

NSL Initial Application

Received March 22, 2019

This application is placed in file for record. It MAY or MAY NOT have been reviewed to be determined Administratively Complete

RECEIVED: 3/22/19	REVIEWER: LRL	TYPE: NSL	APP NO: PLEL1909452564
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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

Applicant: Chevron U.S.A. Inc. PTB **OGRID Number:** 4323
Well Name: SD EA 18 19 Fed P10 No. 10H Well **API:** 30-025-44130
Pool: Upper Wolfcamp Pool Sanders Tank; Wolfcamp **Pool Code:** 98097

**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

- ☐ Notice Complete
☐ 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.

Michael H. Feldewert

Print or Type Name

Signature

March 22, 2019

Date

505-988-4421

Phone Number

mfeldewert@hollandhart.com

e-mail Address



March 22, 2019

VIA HAND DELIVERY

Gabriel Wade
Acting Director
Oil Conservation Division
New Mexico Department of Energy,
Minerals and Natural Resources
1220 South Saint Francis Drive
Santa Fe, New Mexico 87505

**Re: Application of Chevron U.S.A. Inc. for administrative approval of an
unorthodox well location in Sections 18 and 19, Township 26 South, Range 33
East, N.M.P.M., Lea County, New Mexico.
SD EA 18 19 Fed Com P10 No. 10H Well**

13

Dear Mr. Wade:

Chevron U.S.A. Inc. ("Chevron") (OGRID 4323) seeks administrative approval of an unorthodox well location for its **SD EA 18 19 Fed P10 No. 10H Well** (API No. 30-025-44130) to be completed within the Wolfcamp formation (Sanders Tank; Upper Wolfcamp Pool (98097)) underlying Lots 1-4 (the W/2 W/2) of Sections 18 and 19. This well will be drilled from a surface location 455 feet from the north line and 1,201 feet from the west line (Unit D) of Section 18. The first perforation will be located 330 feet from the north line and 1,260 feet from the west line (Unit D) of Section 18 and the final perforation will be located 330 feet from the south line and 1,260 feet from the west line (Unit M) of Section 19. Since this acreage is governed by the Division's statewide rules, the completed interval for this well will be unorthodox because it is closer than 330 feet to the eastern boundary of the project area. 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.

Exhibit A is a Well Location and Acreage Dedication Plat (Form C-102), which shows that the completed interval of the proposed **SD EA 18 19 Fed P10 No. 10H Well** encroaches on the spacing and proration unit to the east.

Exhibit B is a land plat showing the proposed **SD EA 18 19 Fed P10 No. 10H Well** in relation to adjoining spacing units.

Exhibit C is a certification of the ownership in the W/2 of Sections 18 and 19. Because the underlying ownership in the proposed spacing and proration unit in the W/2 W/2 of Sections 18 and 19 is identical to the affected spacing and proration unit in the E/2 W/2 of Sections 18 and



19, except for the overriding royalty interests, the only affected parties are the overriding royalty interest owners listed in Exhibit C. A copy of this application has been provided to all affected parties. 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 cursive script, appearing to read "Adam G. Rankin".

Adam G. Rankin
ATTORNEY FOR CHEVRON U.S.A. INC.

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



Adam G. Rankin
Associate
Phone (505) 954-7294
Fax (505) 983-6043
AGRankin@hollandhart.com

March 22, 2019

VIA CERTIFIED MAIL
RETURN RECEIPT REQUESTED

TO AFFECTED PARTIES

Re: Application of Chevron U.S.A. Inc. for administrative approval of an unorthodox well location for its SD EA 18 19 Fed P10 No. 10H Well in Lots 1-4 (the W/2 W/2) of Sections 18 and 19, Township 26 South, Range 33 East, N.M.P.M., Lea County, New Mexico.

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:

Scott Sabrsula
Chevron U.S.A. Inc.
(713) 372-9610
scottsabrsula@chevron.com

Sincerely,

A handwritten signature in black ink, appearing to read "Adam G. Rankin, for".

Adam G. Rankin
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. ☐

State of New Mexico
Energy, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION
1220 South St. Francis Dr
Santa Fe, NM 87505

HOBBS QCD

OCT 20 2017

RECEIVED

Form C-107
Revised August 1, 2011
One copy to appropriate
District Office

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-025-44130	Pool Code 98097	Pool Name WC025G09S2633276LPPER WOLF CAMP
Property Code 319748	Property Name SD EA 18 19 FED COM P13	Well Number 10H
CURTID No 4323	Operator Name CHEVRON U.S.A. INC	Elevation 3222

Surface Location

U/I or lot no	Section	Township	Range	Lot Idn	Feet from the	North South line	Feet from the	Last West line	County
D	18	26 SOUTH	33 EAST, N.M.P.M	1	455'	NORTH	1201	WEST	LEA

Bottom Hole Location If Different From Surface

U/I or lot no	Section	Township	Range	Lot Idn	Feet from the	North South line	Feet from the	Last West line	County
M	19	26 SOUTH	33 EAST, N.M.P.M	4	180'	SOUTH	1260	WEST	LEA

Dedicated Acres 3.20	Joint or Infill	Consolidation Code	Order No
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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>SD EA 18 19 FED COM P13 10- WELL</p> <p>X= 722 419 NAD 27 Y= 382 438 LAT 32 049405 LONG 103 615465</p> <p>X= 763 606 NAD83 Y= 382 495 LAT 32 049530 LONG 103 615934</p> <p>ELEVATION = 3222 NAVD 83</p> <p>PROPOSED BOTTOM HOLE LOCATION</p> <p>X= 722 538 NAD 27 Y= 372 513 LAT 32 022119 LONG 103 615292</p> <p>X= 763 726 NAD83 Y= 372 570 LAT 32 022244 LONG 103 615759</p> <p>PROPOSED FIRST TAKE POINT</p> <p>LAT 32 049873 NAD 83 LONG 103 615745</p> <p>PROPOSED LAST TAKE POINT</p> <p>LAT 32 022656 NAD 83 LONG 103 615759</p> <p>CORNER COORDINATES TABLE (NAD 27)</p> <p>A Y=382884 06 X=721214 40 B Y=382923 55 X=726473 23 C Y=372322 68 X=721279 27 D Y=372364 44 X=726553 40</p>		<p>OPERATOR CERTIFICATION</p> <p>I, the undersigned, hereby certify that the information shown on this plat was obtained from the landowner and is true and correct to the best of my knowledge and belief.</p> <p>Signature: <i>[Signature]</i> Date: <i>4-28-2017</i></p> <p>Printed Name: <i>LUKE D. CHURCHMAN</i></p> <p>E-mail Address: <i>luke@chevron.com</i></p> <p>SURVEYOR CERTIFICATION</p> <p>I hereby certify that the plat shown on this plat was prepared from field notes and actual survey made by me or under my supervision and that the same is true and correct to the best of my belief.</p> <p>Date of Survey: <i>4-28-2017</i></p> <p>Signature of Professional Surveyor: <i>[Signature]</i></p> <p>Certificate Number: <i>13006</i></p>
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NSL

EXHIBIT
A

NSL Notice Plat

SD EA 18 19 FED
COM P10 #10H
DSU

EXHIBIT

F

Certification of Ownership

I have reviewed the ownership of the oil and gas leasehold in the W/2 of Sections 18 and 19, T26S-R33E, Lea County, New Mexico, for purposes of the unorthodox well location for Chevron U.S.A. Inc.'s SD EA 18 19 Fed P10 No. 10H Well and certify that the ownership underlying the proposed spacing and proration unit in the W/2 W/2 of Sections 18 and 19 and the affected spacing and proration unit in the E/2 W/2 of Sections 18 and 19 is set forth below and, therefore, there only affected parties by the unorthodox well location are the overriding royalty interest owners.

USA NMNM 27506

Section 18: Lots 1, 3, 4

Section 19: Lots 1, 2, 3

United States of America	12.5%	Royalty Interest
Edna Brown Hibbitts	1.5%	Overriding Royalty Interest
Isabelle Brown Newberry Hulsey	0.75%	Overriding Royalty Interest
Hazelwood Partners, LP	0.75%	Overriding Royalty Interest
Sandi Miller	0.375%	Overriding Royalty Interest
Miller Family Mineral Interest LLC	0.375%	Overriding Royalty Interest
Chevron U.S.A. Inc.	100%	Gross Working Interest (83.75% NRI)

USA NMNM 132069

Section 18: Lot 2

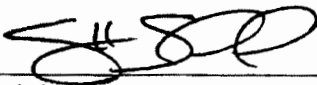
United States of America	12.5%	Royalty Interest
Chevron U.S.A. Inc.	100%	Gross Working Interest (87.5% NRI)

USA LC-065880-A

Section 19: Lot 4

United States of America	12.5%	Royalty Interest
Chevron U.S.A. Inc.	100%	Gross Working Interest (87.5% NRI)

Chevron U.S.A. Inc.



Scott Sabrsula
Land Representative
March 7, 2019

EXHIBIT

tabbies

Address List of Affected Parties

Edna Brown Hibbitts
c/o O.P. Newberry III
2101 Oaklawn Dr.
Midland, TX 79705

Isabelle Brown Newberry Hulseley
120 Hazelwood Dr.
Fort Worth, TX 76107

Hazelwood Partners, LP
120 Hazelwood Dr.
Fort Worth, TX 76107

Sandi Miller
17 Riverside Dr.
Roswell, NM 88201

Miller Family Mineral Interest LLC
c/o Karin Hudgins and David Miller
8311 Snoqualmie Dr.
Pasco, WA 99301



Shipment Confirmation Acceptance Notice

A. Mailer Action

Note to Mailer: The labels and volume associated to this form online, **must** match the labeled packages being presented to the USPS® employee with this form.

Chevron - SD EA 10H Well
CM# 79044.0002
Notice List

Shipment Date: 03/18/2019

Shipped From:

Name: HOLLAND & HART LLP

Address: 110 N GUADALUPE ST # 1

City: SANTA FE

State: NM ZIP+4® 87501

Type of Mail	Volume
Priority Mail Express®	
Priority Mail®	0
First-Class Package Service®	
Returns	
International*	
Other	6
Total	6

*Start time for products with service guarantees will begin when mail arrives at the local Post Office™ and items receive individual processing and acceptance scans.

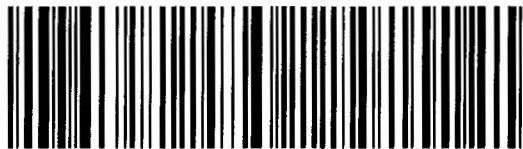
B. USPS Action

Note to RSS Clerk:

1. Home screen > Mailing/Shipping > More
2. Select Shipment Confirm
3. Scan or enter the barcode/label number from PS Form 5630
4. Confirm the volume count message by selecting Yes or No
5. Select Pay and End Visit to complete transaction

USPS EMPLOYEE: Please scan upon pickup or receipt of mail.
Leave form with customer or in customer's mail receptacle.

USPS SCAN AT ACCEPTANCE



9275 0901 1935 6200 0013 3349 17



Firm Mailing Book For Accountable Mail

Name and Address of Sender	USPS Tracking/Article Number	Check type of mail or service <input type="checkbox"/> Adult Signature Required <input type="checkbox"/> Priority Mail Express <input type="checkbox"/> Adult Signature Restricted Delivery <input type="checkbox"/> Registered Mail <input checked="" type="checkbox"/> Certified Mail <input type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> Certified Mail Restricted Delivery <input type="checkbox"/> Signature Confirmation <input type="checkbox"/> Collect on Delivery (COD) <input type="checkbox"/> Signature Confirmation <input type="checkbox"/> Insured Mail <input type="checkbox"/> Signature Confirmation <input type="checkbox"/> Priority Mail <input type="checkbox"/> Restricted Delivery	Postage	(Extra Service) Fee	Handling Charge	Actual Value if Registered	Insured Value	Due Sender if COD	ASR Fee	ASRD Fee	RD Fee	RR Fee	SC Fee	SCRD Fee	SH Fee
Holland & Hart LLP 110 N Guadalupe St # 1 Santa Fe NM 87501	9214 8901 9403 8380 2348 68	NM BLM Carlsbad District Office 620 E Greene St Carlsbad NM 88220	0.65	3.50							1.60				
	9214 8901 9403 8380 2348 75	Elna Brown Hibbits c/o O P Newberry III 2101 Oaklawn Dr Midland TX 79705	0.65	3.50							1.60				
	9214 8901 9403 8380 2348 82	Isabelle Brown Newberry hulsay 120 Hazelwood Dr Ft Worth TX 76107	0.65	3.50							1.60				
	9214 8901 9403 8380 2348 99	Hazelwood Partners LP 120 Hazelwood Dr Ft Worth TX 76107	0.65	3.50							1.60				
	9214 8901 9403 8380 2349 05	Sandi Miller 17 Riverside Drive Roswell NM 88201	0.65	3.50							1.60				
	9214 8901 9403 8380 2349 12	Miller Family Mineral Interests LLC x/o Kare Hudgins & David Miller 8311 Snoqualmie Dr Pasco WA 99301	0.65	3.50							1.60				
Total Number of Pieces Listed by Sender	6	Total Number of Pieces Received at Post Office	Postmaster, Per (Name of receiving employee)												

Lowe, Leonard, EMNRD

From: Lowe, Leonard, EMNRD
Sent: Thursday, April 4, 2019 2:59 PM
To: Michael Feldewert
Subject: Clarification on NSL Well Names

Importance: High

Mr. Feldewert,

I have a few NSL applications from Chevron USA INC.

I need clarification on the name of the well for the following NSLs

NSL Application well name notes: SD EA 18 19 P10 Federal Well No. 10H with the following associated API No. 30-025-44130 [OCD name is SD EA 18 19 (P13) Federal Well No. 10H] ✓

The NSL Application API No. DOES NOT MATCH the well name in our system. Please clarify the correct well name.

NSL Application well name notes: SD EA 18 19 P10 Federal Well No. 13H with the following associated API No. 30-025-44133 [OCD name is SD EA 18 19 P14 Federal Well No. 13H] ✓

The NSL Application API No. DOES NOT MATCH the well name in our system. Please clarify the correct well name.

NSL Application well name notes: SD EA 18 19 P10 Federal Well No. 14H with the following associated API No. 30-025-44139 [OCD name is SD EA 18 19 P14 Federal Well No. 14H] ✓

The NSL Application API No. DOES NOT MATCH the well name in our system. Please clarify the correct well name.

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

Website: <http://www.emnrd.state.nm.us/ocd/>

Lowe, Leonard, EMNRD

From: Lowe, Leonard, EMNRD
Sent: Monday, April 22, 2019 8:51 AM
To: 'Michael Feldewert'
Cc: Sharp, Karen, EMNRD; Kautz, Paul, EMNRD; 'lisa@rwbyram.com'; Jones, William V, EMNRD; Goetze, Phillip, EMNRD; McMillan, Michael, EMNRD; Dawson, Scott, EMNRD; Murphy, Kathleen A, EMNRD; 'lisa@rwbyram.com'
Subject: APPROVED NSL-7872_Chevron U.S.A. Inc._SD EA 18 19 Federal Com P13 Well No. 10H_SEC 18 26S 33E_Lea County

Importance: High

Mr. Michael Feldewert,

The following administrative order has been issued and will soon be available on the Division's web site:

<http://ocdimage.emnrd.state.nm.us/Imaging/Default.aspx>

NSL-7872

Chevron U.S.A., Inc. [4323]

30-025-44130

SD EA 18 19 Federal Com P13 Well No. 010H

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

Website: <http://www.emnrd.state.nm.us/ocd/>