

DATE IN <sup>30</sup> 04/31/13	SUSPENSE	ENGINEER DB	LOGGED IN 05/03/13	TYPE NSL	APP NO. PPRG1312660517
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ABOVE THIS LINE FOR DIVISION USE ONLY

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



30-015-41120  
Hayhurst 16 2527  
State # 1H  
Chesapeake Operating

## 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

### Application Acronyms:

[NSL-Non-Standard Location] [NSP-Non-Standard Proration Unit] [SD-Simultaneous Dedication]  
[DHC-Downhole Commingling] [CTB-Lease Commingling] [PLC-Pool/Lease Commingling]  
[PC-Pool Commingling] [OLS - Off-Lease Storage] [OLM-Off-Lease Measurement]  
[WFX-Waterflood Expansion] [PMX-Pressure Maintenance Expansion]  
[SWD-Salt Water Disposal] [IPI-Injection Pressure Increase]  
[EOR-Qualified Enhanced Oil Recovery Certification] [PPR-Positive Production Response]

6806

- [1] **TYPE OF APPLICATION** - Check Those Which Apply for [A]
- [A] Location - Spacing Unit - Simultaneous Dedication  
☒ NSL ☐ NSP ☐ SD
- Check One Only for [B] or [C]
- [B] Commingling - Storage - Measurement  
☐ DHC ☐ CTB ☐ PLC ☐ PC ☐ OLS ☐ OLM
- [C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery  
☐ WFX ☐ PMX ☐ SWD ☐ IPI ☐ EOR ☐ PPR
- [D] Other: Specify \_\_\_\_\_
- [2] **NOTIFICATION REQUIRED TO:** - Check Those Which Apply, or Does Not Apply
- [A] ☐ Working, Royalty or Overriding Royalty Interest Owners
- [B] ☐ Offset Operators, Leaseholders or Surface Owner
- [C] ☐ Application is One Which Requires Published Legal Notice
- [D] ☐ Notification and/or Concurrent Approval by BLM or SLO  
U.S. Bureau of Land Management - Commissioner of Public Lands, State Land Office
- [E] ☐ For all of the above, Proof of Notification or Publication is Attached, and/or,
- [F] ☐ Waivers are Attached

- [3] **SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED ABOVE.**

[4] **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.

Adam Rankin	See Attachments	Attorney for Chesapeake	04/31/2012
Print or Type Name	Signature	Title	Date
		agrarkin@hollanhart.com	
		e-mail Address	

HOLLAND & HART<sup>LLP</sup>



**Adam G. Rankin**  
**Phone** 505-954-7294  
**Fax** 505-983-6043  
agrarkin@hollandhart.com

April 30, 2013

**VIA HAND DELIVERY**

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

RECEIVED OGD  
2013 APR 30 P 4:28

**Re: Revised Application of Chesapeake Operating, Inc., agent for Chevron USA, Inc., for administrative approval of an unorthodox well location for its Hayhurst 16 25 27 State 1H well in the Bone Spring formation in Section 16, Township 25 South, Range 27 East, N.M.P.M., Eddy County, New Mexico.**

Dear Ms. Bailey:

Chesapeake Operating, Inc., (OGRID No. 147179) agent for Chevron USA, Inc. (OGRID No. 4323) hereby revises its application for administrative approval for the above-referenced unorthodox well location for the Hayhurst 16 25 27 State 1H well to be located in Section 16, Township 25 South, Range 27 East, N.M.P.M., Eddy County, New Mexico. The original application proposed that the well would be drilled horizontally in the Bone Spring formation at a surface location 150 feet from the North line and 2280 feet from the West line with a bottom hole location of 100 feet from the South line and 2280 feet from the West line which will be at an unorthodox location. A 160-acre project area has been dedicated to this horizontal well comprised of the E/2 W/2 of Section 16.

Chesapeake hereby revises its application and seeks to approve a well at the following amended location: 175 FNL and 2280 FWL with a terminus location 250 FSL and 2280 FWL. The proposed first perforations will be located approximately 330 FNL and 2280 FWL with a requested bottom-hole location approximately 250 FSL and 2280 FWL.

**Exhibit A** is the revised Well Location and Acreage Dedication Plat (Form C-102), which shows that the proposed Hayhurst 16 25 27 State 1H well encroaches on the spacing and proration unit to the South.

**Holland & Hart<sup>LLP</sup>**

**Phone** [505] 988-4421 **Fax** [505] 983-6043 **www.hollandhart.com**

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

Aspen Billings Boise Boulder Cheyenne Colorado Springs Denver Denver Tech Center Jackson Hole Salt Lake City Santa Fe Washington, D.C. ♻

HOLLAND & HART LLP



The operator of spacing and proration unit to the South is Chevron, which is the applicant for this non-standard location; therefore, the affected parties under the rules are the working interest owners in the encroached-upon spacing and proration unit to the South. In this case, Chevron owns 100 percent of the working interest in the encroached-upon spacing and proration unit to the South.

Your attention to this application is appreciated.

Sincerely,

Adam G. Rankin

ATTORNEY FOR CHESAPEAKE OPERATING, INC.

Enclosures

**District I**  
1625 N. French Dr., Hobbs, NM 88240  
Phone: (575) 393-6161 Fax: (575) 393-0720  
**District II**  
811 S. Pirat St., Artesia, NM 88210  
Phone: (575) 748-1283 Fax: (575) 748-9720  
**District III**  
1060 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

<sup>1</sup> API Number 30-015-41120	<sup>2</sup> Pool Code 97816	<sup>3</sup> Pool Name WILDCAT G-02 S2527 15A; BONE SPRING
<sup>4</sup> Property Code 39726	<sup>5</sup> Property Name HAYHURST 16 25 27 STATE	
<sup>7</sup> OGRID No. 4323	<sup>8</sup> Operator Name CHEVRON U.S.A. INC.	<sup>6</sup> Well Number 1H  <sup>9</sup> Elevation 3212'

<sup>10</sup> Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
C	16	25 SOUTH	27 EAST, N.M.P.M.		175'	NORTH	2280'	WEST	EDDY

<sup>11</sup> 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
N	16	25 SOUTH	27 EAST, N.M.P.M.		250'	SOUTH	2280'	WEST	EDDY

<sup>12</sup> Dedicated Acres 160	<sup>13</sup> Joint or Infill	<sup>14</sup> Consolidation Code	<sup>15</sup> 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><b><sup>17</sup> OPERATOR CERTIFICATION</b></p> <p>I hereby certify that the information contained herein is true and complete in 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 this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</p> <p><i>Bryan Arant</i> 4/18/2013 Signature Date</p> <p>Bryan Arant (Agent for Chevron) Printed Name</p> <p>bryan.arant@chkm.com E-mail Address</p>
	<p><b><sup>18</sup> 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 belief.</p> <p>4-18-13 Date of Survey</p> <p><i>[Signature]</i> Signature and Seal of Professional Surveyor</p> <p>Wm. J. DANIEL III NEW MEXICO 15078 REGISTERED PROFESSIONAL SURVEYOR</p> <p>15078 Certificate Number</p>

#15078

