

DATE IN 3/13/2017	SUSPENSE	ENGINEER LRL	LOGGED IN 3/14/2017	TYPE NSL	APP NO PKSC1707342510
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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



NSL-7519

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]

[1] TYPE OF APPLICATION - Check Those Which Apply for [A] Chevron U.S.A. (4323)

[A] Location - Spacing Unit - Simultaneous Dedication SD WE 15 Fed P9 #6H
☒ NSL ☐ NSP ☐ SD 30-025-

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 _____

Jennings, Upper Bone Spring Shale (97938)

[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.

Jordan L. Kessler

Print or Type Name

Signature

Attorney

Title

03/13/2017

Date

Email Address

j.kessler@hollandhart.com



March 13, 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

**Re: Application of Chevron U.S.A. Inc. for administrative approval of an unorthodox location, Section 15, Township 26 South, Range 32 East, N.M.P.M., Lea County, New Mexico.
SD WE 15 Fed P9 No. 6H Well**

Dear Mr. Catanach:

Chevron U.S.A. Inc. ("Chevron") (OGRID 4323) seeks administrative approval of an unorthodox well location for its **SD WE 15 Fed P9 No. 6H Well** (API No. 30-025-43461) to be completed within the Bone Spring (Jennings; Upper Bone Spring Shale (97838)) underlying the W/2 E/2 of Section 15. This well will be drilled from a surface location 12 feet from the South line and 1,446 feet from the East line (Unit O). The first perforation will be located 330 feet from the South line, 1,342 feet from the East line (Unit O) and the final perforation will be located 330 feet from the North line and 1,342 feet from the East line (Unit B) of Section 15. Since this acreage is governed by the Division's statewide rules 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.

Chevron is the 100% working interest owner in Section 15. Ownership in the spacing and proration unit in the E/2 E/2 is therefore common with the proposed spacing unit and therefore there are no affected parties in the spacing units to the East. Chevron will operate the **SD WE 15 Fed P9 No. 7H Well** (API No. 30-025-43462) in the E/2 E/2. 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 **SD WE 15 Fed P9 No. 6H Well** encroaches on the spacing and proration units to the East, Northeast, and Southeast.



Exhibit B is a land plat showing the proposed **SD WE 15 Fed P9 No. 6H Well** in relation to adjoining spacing units.

Exhibit C is a list of the parties affected by the encroachment to the Northeast and Southeast. As described above, Chevron is the operator in the spacing unit it the E/2 E/2 of Section 15 and ownership is identical with that of the subject spacing unit. For these reasons, there are no affected parties in the spacing unit to the East. Parties affected by the unorthodox location are located in the spacing units to the Northeast 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.

Exhibit D is a notice of publication in the newspaper of general circulation for Lea County.

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

Legal Notice

To: Mewbourne Oil Company, ConocoPhillips Company, COG Operating LLC, and any unknown person who has a mineral interest in the W/2 E/2 of Section 15, Township 26 South, Range 32 East, NMPM, Lea County, New Mexico.

Application of Chevron USA Inc. for administrative approval of an unorthodox well location for the its **SD WE 15 Fed P9 No. 6H Well** (API No. 30-025-43461) to be completed within the Bone Spring (Jennings; Upper Bone Spring Shale (97838)) underlying the W/2 E/2 of Section 15, Township 26 South, Range 32 East, NMPM, Lea County, New Mexico. The first perforation will be located 330 feet from the South line, 1,342 feet from the East line (Unit O) and the final perforation will be located 330 feet from the North line and 1,342 feet from the East line (Unit B) of Section 15. The completed interval for the **SD WE 15 Fed P9 No. 6H Well** encroaches on the spacing units to the East, Northeast, and Southeast. Any objection to this application must be filed in writing within twenty days from date of publication 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 Shalyce Holmes, (713) 372-6051 or SLHolmes@chevron.com.

District I
1625 N. French Dr., Hobbs, NM 88240
Phone: (575) 393-6161 Fax: (575) 391-0720
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	² Pool Code 97838	³ Pool Name Dannings, Upper Bone Spring, Shale
⁴ Property Code	⁵ Property Name SD WE 15 FED P9	⁶ Well Number 6H
⁷ OGRID No. 4323	⁸ Operator Name CHEVRON U.S.A. INC.	⁹ Elevation 3157'

" Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
O.	15	26 SOUTH	32 EAST, N.M.P.M.		12'	SOUTH	1446'	EAST	LEA

" 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
B	15	26 SOUTH	32 EAST, N.M.P.M.		180'	NORTH	1342'	EAST	LEA

¹² Dedicated Acres	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
1.00			

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 BOTTOM HOLE LOCATION</p> <p>X= 709,238 NAD 27 Y= 382,453 LAT. 32.049678 LONG. 103.658002</p> <p>X= 750,425 NAD83 Y= 382,510 LAT. 32.049804 LONG. 103.658473</p>	<p>CORNER COORDINATES TABLE (NAD 27)</p> <p>A - Y=382621.59, X=707915.08 B - Y=382632.76, X=709247.41 C - Y=377273.21, X=707930.44 D - Y=377284.84, X=709262.41</p>	<p>SD WE 15 FED P9 6H WELL</p> <p>X= 709,149 NAD 27 Y= 377,296 LAT. 32.035506 LONG. 103.658395</p> <p>X= 750,336 NAD83 Y= 377,353 LAT. 32.035631 LONG. 103.658865</p> <p>ELEVATION +3157 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 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>Signature: Denise Pinkerton Date: 2/22/2017 Printed Name: DENISE PINKERTON E-mail Address: LeaKejd@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: 5-26-2016 Signature and Seal of Professional Surveyor: [Signature] Certificate Number: 23006</p>
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EXHIBIT

A

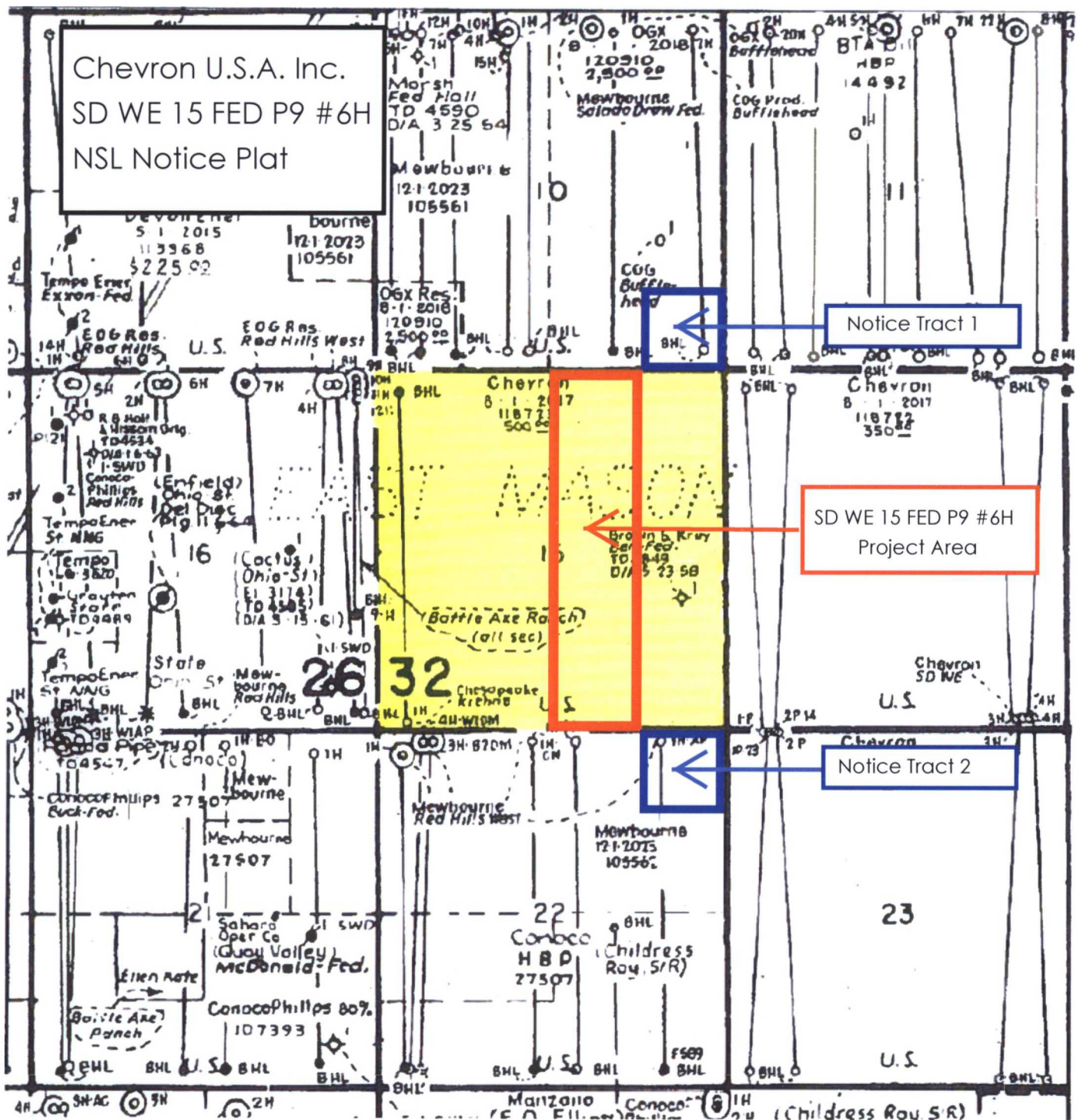


Exhibit C

Notice Tract #1:

Mewbourne Oil Company
500 West Texas, Suite 1020
Midland, TX 79701
7016214000038315658

COG Operating LLC
600 West Illinois Avenue
Midland, TX 79701
70162140000038315665

Notice Tract #2:

Mewbourne Oil Company
500 West Texas, Suite 1020
Midland, TX 79701
70162140000038315672

ConocoPhillips Co
P.O. Box 7500
Bartlesville, OK 74005-7500
70162140000038315689

HOLLAND & HART LLP



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

March 13, 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, Section 15, Township 26 South, Range 32 East,
N.M.P.M., Lea County, New Mexico.
SD WE 15 Fed P9 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:

Shalyce Holmes
Chevron U.S.A. Inc.
(713) 372-6051
SLHolmes@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: Thursday, April 20, 2017 3:46 PM
To: 'Jordan Kessler'
Cc: Brown, Maxey G, EMNRD; Kautz, Paul, EMNRD; 'lisa@rwbyram.com'; 'jglover@blm.gov';
McMillan, Michael, EMNRD; Jones, William V, EMNRD; Goetze, Phillip, EMNRD
Subject: APPROVED NSL-7519_SD WE 15 Federal P9 Well No. 6H, API #: 30-025-43641
Importance: High

Ms. Jordan L. Kessler,

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

NSL-7519

Chevron U.S.A., Inc.

API #: 30-025-43641

WELL: SD WE 15 Federal P9 Well No. 6H, Lea County

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

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