



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON
Governor
Jennifer A. Salisbury
Cabinet Secretary

Lori Wrotenbery
Director
Oil Conservation Division

6/25/01

OIL CONSERVATION DIVISION
P. O. BOX 2088
SANTA FE, NEW MEXICO 87501

RE: Proposed:

MC _____
DHC _____
NSL _____
NSP X _____
SWD _____
WFX _____
PMX _____

SD

Gentlemen:

I have examined the application for the:

Chevron USA Inc Drinkard NCT-B # 7-K-30-225-380
Operator Lease & Well No. Unit S-T-R # 8-N-30-205-380

and my recommendations are as follows:

OK

Yours very truly,

Chris Williams
Chris Williams
Supervisor, District 1



June 15, 2001

Chevron U.S.A. Production Company
P.O. Box 1150
Midland, TX 79702

Request for Administrative Approval
120-Acre Non-Standard Proration Unit,
Unorthodox Gas Well Location, And
Simultaneous Dedication
Drinkard (NCT-B) # 7
2120' FSL & 1980' FWL, Unit K
Drinkard (NCT-B) # 8
810' FSL & 1980' FWL, Unit N
Section 30, T22S, R38E
Lea County, New Mexico

New Mexico Oil Conservation Division
Attn: Lori Wrotenbery
2040 South Pacheco
Santa Fe, NM 87505

Dear Ms. Wrotenbery:

Attached is an amended application for NMOCD administrative approval of a 120-acre non-standard gas proration unit and simultaneous dedication for the subject wells.

This re-filing for the subject wells is in response to the NMOCD letter dated June 8, 2001 (copy attached), which notified Chevron that our original application requesting a non-standard 160-acre proration unit had been set for hearing. Rather than go to the considerable preparation and expense required for a hearing, we prefer to amend our application to a 120-acre non-standard gas proration unit, consisting of the E $\frac{1}{2}$ SW $\frac{1}{4}$ and the SW $\frac{1}{4}$ SW $\frac{1}{4}$ of Section 30. As mentioned in our original letter (copy attached), this gas proration unit is needed because the producing GOR for the subject wells increased to above 50,000:1 on the last annual gas-oil ratio tests filed. Please remove the original application from the hearing docket, and process this amended application requesting administrative approval for a 120-acre non-standard gas proration unit in the Tubb Oil & Gas Pool, simultaneously dedicated to Drinkard (NCT-B) # 7 and # 8. Administrative approval is also requested for the unorthodox gas well location created by the re-classification of Drinkard B # 7.

A copy of this application was mailed via certified mail to all affected offset operators.

If you have any questions concerning this application, please contact Mike Howell at (915) 687-7516.

Sincerely,

A handwritten signature in black ink that reads "A. M. Howell". The signature is fluid and cursive, with the first letters of the first and last names being capitalized and prominent.

A. M. Howell
Sr. Petroleum Engineer

cc: **NMOCD – Hobbs District**
A.M. Howell
D. K Beckham
J. K. Ripley
N. V. Mouser
W. F. Carr
Central Files – Lease and Well Files



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON
Governor
Jennifer A. Salisbury
Cabinet Secretary

June 8, 2001

Lori Wrotenberg
Director
Oil Conservation Division

Chevron U.S.A. Production Company
P. O. Box 1150
Midland, Texas 79702

Attention: A. M. Howell

Re: Two administrative applications to form non-standard 160-acre gas spacing and proration units within the Tubb Oil and Gas Pool in Section 30, Township 22 South, Range 38 East, NMPM, Lea County, New Mexico, comprising: (i) the NE/4 SW/4, S/2 SW/4, and SW/4 SE/4 of Section 30; and (ii) the N/2 NE/4, SE/4 NE/4, and NE/4 NW/4 of Section 30.

Dear Mr. Howell:

I have reviewed the two subject applications, as you know the Tubb Oil and Gas Pool is subject to: (i) special pool rules (see Division Order No. R-8170, as amended); (ii) the gas proration rules under Division Rule 605; and (iii) Division Rule 104. Since both proposed 160-acre units are to cross a governmental quarter section line and take portions of acreage from two quarter sections, these applications can not be processed administratively [see Division Rules 605.B (2) (b) and 104.D (2) (b) (ii)].

Both applications have therefore been set for hearing and will appear on the Division's first available docket scheduled for July 12, 2001. Should you have any questions concerning this matter please refer them to your legal counsel.

Sincerely

Michael E. Stogner
Chief Hearing Officer/Engineer

cc: New Mexico Oil Conservation Division – Hobbs
Mr. Ray Vaden, Chevron U.S.A. Production Company - Midland
William F. Carr, Legal Counsel for Chevron U.S.A. Production Company - Santa Fe
Kathy Valdes - NMOCD, Santa Fe

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/

April 23, 2001



Administrative Application For
160-Acre Non-Standard Proration Unit,
Unorthodox Gas Well Location, And
Simultaneous Dedication
Drinkard (NCT-B) # 7
2120' FSL & 1980' FWL, Unit K
Drinkard (NCT-B) # 8
810' FSL & 1980' FWL, Unit N
Section 30, T22S, R38E
Lea County, New Mexico

Chevron U.S.A. Production Company
P.O. Box 1150
Midland, TX 79702

New Mexico Oil Conservation Division
Attn: Lori Wrotenbury
2040 South Pacheco
Santa Fe, NM 87505

Dear Ms. Wrotenbury:

Chevron respectfully requests NMOCD administrative approval for a 160-acre non-standard proration unit consisting of the E $\frac{1}{2}$ SW $\frac{1}{4}$, SW $\frac{1}{4}$ SW $\frac{1}{4}$, and SW $\frac{1}{4}$ SE $\frac{1}{4}$ of Section 30 and simultaneous dedication to Drinkard (NCT-B) # 7 and # 8. Also, since the Drinkard B # 8 is located 520' from the north lease line, approval is requested for an unorthodox gas well location in the Tubb Oil & Gas Pool.

The Drinkard (NCT-B) # 7 was drilled and completed in the Tubb Oil & Gas Pool during September 1985. The well has produced since initial completion in the Tubb as an oil well, with 40 acres assigned to the oil proration unit. However, on the last annual gas-oil ratio test filed, the GOR increased to above 50,000:1, so it is necessary to reclassify the well as a gas well. Since the B # 7 is located only 520' from the north lease line, the location is unorthodox for a Tubb gas well.

The Drinkard (NCT-B) # 8 was drilled and completed in the Tubb Oil & Gas Pool during December 1985. The well produced since initial completion in the Tubb as an oil well, with 40 acres assigned to the oil proration unit. As with the B # 7, the GOR of Drinkard B # 8 has increased to above 50,000:1. Therefore, it is also necessary to reclassify the B # 8 as a gas well in the Tubb Oil & Gas Pool.

In order to correct the classifications of these wells, it is proposed to form a 160-acre gas proration unit in the Tubb Oil & Gas Pool, simultaneously dedicated to Drinkard (NCT-B) # 7 and # 8. There are 160 acres available for dedication in the S $\frac{1}{2}$ of Section 30, but they do not comprise a standard governmental quarter-section. Therefore, NMOCD administrative approval

is requested to form a 160-acre non-standard gas proration unit in the Tubb Oil & Gas Pool, simultaneously dedicated to Drinkard (NCT-B) # 7 and # 8. Administrative approval is also requested for the unorthodox gas well location created by the re-classification of Drinkard B # 7.

A copy of this application was mailed via certified mail to all affected offset operators.

If you have any questions concerning this application, please contact Mike Howell at (915) 687-7516.

Sincerely,

A handwritten signature in cursive script that reads "A. M. Howell".

A. M. Howell
Sr. Petroleum Engineer

Attachments

cc: NMOCD – Hobbs, New Mexico

Nathan Mouser

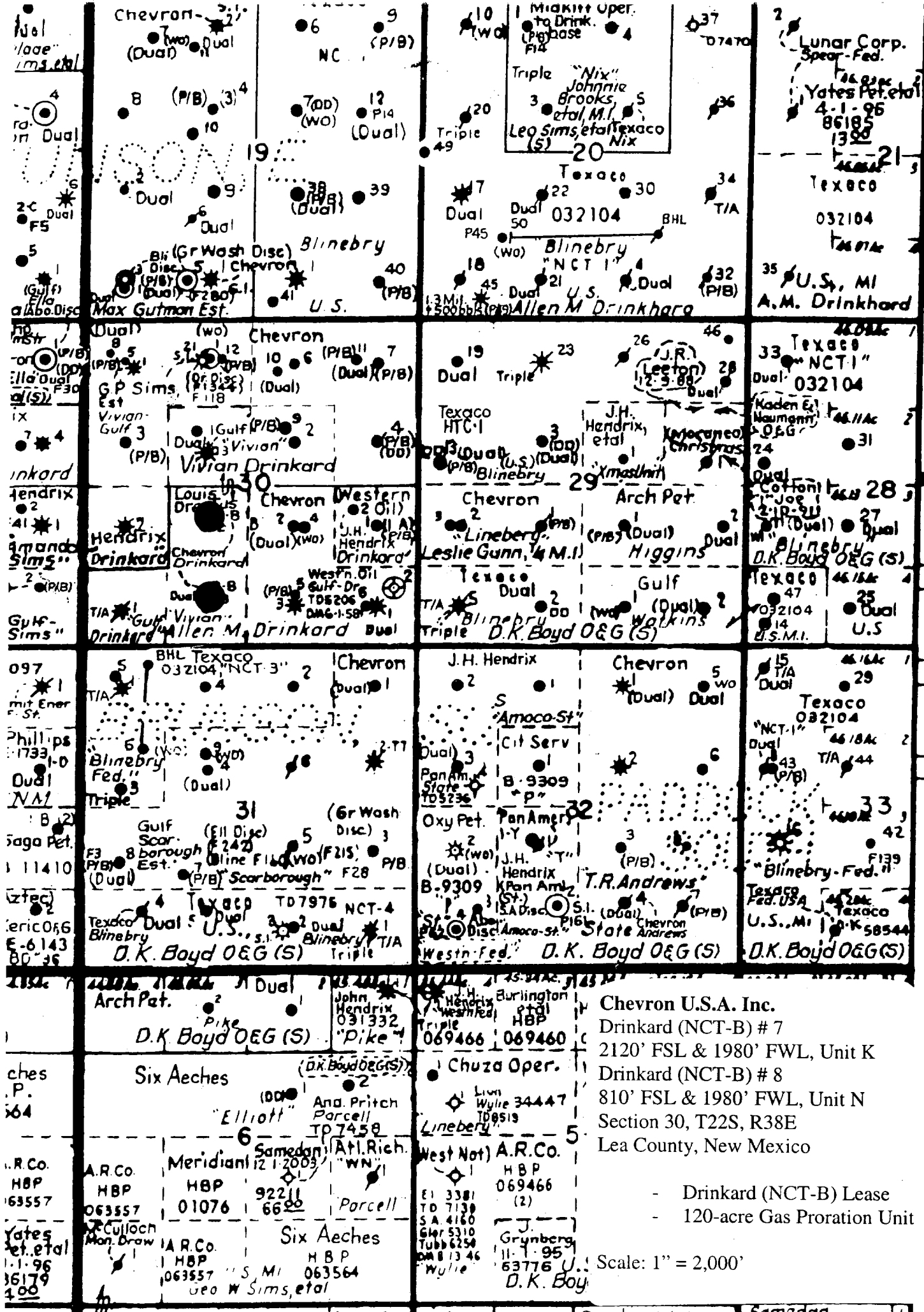
Mike Howell

Janice Ripley

Denise Beckham

Well Files

N



Chevron U.S.A. Inc.
 Drinkard (NCT-B) # 7
 2120' FSL & 1980' FWL, Unit K
 Drinkard (NCT-B) # 8
 810' FSL & 1980' FWL, Unit N
 Section 30, T22S, R38E
 Lea County, New Mexico

- Drinkard (NCT-B) Lease
 - 120-acre Gas Proration Unit

Scale: 1" = 2,000'



**Drinkard (NCT-B) # 7 & # 8
Chevron U.S.A. Inc.
120-Acre Non-Standard Gas Proration Unit,
Unorthodox Gas Well Location, And
Simultaneous Dedication
Request For Administrative Approval**

List Of Offset Operators:

1. Texaco Exploration And Production, Inc.
P.O. Box 3109
Midland, TX 79702-3109

2. John H. Hendrix Corporation
P. O. Box 3040
Midland, TX 79702-3040





June 15, 2001

Chevron U.S.A. Production Company
P.O. Box 1150
Midland, TX 79702

Notice Of Administrative Application For
120-Acre Non-Standard Proration Unit,
Unorthodox Gas Well Location, And
Simultaneous Dedication
Drinkard (NCT-B) # 7
2120' FSL & 1980' FWL, Unit K
Drinkard (NCT-B) # 8
810' FSL & 1980' FWL, Unit N
Section 30, T22S, R38E
Lea County, New Mexico

Texaco Exploration And Production, Inc.
P.O. Box 3109
Midland, TX 79702-3109

Dear Sir or Madam:

Attached is a copy of an amended administrative application for NMOCD approval for a 120-acre non-standard gas proration unit, an unorthodox gas well location, and simultaneous dedication for the subject wells.

Any objections must be filed with the Oil Conservation Division within 20 days of the division receiving this application.

If you have any questions concerning this application, please contact Mike Howell at (915) 687-7516.

Sincerely,

A handwritten signature in black ink that reads "A. M. Howell". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

A. M. Howell
Sr. Petroleum Engineer



June 15, 2001

Chevron U.S.A. Production Company
P.O. Box 1150
Midland, TX 79702

Notice Of Administrative Application For
120-Acre Non-Standard Proration Unit,
Unorthodox Gas Well Location, And
Simultaneous Dedication
Drinkard (NCT-B) # 7
2120' FSL & 1980' FWL, Unit K
Drinkard (NCT-B) # 8
810' FSL & 1980' FWL, Unit N
Section 30, T22S, R38E
Lea County, New Mexico

John H. Hendrix Corporation
P. O. Box 3040
Midland, Texas 79702-3040

Dear Sir or Madam:

Attached is a copy of an amended administrative application for NMOCD approval for a 120-acre non-standard gas proration unit, an unorthodox gas well location, and simultaneous dedication for the subject wells.

Any objections must be filed with the Oil Conservation Division within 20 days of the division receiving this application.

If you have any questions concerning this application, please contact Mike Howell at (915) 687-7516.

Sincerely,

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A. M. Howell
Sr. Petroleum Engineer

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JUN 2009
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