

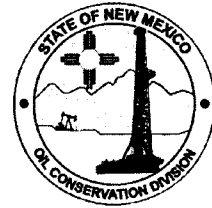
State of New Mexico
Energy, Minerals and Natural Resources Department

Michelle Lujan Grisham
Governor

Sarah Cottrell Propst
Cabinet Secretary

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Deputy Cabinet Secretary

Adrienne E. Sandoval, Division Director
Oil Conservation Division



April 22, 2019

Michael H. Feldewert
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NON-STANDARD LOCATION

Administrative Order NSL-7873

Chevron U.S.A. Inc. [OGRID 4323]
SD EA 18 19 Federal P14 Well No. 013H
API No. 30-025-44133

Proposed Location

	<u>Footages</u>	<u>Unit/lot</u>	<u>Sec.</u>	<u>Twsp</u>	<u>Range</u>	<u>County</u>
Surface	455 FNL & 2580 FEL	B	18	26S	33E	Lea
First Take Point	330 FNL & 2490 FWL	C	18	26S	33E	Lea
Last Take Point	330 FSL & 2490 FWL	N	19	26S	33E	Lea
Terminus	180 FSL & 2374 FWL	N	19	26S	33E	Lea

Proposed Horizontal Spacing Unit

<u>Description</u>	<u>Acres</u>	<u>Pool</u>	<u>Pool Code</u>
E2 W2 of Section 18	320	Sanders Tank; Upper Wolfcamp	98097
E2 W2 of Section 19			

Reference is made to your application received on March 22, 2019.

You have requested to drill this horizontal well at an unorthodox oil well location described above in the referenced pool or formation. Sub Paragraph (a) of Paragraph (1) of Subsection B of 19.15.16.15 NMAC governs this proposed well and provides that the operator shall dedicate to each horizontal oil well a standard horizontal spacing unit that comprises of one or more contiguous tracts that the horizontal oil well's completed interval penetrates, each of which consists of a governmental quarter-quarter section or equivalent.

This well's completed interval is as close as 150 feet to the eastern edge along the proposed well path within the horizontal spacing unit. Encroachments will impact the following tracts.

Section 18, encroachment to the W2 E2
Section 19, encroachment to the W2 E2

The Division understands you have given notice of this application to all operators or owners who are "affected persons," as defined in Paragraph (8) Subsection A of 19.15.2.7 NMAC, in all adjoining units towards which the proposed location encroaches. However, ownership is identical in the affected tracts and public notice was not required but notice was given. The OCD honored that notice.

Division understands you seek this location as a preferred well spacing for horizontal wells to maximize the recovery of oil and gas reserves underlying the project area located within the Wolfcamp formation underlying the E2 W2 of Section 18 and Section 19.

Your application has been filed under Subsection 6 of Paragraph of Section (C) of 19.15.16.15 NMAC, 19.15.15.13 NMAC and Paragraph (2) of Subsection A of 19.15.4.12 NMAC.

Per Subsection B of 19.15.15.13 NMAC, Division approves this unorthodox location.

The above approvals are subject to your following all other applicable Division rules.

Jurisdiction of this case is retained for the entry of further orders as Division deems necessary.



ADRIENNE E. SANDOVAL
Oil Conservation Division Director

AES/lrl

cc: Oil Conservation Division – Hobbs District Office
Bureau of Land Management – Carlsbad Field Office