

04/30/13 DATE IN	13 SUSPENSE	DB ENGINEER	05/03/2013 LOGGED IN	Amend NSL TYPE	PAG 1312660838 APP NO.
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ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION

- 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

Application Acronyms:

[NSL-Non-Standard Location] **[NSP-Non-Standard Proration Unit]** **[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 - Simultaneous Dedication
☒ NSL ☐ NSP ☐ SD

Check One Only for [B] or [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

- [D] Other: Specify _____

Existing NSL - 6792

30-015-41121

Hayhurst 162527 state #2H

Chesapeake Operating

[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] SUBMIT ACCURATE AND COMPLETE INFORM. OF APPLICATION INDICATED ABOVE.

30-015-41121

[4] **CERTIFICATION:** I hereby certify that the informatic approval is **accurate** and **complete** to the best of my knowledge. application until the required information and notifications are si

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Note: Statement must be completed by an individual

Adam Rankin

See Attachments

2012

Print or Type Name

Signature



April 30, 2013

VIA HAND DELIVERY

Jami Bailey
Oil Conservation Division
New Mexico Department of Energy,
Minerals and Natural Resources
1220 South Saint Francis Drive
Santa Fe, New Mexico 87505

RECEIVED OGD
2013 APR 30 P 4: 27**Re: Application to Amend Order NSL-6792.**

Dear Ms. Bailey:

Chesapeake Operating, Inc., (OGRID No. 147179) agent for Chevron USA, Inc. (OGRID No. 4323) hereby seeks an amendment to the above-referenced administrative approval of its unorthodox well location for the Hayhurst 16 25 27 State 2H well. NSL-6792 approved a surface location 150 FNL and 1780 FEL and a bottom-hole location 200 FSL and 1780 FEL. The first perforations were estimated to be 330 FNL and 1780 FEL and the last perforations were projected to be approximately 200 FSL and 1780 FEL.

Chesapeake hereby seeks to amend NSL-6792 to approve a surface location 175 FNL and 1733 FEL with a terminus location 250 FSL and 1733 FEL. The first perforations are proposed to be 330 FNL and 1733 FEL and the last perforations are requested to be approximately 250 FSL and 1733 FEL.

Exhibit A is the revised Well Location and Acreage Dedication Plat (Form C-102), which shows that the proposed Hayhurst 16 25 27 State 2H well encroaches on the spacing and proration unit to the South.

As with the original application, the operator of spacing and proration unit to the South is Chevron, which is the applicant for this non-standard location; therefore, the affected parties under the rules are the working interest owners in the encroached-upon spacing and proration unit to the South. In this case, Chevron owns 100 percent of the working interest in the encroached-upon spacing and proration unit to the South.

HOLLAND & HART^{LLP}



Your attention to this application is appreciated.

Sincerely,

Adam G. Rankin
ATTORNEY FOR CHESAPEAKE OPERATING, INC.

Enclosures

District I
1625 N. French Dr., Hobbs, NM 88240
Phone: (575) 293-6161 Fax: (575) 393-9720
District II
811 S. First St., Artesia, NM 88210
Phone: (575) 748-1283 Fax: (575) 748-9720
District III
1999 Rio Brazos Road, Aztec, NM 87410
Phone: (505) 334-6178 Fax: (505) 334-6170
District IV
1270 S. St. Francis Dr., Santa Fe, NM 87505
Phone: (505) 476-3460 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 30-015-41121		² Pool Code 97816		³ Pool Name WILDCAT G-02 S2527 15A; BONE SPRING	
⁴ Property Code 39726		⁵ Property Name HAYHURST 16 25 27 STATE			⁶ Well Number 2H
⁷ OGRID No. 4323		⁸ Operator Name CHEVRON U.S.A. INC.			⁹ Elevation 3200'

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
B	16	25 SOUTH	27 EAST, N.M.P.M.		175'	NORTH	1733'	EAST	EDDY

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
O	16	25 SOUTH	27 EAST, N.M.P.M.		250'	SOUTH	1733'	EAST	EDDY

¹² Dedicated Acres 160	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.

<p>¹⁶</p> <div style="border: 1px solid black; padding: 5px; margin-bottom: 10px;"> <p>HAYHURST 16 25 27 STATE 2H WELL</p> <p>X= 543,787 NAD 27 Y= 413,517 LAT. 32.136787 LONG. 104.191871</p> <p>X= 584,971 NAD83 Y= 413,575 LAT. 32.136918 LONG. 104.192366</p> <p>ELEVATION = 3200' NAVD 88</p> </div> <div style="border: 1px solid black; padding: 5px;"> <p>PROPOSED BOTTOM HOLE LOCATION</p> <p>X= 543,810 NAD 27 Y= 408,654 LAT. 32.123427 LONG. 104.191818</p> <p>X= 584,993 NAD83 Y= 408,712 LAT. 32.123549 LONG. 104.192313</p> </div>	<p>Proposed Penetration Point 330' FNL & 1733' FEL</p> <p>Project Area Producing Area</p> <p>S 00°16'01"E 4863.35'</p> <p>1733'</p> <p>175'</p> <p>250'</p> <p>1733'</p>	<p>¹⁷ OPERATOR CERTIFICATION</p> <p>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 compulsory pooling order heretofore entered by the division.</p> <p><i>Bryan Arment</i> 4/17/2013 Signature Date</p> <p>Bryan Arment (Agent for Chevron) Printed Name</p> <p>bryan.arment@chik.com E-mail Address</p> <p>¹⁸ SURVEYOR CERTIFICATION</p> <p>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.</p> <p>4-18-13 Date of Survey</p> <p><i>Wm. J. Daniel III</i> Signature and Seal of Professional Surveyor</p> <p>15078 Certificate Number</p>
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HOLLAND & HART^{LLP}



Adam G. Rankin
Phone 505-954-7294
Fax 505-983-6043
agrarkin@hollandhart.com

April 30, 2013

VIA HAND DELIVERY

Jami Bailey
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Holland & Hart LLP

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

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

Aspen Billings Boise Boulder Cheyenne Colorado Springs Denver Denver Tech Center Jackson Hole Salt Lake City Santa Fe Washington, D.C. ♻

HOLLAND & HART^{LLP}



Your attention to this application is appreciated.

Sincerely,

A handwritten signature in black ink, appearing to read "Adam G. Rankin, Esq.", written in a cursive style.

Adam G. Rankin

ATTORNEY FOR CHESAPEAKE OPERATING, INC.

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