



NEW MEXICO ENERGY, MINERALS  
& NATURAL RESOURCES DEPARTMENT

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

September 24, 1997

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

*Reinstatement of Division Administrative Order DD-189(H:w/NSDW)(SD), dated July 16, 1997.*

Dear Mr. Wright:

Reference is made to your petition dated September 12, 1997 to reinstate Division Administrative Order DD-189(H:w/NSDW)(SD) dated July 16, 1997, which order authorized Chevron to initiate a high angle/horizontal directionally drilling project within the East Herradura Bend-Delaware Pool underlying the 80 acres comprising the S/2 NW/4 of Section 1, Township 23 South, Range 28 East, NMPM, Eddy County, New Mexico.

Subsequent to my review of the records in this matter: (i) said Administrative Order DD-189(H:w/NSDW)(SD), dated July 16, 1997 shall be reinstated to its initial extent and is to remain in full force and affect until further notice; (ii) AMENDED Administrative Order DD-189(H:w/NSDW)(SD), issued by the Division on August 17, 1997 is hereby placed in abeyance until further notice; and, (iii) Chevron's request to form a 160-acre "project area" for said high angle/horizontal directionally drilling project to comprise the S/2 NW/4 and the N/2 SW/4 of said Section 1 is deemed unnecessary and is hereby denied.

Jurisdiction of this matter shall be further retained for the entry of any such subsequent orders as the Division may deem necessary.

Sincerely,



WILLIAM J. LEMAY  
Director

WJL/MES/kv

cc: Oil Conservation Division - Artesia  
U. S. Bureau of Land Management - Carlsbad  
File: DD-189(H:w/NSDW)(SD)

DD. 189, RST

September 24, 1997

Rec: 9-15-97

Susp: NA

Released: 9-24-97

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

Attention: Craig A. Wright

***Reinstatement of Division Administrative Order  
DD-189(H:w/NSDW)(SD), dated July 16, 1997.***

Dear Mr. Wright:

Reference is made to your petition dated September 12, 1997 to reinstate Division Administrative Order DD-189(H:w/NSDW)(SD) dated July 16, 1997, which order authorized Chevron to initiate a high angle/horizontal directionally drilling project within the East Herradura Bend-Delaware Pool underlying the 80 acres comprising the S/2 NW/4 of Section 1, Township 23 South, Range 28 East, NMPM, Eddy County, New Mexico.

Subsequent to my review of the records in this matter: (i) said Administrative Order DD-189(H:w/NSDW)(SD), dated July 16, 1997 shall be reinstated to its initial extent and is to remain in full force and affect until further notice; (ii) AMENDED Administrative Order DD-189(H:w/NSDW)(SD), issued by the Division on August 17, 1997 is hereby placed in abeyance until further notice; and, (iii) Chevron's request to form a 160-acre "project area" for said high angle/horizontal directionally drilling project to comprise the S/2 NW/4 and the N/2 SW/4 of said Section 1 is deemed unnecessary and is hereby denied.

Jurisdiction of this matter shall be further retained for the entry of any such subsequent orders as the Division may deem necessary.

Sincerely,

WILLIAM J. LEMAY  
Director

WJL/MES/kv

cc: Oil Conservation Division - Artesia  
U. S. Bureau of Land Management - Carlsbad  
File: DD-189(H:w/NSDW)(SD)

AMEND DD 10/6/97



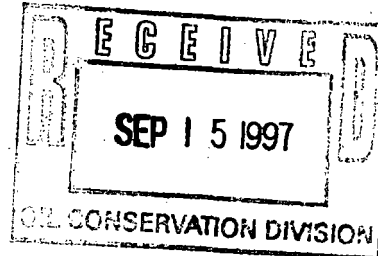
**Chevron**

September 12, 1997

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

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

Attn: Mr. William J. LeMay – Director



Gentlemen:

On August 25, 1997, per a phone conversation with Michael Stogner, notification was made to the Division by Chevron that the Lentini '1' Federal #16 was drilling outside the "producing area" as specified in Administrative Order DD-189 (Amended). It was also at this time, that Chevron asked for permission to move the well's target BHL from 2575' FNL & 1056' FWL to 2191' FNL & 1725' FWL.

Based upon Chevron's information/request, Mr. Stogner advised Chevron to file an amendment to increase the "producing area" to an over-sized spacing unit comprising 160 acres (four standard 40-acre tracts) underlying the S/2 NW/4 and N/2 SW/4 of Section 1, and simultaneously dedicate Lentini '1' Federal #16 to the said 160 acres.

Chevron respectfully requests your approval of the attached administrative application for an over-sized oil spacing unit and simultaneous dedication of Lentini '1' Federal #16.

If you have any questions or require further information concerning this amendment, please contact Craig Wright at (915)687-7284.

Sincerely,

C.A. Wright  
Petroleum Engineer

Attachments: Administrative Application (Amended #2)  
Administrative Order DD-189 (Amended)  
Administrative Order DD-189

cc: NMOCD - Artesia, NM  
J.K. Ripley  
Central Files - Lease & Well Files

September 12, 1997



**Chevron**

**Amended #2  
Administrative Application For Unorthodox  
Oil Spacing & Proration Unit and  
Simultaneous Dedication  
East Herradura Bend Field  
Lentini '1' Federal #16  
2575' FNL & 435' FWL (Surface)  
2191' FNL & 1725' FWL (Est. Bottom)  
Section 1, T-23-S, R-28-E  
Eddy County, New Mexico**

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

State of New Mexico  
Energy, Minerals & Natural Resources Dept.  
Oil Conservation Division  
2040 South Pacheco  
Santa Fe, New Mexico 87504

Attn: Mr. William J. LeMay - Director

Gentlemen:

Chevron U.S.A. Inc. respectfully requests your approval of this administrative application for the subject Unorthodox Oil Spacing & Proration Unit and Simultaneous Dedication.

Chevron planned to drill and complete the Lentini '1' Federal #16 such that the cased & open hole intervals lie within the 40-acre oil spacing and proration unit comprising the SW/ NW/4 of Section 1 as specified in Administrative Order DD-189 (Amended). Unfortunately, while drilling the hole to set the 5-1/2" casing to the top of the pay zone, Chevron drilled outside the approved 40-acre "producing area"; consequently, Chevron must now file an amendment to increase the "producing area" such that all of the open hole interval is contained within the enlarged "producing area".

Additionally, it is Chevron's desire to move the well's target BHL of 2575' FNL & 1056' FWL as specified in Administrative Order DD-189 (Amended) to a new target BHL of 2191' FNL & 1725' FWL. This will allow Chevron to contact significantly more reservoir with the open hole interval, thus increasing the potential productivity of the well.

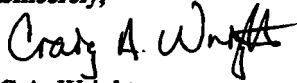
Chevron requests your approval to increase the "producing area" to an over-sized oil spacing unit comprising 160 acres (four standard 40-acre tracts) underlying the S/2 NW/4 and N2 SW/4 of Section 1. Granting of the 160 acre spacing unit will ensure that the entire open hole interval will be contained within the "producing area", and allow the BHL to remain atleast 330 feet from the north, south, east, and west boundaries.

Lentini '1' Federal #16 will need to be simultaneously dedicated with four existing producers located on the proposed 160 acre proration unit (Lentini #3, API 30-015-27535; Lentini #5, API 30-015-27565, Lentini 9, API 30-015-27569, and Lentini 10, API 30-015-27570). Wells #3, #5, #9, & #10 are marginal oil wells producing significantly below the allowable. If allowed to simultaneously dedicate production from Well #16, Chevron could economically capture incremental reserves which otherwise would not be produced from the said 160 acres.

In order to prevent waste, Chevron respectfully requests your approval of this administrative application for an unorthodox oil spacing & proration unit and simultaneous dedication. Attached are Form C-102 plats illustrating the well locations and proposed proration unit acreage.

If you have any questions or require further information concerning this application, contact Craig Wright at (915)687-7284.

Sincerely,



C.A. Wright  
Petroleum Engineer

Attachments: Form C-102 Plat - Lentini '1' Federal #3  
Form C-102 Plat - Lentini '1' Federal #5  
Form C-102 Plat - Lentini '1' Federal #9  
Form C-102 Plat - Lentini '1' Federal #10  
Form C-102 Plat - Lentini '1' Federal #16

cc: NMOCD - Artesia, NM  
J.K. Ripley  
Central Files - Lease & Well Files



STATE OF NEW MEXICO  
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

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

August 17, 1997

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

**AMENDED**  
*Administrative Order DD-189(H:w/NSDW)(SD)*  
High Angle/Horizontal

Dear Mr. Wright:

Reference is made to your letter dated May 27, 1997 amending Chevron U.S.A. Inc.'s original application dated April 9, 1997 for authorization to initiate a high angle/horizontal directionally drilling project within the East Herradura Bend-Delaware Pool underlying the 80 acres comprising the S/2 NW/4 of Section 1, Township 23 South, Range 28 East, NMPM, Eddy County, New Mexico, in which the Division issued Administrative Order DD-189(H:w/NSDW)(SD), dated July 16, 1997. This letter was recently found attached to a file in an unrelated matter.

**The Division Director Finds That:**

- (1) Division Administrative Order DD-189(H:w/NSDW)(SD), dated July 16, 1997, should be amended at this time to incorporate Chevron's requested changes to its original application of April 9, 1997;
- (2) The application, as amended, has been duly filed under the provisions of:
  - (a) 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 11274 on June 13, 1995; and,
  - (b) Rule 104.F of said Division general rules;
- (3) That portion of the East Herradura Bend-Delaware Pool in Township 23 South, Range 28 East, NMPM, Eddy County, New Mexico currently encompasses all of Section 1, the N/2 equivalent and the SE/4 of Section 2, the NE/4 equivalent of Section 3, and the NE/4 of Section 12;
- (4) Said pool is subject to the statewide rules and regulations, as promulgated by Rule 104.C(1)(a), which provides for 40-acre oil spacing and proration units, or drilling units,

and requires that wells be located no closer than 330 feet to the outer boundary of a single 40-acre oil spacing and proration unit;

- (5) The "project area" proposed by Chevron would consist of a standard 40-acre oil spacing and proration unit comprising the SW/4 NW/4 (Unit E) of said Section 1;
- (6) Division records and the application as amended indicate that the Lentini "1" Federal lease (Federal lease No. NM-91708 and/or NM-18038) comprises an area that includes all of said Section 1 and is operated by Chevron; therefore, there are no affected offsetting operators other than Chevron to the south of the proposed project area;
- (7) Chevron is currently developing the East Herradura Bend-Delaware Pool within the subject 40-acre project area with its Lentini "1" Federal Well No. 3 (API No. 30-015-27535), located at a standard oil well location 1825 feet from the North line and 900 feet from the West line;
- (8) It is Chevron's intent to drill the proposed Lentini "1" Federal Well No. 16 (API No. 30-015-29614) at an unorthodox surface oil well location 2575 feet from the North line and 435 feet from the West line (Unit E) of said Section 1, drill vertically to an approximate depth of 5500 feet, kick-off due east, build angle at a rate of 16.84 degrees per 100 feet until an inclination of 80 degrees is obtained, and continue drilling while holding this angle a distance of approximately 350 feet through the Delaware formation;
- (9) The applicable drilling window or "producing area" for said wellbore as requested by Chevron should include that area within the subject 40-acre standard oil spacing and proration unit comprising the SW/ NW/4 of said Section 1 that is:
  - (a) no closer than 330 feet to the north and west boundaries of said quarter-quarter section;
  - (b) no closer than 264 feet to the eastern boundary of said quarter-quarter section; and,
  - (c) is no further than 2575 feet from the North line of said Section 1;
- (10) It appearing the applicant has satisfied all of the appropriate requirements prescribed in said Rule 111.D and E and 104.F(2), 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; and,
- (11) The original Division Administrative Order DD-189(H:w/NSDW)(SD), dated July 16, 1997, is to be superseded by this order.

IT IS THEREFORE ORDERED THAT:

(1) Chevron U.S.A. Inc. ("Chevron") is hereby authorized to initiate a high angle/horizontal directional drilling project within a standard 40-acre oil spacing and proration unit comprising the SW/4 NW/4 (Unit E) of Section 1, Township 23 South, Range 28 East, NMPM, East Herradura Bend-Delaware Pool, Eddy County, New Mexico, by drilling its Lentini "1" Federal Well No. 16 (API No. 30-015-29614) at an unorthodox surface oil well location 2575 feet from the North line and 435 feet from the West line (Unit E) of said Section 1, drill vertically to an approximate depth of 5500 feet, kick-off due east, build angle at a rate of 16.84 degrees per 100 feet until an inclination of 80 degrees is obtained, and continue drilling while holding this angle a distance of approximately 350 feet through the Delaware formation.

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 said 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) The "project area" for said horizontal well shall consist of a standard 40-acre oil spacing and proration unit comprising the 40 acres underlying the SW/4 NW/4 of said Section 1, whereby East Herradura Bend-Delaware oil production from the subject well and Chevron's Lentini "1" Federal Well No. 3 (API No. 30-015-27535), located at a standard oil well location 1825 feet from the North line and 900 feet from the West line (Unit E), is to be simultaneously dedicated.

(4) The applicable drilling window or "producing area" for said wellbore shall include that area within the subject 40-acre standard oil spacing and proration unit comprising the SW/4 NW/4 of said Section 1 that is:

- (a) no closer than 330 feet to the north and west boundaries of said quarter-quarter section;
- (b) no closer than 264 feet from the eastern boundary of said quarter-quarter section; and,
- (c) is no further than 2575 feet from the North line of said Section 1.



(5) 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.

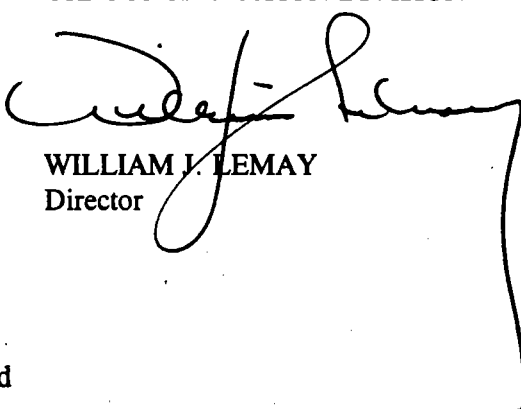
(6) Form C-105 shall be filed in accordance with Division Rule 1105 and the operator shall indicate thereon true vertical depth (TVD) in addition to measured vertical depth (MVD).

(7) The original Division Administrative Order DD-189(H:w/NSDW)(SD), dated July 16, 1997, is hereby superseded by this order.

(8) 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

SEAL

cc: Oil Conservation Division - Artesia  
U. S. Bureau of Land Management - Carlsbad  
File: DD-189(H:w/NSDW)(SD)



STATE OF NEW MEXICO  
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION

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

July 16, 1997

**Chevron U.S.A. Inc.**  
**P. O. Box 1150**  
**Midland, Texas 79702**  
**Attention: Craig A. Wright**

*Administrative Order DD-189(H:w/NSDW)(SD)*  
**High Angle/Horizontal**

Dear Mr. Wright:

Reference is made to Chevron U.S.A. Inc.'s ("Chevron") application dated April 9, 1997 for authorization to initiate a high angle/horizontal directional drilling project within the East Herradura Bend-Delaware Pool underlying the 80 acres comprising the S/2 NW/4 of Section 1, Township 23 South, Range 28 East, NMPM, Eddy County, New Mexico.

**The Division Director Finds That:**

- (1) The application has been duly filed under the provisions of:
  - (a) 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; and,
  - (b) Rule 104.F of said Division general rules, revised by Division Order No. R-10533, issued by the Oil Conservation Commission in Case 11,351 on January 18, 1996;
- (2) That portion of the East Herradura Bend-Delaware Pool in Township 23 South, Range 28 East, NMPM, Eddy County, New Mexico currently encompasses all of Section 1, the N/2 equivalent and the SE/4 of Section 2, the NE/4 equivalent of Section 3, and the NE/4 of Section 12;

- (3) Said pool is subject to the statewide rules and regulations, as promulgated by Rule 104.C(1)(a), which provides for 40-acre oil spacing and proration units, or drilling units, and requires that wells be located no closer than 330 feet to the outer boundary of a single 40-acre oil spacing and proration unit;
- (4) The "project area" proposed by Chevron would consist of an over-sized spacing unit comprising 80 acres (two standard 40-acre tracts) underlying the S/2 NW/4 of said Section 1;
- (5) Division records and the application submitted seem to indicate that the Lentini "1" Federal lease (Federal lease No. NM-91708 and/or NM-18038) comprises an area that includes all of said Section 1 and is operated by Chevron; therefore, there are no affected offsetting operators other than Chevron to the south of the proposed project area;
- (6) Chevron is currently developing the East Herradura Bend-Delaware Pool within the subject 80-acre project area in the following manner:
  - (a) the SW/4 NW/4 (Unit E) of said Section 1, being a standard 40-acre oil spacing and proration unit, is dedicated to its Lentini "1" Federal Well No. 3 (API No. 30-015-27535), located at a standard oil well location 1825 feet from the North line and 900 feet from the West line; and,
  - (b) the SE/4 NW/4 (Unit F) of said Section 1, being a standard 40-acre oil spacing and proration unit, is dedicated to its Lentini "1" Federal Well No. 5 (API No. 30-015-27565), located at a standard oil well location 1650 feet from the North line and 1725 feet from the West line;
- (7) It is Chevron's intent to drill its proposed Lentini "1" Federal Well No. 16 (API No. 30-015-29614) at an unorthodox surface oil well location 2475 feet from the North line and 1050 feet from the West line (Unit E) of said Section 1, drill vertically to an approximate depth of 5500 feet, kick-off due east, build angle at a rate of 16.84 degrees per 100 feet until an inclination of 80 degrees is obtained, and continue drilling while holding this angle a distance of approximately 350 feet through the Delaware formation;

- (8) The applicable drilling window or "producing area" for said wellbore as requested by Chevron should include that area within the subject 80-acre non-standard oil spacing and proration unit comprising the S/2 NW/4 of said Section 1 that is no closer than 330 feet to the north, east, and west boundaries and as close as is practically possible in this instance to a parallel line that is 165 feet from the southern boundary of said project area ; and,
- (9) It appearing the applicant has satisfied all of the appropriate requirements prescribed in said Rule 111.D and E and 104.F(2), 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) Chevron U.S.A. Inc. ("Chevron") is hereby authorized to initiate a high angle/horizontal directional drilling project within a non-standard 80-acre oil spacing and proration unit comprising the S/2 NW/4 of Section 1, Township 23 South, Range 28 East, NMPM, East Herradura Bend-Delaware Pool, Eddy County, New Mexico, by drilling its Lentini "1" Federal Well No. 16 (API No. 30-015-29614) at an unorthodox surface oil well location 2475 feet from the North line and 1050 feet from the West line (Unit E) of said Section 1, drill vertically to an approximate depth of 5500 feet, kick-off due east, build angle at a rate of 16.84 degrees per 100 feet until an inclination of 80 degrees is obtained, and continue drilling while holding this angle a distance of approximately 350 feet through the Delaware formation.

**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 said 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) The "project area" for said horizontal well shall consist of an over-sized spacing unit comprising 80 acres (two standard 40-acre tracts) underlying the S/2 NW/4 of said Section

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1, whereby East Herradura Bend-Delaware oil production from the subject well and Chevron's Lentini "1" Federal Well No. 3 (API No. 30-015-27535), located at a standard oil well location 1825 feet from the North line and 900 feet from the West line (Unit E) and Lentini "1" Federal Well No. 5 (API No. 30-015-27565), located at a standard oil well location 1650 feet from the North line and 1725 feet from the West line (Unit F), is to be simultaneously dedicated.

(4) The applicable drilling window or "producing area" for said wellbore shall include that area within the subject 80-acre non-standard oil spacing and proration unit comprising the S/2 NW/4 of said Section 1 that is no closer than 330 feet to the north, east, and west boundaries and as close as is practically possible in this instance to a parallel line that is 165 feet from the southern boundary of said project area.

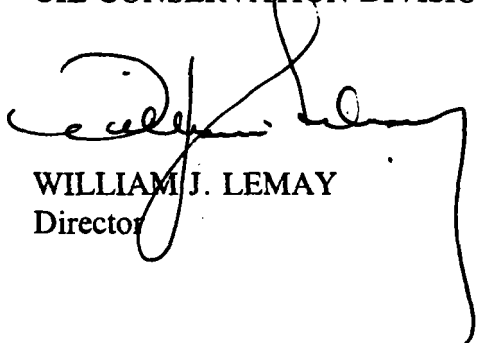
(5) The operator shall comply with all requirements and conditions set forth in Division General Rule 111.E(2) and any applicable requirements in 111.D and F.

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

(7) 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

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

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

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 30-015-27535	Pool Code 30670	Pool Name East Herradura Bend
Property Code 15095	Property Name Lentini '1' Federal	Well Number 3
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
	1	23S	28E		1825'	North	900'	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

12 Dunes	1 Acres	13 Joint or Infill	14 Consolidation Code	15 Order No.

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>16</p>	<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 Tanya Kerley</p> <p>Printed Name Office Assistant</p> <p>Title 9/12/97</p> <p>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</p> <p>Signature and Seal of Professional Surveyor</p> <p>Certificate Number</p>	

District I  
PO Box 1908, Hobbs, NM 88241-1908  
District II  
PO Drawer DD, Artesia, NM 88211-8719  
District III  
1000 Rio Brazos Rd., Aztec, NM 87418  
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	Pool Name
30-015-27565	30670	East Herradura Bend
Property Code	Property Name	Well Number
15095	Lentini '1' Federal	5
OGRIID 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
	1	23S	28E		1650'	North	1725'	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

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

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	17 OPERATOR CERTIFICATION			
I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.				
Signature Tanya Kerley				
Printed Name Office Assistant				
Date 9/12/97				
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				



District I  
PO Box 1988, Hobbs, NM 88241-1988  
District II  
PO Drawer DD, Artesia, NM 88211-8719  
District III  
1000 Rio Brazos Rd., Aztec, NM 87418  
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 30-015-27569	Pool Code 30670	Pool Name East Herradura Bend
Property Code 15095	Property Name Lentini '1' Federal	Well Number 9
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
	1	23S	28E		2060'	South	900'	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

12 District	1 Acres	13 Joint or Infill	14 Consolidation Code	15 Order No.

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					17 OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.  Signature Tanya Kerley Printed Name Office Assistant Title 9/12/97 Date
	• #3	• #5			
	• #16 surf.	• #16 B.H.			
		• #10			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
	← 900' →	• #9			
	2060'				

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

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

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

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-015-27570	Pool Code 30670	Pool Name East Herradura Bend
Property Code 15095	Property Name Lentini '1' Federal	Well Number 10
OGRIID No. 4323	Operator Name Chevron U.S.A. Inc.	Elevation

10 Surface Location

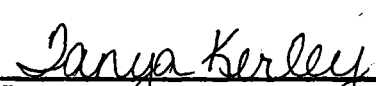
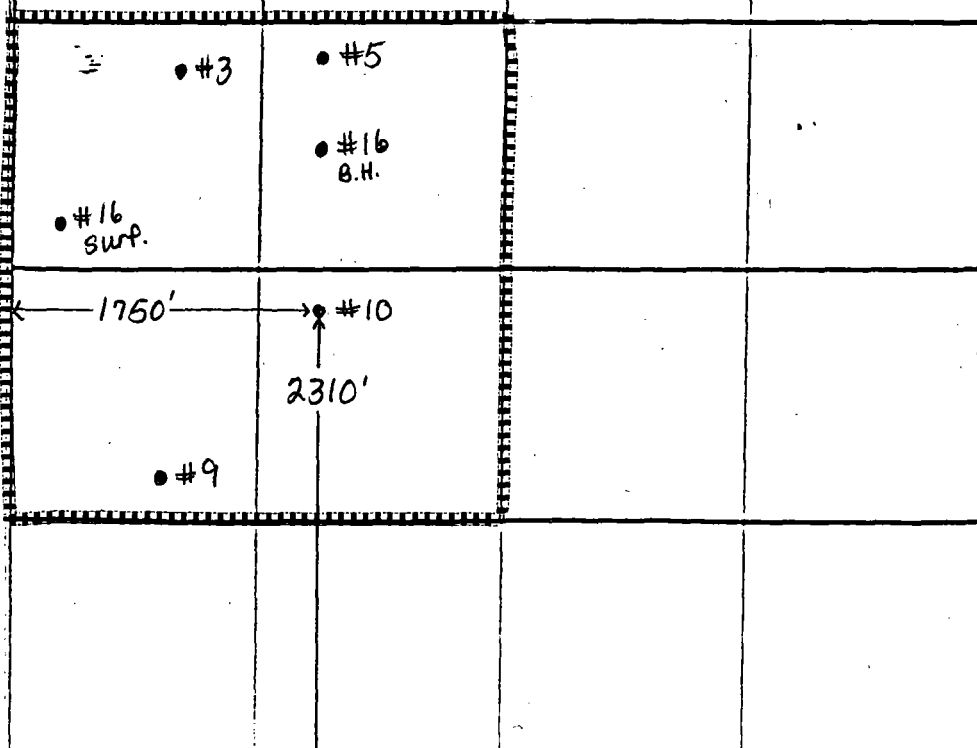
UL or loc. no.	Section	Township	Range	Lot Ida	Feet from the	North/South line	Feet from the	East/West line	County
	1	23S	28E		2310'	South	1750'	West	Eddy

11 Bottom Hole Location If Different From Surface

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

12 District	13 Acres	14 Joint or Infill	15 Commencement Code	16 Order No.

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	17 OPERATOR CERTIFICATION		
	I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.		
	 Signature Tanya Kerley Printed Name Office Assistant Title 9/12/97 Date		
	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		

District I  
PO Box 1900, Hobbs, NM 88241-1900  
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

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 30-015-29614	Pool Code 30670	Pool Name East Herradura Bend
Property Code 15095	Property Name Lentini '1' Federal	Well Number 16
OGRID No. 4323	Operator Name Chevron U.S.A. Inc.	Elevation

10 Surface Location

UL or lot no.	Section 1	Township 23S	Range 28E	Lot Ida	Feet from the 2575'	North/South line North	Feet from the 435'	East/West line West	County Eddy
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11 Bottom Hole Location If Different From Surface

UL or lot no.	Section 1	Township 23S	Range 28E	Lot Ida	Feet from the 2191'	North/South line North	Feet from the 1725'	East/West line West	County Eddy
---------------	--------------	-----------------	--------------	---------	------------------------	---------------------------	------------------------	------------------------	----------------

12 District 1 Acres 13 Joint or Infill 14 Consolidation Code 15 Order No.

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

	<b>17 OPERATOR CERTIFICATION</b> I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.  Signature: Tanya Kerley Printed Name: Tanya Kerley Title: Office Assistant Date: 9/12/97
	<b>18 SURVEYOR CERTIFICATION</b> 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:

DD-189. AMD

MS - 8-16-97

August 17, 1997

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

**Attention: Craig A. Wright**

**AMENDED**

*Administrative Order DD-189(H:w/NSDW)(SD)  
High Angle/Horizontal*

Dear Mr. Wright:

Reference is made to your letter dated May 27, 1997 amending Chevron U.S.A. Inc.'s original application dated April 9, 1997 for authorization to initiate a high angle/horizontal directionally drilling project within the East Herradura Bend-Delaware Pool underlying the 80 acres comprising the S/2 NW/4 of Section 1, Township 23 South, Range 28 East, NMPM, Eddy County, New Mexico, in which the Division issued Administrative Order DD-189(H:w/NSDW)(SD), dated July 16, 1997. This letter was recently found attached to a file in an unrelated matter.

**The Division Director Finds That:**

- (1) Division Administrative Order DD-189(H:w/NSDW)(SD), dated July 16, 1997, should be amended at this time to incorporate Chevron's requested changes to its original application of April 9, 1997;
- (2) The application, as amended, has been duly filed under the provisions of:
  - (a) 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; and,
  - (b) Rule 104.F of said Division general rules;
- (3) That portion of the East Herradura Bend-Delaware Pool in Township 23 South,

Range 28 East, NMPM, Eddy County, New Mexico currently encompasses all of Section 1, the N/2 equivalent and the SE/4 of Section 2, the NE/4 equivalent of Section 3, and the NE/4 of Section 12;

- (4) Said pool is subject to the statewide rules and regulations, as promulgated by Rule 104.C(1)(a), which provides for 40-acre oil spacing and proration units, or drilling units, and requires that wells be located no closer than 330 feet to the outer boundary of a single 40-acre oil spacing and proration unit;
- (5) The "project area" proposed by Chevron would consist of a standard 40-acre oil spacing and proration unit comprising the SW/4 NW/4 (Unit E) of said Section 1;
- (6) Division records and the application as amended indicate that the Lentini "1" Federal lease (Federal lease No. NM-91708 and/or NM-18038) comprises an area that includes all of said Section 1 and is operated by Chevron; therefore, there are no affected offsetting operators other than Chevron to the south of the proposed project area;
- (7) Chevron is currently developing the East Herradura Bend-Delaware Pool within the subject 40-acre project area with its Lentini "1" Federal Well No. 3 (API No. 30-015-27535), located at a standard oil well location 1825 feet from the North line and 900 feet from the West line;
- (8) It is Chevron's intent to drill the proposed Lentini "1" Federal Well No. 16 (API No. 30-015-29614) at an unorthodox surface oil well location 2575 feet from the North line and 435 feet from the West line (Unit E) of said Section 1, drill vertically to an approximate depth of 5500 feet, kick-off due east, build angle at a rate of 16.84 degrees per 100 feet until an inclination of 80 degrees is obtained, and continue drilling while holding this angle a distance of approximately 350 feet through the Delaware formation;
- (9) The applicable drilling window or "producing area" for said wellbore as requested by Chevron should include that area within the subject 40-acre standard oil spacing and proration unit comprising the SW/ NW/4 of said Section 1 that is:
  - (a) no closer than 330 feet to the north and west boundaries of said quarter-quarter section;
  - (b) no closer than 264 feet to the eastern boundary of said quarter-quarter section; and,
  - (c) is no further than 2575 feet from the North line of said Section 1;
- (10) It appearing the applicant has satisfied all of the appropriate requirements

prescribed in said Rule 111.D and E and 104.F(2), 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; and,

- (11) The original Division Administrative Order DD-189(H:w/NSDW)(SD), dated July 16, 1997, is to be superseded by this order.

**IT IS THEREFORE ORDERED THAT:**

(1) Chevron U.S.A. Inc. ("Chevron") is hereby authorized to initiate a high angle/horizontal directional drilling project within a standard 40-acre oil spacing and proration unit comprising the SW/4 NW/4 (Unit E) of Section 1, Township 23 South, Range 28 East, NMPM, East Herradura Bend-Delaware Pool, Eddy County, New Mexico, by drilling its Lentini "1" Federal Well No. 16 (API No. ~~30-015-29614~~ <sup>30-015-29614</sup>) at an unorthodox surface oil well location 2575 feet from the North line and 425 feet from the West line (Unit E) of said Section 1, drill vertically to an approximate depth of 5500 feet, kick-off due east, build angle at a rate of 16.84 degrees per 100 feet until an inclination of 80 degrees is obtained, and continue drilling while holding this angle a distance of approximately 350 feet through the Delaware formation.

**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 said 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) The "project area" for said horizontal well shall consist of a standard 40-acre oil spacing and proration unit comprising the 40 acres underlying the SW/4 NW/4 of said Section 1, whereby East Herradura Bend-Delaware oil production from the subject well and Chevron's Lentini "1" Federal Well No. 3 (API No. 30-015-27535), located at a standard oil well location 1825 feet from the North line and 900 feet from the West line (Unit E), is to be simultaneously dedicated.

(4) The applicable drilling window or "producing area" for said wellbore shall include that area within the subject 40-acre standard oil spacing and proration unit comprising the SW/4 NW/4 of said Section 1 that is:

(a) no closer than 330 feet to the north and west boundaries of said quarter-quarter section;

(b) no closer than 264 feet from the eastern boundary of said quarter-quarter section; and,

(c) is no further than 2575 feet from the North line of said Section 1.

(5) 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.

(6) Form C-105 shall be filed in accordance with Division Rule 1105 and the operator shall indicate thereon true vertical depth (TVD) in addition to measured <sup>Vertical</sup> depth (MVD).

(7) The original Division Administrative Order DD-189(H:w/NSDW)(SD), dated July 16, 1997, is hereby superseded by this order.

(8) 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

cc: Oil Conservation Division - Artesia  
U. S. Bureau of Land Management - Carlsbad  
File: DD-189(H:w/NSDW)(SD)



STATE OF NEW MEXICO  
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

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

August 17, 1997

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

**AMENDED**  
*Administrative Order DD-189(H:w/NSDW)(SD)*  
High Angle/Horizontal

Dear Mr. Wright:

Reference is made to your letter dated May 27, 1997 amending Chevron U.S.A. Inc.'s original application dated April 9, 1997 for authorization to initiate a high angle/horizontal directionally drilling project within the East Herradura Bend-Delaware Pool underlying the 80 acres comprising the S/2 NW/4 of Section 1, Township 23 South, Range 28 East, NMPM, Eddy County, New Mexico, in which the Division issued Administrative Order DD-189(H:w/NSDW)(SD), dated July 16, 1997. This letter was recently found attached to a file in an unrelated matter.

**The Division Director Finds That:**

- (1) Division Administrative Order DD-189(H:w/NSDW)(SD), dated July 16, 1997, should be amended at this time to incorporate Chevron's requested changes to its original application of April 9, 1997;
- (2) The application, as amended, has been duly filed under the provisions of:
  - (a) 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 11274 on June 13, 1995; and,
  - (b) Rule 104.F of said Division general rules;
- (3) That portion of the East Herradura Bend-Delaware Pool in Township 23 South, Range 28 East, NMPM, Eddy County, New Mexico currently encompasses all of Section 1, the N/2 equivalent and the SE/4 of Section 2, the NE/4 equivalent of Section 3, and the NE/4 of Section 12;
- (4) Said pool is subject to the statewide rules and regulations, as promulgated by Rule 104.C(1)(a), which provides for 40-acre oil spacing and proration units, or drilling units,



and requires that wells be located no closer than 330 feet to the outer boundary of a single 40-acre oil spacing and proration unit;

- (5) The "project area" proposed by Chevron would consist of a standard 40-acre oil spacing and proration unit comprising the SW/4 NW/4 (Unit E) of said Section 1;
- (6) Division records and the application as amended indicate that the Lentini "1" Federal lease (Federal lease No. NM-91708 and/or NM-18038) comprises an area that includes all of said Section 1 and is operated by Chevron; therefore, there are no affected offsetting operators other than Chevron to the south of the proposed project area;
- (7) Chevron is currently developing the East Herradura Bend-Delaware Pool within the subject 40-acre project area with its Lentini "1" Federal Well No. 3 (API No. 30-015-27535), located at a standard oil well location 1825 feet from the North line and 900 feet from the West line;
- (8) It is Chevron's intent to drill the proposed Lentini "1" Federal Well No. 16 (API No. 30-015-29614) at an unorthodox surface oil well location 2575 feet from the North line and 435 feet from the West line (Unit E) of said Section 1, drill vertically to an approximate depth of 5500 feet, kick-off due east, build angle at a rate of 16.84 degrees per 100 feet until an inclination of 80 degrees is obtained, and continue drilling while holding this angle a distance of approximately 350 feet through the Delaware formation;
- (9) The applicable drilling window or "producing area" for said wellbore as requested by Chevron should include that area within the subject 40-acre standard oil spacing and proration unit comprising the SW/ NW/4 of said Section 1 that is:
  - (a) no closer than 330 feet to the north and west boundaries of said quarter-quarter section;
  - (b) no closer than 264 feet to the eastern boundary of said quarter-quarter section; and,
  - (c) is no further than 2575 feet from the North line of said Section 1;
- (10) It appearing the applicant has satisfied all of the appropriate requirements prescribed in said Rule 111.D and E and 104.F(2), 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; and,
- (11) The original Division Administrative Order DD-189(H:w/NSDW)(SD), dated July 16, 1997, is to be superseded by this order.

**IT IS THEREFORE ORDERED THAT:**

(1) Chevron U.S.A. Inc. ("Chevron") is hereby authorized to initiate a high angle/horizontal directional drilling project within a standard 40-acre oil spacing and proration unit comprising the SW/4 NW/4 (Unit E) of Section 1, Township 23 South, Range 28 East, NMPM, East Herradura Bend-Delaware Pool, Eddy County, New Mexico, by drilling its Lentini "1" Federal Well No. 16 (API No. 30-015-29614) at an unorthodox surface oil well location 2575 feet from the North line and 435 feet from the West line (Unit E) of said Section 1, drill vertically to an approximate depth of 5500 feet, kick-off due east, build angle at a rate of 16.84 degrees per 100 feet until an inclination of 80 degrees is obtained, and continue drilling while holding this angle a distance of approximately 350 feet through the Delaware formation.

**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 said 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) The "project area" for said horizontal well shall consist of a standard 40-acre oil spacing and proration unit comprising the 40 acres underlying the SW/4 NW/4 of said Section 1, whereby East Herradura Bend-Delaware oil production from the subject well and Chevron's Lentini "1" Federal Well No. 3 (API No. 30-015-27535), located at a standard oil well location 1825 feet from the North line and 900 feet from the West line (Unit E), is to be simultaneously dedicated.

(4) The applicable drilling window or "producing area" for said wellbore shall include that area within the subject 40-acre standard oil spacing and proration unit comprising the SW/4 NW/4 of said Section 1 that is:

- (a) no closer than 330 feet to the north and west boundaries of said quarter-quarter section;
- (b) no closer than 264 feet from the eastern boundary of said quarter-quarter section; and,
- (c) is no further than 2575 feet from the North line of said Section 1.

(5) 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.

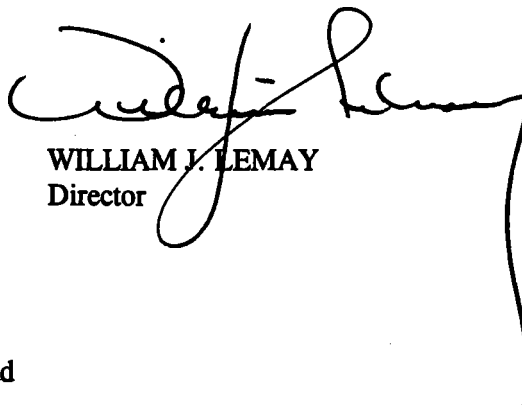
(6) Form C-105 shall be filed in accordance with Division Rule 1105 and the operator shall indicate thereon true vertical depth (TVD) in addition to measured vertical depth (MVD).

(7) The original Division Administrative Order DD-189(H:w/NSDW)(SD), dated July 16, 1997, is hereby superseded by this order.

(8) 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

SEAL

cc: Oil Conservation Division - Artesia  
U. S. Bureau of Land Management - Carlsbad  
File: DD-189(H:w/NSDW)(SD)



STATE OF NEW MEXICO  
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

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

July 16, 1997

**Chevron U.S.A. Inc.**  
**P. O. Box 1150**  
**Midland, Texas 79702**  
**Attention: Craig A. Wright**

*Administrative Order DD-189(H:w/NSDW) (SD)*  
**High Angle/Horizontal**

Dear Mr. Wright:

Reference is made to Chevron U.S.A. Inc.'s ("Chevron") application dated April 9, 1997 for authorization to initiate a high angle/horizontal directional drilling project within the East Herradura Bend-Delaware Pool underlying the 80 acres comprising the S/2 NW/4 of Section 1, Township 23 South, Range 28 East, NMPM, Eddy County, New Mexico.

**The Division Director Finds That:**

- (1) The application has been duly filed under the provisions of:
  - (a) 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; and,
  - (b) Rule 104.F of said Division general rules, revised by Division Order No. R-10533, issued by the Oil Conservation Commission in Case 11,351 on January 18, 1996;
- (2) That portion of the East Herradura Bend-Delaware Pool in Township 23 South, Range 28 East, NMPM, Eddy County, New Mexico currently encompasses all of Section 1, the N/2 equivalent and the SE/4 of Section 2, the NE/4 equivalent of Section 3, and the NE/4 of Section 12;

- (3) Said pool is subject to the statewide rules and regulations, as promulgated by Rule 104.C(1)(a), which provides for 40-acre oil spacing and proration units, or drilling units, and requires that wells be located no closer than 330 feet to the outer boundary of a single 40-acre oil spacing and proration unit;
- (4) The "project area" proposed by Chevron would consist of an over-sized spacing unit comprising 80 acres (two standard 40-acre tracts) underlying the S/2 NW/4 of said Section 1;
- (5) Division records and the application submitted seem to indicate that the Lentini "1" Federal lease (Federal lease No. NM-91708 and/or NM-18038) comprises an area that includes all of said Section 1 and is operated by Chevron; therefore, there are no affected offsetting operators other than Chevron to the south of the proposed project area;
- (6) Chevron is currently developing the East Herradura Bend-Delaware Pool within the subject 80-acre project area in the following manner:
  - (a) the SW/4 NW/4 (Unit E) of said Section 1, being a standard 40-acre oil spacing and proration unit, is dedicated to its Lentini "1" Federal Well No. 3 (API No. 30-015-27535), located at a standard oil well location 1825 feet from the North line and 900 feet from the West line; and,
  - (b) the SE/4 NW/4 (Unit F) of said Section 1, being a standard 40-acre oil spacing and proration unit, is dedicated to its Lentini "1" Federal Well No. 5 (API No. 30-015-27565), located at a standard oil well location 1650 feet from the North line and 1725 feet from the West line;
- (7) It is Chevron's intent to drill its proposed Lentini "1" Federal Well No. 16 (API No. 30-015-29614) at an unorthodox surface oil well location 2475 feet from the North line and 1050 feet from the West line (Unit E) of said Section 1, drill vertically to an approximate depth of 5500 feet, kick-off due east, build angle at a rate of 16.84 degrees per 100 feet until an inclination of 80 degrees is obtained, and continue drilling while holding this angle a distance of approximately 350 feet through the Delaware formation;

- (8) The applicable drilling window or "producing area" for said wellbore as requested by Chevron should include that area within the subject 80-acre non-standard oil spacing and proration unit comprising the S/2 NW/4 of said Section 1 that is no closer than 330 feet to the north, east, and west boundaries and as close as is practically possible in this instance to a parallel line that is 165 feet from the southern boundary of said project area ; and,
- (9) It appearing the applicant has satisfied all of the appropriate requirements prescribed in said Rule 111.D and E and 104.F(2), 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) Chevron U.S.A. Inc. ("Chevron") is hereby authorized to initiate a high angle/horizontal directional drilling project within a non-standard 80-acre oil spacing and proration unit comprising the S/2 NW/4 of Section 1, Township 23 South, Range 28 East, NMPM, East Herradura Bend-Delaware Pool, Eddy County, New Mexico, by drilling its Lentini "1" Federal Well No. 16 (API No. 30-015-29614) at an unorthodox surface oil well location 2475 feet from the North line and 1050 feet from the West line (Unit E) of said Section 1, drill vertically to an approximate depth of 5500 feet, kick-off due east, build angle at a rate of 16.84 degrees per 100 feet until an inclination of 80 degrees is obtained, and continue drilling while holding this angle a distance of approximately 350 feet through the Delaware formation.

**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 said 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) The "project area" for said horizontal well shall consist of an over-sized spacing unit comprising 80 acres (two standard 40-acre tracts) underlying the S/2 NW/4 of said Section

1, whereby East Herradura Bend-Delaware oil production from the subject well and Chevron's Lentini "1" Federal Well No. 3 (API No. 30-015-27535), located at a standard oil well location 1825 feet from the North line and 900 feet from the West line (Unit E) and Lentini "1" Federal Well No. 5 (API No. 30-015-27565), located at a standard oil well location 1650 feet from the North line and 1725 feet from the West line (Unit F), is to be simultaneously dedicated.

(4) The applicable drilling window or "producing area" for said wellbore shall include that area within the subject 80-acre non-standard oil spacing and proration unit comprising the S/2 NW/4 of said Section 1 that is no closer than 330 feet to the north, east, and west boundaries and as close as is practically possible in this instance to a parallel line that is 165 feet from the southern boundary of said project area.

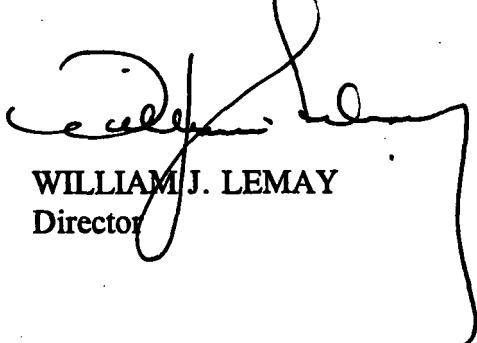
(5) The operator shall comply with all requirements and conditions set forth in Division General Rule 111.E(2) and any applicable requirements in 111.D and F.

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

(7) 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

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

DD-Chev. 2

Rec: 4-14-97  
Susp: 5-5-97  
Released: 7-16-97

July 16, 1997

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

Attention: Craig A. Wright

189  
Administrative Order DD-\*\*\* (H.w/NSDW) (SD)  
High Angle/Horizontal

Dear Mr. Wright:

Reference is made to Chevron U.S.A. Inc.'s ("Chevron") application dated April 9, 1997 for authorization to initiate a high angle/horizontal directionally drilling project within the East Herradura Bend-Delaware Pool underlying the 80 acres comprising the S/2 NW/4 of Section 1, Township 23 South, Range 28 East, NMPM, Eddy County, New Mexico.

**The Division Director Finds That:**

- (1) The application has been duly filed under the provisions of:
  - (a) 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; and,
  - (b) Rule 104.F of said Division general rules, revised by Division Order No. R-10533, issued by the Oil Conservation Commission in Case 11,351 on January 18, 1996;
- (2) That portion of the East Herradura Bend-Delaware Pool in Township 23 South, Range 28 East, NMPM, Eddy County, New Mexico currently encompasses all of Section 1, the N/2 equivalent and the SE/4 of Section 2, the NE/4 equivalent of Section 3, and the NE/4 of Section 12;
- (3) Said pool is subject to the statewide rules and regulations, as promulgated by Rule



104.C(1)(a), which provides for 40-acre oil spacing and proration units, or drilling units, and requires that wells be located no closer than 330 feet to the outer boundary of a single 40-acre oil spacing and proration unit;

- (4) The "project area" proposed by Chevron would consist of an over-sized spacing unit comprising 80 acres (two standard 40-acre tracts) underlying the S/2 NW/4 of said Section 1;
- (5) Division records and the application submitted seem to indicate that the Lentini "1" Federal lease (Federal lease No. NM-91708 and/or NM-18038) comprises an area that includes all of said Section 1 and is operated by Chevron; therefore, there are no effected offsetting operators other than Chevron to the south of the proposed project area;
- (6) Chevron is currently developing the East Herradura Bend-Delaware Pool within the subject 80-acre project area in the following manner:
  - (a) the SW/4 NW/4 (Unit E) of said Section 1, being a standard 40-acre oil spacing and proration unit, is dedicated to its Lentini "1" Federal Well No. 3 (API No. 30-015-27535), located at a standard oil well location 1825 feet from the North line and 900 feet from the West line; and,
  - (b) the SE/4 NW/4 (Unit F) of said Section 1, being a standard 40-acre oil spacing and proration unit, is dedicated to its Lentini "1" Federal Well No. 5 (API No. 30-015-27565), located at a standard oil well location 1650 feet from the North line and 1725 feet from the West line;
- (7) It is Chevron's intent to drill its proposed Lentini "1" Federal Well No. 16 (API No. 30-015-29614) at an unorthodox surface oil well location 2475 feet from the North line and 1050 feet from the West line (Unit E) of said Section 1, drill vertically to an approximate depth of 5500 feet, kick-off due east, build angle at a rate of 16.84 degrees per 100 feet until an inclination of 80 degrees is obtained, and continue drilling while holding this angle a distance of approximately 350 feet through the Delaware formation;
- (8) The applicable drilling window or "producing area" for said wellbore as requested by Chevron should include that area within the subject 80-acre non-standard oil spacing and proration unit comprising the S/2 NW/4 of said Section 1 that is no closer than 330 feet to the north, east, and west boundaries and as close as is practically possible in this instance to a parallel line that is 165 feet from the southern boundary of said project area ; and,

- (9) It appearing the applicant has satisfied all of the appropriate requirements prescribed in said Rule 111.D and E and 104.F(2), 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) Chevron U.S.A. Inc. ("Chevron") is hereby authorized to initiate a high angle/horizontal directional drilling project within a non-standard 80-acre oil spacing and proration unit comprising the S/2 NW/4 of Section 1, Township 23 South, Range 28 East, NMPM, East Herradura Bend-Delaware Pool, Eddy County, New Mexico, by drilling its Lentini "1" Federal Well No. 16 (API No. 30-015-29614) at an unorthodox surface oil well location 2475 feet from the North line and 1050 feet from the West line (Unit E) of said Section 1, drill vertically to an approximate depth of 5500 feet, kick-off due east, build angle at a rate of 16.84 degrees per 100 feet until an inclination of 80 degrees is obtained, and continue drilling while holding this angle a distance of approximately 350 feet through the Delaware formation.

**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 said 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) The "project area" for said horizontal well shall consist of an over-sized spacing unit comprising 80 acres (two standard 40-acre tracts) underlying the S/2 NW/4 of said Section 1, whereby East Herradura Bend-Delaware oil production from the subject well and Chevron's Lentini "1" Federal Well No. 3 (API No. 30-015-27535), located at a standard oil well location 1825 feet from the North line and 900 feet from the West line (Unit E) and Lentini "1" Federal Well No. 5 (API No. 30-015-27565), located at a standard oil well location 1650 feet from the North line and 1725 feet from the West line (Unit F), is to be simultaneously dedicated.

(4) The applicable drilling window or "producing area" for said wellbore shall include that area within the subject 80-acre non-standard oil spacing and proration unit comprising the S/2 NW/4 of said Section 1 that is no closer than 330 feet to the north, east, and west boundaries and as close as is practically possible in this instance to a parallel line that is 165 feet from the southern boundary of said project area.

(5) 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.

(6) Form C-105 shall be filed in accordance with Division Rule 1105 and the operator shall indicate thereon true vertical depth (TVD) in addition to measured depth (MVD) <sup>Vertical ?</sup>

(7) 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

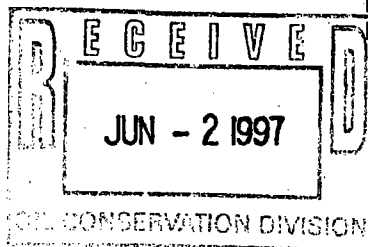
cc: Oil Conservation Division - Artesia  
U. S. Bureau of Land Management - Carlsbad

May 27, 1997



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

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



Attn: Mr. William J. LeMay - Director

Gentlemen:

On April 14, 1997 your office received an Administrative Application for Unorthodox Oil Well Location and Simultaneous Dedication for the Lentini '1' Federal #16. Since that time, Chevron has decided to move the wellbore up-dip in order to minimize the completion risk associated with the proposed new drill.

If allowed to move the location, changes to the original administrative application will be as follows:

Original

2475' FNL & 1050' FWL (Surface Location)  
2475' FNL & 1671' FWL (Est. Btm. Location)  
Simultaneously Dedicated w/ Lentini #5

Amended

2575' FNL & 435' FWL (Surface Location)  
2575' FNL & 1056' FWL (Est. Btm. Location)  
Simultaneously Dedicated w/ Lentini #3

Chevron respectfully requests your approval of the amended administrative application for an unorthodox oil well location and simultaneous dedication for said well. Attached is the amended application along with a copy of the original application which you received on April 14, 1997.

If you have any questions or require further information concerning this amendment, please contact Craig Wright at (915)687-7284.

Sincerely,

C.A. Wright  
Petroleum Engineer

Attachments: Amended Administrative Application  
Original Administrative Application

cc: NMOCD - Artesia, NM  
J.K. Ripley  
Central Files - Lease & Well Files



May 27, 1997

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

**Amended**

Administrative Application For Unorthodox  
Oil Well Location and Simultaneous Dedication  
East Herradura Bend Field  
Lentini '1' Federal #16  
2575' FNL & 435' FWL (Surface)  
2575' FNL & 1056' FWL (Est. Bottom)  
Section 1, T-23-S, R-28-E  
Eddy County, New Mexico

State of New Mexico  
Energy, Minerals & Natural Resources Dept.  
Oil Conservation Division  
2040 South Pacheco  
Santa Fe, New Mexico 87504

Attn: Mr. William J. LeMay - Director

Gentlemen:

Chevron U.S.A. Inc. respectfully requests your approval of this amended administrative application for the subject Non-Standard Location and Simultaneous Dedication.

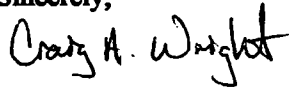
Chevron is planning to drill and complete the Lentini '1' Federal #16 in the East Herradura Bend - Delaware Pool. It is our desire to simultaneously dedicate said well to the existing standard 40-acre oil spacing and proration unit currently assigned to Lentini '1' Federal #3 (API No. 30-015-27535). The 40-acre oil proration unit comprises Unit Letter E of Section 1, Township 23 South, Range 28 East, NMPM, East Herradura Bend - Delaware Pool, Eddy County, New Mexico. Well #3 is a marginal oil well producing at a current rate of 20 bopd 130 bwpd 50 mcfpd; significantly shy of the 142 bopd allowable and 10,000 GOR limit. If allowed to simultaneously dedicate production from Well #16, Chevron could economically capture incremental reserves which otherwise would not be produced from this proration unit.

The proposed bottom hole location for Lentini '1' Federal #16 of 2575' FNL & 1056' FWL (Unit Letter E) of said Section 1 is non-standard. This non-standard location, however, encroaches only upon Chevron leasehold acreage. The surface location has been approved by the BLM.

In order to prevent waste, Chevron respectfully requests your approval of this amended administrative application for an unorthodox oil well location and simultaneous dedication. Attached are Form C-102 plats for Lentini #3 & #16.

If you have any questions or require any further information concerning this application, please contact Craig Wright at (915)687-7284.

Sincerely,

A handwritten signature in cursive script that reads "Craig A. Wright".

C. A. Wright  
Petroleum Engineer

Attachments: Form C-102 Plat - Lentini '1' Federal #3  
Form C-102 Plat - Lentini '1' Federal #16

cc: NMOCD -- Artesia, NM  
J. K. Ripley  
Central Files - Lease & Well Files

**Certificate Number**

District I  
PO Box 1988, Hobbs, NM 88241-1988  
District II  
PO Drawer DD, Artesia, NM 88211-9719  
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

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 30-015-27535		Pool Code 30670	Pool Name Herradura Bend; East
Property Code 15095	Property Name Lentini 'I' Federal		Well Number 3
OGRID No. 4323	Operator Name Chevron U.S.A. Inc.		Elevation

10 Surface Location

UL or lot no. E	Section 1	Township 23S	Range 28E	Lot Ida	Feet from the 1825'	North/South line North	Feet from the 900'	East/West line West	County Eddy
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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 Eddy
12 Ductile 1 Acres 13 Joint or Infill 14 Consolidation Code 15 Order No.									

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>16</p> <p>1825'</p> <p>900' → #3</p> <p>#16 (SFC) #16 (BTD)</p>				<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>Tanya Kerley Signature Tanya Kerley Printed Name Office Assistant Title 5-23-97 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>	





April 9, 1997

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

**Administrative Application For Unorthodox  
Oil Well Location and Simultaneous Dedication  
East Herradura Bend Field  
Lentini '1' Federal #16  
2475' FNL & 1050' FWL (Surface)  
2475' FNL & 1671' FWL (Est. Bottom)  
Section 1, T-23-S, R-28-E  
Eddy County, New Mexico**

**State of New Mexico  
Energy, Minerals & Natural Resources Dept.  
Oil Conservation Division  
2040 South Pacheco  
Santa Fe, New Mexico 87504**

**Attn: Mr. William J. LeMay - Director**

**Gentlemen:**

**Chevron U.S.A. Inc. respectfully requests your approval of this administrative application for the subject Non-Standard Location and Simultaneous Dedication.**

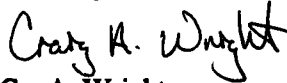
**Chevron is planning to drill and complete the Lentini '1' Federal #16 in the East Herradura Bend - Delaware Pool. It is our desire to simultaneously dedicate said well to the existing standard 40-acre oil spacing and proration unit currently assigned to Lentini '1' Federal #5 (API No. 30-015-27565). The 40-acre oil proration unit comprises Unit Letter F of Section 1, Township 23 South, Range 28 East, NMPM, East Herradura Bend - Delaware Pool, Eddy County, New Mexico. Well #5 is a marginal oil well producing at a current rate of 20 bopd 65 bwpd 75 mcfpd; significantly shy of the 142 bopd allowable and 10,000 GOR limit. If allowed to simultaneously dedicate production from Well #16, Chevron could economically capture incremental reserves which otherwise would not be produced from this proration unit.**

**The proposed bottom hole location for Lentini '1' Federal #16 of 2475' FNL & 1671' FWL (Unit Letter F) of said Section 1 is non-standard. This non-standard location, however, encroaches only upon Chevron leasehold acreage.**

**In order to prevent waste, Chevron respectfully requests your approval of this administrative application for an unorthodox oil well location and simultaneous dedication. Attached is a map indicating offset operators and a Form C-102 plat. A copy of this letter and attachments are being furnished by Certified Mail to offset operators as their notice of this application.**

If you have any questions or require any further information concerning this application, please contact Craig Wright at (915)687-7284.

Sincerely,



C. A. Wright  
Petroleum Engineer

caw

Attachments

cc: NMOCD -- Artesia, NM  
N. V. Mouser -- Eunice  
B. A. Foster  
J. K. Ripley  
S. Cooper  
R. M. Vaden  
Central Files -- Lease & Well Files

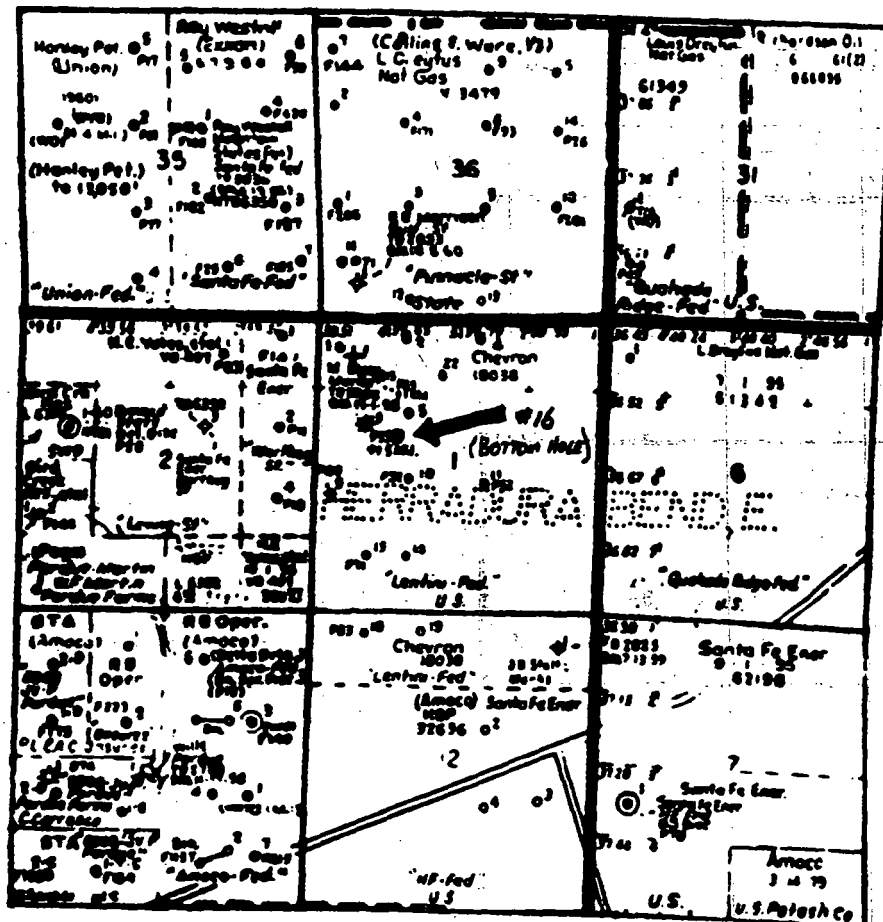
**CHEVRON U.S.A. INC.**

**Lentini '1' Federal Lease**

**Well No. 16**

**Unorthodox Location and  
Simultaneous Dedication Application  
East Herradura Bend-Delaware Pool  
2475' FNL & 1050' FWL (Surface)  
2475' FNL & 1671' FWL (Est. Bottom)  
Section 1, T-23-S, R-28-E  
Eddy County, New Mexico**

**COMMERCIAL MAP**



District I  
PO Box 1998, Hobbs, NM 88241-1998

District II

PO Drawer DD, Artesia, NM 88211-8719

District III

1000 Rio Brazos Rd., Alamogordo, NM 87418

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 30670	Pool Name East Herradura Bend Field
Property Code 15095	Property Name Lentini "1" Federal	Well Number 16
OGRID No. 4323	Operator Name Chevron U.S.A. Inc.	Elevation

10 Surface Location

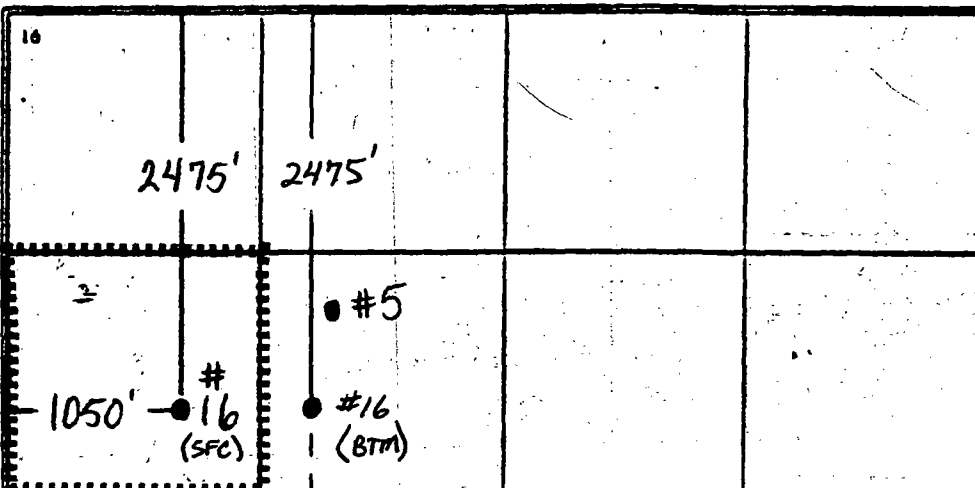
UL or lot no. E	Section 1	Township 23S	Range 28E	Lot Idn	Feet from the 2475'	North/South line North	Feet from the 1050'	East/West line West	County Eddy
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11 Bottom Hole Location If Different From Surface

UL or lot no. F	Section 1	Township 23S	Range 28E	Lot Idn	Feet from the 2475'	North/South line North	Feet from the 1671'	East/West line West	County Eddy
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12 Ductile Iron 40	13 Acres	14 Joint or In/IR	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

16 	17 OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.  Tanja Kerley Signature Tanja Kerley Printed Name Office Assistant Title 4-9-97 Date
	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

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

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 30-015-27565	Pool Code 30670	Pool Name East Herradura Bend Field
Property Code 15095	Property Name Lentini "1" Federal	Well Number 5
OGRID No. 4323	Operator Name Chevron U.S.A. Inc.	Elevation 3067'

10 Surface Location

UL or lot no. F	Section 1	Township 23S	Range 28E	Lot Idn	Feet from the 1650'	North/South line North	Feet from the 1725'	East/West line West	County Eddy
--------------------	--------------	-----------------	--------------	---------	------------------------	---------------------------	------------------------	------------------------	----------------

11 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
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12 Ductile 40	13 Acres	14 Joint or Infill	15 Consolidation Code	16 Order No.
------------------	----------	--------------------	-----------------------	--------------

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>16</p> <p>1650'</p> <p>1725'</p> <p>#5</p> <p>#16 (SFE)</p> <p>#16 (BTM)</p>	<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 Tanya Kerley</p> <p>Printed Name Tanya Kerley</p> <p>Title Office Assistant</p> <p>Date 4-9-97</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>

**CHEVRON U.S.A. INC.**

**Lentini '1' Federal Lease**

**Well No. 16**

**Unorthodox Location and  
Simultaneous Dedication Application  
East Herradura Bend-Delaware Pool  
2475' FNL & 1050' FWL (Surface)  
2475' FNL & 1671' FWL (Est. Bottom)  
Section 1, T-23-S, R-28-E  
Eddy County, New Mexico**

**OFFSET OPERATORS**

**HEYCO-Harvey E. Yates Co.  
P.O. Box 1933  
Roswell, NM 88201**

**Louis Dreyfus Natural Gas Corp.  
14000 Quail Springs Parkway, #600  
Oklahoma City, OK 73134**

**RAMCO Operating Co.  
5100 E. Skelly Drive  
Suite 650, Meridian Tower  
Tulsa, Oklahoma 74135-6549**

**Ray Westall Operating, Inc.  
P.O. Box 4  
Loco Hills, NM 88255**

**Santa Fe Energy Operating Partners, L.P.  
550 W. Texas, Suite 1330  
Midland, TX 79701**

CMD :  
OG6C101

ONGARD  
C101-APPLICATION FOR PERMIT TO DRILL

08/15/97 15:51:28  
OGOMES -EMEW

OGRID Idn : 4323 API Well No: 30 15 29614 APD Status(A/C/P): A  
Opr Name, Addr: CHEVRON U S A INC Aprvl/Cncl Date : 04-28-1997  
PO BOX J SECTION 975R  
CONCORD, CA 94524

Prop Idn: 15095 LENTINI 1 FEDERAL

Well No: 16

	U/L	Sec	Township	Range	Lot	Idn	North/South	East/West
	---	---	-----	-----	---	---	-----	-----
Surface Locn :	E	1	23S	28E			FTG 2575 F N	FTG 435 F W
OCD U/L :	E		API County :	15				

Work typ(N/E/D/P/A) : N Well typ(O/G/M/I/S/W/C): O Cable/Rotary (C/R) : R  
Lease typ(F/S/P/N/J/U/I): F Ground Level Elevation : 3057

State Lease No: Multiple Comp (Y/N) : N  
Prpsd Depth : 6400 Prpsd Frmtn : DELAWARE

E0009: Enter data to modify record

PF01 HELP	PF02	PF03 EXIT	PF04 GoTo	PF05	PF06 CONFIRM
PF07	PF08	PF09 PRINT	PF10 C102	PF11 HISTORY	PF12

CMD :  
OG5SECT

ONGARD  
INQUIRE LAND BY SECTION

08/17/97 08:48:17  
OGOMES -EMFR  
PAGE NO: 1

Sec : 01 Twp : 23S Rng : 28E Section Type : NORMAL

<b>4</b> 39.51  Federal owned A A	<b>3</b> 39.65  Federal owned A A	<b>2</b> 39.79  Federal owned A	<b>1</b> 39.93  Federal owned A
<b>E</b> 40.00  Federal owned A A C	<b>F</b> 40.00  Federal owned A A C	<b>G</b> 40.00  Federal owned A	<b>H</b> 40.00  Federal owned A

PF01 **HELP**  
PF07 **BKWD**

PF02  
PF08 **FWD**

PF03 **EXIT**  
PF09 **PRINT**

PF04 **GoTo**  
PF10 **SDIV**

PF05  
PF11

PF06  
PF12



CMD :  
OG5SECT

ONGARD  
INQUIRE LAND BY SECTION

08/17/97 08:48:42  
OGOMES -EMFR  
PAGE NO: 2

Sec : 01 Twp : 23S Rng : 28E Section Type : NORMAL

L 40.00  Federal owned A	K 40.00  Federal owned A	J 40.00  Federal owned A	I 40.00  Federal owned A
M 40.00  Federal owned A	N 40.00  Federal owned A	O 40.00  Federal owned C	P 40.00  Federal owned C

PF01 HELP  
PF07 BKWD

PF02  
PF08 FWD

PF03 EXIT  
PF09 PRINT

PF04 GoTo  
PF10 SDIV

PF05  
PF11

PF06  
PF12

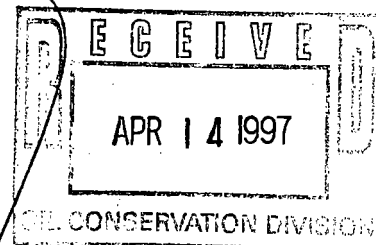


**Chevron**

April 9, 1997

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

Administrative Application For Unorthodox  
Oil Well Location and Simultaneous Dedication  
East Herradura Bend Field  
Lentini '1' Federal #16  
2475' FNL & 1050' FWL (Surface)  
2475' FNL & 1671' FWL (Est. Bottom)  
Section 1, T-23-S, R-28-E  
Eddy County, New Mexico



State of New Mexico  
Energy, Minerals & Natural Resources Dept.  
Oil Conservation Division  
2040 South Pacheco  
Santa Fe, New Mexico 87504

Attn: Mr. William J. LeMay - Director

Gentlemen:

Chevron U.S.A. Inc. respectfully requests your approval of this administrative application for the subject Non-Standard Location and Simultaneous Dedication.

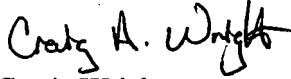
Chevron is planning to drill and complete the Lentini '1' Federal #16 in the East Herradura Bend - Delaware Pool. It is our desire to simultaneously dedicate said well to the existing standard 40-acre oil spacing and proration unit currently assigned to Lentini '1' Federal #5 (API No. 30-015-27565). The 40-acre oil proration unit comprises Lot 6 (the SE/4 NW/4 equivalent) of Section 1, Township 23 South, Range 28 East, NMPM, East Herradura Bend - Delaware Pool, Eddy County, New Mexico. Well #5 is a marginal oil well producing at a current rate of 20 bopd 65 bwpd 75 mcfpd; significantly shy of the 142 bopd allowable and 10,000 GOR limit. If allowed to simultaneously dedicate production from Well #16, Chevron could economically capture incremental reserves which otherwise would not be produced from this proration unit.

The proposed bottom hole location for Lentini '1' Federal #16 of 2475' FNL & 1671' FWL (Lot 6/Unit F) of said Section 1 is non-standard. This non-standard location, however, encroaches only upon Chevron leasehold acreage.

In order to prevent waste, Chevron respectfully requests your approval of this administrative application for an unorthodox oil well location and simultaneous dedication. Attached is a map indicating offset operators and a Form C-102 plat. A copy of this letter and attachments are being furnished by Certified Mail to offset operators as their notice of this application.

If you have any questions or require any further information concerning this application, please contact Craig Wright at (915)687-7284.

Sincerely,

A handwritten signature in black ink, appearing to read "Craig A. Wright". The signature is fluid and cursive, with the first name "Craig" being more prominent.

C. A. Wright  
Petroleum Engineer

caw

Attachments

cc: NMOCD -- Artesia, NM  
N. V. Mouser -- Eunice  
B. A. Foster  
J. K. Ripley  
S. Cooper  
R. M. Vaden  
Central Files -- Lease & Well Files

**Chevron**



# CHEVRON U.S.A.

Structure : LENTINI FED 1 NO. 16

Slot : slot #1

Field :

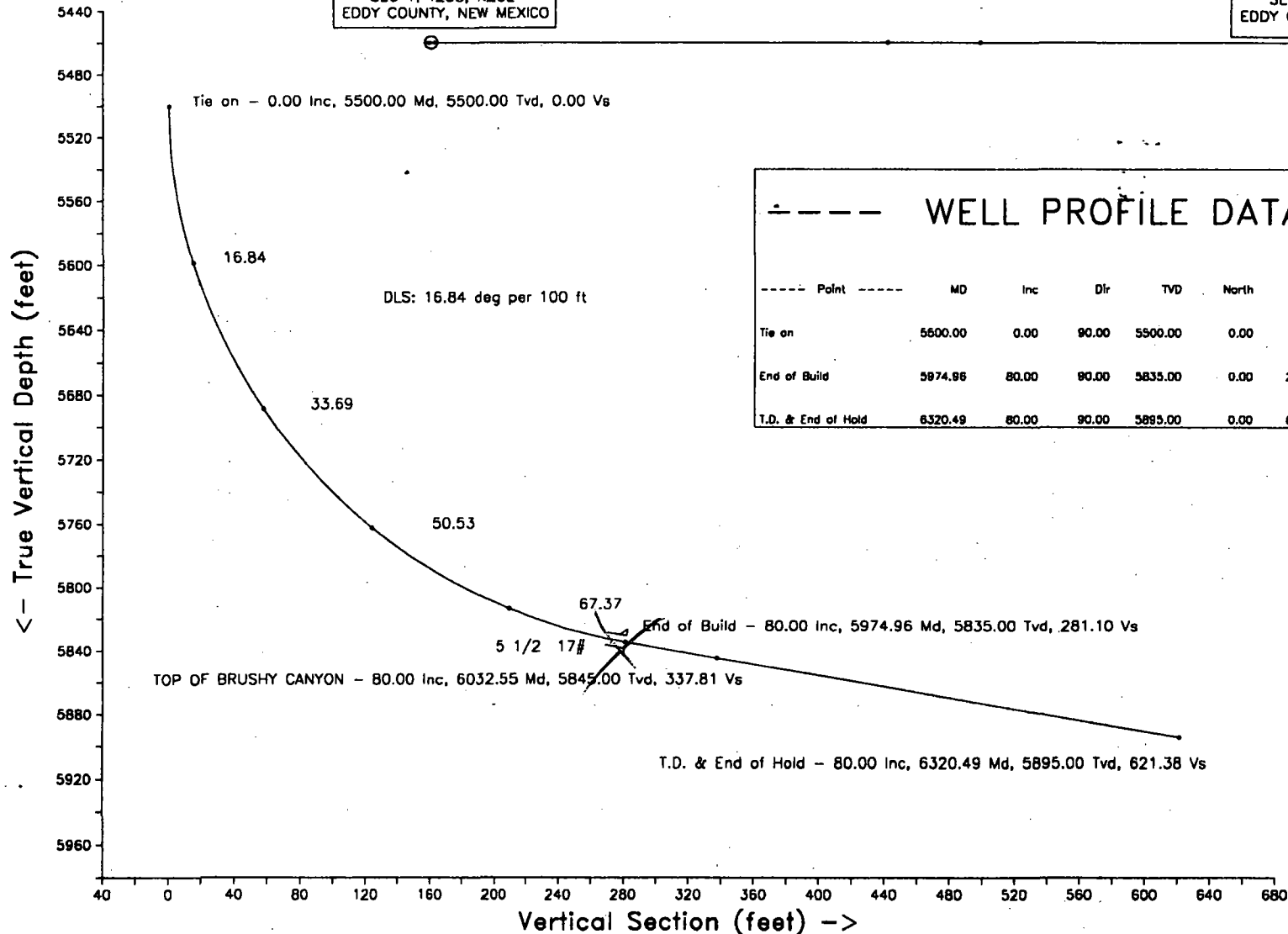
Location : EDDY CO., NEW MEXICO

East (feet) ->

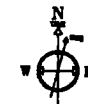
40 0 40 80 120 160 200 240 280 320 360 400 440 480 520 560 600 640 680

SURFACE LOCATION  
2475 FNL & 1050 FWL  
SEC 1, T23S, R28E  
EDDY COUNTY, NEW MEXICO

BOTTOM HOLE LOCATION  
2475 FNL & 1671 FWL  
SEC 1, T23S, R28E  
EDDY COUNTY, NEW MEXICO



WELL PROFILE DATA								
Point	MD	Inc	Dir	TVD	North	East	V. Sect	Deg/100
Tie on	5500.00	0.00	90.00	5500.00	0.00	0.00	0.00	0.00
End of Build	5974.96	80.00	90.00	5835.00	0.00	281.10	281.10	16.84
T.D. & End of Hold	6320.49	80.00	90.00	5895.00	0.00	621.38	621.38	0.00



17-40-00  
Magazine North is 1.60 degrees East of True North  
To convert magnetic North to True North add 1.60 deg

**BAKER**  
**HUGHES**  
**INTEQ**

Azimuth 90.00 with reference 0.00 N, 0.00 E from slot #1

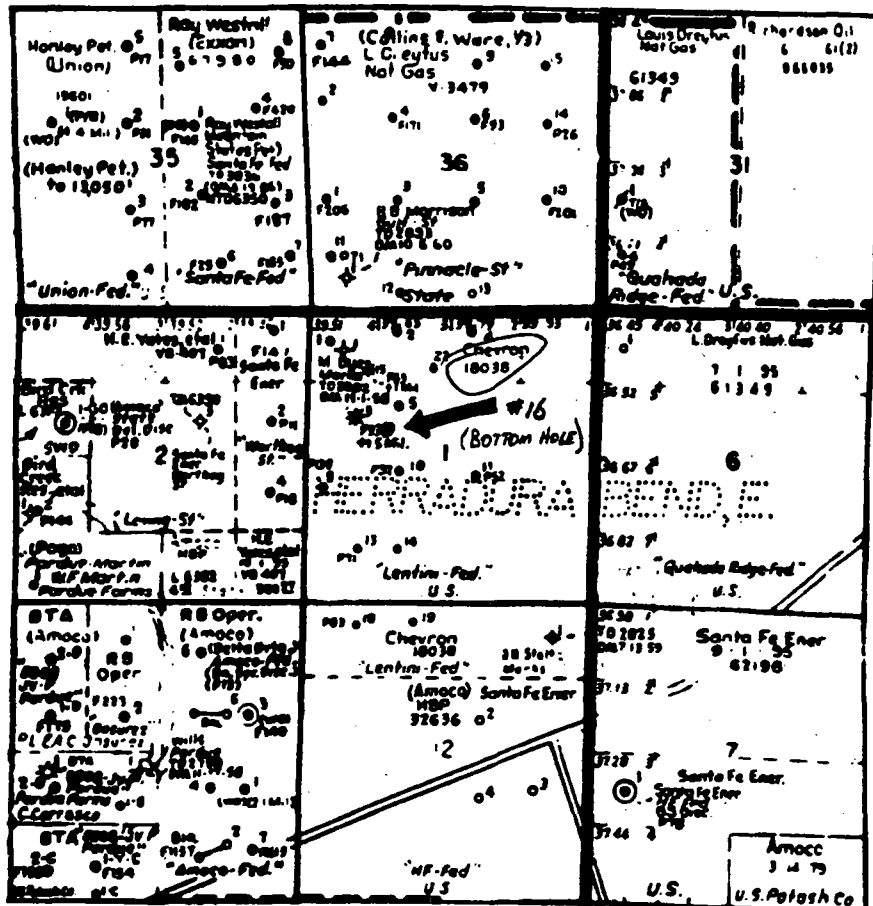
**CHEVRON U.S.A. INC.**

Lentini '1' Federal Lease

Well No. 16

Unorthodox Location and  
Simultaneous Dedication Application  
East Herradura Bend-Delaware Pool  
2475' FNL & 1050' FWL (Surface)  
2475' FNL & 1671' FWL (Est. Bottom)  
Section 1, T-23-S, R-28-E  
Eddy County, New Mexico

**COMMERCIAL MAP**



District I  
PO Box 1988, Hobbs, NM 88241-1988  
District II  
PO Drawer DD, Artesia, NM 88211-9719  
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

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 30670	Pool Name East Herradura Bend Field
Property Code 15095	Property Name Lentini "I" Federal	Well Number 16
OGRID No. 4323	Operator Name Chevron U.S.A. Inc.	Elevation

10 Surface Location

UL or lot no. E	Section 1	Township 23S	Range 28E	Lot Ida	Feet from the 2475'	North/South line North	Feet from the 1050'	East/West line West	County Eddy
--------------------	--------------	-----------------	--------------	---------	------------------------	---------------------------	------------------------	------------------------	----------------

11 Bottom Hole Location If Different From Surface

UL or lot no. F	Section 1	Township 23S	Range 28E	Lot Ida	Feet from the 2475'	North/South line North	Feet from the 1671'	East/West line West	County Eddy
--------------------	--------------	-----------------	--------------	---------	------------------------	---------------------------	------------------------	------------------------	----------------

12 Dunes 40	Acres	13 Joint or Infill	14 Consolidation Code	15 Order No.
----------------	-------	--------------------	-----------------------	--------------

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	2475'				17 OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief. Signature Tanya Kerley Printed Name Tanya Kerley Title Office Assistant Date 4-9-97	
1050' - #16 - BHL				#5		
				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		

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

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 30-015-27565	Pool Code 30670	Pool Name East Herradura Bend Field
Property Code 15095	Property Name Lentini "1" Federal	Well Number 5
OGRID No. 4323	Operator Name Chevron U.S.A. Inc.	Elevation 3067'

<sup>10</sup> Surface Location

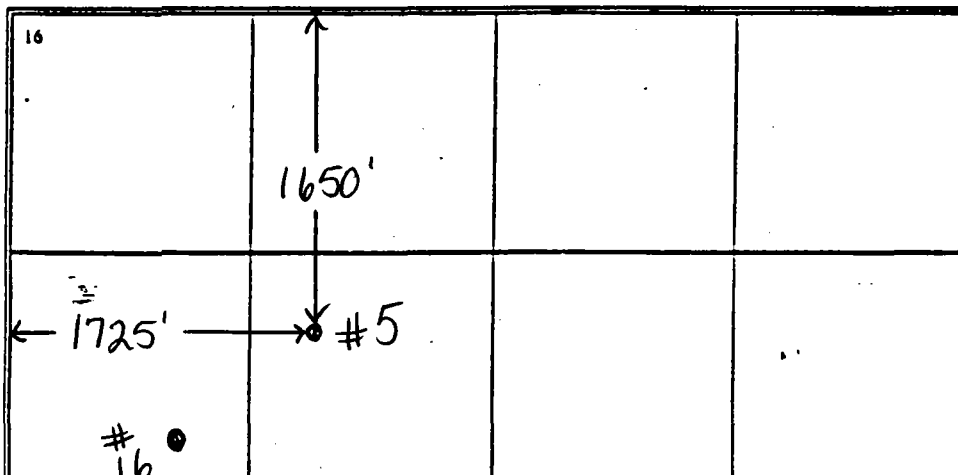
UL or lot no.	Section	Township	Range	Lot Ida	Feet from the	North/South line	Feet from the	East/West line	County
F	1	23S	28E		1650'	North	1725'	West	Eddy

<sup>11</sup> 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

<sup>12</sup> Ditch 1 Acres 40	<sup>13</sup> Joint or Infill	<sup>14</sup> Consolidation Code	<sup>15</sup> Order No.
-----------------------------------	-------------------------------	----------------------------------	-------------------------

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	<sup>18</sup> 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

**CHEVRON U.S.A. INC.**

**Lentini '1' Federal Lease**

**Well No. 16**

**Unorthodox Location and  
Simultaneous Dedication Application  
East Herradura Bend-Delaware Pool  
2475' FNL & 1050' FWL (Surface)  
2475' FNL & 1671' FWL (Est. Bottom)  
Section 1, T-23-S, R-28-E  
Eddy County, New Mexico**

**OFFSET OPERATORS**

**HEYCO-Harvey E. Yates Co.**

**P.O. Box 1933**

**Roswell, NM 88201**

**Louis Dreyfus Natural Gas Corp.**

**14000 Quail Springs Parkway, #600**

**Oklahoma City, OK 73134**

**RAMCO Operating Co.**

**5100 E. Skelly Drive**

**Suite 650, Meridian Tower**

**Tulsa, Oklahoma 74135-6549**

**Ray Westall Operating, Inc.**

**P.O. Box 4**

**Loco Hills, NM 88255**

**Santa Fe Energy Operating Partners, L.P.**

**550 W. Texas, Suite 1330**

**Midland, TX 79701**





April 9, 1997

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

Administrative Application For Unorthodox  
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East Herradura Bend Field  
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2475' FNL & 1671' FWL (Est. Bottom)  
Section 1, T-23-S, R-28-E  
Eddy County, New Mexico

HEYCO - Harvey E. Yates Co.  
P. O. Box 1933  
Roswell, NM 88201

Gentlemen:

Attached is a copy of Chevron's administrative application for NMOCD approval of a Non-Standard Location and Simultaneous Dedication.

Chevron plans to drill and complete the Lentini '1' Federal #16 in the East Herradura Bend--Delaware Pool. It is our desire to simultaneously dedicate said well to the existing standard 40-acre oil spacing and proration unit currently assigned to Lentini '1' Federal #5. The proposed bottom hole location for said well of 2475' FNL & 1671' FWL, Lot 6/Unit F, Section 1, Township 23 South, Range 28 East, NMPM, Eddy County, New Mexico is non-standard.

If you have any questions, please contact Craig Wright at (915)687-7284.

Sincerely,

C. A. Wright  
Petroleum Engineer

caw  
Attachments

cc: NMOCD -- Artesia, NM  
N. V. Mouser -- Eunice  
B. A. Foster  
J. K. Ripley  
S. Cooper  
R. M. Vaden  
Central Files - Lease & Well Files



**Chevron**

April 9, 1997

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

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**caw  
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B. A. Foster  
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S. Cooper  
R. M. Vaden  
Central Files - Lease & Well Files**



**Recycled  
Recyclable**



April 9, 1997

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

Administrative Application For Unorthodox  
Oil Well Location and Simultaneous Dedication  
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Tulsa, Oklahoma 74135-6549

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*Craig A. Wright*  
C. A. Wright  
Petroleum Engineer

caw  
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B. A. Foster  
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R. M. Vaden  
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April 9, 1997

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

**Administrative Application For Unorthodox  
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East Herradura Bend Field  
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2475' FNL & 1671' FWL (Est. Bottom)  
Section 1, T-23-S, R-28-E  
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Loco Hills, NM 88255**

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**C. A. Wright  
Petroleum Engineer**

caw  
Attachments

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S. Cooper  
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April 9, 1997

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

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2475' FNL & 1671' FWL (Est. Bottom)  
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Eddy County, New Mexico

Santa Fe Energy Operating Partners, L.P.  
550 W. Texas, Suite 1330  
Midland, TX 79701

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S. Cooper  
R. M. Vaden  
Central Files -- Lease & Well Files

CMD :  
OG5SECT

ONGARD  
INQUIRE LAND BY SECTION

07/15/97 20:30:36  
OGOMES -EMDP  
PAGE NO: 1

Sec : 01 Twp : 23S Rng : 28E Section Type : NORMAL

4 39.51 <i>NM-91078</i> Federal owned A A <i>NM-91078</i>	3 39.65 <i>NM-91078</i> Federal owned <i>NM-91078</i> A A	2 39.79 <i>NM-91078</i> Federal owned A	1 39.93  Federal owned A <i>NM-18038</i>
E 40.00 <i>NM-91078</i> <i>NM-18038</i> Federal owned A A C	F 40.00 <i>NM-91078</i> Federal owned A C	G 40.00 <i>NM-91078</i> Federal owned A	H 40.00 <i>NM-18038</i> Federal owned A

PF01 HELP    PF02    PF03 EXIT    PF04 GoTo    PF05    PF06  
PF07 BKWD    PF08 FWD    PF09 PRINT    PF10 SDIV    PF11    PF12

CMD :  
OG5SECT

ONGARD  
INQUIRE LAND BY SECTION

07/15/97 20:30:44  
OGOMES -EMDP  
PAGE NO: 2

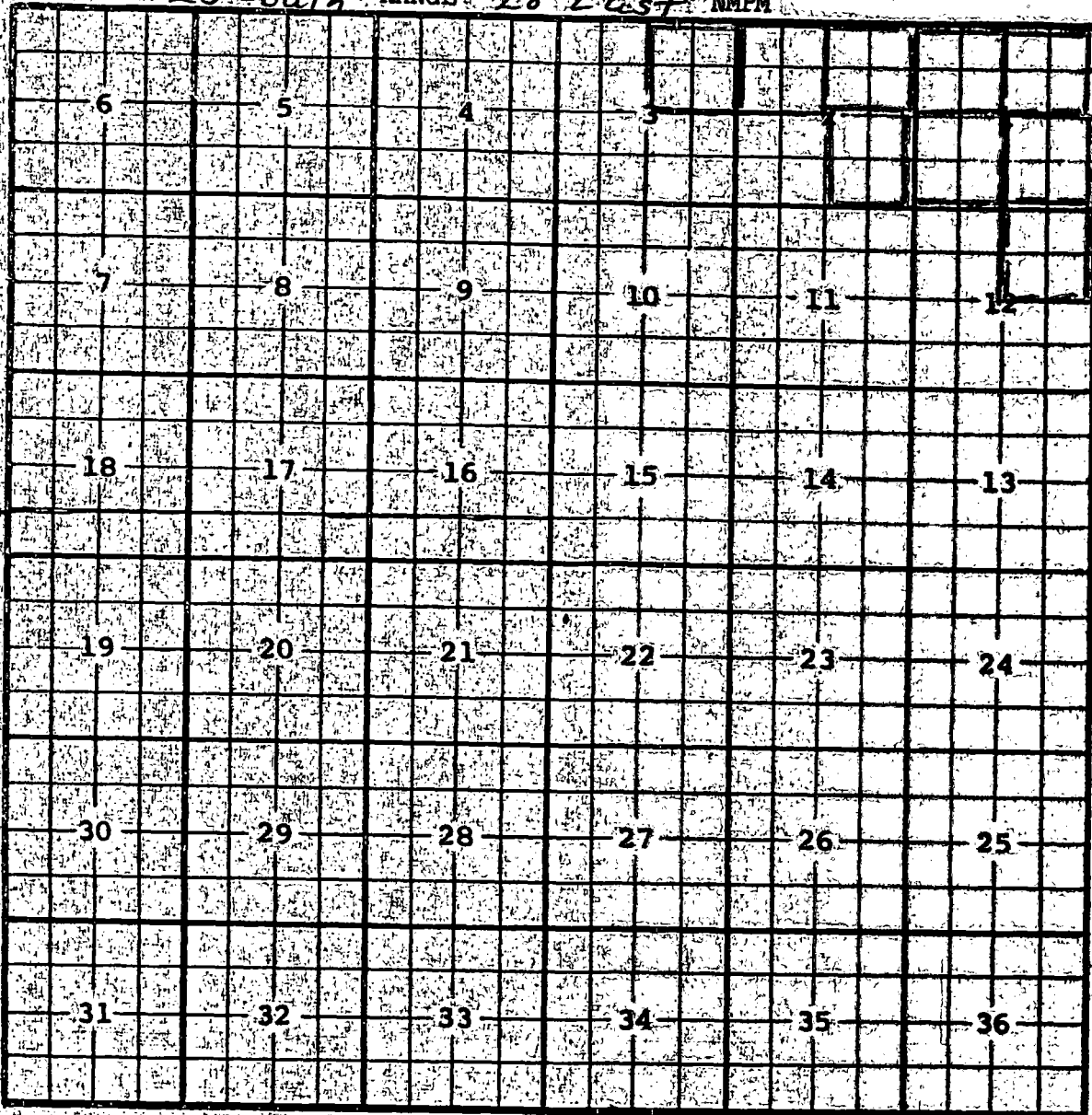
Sec : 01 Twp : 23S Rng : 28E Section Type : NORMAL

L 40.00 <i>NM-91078</i> Federal owned A	K 40.00 <i>NM-18038</i> Federal owned A	J 40.00 <i>NM-91078</i> Federal owned A	I 40.00 <i>NM-18038</i> Federal owned A
M 40.00 <i>NM-91078</i> Federal owned A	N 40.00 <i>NM-91078</i> Federal owned A	O 40.00 Federal owned C	P 40.00 Federal owned C

PF01 HELP    PF02    PF03 EXIT    PF04 GoTo    PF05    PF06  
PF07 BKWD    PF08 FWD    PF09 PRINT    PF10 SDIV    PF11    PF12

COUNTY Eddy POOL East Herradura Bend- Delaware

TOWNSHIP 23 South RANGE 28 East NMFM



Description: NW 1/4 Sec. 2 (R-8179, 7-14-86)

Ext: NE 1/4 Sec. 2 (R-9771, 11-19-92) Ext: NE 1/4 Sec. 2 (R-9884, 4-26-93)

Ext: SE 1/4 Sec. 2 (R-9938, 8-17-93) Ext: NW 1/4 Sec. 1 (R-10042, 12-28-93)

Ext: NE 1/4 Sec. 1 (R-10124, 5-31-94) Ext: NE 1/4 Sec. 1 (R-10324, 3-7-95)

Ext: SE 1/4 Sec. 1 (R-10343, 4-24-95) Ext: NE 1/4 Sec. 12 (R-10825, 6-16-97)