

RECEIVED: <u>9/7/17</u>	REVIEWER: <u>LRL</u>	TYPE: <u>NSL</u>	APP NO: <u>PLEL 1725137707</u>
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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-7589

<b>Applicant:</b> <u>Chevron U.S.A. Inc.</u>	<b>OGRID Number:</b> <u>4323</u>
<b>Well Name:</b> <u>HH SO 8 5 Fed 003 No. 6H Well</u>	<b>API:</b> <u>30-015-</u>
<b>Pool:</b> <u>Purple Sage; Wolfcamp (Gas) Pool</u>	<b>Pool Code:</b> <u>98220</u>

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

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- 1) **TYPE OF APPLICATION:** Check those which apply for [A]
- A. Location – Spacing Unit – Simultaneous Dedication
- ☒ INSL      ☐ 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

RECEIVED 003  
2017 SEP - 7 P 2:50

**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. 6H 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. 6H Well** (API No. Pending) to be completed within the Wolfcamp formation (Purple Sage; Wolfcamp (Gas) Pool (98220)) underlying the E/2 of Section 5 and the E/2 of Section 8. This well will be drilled from a surface location 504 feet from the North line and 2310 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 East line (Unit O) of Section 8 and the final perforation will be located 330 feet from the North line and 2430 feet from the East line (Unit B) 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 western, southwestern, and northwestern boundaries of the project area.

Ownership between the E/2 and W/2 of Sections 5 and 8 is not identical. Chevron is the 100 percent working interest owner in the spacing unit to the West. Accordingly, there are no affected parties in the spacing unit to the West. The W/2 of Sections 5 and 8 will be developed by the **HH SO 8 5 Fed 003 No. 3H 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. 6H Well** encroaches on the spacing and proration units to the West, Northwest, and Southwest.

HOLLAND & HART<sup>LLP</sup>



**Exhibit B** is a land plat showing the proposed **HH SO 8 5 Fed 003 No. 6H Well** in relation to adjoining spacing units.

**Exhibit C** is a list of the parties affected by the encroachment to the Northwest and Southwest. As set forth above, Chevron is the 100 percent interest owner in the W/2 of Section 5 and 8. Accordingly, there are no affected parties in the spacing unit to the West. 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. Francis Dr., Hobbs, NM 88246  
Phone: (575) 393-6161 Fax: (575) 393-0720  
**District II**  
811 S. First St., Artesia, NM 88210  
Phone: (575) 748-1283 Fax: (575) 748-2720  
**District III**  
1000 Rio Brazos Road, Aztec, NM 87410  
Phone: (505) 334-6118 Fax: (505) 334-6170  
**District IV**  
1220 S. St. Francis Dr. Santa Fe, NM 87505  
Phone: (505) 476-3411 Fax: (505) 476-3462

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

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

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number		Pool Code	Pool Name
		98220	PURPLE SAGE WOLF CAMP (GAS)
Property Code	Property Name		Well Number
	HH SO 8 5 FED 003		6H
OGRID No	Operator Name		Elevation
4323	CHEVRON U.S.A. INC.		3264'

Surface Location

U/L 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.		504'	NORTH	2310'	WEST	UDDY

Bottom Hole Location If Different From Surface

U/L or lot no.	Section	Township	Range	Lot Idn	Feet from the	North-South line	Feet from the	East-West line	County
B	5	26 SOUTH	27 EAST, N.M.P.M.		280'	NORTH	2430'	EAST	UDDY

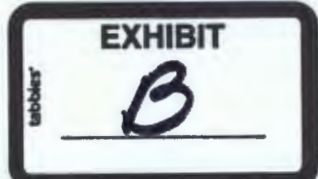
Dedicated Acres	Joint or Infill	Consolidation Code	Order No
640			

No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.

<p><b>LAST TAKE POINT</b></p> <p>X= 537.826 NAD 27 Y= 392.116 LAT 32 07 38.6 LONG 104 21 12.6</p> <p>X= 579.009 NAD 83 Y= 392.174 LAT 32 07 38.6 LONG 104 21 12.6</p> <p><b>MID POINT</b></p> <p>X= 537.783 NAD 27 Y= 397.132 LAT 32 06 42.6 LONG 104 21 13.6</p> <p>X= 578.967 NAD 83 Y= 397.169 LAT 32 06 44.3 LONG 104 21 18.6</p> <p><b>FIRST TAKE POINT</b></p> <p>X= 537.868 NAD 27 Y= 392.135 LAT 32 06 54.4 LONG 104 21 11.0</p> <p>X= 579.052 NAD 83 Y= 392.191 LAT 32 06 56.6 LONG 104 21 16.4</p>	<p><b>PROPOSED BOTTOM HOLE LOCATION</b></p> <p>X= 537.826 NAD 27 Y= 392.166 LAT 32 07 38.6 LONG 104 21 12.6</p> <p>X= 579.010 NAD 83 Y= 392.224 LAT 32 07 38.6 LONG 104 21 17.1</p> <p><b>CORNER COORDINATES TABLE (NAD 27)</b></p> <p>A - Y=392446.14 X=537606.87 B - Y=392449.96 X=540258.92 C - Y=387132.57 X=537574.14 D - Y=387122.04 X=540212.94 E - Y=381810.94 X=534988.20 F - Y=381805.09 X=537646.07 G - Y=381799.23 X=540303.95 H - Y=376480.27 X=535066.16 I - Y=376477.58 X=537710.13</p> <p><b>HH SO 8 5 FED 003 6H WELL</b></p> <p>X= 537.306 NAD 27 Y= 381.302 LAT 32 04 82.6 LONG 104 21 29.6</p> <p>X= 578.490 NAD 83 Y= 381.359 LAT 32 04 83.7 LONG 104 21 34.0</p> <p>ELEVATION -3264' NAVD 88</p>	<p>Proposed Last Take Point 330 FNL, 2430' FEL</p> <p>Sec 5</p> <p>Mid Point</p> <p>Proposed First Take Point 330 FSL, 2430' FEL</p> <p>Sec 8</p> <p>Sec 17</p> <p>Proposed Producing Interval</p> <p>2310'</p> <p>504'</p> <p>280'</p> <p>2430'</p> <p>N 00°29'40" E 5034.92'</p> <p>N 00°58'25" W 4997.85'</p> <p>N 34°00'17" E 1,004.68'</p>	<p><b>OPERATOR CERTIFICATION</b></p> <p>I hereby certify that the information contained herein is true and correct to the best of my knowledge and belief, and that the organization either owns a working interest or an undivided mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral interest, working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</p> <p>Signature: <i>[Signature]</i> Date: 6-27-17</p> <p>Printed Name: <i>[Name]</i></p> <p>E-mail Address: <i>[Email]</i></p> <p><b>SURVEYOR CERTIFICATION</b></p> <p>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge.</p> <p>Date of Survey: 4-6-2017</p> <p>Signature and Seal of Professional Surveyor: <i>[Signature]</i></p> <p>Certificate Number: 23006</p>
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EXHIBIT

*[Handwritten A]*



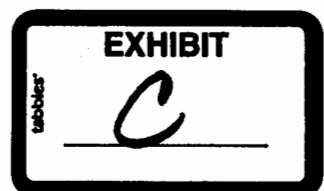
**Exhibit C**

**Notice Tract #1:**

Cimarex Energy Co.  
600 N Marienfeld St., Ste 600  
Midland, TX 79701  
USPS 7017 1450 0000 8463 0305

**Notice Tract #2:**

EOG Y Resources Inc.  
P.O. Box 2267  
Midland, TX 79702  
USPS 7017 1450 0000 8463 0299



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. 6H 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**

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**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](mailto:leonard.lowe@state.nm.us)