

# NSL Initial Application

Received: 07/11/19

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

RECEIVED: 07/11/19	REVIEWER: LRL	TYPE: NSL	APP NO: pLEL1919336204
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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

<b>Applicant:</b> Chevron U.S.A. Inc.	<b>OGRID Number:</b> 321443
<b>Well Name:</b> SD EA 18 19 Fed Com P15 No. 16H	<b>API:</b> 30-025-44088
<b>Pool:</b> Sanders Tank; Upper Wolfcamp Pool	<b>Pool Code:</b> 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

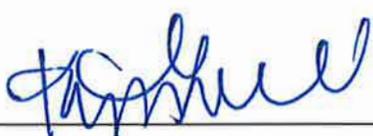
- 2) **NOTIFICATION REQUIRED TO:** Check those which apply.
- A.  Offset operators or lease holders  
 B.  Royalty, overriding royalty owners, revenue owners  
 C.  Application requires published notice  
 D.  Notification and/or concurrent approval by SLO  
 E.  Notification and/or concurrent approval 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	
<input type="checkbox"/>	Notice Complete
<input 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.**

Kaitlyn A. Luck  
 \_\_\_\_\_  
 Print or Type Name

  
 \_\_\_\_\_  
 Signature

07/11/2019  
 \_\_\_\_\_  
 Date

505-954-7286  
 \_\_\_\_\_  
 Phone Number

kaluck@hollandhart.com  
 \_\_\_\_\_  
 e-mail Address



**Kaitlyn A. Luck**  
**Associate**  
Phone (505) 954-7286  
KALuck@hollandhart.com

July 11, 2019

**VIA ELECTRONIC FILING**

Adrienne Sandoval, 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 for its SD EA 18 19 Fed Com P15 No. 16H Well in the W/2 E/2 of Sections 18 and 19, Township 26 South, Range 33 East, N.M.P.M., Lea County, New Mexico.**

Dear Ms. Sandoval:

Chevron U.S.A. Inc. (“Chevron”) (OGRID No. 6137) seeks administrative approval of an unorthodox well location for its **SD EA 18 19 Fed Com P15 No. 16H Well** (API No. 30-025-44088) to be completed within the Sanders Tank; Upper Wolfcamp Pool (98097) underlying the W/2 E/2 of Sections 18 and 19, Township 26 South, Range 33 East, N.M.P.M., Lea County, New Mexico.

This well has been drilled from a surface location 455 feet from the north line and 980 feet from the east line (Unit A) of Section 18 to a bottom hole location 180 feet from the south line and 1,560 feet from the east line (Unit O) of Section 19. The first take point will be located 330 feet from the north line and 1,560 feet from the east line (Unit B) of Section 18, and the last take point will be 330 feet from the south line and 1,560 feet from the east line (Unit O) of Section 19. Since this acreage is governed by the Division’s statewide rules, the completed interval for the **SD EA 18 19 Fed Com P15 No. 16H Well** is unorthodox because it is closer than the standard setback to the eastern boundary of the spacing unit. Approval of the unorthodox completed interval will allow Chevron to use its 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 Com P15 No. 16H Well** encroaches on the drilling and spacing units to the east.

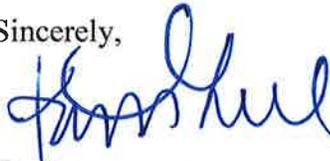
**Exhibit B** is a land plat for Sections 18 and 19 and the surrounding sections that shows the proposed **SD EA 18 19 Fed Com P15 No. 16H Well** in relation to the adjoining spacing units to the east in Sections 18 and 19.

**Exhibit C** is a list of the parties affected by the encroachment to the east. Ownership is diverse between the subject spacing unit and the tracts to the east. The affected parties in the spacing units in the E/2 E/2 of Sections 18 and 19 includes the Bureau of Land Management. 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 twenty (20) days from the date the Division receives the application.

**Exhibit D** is a statement from a Chevron's petroleum engineer confirming that Chevron's requested unorthodox location is necessary to optimize well spacing, thereby preventing waste.

Your attention to this matter is appreciated.

Sincerely,



Kaitlyn A. Luck

**ATTORNEY FOR CHEVRON U.S.A. INC.**

July 11, 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 Com P15 No. 16H Well in the W/2 E/2 of Sections 18 and 19, Township 26 South, Range 33 East, N.M.P.M., Lea County, New Mexico.**

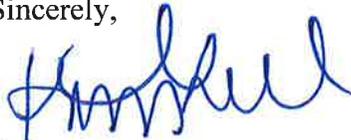
Ladies and Gentlemen:

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,



Kaitlyn A. Luck  
**ATTORNEY FOR CHEVRON U.S.A. INC.**

**District I**  
1625 N French Dr., Hobbs, NM 88240  
Phone (575) 393-6166 Fax (575) 391-0720

**District II**  
811 S First St., Artesia, NM 88210  
Phone (505) 748-1283 Fax (575) 748-1720

**District III**  
1000 Rio Brazos Road, Aztec, NM 87410  
Phone (505) 334-6178 Fax (505) 334-6176

**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

API Number <b>30-025-44085</b>		Pool Code <b>98097 98097</b>		<b>SANDERS TANK, UPR WC</b>	
Property Code <b>319717</b>		Property Name SIDE A 18 19 FED COM P15		Well Number 1611	
OGRID No. 4323		Operator Name CHEVRON U.S.A. INC.		Elevation 3231	

<sup>10</sup> Surface Location

U.I. or lot no	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
A	18	26 SOUTH	33 EAST, N.M.P.M.		455'	NORTH	980'	EAST	LEA

<sup>11</sup> 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	East/West line	County
O	19	26 SOUTH	33 EAST, N.M.P.M.		180'	SOUTH	1560'	EAST	LEA

<sup>13</sup> Dedicated Acres	<sup>11</sup> Joint or Infill	<sup>14</sup> Consolidation Code	<sup>11</sup> Order No
320			

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

SIDE A 18 19 FED COM P15 16H WELL	
X=	725,497 NAD 27
Y=	382,461
LAT	32 049411
LONG	103 605530
X=	766,664 NAD83
Y=	382,518
LAT	32 049537
LONG	103 605999
ELEVATION	+3231' NAVD 88

PROPOSED BOTTOM HOLE LOCATION	
X=	724,992 NAD 27
Y=	372,532
LAT	32 022127
LONG	103 607374
X=	766,180 NAD83
Y=	372,589
LAT	32 022252
LONG	103 607841

PROPOSED FIRST TAKE POINT:	
LAT	32 049879 NAD 83
LONG	103 607871

PROPOSED LAST TAKE POINT	
LAT	32 022665 NAD 83
LONG	103 607842

CORNER COORDINATES TABLE (NAD 27):

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

**<sup>12</sup> 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 either owns a working interest or unleased 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 an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

Signature: *Denise Pinkerton* Date: *05/15/2017*

Printed Name: Denise Pinkerton

E-mail Address: Lee.Kelce@chevron.com

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**<sup>13</sup> SURVEYOR CERTIFICATION**

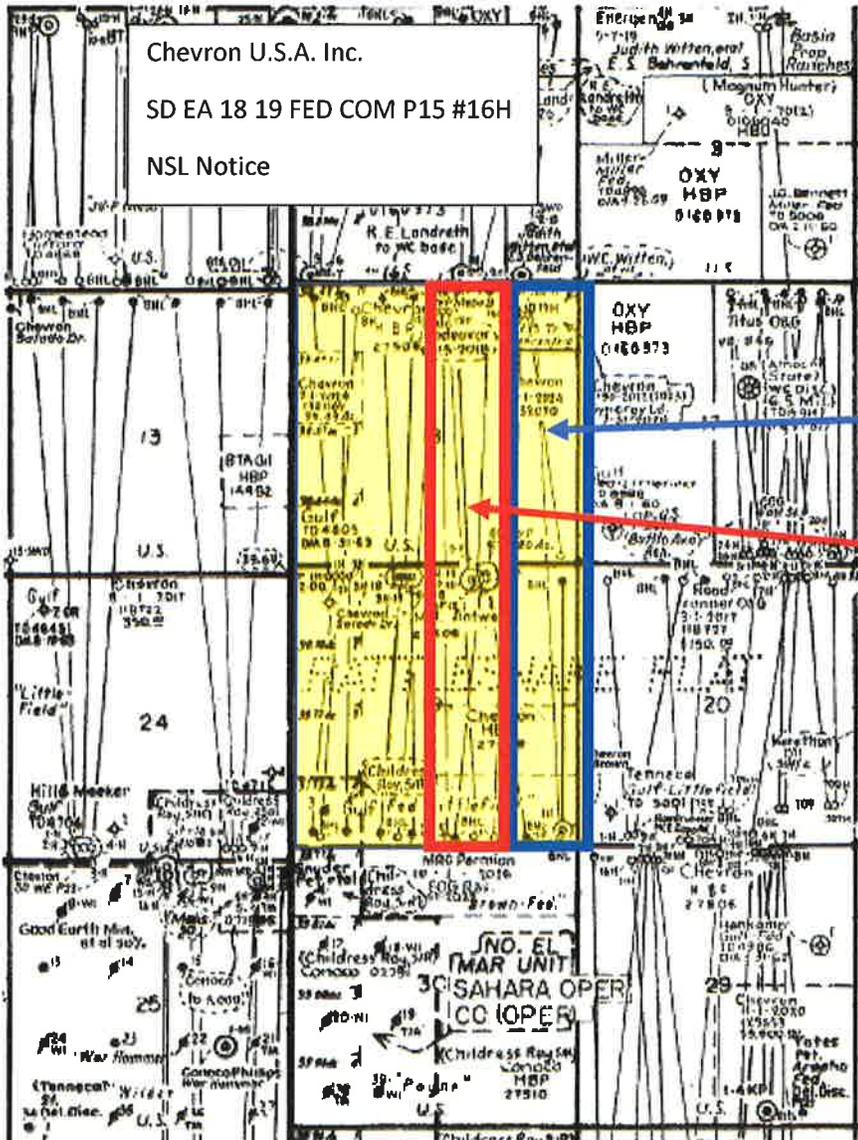
I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

Date of Survey: *3-8-2017*

Signature and Seal of Professional Surveyor: *[Signature]*

Certificate Number: *23006*



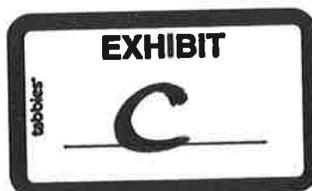


Chevron U.S.A. Inc.  
 SD EA 18 19 FED COM P15 #16H  
 NSL Notice

Affected DSU

SD EA 18 19 FED COM  
 P15 #16H DSU

Name	Street	City	State	Zip
COG Operating, LLC	600 West Illinois Ave.	Midland	TX	79701
RSC Resources, L.P.	210 Lighthouse Dr.	Horseshoe Bay	TX	78657
Muleshoe Crude, LP	101 Blackberry Ct.	Midland	TX	79705
Sagebrush Interests, LLC	2450 Fondren, Ste. 112	Houston	TX	77063
BLM	301 Dinosaur Trail	Santa Fe	NM	87508





# 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 18 19 16H  
CM# 79044.0002

Shipment Date: 07/11/2019  
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	5
Total	5

\*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 0015 6142 39





**Christine DeFriend**  
Reservoir Engineer

**Chevron U.S.A. Inc.**  
6301 Deauville Blvd  
Midland, Texas 79706  
Tel 432.687.7174  
Email Christine.defriend@chevron.com

June 27, 2019

Mr. Leonard Lowe  
New Mexico Oil Conservation Division  
1220 South Francis Drive  
Santa Fe, NM 87505

**RE: Application for Nonstandard Locations  
Engineering Statement  
Chevron U.S.A. Inc.  
Salado Draw EA 18 19 Fed Com P15 16H  
Federal Communitization Agreements  
E/2 of Section 18, T26S, R33E (Bone Spring formation) and  
E/2 of Section 19, T26S, R33E (Wolf Camp formation), N.M.P.M.,  
Lea County, New Mexico**

Dear Mr. Lowe:

Chevron U.S.A. Inc. respectfully requests administrative approval of a non-standard location for the well referenced above by being laterally drilled 240 feet instead of 330 feet from the quarter-quarter boundary. The well is located in the Sanders Tank (Pool Code 98097). It is Chevron's responsibility as a prudent operator to minimize reserves left in the ground and optimize well spacing to minimize waste. Optimally spacing wells throughout the section at 6 wells per section evenly spaced results in some wells being closer to the quarter-quarter boundary, thus results in this NSL request but also increases ultimate recovery of reserves and thereby preventing waste of natural resources.

Sincerely,

A handwritten signature in cursive script that reads "Christine DeFriend".

Christine DeFriend  
Reservoir Engineer

