



Approved

NSL

Order

Approved: 08/01/19

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



August 1, 2019

Ms. Kaitlyn A. Luck
kaluck@hollandhart.com

NON-STANDARD LOCATION

Administrative Order NSL-7911

**Chevron U.S.A. Inc. [OGRID 4323]
SD EA 18 19 Federal Com P15 Well No. 16H
API No. 30-025-44088**

Proposed Location

	<u>Footages</u>	<u>Unit/Lot</u>	<u>Sec.</u>	<u>Twsp</u>	<u>Range</u>	<u>County</u>
Surface	455 FNL & 980 FEL	A	18	26S	33E	Lea
First Take Point	330 FNL & 1560 FEL	B	18	26S	33E	Lea
Last Take Point	330 FSL & 1560 FEL	O	19	26S	33E	Lea
Terminus	180 FSL & 1560 FEL	O	19	26S	33E	Lea

Proposed Horizontal Oil Units

<u>Description</u>	<u>Acres</u>	<u>Pool</u>	<u>Pool Code</u>
W2 E2 Section 18	160	Sanders Tank; Upper Wolfcamp	98097
W2 E2 Section 19	160	Sanders Tank; Upper Wolfcamp	98097

Reference is made to your application received on July 11, 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 240 feet to the eastern edge of the horizontal spacing unit. Encroachment will impact the following tracts.

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

Division understands you seek this unorthodox location as your preferred well spacing for horizontal wells in the area and thereby preventing waste within the Wolfcamp formation underlying the W2 E2 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
Division Director

AES/lrl

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

Lowe, Leonard, EMNRD

From: Lowe, Leonard, EMNRD
Sent: Monday, August 5, 2019 4:18 PM
To: 'Kaitlyn A. Luck'
Cc: Rickman, Leslie, EMNRD; Kautz, Paul, EMNRD; 'jglover@blm.gov'; Jones, William V, EMNRD; McMillan, Michael, EMNRD; Goetze, Phillip, EMNRD; Warnell, Terry G, EMNRD; Murphy, Kathleen A, EMNRD; 'lisa@rwbyram.com'
Subject: APPROVED NSL-7911_Chevron U.S.A. Inc._SD EA 18 19 Federal Com Well No. 16H_SEC 18 26S 33E
Attachments: NSL-7911_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>

Applicant	OGRID	WELL NAME	API
Chevron U.S.A. Inc.	4323	SDE EA 18 19 Federal Com Well No. 16H	30-025-44088

Leonard Lowe

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Oil Conservation Division
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