



NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION
2040 South Pacheco Street
Santa Fe, New Mexico 87505
(505) 827-7131

November 5, 1997

Chevron U.S.A. Inc.
P. O. Box 1150
Midland, Texas 79702
Attention: Michelle LeVan

Administrative Order DD-200(SD)

Dear Ms. LeVan:

Reference is made to the following: (i) Chevron U.S.A., Inc.'s ("Chevron") original application to the Division, dated January 2, 1997; (ii) the Division's initial response to said application by letter from Mr. Michael E. Stogner dated July 16, 1997; (iii) Mr. Gregory C. Roberts' response by letter dated August 5, 1997; and, (vi) the records of the Division in Santa Fe: all concerning Chevron's request to directionally drill its proposed Bogle Flats Unit Well No. 17 (API No. 30-015-29295), Eddy County, New Mexico.

The Division Director Finds That:

- (1) The subject application has been duly filed under the provisions of Rules 111.D and E of the General Rules and Regulations of the New Mexico Oil Conservation Division ("Division"), revised by Division Order No. R-10388, issued by the Oil Conservation Commission in Case 11274 on June 13, 1995;
- (2) The operator proposes to drill the Bogle Flats Unit Well No. 17 at a standard surface gas well location 2252 from the North line and 2065 feet from the East lines (Unit G) of Section 9, Township 22 South, Range 23 East, NMPM, Eddy County, New Mexico, kickoff from vertical in a northeasterly direction and directionally drill as to bottom said well within the Indian Basin-Upper Pennsylvanian Gas Pool at a standard subsurface gas well location within the SW/4 NE/4 (Unit G) of said Section 9;
- (3) This well is to be included within an existing standard 640-acre non-standard gas spacing and proration unit comprising all of said Section 9, which is currently dedicated to the Bogle Flats Unit Well No. 3 (API No. 30-015-10575), located at a standard gas well location 1650 feet from the South line and 1850 feet from the West line (Unit K) of said Section 9;
- (4) By Order No. R-8170, as amended, the Division promulgated the "*General Rules for the Prorated Gas Pools of New Mexico/Special Rules and Regulations for the Indian Basin-Upper Pennsylvanian Gas Pool*," which includes provisions for 640-acre gas spacing and proration units and well location requirements which provides that wells be no closer than 1650 feet to the outer boundary of a 640-acre spacing unit and not closer than 330 feet to any quarter-quarter section line or subdivision inner boundary thereon;
- (5) The applicable drilling window or "producing area" for said wellbore should include that

Old - chev. 3

Rec: 1-7-97

+ 8-7-97

Susp: 1/27/97

+ 8/27/97

Released 11-5-97

November 5, 1997

Chevron U.S.A. Inc.
P. O. Box 1150
Midland, Texas 79702

Attention: Michelle LeVan

200
Administrative Order DD-*** (SD)

Dear Ms. LeVan:

Reference is made to the following: (i) Chevron U.S.A., Inc.'s ("Chevron") original application to the Division, dated January 2, 1997; (ii) the Division's initial response to said application by letter from Mr. Michael E. Stogner dated July 16, 1997; (iii) Mr. Gregory C. Roberts' response by letter dated August 5, 1997; and, (vi) the records of the Division in Santa Fe: all concerning Chevron's request to directionally drill its proposed Bogle Flats Unit Well No. 17 (API No. 30-015-29295), Eddy County, New Mexico.

The Division Director Finds That:

- (1) The subject application has been duly filed under the provisions of Rules 111.D and E of the General Rules and Regulations of the New Mexico Oil Conservation Division ("Division"), revised by Division Order No. R-10388, issued by the Oil Conservation Commission in Case 11,274 on June 13, 1995;
- (2) The operator proposes to drill the Bogle Flats Unit Well No. 17 at a standard surface gas well location 2252 from the North line and 2065 feet from the East lines (Unit G) of Section 9, Township 22 South, Range 23 East, NMPM, Eddy County, New Mexico, kickoff from vertical in a northeasterly direction and directionally drill as to bottom said well within the Indian Basin-Upper Pennsylvanian Gas Pool at a standard subsurface gas well location within the SW/4 NE/4 (Unit G) of said Section 9;
- (3) This well is to be included within an existing standard 640-acre non-

standard gas spacing and proration unit comprising all of said Section 9, which is currently dedicated to the Bogle Flats Unit Well No. 3 (API No. 30-015-10575), located at a standard gas well location 1650 feet from the South line and 1850 feet from the West line (Unit K) of said Section 9;

- (4) By Order No. R-8170, as amended, the Division promulgated the "~~General Rules For The Prorated Gas Pools of New Mexico/Special Rules and Regulations For The Indian Basin-Upper Pennsylvanian Gas Pool;~~" which includes provisions for 640-acre gas spacing and proration units and well location requirements which provides that wells be no closer than 1650 feet to the outer boundary of a 640-acre spacing unit and not closer than 330 feet to any quarter-quarter section line or subdivision inner boundary thereon;
- (5) The applicable drilling window or "producing area" for said wellbore should include that area within the SW/4 NE/4 (Unit G) of said Section 9 that is no closer than 1650 feet to either the North or East lines of said Section 9 nor closer than 330 feet to any internal quarter-quarter section line thereon; and,
- (6) It appearing the applicant has satisfied all of the appropriate requirements prescribed in said Rule 111.D and E, the subject application should be approved and the well should be governed by the provisions contained within this order and all other applicable provisions of Division General Rule 111.

IT IS THEREFORE ORDERED THAT:

(1) The applicant, Chevron U.S.A. Inc., is hereby authorized to drill its Bogle Flats Unit Well No. 17 (API No. 30-015-29295) at a standard surface gas well location 2252 feet from the North line and 2065 feet from the East line (Unit G) of Section 9, Township 22 South, Range 23 East, NMPM, Eddy County, New Mexico and directional drill in a northeasterly direction in such a manner as to bottom said well within the Indian Basin-Upper Pennsylvanian Gas Pool at a standard subsurface well location within the SW/4 NE/4 (Unit G) of said Section 9 that is no closer than 1650 feet to either the North or East lines of said Section 9 nor closer than 330 feet to any internal quarter-quarter section line thereon.

PROVIDED HOWEVER THAT prior to commencing directional drilling operations in said wellbore, the applicant shall establish the location of the kick-off point by means of a directional survey acceptable to the Division.

PROVIDED FURTHER THAT during or upon completion of directional drilling operations, the applicant shall conduct an accurate wellbore survey from the kick-off point to total depth in order that the subsurface bottomhole location, as well as the wellbore's true depth and course, may be determined.

(2) The applicant shall notify the supervisor of the Artesia district office of the Division of the date and time said wellbore surveys are to be conducted so that they may be witnessed. The applicant shall further provide a copy of said wellbore surveys to the Santa Fe and Artesia offices of the Division upon completion.

(3) Indian Basin-Upper Pennsylvanian gas production from both the existing Bogle Flats Unit Well No. 3 (**API No. 30-015-10575**), located at a standard gas well location 1650 feet from the South line and 1850 feet from the West line (Unit K) of said Section 9, and the Bogle Flats Unit Well No. 17, as described above, shall be attributed to the existing standard 640-acre gas spacing and proration unit ("GPU") comprising all of said Section 9.

(4) The operator shall comply with all requirements and conditions set forth in Division General Rule 111.E(2) and any applicable requirements in 111.D and F.

(5) Form C-105 shall be filed in accordance with Division Rule 1105 and the operator shall indicate thereon true vertical depth in addition to measured depths.

(6) Jurisdiction of this cause is retained for the entry of such further orders as the Division may deem necessary.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

WILLIAM J. LEMAY
Director

S E A L

WJL/MES/kv

cc: Oil Conservation Division - Artesia
U. S. Bureau of Land Management - Carlsbad

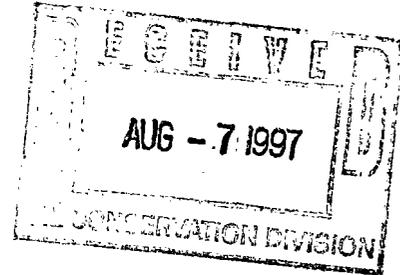
August 5, 1997



New Mexico Oil Conservation Division - Artesia
P.O. Drawer DD
Artesia, New Mexico 88210

Chevron U.S.A. Production Company
P.O. Box 1150
Midland, TX 79702

Amended C-104
Bogle Flats Unit #17
Indian Basin (Upper Penn)



Dear Sirs,

Please find attached an amended C-104 for the Bogle Flats Unit #17. This letter is in response to an OCD letter dated July 16, 1997 from Mr. Michael Stogner. In Mr. Stogner's letter he brought to our attention that the filed bottom hole location was in fact an unorthodox location, which was not consistent with Chevron's application for a standard location. Upon review we found that the bottom hole location was unwittingly filed incorrectly. In support of our amended C-104 attached please find a copy of the directional survey from the well. As shown in the survey the bottom hole location is in fact 1781' FNL and 1723' FEL Section 9, T22S, R23E.

It is our sincere hope that the above information will clear up the aforementioned problem. Should additional questions be necessary please feel free to contact Gregory Roberts at (915) 687-7766.

Sincerely,

A handwritten signature in cursive script that reads "Gregory C. Roberts".

Gregory C. Roberts
Sr. Petroleum Engineer

cc: Michael E. Stogner, Chief Hearing Officer/Engineer - OCD, Santa Fe

District I
 PO Box 1980, Hobbs, NM 88241-1980
 District II
 811 S. 1st Street, Artesia, NM 88210-2834
 District III
 1000 Rio Brazos Rd., Aztec, NM 87410
 District IV
 PO Box 2088, Santa Fe, NM 87504-2088

State of New Mexico
 Energy, Minerals & Natural Resources Department

Form C-104
 Revised February 10, 1994
 Instructions on back
 Submit to Appropriate District Office
 5 Copies

OIL CONSERVATION DIVISION
P.O. Box 2088
Santa Fe, NM 87504-2088

AMENDED REPORT

I. REQUEST FOR ALLOWABLE AND AUTHORIZATION TO TRANSPORT

| | | | |
|---|--|-------------------------------------|--|
| ¹ Operator name and Address | | ² OGRID Number | |
| Chevron U.S.A. Inc. P.O. Box 1150 Midland, TX 79702 | | 4323 | |
| ⁴ API Number | | ³ Reason for Filing Code | |
| 30-015-29295 | | SHOW CORRECT BHL | |
| ⁵ Pool Name | | ⁶ Pool Code | |
| INDIAN BASIN; UPPER PENN (PRO GAS) | | 79040 | |
| ⁷ Property Code | | ⁸ Property Name | |
| 2585 | | BOGLE FLATS UNIT | |
| | | ⁹ Well Number | |
| | | 17 | |

II. ¹⁰ Surface Location

| UL or lot no. | Section | Township | Range | Lot. Idn | Feet from the | North/South Line | Feet from the | East/West line | County |
|---------------|---------|----------|-------|----------|---------------|------------------|---------------|----------------|--------|
| G | 9 | 22S | 23E | | 2252 | NORTH | 2065 | EAST | EDDY |

¹¹ Bottom Hole Location

| UL or lot no. | Section | Township | Range | Lot. Idn | Feet from the | North/South Line | Feet from the | East/West line | County |
|---------------|---------|----------|-------|----------|---------------|------------------|---------------|----------------|--------|
| G | 9 | 22S | 23E | | 1781 | NORTH | 1723 | EAST | EDDY |

| | | | | | |
|------------------------|-------------------------------------|-----------------------------------|-----------------------------------|------------------------------------|-------------------------------------|
| ¹² Lse Code | ¹³ Producing Method Code | ¹⁴ Gas Connection Date | ¹⁵ C-129 Permit Number | ¹⁶ C-129 Effective Date | ¹⁷ C-129 Expiration Date |
| F | F | 4/17/97 | | | |

III. Oil and Gas Transporters

| ¹⁸ Transporter OGRID | ¹⁹ Transporter Name and Address | ²⁰ POD | ²¹ O/G | ²² POD ULSTR Location and Description |
|---------------------------------|--|-------------------|-------------------|--|
| 14021 | MARATHON OIL COMPANY P. O. BOX 552 MIDLAND, TX 79702 | 2819402 | 0 | G-9-22S-23E |
| 14035 | MARATHON OIL COMPANY P. O. BOX 552 MIDLAND, TX 79702 | 2819404 | G | G-9-22S-23E |
| | | | | |
| | | | | |
| | | | | |

IV. Produced Water

| | |
|-------------------|--|
| ²³ POD | ²⁴ POD ULSTR Location and Description |
| 2819407 | |

V. Well Completion Data

| ²⁵ Spud Date | ²⁶ Ready Date | ²⁷ TD | ²⁸ PBSD | ²⁹ Perforations |
|-------------------------|--------------------------|------------------|--------------------|----------------------------|
| | | | | |

| ³⁰ Hole Size | ³¹ Casing & Tubing Size | ³² Depth Set | ³³ Sacks Cement |
|-------------------------|------------------------------------|-------------------------|----------------------------|
| | | | |
| | | | |
| | | | |

VI. Well Test Data

| ³⁴ Date New Oil | ³⁵ Gas Delivery Date | ³⁶ Test Date | ³⁷ Test Length | ³⁸ Tbg. Pressure | ³⁹ Csg. Pressure |
|----------------------------|---------------------------------|-------------------------|---------------------------|-----------------------------|-----------------------------|
| | | | | | |

| ⁴⁰ Choke Size | ⁴¹ Oil | ⁴² Water | ⁴³ Gas | ⁴⁴ AOF | ⁴⁵ Test Method |
|--------------------------|-------------------|---------------------|-------------------|-------------------|---------------------------|
| | | | | | |

⁴⁶ I hereby certify that the rules of the Oil Conservation Division have been complied with and that the information given above is true and complete to the best of my knowledge and belief.

Signature: *J. K. Ripley*
 Printed name: J. K. RIPLEY
 Title: TECHNICAL ASSISTANT
 Date: 8/4/97
 Phone: (915)687-7148

| | | | |
|----------------------------------|--|--|--|
| OIL CONSERVATION DIVISION | | | |
| Approved by: _____ | | | |
| Title: _____ | | | |
| Approval Date: _____ | | | |

| | | | |
|--|--------------|-------|------|
| ⁴⁷ If this is a change of operator fill in the OGRID number and name of the previous operator | | | |
| Previous Operator Signature | Printed Name | Title | Date |
| | | | |

CHEVRON U.S.A.
Survey of Record

Bogle Flats No. 17
Eddy County, New Mexico

SUBMITTED BY:

BAKER HUGHES INTEQ
WEST TEXAS DISTRICT





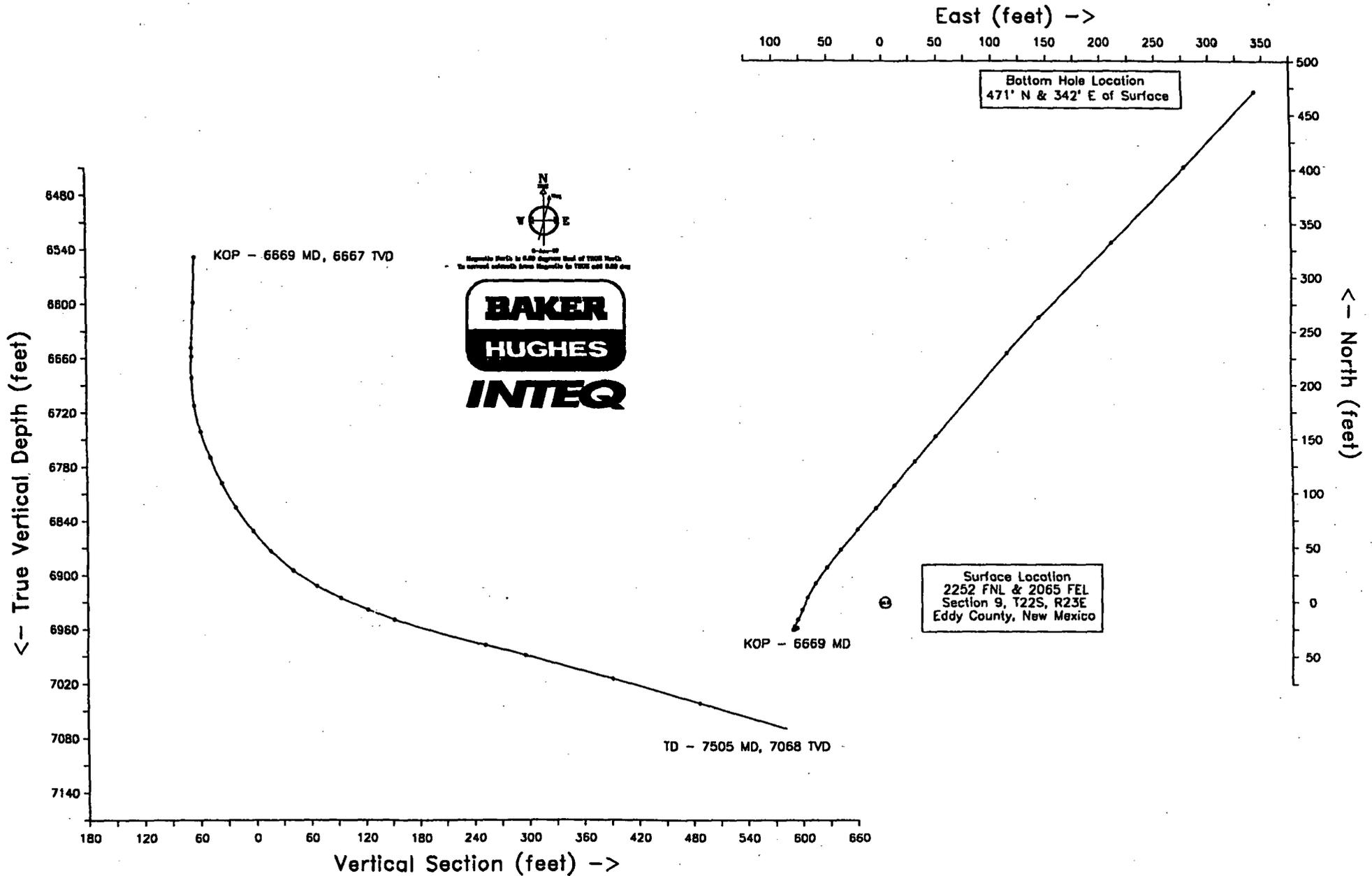
CHEVRON U.S.A.

Structure : BOGLE FLATS NO.17

Slot : slot #1

Field :

Location : EDDY CO., NEW MEXICO



Azimuth 34.58 with reference 0.00 N, 0.00 W from slot #1

CHEVRON U.S.A.
BOGLE FLATS NO.17

slot #1

EDDY CO., NEW MEXICO

S U R V E Y L I S T I N G

by
Baker Hughes INTEQ

Your ref :
Our ref : svy852
License :

Date printed : 17-Apr-97
Date created : 24-Mar-97
Last revised : 17-Apr-97

Field is centred on 0.000,0.000,0.00000,N
Structure is centred on n32 20 0.000,w104 30 0.000,0

Slot location is d999 100 0.000,d999 100 0.000
Slot Grid coordinates are N 15632305.183, E -10718054.54
Slot local coordinates are 0.00 N 0.00 E

Projection type: mercator - UTM, Spheroid: Hayford

Reference North is True North

CHEVRON U.S.A.
 BOGLE FLATS NO.17,slot #1
 ,EDDY CO., NEW MEXICO

SURVEY LISTING Page 1
 Your ref :
 Last revised : 17-Apr-97

| Measured Depth | Inclin. Degrees | Azimuth Degrees | True Vert Depth | R E C T A N G U L A R C O O R D I N A T E S | | Dogleg Deg/100ft | Vert Sect |
|-------------------|--------------------|--------------------|--------------------|--|----------|---------------------|-------------------|
| 6550.00 | 2.40 | 241.00 | 6548.30 | 22.80 S | 79.40 W | 0.00 | -63.84 |
| 6600.00 | 2.20 | 239.00 | 6598.26 | 23.80 S | 81.14 W | 0.43 | -65.65 |
| 6650.00 | 2.10 | 236.00 | 6648.22 | 24.81 S | 82.72 W | 0.30 | -67.37 |
| 6660.00 | 2.10 | 236.00 | 6658.22 | 25.01 S | 83.02 W | 0.00 | -67.72 |
| 6683.00 | 2.60 | 13.40 | 6681.21 | 24.74 S | 83.25 W | 19.05 | -67.62 |
| 6714.00 | 9.80 | 25.00 | 6712.01 | 21.66 S | 81.97 W | 23.46 | -64.36 |
| 6744.00 | 16.40 | 27.30 | 6741.21 | 15.58 S | 78.95 W | 22.06 | -57.63 |
| 6774.00 | 21.80 | 20.70 | 6769.55 | 6.60 S | 75.03 W | 19.36 | -48.02 |
| 6805.00 | 25.90 | 25.30 | 6797.90 | 4.92 N | 70.10 W | 14.51 | -35.74 |
| 6836.00 | 31.60 | 32.60 | 6825.08 | 17.89 N | 62.83 W | 21.57 | -20.92 |
| 6868.00 | 38.50 | 36.80 | 6851.26 | 32.95 N | 52.33 W | 22.83 | -2.57 |
| 6898.00 | 45.70 | 39.00 | 6873.51 | 48.79 N | 39.96 W | 24.50 | 17.49 |
| 6930.00 | 52.50 | 40.20 | 6894.45 | 67.41 N | 24.54 W | 21.44 | 41.57 |
| 6961.00 | 60.20 | 39.60 | 6911.61 | 87.20 N | 8.01 W | 24.89 | 67.25 |
| 6991.00 | 65.20 | 39.80 | 6925.37 | 107.70 N | 9.02 E | 16.68 | 93.79 |
| 7023.00 | 68.30 | 40.20 | 6938.00 | 130.22 N | 27.91 E | 9.76 | 123.06 |
| 7055.00 | 71.60 | 40.20 | 6948.97 | 153.18 N | 47.31 E | 10.31 | 152.97 |
| 7160.00 | 77.00 | 40.00 | 6977.37 | 230.47 N | 112.40 E | 5.15 | 253.55 |
| 7205.00 | 75.00 | 44.00 | 6988.26 | 262.91 N | 141.60 E | 9.70 | 296.83 |
| 7305.00 | 75.00 | 44.00 | 7014.14 | 332.40 N | 208.70 E | 0.00 | 392.12 |
| 7405.00 | 74.00 | 44.00 | 7040.87 | 401.71 N | 275.64 E | 1.00 | 487.18 |
| 7505.00 | 74.00 | 44.00 | 7068.43 | 470.86 N | 342.41 E | 0.00 | 582.01 PROJECTION |

All data is in feet unless otherwise stated.
 Coordinates from slot #1 and TVD from rotary table.
 Bottom hole distance is 582.20 on azimuth 36.02 degrees from wellhead.
 Vertical section is from N 0.00 W 0.00 on azimuth 34.58 degrees.
 Calculation uses the minimum curvature method.
 Presented by Baker Hughes INTEQ

CHEVRON U.S.A.
BOGLE FLATS NO.17,slot #1
,EDDY CO., NEW MEXICO

SURVEY LISTING Page 2
Your ref :
Last revised : 17-Apr-97

Comments in wellpath

| MD | TVD | Rectangular Coords. | Comment |
|---------|---------|---------------------|------------|
| 7505.00 | 7068.43 | 470.86 N 342.41 E | PROJECTION |

Targets associated with this wellpath

| Target name | Geographic Location | T.V.D. | Rectangular Coordinates | Revised |
|-------------|---------------------|---------|-------------------------|-----------|
| | | 7054.00 | 602.00N 415.00E | 20-Mar-97 |



NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION
2040 South Pacheco Street
Santa Fe, New Mexico 87505
(505) 827-7131

July 16, 1997

Chevron U.S.A. Inc.
P.O. Box 1150
Midland, Texas 79702

Attn: Michelle LeVan

Re: Administrative application for directional drilling of the Bogal Flats Unit Well No. 17 (API No. 30-015-29295) in the Indian Basin-Upper Pennsylvanian Gas Pool within an existing standard 640-acre gas spacing and proration unit ("GPU") comprising all of Section 9, Township 22 South, Range 23 East, NMPM, Eddy County, New Mexico. Said unit is currently dedicated to the Bogal Flats Unit Well No. 3 (API No. 30-015-10575), located at a standard gas well location 1650 feet from the South line and 1850 feet from the West line (Unit K) of said Section 9.

Dear Ms. LeVan:

In reviewing the subject application dated January 2, 1997, I found in the records on file with the Division in Santa Fe an OCD Form C-104 for the subject well, dated April 30, 1997, which indicates the bottomhole location of this well to be 1837 feet from the North line and 1463 feet from the East line (Unit G) of said Section 9. Pursuant to the "*General Rules For The Prorated Gas Pools of New Mexico/Special Rules and Regulations For The Indian Basin-Upper Pennsylvanian Gas Pool*", as promulgated by Division Order No. R-8170, as amended, this subsurface location is considered to be "unorthodox". Please supplement the subject application with a request for an unorthodox subsurface gas well location to be filed pursuant to all applicable provisions of said Order No. R-8170 and Division General Rule 104.F.

Please be further advised that unrestricted production from this GPU will be allowed for a period of 90-days to allow Chevron ample time to request a location exception and to provide this agency a reliable explanation as to why Chevron allowed this horizontal well to extend beyond the required 1650 foot set-back limits in effect for this pool.

Chevron U.S.A. Inc.
July 15, 1997
Page 2

Should you have any questions or comments concerning this matter, please contact me at (505) 827-8185.

Sincerely,

A handwritten signature in black ink, appearing to read "Michael E. Stogner", written over a horizontal line.

Michael E. Stogner
Chief Hearing Officer/Engineer

cc: New Mexico Oil Conservation Division - Artesia
U. S. Bureau of Land Management - Carlsbad
William J. LeMay, Director - OCD, Santa Fe
William F. Carr, Counsel for Chevron - Santa Fe

District I
 PO Box 1980, Hobbs, NM 88241-1980
 District II
 811 S. 1st Street, Artesia, NM 88210-2834
 District III
 1000 Rio Brazos Rd., Aztec, NM 87410
 District IV
 PO Box 2088, Santa Fe, NM 87504-2088

State of New Mexico
 Energy, Minerals & Natural Resources Department

Form C-104
 Revised February 10, 1994
 Instructions on back
 Submit to Appropriate District Office
 5 Copies

OIL CONSERVATION DIVISION
P.O. Box 2088
Santa Fe, NM 87504-2088

AMENDED REPORT

I. REQUEST FOR ALLOWABLE AND AUTHORIZATION TO TRANSPORT

| | | |
|---|------------------------------------|-------------------------------------|
| ¹ Operator name and Address | | ² OGRID Number |
| Chevron U.S.A. Inc. P.O. Box 1150 Midland, TX 79702 | | 4323 |
| | | ³ Reason for Filing Code |
| | | NW |
| ⁴ API Number | ⁵ Pool Name | ⁶ Pool Code |
| 30-015-29295 | INDIAN BASIN; UPPER PENN (PRO GAS) | 79040 |
| ⁷ Property Code | ⁸ Property Name | ⁹ Well Number |
| 2585 | BOGLE FLATS UNIT | 17 |

II. ¹⁰ Surface Location

| UL or lot no. | Section | Township | Range | Lot. Idn | Feet from the | North/South Line | Feet from the | East/West line | County |
|---------------|---------|----------|-------|----------|---------------|------------------|---------------|----------------|--------|
| G | 9 | 22S | 23E | | 2252 | NORTH | 2065 | EAST | EDDY |

¹¹ Bottom Hole Location

| UL or lot no. | Section | Township | Range | Lot. Idn | Feet from the | North/South Line | Feet from the | East/West line | County |
|---------------|---------|----------|-------|----------|---------------|------------------|---------------|----------------|--------|
| G | 9 | 22S | 23E | | 1837 | NORTH | 1463 | EAST | EDDY |

| | | | | | |
|------------------------|-------------------------------------|-----------------------------------|-----------------------------------|------------------------------------|-------------------------------------|
| ¹² Lse Code | ¹³ Producing Method Code | ¹⁴ Gas Connection Date | ¹⁵ C-129 Permit Number | ¹⁶ C-129 Effective Date | ¹⁷ C-129 Expiration Date |
| F | F | 4/17/97 | | | |

III. Oil and Gas Transporters

| ¹⁸ Transporter OGRID | ¹⁹ Transporter Name and Address | ²⁰ POD | ²¹ O/G | ²² POD ULSTR Location and Description |
|---------------------------------|--|-------------------|-------------------|--|
| 14021 | MARATHON OIL COMPANY P. O. BOX 552 MIDLAND, TX 79702 | 2819402 | 0 | G-9-22S-23E |
| 14035 | MARATHON OIL COMPANY P. O. BOX 552 MIDLAND, TX 79702 | 2819404 | G | G-9-22S-23E |
| | | | | |
| | | | | |
| | | | | |

IV. Produced Water

| | |
|-------------------|--|
| ²³ POD | ²⁴ POD ULSTR Location and Description |
| 2819407 | |

V. Well Completion Data

| ²⁵ Spud Date | ²⁶ Ready Date | ²⁷ TD | ²⁸ PBTB | ²⁹ Perforations |
|-------------------------|--------------------------|------------------|--------------------|----------------------------|
| 2/10/97 | 4/17/97 | 7505' MD | 7505' MD | 7150' - 7505' OH |

| ³⁰ Hole Size | ³¹ Casing & Tubing Size | ³² Depth Set | ³³ Sacks Cement |
|-------------------------|------------------------------------|-------------------------|----------------------------|
| 14-3/4" | 9-5/8" | 1505' | 1130 |
| 8-3/4" | 7" | 7150' | 845 |
| | 3-1/2" | 6630' | |

VI. Well Test Data

| ³⁴ Date New Oil | ³⁵ Gas Delivery Date | ³⁶ Test Date | ³⁷ Test Length | ³⁸ Tbg. Pressure | ³⁹ Csg. Pressure |
|----------------------------|---------------------------------|-------------------------|---------------------------|-----------------------------|-----------------------------|
| | 4/17/97 | 4/24/97 | 24 HRS | 325# | 0 |

| ⁴⁰ Choke Size | ⁴¹ Oil | ⁴² Water | ⁴³ Gas | ⁴⁴ AOF | ⁴⁵ Test Method |
|--------------------------|-------------------|---------------------|-------------------|-------------------|---------------------------|
| W.O. | 9 | 8 | 2700 | | FLOWING |

⁴⁶ I hereby certify that the rules of the Oil Conservation Division have been complied with and that the information given above is true and complete to the best of my knowledge and belief.

Signature: *J. K. Ripley*
 Printed name: J. K. RIPLEY
 Title: TECHNICAL ASSISTANT
 Date: 4/30/97
 Phone: (915)687-7148

OIL CONSERVATION DIVISION
 Approved by: *Jim W. Lamm*
 Title: *District Supervisor* Box
 Approval Date: 7-8-97

⁴⁷ If this is a change of operator fill in the OGRID number and name of the previous operator

| Previous Operator Signature | Printed Name | Title | Date |
|-----------------------------|--------------|-------|------|
| | | | |

NSL (50) 1/27/97

OIL CONSERVATION DIVISION
RECEIVED



Chevron

'97 JAN 7 AM 8 52

January 2, 1997

Chevron U.S.A. Production Company
P.O. Box 1150
Midland, TX 79702

**Administrative Application For
Simultaneous Dedication
Indian Basin
Upper Penn Gas Pool
Bogle Flats #17
Surface Location: 2252' FNL and 2065' FEL
Bottom Hole Location: 1650' FNL and 1650' FEL
Section 9, T-22-S, R-23-E
Eddy County, New Mexico**

*see letter of
July 16, 1997*

Chev. 7

State of New Mexico
Energy, Minerals & Natural Resources Dept.
Oil Conservation Division
2040 South Pacheco
Santa Fe, New Mexico 87505

Attn: Mr. William J. LeMay - Director

Dear Mr. LeMay:

Chevron U.S.A. is planning to drill the Bogle Flats Unit #17 in the Upper Penn Gas Pool. The well will have a surface location of 2252' FNL and 2065' FEL, and horizontally drilled to a final bottom hole location of 1650' FNL and 1650' FEL in Section 9, T-22-S, R-23-E, Eddy County, New Mexico.

The captioned well will be located in a non-standard location and drilled to a standard location as part of a 640-acre proration unit which comprises Section 9. Currently, only the Bogle Flats Unit #3 is dedicated to this proration unit. We respectfully request that the Bogle Flats Unit #17 be simultaneously dedicated to this same proration unit with the Bogle Flats Unit #3.

A copy of this administrative application is being provided to our offset operators via Certified Mail. Attached is a commercial map and Form C-102 plats, which show the locations of the wells in the proration unit. Copies of the letters to our offset operators are also attached.

If you have any questions concerning this matter, please contact Michelle LeVan at (915) 687-7307.

Sincerely,



M. L. LeVan
Petroleum Engineer
Indian Basin, New Mexico

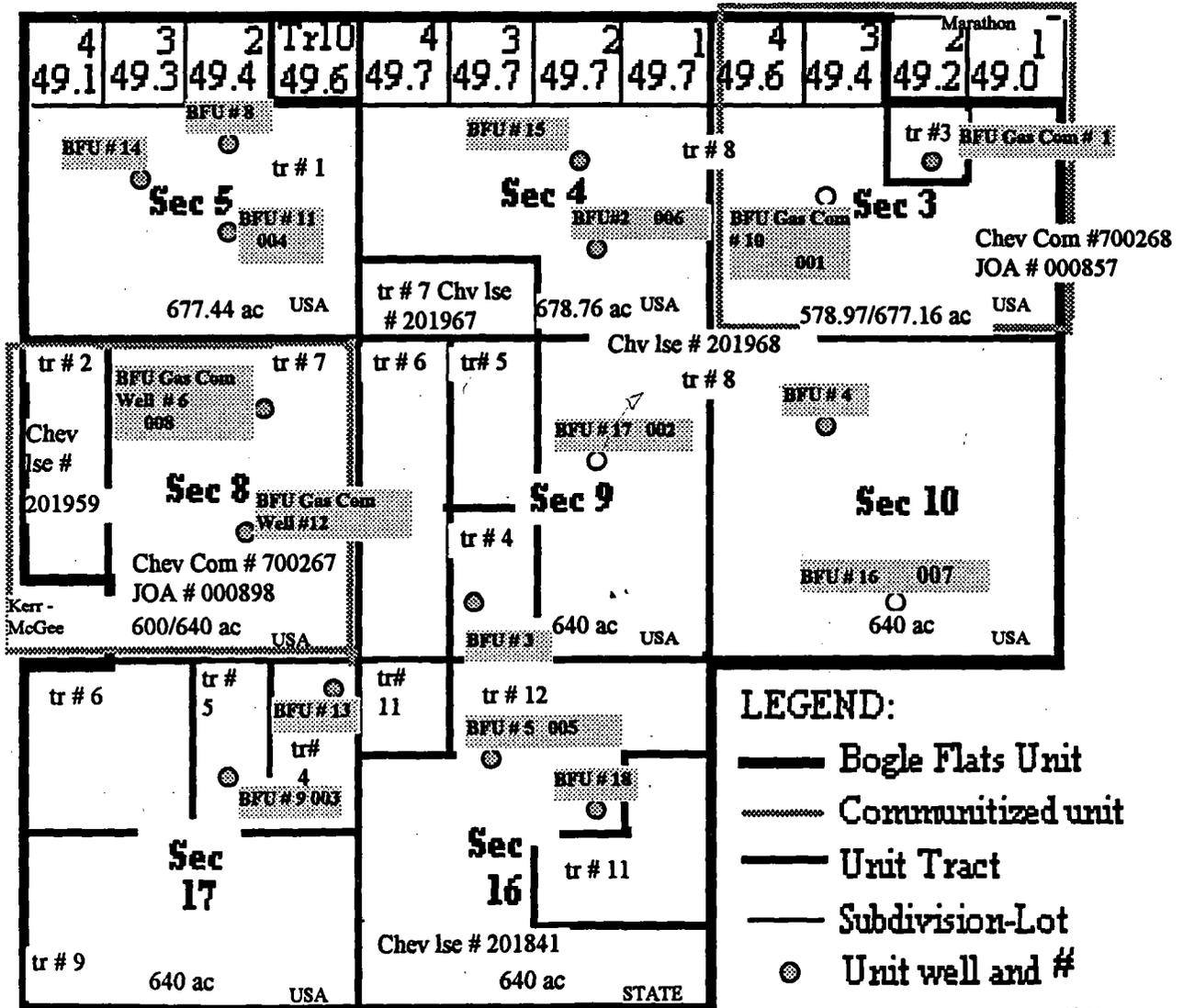
Attachments

cc: NMOCD - Hobbs, New Mexico
N. V. Mouser
J. P. Ripley
D. K. Owen
J. E. Baca
Well File

u:\gp_nm\hobbs_mo\in_basin\projects\bogle_17\ocdltr.doc

CHEVRON U.S.A. INC.
Bogle Flats Unit
Well No. 17

**Administrative Application for
 Simultaneous Dedication
 Indian Basin
 Upper Penn Gas Pool
 Surface: 2252' FNL and 2065' FEL
 Bottom: 1650' FNL and 1650' FEL
 Section 9, T22S, R23E
 Eddy County, New Mexico**



District I
 PO Box 1908, Hobbs, NM 88241-1908
 District II
 PO Drawer DD, Artesia, NM 88211-0719
 District III
 1000 Rio Brazos Rd., Aztec, NM 87410
 District IV
 PO Box 2088, Santa Fe, NM 87504-2088

State of New Mexico
 Energy, Minerals & Natural Resources Department

Form C-102
 Revised February 10, 1994
 Instructions on back
 Submit to Appropriate District Office
 State Lease - 4 Copies
 Fee Lease - 3 Copies

OIL CONSERVATION DIVISION
 PO Box 2088
 Santa Fe, NM 87504-2088

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

| | | |
|---------------|--------------------|--------------------------|
| API Number | Pool Code | Pool Name |
| | 79040 | Indian Basin; Upper Penn |
| Property Code | Property Name | Well Number |
| 2585 | Bogle Flats Unit | 17 |
| OGRID No. | Operator Name | Elevation |
| 4323 | Chevron U.S.A. Inc | |

10 Surface Location

| UL or lot no. | Section | Township | Range | Lot Ida | Feet from the | North/South line | Feet from the | East/West line | County |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| | 9 | 22S | 23E | | 2252' | North | 2065' | East | Eddy |

11 Bottom Hole Location If Different From Surface

| UL or lot no. | Section | Township | Range | Lot Ida | Feet from the | North/South line | Feet from the | East/West line | County |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| | 9 | 22S | 23E | | 1050' | North | 1650' | East | Eddy |

| | | | |
|--------------------|--------------------|-----------------------|--------------|
| 12 Ductile 1 Acres | 13 Joint or Infill | 14 Consolidation Code | 15 Order No. |
| 640 | | | |

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

| | | | | | |
|----|---|--|--|--|---|
| 16 | | | | | <p>17 OPERATOR CERTIFICATION</p> <p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief</p> <p><i>Michelle L. LeVan</i> Signature Michelle L. LeVan Printed Name Petroleum Engineer Title 4/2/97 Date</p> |
| | <p>18 SURVEYOR CERTIFICATION</p> <p>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.</p> <p>Date of Survey Signature and Seal of Professional Surveyor: Certificate Number</p> | | | | |

District I
 PO Box 1988, Hobbs, NM 88241-1988
 District II
 PO Drawer DD, Artesia, NM 88211-0719
 District III
 1000 Rio Brazos Rd., Aztec, NM 87410
 District IV
 PO Box 2088, Santa Fe, NM 87504-2088

State of New Mexico
 Energy, Minerals & Natural Resources Department

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 PO Box 2088
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| 4323 | Bogle Flats Unit | | 3 |
| OGRID No. | Operator Name | | Elevation |
| | Chevron U.S.A. Inc | | |

10 Surface Location

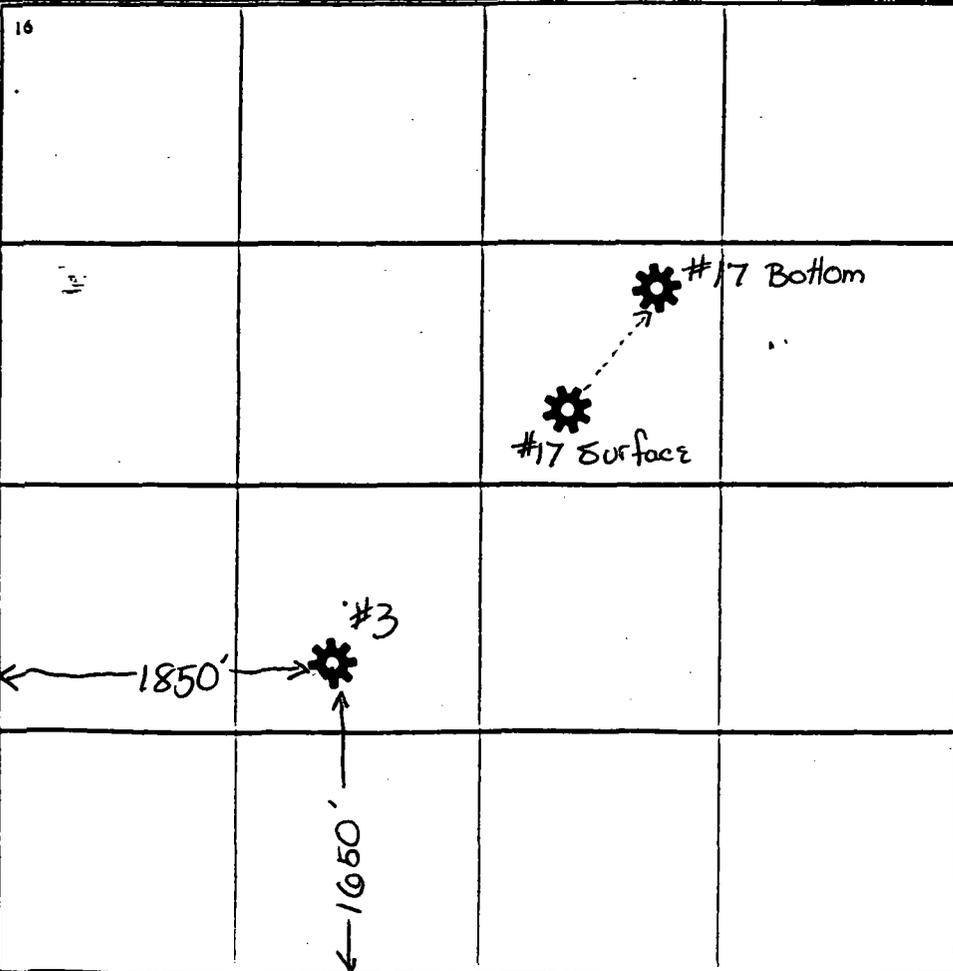
| UL or lot no. | Section | Township | Range | Lot Ida | Feet from the | North/South line | Feet from the | East/West line | County |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| K | 9 | 22S | 23E | | 11650' | South | 1850' | West | Eddy |

11 Bottom Hole Location If Different From Surface

| UL or lot no. | Section | Township | Range | Lot Ida | Feet from the | North/South line | Feet from the | East/West line | County |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| | | | | | | | | | |

| | | | | |
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17 OPERATOR CERTIFICATION
 I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief

Michelle L. LeVan
 Signature
 Michelle L. LeVan
 Printed Name
 Petroleum Engineer
 Title
 1/2/98
 Date

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 Date of Survey
 Signature and Seal of Professional Surveyor

 Certificate Number

CHEVRON U.S.A. INC.
Bogle Flats Unit
Well No. 17

**Administrative Application for
Simultaneous Dedication
Indian Basin
Upper Penn Gas Pool
Surface: 2252' FNL and 2065' FEL
Bottom: 1650' FNL and 1650' FEL
Section 9, T22S, R23E
Eddy County, New Mexico**

OFFSET OPERATORS

**Oryx
Box 2880
Dallas, Texas 75221-2880**

**Marathon
Box 552
Midland, Texas 79702**

**Kerr McGee
Box 25861
Oklahoma City, Oklahoma 73125**

**Parker and Parsley
Box 3178
Midland, TX 79701**



Chevron

January 2, 1997

Chevron U.S.A. Production Company
P.O. Box 1150
Midland, TX 79702

**Simultaneous Dedication
Indian Basin
Bogle Flats
Upper Penn Gas Pool
Eddy County, New Mexico**

**Oryx
Box 2880
Dallas, Texas 75221-2880**

New Mexico Operations Director:

Attached is a copy of an administrative application for NMOCD approval of a simultaneous dedication in the Upper Penn Gas Pool.

Chevron U.S.A. is planning to drill the Bogle Flats Unit #17 in the Upper Penn Gas Pool. The well will have a surface location of 2252' FNL and 2065' FEL, and horizontally drilled to a final bottom hole location of 1650' FNL and 1650' FEL in Section 9, T-22-S, R-23-E, Eddy County, New Mexico. We have requested that the NMOCD approve the simultaneous dedication of this well with the Bogle Flats Unit #3, which currently produces on a standard 640 acre proration unit. This proration unit comprises the entirety of Section 9.

If you have any questions about the application, please contact Michelle LeVan at (915) 687-7307.

Sincerely,

**M. L. LeVan
Petroleum Engineer
Indian Basin, New Mexico**

Attachments

cc: Well File

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Chevron

January 2, 1997

Chevron U.S.A. Production Company
P.O. Box 1150
Midland, TX 79702

**Simultaneous Dedication
Indian Basin
Bogle Flats
Upper Penn Gas Pool
Eddy County, New Mexico**

**Marathon
Box 552
Midland, Texas 79702**

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Petroleum Engineer
Indian Basin, New Mexico**

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January 2, 1997

**Simultaneous Dedication
Indian Basin
Bogle Flats
Upper Penn Gas Pool
Eddy County, New Mexico**

Chevron U.S.A. Production Company
P.O. Box 1150
Midland, TX 79702

**Kerr McGee
Box 25861
Oklahoma City, Oklahoma 73125**

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Indian Basin, New Mexico**

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January 2, 1997

Chevron U.S.A. Production Company
P.O. Box 1150
Midland, TX 79702

**Simultaneous Dedication
Indian Basin
Bogle Flats
Upper Penn Gas Pool
Eddy County, New Mexico**

**Parker and Parsley
Box 3178
Midland, Texas 79701**

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