

DATE IN 4/24/08	SUSPENSE	ENGINEER Brooks	LOGGED 4/24/08	TYPE NSL PKVR08/155338
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ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION  
- Engineering Bureau -

Chevron USA Inc.  
C H Weir B #15  
5838

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 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 - Directional Drilling  
☒ NSL ☐ NSP ☐ DD ☐ SD

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 ☐ IPI ☐ EOR ☐ PPR

[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] 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.

Carl Okpattah

Geologist

04/14/2008

Print or Type Name

Signature

Title

Date

RECEIVED  
2008 APR 24 PM 2 07  
Rup 5/15



**Carl Okpattah**  
**Geologist**  
**Permian Basin**

**Mid-Continent Business Unit**  
Chevron U.S.A. Inc.  
11111 S. Wilcrest Dr.  
Houston, Texas 77099  
Tel 281-561-4903  
Fax 281-561-3576  
cokpattah@chevron.com

*celne*

April 14, 2008

Request for Administrative Approval of  
Unorthodox Oil Well Location

**CH Weir 'B' #15**

1333' FSL & 1308' FEL, Section 11, T20S, 37E

Mr. Mark E. Fesmire  
New Mexico Oil Conservation Division  
1220 S. St. Francis Drive  
Santa Fe, NM 87505

Dear Mr. Fesmire:

Chevron respectfully requests administrative approval of an unorthodox oil well location for the following well:

**CH Weir 'B' #15**

1333' FSL & 1308' FEL  
Unit I, Section 11, T20S, R37E  
Lea County, New Mexico

*40-acre*

The proposed well will be an infill producer in the Skaggs-Drinkard pool and downhole commingle in the Monument Tubb and Weir Blinberry East zones. This well is a continuation of our infill drilling program in the same pool. Chevron's technical analysis of the reservoir supports the contention that typical Drinkard wells cannot drain 40 acres.

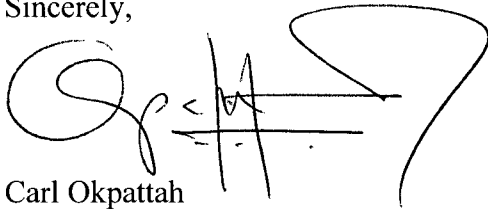
This application is based on geological and engineering analysis. The analysis and justification for this request is attached as Exhibit 1, along with other supporting documentation. There are six wells in the SE/4 of section 11, T20S-R37E that have produced from the Drinkard formation. Four of the wells CH Weir B #4, CH Weir B # 6, CH Weir B #7, CH Weir B #10 are inactive. The proposed well will be at a surface location 1333 feet from the South line (Unit I) and 1308 feet from the East line. Based on drainage area calculation, Chevron believes that drilling this infill well will recover reserves that would not otherwise be recovered by existing wells.

April 14, 2008  
Page 2

A land plat highlighting the proposed well's location is attached as Exhibit 2. The SE/4 of section 11 is covered by a private Fee lease and has joint royalty and working interest ownership. Notification to the necessary joint partners has been made. Chevron is the offset operator to this well.

If you have any questions concerning this application, or require additional information, please contact me by phone at (281)-561-4903 or by email at [COKPATTAH@CHEVRON.COM](mailto:COKPATTAH@CHEVRON.COM). If I am not available, you can contact Andrew Lawther at (281)-561-4796 or by email at [LAWTHER@CHEVRON.COM](mailto:LAWTHER@CHEVRON.COM). Thank you for your consideration of this matter.

Sincerely,

A handwritten signature in black ink, appearing to read 'Carl Okpattah', with a large, stylized flourish extending to the right.

Carl Okpattah  
Geologist

Attachments

cc: NMOCD District 1 – Hobbs, NM  
Andrew Lawther  
Well File

## NOTIFICATION LIST

Application of Chevron U.S.A Inc. for Administrative Approval for an Unorthodox Oil Well location:

### **CH Weir 'B' #15**

1333' FSL & 1308' FEL

Unit I, Section 11, T20S, R37E

Lea County, New Mexico

## ROYALTY AND WORKING INTEREST OWNERS

### T-20-S, R-37-E

Section 11: Southeast Quarter (SE/4)

Samson Resources Corp.,  
200 N. Loraine, Suite 1010  
Midland, TX 79701  
Attn: Tim Reece

25% WI

OXY Permian, LTD  
P. O. Box 4294  
Midland, TX 77210-4294  
Attn: Robbie Abraham

25% WI

## EXHIBIT 1

### ENGINEERING AND GEOLOGICAL JUSTIFICATION

Application of Chevron U.S.A. Inc. for Administrative Approval of an Unorthodox Oil Well Location and Simultaneous Dedication

#### **CH Weir 'B' #15**

1333' FSL & 1308' FEL

Unit I, Section 11, T20S, R37E

Lea County, New Mexico

PRIMARY OBJECTIVE: **Drinkard**

#### SUPPORTING DATA:

1. Chevron U.S.A. Inc. is the operator of the proposed **CH Weir B #15** well (Exhibit 3). The proposed total depth of the well is 7250 feet into the Abo formation.
2. The completion will be in the Skaggs-Drinkard Oil pool and the proposed location encroaches toward the following wells (Exhibit 4).

Operator	Well	Location	Formation	Cum Prod		Current Prod		Status
				MBO	MMCF	BOPD	MCFPD	
Chevron	CH Weir B #8	11-A	Drinkard	63	2,159	3	8	Active
Chevron	CH Weir B #2	11-A	Drinkard	108	523	-	-	Inactive
Chevron	Orcutt HT #2	11-C	Drinkard	4	50	3	40	Active
Chevron	CH Weir B #1	11-H	Drinkard	332	4,553	5	66	Active
Chevron	CH Weir B #4	11-I	Drinkard	15	34	-	-	Inactive
Chevron	CH Weir B #6	11-P	Drinkard	4	141	-	-	Inactive
Chevron	CH Weir B #7	11-J	Drinkard	24	77	-	-	Inactive
Chevron	CH Weir B #10	11-I	Drinkard	11	635	-	-	Recompleted in Grayburg
Chevron	CH Weir B #11	11-P	Drinkard	3	120	-	-	Inactive
Chevron	CH Weir B #13	11-O	Drinkard	0.02	8	1	124	Active

3. The proposed CH Weir B #15 unorthodox Drinkard well location is based primarily on drainage considerations:
  - a. Drinkard Reservoir

The Drinkard reservoir is a thick set of subtidal to supratidal dolomites and limestone. The reservoir is heterogeneous with average porosity of 10% and very low average permeability of approximately 1 millidarcy.

The many porous and tight intervals are not continuous from well to well on 40-acre spacing. Tight dolomite and anhydrite intervals within the Drinkard create both horizontal and vertical barriers between porous zones.

For these reasons, Drinkard wells in the Monument area are not usually capable of draining a 40-acre proration unit.

The reservoir was also analyzed by mapping the Hydrocarbon Pore Volume (HCPV), Exhibit 5. The HCPV is the product of feet of net pay (h), average porosity (phi), and oil saturation (So). The attached map is the arithmetic product of grids interpreted from those values. The values were obtained as follows:

1. Net pay was estimated from modern neutron-density and gamma ray logs.
2. Average porosity was calculated from modern well logs using a minimum cut-off of 6% cross-plot porosity
3. Oil saturation was estimated from formation evaluation analysis.

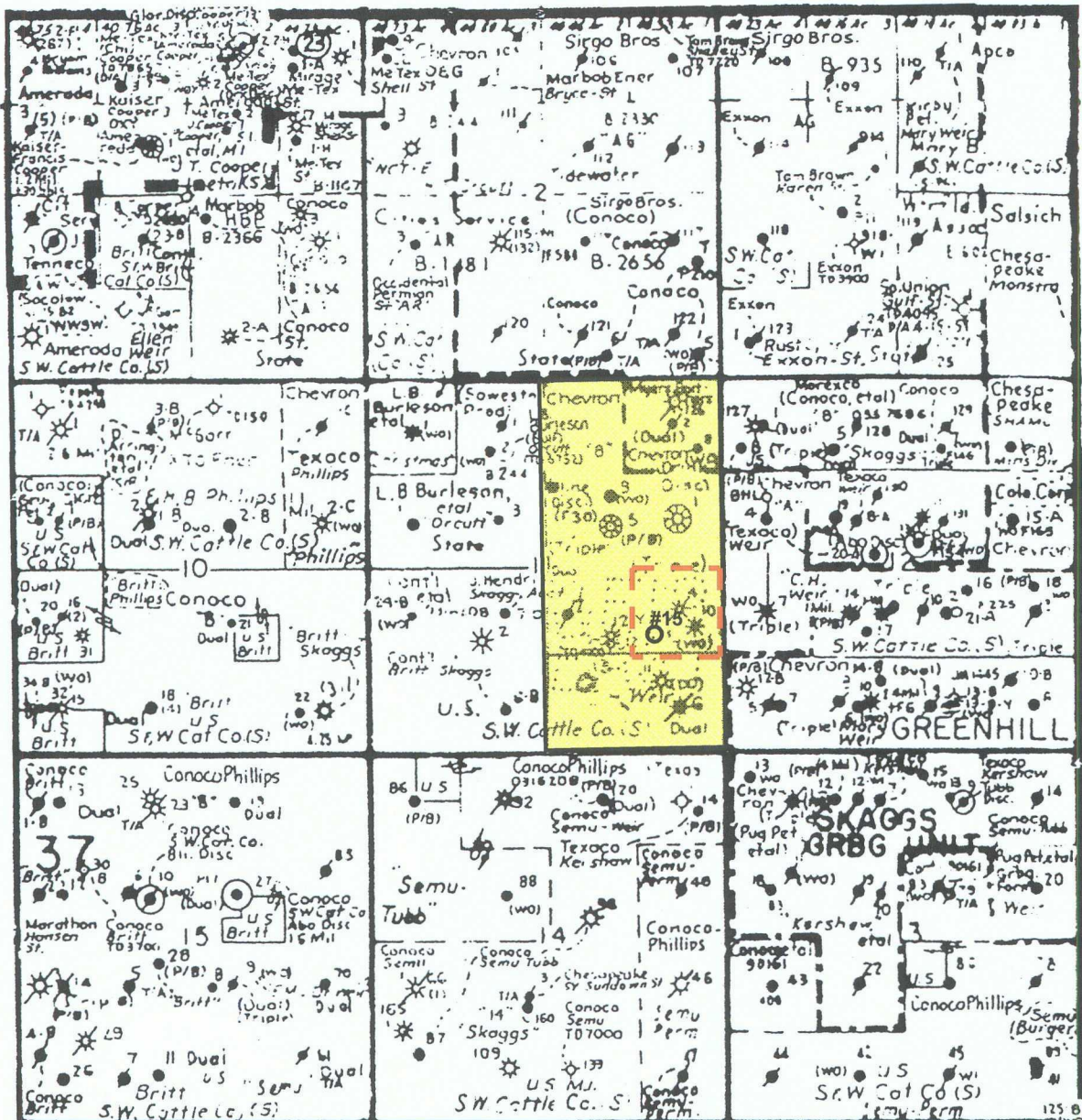
The following table provides drainage areas calculated from the HCPV map and reserves of the offsetting wells.

Operator	Well	Location	Formation	Drainage Acres	EUR	
					MBO	MMCF
Chevron	CH Weir B #8	11-A	Drinkard	5	76	2,400
Chevron	CH Weir B #2	11-A	Drinkard	7	108	523
Chevron	Orcutt HT #2	11-C	Drinkard	3	30	128
Chevron	CH Weir B #1	11-H	Drinkard	25	350	5,488
Chevron	CH Weir B #4	11-I	Drinkard	1	15	34
Chevron	CH Weir B #6	11-P	Drinkard	0.2	4	141
Chevron	CH Weir B #7	11-J	Drinkard	2	25	77
Chevron	CH Weir B #10	11-I	Drinkard	1	11	635
Chevron	CH Weir B #11	11-P	Drinkard	0.2	3.5	120
Chevron	CH Weir B #13	11-O	Drinkard	3	39	31

From the table above, the average drainage area of the offsetting wells is approximately 5 acres, and thus additional reserves can be recovered by drilling the proposed infill well at an approximate equidistant location from the existing offset producers. Reserves for the proposed location were estimated using the HCPV map, a 5 acres drainage area and a 15% recovery factor. The results are as follows:

Operator	Well	Location	HCPV	Drainage Acres	EUR	
					MBO	MMCF
Chevron	CH Weir B #15	11-I	18.5	5	83	240

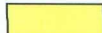

4. The SE/4 of section 11 has joint royalty and working interest ownership. Chevron is the operator and has 50% working interest in the Drinkard wells. Samson Resources Corporation and OXY Permian, Ltd., have 25% working interest respectively. Both interest owners have been notified of this application.
5. The proposed CH Weir B #15 well will share a 40-acre proration unit and will be simultaneously dedicated with the CH Weir B #10 and CH Weir B #4 as a Drinkard producer in Section 11, unit letter I.
6. Approval of this application will allow for the efficient recovery of hydrocarbons which would not otherwise be recovered.



## Chevron USA Inc.



CH Weir 'B' #10  
 1790' FSL & 410' FEL, Unit I  
 CH Weir 'B' #15 (proposed)  
 1333' FSL & 1308' FEL, Unit I  
 Section 11, T20S-R37E  
 Lea County, New Mexico

 Weir Lease  
 40 Acre Proration Unit  
 Scale: 1"=2000' Approx.



DISTRICT I  
1625 N. FRENCH DR., HOBBS, NM 88240

DISTRICT II  
1301 W. GRAND AVENUE, ARTESIA, NM 88210

DISTRICT III  
1000 Rio Brazos Rd., Aztec, NM 87410

DISTRICT IV  
1220 S. ST. FRANCIS DR., SANTA FE, NM 87505

State of New Mexico  
Energy, Minerals and Natural Resources Department

OIL CONSERVATION DIVISION

1220 SOUTH ST. FRANCIS DR.  
Santa Fe, New Mexico 87505

Form C-102  
Revised October 12, 2005  
Submit to Appropriate District Office  
State Lease - 4 Copies  
Fee Lease - 3 Copies

WELL LOCATION AND ACREAGE DEDICATION PLAT

☐ AMENDED REPORT

API Number	Pool Code	Pool Name
Property Code	Property Name C. H. WEIR "B"	Well Number 15
OGRID No.	Operator Name CHEVRON USA INC	Elevation 3574'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
I	11	20-S	37-E		1333	SOUTH	1308	EAST	LEA

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
Dedicated Acres	Joint or Infill	Consolidation Code	Order No.						

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>GEODETIC COORDINATES NAD 27 NME</p> <p>Y=577936.5 N X=843724.4 E</p> <p>LAT.=32.583889° N LONG.=103.217420° W</p>	<p><b>OPERATOR CERTIFICATION</b></p> <p><i>I hereby certify that the information 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 mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</i></p> <p>Signature _____ Date _____</p> <p>Printed Name _____</p>	
	<p><b>SURVEYOR CERTIFICATION</b></p> <p><i>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.</i></p>	
	<p>APRIL 29, 2008</p> <p>DATE SURVEYED _____</p> <p>SIGNATURE &amp; SEAL OF PROFESSIONAL SURVEYOR _____</p> <p>081110470</p>	
	<p>Certificate No. GARY G. EIDSON 12641 RONALD J. EIDSON 3239</p>	

**District I**  
1625 N. French Dr., Hobbs, NM 88240

**District II**  
811 South First, Artesia, NM 88210

**District III**  
1000 Rio Brazos Rd., Aztec, NM 87410

**District IV**  
2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico  
Energy, Minerals & Natural Resources Department

**OIL CONSERVATION DIVISION**

2040 South Pacheco  
Santa Fe, NM 87505

**EXHIBIT 3.1**

Form C-102  
Revised March 17, 1999

Submit to Appropriate District Office  
State Lease - 4 Copies  
Fee Lease - 3 Copies

☐ AMENDED REPORT

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

<sup>1</sup> API Number 30-025	<sup>2</sup> Pool Code 57000	<sup>3</sup> Pool Name Skaggs Drinkard
<sup>4</sup> Property Code	<sup>5</sup> Property Name C. H. Weir, B	<sup>6</sup> Well Number 15
<sup>7</sup> OGRID No. 4323	<sup>8</sup> Operator Name Chevron Corporation	<sup>9</sup> Elevation 3574'

<sup>10</sup> Surface Location

UL or Lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
I	11	20S	37E		1333	South	1308	East	Lea

<sup>11</sup> 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
<sup>12</sup> Dedicated Acres 40	<sup>13</sup> Joint or Infill	<sup>14</sup> Consolidation Code	<sup>15</sup> Order No.						

**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**

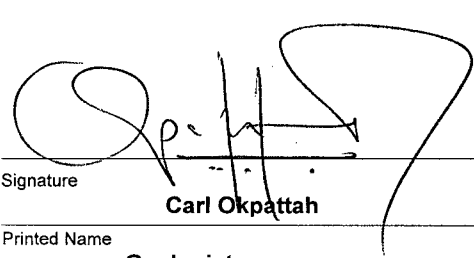
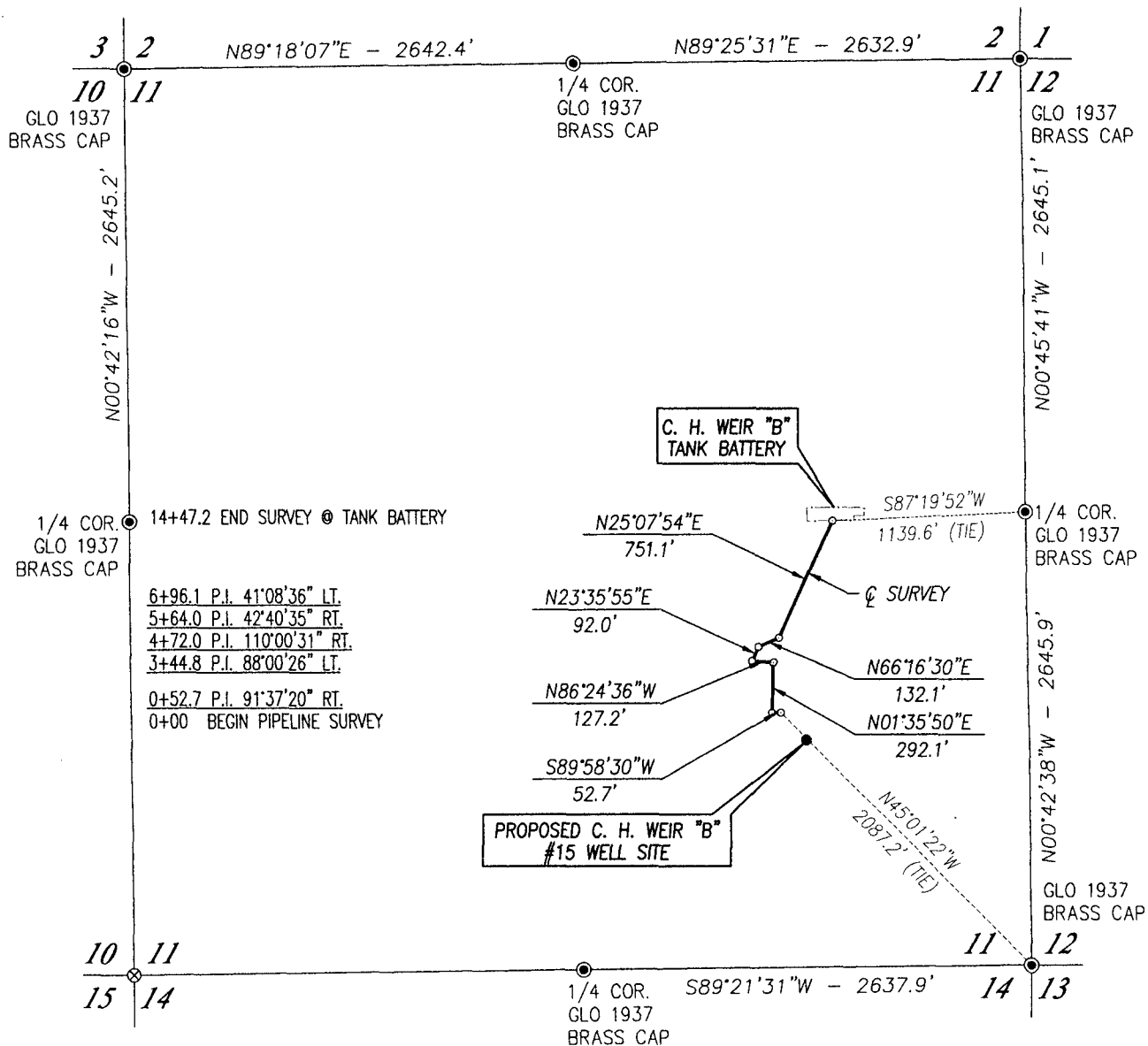
11				17 <b>OPERATOR CERTIFICATION</b>  <i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</i>   Signature Carl Okpattah Printed Name Geologist Title April 14, 2008
				18 <b>SURVEYOR CERTIFICATION</b>  <i>I hereby certify that the well 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.</i>  Signature and Seal of Professional Surveyor:   Certificate Number

Diagram showing well location #15 at the intersection of 1308' and 1333' lines.

SECTION 11, TOWNSHIP 20 SOUTH, RANGE 37 EAST, N.M.P.M.  
LEA COUNTY NEW MEXICO



DESCRIPTION

CENTERLINE SURVEY OF A STRIP OF LAND CROSSING SECTION 11, TOWNSHIP 20 SOUTH, RANGE 37 EAST, N.M.P.M., LEA COUNTY, NEW MEXICO, AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT IN THE NORTHWEST QUARTER OF THE SOUTHEAST QUARTER OF SAID SECTION 11, WHICH LIES N45°01'22"W 2087.2 FEET FROM THE SOUTHEAST CORNER OF SAID SECTION; THEN S89°58'30"W 52.7 FEET; THEN N01°35'50"E 292.1 FEET; THEN N86°24'36"W 127.2 FEET; THEN N23°35'55"E 92.0 FEET; THEN N66°16'30"E 132.1 FEET; THEN N25°07'54"E 751.1 FEET TO A POINT IN THE NORTHEAST QUARTER OF THE SOUTHEAST QUARTER OF SAID SECTION, WHICH LIES S87°19'52"W 1139.6 FEET FROM THE EAST QUARTER CORNER OF SAID SECTION.

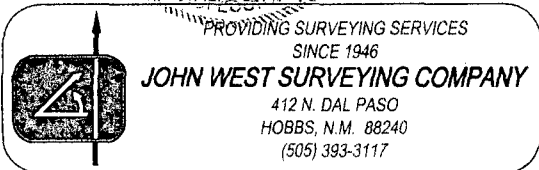
TOTAL LENGTH EQUALS 1447.2 FEET OR 87.71 RODS.

NOTE

BEARINGS SHOWN HEREON ARE MERCATOR GRID AND CONFORM TO THE NEW MEXICO COORDINATE SYSTEM "NEW MEXICO EAST ZONE" NORTH AMERICAN DATUM 1983. DISTANCES ARE SURFACE VALUES.

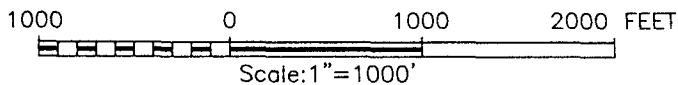
I HEREBY CERTIFY THAT I DIRECTED AND AM RESPONSIBLE FOR THIS SURVEY, THAT THIS SURVEY IS TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF, AND THAT THIS SURVEY AND PLAT MEET THE MINIMUM STANDARDS FOR SURVEYING IN NEW MEXICO.

GARY G. EIDSON, N.M. P.S. No. 12641  
RONALD J. EIDSON, N.M. P.S. No. 3239



LEGEND

- DENOTES FOUND CORNER AS NOTED
- ⊗ DENOTES CALCULATED CORNER



CHEVRON USA INC.

SURVEY OF A PIPELINE EASEMENT CROSSING  
SECTION 11,  
TOWNSHIP 20 SOUTH, RANGE 37 EAST, N.M.P.M.  
LEA COUNTY, NEW MEXICO

Survey Date: 3/27/08	Sheet 1 of 1 Sheets
W.O. Number: 08.11.0470	Drawn By: DSS
Date: 4/7/08	08110470





Monument Field Prospect

Drinkard HCPV

Lea County, NM



POSTED WELL DATA



CONTOURS  
OKČA\_MONUMENT\_DRKD - HCPV [OKČA] - 2008  
OKČA\_MONUMENT\_DRKD\HCPV\OKČA.GRD  
Contour Interval = 2

### WELL SYMBOLS Location Only

- Oil Well  
Gas Well  
Oil & Gas Well  
Dry Hole  
Temporarily Abandoned

REMARKS  
W 40%

Red Circle: Location of proposed well

By: C. Okpattah

April 10, 2008

