



**NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT**

OIL CONSERVATION DIVISION
2040 South Pacheco Street
Santa Fe, New Mexico 87505
(505) 827-7131

October 21, 1998

**Chevron U.S.A. Production Company
P. O. Box 1150
Midland, Texas 79702
Attention: Lloyd Trautman**

AMENDED Administrative Order NSL-4048 (BHL)

Dear Mr. Trautman:

By Division Administrative Order NSL-4048(BHL), dated June 2, 1998, authorization was given Chevron U.S.A. Production Company ("Chevron") to re-enter, directionally drill, and recomplete into the Undesignated North Lusk-Strawn Pool its Scott "E" Federal Com. Well No. 1 (API No. 30-025-27442), located at an actual surface location that is 1148 feet from the South line and 775 feet from the West line (Unit M) of Section 28 [the staked and reported surface location for this well shows it to be 1980 feet from the South and West lines (Unit K) of Section 28], Township 18 South, Range 32 East, NMPM, Lea County, New Mexico, to a non-standard subsurface oil producing area/bottomhole oil well location within a standard 40-acre oil spacing and proration unit that comprises the SW/4 SW/4 (Unit M) of Section 28. The producing area/drilling window prescribed in Division Administrative Order NSL-4048(NHL) was to be that area within Unit "M" of Section 28 that is:

- (a) no closer than 330 feet to the east, south, and west boundaries of this 40-acre unit; and,
- (b) no closer than 72 feet to the northern boundary of the unit.

Reference is now made to your letter with attachments dated July 30, 1998 and to the Division's well file and records, whereby an amendment should be issued in this order to indicate that the prescribed area was missed and to accurately reflect the actual bottom-hole location of this wellbore.

The Division Director Finds That:

- (1) This application was originally approved under the provisions of Division General Rule 104.F(2);
- (2) This amendment has been duly filed under the provisions of Division General Rules 104.F and 111.C(2);

- (3) During directional drilling operations the wellbore had deviated such that Chevron exceeded the eastern set-back requirements as prescribed in Division Administrative Order NSL-4048(BHL); and that,
- (4) Supporting data submitted with this application indicates that:
 - (a) the wellbore commenced overshooting the eastern limit of the prescribed drilling window/producing area at an approximate measured depth of 9,600 feet;
 - (b) the maximum deviation within the wellbore to the east occurred at a measured depth of approximately 10,881 feet, at which point the subsurface location was approximately 311 feet from the east line of this 40-acre unit;
 - (c) at the deepest most measured depth of 11,924 feet the subsurface location of the wellbore is approximately 333 feet from the east line of this 40-acre unit; and,
 - (d) at no point does the deviated wellbore exceed the northern, western, or southern limits of the prescribed drilling window/producing area.

It Is Therefore Ordered That:

- (1) Division Administrative Order NSL-4048(BHL), dated June 2, 1998, is hereby amended to properly reflect the actual subsurface path of the Scott "E" Federal Well No. 1 (API No. 30-025-27442), as indicated in the findings above.
- (2) All other provisions of Order NSL-4048(BHL) not in conflict with this change shall remain in full force and effect until further notice.
- (3) Jurisdiction of this case is retained for the entry of such further orders as the Division may deem necessary.

Amended Administrative Order NSL-4048(BHL)
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DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

A handwritten signature in cursive script, appearing to read "Lori Wrottenbery" with some initials or a date at the end.

LORI WROTENBERY
Director

cc: New Mexico Oil Conservation Division - Hobbs
U. S. Bureau of Land Management - Carlsbad
File: NSL-4048(BHL)