

|                    |                    |                          |                      |             |                           |
|--------------------|--------------------|--------------------------|----------------------|-------------|---------------------------|
| 05.3.07<br>DATE IN | 5/3/07<br>SUSPENSE | D. Cattanach<br>ENGINEER | 05.7.07<br>LOGGED IN | NSL<br>TYPE | PLLP0712731427<br>APP NO. |
|--------------------|--------------------|--------------------------|----------------------|-------------|---------------------------|

ABOVE THIS LINE FOR DIVISION USE ONLY

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



5623

## 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]  
 [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.

Sarah C. Rittenhouse  
 Print or Type Name

*Sarah Rittenhouse*  
 Signature

Project Manager / Geologist  
 Title

30/APR 07  
 Date

Sarah.Rittenhouse@chevron.com  
 e-mail Address



Sarah C. Rittenhouse  
Project Manager / Geologist

North America Upstream  
MCA Business Unit  
11111 S. Wilcrest  
Houston, Texas 77099  
Tel (281) 561-3773  
Fax (281) 561-3576  
sarah.rittenhouse@chevron.com

April 26, 2007

Request for Administrative Approval of  
Unorthodox Oil Well Location

Mr. Mark E. Fesmire  
New Mexico Oil Conservation Division  
1220 South St. Francis Drive  
Santa Fe, New Mexico 87505

Dear Mr. Fesmire:

Chevron respectfully requests administrative approval of an unorthodox oil well location at the following well:

**G.L. Erwin B Federal NCT-2 #13**  
2430' ~~FWL~~ & 660' FEL, NE/4 SE/4 of  
Section 35, ~~T21S~~, R37E, Unit Letter I  
Lea County, New Mexico

The proposed well will be an infill producer in the Langlie-Mattix Pool [Pool Code 37240], which is an oil pool spaced on 40 acres. Chevron has moved this well location at the request of the Bureau of Land Management [BLM]. This well location has been approved by the BLM. Attached is an Administrative Application Checklist [Exhibit 1].

The NE/4 SE/4 of Section 35 is an undrilled spacing unit within the Langlie-Mattix Pool. The BLM had requested Chevron to move the location out of the localized playa in consideration of local water drainage and the wildlife habitat. The 450 foot move to the north locates the well in a non-standard location for an oil well in the Langlie-Mattix Pool. The proposed well will be located in the approximate northern center point of the NE/4 SE/4 and 210' off the north lease line. The location is 870' from the closest Langlie-Mattix Pool producer, C.C. Fristoe B Federal NCT-2 #5 [Exhibit 3].

A land plat highlighting the proposed well's location and relative position to affected offset wells is attached as Exhibit 2. The SE/4 of Section 35 is covered by a single federal lease [G.L. Erwin B] and has common royalty and Chevron is the sole working interest owner. The north offset lease [C.C. Fristoe B] is a single federal lease that covers the E/2 NW/4 and the NE/4 of section 35 and has identical common royalty and working interest ownership. For that reason and the proposed unorthodox location of the infill well, there are no adversely affected interest owners and no one has been notified of this application.

2007 MAY 3 AM 11:20

April 26, 2007  
Page 2

Chevron requests administrative approval of this non-standard 40 acre oil well location in the Langlie-Mattix Pool to accommodate the BLM's request to move the well. The new location would be 210' from the north lease line that represents identical royalty and working interest ownership.

If you have any questions concerning this application or need additional information, please contact me by phone at (281) 561-3773 or by email at [Sarah.Rittenhouse@chevron.com](mailto:Sarah.Rittenhouse@chevron.com). If I am not available, you can also reach Andrew Lawther by phone at (281) 561- 4796 or by email at [Lawther@chevron.com](mailto:Lawther@chevron.com). Thank you for consideration of this matter.

Sincerely,

A handwritten signature in black ink, appearing to read "Sarah Rittenhouse". The signature is fluid and cursive, with the first name "Sarah" and last name "Rittenhouse" clearly distinguishable.

Sarah C. Rittenhouse  
Project Manager / Geologist

Attachments

cc: NMOCD District 1 – Hobbs, NM  
Sarah Rittenhouse  
Andrew Lawther  
Well File

DISTRICT I  
1625 N. FRENCH DR., HOBBS, NM 88240

DISTRICT II  
1301 W. GRAND AVENUE, ARTESIA, NM 88210

DISTRICT III  
1000 Rio Brazos Rd., Aztec, NM 87410

DISTRICT IV  
1220 S. ST. FRANCIS DR., SANTA FE, NM 87505

State of New Mexico  
Energy, Minerals and Natural Resources Department

OIL CONSERVATION DIVISION  
1220 SOUTH ST. FRANCIS DR.  
Santa Fe, New Mexico 87505

Form C-102  
Revised October 12, 2005  
Submit to Appropriate District Office  
State Lease - 4 Copies  
Fee Lease - 3 Copies

WELL LOCATION AND ACREAGE DEDICATION PLAT

☐ AMENDED REPORT

|               |   |                    |
|---------------|---|--------------------|
| API Number    | Pool Code                                 | Pool Name          |
| Property Code | Property Name<br>GL ERWIN B FEDERAL NCT 2 | Well Number<br>13  |
| OGRID No.     | Operator Name<br>CHEVRON U.S.A. INC.      | Elevation<br>3159' |

Surface Location

|               |         |          |       |         |               |                  |               |                |        |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| UL or lot No. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
| I             | 35      | 24-S     | 37-E  |         | 2430          | SOUTH            | 660           | 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 |
|                 |                 |                    |           |         |               |                  |               |                |        |
| Dedicated Acres | Joint or Infill | Consolidation Code | Order No. |         |               |                  |               |                |        |

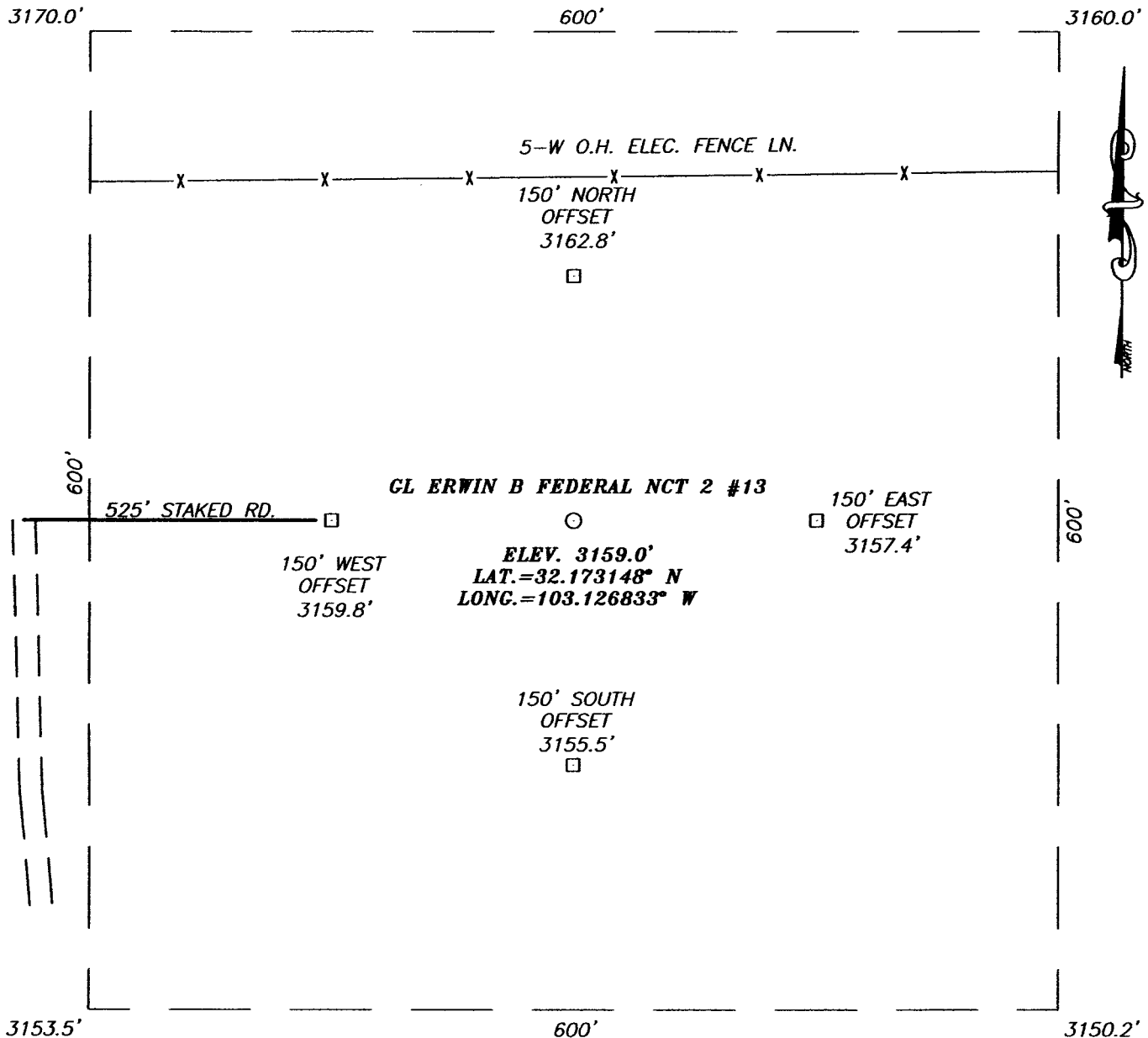
NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED  
OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

|  |  |  |  |  |   |  |
|--|--|--|--|--|---|--|
| <p>GEODETIC COORDINATES<br/>NAD 27 NME</p> <p>Y=428805.1 N<br/>X=873316.2 E</p> <p>LAT.=32.173148° N<br/>LONG.=103.126833° W</p>   |  |  |  |  | <p>3170.0' 3160.0'</p> <p>600'</p> <p>600'</p> <p>3153.5' 3150.2'</p> |  |
|  |  |  |  |  | <p>2430'</p>  |  |
| <p>OPERATOR CERTIFICATION</p> <p>I hereby certify that the information 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 mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</p> <p>Signature _____ Date _____</p> <p>Printed Name _____</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>FEBRUARY 8, 2007</p> <p>Date Surveyed _____ AR</p> <p>Signature &amp; Seal of Professional Surveyor</p> <p><i>Ronald J. Eidson</i> 02/14/07<br/>07.11.0176</p> <p>Certificate No. GARY EIDSON 12641<br/>RONALD J. EIDSON 3239</p>  |  |  |  |  |   |  |

# SECTION 35, TOWNSHIP 24 SOUTH, RANGE 37 EAST, N.M.P.M.,

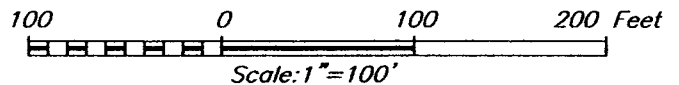
LEA COUNTY,

NEW MEXICO



## DIRECTIONS TO LOCATION

FROM THE INTERSECTION OF ST. HWY. 18 AND ST. HWY. 128 IN JAL, N.M., GO EAST ON ST. HWY 128 APPROX. 2.9 MILES. TURN LEFT ON CO. RD. #113 (WILLIS RD.) AND GO NORTH APPROX. 2.9 MILES. TURN RIGHT AND GO EAST APPROX. 0.8 MILES. TURN LEFT AND GO NORTHWEST APPROX. 0.3 MILES. TURN RIGHT AND GO EAST APPROX. 0.1 MILE. TURN LEFT AND GO NORTH APPROX. 0.5 MILES. TO EXISTING ERWIN B NCT 2 #10. FOLLOW STAKED ROAD EAST APPROX. 525 FEET TO THIS LOCATION.



## CHEVRON U.S.A. INC.

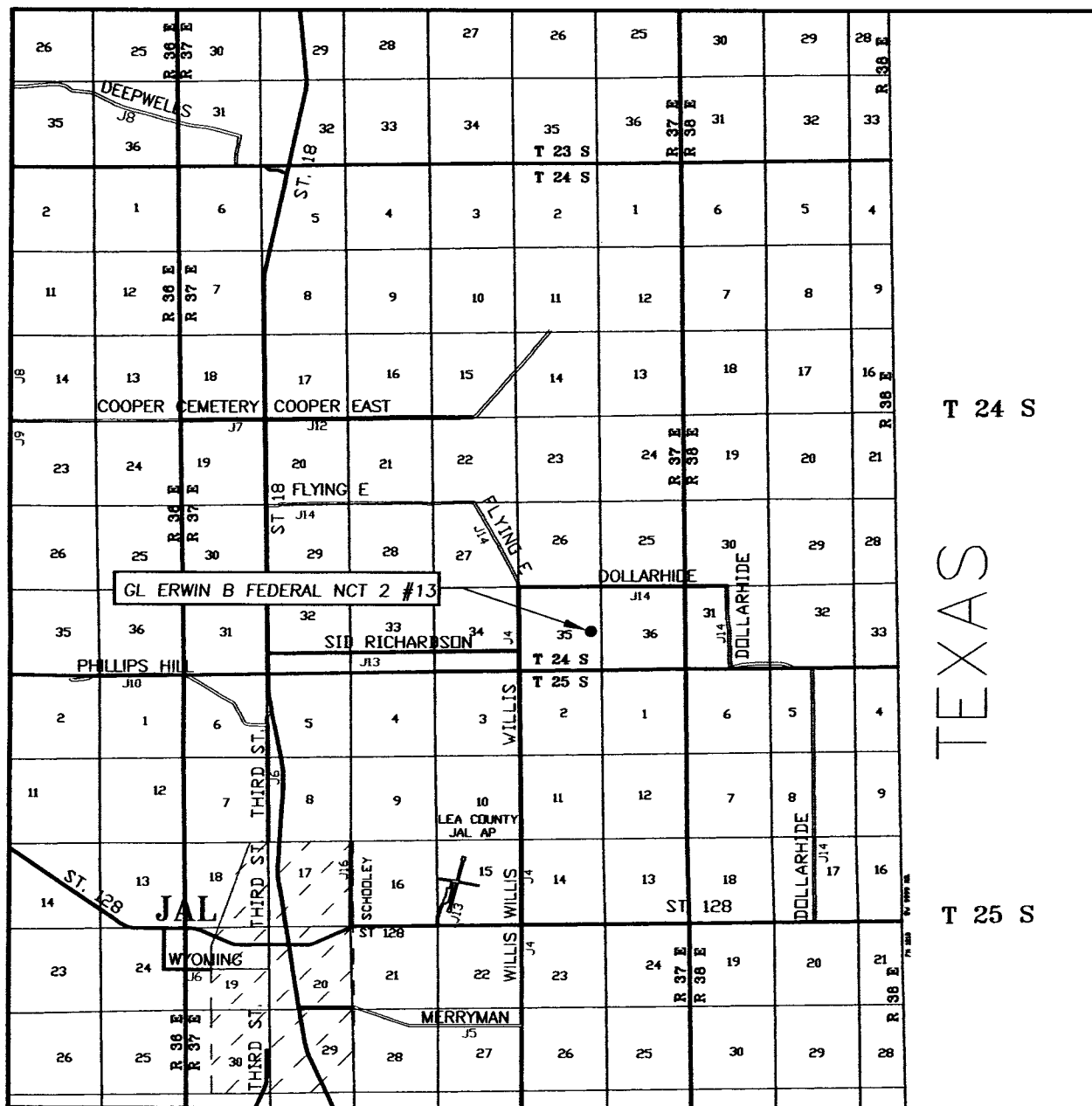
GL ERWIN B FEDERAL NCT 2 #13  
LOCATED 24.30 FEET FROM THE SOUTH LINE  
AND 660 FEET FROM THE EAST LINE OF SECTION 35,  
TOWNSHIP 24 SOUTH, RANGE 37 EAST, N.M.P.M.,  
LEA COUNTY, NEW MEXICO.



PROVIDING SURVEYING SERVICES  
SINCE 1946  
**JOHN WEST SURVEYING COMPANY**  
412 N. DAL PASO  
HOBBS, N.M. 88240  
(505) 393-3117

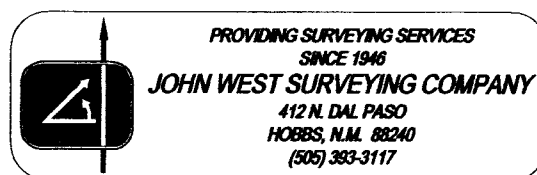
|                         |                     |
|-------------------------|---------------------|
| Survey Date: 02/08/07   | Sheet 1 of 1 Sheets |
| W.O. Number: 07.11.0176 | Dr By: AR           |
| Date: 02/12/07          | Rev 1:              |
| Disk:                   | 07110176            |
|                         | Scale: 1"=100'      |

# VICINITY MAP



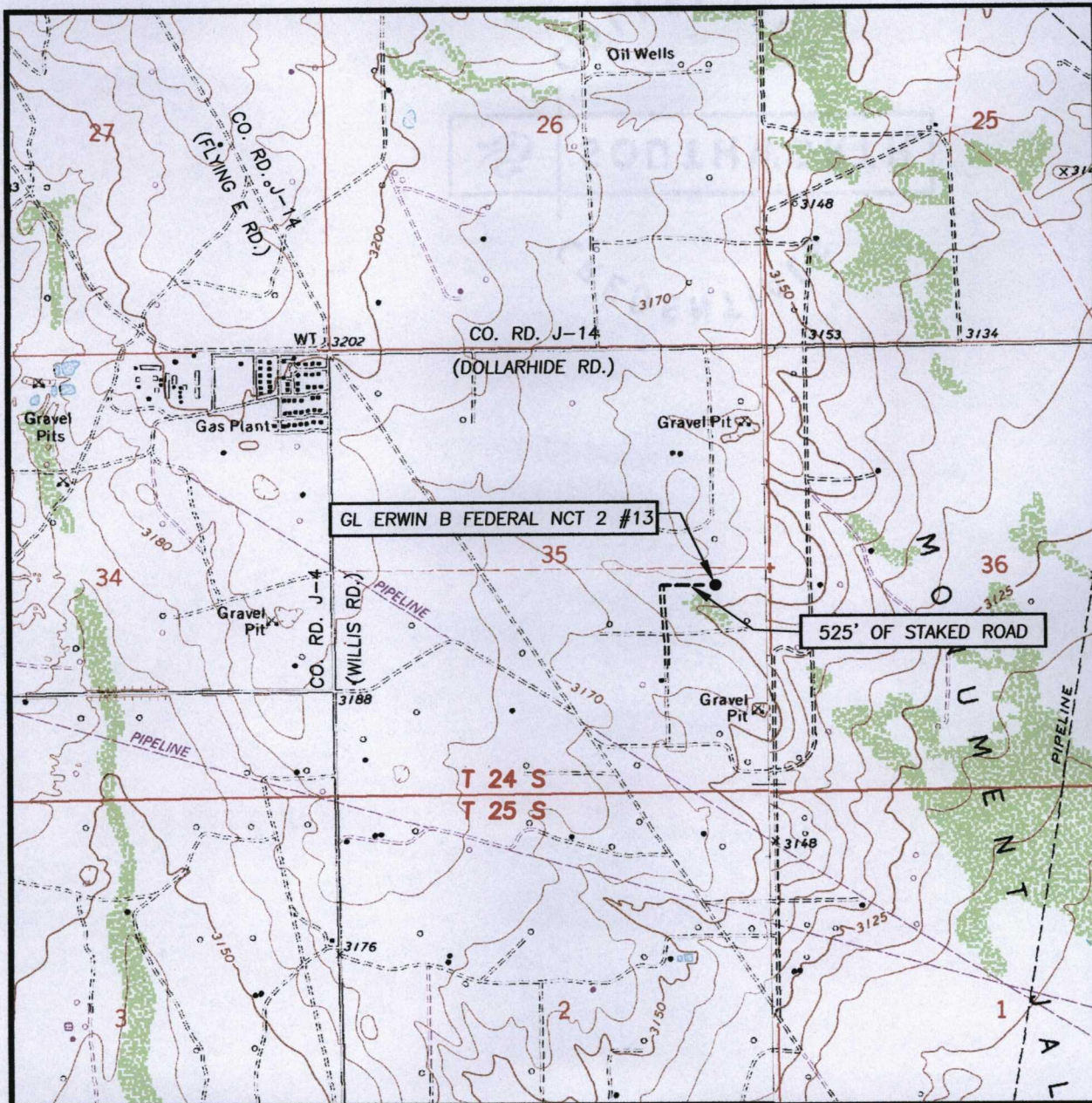
SCALE: 1" = 2 MILES

SEC. 35 TWP. 24-S RGE. 37-E  
 SURVEY N.M.P.M.  
 COUNTY LEA STATE NEW MEXICO  
 DESCRIPTION 2430' FSL & 660' FEL  
 ELEVATION 3159'  
 OPERATOR CHEVRON U.S.A. INC.  
 LEASE GL ERWIN B FEDERAL NCT 2





# LOCATION VERIFICATION MAP



SCALE: 1" = 2000'

CONTOUR INTERVAL:  
JAL N.W., N.M. - 10'  
JAL N.E., N.M. - 5'

SEC. 35 TWP. 24-S RGE. 37-E

SURVEY N.M.P.M.

COUNTY LEA STATE NEW MEXICO

DESCRIPTION 2430' FSL & 660' FEL

ELEVATION 3159'

OPERATOR CHEVRON U.S.A. INC.

LEASE GL ERWIN B FEDERAL NCT 2

U.S.G.S. TOPOGRAPHIC MAP

JAL N.W., N.M.



PROVIDING SURVEYING SERVICES  
SINCE 1946  
**JOHN WEST SURVEYING COMPANY**  
412 N. DAL PASO  
HOBBS, N.M. 88240  
(505) 393-3117



**District I**  
1625 N. French Dr., Hobbs, NM 88240

**District II**  
1301 W. Grand Avenue, Artesia, NM 88210

**District III**  
1000 Rio Brazos Rd., Aztec, NM 87410

**District IV**  
1220 S. St. Francis Dr., Santa Fe, NM 87505

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 October 12, 2005  
Submit to Appropriate District Office  
State Lease - 4 Copies  
Fee Lease - 3 Copies

☐ AMENDED REPORT

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

|                            |  |   |  |  |                                |
|----------------------------|--|---|--|--|--------------------------------|
| <sup>1</sup> API Number    |  | <sup>2</sup> Pool Code<br>37240                   |  | <sup>3</sup> Pool Name<br>Langlie-Mattix |                                |
| <sup>4</sup> Property Code |  | <sup>5</sup> Property Name<br>G. L. Erwin B NCT-2 |  |  | <sup>6</sup> Well Number<br>13 |
| <sup>7</sup> OGRID No.     |  | <sup>8</sup> Operator Name<br>Chevron U.S.A. Inc. |  |  | <sup>9</sup> Elevation<br>3159 |

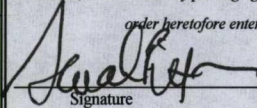
<sup>10</sup> Surface Location

| UL or lot no. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| I             | 35      | 24S      | 37E   |         | 2430          | South            | 660           | East           | Lea    |

<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 |
|-------------------------------------|-------------------------------|----------------------------------|-------------------------|---------|---------------|------------------|---------------|----------------|--------|
|                                     |                               |                                  |                         |         |               |                  |               |                |        |
| <sup>12</sup> Dedicated Acres<br>40 | <sup>13</sup> Joint or Infill | <sup>14</sup> Consolidation Code | <sup>15</sup> Order No. |         |               |                  |               |                |        |

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.

|                                       |                      |                           |  |   |
|---------------------------------------|----------------------|---------------------------|--|---|
| <sup>16</sup><br>C.C. Fristoe A Lease | C.C. Fristoe B Lease | 14 ●                      | 4 ●  | <sup>17</sup> <b>OPERATOR CERTIFICATION</b><br>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 to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.<br><br>Signature<br>4/30/07<br>Date<br>Sarah C. Rittenhouse<br>Printed Name |
|                                       |                      | 8 ●                       | 5 ●  |   |
| G.L. Erwin A Lease                    | 3 ●                  | 5 ●<br>G.L. Erwin B Lease | 13 ●                                       | <sup>18</sup> <b>SURVEYOR CERTIFICATION</b><br>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.<br>Date of Survey<br>Signature and Seal of Professional Surveyor:<br>Certificate Number  |
|                                       |                      | 12 ●                      | 660'<br>2430'<br>40 ACRE PROPORTION<br>1 ● |   |
|                                       |                      | 7 ●                       |  |   |



### **EXHIBIT 3**

#### **ENGINEERING AND GEOLOGICAL JUSTIFICATION**

Application of Chevron U.S.A. Inc. for Administrative Approval of a Non-Standard Oil Well Location:

**G.L. Erwin B NCT-2 #13**

2430' FSL & 660' FEL

Section 35, T24S, R37E, Unit Letter I

Lea County, New Mexico

**PRIMARY OBJECTIVE: QUEEN / SEVEN RIVERS / GRAYBURG**

**SUPPORTING DATA:**

1. Chevron U.S.A. Inc. (Chevron) is the operator of the proposed G. L. Erwin B NCT-2 #13 well (Exhibit 2). The proposed total depth is 4000' in the top of the San Andres formation.
2. The completion will be in the Langlie-Mattix Oil Pool and the proposed location encroaches toward the following wells (Exhibit 2).

| Operator | Well                    | API #      | Location | Pool               | Cum Prod |      | Current Prod |       | Status |
|----------|-------------------------|------------|----------|--------------------|----------|------|--------------|-------|--------|
|          |                         |            |          |                    | MBO      | MMCF | BOPD         | MCFPD |        |
| Chevron  | CC Fristoe B<br>NCT2 #5 | 3002511370 | 35-C     | Langlie-<br>Mattix | 26       | 118  |              |       | P&A    |

3. The proposed G.L. Erwin #13 non-standard Langlie-Mattix Oil Pool location is based on the BLM's request to move the location. The BLM has requested Chevron to move the well location out of a localized playa. The move would protect the local water drainage and wildlife habitat located in the legal standard location for this 40 acre proration unit [unit letter I, NE/4 SE/4 Section 35].
4. The E/2 NW/4 and NE/4 of Section 35 is covered by a single fee lease which has common royalty and working interest ownerships. Chevron is the operator and 100% working interest owner of the Langlie-Mattix Pool interval toward which the proposed well will encroach. Therefore, there are no offset interest owners or adversely affected parties to notify of this application.
5. The proposed G. L. Erwin B Federal NCT-2 #13 will have the 40-acre proration unit described as the unit letter I, NE/4 SE/4, Section 35, T24S-R37E within the Langlie-Mattix Oil Pool.
6. Approval of this application will allow for the recovery of oil and gas reserves which would not otherwise be recovered.

## NOTIFICATION LIST

Application of Chevron U.S.A. Inc. for Administrative Approval of a Non-Standard Oil Well Location:

**G.L. Erwin B NCT-2 #13**

2430' FSL & 660' FEL

Section 35, T24S, R37E, Unit Letter I

Lea County, New Mexico

**Offset Operators, Working Interest Owners, T24S-R37E SE/4 Section 35:**

- |    |                     |                  |                              |
|----|---------------------|------------------|------------------------------|
| 1. | Chevron U.S.A. Inc. | Operator/100% WI | Federal Lease # NMLC 0057509 |
|    | 11111 S. Wilcrest   |                  | GL Erwin B Lease             |
|    | Houston, TX 77099   |                  |                              |

**Offset Operators, Working Interest Owners, NE NW & NW/4 Section 35:**

- |    |                     |                  |                             |
|----|---------------------|------------------|-----------------------------|
| 1. | Chevron U.S.A. Inc. | Operator/100% WI | Federal Lease # NMNM 014218 |
|    | 11111 S. Wilcrest   |                  | CC Fristoe B Lease          |
|    | Houston, TX 77099   |                  |                             |