



Approved

NSL

Order

Approved: 07/04/19

State of New Mexico
Energy, Minerals and Natural Resources Department

Michelle Lujan Grisham
Governor

Sarah Cottrell Propst
Cabinet Secretary

Todd E. Leahy, JD, PhD
Deputy Cabinet Secretary

Adrienne E. Sandoval, Director
Oil Conservation Division



July 4, 2019

Ms. Kaitlyn A. Luck
Kaluck@hollandhart.com

NON-STANDARD LOCATION

Administrative Order NSL-7906

**Chevron U.S.A. Inc. [OGRID 4323]
CB SE 5 32 Federal Com Well No. 003H
API No. 30-015-44976**

Proposed Location

	<u>Footages</u>	<u>Unit/Lot</u>	<u>Sec.</u>	<u>Twsp</u>	<u>Range</u>	<u>County</u>
Surface	295 FSL & 1592 FWL	N	5	24S	29E	Eddy
First Take Point	330 FSL & 2352 FWL	N	5	24S	29E	Eddy
Last Take Point	330 FNL & 2447 FWL	C	32	23S	29E	Eddy
Terminus	176 FNL & 2439 FWL	C	32	23S	29E	Eddy

Proposed Horizontal Gas Units

<u>Description</u>	<u>Acres</u>	<u>Pool</u>	<u>Pool Code</u>
W2 Section 5	639.81	Purple Sage; Wolfcamp (GAS)	98220
W2 Section 32			

Reference is made to your application received on June 13, 2019.

You have requested to complete this horizontal well as a gas well described above in the referenced pool or formation. This well is governed by special rules for the Purple Sage; Wolfcamp (Gas) Pool of and provides for 320-acre units, with wells located at least 330 feet from a unit outer boundary.

This well's completed interval is as close as 193 - 288 feet to the eastern edge of the horizontal spacing unit. Encroachment will impact the following tracts.

Section 5, encroachment to the E2
Section 32, encroachment to the 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.

The Division understands you seek this unorthodox location as your preferred well spacing for horizontal wells in this location and thereby preventing waste within the Wolfcamp formation underlying the W2 of Section 5 and W2 of Section 32.

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
Division Director

AES/lrl

cc: Oil Conservation Division – Artesia District Office
State Land Office – Oil, Gas, and Minerals Division

Lowe, Leonard, EMNRD

From: Lowe, Leonard, EMNRD
Sent: Monday, July 8, 2019 3:39 PM
To: 'Kaitlyn A. Luck'
Cc: Mike Bratcher (mike.bratcher@state.nm.us); Podany, Raymond, EMNRD; 'jglover@blm.gov'; 'lisa@rwbyram.com'; Jones, William V, EMNRD; Goetze, Phillip, EMNRD; McMillan, Michael, EMNRD
Subject: APPROVED NSL-7906_Chevron_CB SE 5 32 FEDERAL COM 3 Well No. 003H _SEC 5 23S 29E
Attachments: NSL-7906_ORDER.pdf

Importance: High

Ms. Kaitlyn Luck,

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

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

NSL-7906

Application No.	NSL	AMD	Applicant	OGRID	WELL NAME
pLEL1917060734	7906	-	Chevron U.S.A. Inc.	4323	CB SE 5 32 Federal Com 3 Well No. 3H

Leonard Lowe

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Oil Conservation Division
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