

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 holders
 B. Royalty, overriding royalty owners, revenue owners
 C. Application requires published notice
 D. Notification and/or concurrent approval by SLO
 E. Notification and/or concurrent approval by BLM
 F. Surface owner
 G. For all of the above, proof of notification or publication is attached, and/or,
 H. No notice required

FOR OCD ONLY	
<input checked="" type="checkbox"/>	Notice Complete
<input checked="" type="checkbox"/>	Application Content Complete

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

JL Kessler

Signature

September 7, 2017
Date

505-988-4421
Phone Number

jlkessler@hollandhart.com
e-mail Address

RECEIVED 003
11 SEP - 1 P 2:51



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 87418
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 98220	³ Pool Name PURPLE SAGE; WOLF-CAMP (GAS)
⁴ Property Code	⁵ Property Name HH SO 17 20 FED 001	⁶ Well Number 3H
⁷ GRID No 4323	⁸ Operator Name CHEVRON U.S.A. INC.	⁹ Elevation 3258'

¹⁰ Surface Location

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

¹¹ 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	Last-West line	County
N	20	26 SOUTH	27 EAST, N.M.P.M.		280'	SOUTH	2430'	WEST	EDDY

¹² Dedicated Acres 640	¹³ Joint or Te-fill	¹⁴ Consolidation Code	¹⁵ Order No.
--------------------------------------	--------------------------------	----------------------------------	-------------------------

No allowance will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.

PROPOSED FIRST TAKE POINT	
X=	537,423 NAD 27
Y=	381,476
LAT	32 048'34
LONG	104 21'25.47
X=	578,607 NAD83
Y=	381,532
LAT	32 048'856
LONG	104 21'30.41

PROPOSED MID POINT	
X=	537,495 NAD 27
Y=	376,478
LAT	32 03'49.94
LONG	104 21'23.30
X=	578,680 NAD83
Y=	376,535
LAT	32 03'51.16
LONG	104 21'28.23

PROPOSED LAST TAKE POINT	
X=	537,512 NAD 27
Y=	371,479
LAT	32 02'12.53
LONG	104 21'22.98
X=	578,695 NAD83
Y=	371,536
LAT	32 02'13.75
LONG	104 21'27.91

CORNER COORDINATES TABLE (NAD 27)	
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

PROPOSED BOTTOM HOLE LOCATION	
X=	537,512 NAD 27
Y=	371,429
LAT	32 02'11.15
LONG	104 21'22.98
X=	578,696 NAD83
Y=	371,486
LAT	32 02'12.37
LONG	104 21'27.91

OPERATOR CERTIFICATION
I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization in either owns a working interest or leases 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 an ancillary pooling agreement, or a completion pooling order being entered by the district.

Signature: *[Signature]* Date: 8-9-17
Printed Name: *[Name]*
E-mail Address: *div@chevron.com*

SURVEYOR CERTIFICATION
I hereby certify that the well location shown on this plat was plotted from field notes of a, tual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

Date of Survey: 9-28-2016
Signature and Seal of Professional Surveyor: *[Signature]*
Certificate Number: 13006

EXHIBIT
tabbles
A

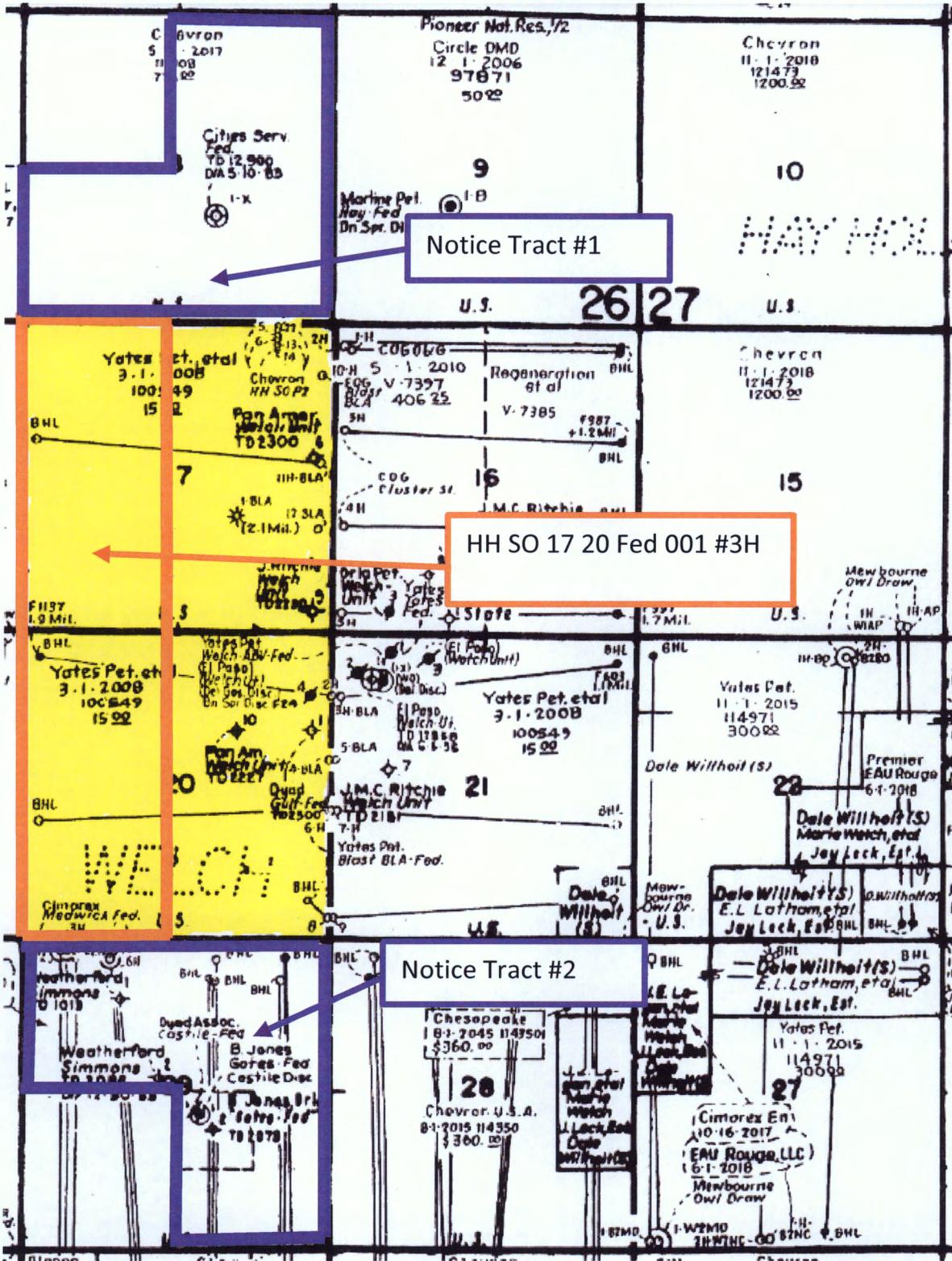


EXHIBIT
 B

Exhibit C

Notice Tract #2:

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





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.

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