ENGINEER

MS

LOGGED

TYPE NSL 1/7755394

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 C

[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]

[A] Location - Spacing Unit - Directional Drilling

⊠ NSL

⊠ NSP

DD

⊠ SD

EGEIS

JUN 2 2 2001

PVATION

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

IΡΙ

EOR

PPR

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

- [A] Working, Royalty or Overriding Royalty Interest Owners
- [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	am Howe	Sr. Petro. Engineer	6/15/2001
Print or Type Name	Signature	Title	Date



June 15, 2001

Chevron U.S.A. Production Company P.O. Box 1150 Midland, TX 79702

Request for Administrative Approval 120-Acre Non-Standard Proration Unit, Unorthodox Gas Well Location, And Simultaneous Dedication Drinkard (NCT-B) # 7 2120' FSL & 1980' FWL, Unit K Drinkard (NCT-B) # 8 810' FSL & 1980' FWL, Unit N Section 30, T22S, R38E Lea County, New Mexico

New Mexico Oil Conservation Division Attn: Lori Wrotenbery 2040 South Pacheco Santa Fe, NM 87505

Dear Ms. Wrotenbery:

Attached is an amended application for NMOCD administrative approval of a 120-acre non-standard gas proration unit and simultaneous dedication for the subject wells.

This re-filing for the subject wells is in response to the NMOCD letter dated June 8, 2001 (copy attached), which notified Chevron that our original application requesting a non-standard 160-acre proration unit had been set for hearing. Rather than go to the considerable preparation and expense required for a hearing, we prefer to amend our application to a 120-acre non-standard gas proration unit, consisting of the E ½ SW ¼ and the SW ¼ SW ¼ of Section 30. As mentioned in our original letter (copy attached), this gas proration unit is needed because the producing GOR for the subject wells increased to above 50,000:1 on the last annual gas-oil ratio tests filed. Please remove the original application from the hearing docket, and process this amended application requesting administrative approval for a 120-acre non-standard gas proration unit in the Tubb Oil & Gas Pool, simultaneously dedicated to Drinkard (NCT-B) # 7 and # 8. Administrative approval is also requested for the unorthodox gas well location created by the re-classification of Drinkard B # 7.

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. M. Howell

Sr. Petroleum Engineer

am Howell

cc: NMOCD - Hobbs District

A.M. Howell

D. K Beckham

J. K. Ripley

N. V. Mouser

W. F. Carr

Central Files - Lease and Well Files



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON Governor Jennifer A. Salisbury Cabinet Secretary

June 8, 2001

Lori Wrotenbery Director Oil Conservation Division

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

Attention:

A. M. Howell

Re:

Two administrative applications to form non-standard 160-acre gas spacing and proration units within the Tubb Oil and Gas Pool in Section 30, Township 22 South. Range 38 East, NMPM, Lea County, New Mexico, comprising: (i) the NE/4 SW/4, S/2 SW/4, and SW/4 SE/4 of Section 30; and (ii) the N/2 NE/4, SE/4 NE/4, and NE/4 NW/4

of Section 30.

Dear Mr. Howell:

I have reviewed the two subject applications, as you know the Tubb Oil and Gas Pool is subject to: (i) special pool rules (see Division Order No. R-8170, as amended); (ii) the gas proration rules under Division Rule 605; and (iii) Division Rule 104. Since both proposed 160-acre units are to cross a governmental quarter section line and take portions of acreage from two quarter sections, these applications can not be processed administratively [see Division Rules 605.B (2) (b) and 104.D (2) (b) (ii)].

Both applications have therefore been set for hearing and will appear on the Division's first available docked scheduled for July 12, 2001. Should you have any questions concerning this matter please refer them to your legal counsel.

Sincerely

Michael E. Stogner Chief Hearing Officer/Engineer

cc:

New Mexico Oil Conservation Division - Hobbs

Mr. Ray Vaden, Chevron U.S.A. Production Company - Midland

William F. Carr, Legal Counsel for Chevron U.S.A. Production Company - Santa Fe

Kathy Valdes - NMOCD, Santa Fe



Chevron U.S.A. Production Company P.O. Box 1150 Midland, TX 79702

Administrative Application For 160-Acre Non-Standard Proration Unit, Unorthodox Gas Well Location, And Simultaneous Dedication Drinkard (NCT-B) # 7 2120' FSL & 1980' FWL, Unit K Drinkard (NCT-B) # 8 810' FSL & 1980' FWL, Unit N Section 30, T22S, R38E Lea County, New Mexico

New Mexico Oil Conservation Division Attn: Lori Wrotenbury 2040 South Pacheco Santa Fe, NM 87505

Dear Ms. Wrotenbury:

Chevron respectfully requests NMOCD administrative approval for a 160-acre non-standard proration unit consisting of the E ½ SW ¼, SW ¼ SW ¼ and SW ¼ SE ¼ of Section 30 and simultaneous dedication to Drinkard (NCT-B) # 7 and # 8. Also, since the Drinkard B # 8 is located 520' from the north lease line, approval is requested for an unorthodox gas well location in the Tubb Oil & Gas Pool.

The Drinkard (NCT-B) # 7 was drilled and completed in the Tubb Oil & Gas Pool during September 1985. The well has produced since initial completion in the Tubb as an oil well, with 40 acres assigned to the oil proration unit. However, on the last annual gas-oil ratio test filed, the GOR increased to above 50,000:1, so it is necessary to reclassify the well as a gas well. Since the B # 7 is located only 520' from the north lease line, the location is unorthodox for a Tubb gas well.

The Drinkard (NCT-B) # 8 was drilled and completed in the Tubb Oil & Gas Pool during December 1985. The well produced since initial completion in the Tubb as an oil well, with 40 acres assigned to the oil proration unit. As with the B # 7, the GOR of Drinkard B # 8 has increased to above 50,000:1. Therefore, it is also necessary to reclassify the B # 8 as a gas well in the Tubb Oil & Gas Pool.

In order to correct the classifications of these wells, it is proposed to form a 160-acre gas proration unit in the Tubb Oil & Gas Pool, simultaneously dedicated to Drinkard (NCT-B) # 7 and # 8. There are 160 acres available for dedication in the S ½ of Section 30, but they do not comprise a standard governmental quarter-section. Therefore, NMOCD administrative approval



is requested to form a 160-acre non-standard gas proration unit in the Tubb Oil & Gas Pool, simultaneously dedicated to Drinkard (NCT-B) # 7 and # 8. Administrative approval is also requested for the unorthodox gas well location created by the re-classification of Drinkard B # 7.

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. M. Howell

Sr. Petroleum Engineer

Attachments

cc: NMOCD - Hobbs, New Mexico

Nathan Mouser

Mike Howell

Janice Ripley

Denise Beckham

Well Files

District I 1625 N. French Dr., Hobbs, NM 88240 State of New Mexico Energy, Minerals & Natural Resources Department Form C-102 Revised March 17, 1999

<u>District II</u> 811 South First, Artesia, NM 88210

<u>District III</u> 1000 Rio Brazos Rd., Aztec, NM 87410

<u>District IV</u> 2040 South Pacheco, Santa Fe, NM 87505

OIL CONSERVATION DIVISION

2040 South Pacheco Santa Fe, NM 87505 Submit to Appropriate District Office State Lease - 4 Copies

Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

:	¹ API Numbe 30-025-285 9			² Pool Code 86440			³ Pool Name Tubb Oil & Ga	S	
⁴ Property 2608					⁵ Property Nar Drinkard (NC T		-		⁶ Well Number 7
⁷ OGRID 432 3					⁸ Operator Na. Chevron U.S.A.				⁹ Elevation 3338'
*****					¹⁰ Surface Lo	cation	· ·		
UL or Lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
κ	30	22\$	38E		2120	South	1980	West	Lea
			¹¹ Bo	ttom Hole	Location If D	fferent From Su	ırface	<u> </u>	
UL or Lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
¹² Dedicated Acre 120	s ¹³ Joir	nt or Infill	onsolidation (Code 15 Ord	ler No.			L	
	NO ALLO	OWABLE WI	LL BE AS	SIGNED TO	THIS COMPLET	ION UNTIL ALL IN	TERESTS HAVE BE	EN CONSOLIDA	TED OR A

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	OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.
	Signature Howell
200	A. M. Howell Printed Name Sr. Petroleum Engineer Title June 18, 2001
#0 acres	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
40 acres 40 acres	best of my belief. Signature and Seal of Professional Surveyor:
120-acre proration unit	Certificate Number

<u>District I</u> 1625 N. French Dr., Hobbs, NM 88240 State of New Mexico
Energy, Minerals & Natural Resources Department

Form C-102 Revised March 17, 1999

<u>District II</u> 811 South First, Artesia, NM 88210

<u>District III</u> 1000 Rio Brazos Rd., Aztec, NM 87410

<u>District IV</u> 2040 South Pacheco, Santa Fe, NM 87505

OIL CONSERVATION DIVISION

2040 South Pacheco Santa Fe, NM 87505 Submit to Appropriate District Office State Lease - 4 Copies

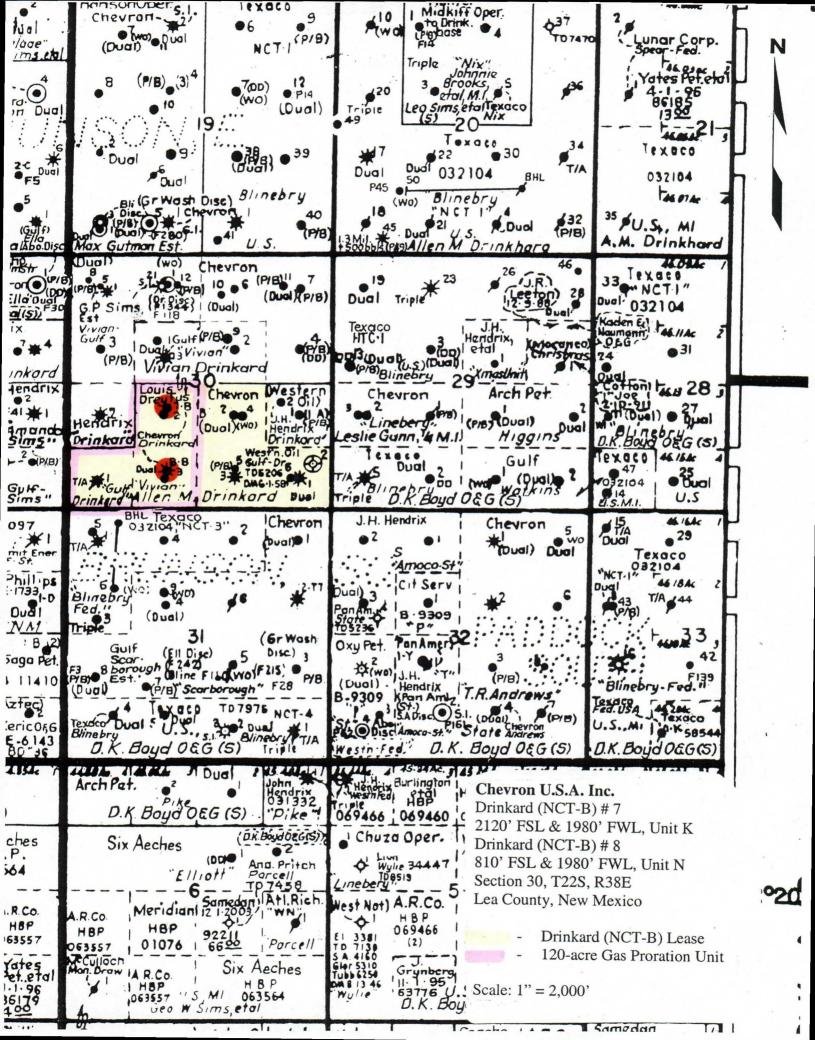
Fee Lease - 3 Copies

□ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

	¹ API Numbe 3 0-025-2859			² Pool Code 86440	•	³ Pool Name Tubb Oil & Gas			
⁴ Property 260 5			<u> </u>		⁵ Property Nar Drinkard (NCT				⁶ Well Number 8
⁷ OGRID 4323			⁸ Operator Name Chevron U.S.A., Inc.						⁹ Elevation 3334'
		-1			¹⁰ Surface Lo	cation		•	
UL or Lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
N	30	228	38E		810	South	1980	West	Lea
······			¹¹ Bo	ttom Hol	e Location If D	ifferent From Su	ırface		
UL or Lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
Pedicated Acre	s ¹³ Join	t or Infill 14 Co	onsolidation (Code 15 Or	der No.				

16			OPERATOR CERTIFICATION
			I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.
			am Howell
			A. M. Howell Printed Name
	9	0	Sr. Petroleum Engineer Title June 18, 2001
	40 acres		SURVEYOR CERTIFICATION
	120-acre proration unit		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.
40 acres	40 acres		Signature and Seal of Professional Surveyor:
1980'			
	+ B10'		Certificate Number



Drinkard (NCT-B) # 7 & # 8 Chevron U.S.A. Inc. 120-Acre Non-Standard Gas Proration Unit, Unorthodox Gas Well Location, And Simultaneous Dedication Request For Administrative Approval

List Of Offset Operators:

- Texaco Exploration And Production, Inc. P.O. Box 3109 Midland, TX 79702-3109
- John H. Hendrix Corporation P. O. Box 3040 Midland, TX 79702-3040



June 15, 2001

Chevron U.S.A. Production Company P.O. Box 1150 Midland, TX 79702

Notice Of Administrative Application For 120-Acre Non-Standard Proration Unit, Unorthodox Gas Well Location, And Simultaneous Dedication Drinkard (NCT-B) # 7 2120' FSL & 1980' FWL, Unit K Drinkard (NCT-B) # 8 810' FSL & 1980' FWL, Unit N Section 30, T22S, R38E Lea County, New Mexico

Texaco Exploration And Production, Inc. P.O. Box 3109
Midland, TX 79702-3109

Dear Sir or Madam:

Attached is a copy of an amended administrative application for NMOCD approval for a 120-acre non-standard gas proration unit, an unorthodox gas well location, and simultaneous dedication for the subject wells.

Any objections must be filed with the Oil Conservation Division within 20 days of the division receiving this application.

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

Sincerely,

A. M. Howell

Sr. Petroleum Engineer

am Howell





June 15, 2001

Chevron U.S.A. Production Company P.O. Box 1150 Midland, TX 79702

Notice Of Administrative Application For 120-Acre Non-Standard Proration Unit, Unorthodox Gas Well Location, And Simultaneous Dedication Drinkard (NCT-B) # 7 2120' FSL & 1980' FWL, Unit K Drinkard (NCT-B) # 8 810' FSL & 1980' FWL, Unit N Section 30, T22S, R38E Lea County, New Mexico

John H. Hendrix Corporation P. O. Box 3040 Midland, Texas 79702-3040

Dear Sir or Madam:

Attached is a copy of an amended administrative application for NMOCD approval for a 120-acre non-standard gas proration unit, an unorthodox gas well location, and simultaneous dedication for the subject wells.

Any objections must be filed with the Oil Conservation Division within 20 days of the division receiving this application.

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

Sincerely,

A. M. Howell

Sr. Petroleum Engineer

Am Howell





NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON
Governor
Jennifer A. Salisbury
Cabinet Secretary

5/7/01

Lori Wrotenbery
Director
Oil Conservation Division

OIL CONSERVATION DIVISION P. O. BOX 2088 SANTA FE, NEW MEXICO 87501
RE: Proposed: MC DHC NSL NSP SWD WFX PMX
Gentlemen:
I have examined the application for the: Chevron USA Inc Drinkard NCT-B 7-K.30-22s-38e Operator Lease & Well No. Unit S-T-R 30-025-28590
and my recommendations are as follows:
Yours very truly, Chris Millions (A)
Chris Williams Supervisor, District 1



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON
Governor
Jennifer A. Salisbury
Cabinet Secretary

6/25/01

Lori Wrotenbery
Director
Oil Conservation Division

OIL CONSERVATION DIVISION P. O. BOX 2088 SANTA FE, NEW MEXICO 87501				
RE: Proposed: MC DHC NSL NSP SWD WFX PMX	5 D			
Gentlemen:				
I have examined the applica Chevron USA Inc Operator	tion for the: Drinkard NCT-B Lease & Well No. Unit	#7-K- #8-N- S-T-R	30-225-	38e 38e
and my recommendations are	as follows:			-
Yours very truly, Chris Williams Supervisor, District 1	Me)			-

Page: 1 Document Name: untitled

CMD :

ONGARD

06/08/01 07:28:10

OG5SECT

INQUIRE LAND BY SECTION

OGOMES -TPJC PAGE NO: 2

Sec : 30 Twp : 22S Rng : 38E Section Type : NORMAL

_		
К	J	l I
40.00	40.00	40.00
Fee owned	Fee owned	Fee owned
A A	A A	 A A
		P
40.00	40.00	40.00
Fee owned	Fee owned	Fee owned
A A	AA	A A
		i
PF03 EXIT PI	F04 GoTo PF05	PF06
O PF09 PRINT PI	F10 SDIV PF11	PF12
	Fee owned A A N 40.00 Fee owned A A PF03 EXIT PI	40.00 40.00 Fee owned Fee owned A A A A N O 40.00 40.00 Fee owned Fee owned A A A A PF03 EXIT PF04 GoTo PF05

Date: 6/8/2001 Time: 07:56:17 AM

CMD :

ONGARD

06/08/01 07:26:16

OG6IWCM

INOUIRE WELL COMPLETIONS

OGOMES -TPJC

Pool Idn : 60240 TUBB OIL AND GAS (OIL)

OGRID Idn : 4323 CHEVRON U S A INC

Prop Idn : 2605 DRINKARD NCT B

Well No : 007 GL Elevation: 3338

U/L Sec Township Range North/South East/West Prop/Act(P/A)

B.H. Locn : K 30 22S 38E FTG 2120 F S FTG 1980 F W P

Lot Identifier:

Dedicated Acre: 40.00

Lease Type : P

Type of consolidation (Comm, Unit, Forced Pooling - C/U/F/O) :

PF01 HELP PF02 PF03 EXIT PF04 GoTo PF05 PF06

PF07 PF08 PF09 PF10 NEXT-WC PF11 HISTORY PF12 NXTREC

Date: 6/8/2001 Time: 07:54:12 AM

CMD :

ONGARD

06/08/01 07:26:56

OG6IWCM

INOUIRE WELL COMPLETIONS

OGOMES -TPJC

API Well No : 30 25 28594 Eff Date : 01-01-1997 WC Status : P

Pool Idn : 60240 TUBB OIL AND GAS (OIL)

OGRID Idn : 4323 CHEVRON U S A INC

Prop Idn : 2605 DRINKARD NCT B

Well No : 008 GL Elevation: 3326

U/L Sec Township Range North/South East/West Prop/Act(P/A)

___ --- --- ----- ----- ------

B.H. Locn : N 30 22S 38E FTG 810 F S FTG 1980 F W P

Lot Identifier:
Dedicated Acre:
Lease Type : P

Type of consolidation (Comm, Unit, Forced Pooling - C/U/F/O) :

PF01 HELP PF02 PF03 EXIT PF04 GoTo PF05 PF06

PF07 PF08 PF09 PF10 NEXT-WC PF11 HISTORY PF12 NXTREC

Date: 6/8/2001 Time: 07:54:50 AM

CMD :

ONGARD

06/08/01 07:27:03

OG6IWCM

INOUIRE WELL COMPLETIONS

OGOMES -TPJC

Pool Idn : 86440 TUBB OIL & GAS (PRO GAS)

OGRID Idn : 4323 CHEVRON U S A INC Prop Idn : 2605 DRINKARD NCT B

Well No : 008 GL Elevation: 3326

U/L Sec Township Range North/South East/West Prop/Act(P/A)

B.H. Locn : N 30 22S 38E FTG 810 F S FTG 1980 F W A

Lot Identifier:

Dedicated Acre: 80.00

Lease Type : P

Type of consolidation (Comm, Unit, Forced Pooling - C/U/F/O) :

PF01 HELP PF02 PF03 EXIT PF04 GoTo PF05 PF06

PF07 PF08 PF09 PF10 NEXT-WC PF11 HISTORY PF12 NXTREC

Date: 6/8/2001 Time: 07:54:57 AM

CMD : ONGARD 06/08/01 07:27:44

OG6IWCM INQUIRE WELL COMPLETIONS OGOMES -TPJC

Pool Idn : 60240 TUBB OIL AND GAS (OIL)

OGRID Idn : 4323 CHEVRON U S A INC

Prop Idn : 2605 DRINKARD NCT B

Well No : 004 GL Elevation: 3351

U/L Sec Township Range North/South East/West Prop/Act(P/A)

B.H. Locn : J 30 22S 38E FTG 1980 F S FTG 1850 F E A

Lot Identifier:

Dedicated Acre: 40.00

Lease Type : P

Type of consolidation (Comm, Unit, Forced Pooling - C/U/F/O) :

M0025: Enter PF keys to scroll

PF01 HELP PF02 PF03 EXIT PF04 GoTo PF05 PF06

PF07 PF08 PF09 PF10 NEXT-WC PF11 HISTORY PF12 NXTREC

Date: 6/8/2001 Time: 07:55:38 AM