

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

Revised March 23, 2017

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

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

- ☐ Notice Complete
- ☐ 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.

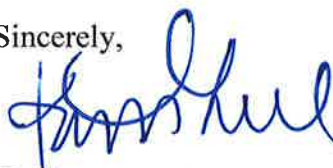
Exhibit B is a land plat for Sections 18 and 19 and the surrounding sections that shows the proposed **SD EA 18 19 Fed Com P15 No. 16H Well** in relation to the adjoining spacing units to the east in Sections 18 and 19.

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.



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

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,

A handwritten signature in blue ink, appearing to read "Kaitlyn Luck", written over a horizontal line.

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

District I
1625 N. French Dr., Hobbs, NM 88240
Phone (575) 393-6161 Fax (575) 393-0720
District II
811 S. First St., Artesia, NM 88210
Phone (575) 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 30-02-44085		Pool Code 98097		SANDERS TANK, UPR WC	
Property Code 319717		Property Name SD EA 18 19 FED COM P15		Well Number 1611	
OGRID No. 4323		Operator Name CHEVRON U.S.A. INC.		Elevation 3231	

Surface Location

U.I. or Int 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

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

Dedicated Acres	Joint or Infill	Consolidation Code	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

<p>SD EA 18 19 FED COM P15 16H WELL</p> <p>X= 725.497 NAD 27 Y= 382.461 LAT 32 049411 LONG 103 605530</p> <p>X= 766.664 NAD83 Y= 382.518 LAT 32 049537 LONG 103 605999</p> <p>ELEVATION = 3231' NAVD 88</p> <p>PROPOSED BOTTOM HOLE LOCATION</p> <p>X= 724.992 NAD 27 Y= 372.532 LAT 32 022127 LONG 103 607374</p> <p>X= 766.180 NAD83 Y= 372.589 LAT 32 022252 LONG 103 607841</p> <p>PROPOSED FIRST TAKE POINT</p> <p>LAT 32 049879 NAD 83 LONG 103 607871</p> <p>PROPOSED LAST TAKE POINT</p> <p>LAT 32 022665 NAD 83 LONG 103 607842</p> <p>CORNER COORDINATES TABLE (NAD 27)</p> <p>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</p>		<p>OPERATOR CERTIFICATION</p> <p>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 undivided 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.</p> <p>Signature: <i>Denise Pinkerton</i> Date: <i>05/15/2017</i></p> <p>Printed Name: <i>Denise Pinkerton</i></p> <p>E-mail Address: <i>Lee.Rajic@chevron.com</i></p> <p>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: <i>3-8-2017</i></p> <p>Signature and Seal of Professional Surveyor: <i>[Signature]</i></p> <p>Certificate Number: <i>23006</i></p>
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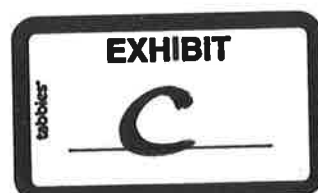
EXHIBIT
A

NSL Notice

SD EA 18 19 FED COM
P15 #16H DSU

B

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



Firm Mailing Book For Accountable Mail

Name and Address of Sender	USPS Tracking/Article Number	Check type of mail or service <input type="checkbox"/> Adult Signature Required <input type="checkbox"/> Priority Mail Express <input type="checkbox"/> Adult Signature Restricted Delivery <input type="checkbox"/> Registered Mail <input checked="" type="checkbox"/> Certified Mail <input type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> Certified Mail Restricted Delivery <input type="checkbox"/> Signature Confirmation <input type="checkbox"/> Collect on Delivery (COD) <input type="checkbox"/> Signature Confirmation <input type="checkbox"/> Insured Mail <input type="checkbox"/> Signature Confirmation <input type="checkbox"/> Priority Mail <input type="checkbox"/> Restricted Delivery	Affix Stamp Here <i>(if issued as an international certificate of mailing or for additional copies of this receipt).</i> Postmark with Date of Receipt.												
			Postage	(Extra Service) Fee	Handling Charge	Actual Value if Registered	Insured Value	Due Sender if COD	ASR Fee	ASRD Fee	RD Fee	RR Fee	SC Fee	SCRD Fee	SH Fee
Holland & Hart LLP 110 N Guadalupe St # 1 Santa Fe NM 87501	1. 9214 8901 9403 8386 0418 97	COD Operating LLC 600 West Illinois Ave Midland TX 79701	0.50	3.50	Handling Charge - if Registered and over \$50,000 in value							1.60			
	2. 9214 8901 9403 8386 0419 03	RSC Resources L P 210 Lighthouse Dr Horseshoe Bay TX 78657	0.50	3.50								1.60			
	3. 9214 8901 9403 8386 0419 10	Muleshoe Crude LP 101 Blackberry Ct Midland TX 79705	0.50	3.50								1.60			
	4. 9214 8901 9403 8386 0419 27	Sagebrush Interests LLC 2450 Fondren Ste 112 Houston TX 77063	0.50	3.50											
	5. 9214 8901 9403 8386 0419 34	BLM 301 Dinosaur Trail Santa Fe NM 87508	0.50	3.50											
Total Number of Pieces Listed by Sender 5	Total Number of Pieces Received at Post Office	Postmaster, Per (Name of receiving employee)													



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 black ink that reads "Christine DeFriend".

Christine DeFriend
Reservoir Engineer

