

RECEIVED: 9/7/17	REVIEWER: LRL	TYPE: NSL	APP NO: PLEL 1725137276
------------------	---------------	-----------	-------------------------

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

NSL-7587

Applicant: Chevron U.S.A. Inc.**OGRID Number:** 4323**Well Name:** HH SO 17 20 Fed No. 001 No. 3H Well**API:** 30-015**Pool:** Purple Sage; Wolfcamp (Gas) Pool**Pool Code:** 98220

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

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**2) NOTIFICATION REQUIRED TO:** Check those which apply.A. ☒ Offset operators or lease holdersB. ☐ Royalty, overriding royalty owners, revenue ownersC. ☐ Application requires published noticeD. ☐ Notification and/or concurrent approval by SLOE. ☒ Notification and/or concurrent approval by BLMF. ☐ Surface ownerG. ☒ For all of the above, proof of notification or publication is attached, and/or,H. ☐ No notice required**FOR OCD ONLY**

Notice Complete

Application
Content
Complete

RECEIVED
OCD
SEP - 7 PM 2:51

- 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

September 7, 2017

Date

505-988-4421

Phone Number

jlkessler@hollandhart.com

e-mail Address



September 7, 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

2017 SEP -7 P 2:51
RECEIVED OGD

**Re: Application of Chevron U.S.A. Inc. for administrative approval of an unorthodox location, Sections 17 and 20, Township 26 South, Range 27 East, N.M.P.M., Eddy County, New Mexico.
HH SO 17 20 Fed No. 001 No. 3H Well**

Dear Mr. Catanach:

Chevron U.S.A. Inc. ("Chevron") (OGRID 4323) seeks administrative approval of an unorthodox well location for its **HH SO 17 20 Fed No. 001 No. 3H Well** (API No. Pending) to be completed within the Wolfcamp formation (Purple Sage; Wolfcamp (Gas) Pool (98220)) underlying the W/2 of Section 17 and the W/2 of Section 20. This well will be drilled from a surface location 280 feet from the South line and 1873 feet from the West line (Unit N) of Section 8. The first perforation will be located 330 feet from the North line and 2430 feet from the West line (Unit C) of Section 17 and the final perforation will be located 330 feet from the South line and 2430 feet from the West line (Unit N) of Section 20. 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.

Sections 17 and 20 are all part of one federal lease, and ownership between the E/2 and W/2 of Sections 17 and 20 is identical. Accordingly, there are no affected parties in the spacing unit to the West. The W/2 of Sections 17 and 20 will be developed by six Wolfcamp wells, which have not yet been permitted. 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 17 20 Fed No. 001 No. 3H Well** encroaches on the spacing and proration units to the East, Northeast, and Southeast.

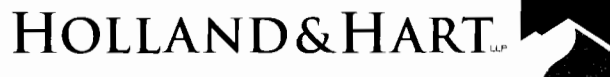


Exhibit B is a land plat showing the proposed **HH SO 17 20 Fed No. 001 No. 3H Well** in relation to adjoining spacing units.

Exhibit C is a list of the parties affected by the encroachment to the Southeast. As set forth above, ownership is identical throughout Sections 17 and 20. Chevron is also the operator of the spacing unit to the Northeast. Accordingly, there are no affected parties in the spacing unit to the East or the Northeast. 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,

A handwritten signature in black ink, appearing to read "J. L. Kessler".

Jordan L. Kessler

ATTORNEY FOR CHEVRON U.S.A. INC.

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

District I
1625 N. French Dr., Hobbs, NM 8824
Phone: (575) 393-6161 Fax: (575) 393-1122
District II
811 S. First St., Artesia, NM 88210
Phone: (575) 748-1283 Fax: (575) 748-9721
District III
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) 476-3460 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		² Pool Code	³ Pool Name
		98220	PURPLE SAGE; WOLF-CAMP (GAS)
⁴ Property Code	⁵ Property Name		⁶ Well Number
	HH SO 17 20 FED 001		3H
⁷ GRID No	⁸ Operator Name		⁹ Elevation
4323	CHEVRON U.S.A. INC.		3258'

Surface Location

UT or lot no.	Section	Township	Range	Lot Idn	Feet from the	North-South line	Feet from the	East-West line	County
N	8	26 SOUTH	27 EAST, N.M.P.M.		280'	SOUTH	1873'	WEST	EDDY

Bottom Hole Location If Different From Surface

UT or lot no.	Section	Township	Range	Lot Idn	Feet from the	North-South line	Feet from the	East-West line	County
N	20	26 SOUTH	27 EAST, N.M.P.M.		280'	SOUTH	2430'	WEST	EDDY

¹² Dedicated Acres	¹³ Joint or Tefill	¹⁴ Consolidation Code	¹⁵ Order No.
640			

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>HH SO 17 20 FED 001 NO 3H WELL</p> <p>X= 536,858 NAD 27 Y= 382,087 LAT 32 05 04.16 LONG 104 21 43.68</p> <p>X= 578,042 NAD83 Y= 382,144 LAT 32 05 05.36 LONG 104 21 48.62 ELEVATION +3258' NAVD 88</p> <p>PROPOSED FIRST TAKE POINT</p> <p>X= 537,423 NAD 27 Y= 381,476 LAT 32 04 47.34 LONG 104 21 25.47</p> <p>X= 578,607 NAD83 Y= 381,532 LAT 32 04 48.56 LONG 104 21 30.41</p> <p>PROPOSED MID POINT</p> <p>X= 537,495 NAD 27 Y= 376,478 LAT 32 03 49.94 LONG 104 21 23.30</p> <p>X= 578,680 NAD83 Y= 376,535 LAT 32 03 51.16 LONG 104 21 28.23</p> <p>PROPOSED LAST TAKE POINT</p> <p>X= 537,512 NAD 27 Y= 371,479 LAT 32 02 12.53 LONG 104 21 22.98</p> <p>X= 578,695 NAD83 Y= 371,536 LAT 32 02 13.75 LONG 104 21 27.91</p> <p>CORNER COORDINATES TABLE (NAD 27)</p> <p>A - Y=387143.09 X=534935.36 B - Y=381810.94 X=534988.20 C - Y=381759.23 X=540303.95 D - Y=376480.27 X=535066.16 E - Y=375474.90 X=540354.10 F - Y=371149.70 X=535082.62 G - Y=371148.59 X=540391.30</p> <p>PROPOSED BOTTOM HOLE LOCATION</p> <p>X= 537,512 NAD 27 Y= 371,429 LAT 32 02 11.15 LONG 104 21 22.98</p> <p>X= 578,696 NAD83 Y= 371,486 LAT 32 02 12.37 LONG 104 21 27.91</p>	<p>Sec. 8</p> <p>1873'</p> <p>280'</p> <p>S 42°44'48" E 832.43'</p> <p>Proposed First Take Point 330' FNL, 2 430' FWL</p> <p>Sec. 17</p> <p>Mid Point</p> <p>Sec. 20</p> <p>2430'</p> <p>280'</p> <p>S 00°50'05" E 4,998.31'</p> <p>S 00°10'37" E 5,048.63'</p> <p>Proposed Last Take Point 330' FSL, 2 430' FWL</p>	<p>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 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 the owner, if such mineral or working interest is to a voluntary pooling agreement or a compulsory pooling order has been entered by the district.</p> <p><i>[Signature]</i> 8-9-17 Signature Date</p> <p><i>[Signature]</i> Printed Name</p> <p><i>[Signature]</i> E-mail Address</p> <p>SURVEYOR CERTIFICATION</p> <p>I hereby certify that the well location shown on this plat was plotted from field notes of a true survey made by me or under my supervision, and that the same is true and correct to the best of my belief.</p> <p>9-28-2016 Date of Survey</p> <p><i>[Signature]</i> Signature and Seal of Professional Surveyor</p> <p>8-7-2017 Certificate Number</p>
---	--	---

EXHIBIT

tabbles

A

Exhibit C

Notice Tract #2:

Cimarex Energy Co.
600 N Marienfeld St, Ste 600
Midland, TX 79701
USPS 7017 1450 0000 8377 8817



HOLLAND & HART LLP



Jordan L. Kessler

Associate

Phone (505) 988-4421

Fax (505) 983-6043

jlkessler@hollandhart.com

September 7, 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 17 and 20, Township 26 South, Range 27 East,
N.M.P.M., Eddy County, New Mexico.
HH SO 17 20 Fed No. 001 No. 3H 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. ☎

Lowe, Leonard, EMNRD

From: Lowe, Leonard, EMNRD
Sent: Monday, October 2, 2017 1:50 PM
To: 'Jordan L. Kessler'
Cc: Podany, Raymond, EMNRD; Sharp, Karen, EMNRD; McMillan, Michael, EMNRD; Goetze, Phillip, EMNRD; Jones, William V, EMNRD; 'lisa@rwbyram.com'; 'jglover@blm.gov'; 'scaffey@blm.gov'; 'scaffey@blm.gov'
Subject: APPROVED NSL-7587_NSL-7588_NSL-7589_Chevron USA Inc._SEC 17.8 26S 27E
Importance: High

Ms. Jordan L. Kessler,

The following administrative orders have been issued and will soon be available on the Division's web site: <http://ocdimage.emnrd.state.nm.us/Imaging/Default.aspx>

NSL-7587

Chevron USA Inc.

API #: 30-015-Pending

WELL: HH SO 17 20 Federal 1 Well No. 3H

NSL-7588

Chevron USA Inc.

API #: 30-015-Pending

WELL: HH SO 8 5 Federal 3 Well No. 3H

NSL-7589

Chevron USA Inc.

API #: 30-015-Pending

WELL: HH SO 8 5 Federal 3 Well No. 6H

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