

BEFORE THE
OIL CONSERVATION DIVISION
NEW MEXICO DEPARTMENT OF ENERGY, MINERALS AND NATURAL RESOURCES

IN THE MATTER OF THE APPLICATION
OF CHEVRON U.S.A. INC. FOR A
HIGH ANGLE/HORIZONTAL DRILLING
PILOT PROJECT, THE PROMULGATION
OF SPECIAL PROJECT RULES,
AN UNORTHODOX WELL LOCATION,
A NONSTANDARD PRORATION UNIT,
AND SIMULTANEOUS DEDICATION,
LEA COUNTY, NEW MEXICO.

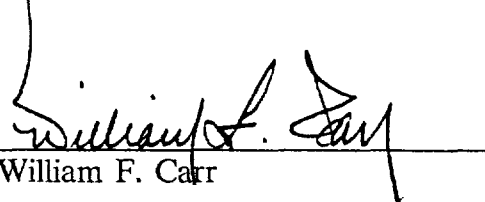
BEFORE EXAMINER CATANACH	
OIL CONSERVATION DIVISION	
CHEVRON	EXHIBIT NO. <u>6</u>
CASE NO.	<u>10571</u>

CASE NO. 10571

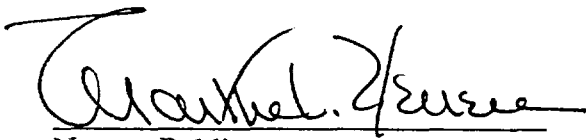
AFFIDAVIT OF MAILING

William F. Carr, being duly sworn, states that on September 22, 1992 he mailed a copy of the application of Chevron U.S.A., Inc., for a high angle/horizontal drilling pilot project, the promulgation of special project rules, an unorthodox well location, a nonstandard proration unit, and simultaneous dedication, Lea County, New Mexico with letter(s) setting forth the hearing date, by certified mail, return receipt requested, to the following individuals listed on Exhibit A attached:

Further Affiant sayeth naught.


William F. Carr

SUBSCRIBED AND SWORN to before me this 14th day of October, 1992.


Notary Public

My Commission Expires:

August 19, 1995

EXHIBIT A

Texaco Inc.
Post Office Box 3109
Midland, Texas 79702

John H. Hendricks Corporation
223 West Wall Street, Suite 525
Midland, Texas 79701

American Exploration Company
700 Louisiana, Suite 2100
Houston, Texas 77002-2797

CAMPBELL, CARR, BERGE

& SHERIDAN, P.A.

LAWYERS

MICHAEL B. CAMPBELL
WILLIAM F. CARR
BRADFORD C. BERGE
MARK F. SHERIDAN
WILLIAM P. SLATTERY

PATRICIA A. MATTHEWS
MICHAEL H. FELDEWERT

JACK M. CAMPBELL
OF COUNSEL

JEFFERSON PLACE
SUITE 1 - 110 NORTH GUADALUPE
POST OFFICE BOX 2208
SANTA FE, NEW MEXICO 87504-2208
TELEPHONE: (505) 988-4421
TELECOPIER (505) 983-6043

September 22, 1992

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

American Exploration Company
700 Louisiana, Suite 2100
Houston, Texas 77002-2797

Re: Application of Chevron U.S.A. Inc. for a High Angle/Horizontal Drilling Pilot Project, the Promulgation of Special Project Rules, an Unorthodox Well Location, a Nonstandard Proration Unit, and Simultaneous Dedication, Lea County, New Mexico

Gentlemen:

This letter is to advise you that Chevron U.S.A. Inc., has filed the enclosed application with the New Mexico Oil Conservation Division seeking approval of a high angle/horizontal drilling pilot project for its Drinkard (NCT-B) Well No. 5 located 880 feet from the South line and 1980 feet from the East line of Section 30, Township 22 South, Range 38 East, N.M.P.M., Lea County, New Mexico. The project area will comprise the W/2 SE/4 of said Section 30.

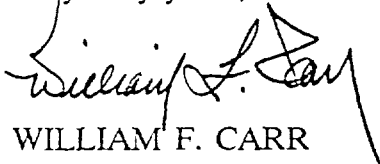
Chevron also seeks the promulgation of Special Project Rules, approval of an unorthodox well location a nonstandard proration unit and the simultaneous dedication of its Drinkard (NCT-B) Well No. 5 and its Drinkard (NCT-B) Well No. 3 in the South Brunson Drinkard-Abo Pool.

This application has been set for hearing before an Examiner of the Oil Conservation Division on October 15, 1992. You do not need to attend this hearing, but as an owner of an interest which may be affected by this application, you may appear and present testimony. Failure to appear at the time of hearing, or otherwise become a party of record will prevent you from challenging this matter at a later date.

American Exploration Company
September 22, 1992
Page 2

Parties appearing in cases have been requested by the Division (Memorandum 2-90) to file a Prehearing Statement substantially in the form prescribed by the Division. Prehearing statements should be filed by 4:00 o'clock p.m. on the Friday before a scheduled hearing.

Very truly yours,

A handwritten signature in cursive script, appearing to read "William F. Carr". The signature is written in dark ink and is positioned above the printed name.

WILLIAM F. CARR
ATTORNEY FOR CHEVRON U.S.A. INC.
WFC:mlh
Enc.

SENDER: Complete items 1 and 2 when additional services are desired, and complete items 3 and 4.

Put your address in the "RETURN TO" space on the reverse side. Failure to do this will prevent this card from being returned to you. The return receipt fee will provide you the name of the person delivered to and the date of delivery. For additional fees the following services are available. Consult postmaster for rates and check boxes for additional services requested.

1. ☒ Show to whom delivered, date, and addressee's address. 2. ☐ Restricted Delivery (Extra charge)

3. Article Addressed to:

American Exploration Company
700 Louisiana, Suite 2100
Houston, TX 77002-2797

4. Article Number
P 106 677 804

Type of Service: ☐ Registered ☐ Insured
☒ Certified ☐ COD
☐ Express Mail ☐ Return Receipt for Merchandise

Always obtain signature of addressee or agent and DATE DELIVERED.

5. Signature - Address
X

6. Signature of Agent
X *[Signature]*

7. Date of Delivery
9-28-92

8. Addressee's Address (ONLY if requested and fee paid)

PS Form 3811, Mar. 1988 * U.S.G.P.O. 1988-212-865 DOMESTIC RETURN RECEIPT

P-106 677 804

American Exploration Company

700 Louisiana, Suite 2100

Houston, TX 77002-2797

Postage

Certified Fee

Special Delivery Fee

Restricted Delivery Fee

Return Receipt showing to whom and Date Delivered

Return Receipt showing to whom Date and Address of Delivery

TOTAL Postage and Fees

Postmark or Date
September 22, 1992

PSN Form 3800 Form 3800 Form 3800

CAMPBELL, CARR, BERGE

& SHERIDAN, P.A.

LAWYERS

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WILLIAM F. CARR

BRADFORD C. BERGE

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TELEPHONE (505) 988-4421

TELECOPIER (505) 983-6043

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John H. Hendricks Corporation
223 West Wall Street, Suite 525
Midland, Texas 79701

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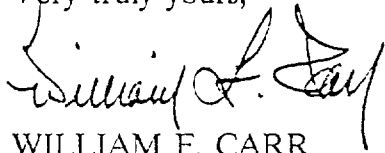
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WILLIAM F. CARR
ATTORNEY FOR CHEVRON U.S.A. INC.
WFC:mlh
Enc.

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3. Article Addressed to: John H. Hendricks Corp. 223 W. Wall St., Suite 525 Midland, Texas 79701		4. Article Number P 106 677 806	
5. Signature — Address X		Type of Service: <input type="checkbox"/> Registered <input type="checkbox"/> Insured <input checked="" type="checkbox"/> Certified <input type="checkbox"/> COD <input type="checkbox"/> Express Mail <input type="checkbox"/> Return Receipt for Merchandise	
6. Signature Agent X <i>John Hendricks</i>		Always obtain signature of addressee or agent and DATE DELIVERED.	
7. Date of Delivery <i>9/22/92</i>		8. Addressee's Address (ONLY if requested and fee paid) <i>Same</i>	

PS Form 3811, Mar. 1988 * U.S.G.P.O. 1988-212-885 DOMESTIC RETURN RECEIPT

P-106 677 806

SLIGHTLY DEFECTED MAIL
 RETURN TO SENDER
 NO POSTAGE
 REQUIRED
 IF MAILED
 IN THE UNITED STATES

To: John H. Hendricks Corp.	
Street and No. 223 W. Wall St., Suite 525	
P.O. Code and ZIP Code Midland, Texas 79701	
Postage	3
Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt showing to whom and Date Delivered	
Return Receipt showing to whom Date and Address of Delivery	
TOTAL Postage and Fees	3
Postmark or Date <i>September 22, 1992</i>	

CAMPBELL, CARR, BERGE
& SHERIDAN, P.A.
LAWYERS

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WILLIAM F. CARR
BRADFORD C. BERGE
MARK F. SHERIDAN
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JEFFERSON PLACE
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POST OFFICE BOX 2208
SANTA FE, NEW MEXICO 87504-2208
TELEPHONE: (505) 988-4421
TELECOPIER (505) 983-6043

September 22, 1992

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Texaco Inc.
Post Office Box 3109
Midland, Texas 79702

Re: Application of Chevron U.S.A. Inc. for a High Angle/Horizontal Drilling Pilot Project, the Promulgation of Special Project Rules, an Unorthodox Well Location, a Nonstandard Proration Unit, and Simultaneous Dedication, Lea County, New Mexico

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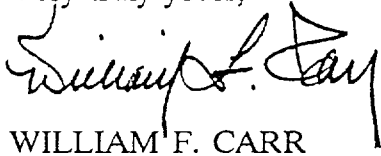
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September 22, 1992
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WILLIAM F. CARR
ATTORNEY FOR CHEVRON U.S.A. INC.
WFC:mlh
Enc.

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 1. ☒ Show to whom delivered, date, and addressee's address. 2. ☐ Restricted Delivery (Extra charge)

3. Article Addressed to: Texaco Inc. Post Office Box 3109 Midland, Texas 79702	4. Article Number P 106 677 805
5. Signature - Address X	Type of Service: <input type="checkbox"/> Registered <input checked="" type="checkbox"/> Certified <input type="checkbox"/> Express Mail <input type="checkbox"/> Insured <input type="checkbox"/> COD <input type="checkbox"/> Return Receipt for Merchandise
6. Signature - Agent X <i>John Leon</i>	8. Addressee's Address (ONLY if requested and fee paid) Always obtain signature of addressee or agent and DATE DELIVERED.
7. Date of Delivery SEP 24 1992	

PS Form 3811, Mar. 1988 * U.S.G.P.O. 1988-212-865 DOMESTIC RETURN RECEIPT

P-106 677 805

RECEIVED
 SEP 24 1992
 MIDLAND, TEXAS
 TEXACO INC.

To: Texaco Inc.	
Street and No. Post Office Box 3109	
P.O. State and ZIP Code Midland, Texas 79702	
Postage	3
Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt showing to whom and Date Delivered	
Return Receipt showing to whom Date and Address of Delivery	
TOTAL Postage and Fees	3
Postmark or Date September 22, 1992	

WELL DATA SHEET

FIELD: Wantz Granite Wash

WELL NAME: Drinkard B # 5

FORMATION: Granite Wash

LOC: 880' FSL & 1980' FEL

SEC: 30

GL: 3350'

CURRENT STATUS: Pumping

TOWNSHIP: 22S

COUNTY: Lea

KB to GL: 10.4'

API NO: 30-025-25519

RANGE: 38E

STATE: NM

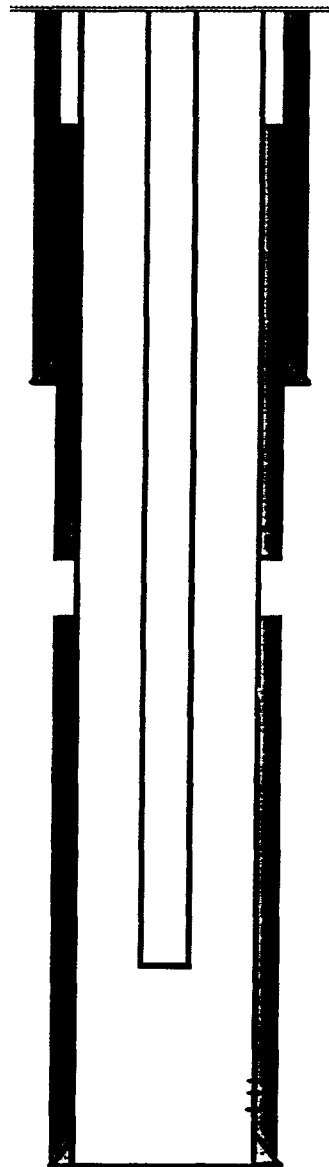
DF to GL:

Date Completed: 7/1/77

Initial Formation: Granite Wash

FROM: 7257' TO: 7321'

CURRENT CONDITION



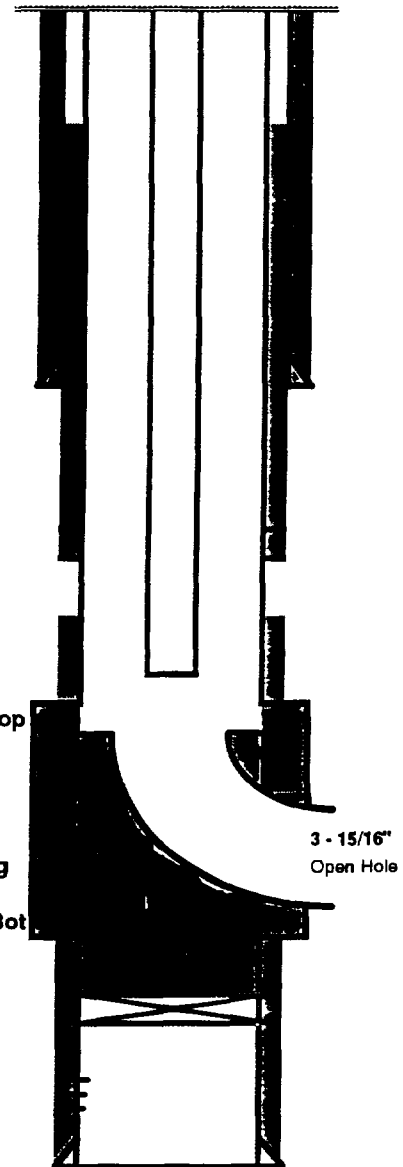
8-5/8" OD, 8rd
csg set @ 1233'
w/ 350 sx cmt.

DV collar @ 3109'

5-1/2" OD, 15.5#, 8rd
K-55, csg set @ 7590'
No cmt circ.
1st stage-1,100 sx
2nd stage-1,200 sx

TD @ 7590'
PBTD @ 7551'

PROPOSED



6765 Section Top

KOP @ 6772'

15' Section
milled in casing

6780' Section Bot

CIBP @ 7180'

7257'-
7321'
2 1/2 hpf
16 hole

3 - 15/16"
Open Hole

BEFORE THE
OIL CONSERVATION COMMISSION
Santa Fe, New Mexico

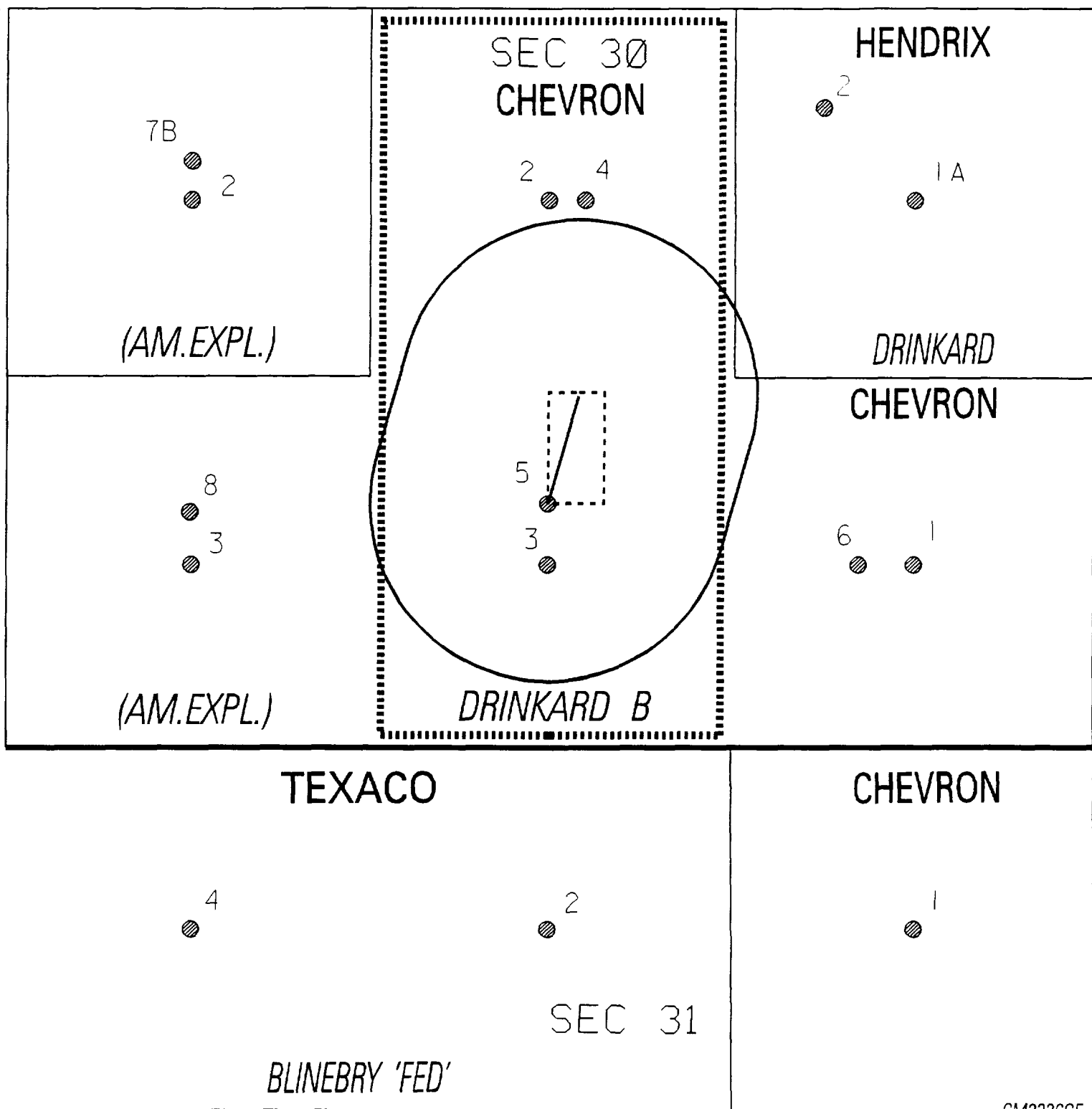
Case No. 10571 Exhibit No. 7
Submitted by Chevron U.S.A. Inc.
Hearing Date October 15, 1992

DRINKARD 'B' #5
PROPOSED HORIZONTAL WORKOVER



SECTION 30 T22S, R38E
LEA COUNTY, NEW MEXICO

SCALE: 1" = 500'



BEFORE THE
OIL CONSERVATION COMMISSION
Santa Fe, New Mexico

Case No. 10571 Exhibit No. 8
Submitted by Chevron U.S.A. Inc.
Hearing Date October 15, 1992

BEFORE THE
OIL CONSERVATION DIVISION
NEW MEXICO DEPARTMENT OF ENERGY, MINERALS AND NATURAL RESOURCES

IN THE MATTER OF THE APPLICATION
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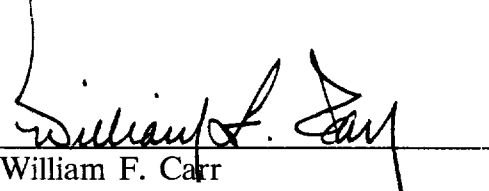
BEFORE EXAMINER DATANACH	
OIL CONSERVATION DIVISION	
CHEVRON	EXHIBIT NO. <u>6</u>
CASE NO	<u>10571</u>

CASE NO. 10571

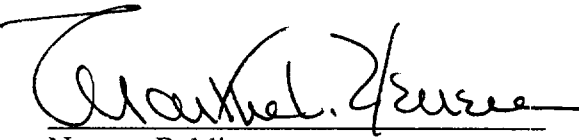
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William F. Carr

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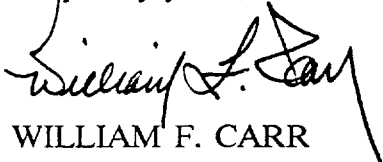
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WILLIAM F. CARR
ATTORNEY FOR CHEVRON U.S.A. INC.

WFC:mlh

Enc.

P-106 677 804

RECEIPT FOR CERTIFIED MAIL

INSURANCE COVERAGE PROVIDED
NOT FOR INTERNATIONAL MAIL
(See Reverse)

Sent to American Exploration Company	
Street and No. 700 Louisiana, Suite 2100	
P.O., State and ZIP Code Houston, TX 77002-2797	
Postage	S
Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt showing to whom and Date Delivered	
Return Receipt showing to whom, Date, and Address of Delivery	
TOTAL Postage and Fees	S
Postmark or Date September 22, 1992	

PS Form 3800, June 1985

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<p>5. Signature — Address</p> <p>X</p>	<p>Type of Service:</p> <p><input type="checkbox"/> Registered <input type="checkbox"/> Insured</p> <p><input checked="" type="checkbox"/> Certified <input type="checkbox"/> COD</p> <p><input type="checkbox"/> Express Mail <input type="checkbox"/> Return Receipt for Merchandise</p> <p>Always obtain signature of addressee or agent and DATE DELIVERED.</p>
<p>6. Signature Agent</p> <p>X</p>	<p>8. Addressee's Address (ONLY if requested and fee paid)</p>
<p>7. Date of Delivery</p> <p>9-28-92</p>	

PS Form 3811, Mar. 1988 * U.S.G.P.O. 1988-212-865 DOMESTIC RETURN RECEIPT

CAMPBELL, CARR, BERGE

& SHERIDAN, P.A.

LAWYERS

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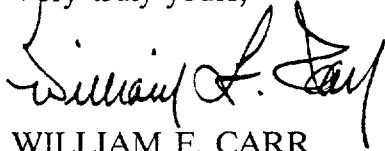
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September 22, 1992
Page 2

Parties appearing in cases have been requested by the Division (Memorandum 2-90) to file a Prehearing Statement substantially in the form prescribed by the Division. Prehearing statements should be filed by 4:00 o'clock p.m. on the Friday before a scheduled hearing.

Very truly yours,

A handwritten signature in cursive script, appearing to read "William F. Carr".

WILLIAM F. CARR
ATTORNEY FOR CHEVRON U.S.A. INC.
WFC:mlh
Enc.

P-106 677 806

RECEIPT FOR CERTIFIED MAIL
NO FINANCE COVERAGE PROVIDED
NOT FOR INTERNATIONAL MAIL
(See Reverse)

Sent to John H. Hendricks Corp.	
Street and No. 223 W. Wall St., Suite 525	
P.O., State and ZIP Code Midland, Texas 79701	
Postage	\$
Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt showing to whom and Date Delivered	
Return Receipt showing to whom, Date, and Address of Delivery	
TOTAL Postage and Fees	\$
Postmark or Date September 22, 1992	

PS Form 3800, June 1985

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3. Article Addressed to: John H. Hendricks Corp. 223 W. Wall St., Suite 525 Midland, Texas 79701	4. Article Number P 106 677 806
5. Signature - Address <input checked="" type="checkbox"/>	Type of Service: <input checked="" type="checkbox"/> Registered <input checked="" type="checkbox"/> Certified <input type="checkbox"/> Express Mail <input type="checkbox"/> Insured <input type="checkbox"/> COD <input type="checkbox"/> Return Receipt for Merchandise
6. Signature Agent <input checked="" type="checkbox"/> <i>John Hendricks</i>	Always obtain signature of addressee or agent and DATE DELIVERED.
7. Date of Delivery <i>9/22/92</i>	8. Addressee's Address (ONLY if requested and fee paid) <i>John</i>

PS Form 3811, Mar. 1988 * U.S.G.P.O. 1988-212-865 DOMESTIC RETURN RECEIPT

CAMPBELL, CARR, BERGE
& SHERIDAN, P.A.
LAWYERS

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POST OFFICE BOX 2208
SANTA FE, NEW MEXICO 87504-2208
TELEPHONE: (505) 988-4421
TELECOPIER (505) 983-6043

September 22, 1992

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Texaco Inc.
Post Office Box 3109
Midland, Texas 79702

Re: Application of Chevron U.S.A. Inc. for a High Angle/Horizontal Drilling Pilot Project, the Promulgation of Special Project Rules, an Unorthodox Well Location, a Nonstandard Proration Unit, and Simultaneous Dedication, Lea County, New Mexico

Gentlemen:

This letter is to advise you that Chevron U.S.A. Inc., has filed the enclosed application with the New Mexico Oil Conservation Division seeking approval of a high angle/horizontal drilling pilot project for its Drinkard (NCT-B) Well No. 5 located 880 feet from the South line and 1980 feet from the East line of Section 30, Township 22 South, Range 38 East, N.M.P.M., Lea County, New Mexico. The project area will comprise the W/2 SE/4 of said Section 30.

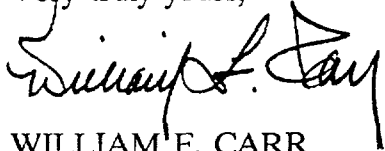
Chevron also seeks the promulgation of Special Project Rules, approval of an unorthodox well location a nonstandard proration unit and the simultaneous dedication of its Drinkard (NCT-B) Well No. 5 and its Drinkard (NCT-B) Well No. 3 in the South Brunson Drinkard-Abo Pool.

This application has been set for hearing before an Examiner of the Oil Conservation Division on October 15, 1992. You do not need to attend this hearing, but as an owner of an interest which may be affected by this application, you may appear and present testimony. Failure to appear at the time of hearing, or otherwise become a party of record will prevent you from challenging this matter at a later date.

Texaco Inc.
September 22, 1992
Page 2

Parties appearing in cases have been requested by the Division (Memorandum 2-90) to file a Prehearing Statement substantially in the form prescribed by the Division. Prehearing statements should be filed by 4:00 o'clock p.m. on the Friday before a scheduled hearing.

Very truly yours,

A handwritten signature in black ink, appearing to read "William F. Carr". The signature is fluid and cursive, with a large initial "W" and a stylized "C".

WILLIAM F. CARR
ATTORNEY FOR CHEVRON U.S.A. INC.
WFC:mlh
Enc.

P-106 677 805

RECEIPT FOR CERTIFIED MAIL

NO INSURANCE COVERAGE PROVIDED
NOT FOR INTERNATIONAL MAIL
(See Reverse)

Sent to Texaco Inc.	
Street and No. Post Office Box 3109	
P.O., State and ZIP Code Midland, Texas 79702	
Postage	\$
Certified Fee	
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Return Receipt showing to whom, Date, and Address of Delivery	
TOTAL Postage and Fees	\$
Postmark or Date September 22, 1992	

PS Form 3800, June 1985

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1. ☒ Show to whom delivered, date, and addressee's address. 2. ☐ Restricted Delivery (Extra charge)

3. Article Addressed to:
Texaco Inc.
Post Office Box 3109
Midland, Texas 79702

4. Article Number
P 106 677 805

Type of Service:
☐ Registered ☐ Insured
☒ Certified ☐ COD
☐ Express Mail ☐ Return Receipt for Merchandise
 Always obtain signature of addressee or agent and DATE DELIVERED.

5. Signature - Address
X

6. Signature Agent
X *[Signature]*

7. Date of Delivery
SEP 24 1992

8. Addressee's Address (ONLY if requested and fee paid)

PS Form 3811, Mar. 1988 * U.S.G.P.O. 1988-212-965 DOMESTIC RETURN RECEIPT