

State of New Mexico
Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

Ken McQueen
Cabinet Secretary

Matthias Sayer
Deputy Cabinet Secretary

David R. Catanach, Division Director
Oil Conservation Division



April 18, 2017

Chevron U.S.A. Inc.
Attn: Mr. Jordan Kessler

ADMINISTRATIVE NON-STANDARD LOCATION

Administrative Order NSL-7519

Chevron U.S.A. Inc.
OGRID 4323
SD WE 15 Federal P9 Well No. 6H
API No. 30-025-43641

Non-Standard Location

Proposed Location:

	Footages	Unit	Sec.	Tsp	Rge	County
Surface	12' FSL & 1446' FEL	O	15	26S	32E	Lea
Penetration Point	330' FSL & 1342' FEL	O	15	26S	32E	Lea
Final perforation	330' FNL & 1342' FEL	B	15	26S	32E	Lea
Terminus	180' FNL & 1342' FEL	B	15	26S	32E	Lea

Proposed Project Area:

Description	Acres	Pool	Pool Code
W/2 E/2 of Section 15	160	Jennings; Upper Bone Spring Shale	97838

Reference is made to your application received on March 13, 2017.

You have requested to drill this horizontal well at an unorthodox oil well location described above in the referenced pool or formation. This location is governed by statewide Rule 19.15.15.9.A NMAC, which provides for 40-acre units, with wells located at least 330 feet from a unit outer boundary. This location is unorthodox because portions of the proposed completed interval are closer to outside boundaries of the proposed project area than any location that would be a standard location under the applicable pool rules.

Your application has been duly filed under the provisions of Division Rules 19.15.15.13 NMAC and 19.15.4.12.A (2) NMAC.


It is our understanding that the Applicant is seeking this location to develop section 15 using a preferred well spacing plan for horizontal wells in the area and thereby preventing waste of a productive reservoir.

It is also understood that you have given due notice of this application to all operators or owners who are "affected persons," as defined in Rule 19.15.4.12 A (2) NMAC, in all adjoining units towards which the proposed location encroaches.

Pursuant to the authority conferred by Division Rule 19.15.15.13 (B) NMAC, the above-described unorthodox location is hereby approved.

The above approvals are subject to your being in compliance with all other applicable Division rules, including, but not limited to Division Rule 19.15.5.9 NMAC.

Jurisdiction of this case is retained for the entry of such further orders as the Division may deem necessary.


DAVID R. CATANACH
Director

DRC/lrl

cc: Oil Conservation Division – Hobbs District Office
Bureau of Land Management – Carlsbad Field Office