

RECEIVED: 05/17/22	REVIEWER: LRL	TYPE: NSL	APP NO: pLEL2214543402
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ABOVE THIS TABLE FOR OCD DIVISION USE ONLY

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



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

Applicant: Chevron U.S.A. Inc. **OGRID Number:** 4323
Well Name: CO Grizzly 3 34 Fed 406H **API:** 30-025-49784
Pool: WC-025 G-06 S253209L; Bone Spring **Pool Code:** 96715

SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED BELOW

- 1) **TYPE OF APPLICATION:** Check those which apply for [A]
- A. Location – Spacing Unit – Simultaneous Dedication
☒ NSL ☐ NSP (PROJECT AREA) ☐ NSP (PRORATION UNIT) ☐ SD
- B. Check one only for [I] or [II]
- [I] Commingling – Storage – Measurement
☐ DHC ☐ CTB ☐ PLC ☐ PC ☐ OLS ☐ OLM
- [II] Injection – Disposal – Pressure Increase – Enhanced Oil Recovery
☐ WFX ☐ PMX ☐ SWD ☐ IPI ☐ EOR ☐ PPR
- 2) **NOTIFICATION REQUIRED TO:** Check those which apply.
- A. ☒ Offset operators or lease holders
 B. ☐ Royalty, overriding royalty owners, revenue owners
 C. ☐ Application requires published notice
 D. ☐ Notification and/or concurrent approval by SLO
 E. ☒ Notification and/or concurrent approval by BLM
 F. ☐ Surface owner
 G. ☒ For all of the above, proof of notification or publication is attached, and/or,
 H. ☐ No notice required

FOR OCD ONLY

- ☐ Notice Complete
☐ Application Content Complete

- 3) **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 G. Rankin

Print or Type Name

Signature

5/17/2022

Date

505-954-7294

Phone Number

AGRankin@hollandhart.com

e-mail Address



Adam G. Rankin
Phone (505) 954-7294
AGRankin@hollandhart.com

May 17, 2022

VIA ONLINE FILING

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

Re: Chevron U.S.A. Inc.
Request for Administrative Approval of Unorthodox Well Location

CO Grizzly 3 34 Fed 406H well
W/2 of Section 34, T24S, R32E, and W/2 of Section 3, T25S, R32E
Lea County, New Mexico
WC-025 G-06 S253209L; Bone Spring pool [96715]
API No. 30-025-49784

Dear Ms. Sandoval:

Chevron U.S.A. Inc. (OGRID No. 4323), pursuant to Division Rules 19.15.16.15(C)(6) and 19.15.15.13 NMAC and applicable rules governing acreage and well location requirements for the WC-025 G-06 S253209L; Bone Spring pool [96715], seeks administrative approval of an unorthodox well location for its **CO Grizzly 3 34 Fed 406H well** (API No. 30-025-49784), in a 640-acre, more or less, spacing unit underlying the W/2 of Section 34, T24S, R32E, and W/2 of Section 3, T25S, R32E, Lea County, New Mexico.

The proposed location is as follows:

- Surface location: 240' FNL and 1590' FWL (Unit C) of Section 10
- Bottom hole location: 25' FNL and 2090' FWL (Unit C) of Section 34
- First take point: 25' FSL and 2090' FWL (Unit N) of Section 3
- Last take point: 100' FNL and 2090' FWL (Unit C) of Section 34

Since this acreage is governed by the Division's statewide rules, the completed interval for this well will be unorthodox because it is closer than the standard offsets to the southern boundary of

T 505.988.4421 F 505.983.6043
110 North Guadalupe, Suite 1, Santa Fe, NM 87501-1849
Mail to: P.O. Box 2208, Santa Fe, NM 87504-2208
www.hollandhart.com

Alaska	Montana	Utah
Colorado	Nevada	Washington, D.C.
Idaho	New Mexico	Wyoming

the spacing unit – thus encroaching on the N/2NW/4 of Section 10, T25S, R32E. Approval of the unorthodox, completed interval will allow Chevron to use its preferred well spacing plan for horizontal wells in this area, which will maximize recovery and prevent waste.

Exhibit A is a Form C-102 showing the proposed CO Grizzly 3 34 Fed 406H well encroaches on the spacing unit/tracts to the south in the N/2NW/4 of Section 10, T25S, R32E.

Exhibit B is a plat showing the proposed CO Grizzly 3 34 Fed 406H well in relation to adjoining spacing unit/tracts to the south. Exhibit B also identifies the ownership of the affected spacing unit, showing that it is owned by Chevron U.S.A. Inc. and Devon Energy Production Company, L.L.P. as working interest owners. In addition, the exhibit identifies that these are BLM leases. Accordingly, the “affected persons”¹ are the applicant, Chevron U.S.A. Inc., Devon Energy Production Company, L.L.P., and the United States Bureau of Land Management.

Exhibit C is a spreadsheet listing all affected persons and includes tracking information demonstrating that each of the affected persons was sent a copy of this application with all attachments by certified mail advising that any objections must be filed in writing with the Division within 20 days from the date the Division receives the application. The following are the affected persons:

Type	Affected Party	Location
Operator/ Working Interest	Chevron U.S.A. Inc.	N/2NW/4 of Section 10
Operator/ Working Interest	Devon Energy Production Company, L.P.	N/2NW/4 of Section 10
Federal/State Mineral Interest	United States Bureau of Land Management	N/2NW/4 of Section 10

¹ See NMAC §§ 19.15.2.7.A(8) [defining “affected persons” as, “in the absence of an operator, or with respect to an application wherein the operator of the spacing unit or identified tract is the applicant, each working interest owner”] and 19.15.4.12.A(2)(a).

Your attention to this matter is appreciated.

Sincerely,



Adam G. Rankin
ATTORNEY FOR
CHEVRON U.S.A. INC.

T 505.988.4421 F 505.983.6043
110 North Guadalupe, Suite 1, Santa Fe, NM 87501-1849
Mail to: P.O. Box 2208, Santa Fe, NM 87504-2208
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District I
1625 N. French Dr., Hobbs, NM 88240
Phone: (575) 393-6161 Fax: (575) 393-0720

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 96715	³ Pool Name WC-025 G-06 S253209L;BONE SPRING
⁴ Property Code	⁵ Property Name CO GRIZZLY 3 34 FED	⁶ Well Number 406H
⁷ OGRID No. 4323	⁸ Operator Name CHEVRON U.S.A. INC.	⁹ Elevation 3471'

¹⁰ 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	10	25 SOUTH	32 EAST, N.M.P.M.		240'	NORTH	1590'	WEST	LEA

¹¹ 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
C	34	24 SOUTH	32 EAST, N.M.P.M.		25'	NORTH	2090'	WEST	LEA

¹² Dedicated Acres 640	¹³ Joint or Infill INFILL	¹⁴ Consolidation Code	¹⁵ 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.

¹⁶ <table border="1"> <tr> <th>CO GRIZZLY 3 34 FED NO. 406H WELL</th> <th>PROPOSED BOTTOM HOLE LOCATION</th> </tr> <tr> <td>X= 706,582' Y= 419,464' LAT. 32.151464° N LONG. 103.665835° W</td> <td>X= 707,137' Y= 430,247' LAT. 32.181093° N LONG. 103.663827° W</td> </tr> <tr> <td>X= 747,767' Y= 419,523' LAT. 32.151588° N LONG. 103.666311° W</td> <td>X= 748,321' Y= 430,305' LAT. 32.181217° N LONG. 103.664305° W</td> </tr> <tr> <td colspan="2">ELEVATION +3471' NAVD 88</td> </tr> </table>	CO GRIZZLY 3 34 FED NO. 406H WELL	PROPOSED BOTTOM HOLE LOCATION	X= 706,582' Y= 419,464' LAT. 32.151464° N LONG. 103.665835° W	X= 707,137' Y= 430,247' LAT. 32.181093° N LONG. 103.663827° W	X= 747,767' Y= 419,523' LAT. 32.151588° N LONG. 103.666311° W	X= 748,321' Y= 430,305' LAT. 32.181217° N LONG. 103.664305° W	ELEVATION +3471' NAVD 88		<p>2090'</p> <p>25'</p> <p>Proposed Last Take Point 100' FNL, 2090' FWL</p> <p>34</p> <p>Proposed Mid-Point</p> <p>T24S-R32E T25S-R32E</p> <p>3</p> <p>Proposed First Take Point 25' FSL, 2090' FWL</p> <p>240'</p> <p>1590'</p> <p>10</p> <p>N 00°22'55" W 5,253.78'</p> <p>N 00°58'49" E 5,259.76'</p> <p>N 61°38'18" E 567.60'</p>	¹⁷ OPERATOR CERTIFICATION <i>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.</i> Signature _____ Date _____ Printed Name _____ E-mail Address _____ ¹⁸ SURVEYOR CERTIFICATION <i>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.</i> 02/18/2020 Date of Survey Signature and Seal of Professional Surveyor: 03/10/2022 Certificate Number _____
CO GRIZZLY 3 34 FED NO. 406H WELL	PROPOSED BOTTOM HOLE LOCATION									
X= 706,582' Y= 419,464' LAT. 32.151464° N LONG. 103.665835° W	X= 707,137' Y= 430,247' LAT. 32.181093° N LONG. 103.663827° W									
X= 747,767' Y= 419,523' LAT. 32.151588° N LONG. 103.666311° W	X= 748,321' Y= 430,305' LAT. 32.181217° N LONG. 103.664305° W									
ELEVATION +3471' NAVD 88										

CORNER COORDINATES TABLE (NAD 27)

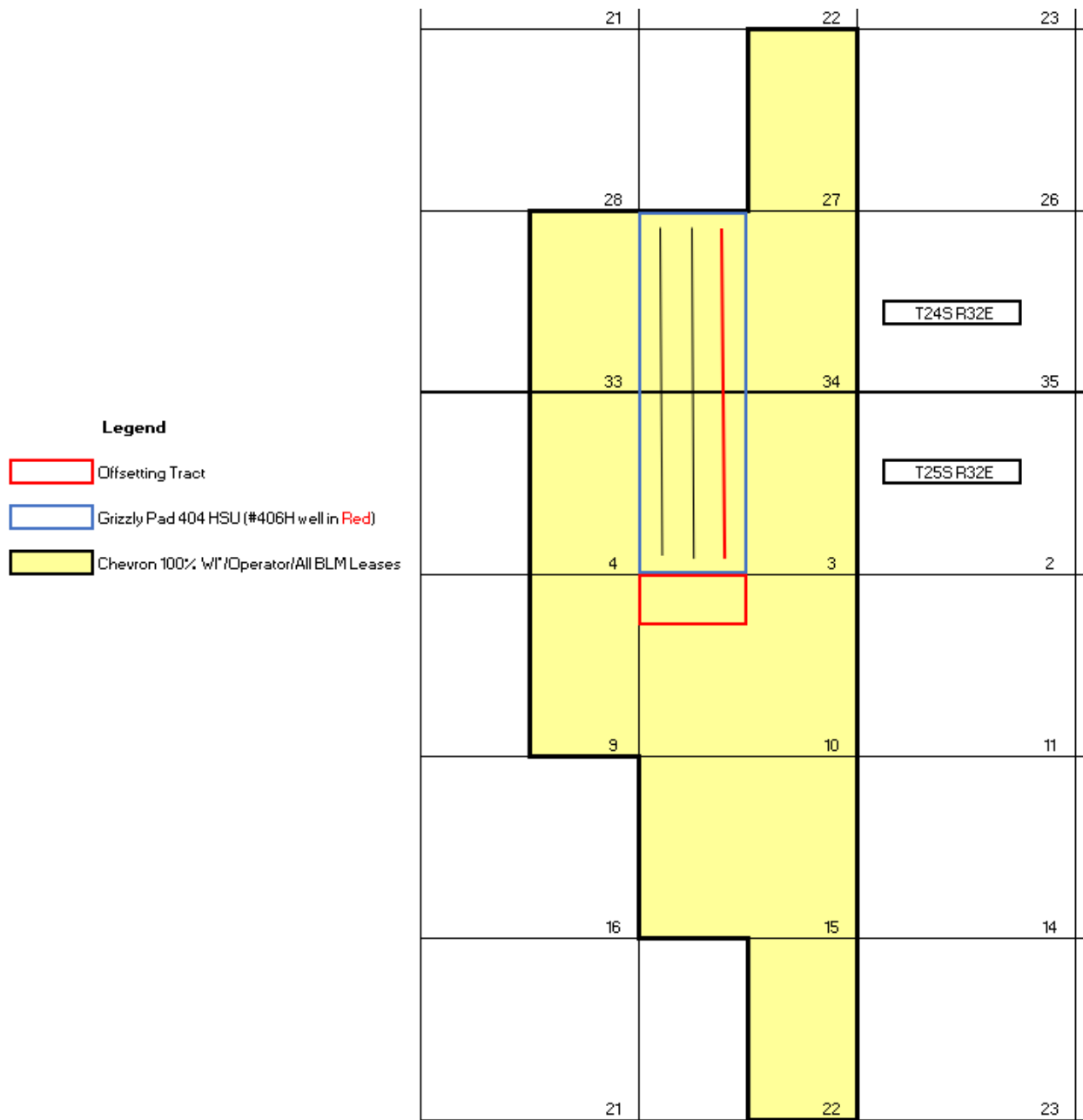
A - Y=430251.61, X=705046.53
B - Y=424972.86, X=705081.74
C - Y=419689.78, X=704990.58
D - Y=419702.10, X=706322.72
E - Y=418382.46, X=706331.89
F - Y=430277.09, X=707688.13
G - Y=419714.41, X=707654.87
H - Y=418394.91, X=707664.04
I - Y=430302.57, X=710329.72
J - Y=425024.01, X=710361.63
K - Y=419739.04, X=710319.17

CO Grizzly 3 34 Fed 406H WellOffsetting Tract

Chevron U.S.A. Inc.
1400 Smith St.
Houston, TX 77002

Devon Energy Production Company, LL.P.
333 West Sheridan Avenue
Oklahoma City, OK 73102

*With respect to the NW/4NW/4 of Section 10, Devon owns a 50% WI in the Second Bone Spring only, with Chevron owning the remaining 50% WI in the Second Bone Spring. Chevron owns 100% WI in all other depths and lands within the Offsetting Tract.

**EXHIBIT B**

ADDR1	ADDR2	ADDR3	ADDR4	ADDR5	ADDR6
United States Bureau of Land Management	301 Dinosaur Trail	Santa Fe	NM	87508	
United States Bureau of Land Management	620 E Greene St.	Carlsbad	NM	88220	
Devon Energy Production Company L.P.	P.O. Box 843559	Dallas	TX	75284	

EXHIBIT C



Adam G. Rankin
Phone (505) 954-7294
AGRankin@hollandhart.com

May 11, 2022

VIA CERTIFIED MAIL
RETURN RECEIPT REQUESTED

TO: ALL AFFECTED PERSONS

Re: Chevron U.S.A. Inc.
Request for Administrative Approval of Unorthodox Well Location

CO Grizzly 3 34 Fed 406H well
W/2 of Section 34, T24S, R32E, and W/2 of Section 3, T25S, R32E
Lea County, New Mexico
WC-025 G-06 S253209L; Bone Spring pool [96715]
API No. 30-025-49784

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:

Kevin Stubbs
Chevron U.S.A. Inc.
(713) 372-9914
KevinStubbs@chevron.com

Sincerely,

A handwritten signature in blue ink, appearing to read "Adam G. Rankin".

Adam G. Rankin
ATTORNEY FOR
CHEVRON U.S.A. INC.

T 505.988.4421 F 505.983.6043
110 North Guadalupe, Suite 1, Santa Fe, NM 87501-1849
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Alaska
Colorado
Idaho

Montana
Nevada
New Mexico

Utah
Washington, D.C.
Wyoming

Parent ID	Mail Date	Name	Address	City	ST	Zip	MailClass	TrackingNo	Well
31309	05/11/2022	United States Bureau of Land Management	301 Dinosaur Trl	Santa Fe	NM	87508-1560	Certified with Return Receipt (Signature)	9414811898765879034525	72376 - Chevron - Grizzly 404H-406H NSL notice list - 1
31309	05/11/2022	United States Bureau of Land Management	620 E Greene St	Carlsbad	NM	88220-6292	Certified with Return Receipt (Signature)	9414811898765879034501	72376 - Chevron - Grizzly 404H-406H NSL notice list - 2
31309	05/11/2022	Devon Energy Production Company L.P.	PO Box 843559	Dallas	TX	75284-3559	Certified with Return Receipt (Signature)	9414811898765879034594	72376 - Chevron - Grizzly 404H-406H NSL notice list - 3

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State of New Mexico
Energy, Minerals and Natural Resources
Oil Conservation Division
1220 S. St Francis Dr.
Santa Fe, NM 87505

CONDITIONS

Action 107510

CONDITIONS

Operator: CHEVRON U S A INC 6301 Deauville Blvd Midland, TX 79706	OGRID: 4323
	Action Number: 107510
	Action Type: [UF-NSL] Non-Standard Location (NSL)

CONDITIONS

Created By	Condition	Condition Date
Ilowe	NSL - 8372 is approved. The approved Order can be retrieved at the following OCD: website. https://ocdimage.emnrd.nm.gov/imaging/AEOrderCriteria.aspx	5/25/2022