

NSL Initial Application

Received: 06/13/19

This application is placed in file for record. It MAY or MAY NOT have been reviewed to be determined Administratively Complete

NSL-7906

Revised March 23, 2017

PLEL19 17060734

RECEIVED: 6/13/19	REVIEWER: LRL	TYPE: NSL	APP NO: JUN 13 2019 PM 03:41
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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

Applicant: Chevron U.S.A. Inc.**OGRID Number:** 321443-4323**Well Name:** CB SE 5 32 Fed Com 003 No. 3H**API:** 30-015-44976**Pool:** Purple Sage; Wolfcamp**Pool Code:** 98220

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

1) TYPE OF APPLICATION: Check those which apply for [I] or [II]

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**FOR OCD ONLY**☐ Notice Complete☐ Application
Content
Complete**2) NOTIFICATION REQUIRED TO:** Check those which apply.A. ☒ Offset operators or lease holdersB. ☐ Royalty, overriding royalty owners, revenue ownersC. ☐ Application requires published noticeD. ☒ Notification and/or concurrent approval by SLOE. ☒ Notification and/or concurrent approval by BLMF. ☐ Surface ownerG. ☐ For all of the above, proof of notification or publication is attached, and/or,H. ☐ No notice required

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.

Kaitlyn A. Luck

Print or Type Name

Signature

06/13/2019

Date

505-954-7286

Phone Number

kaluck@hollandhart.com

e-mail Address



June 13, 2019

JUN 13 2019 PM03:41

VIA HAND DELIVERY

Adrienne Sandoval, Director
Oil Conservation Division
New Mexico Department of Energy,
Minerals and Natural Resources
1220 South Saint Francis Drive
Santa Fe, New Mexico 87505

Re: Application of Chevron U.S.A. Inc., for administrative approval of an unorthodox well location for its CB SE 5 32 Fed Com 003 No. 3H Well in the W/2 of Section 32, Township 23 South, Range 29 East, and the W/2 of Section 5, Township 24 South, Range 29 East, N.M.P.M., Eddy County, New Mexico.

Dear Ms. Sandoval:

Chevron U.S.A. Inc. ("Chevron") (OGRID No. 6137) seeks administrative approval of an unorthodox well location for its **CB SE 5 32 Fed Com 003 No. 3H Well** (API No. 30-025-pending) to be completed within the Purple Sage Wolfcamp Pool (98220) underlying the W/2 of Section 32, Township 23 South, Range 29 East, and the W/2 of Section 5, Township 24 South, Range 29 East, N.M.P.M., Eddy County, New Mexico. This well will be drilled from a surface location 295 feet from the south line and 1,592 feet from the west line (Unit N) of Section 5 to a bottom hole location 176 feet from the north line and 2,439 feet from the west line (Unit C) of Section 32. The first take point will be located 330 feet from the south line and 2,352 feet from the west line (Unit N) of Section 5 and the last take point will be 1,117 feet from the north line and 2,365 feet from the west line (Unit C) of Section 32.

Pursuant to Division Order R-14262, this acreage is governed by the Special Rules for the Purple Sage-Wolfcamp Gas Pool which provide for wells in the Wolfcamp formation in Eddy County to be located no closer than 330 feet to the outer boundary of the spacing unit. The completed interval for the **CB SE 5 32 Fed Com 003 No. 3H Well** will be unorthodox because it is closer than 330 feet to the eastern boundary of the project area. Approval of the unorthodox completed interval will allow Chevron to use its preferred well spacing plan for horizontal wells in this area and thereby prevent waste.

Exhibit A is a Well Location and Acreage Dedication Plat (Form C-102), which shows that the completed interval of the proposed **CB SE 5 32 Fed Com 003 No. 3H Well** encroaches on the drilling and spacing units to the east.



Exhibit B is a land plat that shows the proposed **CB SE 5 32 Fed Com 003 No. 3H Well** in relation to the adjoining spacing units to the east in Sections 5 and 32.

Exhibit C is a list of the parties affected by the encroachment to the east. Ownership is diverse between the subject spacing unit and the tracts to the east. The affected parties in the spacing units in the E/2 of Sections 5 and 32 includes the Bureau of Land Management and the New Mexico State Land Office. 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.

Exhibit D is a statement from a Chevron's petroleum engineer confirming that Chevron's requested unorthodox location is necessary to optimize well spacing, thereby preventing waste.

Your attention to this matter is appreciated.

Sincerely,

Kaitlyn A. Luck

ATTORNEY FOR CHEVRON U.S.A. INC.

District I
1625 N French Dr., Hobbs, NM 88240
Phone: (575) 393-6161 Fax: (575) 393-0720
District II
811 S First St., Artesia, NM 88210
Phone: (575) 748-1283 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 30-013-44976	² Pool Code 98220	³ Pool Name PURPLE SAGE; WOLF CAMP (GAS)
⁴ Property Code 321443	⁵ Property Name CB SE 5 32 FED COM 3	
⁷ OGRID No. 4323	⁸ Operator Name CHEVRON U.S.A. INC.	⁶ Well Number 311 ⁹ Elevation 3016'

¹⁰ Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
N	5	24 SOUTH	29 EAST, N.M.P.M.		295'	SOUTH	1592'	WEST	EDDY

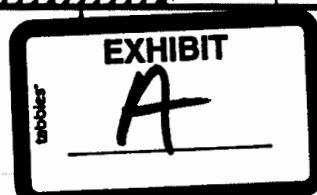
¹¹ Bottom Hole Location If Different From Surface

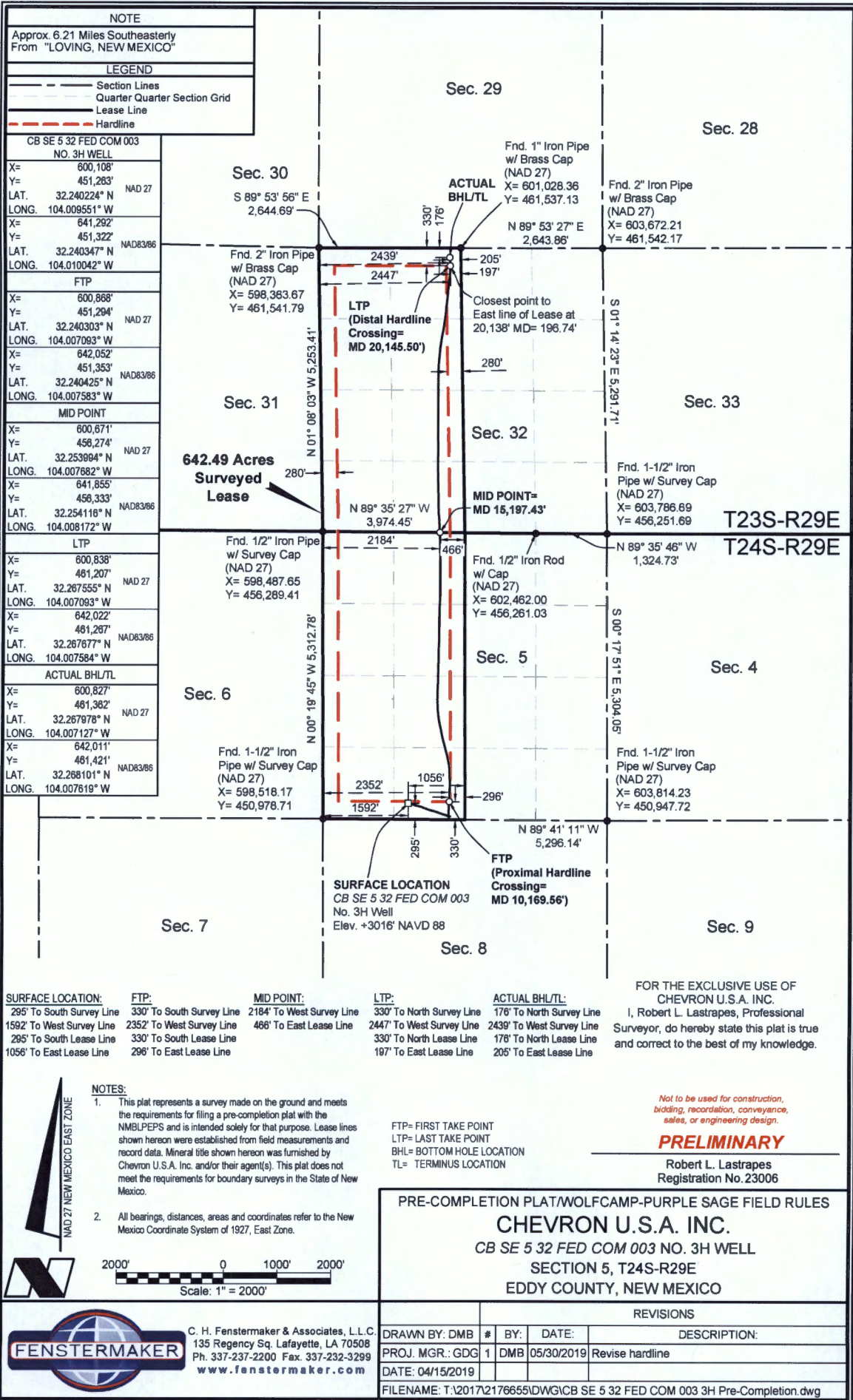
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
C	32	23 SOUTH	29 EAST, N.M.P.M.		180'	NORTH	2178'	WEST	EDDY

¹² Dedicated Acres 6.96	¹³ Joint or Infill 639.81	¹⁴ Consolidation Code	¹⁵ 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>PROPOSED LAST TAKE POINT</p> <p>X= 600,569 NAD 27 Y= 461,208 LAT. 32 267558 LONG. 104.007965</p> <p>X= 641,752 NAD83 Y= 461,267 LAT. 32 267680 LONG. 104.008456</p> <p>MID POINT</p> <p>X= 600,566 NAD 27 Y= 456,274 LAT. 32 253994 LONG. 104.007699</p> <p>X= 641,849 NAD83 Y= 456,333 LAT. 32 254116 LONG. 104.008190</p> <p>PROPOSED FIRST TAKE POINT</p> <p>X= 600,694 NAD 27 Y= 451,295 LAT. 32 240307 LONG. 104.007656</p> <p>X= 641,878 NAD83 Y= 451,354 LAT. 32 240429 LONG. 104.008146</p>		<p>PROPOSED BOTTOM HOLE LOCATION</p> <p>X= 600,566 NAD 27 Y= 461,358 LAT. 32.267971 LONG. 104.007973</p> <p>X= 641,749 NAD83 Y= 461,417 LAT. 32.268093 LONG. 104.008464</p> <p>CORNER COORDINATES TABLE (NAD 27)</p> <p>A - Y=461541.79, X=598383.67 B - Y=461537.13, X=601028.36 C - Y=456289.41, X=598487.65 D - Y=456270.49, X=601137.17 E - Y=450976.71, X=598518.17 F - Y=450962.21, X=601166.20</p> <p>CB SE 5 32 FED COM 3 3H WELL</p> <p>X= 600,108 NAD 27 Y= 451,263 LAT. 32 240224 LONG. 104.009551</p> <p>X= 641,292 NAD83 Y= 451,322 LAT. 32 240347 LONG. 104.010042 ELEVATION +3016' NAVD 88</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, and that this organization either owns a working interest or unleased 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 or working interest, or in a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division</p> <p>Dorian K. Fuentes 12/7/2017 Signature Date</p> <p>Dorian K. Fuentes Printed Name</p> <p>djvo@chevron.com E-mail Address</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>11-28-2017 Date of Survey</p> <p>Signature and Seal of Professional Surveyor</p> <p>23006 Certificate Number</p>
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NOTIFICATION LIST
Chevron U.S.A. Inc., / CB SE 5 32 Fed Com 003 No. 3H Well
Administrative Application
Dated: 06-13-19

Mizel Resources, a Trust	4350 S Monaco St. 5th Floor	Denver	CO	80237
Yosemite Creek Oil & Gas, LLC	4350 S Monaco St. 5th Floor	Denver	CO	80237
Juneau Oil & Gas	3700 Buffalo Speedway Ste 925	Houston	TX	77098
Marshall & Winston, Inc.	PO Box 50880	Midland	TX	79710
NM State Land Office	310 Old Santa Fe Trail	Santa Fe	NM	87501
Bureau of Land Management	301 Dinosaur Trail	Santa Fe	NM	87508





Shipment Confirmation Acceptance Notice

A. Mailer Action

Note to Mailer: The labels and volume associated to this form online, **must** match the labeled packages being presented to the USPS® employee with this form.

CB SE 5 32 Fed Com 003 No. 3H Well
CM# 79044.0002

Shipment Date: 06/13/2019

Shipped From:

Name: HOLLAND & HART LLP

Address: 110 N GUADALUPE ST # 1

City: SANTA FE

State: NM ZIP+4® 87501

Type of Mail	Volume
Priority Mail Express®*	
Priority Mail®	0
First-Class Package Service®	
Returns	
International*	
Other	6
Total	6

*Start time for products with service guarantees will begin when mail arrives at the local Post Office™ and items receive individual processing and acceptance scans.

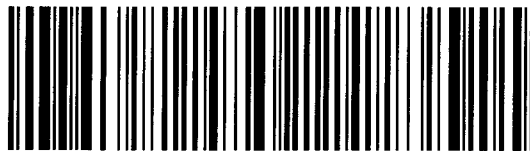
B. USPS Action

Note to RSS Clerk:

1. Home screen > Mailing/Shipping > More
2. Select Shipment Confirm
3. Scan or enter the barcode/label number from PS Form 5630
4. Confirm the volume count message by selecting Yes or No
5. Select Pay and End Visit to complete transaction

USPS EMPLOYEE: Please scan upon pickup or receipt of mail.
Leave form with customer or in customer's mail receptacle.

USPS SCAN AT ACCEPTANCE



9275 0901 1935 6200 0015 0667 79



Firm Mailing Book For Accountable Mail

Name and Address of Sender Holland & Hart LLP 110 N Guadalupe St # 1 Santa Fe NM 87501		Check type of mail or service <input type="checkbox"/> Adult Signature Required <input type="checkbox"/> Adult Signature Restricted Delivery <input checked="" type="checkbox"/> Certified Mail <input type="checkbox"/> Certified Mail Restricted Delivery <input type="checkbox"/> Collect on Delivery (COD) <input type="checkbox"/> Insured Mail <input type="checkbox"/> Priority Mail		Priority Mail Express <input type="checkbox"/> Registered Mail <input type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> Signature Confirmation <input type="checkbox"/> Signature Confirmation Restricted Delivery		Affix Stamp Here <i>(if issued as an international certificate of mailing or for additional copies of this receipt).</i> Postmark with Date of Receipt.								
USPS Tracking/Article Number	Addressee (Name, Street, City, State, & ZIP Code™)	Postage	(Extra Service) Fee	Handling Charge	Actual Value if Registered	Insured Value	Due Sender if COD	ASR Fee	ASRD Fee	RD Fee	RR Fee	SC Fee	SCRD Fee	SH Fee
1. 9214 8901 9403 8384 6693 21	Mizel Resources a Trust 4350 S Monaco St 5th Floor Denver CO 80237	0.50	3.50								1.60			
2. 9214 8901 9403 8384 6693 38	Yosemite Creek Oil & Gas LLC 4350 S Monaco St 5th Floor Denver CO 80237	0.50	3.50								1.60			
3. 9214 8901 9403 8384 6693 45	Junear Oil & Gas 3700 Buffalo Speedway Ste 925 Houston TX 77098	0.50	3.50								1.60			
4. 9214 8901 9403 8384 6693 52	Marshall & Winston Inc PO BOX 50980 Midland TX 79710	0.50	3.50								1.60			
5. 9214 8901 9403 8384 6693 69	NM State Land Office 310 Old Santa Fe Trail Santa Fe NM 87501	0.50	3.50								1.60			
6. 9214 8901 9403 8384 6693 76	Bureau of Land Management 301 Dinosaur Trail Santa Fe NM 87508	0.50	3.50								1.60			
Total Number of Pieces Listed by Sender 6		Total Number of Pieces Received at Post Office		Postmaster, Per (Name of receiving employee)										



Chevron U.S.A. Inc.
6301 Deauville Blvd
Midland, Texas 79706

June 10, 2019

Mr. Leonard Lowe
New Mexico Oil Conservation Division
1220 South Francis Drive
Santa Fe, New Mexico 87505

**RE: Application for Nonstandard Locations
Engineering Statement
Chevron U.S.A. Inc.
CB SE 5 32 FED COM 003 #3H
W/2 of Section 5, T24S, R29E and
W/2 of Section 32, T23S, R29E, N.M.P.M.,
Eddy County, New Mexico**

Dear Mr. Lowe:

Chevron U.S.A. Inc. respectfully requests administrative approval of a non-standard location for the well referenced above by decreasing the last take points from 330 feet to 196.74 feet from the east line vertical plane outer boundary. The wells are located in the Purple Sage-Wolfcamp Gas Pool (Pool Code 98220). It is Chevron's responsibility as a prudent operator to maximize lateral length and to minimize reserves left in the ground. Decreasing the last take point will increase the wells effective lateral length by 782 feet thereby increasing ultimate recovery of reserves and thereby preventing waste of natural resources.

Sincerely,

A handwritten signature in black ink, appearing to read "Anna Tan".

Anna Tan
Reservoir Engineer



**Kaitlyn A. Luck****Associate****Phone** (505) 954-7286

KALuck@hollandhart.com

June 13, 2019

VIA CERTIFIED MAIL
RETURN RECEIPT REQUESTED**TO AFFECTED PARTIES:**

Re: Application of Chevron U.S.A. Inc., for administrative approval of an unorthodox well location for its CB SE 5 32 Fed Com 003 No. 3H Well in the W/2 of Section 32, Township 23 South, Range 29 East, and the W/2 of Section 5, Township 24 South, Range 29 East, N.M.P.M., Eddy County, New Mexico.

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:

Irvin Gutierrez
Chevron U.S.A. Inc.
(713) 372-4299
irvin.gutierrez@chevron.com

Sincerely,

Kaitlyn A. Luck

ATTORNEY FOR CHEVRON U.S.A. INC.

Lowe, Leonard, EMNRD

From: Lowe, Leonard, EMNRD
Sent: Wednesday, June 26, 2019 2:10 PM
To: 'Kaitlyn A. Luck'
Subject: RE: NSL Chevron WELL: API 30-015-44976_NAME: CB SE 5 32 FEDERAL COM 3 #003H

Kaitlyn,
Good afternoon.

From my initial inquiry and brief review of your latest submitted information pertaining to this NSL application of the above subject well. All appears to have been met, to meet the requirements I was seeking to process your application.

Your 20 days concludes on July 4th, 2019.

I hope to have an order for you by July 8th.

If you have any questions you may reply to this e-mail or call me.

Thank you,

Leonard Lowe

Engineering Bureau
Oil Conservation Division
Energy Minerals and Natural Resources Department
1220 South St. Francis
Santa Fe, New Mexico 87505
Office: 505-476-3492
Cell: 505-930-6717
Fax: 505-476-3462
E-mail: leonard.lowe@state.nm.us
Website: <http://www.emnrd.state.nm.us/ocd/>

From: Kaitlyn A. Luck <KALuck@hollandhart.com>
Sent: Wednesday, June 26, 2019 1:52 PM
To: Lowe, Leonard, EMNRD <Leonard.Lowe@state.nm.us>
Cc: Jones, William V, EMNRD <WilliamV.Jones@state.nm.us>
Subject: [EXT] RE: NSL Chevron WELL: API 30-015-44976_NAME: CB SE 5 32 FEDERAL COM 3 #003H

Good afternoon,

I just wanted to follow up with you since submitting the information below. Chevron has advised this well is on the drilling schedule for the near-future. Please let us know if you require any additional information or clarification to determine the application complete.

Thanks,

Kaitlyn

From: Kaitlyn A. Luck
Sent: Monday, June 24, 2019 2:42 PM
To: 'Lowe, Leonard, EMNRD' <Leonard.Lowe@state.nm.us>
Cc: Jones, William V, EMNRD <WilliamV.Jones@state.nm.us>
Subject: RE: NSL Chevron WELL: API 30-015-44976_NAME: CB SE 5 32 FEDERAL COM 3 #003H

Mr. Lowe:

Chevron requests the following NSL location:

SHL: 295' FSL & 1,592' FWL
BHL: 176' FNL & 2,439' FWL
FTP: 330' FSL & 2,352' FWL
LTP: 330' FNL & 2,447' FWL

These locations correspond with **Exhibit B** (plat). Chevron also indicates on Exhibit B the location in which the completed interval will not comply with the 330' setback requirements of the Special Rules for the Purple Sage Wolfcamp, which necessitates this NSL request. Please let me know if you require any further clarification to process this application administratively.

Thank you for your time!

Best,

Kaitlyn

From: Lowe, Leonard, EMNRD <Leonard.Lowe@state.nm.us>
Sent: Thursday, June 20, 2019 10:33 AM
To: Kaitlyn A. Luck <KALuck@hollandhart.com>
Cc: Jones, William V, EMNRD <WilliamV.Jones@state.nm.us>
Subject: NSL Chevron WELL: API 30-015-44976_NAME: CB SE 5 32 FEDERAL COM 3 #003H
Importance: High

Ms. Kaitlyn A. Luck,

Good morning.

In review of the above Subject well for the NSL request received on June 13, 2019.

There appears to be some discrepancies within the application you have provided. None of your references to your FTP and LTP information are consistent.

Upon review I have found:

Your letter stating

FTP = 330 FSL & 2352 FWL
LTP = 1117 FNL & 2365 FWL

Your C-102 stating

FTP = 330 FSL & 2178 FWL
LTP = 330 FNL & 2178 FWL

Exhibit B stating

FTP = 330 FSL & 2352 FWL
LTP = 330 FNL & 2447 FWL

What are the correct FTP and LTP you wish to use for this Unorthodox Location request? Remember, you are requesting an Exception to the rule. In order to grant an exception, all pertinent information must be concise, correct, and informative within your request.

Your application has not been determined Administratively correct as of this time.

Your application is on hold.

Leonard Lowe

Engineering Bureau

Oil Conservation **D**ivision

Energy **M**inerals and **N**atural **R**esources **D**epartment

1220 South St. Francis

Santa Fe, New Mexico 87505

Office: 505-476-3492

Cell: 505-930-6717

Fax: 505-476-3462

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

Website: <http://www.emnrd.state.nm.us/oed/>