

DATE IN 5/22/00	SUSPENSE 6/12/00	ENGINEER MS	LOGGED KN	TYPE NSP
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ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION
- Engineering Bureau -

ADMINISTRATIVE APPLICATION COVERSHEET

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

Application Acronyms:

- [NSP-Non-Standard Proration Unit] [NSL-Non-Standard Location]
 [DD-Directional Drilling] [SD-Simultaneous Dedication]
 [DHC-Downhole Commingling] [CTB-Lease Commingling] [PLC-Pool/Lease Commingling]
 [PC-Pool Commingling] [OLS - Off-Lease Storage] [OLM-Off-Lease Measurement]
 [WFX-Waterflood Expansion] [PMX-Pressure Maintenance Expansion]
 [SWD-Salt Water Disposal] [IPI-Injection Pressure Increase]
 [EOR-Qualified Enhanced Oil Recovery Certification] [PPR-Positive Production Response]

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

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

Check One Only for [B] and [C]

- [B] Commingling - Storage - Measurement
 DHC CTB PLC PC OLS OLM
- [C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery
 WFX PMX SWD IPI EOR PPR

[2] **NOTIFICATION REQUIRED TO:** - Check Those Which Apply, or Does Not Apply

- [A] Working, Royalty or Overriding Royalty Interest Owners
- [B] Offset Operators, Leaseholders or Surface Owner
- [C] Application is One Which Requires Published Legal Notice
- [D] Notification and/or Concurrent Approval by BLM or SLO
 U.S. Bureau of Land Management - Commissioner of Public Lands, State Land Office
- [E] For all of the above, Proof of Notification or Publication is Attached, and/or,
- [F] Waivers are Attached

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

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

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

A. M. Howell  Sr. Petro. Engineer 5/15/2000

Print or Type Name Signature Title Date



Chevron

May 15, 2000

Administrative Application For
Non-Standard Proration Units And
Simultaneous Dedication

Eaves # 1

660' FNL & 660' FEL, Unit A

Eaves # 4

1,874' FNL & 554' FEL, Unit H

Rollon Brunson # 5

2,086' FNL & 2,086' FEL, Unit G

Section 10, T22S, R37E

Lea County, New Mexico

Chevron U.S.A. Production Company

P.O. Box 1150

Midland, TX 79702

New Mexico Oil Conservation Division

Attn: Michael Stogner

2040 South Pacheco

Santa Fe, NM 87505

Dear Mr. Stogner:

Attached is an administrative application for NMOCD approval of two non-standard stand-up 80-acre proration units; one consisting of the E/2 NE/4 of Section 10 and simultaneously dedicated to Eaves # 1 & # 4, and one consisting of the W/2 NE/4 of Section 10 and assigned to Rollon Brunson # 5.

Eaves # 4, located 1,874' FNL & 554' FEL of Section 10 (Unit H), is currently producing from the South Eunice – San Andres Pool, and is assigned to a non-standard 40-acre oil proration unit consisting of the SE/4 NE/4 of Section 10. Eaves # 1, located 660' FNL & 660' FEL of Section 10 (Unit A), was plugged and abandoned in 1990 after producing to economic depletion in the Penrose Skelly; Grayburg Pool. Recently, the Eaves # 1 was re-entered and deepened to the San Andres Formation. Following completion, the well tested at 1 BOPD and 39 MCFPD on rod pump. With your approval, it is our intention to create a non-standard stand-up 80-acre oil proration unit in the South Eunice – San Andres Pool, simultaneously dedicated to Eaves # 1 and Eaves # 4. Per our conversation on April 27, 2000, please disregard my correspondence dated April 4, 2000 pertaining to the Eaves # 1 and Eaves # 4. A further review of our records indicates that as you stated, the Eaves # 4 is currently assigned to a non-standard 40-acre oil proration unit. I apologize for any inconvenience caused by my error.

Rollon Brunson # 5 was plugged and abandoned in 1987 after becoming uneconomic in the Paddock Formation. Chevron plans to re-enter Brunson # 5 and recomplete in the San Andres Formation. We request your approval for the creation of a second non-standard stand-up 80-acre oil proration unit in the South Eunice – San Andres Pool, assigned to Rollon Brunson # 5.

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

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

Sincerely,

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

A. M. Howell
Sr. Petroleum Engineer

Eaves # 1 & # 4
Rollon Brunson # 5
Chevron U.S.A. Inc.
Non-Standard Proration Units
And Simultaneous Dedication
Request For Administrative Approval

List Of Offset Operators:

1. Anadarko Petroleum Corporation
2. Collins & Ware, Inc.
3. Exxon-Mobil Corporation
4. John H. Hendrix Corporation
5. Marathon Oil Company
6. Southwest Royalties Inc.
7. Texaco Exploration And Production, Inc.
8. Titan Resources, Inc.

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

District II
811 South First, Artesia, NM 88210

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

District IV
2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION
2040 South Pacheco
Santa Fe, NM 87505

Form C-102
Revised March 17, 1999

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

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-025-10163	² Pool Code 24170	³ Pool Name Eunice; San Andres, South
⁴ Property Code 2607	⁵ Property Name Eaves	
⁷ OGRID No. 4323	⁸ Operator Name Chevron U.S.A., Inc.	⁶ Well Number 1
⁹ Elevation 3381'		

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
A	10	22S	37E		660	North	660	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 80	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ 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

16	80-acre proration unit →		¹⁷ OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.
			Signature A. M. Howell
			Printed Name Sr. Petroleum Engineer
			Title May 15, 2000
			Date
			¹⁸ SURVEYOR CERTIFICATION I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.
			Signature and Seal of Professional Surveyor:
			Certificate Number

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

District II
811 South First, Artesia, NM 88210

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

District IV
2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico
Energy, Minerals & Natural Resources Department

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Santa Fe, NM 87505

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AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-025-10167		² Pool Code 24170	³ Pool Name Eunice; San Andres, South
⁴ Property Code 2607	⁵ Property Name Eaves		⁶ Well Number 4
⁷ OGRID No. 4323	⁸ Operator Name Chevron U.S.A., Inc.		⁹ Elevation 3375'

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
H	10	22S	37E		1,874	North	554	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 80	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ 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

16	80-acre proration unit -->		¹⁷ OPERATOR CERTIFICATION <i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief</i>
			<p><i>A. M. Howell</i></p> <p>Signature <u>A. M. Howell</u></p> <p>Printed Name <u>Sr. Petroleum Engineer</u></p> <p>Title <u>May 15, 2000</u></p> <p>Date</p>
			¹⁸ SURVEYOR CERTIFICATION <i>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.</i>
			Signature and Seal of Professional Surveyor:
			Certificate Number

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Santa Fe, NM 87505

Form C-102
Revised March 17, 1999

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AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-025-10156		² Pool Code 24170		³ Pool Name Eunice; San Andres, South	
⁴ Property Code 2589		⁵ Property Name Rollon Brunson		⁶ Well Number 5	
⁷ OGRID No. 4323		⁸ Operator Name Chevron U.S.A., Inc.		⁹ Elevation 3412' 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
G	10	22S	37E		2,086	North	2,086	East	Lea

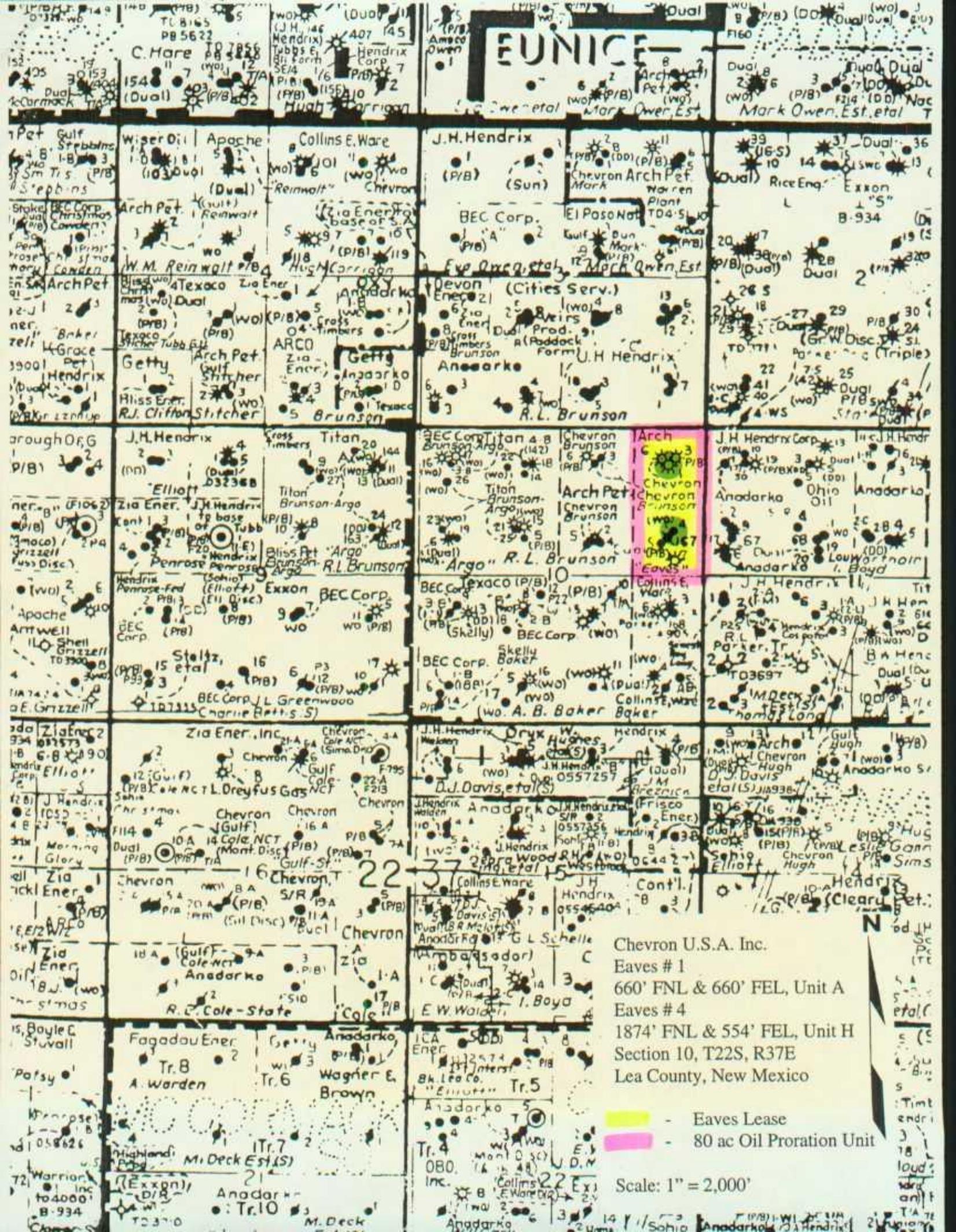
¹¹ Bottom Hole Location If Different From Surface

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 80	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ 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

16	<p>80-acre protection unit --></p> <p>40 acres</p> <p>2086'</p> <p>40 acres</p> <p>#5</p> <p>2086'</p>	<p>¹⁷ OPERATOR CERTIFICATION</p> <p><i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief</i></p> <p><i>A. M. Howell</i></p> <p>Signature _____</p> <p>A. M. Howell</p> <p>Printed Name _____</p> <p>Sr. Petroleum Engineer</p> <p>Title _____</p> <p>May 15, 2000</p> <p>Date _____</p>
		<p>¹⁸ 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>



EUNICE

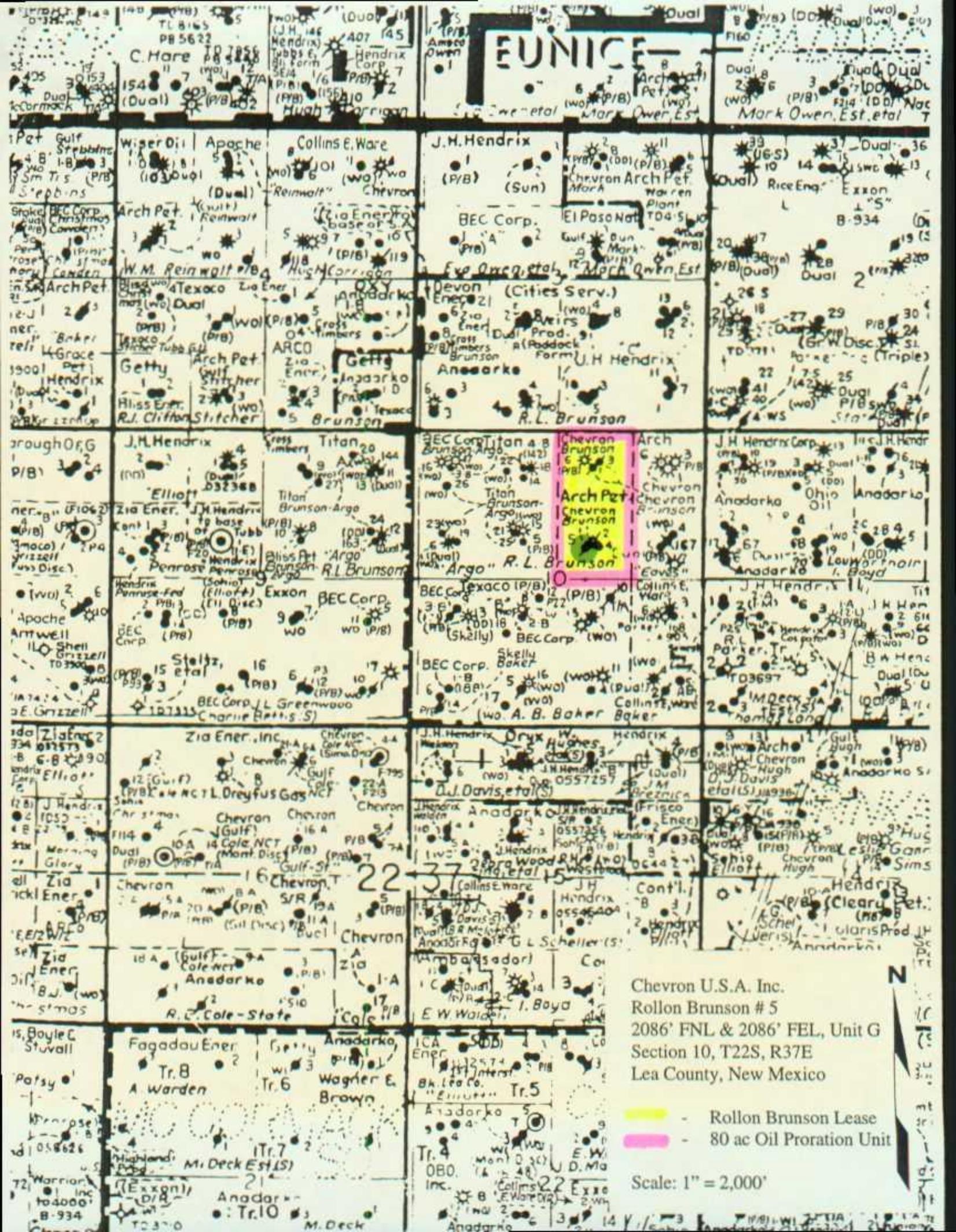
Chevron U.S.A. Inc.
 Eaves # 1
 660' FNL & 660' FEL, Unit A
 Eaves # 4
 1874' FNL & 554' FEL, Unit H
 Section 10, T22S, R37E
 Lea County, New Mexico

- Eaves Lease
- 80 ac Oil Proration Unit

Scale: 1" = 2,000'



EUNICE



Chevron U.S.A. Inc.
 Rollon Brunson # 5
 2086' FNL & 2086' FEL, Unit G
 Section 10, T22S, R37E
 Lea County, New Mexico

- Rollon Brunson Lease
 - 80 ac Oil Proration Unit

Scale: 1" = 2,000'





**NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT**

OIL CONSERVATION DIVISION
2040 South Pacheco Street
Santa Fe, New Mexico 87505
(505) 827-7131

April 17, 2000

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

Attention: A. M. Howell

**Re: South Eunice-San Andres Pool development within the NE/4
of Section 10, Township 22 South, Range 37 East, NMPM,
Lea County, New Mexico.**

Dear Mr. Howell:

I have reviewed your letter dated April 4, 2000 and the following records of the New Mexico Oil Conservation Division in Santa Fe ("Division"): (i) the "*Special Rules and Regulations for the South Eunice- San Andres Pool*", as promulgated by Division Order No. R-3706, as amended; (ii) Division Administrative Order NSP-876, dated April 12, 1972; and (iii) and both well records for the Eaves Well No. 1 (API No. 30-025-10163), located 660 feet from the North and East lines (Unit A) of Section 10, and Eaves Well No. 4 (API No. 30-025-10167), located 1874 feet from the North line and 554 feet from the East line (Unit H) of Section 10. I find no record of the existing non-standard stand-up 80-acre oil spacing and proration unit consisting of the E/2 NE/4 of Section 10 for the Eaves Well No. 4 mentioned in your letter, please provide me with a copy of the Division order that established this unit.

Thank you for your cooperation in this matter.

Sincerely,

Michael E. Stogner
Chief Hearing Officer/Engineer

LW/mes

cc: New Mexico Oil Conservation Division - Hobbs
Mr. Ray Vaden, Chevron U.S.A. Production Company - Midland