

RECEIVED: 9/7/17	REVIEWER: LRL	TYPE: NSL	APP NO: PLEL 1725137531
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ABOVE THIS TABLE FOR OCD DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION
 - Geological & Engineering Bureau -
 1220 South St. Francis Drive, Santa Fe, NM 87505

**ADMINISTRATIVE APPLICATION CHECKLIST**

THIS CHECKLIST IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND
 REGULATIONS WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE

NSL-7588

Applicant: Chevron U.S.A. Inc.	OGRID Number: 4323
Well Name: HH SO 8 5 Fed 003 No. 3H Well	API: 30-015-
Pool: Purple Sage; Wolfcamp (Gas) Pool	Pool Code: 98220

**SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION
 INDICATED BELOW**

2017 SEP -1 P 2:50
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- 1) **TYPE OF APPLICATION:** Check those which apply for [A]
- A. Location – Spacing Unit – Simultaneous Dedication
- ☒ NSL ☐ NSP (PROJECT AREA) ☐ NSP (PRORATION UNIT) ☐ SD
- B. Check one only for [I] or [II]
- [I] Commingling – Storage – Measurement
- ☐ DHC ☐ CTB ☐ PLC ☐ PC ☐ OLS ☐ OLM
- [II] Injection – Disposal – Pressure Increase – Enhanced Oil Recovery
- ☐ WFX ☐ PMX ☐ SWD ☐ IPI ☐ EOR ☐ PPR

2) **NOTIFICATION REQUIRED TO:** Check those which apply.

- A. ☒ Offset operators or lease holders
- B. ☐ Royalty, overriding royalty owners, revenue owners
- C. ☐ Application requires published notice
- D. ☐ Notification and/or concurrent approval by SLO
- E. ☒ Notification and/or concurrent approval by BLM
- F. ☐ Surface owner
- G. ☒ For all of the above, proof of notification or publication is attached, and/or,
- H. ☐ No notice required

FOR OCD ONLY

- ☒ Notice Complete
- ☒ Application Content Complete

- 3) **CERTIFICATION:** I hereby certify that the information submitted with this application for administrative approval is **accurate** and **complete** to the best of my knowledge. I also understand that **no action** will be taken on this application until the required information and notifications are submitted to the Division.

Note: Statement must be completed by an individual with managerial and/or supervisory capacity.

Jordan L. Kessler

Print or Type Name

Signature

September 7, 2017

Date

505-988-4421

Phone Number

jlkessler@hollandhart.com

e-mail Address



September 7, 2017

VIA HAND DELIVERY

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

2017 SEP -7 P 2:50
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**Re: Application of Chevron U.S.A. Inc. for administrative approval of an unorthodox location, Sections 5 and 8, Township 26 South, Range 27 East, N.M.P.M., Eddy County, New Mexico.
HH SO 8 5 Fed 003 No. 3H Well**

Dear Mr. Catanach:

Chevron U.S.A. Inc. ("Chevron") (OGRID 4323) seeks administrative approval of an unorthodox well location for its **HH SO 8 5 Fed 003 No. 3H Well** (API No. Pending) to be completed within the Wolfcamp formation (Purple Sage; Wolfcamp (Gas) Pool (98220)) underlying the W/2 of Section 5 and the W/2 of Section 8. This well will be drilled from a surface location 579 feet from the North line and 2309 feet from the West line (Unit C) of Section 17. The first perforation will be located 330 feet from the South line and 2430 feet from the West line (Unit N) of Section 8 and the final perforation will be located 330 feet from the North line and 2430 feet from the West line (Unit C) of Section 5. Since this acreage is governed by the Special Rules for the Purple Sage Wolfcamp Gas Pool, as set forth in Order No. R-14262, which provide for wells to be located no closer than 330 feet to the outer boundary of the spacing unit, the completed interval for this well will be unorthodox because it is closer than 330 feet to the eastern, southeastern, and northeastern boundaries of the project area.

Ownership between the E/2 and W/2 of Sections 5 and 8 is not identical. Accordingly, the parties in the spacing unit to the East have been provided notice of this hearing. The E/2 of Sections 5 and 8 will be developed by the **HH SO 8 5 Fed 003 No. 6H Well**. Approval of the unorthodox completed interval will allow Chevron to develop these sections using their preferred well spacing plan for horizontal wells in this area, and thereby prevent waste of a productive reservoir.

Exhibit A is the Well Location and Acreage Dedication Plat (Form C-102), which shows that the completed interval of the proposed **HH SO 8 5 Fed 003 No. 3H Well** encroaches on the spacing and proration units to the East, Northeast, and Southeast.

HOLLAND & HART LLP



Exhibit B is a land plat showing the proposed **HH SO 8 5 Fed 003 No. 3H Well** in relation to adjoining spacing units.

Exhibit C is a list of the parties affected by the encroachment to the Northeast, East, and Southeast. A copy of this application with all attachments has been sent by certified mail to each affected party advising them that if they have an objection it must be filed in writing with the Division within 20 days from the date the Division receives the application. A courtesy copy of this application has also been provided to the Bureau of Land Management—Carlsbad.

Your attention to this application is appreciated

Sincerely,

Jordan L. Kessler

ATTORNEY FOR CHEVRON U.S.A. INC.

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

District I
1625 N. French Dr., Hobbs, NM 88240
Phone (575) 393-6161 Fax (575) 393-9720
District II
811 S. First St., Artesia, NM 88210
Phone (575) 748-1287 Fax (575) 748-9720
District III
1000 Rio Brazos Road, Aztec, NM 87410
Phone (505) 334-6178 Fax (505) 334-6170
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505
Phone (505) 476-3460 Fax (505) 476-3462

State of New Mexico
Energy, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-102
Revised August 1, 2011
Submit one copy to appropriate
District Office

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

1 API Number		2 Pool Code 98220		3 Pool Name PURPLE SAGE, WOLF CAMP (GAS)	
4 Property Code		5 Property Name HH SO 8 5 FLD 003			6 Well Number 3H
7 OGRID No. 4323		8 Operator Name CHEVRON U.S.A. INC			9 Elevation 3266'

Surface Location

UT or lot no.	Section	Township	Range	Lot Idn	Feet from the	North-South line	Feet from the	East-West line	County
C	17	26 SOUTH	27 EAST, N.M.P.M.		579'	NORTH	2309	WEST	EDDY

Bottom Hole Location If Different From Surface

UT or lot no.	Section	Township	Range	Lot Idn	Feet from the	North-South line	Feet from the	East-West line	County
C	5	26 SOUTH	27 EAST, N.M.P.M.		280'	NORTH	2430'	WEST	EDDY

10 Dedicated Acres 640	11 Joint or Infill	12 Consolidation Code	13 Order No.
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No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.

<p>LAST TAKE POINT</p> <p>X= 537.394 NAD 27 Y= 392.116 LAT 32 077995 LONG 104 212637</p> <p>X= 578.567 NAD83 Y= 392.173 LAT 32 078106 LONG 104 213131</p> <p>MID POINT</p> <p>X= 537.366 NAD 27 Y= 387.133 LAT 32 064288 LONG 104 212713</p> <p>X= 578.549 NAD83 Y= 387.190 LAT 32 064409 LONG 104 213207</p> <p>FIRST TAKE POINT</p> <p>X= 537.415 NAD 27 Y= 382.135 LAT 32 050548 LONG 104 212571</p> <p>X= 578.599 NAD83 Y= 382.192 LAT 32 050670 LONG 104 213065</p>	<p>PROPOSED BOTTOM HOLE LOCATION</p> <p>X= 537.384 NAD 27 Y= 392.166 LAT 32 078122 LONG 104 212636</p> <p>X= 578.567 NAD83 Y= 392.223 LAT 32 078243 LONG 104 213130</p> <p>CORNER COORDINATES TABLE (NAD 27)</p> <p>A - Y=392442.33 X=534954.83 B - Y=392446.14 X=537606.87 C - Y=387143.09 X=534935.36 D - Y=387132.57 X=537574.14 E - Y=381810.94 X=534988.20 F - Y=381805.09 X=537646.07 G - Y=376480.27 X=535066.16 H - Y=376477.58 X=537710.13</p> <p>HH SO 8 5 FED 003 3H WELL</p> <p>X= 537.306 NAD 27 Y= 381.227 LAT 32 048050 LONG 104 212927</p> <p>X= 578.490 NAD83 Y= 381.284 LAT 32 048172 LONG 104 213421</p> <p>ELEVATION -3266 NAVD 88</p>		<p>OPERATOR CERTIFICATION</p> <p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or undivided mineral interest in the land including the proposed bottom hole location or has a right to drill the well at this location pursuant to an agreement with an owner of such a mineral or working interest or to a voluntary pooling agreement or a compulsory pooling agreement approved by the division.</p> <p>Signature: <i>[Signature]</i> Date: 6-27-17 Printed Name: Jorman K. Fuentes E-mail Address: djv@chevron.com</p> <p>SURVEYOR CERTIFICATION</p> <p>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.</p> <p>Date of Survey: 4-6-2017 Signature and Seal of Professional Surveyor: <i>[Signature]</i> Certificate Number: 23006</p>
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EXHIBIT

tabbier

A

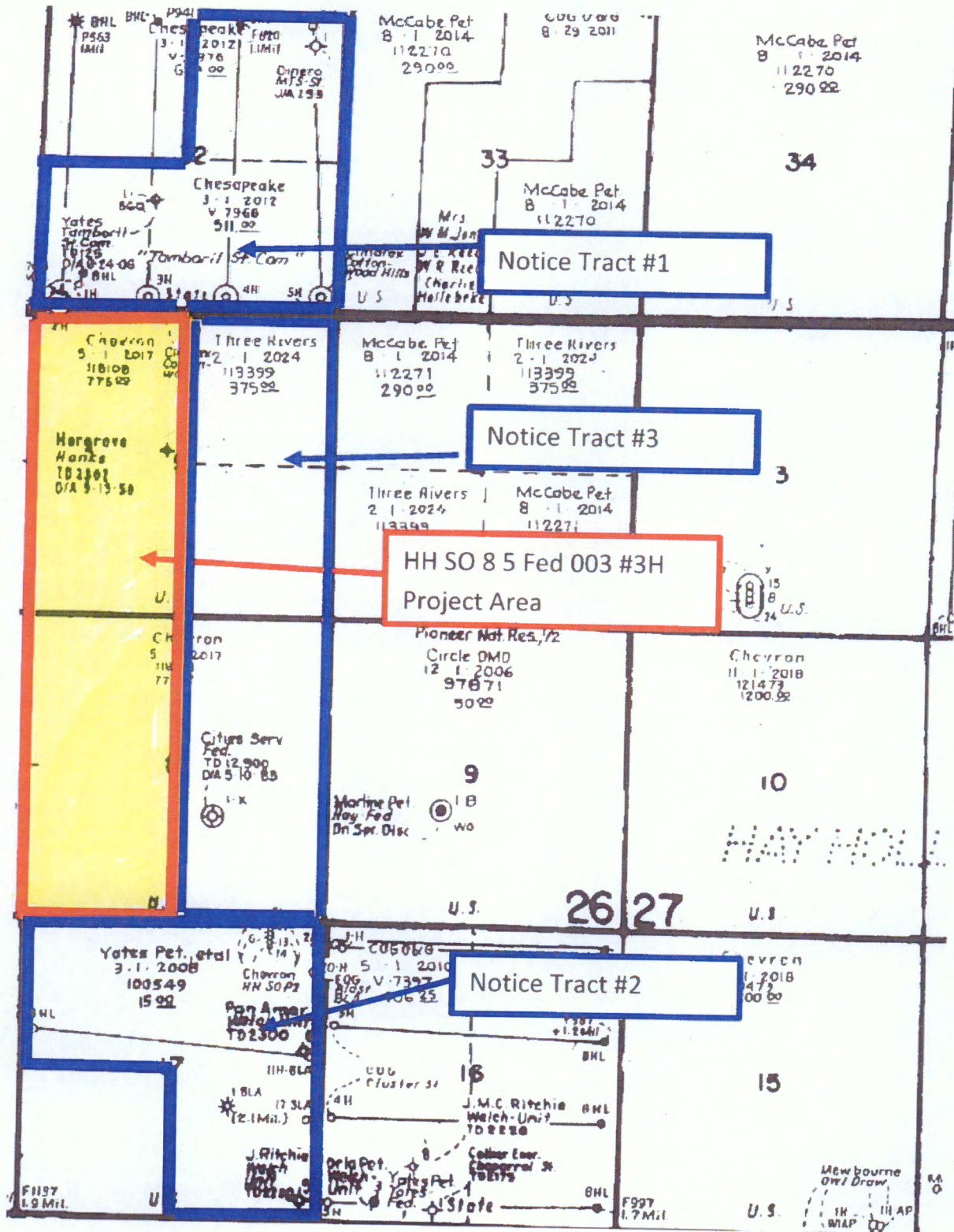


Exhibit C

Notice Tract #1:

Cimarex Energy Co.
600 N Marienfeld St, Ste 600
Midland, TX 79701
USPS 7017 1450 0000 8463 0282

Notice Tract #2:

EOG Y Resources Inc.
P.O. Box 2267
Midland, TX 79702
USPS 7017 1450 0000 8634 0275

Notice Tract #3:

EOG Y Resources Inc.
P.O. Box 2267
Midland, TX 79702
USPS 7017 1450 0000 8463 0268



HOLLAND & HART^{LLP}



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

September 7, 2017

VIA CERTIFIED MAIL
RETURN RECEIPT REQUESTED

TO AFFECTED PARTIES

**Re: Application of Chevron U.S.A. Inc. for administrative approval of an
unorthodox location, Sections 5 and 8, Township 26 South, Range 27 East,
N.M.P.M., Eddy County, New Mexico.
HH SO 8 5 Fed 003 No. 3H Well**

Ladies and Gentlemen:

Enclosed is a copy of the above-referenced application which was filed with the New Mexico Oil Conservation Division on this date. Any objection to this application must be filed in writing within twenty days from this date with the applicant and the New Mexico Oil Conservation Division, 1220 South St. Francis Drive, Santa Fe, New Mexico, 87505. If no objection is received within this twenty-day period, this application may be approved administratively by the Division.

If you have any questions about this application, please contact the following:

Amber Tarr-Delach
Chevron U.S.A. Inc.
(713) 372-9877
ATarr@chevron.com

Sincerely,

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

Holland & Hart^{LLP}

Phone (505) 988-4421 **Fax** (505) 983-6043 **www.hollandhart.com**

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

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

Lowe, Leonard, EMNRD

From: Lowe, Leonard, EMNRD
Sent: Monday, October 2, 2017 1:50 PM
To: 'Jordan L. Kessler'
Cc: Podany, Raymond, EMNRD; Sharp, Karen, EMNRD; McMillan, Michael, EMNRD; Goetze, Phillip, EMNRD; Jones, William V, EMNRD; 'lisa@rwbyram.com'; 'jglover@blm.gov'; 'scaffey@blm.gov'; 'scaffey@blm.gov'
Subject: APPROVED NSL-7587_NSL-7588_NSL-7589_Chevron USA Inc._SEC 17.8 26S 27E
Importance: High

Ms. Jordan L. Kessler,

The following administrative orders have been issued and will soon be available on the Division's web site: <http://ocdimage.emnrd.state.nm.us/Imaging/Default.aspx>

NSL-7587

Chevron USA Inc.

API #: 30-015-Pending

WELL: HH SO 17 20 Federal 1 Well No. 3H

NSL-7588

Chevron USA Inc.

API #: 30-015-Pending

WELL: HH SO 8 5 Federal 3 Well No. 3H

NSL-7589

Chevron USA Inc.

API #: 30-015-Pending

WELL: HH SO 8 5 Federal 3 Well No. 6H

Leonard Lowe

Engineering Bureau

Oil Conservation Division

Energy Minerals and Natural Resources Department

1220 South St. Frances

Santa Fe, New Mexico 87004

Office: 505-476-3492

Cell: 505-930-6717

Fax: 505-476-3462

E-mail: leonard.lowe@state.nm.us