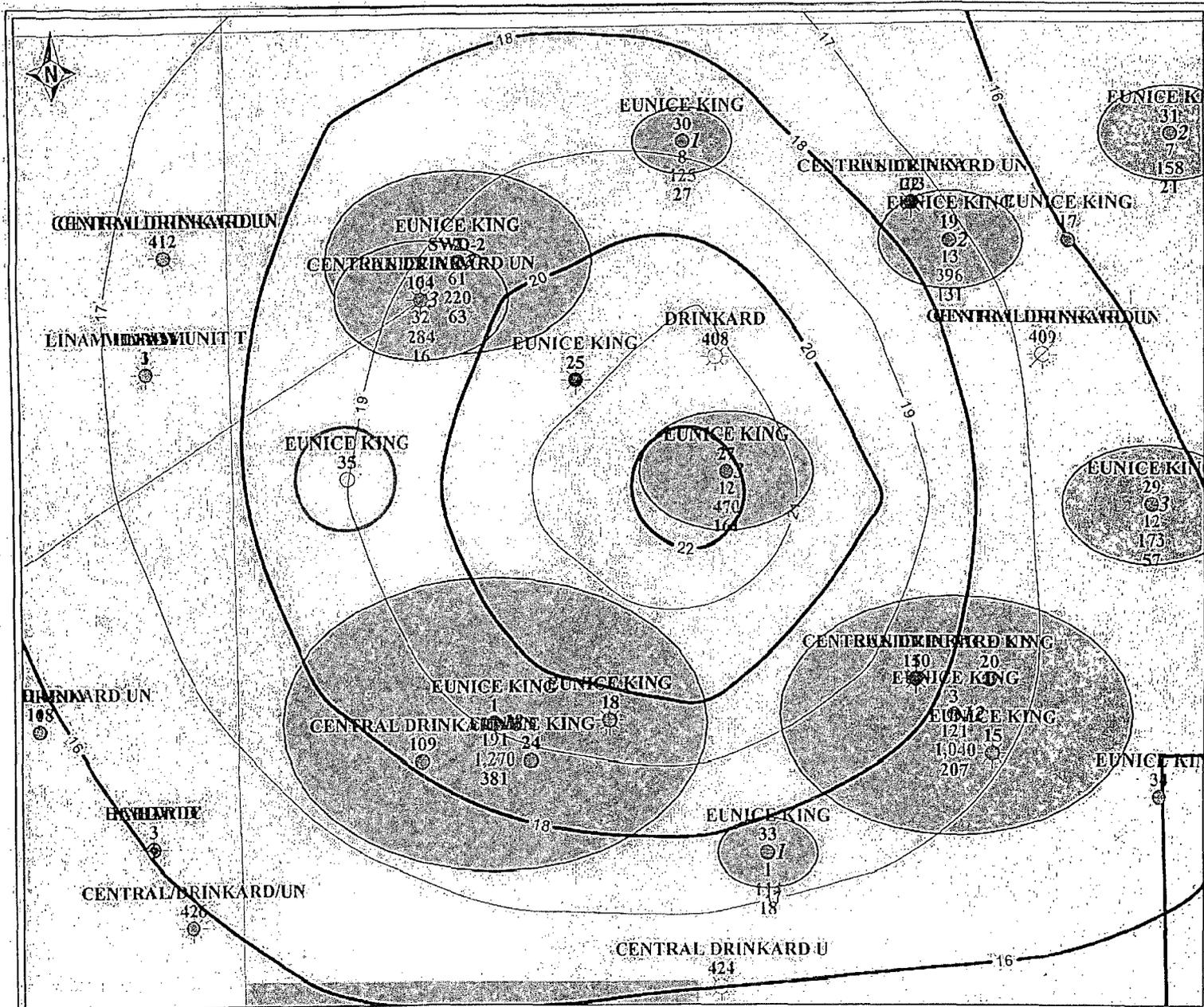
Grayburg Net Pay CI=5' (GR<40', Por>6%)

**POSTED WELL DATA**

Well Name  
Well Number



August 7, 2008



PETRA 8/7/2008 8:03:45 AM



**Chevron U.S.A. Inc.**

**EXHIBIT 5**

**PENROSE-SKELLY FIELD EUNICE KING #35.**

Sec 28, T21S-R37E, Lea Co., New Mexico

Grayburg HCPV-CI=0.5 & EUR - Drainage

**POSTED WELL DATA**

Well Name  
Well Number

☉ GRBG Drained Area

Grayburg Cum Oil Prod (MBO)  
Grayburg Cum Gas Prod (MMCF)  
Grayburg Cum Water Prod (MBO)



August 7, 2008