

ABOVE THIS LINE FOR DIVISION USE ONLY

21-day  
clock start  
11-26-2016

**NEW MEXICO OIL CONSERVATION DIVISION**  
- 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

**Application Acronyms:**

- [NSL-Non-Standard Location] [NSP-Non-Standard Proration Unit] [SD-Simultaneous Dedication]
- [DHC-Downhole Commingling] [CTB-Lease Commingling] [PLC-Pool/Lease Commingling]
- [PC-Pool Commingling] [OLS - Off-Lease Storage] [OLM-Off-Lease Measurement]
- [WFX-Waterflood Expansion] [PMX-Pressure Maintenance Expansion]
- [SWD-Salt Water Disposal] [IPI-Injection Pressure Increase]
- [EOR-Qualified Enhanced Oil Recovery Certification] [PPR-Positive Production Response]

- [1] **TYPE OF APPLICATION** - Check Those Which Apply for [A]
- [A] Location - Spacing Unit - Simultaneous Dedication  
 NSL  NSP  SD
- Check One Only for [B] or [C]
- [B] Commingling - Storage - Measurement  
 DHC  CTB  PLC  PC  OLS  OLM
- [C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery  
 WFX  PMX  SWD  IPI  EOR  PPR
- [D] Other: Specify \_\_\_\_\_

- NSL 7444  
 - Chevron USA Inc  
 4323  
 well  
 - SD WE 23 Feb P25  
 # 2316-025-4346

RECEIVED 000  
 2016 NOV - 4 P 2:52

- [2] **NOTIFICATION REQUIRED TO:** - Check Those Which Apply, or Does Not Apply
- [A]  Working, Royalty or Overriding Royalty Interest Owners
- [B]  Offset Operators, Leaseholders or Surface Owner
- [C]  Application is One Which Requires Published Legal Notice
- [D]  Notification and/or Concurrent Approval by BLM or SLO  
U.S. Bureau of Land Management - Commissioner of Public Lands, State Land Office
- [E]  For all of the above, Proof of Notification or Publication is Attached, and/or,
- [F]  Waivers are Attached

P00  
 - Jennings  
 Upper Bow  
 Spring shale  
 97838

[3] **SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED ABOVE.**

[4] **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.

Jordan L. Kessler		Attorney	
Print or Type Name	Signature	Title	Date
		jlkessler@hollandhart.com	
		e-mail Address	

HOLLAND & HART<sup>LLP</sup>



Jordan L. Kessler  
Associate  
Phone (505) 954-7286  
Fax (505) 983-6043  
JKessler@hollandhart.com

November 4, 2016

**VIA HAND DELIVERY**

David Catanach  
Oil Conservation Division  
New Mexico Department of Energy,  
Minerals and Natural Resources  
1220 South Saint Francis Dr.  
Santa Fe, New Mexico 87505

2016 NOV -4 P 2:52  
RECEIVED 000

**Re: Application of Chevron U.S.A. Inc. for administrative approval of an unorthodox location, Sections 14 and 23, Township 26 South, Range 32 East, N.M.P.M., Lea County, New Mexico.  
SD WE 23 Fed P25 No. 2H Well**

Dear Mr. Catanach:

Chevron U.S.A. Inc. ("Chevron") (OGRID 4323) seeks administrative approval of an unorthodox well location for its **SD WE 23 Fed P25 No. 2H Well** (API No. pending) to be completed within the Bone Spring (Jennings; Upper Bone Spring Shale (97838)) underlying the E/2 W/2 of Sections 14 and 23. This well will be drilled from a surface location 260 feet from the South line and 2,628 feet from the West line (Unit N) of Section 23. The upper most perforation will be located 330 feet from the South line and 2,590 feet from the West line (Unit N) of Section 23 and the lower most perforation will be located 330 feet from the North line and 2,590 feet from the West line of Section 14. Since this acreage is governed by the Division's statewide rules which provide for wells to be located no closer than 330 feet to the outer boundary of the spacing unit, the completed interval for this well will be unorthodox because it is closer than 330 feet to the eastern, southeastern, and northeastern boundaries of the project area. Ownership in the W/2 E/2 of Sections 14 and 23 is common with the proposed spacing unit and therefore there are no affected parties in the spacing unit to the East. Approval of the unorthodox completed interval will allow Chevron to develop these sections using their preferred well spacing plan for horizontal wells in this area, and thereby prevent waste of a productive reservoir.

**Exhibit A** is the Well Location and Acreage Dedication Plat (Form C-102), which shows that the completed interval of the proposed **SD WE 23 Fed P25 No. 2H Well** encroaches on the spacing and proration units to the East, Northeast, and Southeast.

**Exhibit B** is a land plat showing the proposed **SD WE 23 Fed P25 No. 2H Well** in relation to adjoining spacing units.

Holland & Hart LLP

Phone [505] 988-4421 Fax [505] 983-6043 [www.hollandhart.com](http://www.hollandhart.com)

110 North Guadalupe Suite 1 Santa Fe, New Mexico 87501 Mailing Address P.O. Box 2208 Santa Fe, NM 87504-2208

Aspen Boulder Carson City Colorado Springs Denver Denver Tech Center Billings Boise Cheyenne Jackson Hole Las Vegas Reno Salt Lake City Santa Fe Washington, D.C. ☉

HOLLAND & HART<sup>LLP</sup>



**Exhibit C** is a list of the parties affected by the encroachment to the Northeast and Southeast. As described above, Chevron is the operator in the spacing unit it the W/2 E/2 of Sections 14 and 23 and ownership is identical with that of the subject spacing unit. For these reasons, there are no affected parties in the spacing unit to the East. Parties affected by the unorthodox location are located in the spacing units to the Northeast and Southeast. 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 20 days from the date the Division receives the application. A courtesy copy of this application has also been provided to the Bureau of Land Management—Carlsbad.

Your attention to this application is appreciated

Sincerely,

Jordan L. Kessler

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

cc: Bureau of Land Management-Carlsbad  
620 E. Green Street  
Carlsbad, NM 88220

District I  
1625 N French Dr., Hobbs, NM 88241  
Phone (575) 393-6161 Fax (575) 191-0720

District II  
811 S First St., Artesia, NM 88210  
Phone (575) 748-1283 Fax (575) 748-0720

District III  
1000 Rio Brazos Road, Aztec, NM 87410  
Phone (505) 334-6178 Fax (505) 334-6173

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>30-025-43461</b>		Pool Code <b>97838</b>		Pool Name <b>Ginnings, Upper Bone Spring, Shale</b>	
Property Code		Property Name <b>SD WE 23 FED P25</b>		Well Number <b>2H</b>	
OPRID No. <b>4323</b>		Operator Name <b>CHEVRON U.S.A. INC.</b>		Elevation <b>3122'</b>	

Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
N	23	26 SOUTH	32 EAST, N.M.P.M.		260'	SOUTH	2628'	WEST	LEA

Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
C	14	26 SOUTH	32 EAST, N.M.P.M.		180'	NORTH	2590'	WEST	LEA

Dedicated Acres <b>3.20</b>	Joint or Infill	Consolidation Code	Order No.
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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><b>PROPOSED BOTTOM HOLE LOCATION</b></p> <p>X= 713,170 NAD 27 Y= 382,480 LAT. 32.049686 LONG. 103.645312</p> <p>X= 754,357 NAD83 Y= 382,537 LAT. 32.049811 LONG. 103.645782</p>		<p><b>OPERATOR CERTIFICATION</b></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 in, 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 previously entered by the division.</p> <p><i>Denise Pinkerton</i> 10/21/2016 Signature Date</p> <p>Denise Pinkerton Printed Name</p> <p>Leakeida@chevron.com E-mail Address</p>
<p><b>SD WE 23 FED P25 2H WELL</b></p> <p>X= 713,257 NAD 27 Y= 372,222 LAT. 32.021486 LONG. 103.645244</p> <p>X= 754,444 NAD83 Y= 372,279 LAT. 32.021611 LONG. 103.645712</p> <p>ELEVATION -3122 NAVD 88</p>	<p><b>SURVEYOR CERTIFICATION</b></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>2-8-2016 Date of Survey</p> <p><i>Robert C. LasTapes</i> Signature and Seal of Professional Surveyor</p> <p>23006 Certificate Number</p>	
<p><b>CORNER COORDINATES TABLE (NAD 27)</b></p> <p>A - Y=382652.25, X=711907.34 B - Y=382660.57, X=713234.95 C - Y=371953.82, X=711958.74 D - Y=371962.12, X=713287.04</p>		



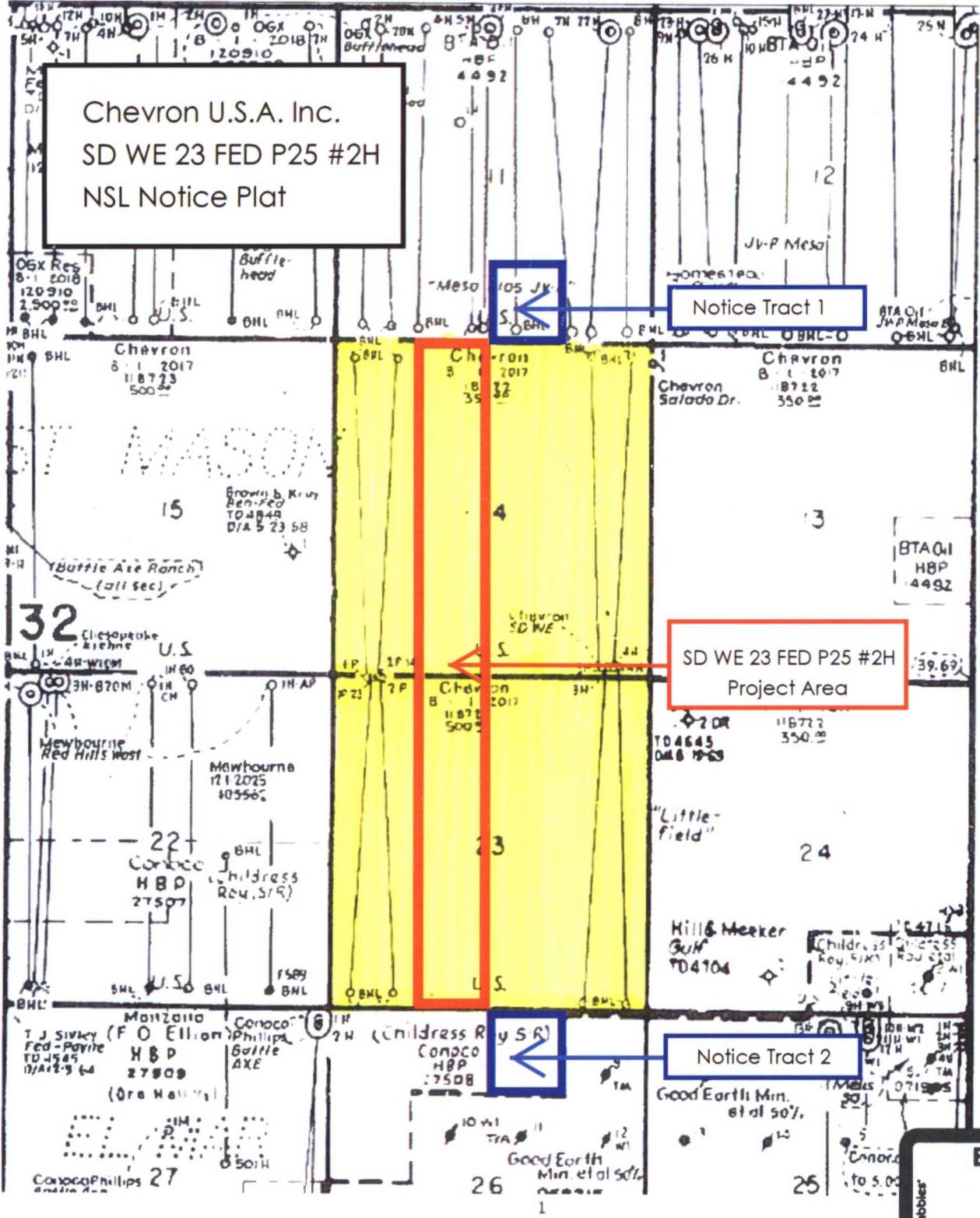
Chevron U.S.A. Inc.  
SD WE 23 FED P25 #2H  
NSL Notice Plat

Notice Tract 1

SD WE 23 FED P25 #2H  
Project Area

Notice Tract 2

EXHIBIT  
**B**



**Exhibit C**

**Notice Tract 1:**

BTA Oil Producers  
104 S Pecos Street  
Midland, TX 79701  
7016 0340 0000 0203 2073

**Notice Tract 2:**

Acme Land Co  
P.O. Box 10280  
Midland, TX 79702  
7016 0340 0000 0203 2066

ConocoPhillips Co  
P.O. Box 7500  
Bartlesville, OK 74005-7500  
7016 0340 0000 0203 2059

Highland Prod Co  
P.O. Box 6326  
Odessa, TX 79762  
7016 0340 0000 0203 2042

**HOLLAND & HART**



**Jordan L. Kessler**  
**Associate**  
Phone (505) 988-4421  
Fax (505) 983-6043  
jkessler@hollandhart.com

November 4, 2016

**VIA CERTIFIED MAIL**  
**RETURN RECEIPT REQUESTED**

**TO AFFECTED PARTIES**

**Re: Application of Chevron U.S.A. Inc. for administrative approval of an unorthodox location, Sections 14 and 23, Township 26 South, Range 32 East, N.M.P.M., Lea County, New Mexico.**  
**SD WE 23 Fed P25 No. 2H Well**

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:

Shalyce Holmes  
Chevron U.S.A. Inc.  
(713) 372-6051  
[SLHolmes@chevron.com](mailto:SLHolmes@chevron.com)

Sincerely,

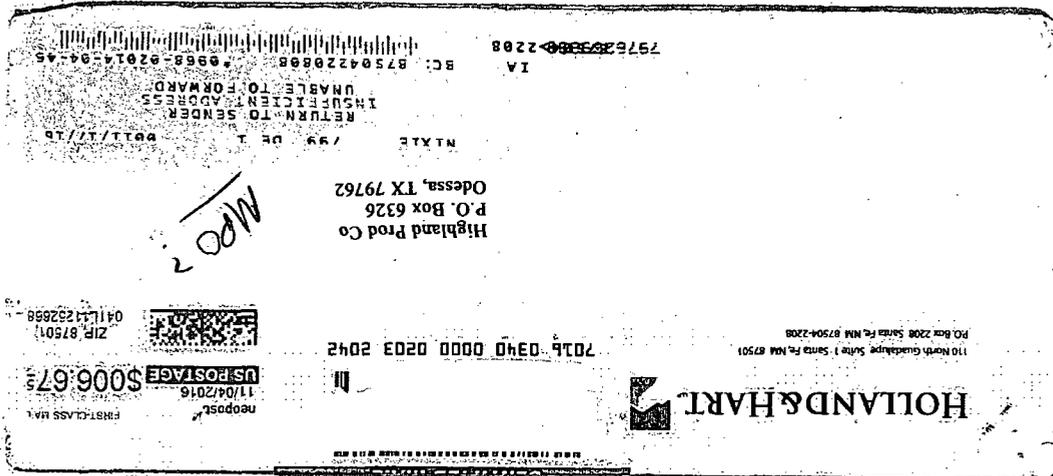
Jordan L. Kessler  
**ATTORNEY FOR CHEVRON U.S.A. INC.**

**Holland & Hart LLP**

Phone (505) 988-4421 Fax (505) 983-6043 [www.hollandhart.com](http://www.hollandhart.com)

110 North Guadalupe, Suite 1 Santa Fe, New Mexico 87501 Mailing Address P.O. Box 2208 Santa Fe, NM 87504-2208

Aspen Boulder Carson City Colorado Springs Denver Denver Tech Center Billings Boise Cheyenne Jackson Hole Las Vegas Reno Salt Lake City Santa Fe Washington D.C.



U.S. Postal Service  
CERTIFIED MAIL® RECEIPT  
Domestic Mail Only

For delivery information, visit our website at [www.usps.com](http://www.usps.com)

**TO: CHEVRON SD 24**

Certified Mail Fee: 345  
 Return Receipt (hardcopy): 280  
 Return Receipt (electronic):  
 Certified Mail Restricted Delivery:  
 Adult Signature Restricted:  
 Adult Signature Restricted Delivery:

Postage:

ConocoPhillips Co  
P.O. Box 7500  
Bartlesville, OK 74005-7500

PS Form 3800, April 2015 PSN 7530-02-000-3047 See Reverse for Instructions

U.S. Postal Service  
CERTIFIED MAIL® RECEIPT  
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For delivery information, visit our website at [www.usps.com](http://www.usps.com)

**TO: CHEVRON SD 24**

Certified Mail Fee: 345  
 Return Receipt (hardcopy): 280  
 Return Receipt (electronic):  
 Certified Mail Restricted Delivery:  
 Adult Signature Restricted:  
 Adult Signature Restricted Delivery:

Postage:

Highland Prod Co  
P.O. Box 6326  
Odessa, TX 79762

PS Form 3800, April 2015 PSN 7530-02-000-3047 See Reverse for Instructions

SENDER'S SECTION ON DELIVERY

■ Complete items 1, 2, and 3.  
 ■ Print your name and address on the reverse so that we can return the card to you.  
 ■ Attach this card to the back of the mailpiece, or on the front if space permits.

A. Signature  
 X  
 Agent  
 Addressee

B. Received by (Printed Name)  
 C. Date of Delivery

**ConocoPhillips**  
 NOV 08 2016  
 Mail Services  
 Bartlesville, OK

D. Is delivery address different from item 1?  Yes  
 If YES, enter delivery address below:  No

3. Service Type  
 Adult Signature  
 Adult Signature Restricted Delivery  
 Certified Mail  
 Certified Mail Restricted Delivery  
 Collect on Delivery  
 Collect on Delivery Restricted Delivery  
 Insured Mail  
 Insured Mail Restricted Delivery  
 Priority Mail Express®  
 Registered Mail™  
 Registered Mail Restricted Delivery  
 Return Receipt for Merchandise  
 Signature Confirmation™  
 Signature Confirmation Restricted Delivery

9590 9401 0129 5225 0123 67  
 7016 0340 0000 0203 2059

PS Form 3811, July 2015 PSN 7530-02-000-0063 Domestic Return Receipt

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**TO: CHEVRON SD 24**

Certified Mail Fee: 345  
 Return Receipt (hardcopy): 280  
 Return Receipt (electronic):  
 Certified Mail Restricted Delivery:  
 Adult Signature Restricted:  
 Adult Signature Restricted Delivery:

Postage:

Highland Prod Co  
P.O. Box 6326  
Odessa, TX 79762

PS Form 3800, April 2015 PSN 7530-02-000-3047 See Reverse for Instructions

U.S. Postal Service  
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OFF CHEYENNE SD 24

Certified Mail Fee 3.15

Postmark  
 JUL 24 2015  
 CHEYENNE SD

Postage  
 Bureau of Land Management  
 Carlsbad  
 620 E. Green Street  
 Carlsbad, NM 88220

PS Form 3800, April 2015 PSN 7530-02-000-9053. See Reverse for Instructions.

SENDER: COMPLETE THIS SECTION ON DELIVERY

1. Article Addressed to: Bureau of Land Management  
 Carlsbad  
 620 E. Green Street  
 Carlsbad, NM 88220

2. Service Type:  
 Adult Signature  
 Adult Signature Restricted Delivery  
 Certified Mail®  
 Certified Mail Restricted Delivery  
 Collect on Delivery  
 Delivery Restricted Delivery  
 Insured Restricted Delivery  
 Priority Mail Express®  
 Registered Mail™  
 Registered Mail Restricted Delivery  
 Return Receipt for Merchandise  
 Signature Confirmation™  
 Signature Confirmation Restricted Delivery

3. A. Signature  
 Agent  
 Addressee

B. Received by (Printed Name) *Anthony D. 11-2-15*

C. Date of Delivery 11-2-15

D. A delivery address different from item 1?  Yes  
 If YES, enter delivery address below  No

9590 79401 0129 5225 0123 36

7016 0340 0000 0203 0291

PS Form 3811, July 2015 PSN 7530-02-000-9053 Domestic Return Receipt

7016 0340 0000 0203 2073

**U.S. Postal Service**  
**CERTIFIED MAIL® RECEIPT**  
*Domestic Mail Only*

For delivery information, visit our website at [www.usps.com](http://www.usps.com)

**Chevron 8D 2H**

Certified Mail Fee	\$ 345
Extra Services & Fees (check box, add fee as appropriate)	\$ 280
<input checked="" type="checkbox"/> Return Receipt (hardcopy)	\$
<input type="checkbox"/> Return Receipt (electronic)	\$
<input type="checkbox"/> Certified Mail Restricted Delivery	\$
<input type="checkbox"/> Adult Signature Required	\$
<input type="checkbox"/> Adult Signature Restricted Delivery	\$
Postage	

Postmark Here

**BTA Oil Producers**  
 104 S Pecos Street  
 Midland, TX 79701

PS Form 3800, April 2015 PSN 7530-02-000-9047 See Reverse for Instructions



7016 0340 0000 0203 2066

**U.S. Postal Service**  
**CERTIFIED MAIL® RECEIPT**  
*Domestic Mail Only*

For delivery information, visit our website at [www.usps.com](http://www.usps.com)

**OFF Chevron 6D 2H**

Certified Mail Fee	\$ 345
Extra Services & Fees (check box, add fee as appropriate)	\$ 280
<input checked="" type="checkbox"/> Return Receipt (hardcopy)	\$
<input type="checkbox"/> Return Receipt (electronic)	\$
<input type="checkbox"/> Certified Mail Restricted Delivery	\$
<input type="checkbox"/> Adult Signature Required	\$
<input type="checkbox"/> Adult Signature Restricted Delivery	\$
Postage	

Postmark Here

**Acme Land Co**  
 P.O. Box 10280  
 Midland, TX 79702

PS Form 3800, April 2015 PSN 7530-02-000-9047 See Reverse for Instructions



**SENDER: COMPLETE THIS SECTION**

- Complete items 1, 2, and 3.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

**BTA Oil Producers**  
 104 S Pecos Street  
 Midland, TX 79701

2. Article Number (Transfer from service label)

**7016 0340 0000 0203 2073**

**COMPLETE THIS SECTION ON DELIVERY**

A. Signature  Agent  Addressee

B. Received by (Printed Name)  Agent  Addressee

C. Date of Delivery

D. Is delivery address different from item 1?  Yes  No  
 If YES, enter delivery address below:

3. Service Type

Adult Signature  Priority Mail Express®  
 Adult Signature Restricted Delivery  Registered Mail™  
 Certified Mail®  Registered Mail Restricted Delivery  
 Certified Mail Restricted Delivery  Return Receipt for Merchandise  
 Collect on Delivery  Signature Confirmation™  
 Collect on Delivery Restricted Delivery  Signature Confirmation Restricted Delivery  
 Mail Restricted Delivery

PS Form 3811, July 2015 PSN 7530-02-000-9053 Domestic Return Receipt

**SENDER: COMPLETE THIS SECTION**

- Complete items 1, 2, and 3.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

**Acme Land Co**  
 P.O. Box 10280  
 Midland, TX 79702

2. Article Number (Transfer from service label)

**7016 0340 0000 0203 2066**

**COMPLETE THIS SECTION ON DELIVERY**

A. Signature  Agent  Addressee

B. Received by (Printed Name)  Agent  Addressee

C. Date of Delivery

D. Is delivery address different from item 1?  Yes  No  
 If YES, enter delivery address below:

3. Service Type

Adult Signature  Priority Mail Express®  
 Adult Signature Restricted Delivery  Registered Mail™  
 Certified Mail®  Registered Mail Restricted Delivery  
 Certified Mail Restricted Delivery  Return Receipt for Merchandise  
 Collect on Delivery  Signature Confirmation™  
 Collect on Delivery Restricted Delivery  Signature Confirmation Restricted Delivery  
 Mail Restricted Delivery

PS Form 3811, July 2015 PSN 7530-02-000-9053 Domestic Return Receipt

# Affidavit of Publication

STATE OF NEW MEXICO  
COUNTY OF LEA

I, Daniel Russell, Publisher of the Hobbs News-Sun, a newspaper published at Hobbs, New Mexico, solemnly swear that the clipping attached hereto was published in the regular and entire issue of said newspaper, and not a supplement thereof for a period of 1 issue(s).

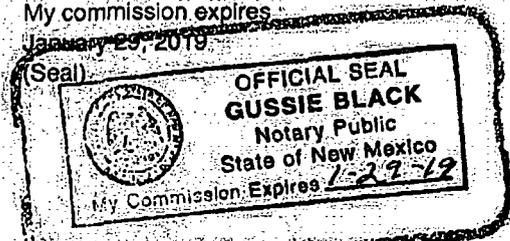
Beginning with the issue dated  
November 26, 2016  
and ending with the issue dated  
November 26, 2016.

  
\_\_\_\_\_  
Publisher

Sworn and subscribed to before me this  
26th day of November 2016.

  
\_\_\_\_\_  
Business Manager

My commission expires  
January 29, 2019



This newspaper is duly qualified to publish legal notices or advertisements within the meaning of Section 3, Chapter 167, Laws of 1937 and payment of fees for said

## LEGAL NOTICE

November 26, 2016

To: Highland Prod Co. and any unknown person who has a mineral interest in the E/2 W/2 of Section 14 and the E/2 W/2 of Section 23, Township 26 South, Range 32 East, NMPM, Lea County, New Mexico.

Application of Chevron USA Inc. for administrative approval of an unorthodox well location for the SD WE23 Fed P25 No. 2H Well to be completed within the Jennings Upper Bone Spring Shale Pool (Pool Code 97838) underlying the E/2 W/2 of Section 14 and the E/2 W/2 of Section 23, Township 26 South, Range 32 East, NMPM, Lea County, New Mexico. The completed interval for the SD WE23 Fed P25 No. 2H Well encroaches on the spacing units to the East, Northeast, and Southeast. Any objection to this application must be filed in writing within twenty days from date of publication 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 Shalyca Holmes (719) 372-9061 or SLHolmes@chevron.com. #31374

67100754

00184932

ADAM RANKIN  
HOLLAND & HART LLC  
PO BOX 2208  
SANTA FE, NM 87504-2208