

KELLAHIN, KELLAHIN AND AUBREY

Attorneys at Law

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Jason Kellahin
Of Counsel

February 7, 1989

RECEIVED

FEB 7 1989

OIL CONSERVATION DIVISION

Mr. William J. LeMay
Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87504

Re: Chevron USA, Inc.
for an Unorthodox Well Location
and Non-Standard unit
Shipp Strawn Oil Pool
Lea County, New Mexico

HAND DELIVERED

Case 9613

Dear Mr. LeMay:

On behalf of Chevron USA, Inc., please set the enclosed application for hearing on the next available examiner's docket now set for March 1, 1989.

We suggest the following be used for the advertisement for this date:

Application for Chevron USA, Inc. for an unorthodox oil well location and non-standard proration and spacing unit, Lea County, New Mexico. Applicant in the above styled cause seeks approval for an unorthodox well location 940 feet from the North line and 2210 feet from the West line of Section 2, T17S, R37E, Shipp Strawn Pool, with the N/2 NW/4 of said Section being dedicated to its J.R. Holt Well No. 2, forming a non-standard 82.37 acre oil spacing and proration unit for said pool. Said location is approximately ____ miles from _____.

By copy of this letter and application sent certified mail return-receipt to all offset operators, we are notifying each of them of the right to appear at the hearing either in support or in opposition to this application. Should any

KELLAHIN, KELLAHIN and AUBREY

Mr. William J. LeMay
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such party desire more information about this matter or about the procedures to hearing this application, they may call the Division or the undersigned.

Very Truly Yours,



W. Thomas Kellahin

WTK:rs

cc: Alan Bohling
Chevron USA, Inc.
Post Office Box 670
Hobbs, New Mexico 88240

"Certified Return-Receipt Requested"

All Interested Parties in Application

STATE OF NEW MEXICO
DEPARTMENT OF ENERGY AND MINERALS
OIL CONSERVATION DIVISION

RECEIVED

FEB 7 1989

OIL CONSERVATION DIVISION

CASE: 9613

IN THE MATTER OF THE APPLICATION
OF CHEVRON USA, INC. FOR APPROVAL
OF AN UNORTHODOX WELL LOCATION,
AND NON-STANDARD PRORATION
AND SPACING UNIT
LEA COUNTY, NEW MEXICO

A P P L I C A T I O N

COMES NOW, CHEVRON USA, INC., by and through its attorneys, Kellahin, Kellahin and Aubrey, and applies to the New Mexico Oil Conservation Division for approval of an unorthodox oil well location and non-standard proration and spacing unit in the Shipp-Strawn pool for its J.R. Holt Well No. 2 to be located 940 feet FNL and 2210 feet FWL of Section 2, T17S, R37E, NMPM, and to be dedicated to the N/2 NW/4 of said Section 2 containing 82.37 acres more or less, and in support thereof would show:

1. Applicant has the right to drill and develop the N/2 NW/4 of Section 2, T17S, R37E, NMPM, Lea County, New Mexico.

2. Applicant proposes to drill its J.R. Holt Well No. 2 in the Shipp-Strawn Pool at a location 940 feet FNL and 2210 feet FWL of said Section.

3. Rule 4 of the Special Rules for the subject pool (Order R-8062-a) provides that standard well locations shall be within 150 feet of the center of a quarter-quarter section.

4. The subject well requires an exception to Rule 4 of the Special Rules of the pool in order to be at the optimum location to test the Shipp Strawn Pool in the W/2SE/4 of said section.

5. Applicant further seeks to dedicate the said N/2 NW/4 of said Section to the well which contains 82.37 acres more or less.

6. Said proration and spacing unit contains 82.37 acres more or less as a result of governmental surveys.

7. Notice to affected offset operators is being sent as required by the rules of the Division.

WHEREFORE, applicant seeks approval of the application as requested.



By
W. Thomas Kellahin
Kellahin, Kellahin & Aubrey
P.O. Box 2265
Santa Fe, New Mexico 87504

(505) 982-4285

CERTIFICATE OF MAILING

certified

I hereby certify under oath that on the 7 day of February, 1989, I caused to be mailed by ~~regular~~ mail a true and correct copy of the foregoing letter and application to the following:

Mesa Operating Limited Partnership
Post Office Box 2009
Amarillo, Texas 79189
Attn: Mr. Larry Hemmingway

Louisiana Land and Exploration
2950 N. Loop West, Suite 1200
Houston, Texas 77092
Attn: Mr. E. M. Vanzadt III

Amerind Oil Company
500 West Wall
Midland, Texas 79701
Attn: Mr. Robert Leibrock

Sun Exploration & Production Company
600 Claydesta Center
24 Smith Road
Midland, Texas 79705
Attn: Mr. Alan Beers

Standard Oil Production Company
Post Office Box 4587
Houston, Texas 77210
Attn: Mr. Jim D. Sikes

Tom Brown, Inc.
Post Office Box 2608
Midland, Texas 79702
Attn: Mr. Charles Hodges

H. L. Brown, Jr.
Post Office Box 2237
Midland, Texas 79702
Attn: Mr. Peter Courtney

Mrs. Elizabeth M. Brown
Post Office Box 2237
Midland, Texas 79702


W. Thomas Kellahin

STATE OF NEW MEXICO)
) ss
COUNTY OF SANTA FE)

The foregoing instrument was acknowledged before me
this 7 day of February, 1989, by W. Thomas Kellahin.

Notary Public

My Commission Expires:

County Lea Pool Midway - Strawn

TOWNSHIP 17 South Range 37 East NMPM

	6	5	4	3	2	1
7	8	9	10	11	12	
18	17	16	15	14	13	
*	19	20	21	22	23	24
30	29	28	27	26	25	
31	32	33	34	35	36	

Desc: Sec. 8 NE/4 (R-6876, 1-22-82)

County Lea Pool South Humble City - Strawn
 TOWNSHIP 17 South Range 37 East NMPM

6	5	4	3	2	1	
7	8	9	10	11	12	
18	17	16	15	14	13	
*						
19	20	21	22	23	24	
30	29	28	27	26	25	
31	32	33	34	35	36	

Desc: SE/4 sec 14 (R-6913, 3-5-82)

Ext: SW/4 Sec. 13 (R-7872, 10-20-83) Ext: NW/4 Sec. 13 (R-8193, 3-21-86)

Ext: NE/4 Sec. 14 (R-8256, 7-8-86) Ext: SE/4 Sec. 12, NE/4 Sec. 13 (R-8299, 9-4-86)

County LeaPool Shipp-Strawn

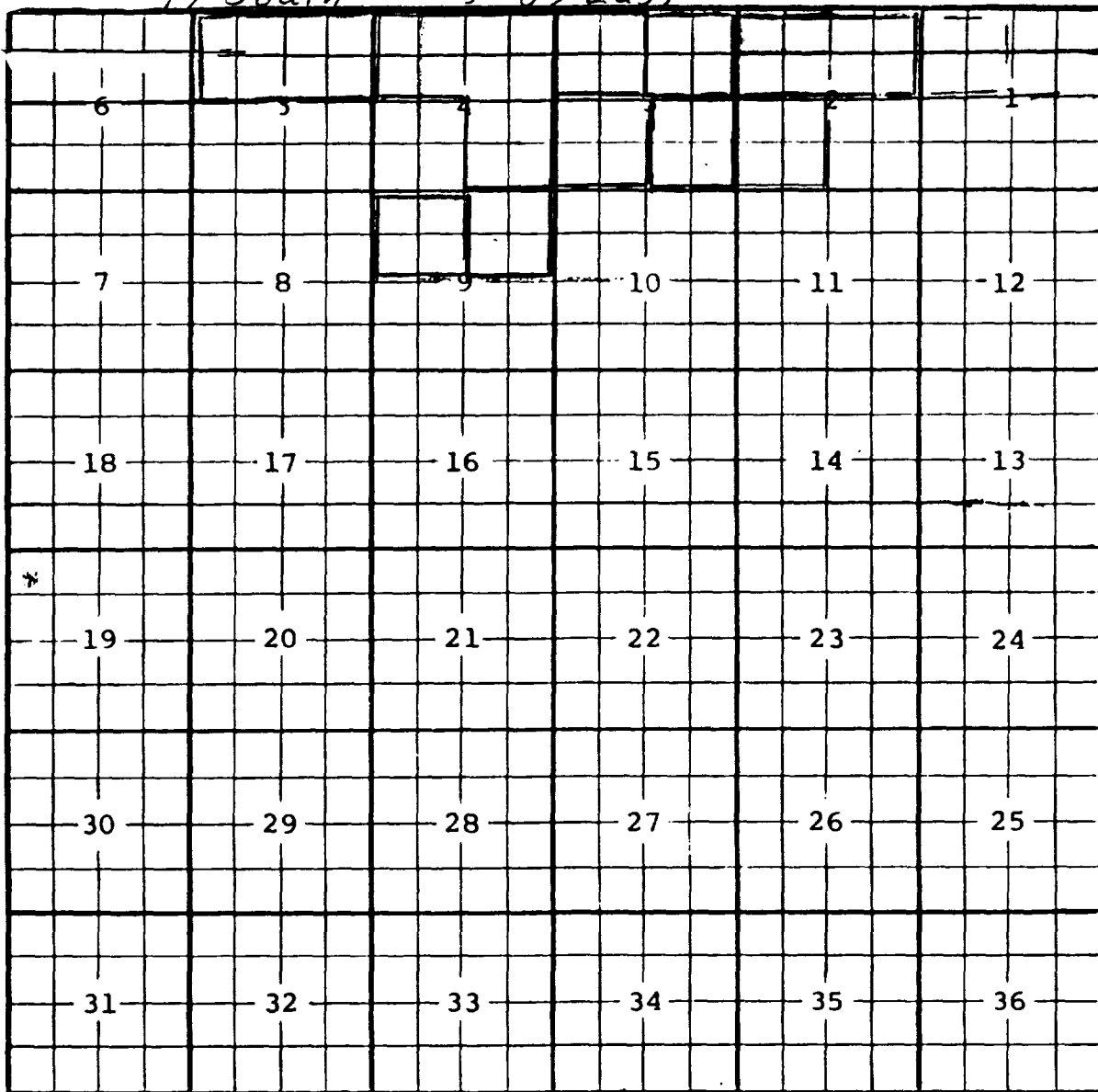
TOWNSHIP

17 South

Range

37 East

NMPM



Description: All Sec. 3, $\frac{E}{2}$ and $\frac{E}{2}$ $\frac{W}{2}$ Sec. 4, $\frac{NE}{4}$ and $\frac{E}{2}$ $\frac{NW}{4}$ Sec. 9, $\frac{N}{2}$ Sec. 10 (R-8062, 10-31-85)

Amend horizontal limits to be $\frac{N}{2}$ and $\frac{SE}{4}$ Sec. 4 (R-8062-A, 1-21-86)

Ext: $\frac{NE}{4}$ Sec. 9 (R-8214, 5-1-86) Ext: $\frac{NW}{4}$ Sec. 9 (R-8340, 11-3-86)

Ext: $\frac{NW}{4}$ Sec. 3 (R-8409, 3-7-87) Ext: $\frac{NE}{4}$ Sec. 3 (R-8451, 6-3-87)

Ext: $\frac{SE}{4}$ Sec. 3 (R-8533, 10-28-87) Ext: $\frac{N}{2}$ Sec. 5 (R-8603, 2-1-88)

Ext: $\frac{N}{2}$ Sec. 2, $\frac{SW}{4}$ Sec. 3 (R-8626, 4-1-88) Ext: $\frac{SW}{4}$ Sec. 2 (R-8856, 1-25-89)

Standard location within 150' of center of $\frac{1}{4}$ $\frac{1}{4}$

location is $\frac{419}{680}$

and

