



STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION

2040 S. PACHECO
SANTA FE, NEW MEXICO 87505
(505) 827-7131

April 30, 1996

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

Administrative Order DD-140(SD)

Dear Ms. LeVan:

Reference is made to your application dated March 7, 1996 for authorization to directionally drill its proposed Federal "33" Gas Com Well No. 2, Eddy County, New Mexico.

The Division Director Finds That:

- (1) The subject application submitted by Chevron U.S.A. Inc. as operator has been duly filed under the provisions of Rule 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 Federal "33" Gas Com Well No. 2 at a standard surface gas well location 1959 from the North line and 1802 feet from the East line (Unit G) of Section 33, Township 21 South, Range 23 East, NMPM, Eddy County, New Mexico, kickoff from vertical in a northerly 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 33;
- (3) This well is to be included within an existing 640-acre standard gas spacing and proration unit comprising all of said Section 33, which is currently dedicated to the Federal "33" Gas Com Well No. 1 (API No. 30-015-10580), located at a standard gas well location 1650 feet from the South and East lines (Unit J) of said Section 33;
- (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 33 that is no closer than 1650 feet to either the North or East lines of said Section 33 nor closer than 330 feet to either internal quarter-quarter section lines to the south and west; 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 Federal "33" Gas Com Well No. 2 at a standard surface gas well location 1959 feet from the North line and 1802 feet from the East line (Unit G) of Section 33, Township 21 South, Range 23 East, NMPM, Eddy County, New Mexico and directional drill in a northerly 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 33 that is no closer than 1650 feet to either the North or East lines of said Section 33 nor closer than 330 feet to either internal quarter-quarter section lines to the south and west.

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 Federal "33" Gas Com Well No. 1 (API No. 30-015-10580), located at a standard gas well location 1650 feet from the South and East lines (Unit J) of said Section 33, and Federal "33" Gas Com Well No. 2, as described above, shall be attributed to the existing 640-acre standard gas spacing and proration unit ("GPU") comprising all of said Section 33.

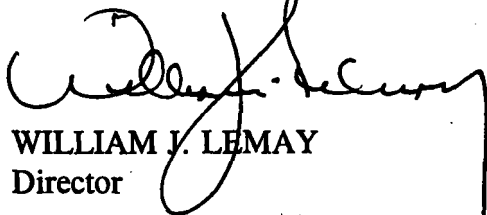
(4) The operator shall comply with all requirements and conditions set forth in Division General Rule 111.E(2) and any applicable requirements in 111.D and F.

(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

DD-Chev

Rec: 3/18/96

Susp: 4/8/96

Released 4/29/96

April 28, 1996

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

Attention: Michelle LeVan

140
Administrative Order DD-**(SD)**

Dear Ms. LeVan:

Reference is made to your application dated March 7, 1996 for authorization to directionally drill its proposed Federal "33" Gas Com Well No. 2, Eddy County, New Mexico.

The Division Director Finds That:

- (1) The subject application submitted by Chevron U.S.A. Inc. as operator has been duly filed under the provisions of Rule 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 Federal "33" Gas Com Well No. 2 at a standard surface gas well location 1959 from the North line and 1802 feet from the East line (Unit G) of Section 33, Township 21 South, Range 23 East, NMPM, Eddy County, New Mexico, kickoff from vertical in a northerly 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 33;
- (3) This well is to be included within an existing 640-acre standard gas spacing and proration unit comprising all of said Section 33, which is currently dedicated to the Federal "33" Gas Com Well No. 1 (API No. 30-015-10580), located at a standard gas well location 1650 feet from the South and East lines (Unit J) of said Section 33;
- (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 33 that is no closer than 1650 feet to either the North or East lines of said Section 33 nor closer than 330 feet to either internal quarter-quarter section lines to the south and west; 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 Federal "33" Gas Com Well No. 2 at a standard surface gas well location 1959 feet from the North line and 1802 feet from the East line (Unit G) of Section 33, Township 21 South, Range 23 East, NMPM, Eddy County, New Mexico and directional drill in a northerly 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 33 that is no closer than 1650 feet to either the North or East lines of said Section 33 nor closer than 330 feet to either internal quarter-quarter section lines to the south and west.

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.

Administrative Order DD-131-A

Marathon Oil Company

April 28, 1996

Page No. 3

(3) Indian Basin-Upper Pennsylvanian gas production from both the existing Federal "33" Gas Com Well No. 1 (API No. 30-015-10580), located at a standard gas well location 1650 feet from the South and East lines (Unit J) of said Section 33, and Federal "33" Gas Com Well No. 2, as described above, shall be attributed to the existing 640-acre standard gas spacing and proration unit ("GPU") comprising all of said Section 33.

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(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.

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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

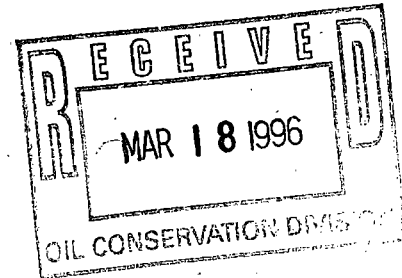


Chevron

March 7, 1996

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

**Administrative Application For
Simultaneous Dedication
Indian Basin
Upper Penn Gas Pool
Federal 33 Gas Com #2
1959' FNL and 1802' FEL
Section 33, T-21-S, R-23-E
Eddy County, New Mexico**



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:

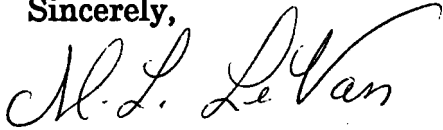
Chevron U.S.A. proposes to directionally drill the Federal 33 Gas Com #2 from a non-standard surface location of 1959' FNL & 1802' FEL, to a standard bottom hole location of 1650' FNL & 1650' FEL, in Section 33, T21S, R23E. Administrative approval of this directional drill from a non-standard location to a standard location is requested.

The non-standard location is part of a 640-acre proration unit which comprises Section 33. Currently, only the Federal 33 Gas Com #1 is dedicated to this proration unit. We respectfully request that the Federal 33 Gas Com #2 be simultaneously dedicated to this same proration unit with the Federal 33 Gas Com #1.

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,

A handwritten signature in cursive script that reads "M. L. LeVan". The signature is written in dark ink and is positioned to the right of the word "Sincerely,".

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

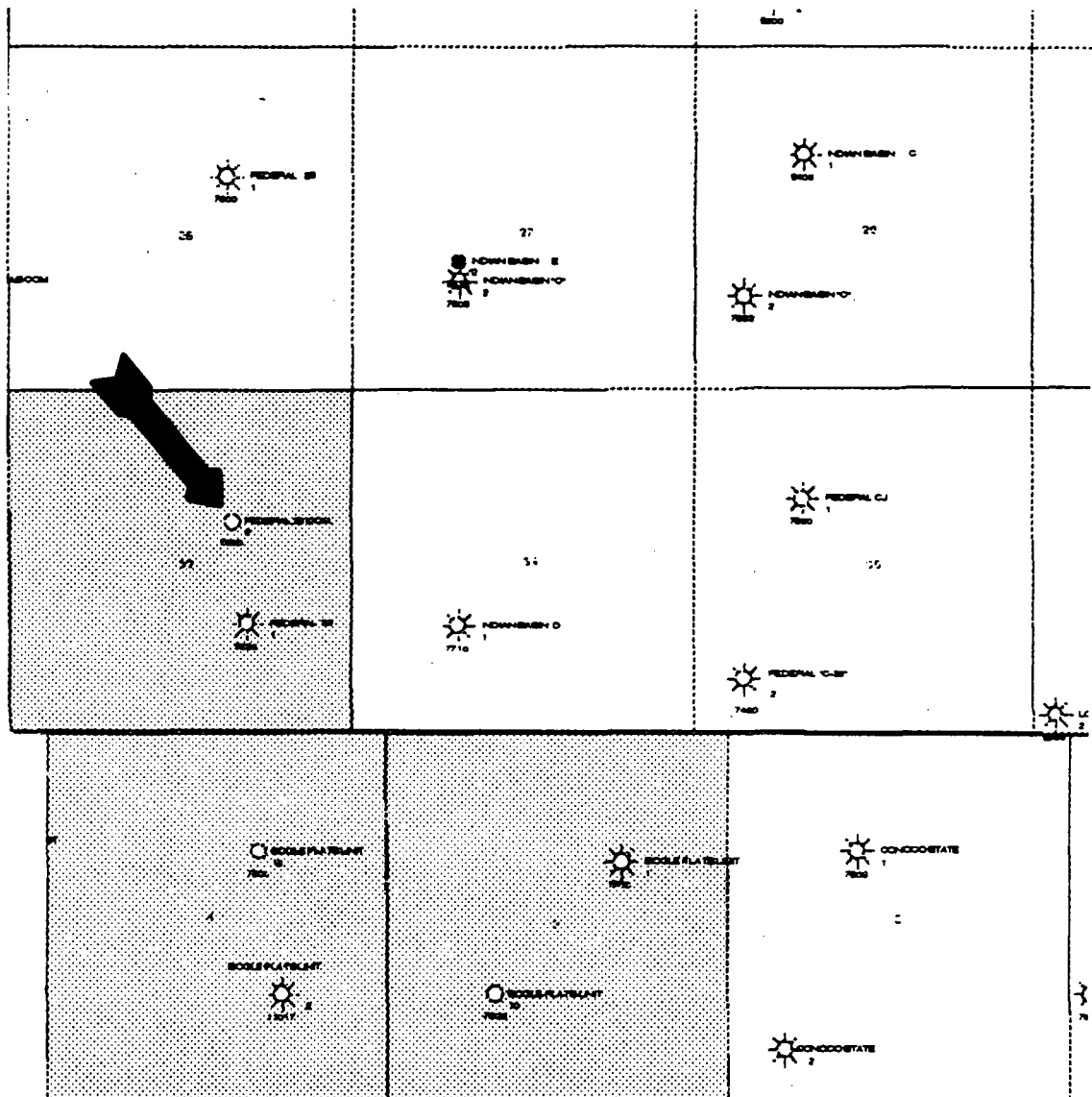
Attachments

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

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CHEVRON U.S.A. INC.
Federal 33 Gas Com
Well No. 2

**Administrative Application for
Simultaneous Dedication
Indian Basin
Upper Penn Gas Pool
1959' FNL and 1802' FEL
Section 33, T21S, R23E
Eddy County, New Mexico**



District I
PO Box 1988, Hobbs, NM 88241-1988
District II
PO Drawer DD, Artesia, NM 88211-0719
District III
1008 Rio Bravo Rd., Aztec, NM 87410
District IV
PO Box 2088, Santa Fe, NM 87504-2088

State of New Mexico
Energy, Minerals & Natural Resources Department

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

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

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number	Pool Code 79040	Pool Name Upper Penn Gas Pool
Property Code 2620	Property Name Federal 33 Gas Com	Well Number 2
OGRID No. 4323	Operator Name Chevron U.S.A. Inc.	Elevation

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
G	33	21S	23E		1959'	N	1802'	E	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
G	33	21S	23E		1650'	N	1650'	E	Eddy

12 Ducts	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

	<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>Signature: <u>Tanya Kerley</u></p> <p>Printed Name: <u>Tanya Kerley</u></p> <p>Title: <u>Office Assistant</u></p> <p>Date: <u>3-11-96</u></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: _____</p> <p>Signature and Seal of Professional Surveyor: _____</p> <p>Certificate Number: _____</p>

New Mexico Oil Conservation Division
C-102 Instructions

IF THIS IS AN AMENDED REPORT, CHECK THE BOX LABELED "AMENDED REPORT" AT THE TOP OF THIS DOCUMENT.

Surveyors shall use the latest United States government survey or dependent resurvey. Well locations will be in reference to the New Mexico Principal Meridian. If the land is not surveyed contact the appropriate OCD district office. Independent subdivision surveys will not be acceptable.

1. The OCD assigned API number for this well
2. The pool code for this (proposed) completion
3. The pool name for this (proposed) completion
4. The property code for this (proposed) completion
5. The property name (well name) for this (proposed) completion
6. The well number for this (proposed) completion
7. The operator's OGRID number
8. The operator's name
9. The ground level elevation of this well
10. The surveyed surface location of this well measured from the section lines. NOTE: If the United States government survey designates a Lot Number for this location use that number in the "LL or lot no." box. Otherwise use the OCD unit letter.
11. Proposed bottom hole location. If this is a horizontal hole indicate the location of the end of the hole.
12. The calculated acreage dedicated to this completion to the nearest hundredth of an acre
13. Put a Y if more than one completion will be sharing this same acreage or N if this is the only completion on this acreage
14. If more than one lease of different ownership has been dedicated to the well show the consolidation code from the following table:

C	Communitization
U	Unitization
F	Forced pooling
O	Other
P	Consolidation pending

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!

15. Write in the OCD order(s) approving a non-standard location, non-standard spacing, or directional or horizontal drilling

16. This grid represents a standard section. You may superimpose a non-standard section over this grid. Outline the dedicated acreage and the separate leases within that dedicated acreage. Show the well surface location and bottom hole location, if it is directionally drilled, with the dimensions from the section lines in the cardinal directions. (Note: A legal location is determined from the perpendicular distance to the edge of the tract.) If this is a high angle or horizontal hole show that portion of the well bore that is open within this pool.

Show all lots, lot numbers, and their respective acreage.

If more than one lease has been dedicated to this completion, outline each one and identify the ownership as to both working interest and royalty.

17. The signature, printed name, and title of the person authorized to make this report, and the date this document was signed.
18. The registered surveyors certification. This section does not have to be completed if this form has been previously accepted by the OCD and is being filed for a change of pool or dedicated acreage.

District I
PO Box 1988, Hobbs, NM 88241-1988
District II
PO Drawer DD, Artesia, NM 88211-8719
District III
1009 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

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

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

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number	Pool Code 79040	Pool Name Upper Penn Gas Pool
Property Code 2620	Property Name Federal 33 Gas Com	Well Number 1
OGRID No. 4323	Operator Name Chevron U.S.A. Inc.	Elevation

10 Surface Location

UL or lot no. J	Section 33	Township 21S	Range 23E	Lot Ids	Feet from the 1650'	North/South line S	Feet from the 1650'	East/West line E	County Eddy
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11 Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Ids	Feet from the	North/South line	Feet from the	East/West line	County
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12 Ductile Iron 640	13 Acres	14 Joint or Infill	15 Consolidation Code	16 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

	17 OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief. Signature <u>Tanya Kerley</u> Printed Name <u>Tanya Kerley</u> Title <u>Office Assistant</u> Date <u>3-11-96</u>
	18 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 Signature and Seal of Professional Surveyor: Certificate Number

New Mexico Oil Conservation Division
C-102 Instructions

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1. The OCD assigned API number for this well
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3. The pool name for this (proposed) completion
4. The property code for this (proposed) completion
5. The property name (well name) for this (proposed) completion
6. The well number for this (proposed) completion
7. The operator's OGRID number
8. The operator's name
9. The ground level elevation of this well
10. The surveyed surface location of this well measured from the section lines NOTE: If the United States government survey designates a Lot Number for this location use that number in the 'UL or lot no.' box. Otherwise use the OCD unit letter.
11. Proposed bottom hole location. If this is a horizontal hole indicate the location of the end of the hole.
12. The calculated acreage dedicated to this completion to the nearest hundredth of an acre
13. Put a Y if more than one completion will be sharing this same acreage or N if this is the only completion on this acreage
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CHEVRON U.S.A. INC.
Federal 33 Gas Com
Well No. 2

Administrative Application for
Simultaneous Dedication
Indian Basin
Upper Penn Gas Pool
1959' FNL and 1802' FEL
Section 33, T21S, R23E
Eddy County, New Mexico

OFFSET OPERATORS

Marathon
Box 552
Midland, Texas 79702

Texaco E&P Inc.
205 E. Bender
Hobbs, New Mexico 88240

P&P Producing
Box 3178
Midland, Texas 79701

M.W. Petroleum
2000 Post Oak Blvd, Ste. 100
Houston, Texas 77056



Chevron

March 7, 1996

Simultaneous Dedication
Indian Basin
Federal 33 Gas Com
Upper Penn Gas Pool
Eddy County, New Mexico

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

Texaco E&P Inc.
205 E. Bender
Hobbs, New Mexico 88240

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. proposes to directionally drill the Federal 33 Gas Com #2 from a non-standard surface location of 1959' FNL & 1802' FEL, to a standard bottom hole location of 1650' FNL & 1650' FEL, in Section 33, T21S, R23E. We have requested that the NMOCD approve the simultaneous dedication of this well with the Federal 33 Gas Com #1, which currently produces on a standard 640 acre proration unit. This proration unit comprises the entirety of Section 33.

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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March 7, 1996

Simultaneous Dedication
Indian Basin
Federal 33 Gas Com
Upper Penn Gas Pool
Eddy County, New Mexico

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

Marathon
Box 552
Midland, Texas 79702

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Sincerely,

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

Attachments

cc: Well File

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Chevron

March 7, 1996

Simultaneous Dedication
Indian Basin
Federal 33 Gas Com
Upper Penn Gas Pool
Eddy County, New Mexico

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

P&P Producing
Box 3178
Midland, Texas 79701

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

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March 7, 1996

Simultaneous Dedication
Indian Basin
Federal 33 Gas Com
Upper Penn Gas Pool
Eddy County, New Mexico

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

M.W. Petroleum
2000 Post Oak Blvd, Ste. 100
Houston, Texas 77056

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Sincerely,

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

Attachments

cc: Well File

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