W. Thomas Kellahin Karen Aubrey

Jason Kellahin Of Counsel KELLAHIN, KELLAHIN AND AUBREY Attorneys at Law El Patio - 117 North Guadalupe Post Office Box 2265 Santa Fe, New Mexico 87504-2265

February 7, 1989

Telephone 982-4285 Area Code 505

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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

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 nonstandard 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

Case 9613 HAND DELIVERED

KELLAHIN, KELLAHIN and AUBREY

Mr. William J. LeMay February 7, 1989 Page 2

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 Your W. Thomas Hellahin

WTK:rs

a ...

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

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 FEB 7 1989 OIL CONCERVATION DIVISION CASE: 9613

APPLICATION

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.

Applicant proposes to drill its J.R. Holt Well No.
in the Shipp-Strawn Pool at a location 940 feet FNL and
feel 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 sec-"tion.

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 CERTIFIE

I hereby certify under oath that on the 2 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 2237Midland, Texas 79702Attn: Mr. Peter Courtney

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

Thomas Kellahin

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

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

Notary Public

My Commission Expires:

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