

RECEIVED: 10/24/17	REVIEWER: LRL	TYPE: NSL	APP NO: PLE1729763116
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ABOVE THIS TABLE FOR OCD DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION
 - Geological & 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

Applicant: Chevron U.S.A. Inc.	OGRID Number: 4323
Well Name: HH SO 10 P3 No. 15H Well	API: 30-015-43930
Pool: Purple Sage; Wolfcamp	Pool Code: 98220

SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED BELOW

NSL-7608

- 1) **TYPE OF APPLICATION:** Check those which apply for [A]
- A. Location - Spacing Unit - Simultaneous Dedication
 NSL NSP (PROJECT AREA) NSP (PRORATION UNIT) SD
- B. Check one only for [I] or [II]
- [I] Commingling - Storage - Measurement
 DHC CTB PLC PC OLS OLM
- [II] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery
 WFX PMX SWD IPI EOR PPR

RECEIVED OCT 24 2017
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FOR OCD ONLY	
<input type="checkbox"/>	Notice Complete
<input type="checkbox"/>	Application Content Complete

- 2) **NOTIFICATION REQUIRED TO:** Check those which apply.
- A. Offset operators or lease holders
 B. Royalty, overriding royalty owners, revenue owners
 C. Application requires published notice
 D. Notification and/or concurrent approval by SLO
 E. Notification and/or concurrent approval by BLM
 F. Surface owner
 G. For all of the above, proof of notification or publication is attached, and/or,
 H. No notice required

3) **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.

Jordan L. Kessler

Print or Type Name

Signature

October 24, 2017
 Date

(505) 988-4421
 Phone Number

jlkessler@hollandhart.com
 e-mail Address

HOLLAND & HART^{LLP}



Jordan L. Kessler
Associate
Phone (505) 954-7286
Fax (505) 983-6043
JLKessler@hollandhart.com

October 24, 2017

VIA HAND DELIVERY

David Catanach
Oil Conservation Division
New Mexico Department of Energy,
Minerals and Natural Resources
1220 South Saint Francis Dr.
Santa Fe, New Mexico 87505

Re: Application of Chevron U.S.A. Inc. for administrative approval of an unorthodox location, Sections 10 and 15, Township 26 South, Range 27 East, N.M.P.M., Eddy County, New Mexico.
HH SO 10 P3 No. 15H Well

Dear Mr. Catanach:

Chevron U.S.A. Inc. ("Chevron") (OGRID 4323) seeks administrative approval of an unorthodox well location for its **HH SO 10 P3 No. 15H Well** (API No. 30-015-43930) to be completed within the Wolfcamp formation (Purple Sage; Wolfcamp (Gas) Pool (98220)) underlying the W/2 of Section 10 and the W/2 of Section 15, Township 26 South, Range 27 East, NMPM, Eddy County, New Mexico. The project area for this well will be 640 acres. The **HH SO 10 P3 No. 15H Well** will be drilled from a surface location 628 feet from the South line and 2066 feet from the West line (Unit N) of Section 3. The first perforation will be located 330 feet from the North line and 2430 feet from the West line (Unit C) of Section 10 and the final perforation will be located 330 feet from the South line and 2430 feet from the West line (Unit N) of Section 15. Since this acreage is governed by the Special Rules for the Purple Sage Wolfcamp Gas Pool, as set forth in Order No. R-14262, which provide for wells to be located no closer than 330 feet to the outer boundary of the spacing unit, the completed interval for this well will be unorthodox because it is closer than 330 feet to the eastern, southeastern, and northeastern boundaries of the project area.

Ownership between the E/2 and the W/2 of Sections 10 and 15 is identical. The E/2 of Sections 10 and 15 will be developed by **HH SO 10 P3 No. 8H Well**. Approval of the unorthodox completed interval will allow Chevron to develop these sections using their preferred well spacing plan for horizontal wells in this area, and thereby prevent waste of a productive reservoir.

Exhibit A is the Well Location and Acreage Dedication Plat (Form C-102), which shows that the completed interval of the proposed **HH SO 10 P3 No. 15H Well** encroaches on the spacing and proration units to the East, Northeast, and Southeast.

Holland & Hart LLP

Phone [505] 988-4421 **Fax** [505] 983-6043 **www.hollandhart.com**

110 North Guadalupe Suite 1 Santa Fe, New Mexico 87501 **Mailing Address** P.O. Box 2208 Santa Fe, NM 87504-2208

Aspen Boulder Carson City Colorado Springs Denver Denver Tech Center Billings Boise Cheyenne Jackson Hole Las Vegas Reno Salt Lake City Santa Fe Washington, D.C. ☐

HOLLAND & HART^{LLP}



Exhibit B is a land plat showing the proposed **HH SO 10 P3 No. 15H Well** in relation to adjoining spacing units.

Exhibit C is a list of the parties affected by the encroachment to the Northeast and Southeast. As set forth previously, ownership between the E/2 and the W/2 of Sections 10 and 15 is identical. Accordingly, there are no affected parties in the spacing units to the East. A copy of this application with all attachments has been sent by certified mail to each affected party advising them that if they have an objection it must be filed in writing with the Division within 20 days from the date the Division receives the application. A courtesy copy of this application has also been provided to the Bureau of Land Management—Carlsbad.

Your attention to this application is appreciated

Sincerely,

Jordan L. Kessler

ATTORNEY FOR CHEVRON U.S.A. INC.

cc: Bureau of Land Management-Carlsbad
620 E. Green Street
Carlsbad, NM 88220

HOLLAND & HART^{LLP}



Jordan L. Kessler

Associate

Phone (505) 988-4421

Fax (505) 983-6043

jlkessler@hollandhart.com

October 14, 2017

VIA CERTIFIED MAIL
RETURN RECEIPT REQUESTED

TO AFFECTED PARTIES

Re: Application of Chevron U.S.A. Inc. for administrative approval of an unorthodox location, Sections 10 and 15, Township 26 South, Range 27 East, N.M.P.M., Eddy County, New Mexico.
HH SO 10 P3 No. 15H Well

Ladies and Gentlemen:

Enclosed is a copy of the above-referenced application which was filed with the New Mexico Oil Conservation Division on this date. Any objection to this application must be filed in writing within twenty days from this date with the applicant and the New Mexico Oil Conservation Division, 1220 South St. Francis Drive, Santa Fe, New Mexico, 87505. If no objection is received within this twenty-day period, this application may be approved administratively by the Division.

If you have any questions about this application, please contact the following:

Amber Tarr-Delach
Chevron U.S.A. Inc.
(713) 372-9877
ATarr@chevron.com

Sincerely,

Jordan L. Kessler

ATTORNEY FOR CHEVRON U.S.A. INC.

Holland & Hart LLP

Phone [505] 988-4421 **Fax** [505] 983-6043 **www.hollandhart.com**

110 North Guadalupe Suite 1 Santa Fe, New Mexico 87501 **Mailing Address** P.O. Box 2208 Santa Fe, NM 87504-2208

Aspen Boulder Carson City Colorado Springs Denver Denver Tech Center Billings Boise Cheyenne Jackson Hole Las Vegas Reno Salt Lake City Santa Fe Washington, D.C. ☉

District I
1625 N French Dr., Hobbs, NM 88241
Phone (575) 193-6161 Fax (575) 333-0720

District II
911 S First St., Artesia, NM 88210
Phone (575) 748-1281 Fax (575) 748-9723

District III
1000 Rio Brazos Road, Aztec, NM 87413
Phone (505) 334-6178 Fax (505) 334-6177

District IV
1220 S St. Francis Dr., Santa Fe, NM 87505
Phone (505) 476-3400 Fax (505) 476-3462

State of New Mexico
Energy, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-102
Revised August 1, 2011
Submit one copy to appropriate
District Office

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

1 API Number 30-015-43930		2 Pool Code 98220		3 Pool Name Purple Sage, Wolfcamp (Gas)	
4 Property Code 317044		5 Property Number III SO 10 P3		6 Well Number 1511	
7 OGRID No. 4323		8 Operator Name CHEVRON U.S.A. INC.		9 Elevation 3279'	

" Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from linc	North/South line	Feet from the	East/West line	County
N	3	26 SOUTH	27 EAST, N.M.P.M.		628'	SOUTH	2066'	WEST	EDDY

" 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
N	15	26 SOUTH	27 EAST, N.M.P.M.		280'	SOUTH	2430'	WEST	EDDY

10 Dedicated Acres 640	11 Joint or Infill	12 Consolidation Code	13 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>HW SO 10 P3 15H WELL</p> <p>X= 547,568 NAD 27 Y= 387,609 LAT. 32.065559 LONG. 104.179777</p> <p>X= 588,752 NAD 83 Y= 387,666 LAT. 32.065681 LONG. 104.180269</p> <p>ELEVATION = 3279' NAVD 88</p>		<p>14 OPERATOR CERTIFICATION</p> <p>I hereby certify that the information contained herein is true and correct to the best of my knowledge and belief and that this original was either owned a working interest or undivided 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 a mineral or working interest, or to a voluntary pooling agreement or a company pooling agreement as defined by the division.</p> <p><i>[Signature]</i> 11-29-2016 Date</p> <p><i>[Signature]</i> Name</p> <p><i>[Signature]</i> Email Address</p>
<p>CORNER COORDINATES TABLE (NAD 27)</p> <p>A - Y=392447.75, X=545573.63 B - Y=387009.20, X=545492.91 C - Y=386937.82, X=550774.76 D - Y=381711.59, X=545622.05 E - Y=381659.95, X=550943.63 F - Y=376414.09, X=545653.53 G - Y=376383.44, X=550941.76</p> <p>Mid Point Y=381688.01, X=548052.24 First Take Point Y=386846.20, X=547932.48 Last Take Point Y=376730.02, X=548081.69</p>	<p>15 SURVEYOR CERTIFICATION</p> <p>I hereby certify that the well location shown on this plat was plotted from field notes of actual survey made by me or under my supervision and that the same is true and correct to the best of my knowledge and belief.</p> <p>01-05-2016 11:18:30 AM Date of Survey</p> <p>23006 Signature and Seal of Professional Surveyor</p> <p><i>[Signature]</i> Certificate Number</p>	
<p>PROPOSED BOTTOM HOLE LOCATION</p> <p>X= 548,082 NAD 27 Y= 376,680 LAT. 32.035513 LONG. 104.178168</p> <p>X= 588,268 NAD 83 Y= 376,737 LAT. 32.035635 LONG. 104.178659</p>		

District I
1625 N French Dr., Hobbs, NM 88241
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1000 Rio Brazos Road, Aztec, NM 87410
Phone (505) 334-6178 Fax (505) 334-6170

District IV
1220 S St Francis Dr., Santa Fe, NM 87505
Phone (505) 476-3461 Fax (505) 476-3462

State of New Mexico
Energy, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-102
Revised August 1, 2011
Submit one copy to appropriate
District Office

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-015-43930	² Pool Code 98140	³ Pool Name WC-015 52627348 WILCAMP (GAS)
⁴ Property Code 317044	⁵ Property Name HH SO 10 P3	
⁷ OGRID No. 21323	⁸ Operator Name CHEVRON U.S.A. INC.	
		⁶ Well Number 15H
		⁹ Elevation 3279'

Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
N	3	26 SOUTH	27 EAST, N.M.P.M.		628'	SOUTH	2066'	WEST	EDDY

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
N	15	26 SOUTH	27 EAST, N.M.P.M.		280'	SOUTH	2430'	WEST	EDDY

¹⁰ Dedicated Acres 6.40	¹¹ Joint or Infill	¹² Consolidation Code	¹³ 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

HH SO 10 P3 15H WELL		
X=	547,568	NAD 27
Y=	387,609	
LAT.	32.065559	
LONG.	104.179777	
X=	588,752	NAD83
Y=	387,666	
LAT.	32.065681	
LONG.	104.180269	
ELEVATION +3279' NAVD 88		

CORNER COORDINATES TABLE (NAD 27)

A - Y=392447.75, X=545573.63
 B - Y=387009.20, X=545492.91
 C - Y=386937.82, X=550774.76
 D - Y=381711.59, X=545622.05
 E - Y=381659.95, X=550943.63
 F - Y=376414.09, X=545653.53
 G - Y=376383.44, X=550941.76

Mid Point
Y=381688.01, X=548052.24
 First Take Point
Y=386646.20, X=547932.48
 Last Take Point
Y=376730.02, X=548081.69

PROPOSED BOTTOM HOLE LOCATION		
X=	548,082	NAD 27
Y=	376,680	
LAT.	32.035513	
LONG.	104.178168	
X=	589,266	NAD83
Y=	376,737	
LAT.	32.035635	
LONG.	104.178659	

17 OPERATOR CERTIFICATION

I hereby certify that the information contained 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 a mineral or working interest, or to a voluntary pooling agreement or a community pooling order heretofore entered by the division.

[Signature] 11-29-2016
Signature Date

[Signature]
Printed Name

[Signature]
E-mail Address

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.

PROF. ROBERT L. CASTRO
NEW MEXICO
23006

Date of Survey: **01-05-2016**
Signature and Seal of Professional Surveyor: *[Signature]*

23006
Certificate Number

EXHIBIT
A

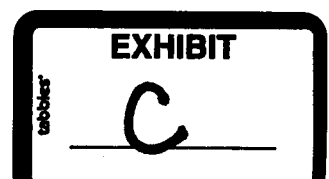
Exhibit C

Notice Tract #1:

Bureau of Land Management
301 Dinosaur Trail
Santa Fe, NM 87508
70171450000216971719

Notice Tract #2

Mewbourne Oil Co.
500 West Texas, Suite 1020
Midland, TX 79701
70171450000216971702



From: [Lowe, Leonard, EMNRD](#)
To: ["Jordan L. Kessler"](#)
Cc: [Podany, Raymond, EMNRD](#); [Sharp, Karen, EMNRD](#); [Jones, William V, EMNRD](#); [Goetze, Phillip, EMNRD](#); [McMillan, Michael, EMNRD](#); ["lisa@rwbyram.com"](#); ["jglover@blm.gov"](#); ["scaffey@blm.gov"](#); ["jstovall@blm.gov"](#)
Subject: APPROVED NSL-7608_Chevron U.S.A. Inc._HH SO 10 P3 Well No. 15H_SEC 3 26S 27E
Date: Wednesday, November 15, 2017 9:03:00 AM
Importance: High

Ms. Jordan L. Kessler,

The following administrative order has been issued and will soon be available on the Division's web site:

<http://ocdimage.emnrd.state.nm.us/Imaging/Default.aspx>

NSL-7608

Chevron U.S.A. Inc.

WELL: HH SO P3 Well No. 15H, [API #: 30-015-43930]

Leonard Lowe

Engineering Bureau

Oil Conservation Division

Energy Minerals and Natural Resources Department

1220 South St. Frances

Santa Fe, New Mexico 87004

Office: 505-476-3492

Cell: 505-930-6717

Fax: 505-476-3462

E-mail: leonard.lowe@state.nm.us

Website: <http://www.emnrd.state.nm.us/ocd/>