

|                    |               |           |                        |
|--------------------|---------------|-----------|------------------------|
| RECEIVED: 05/17/22 | REVIEWER: LRL | TYPE: NSL | APP NO: pLEL2215447998 |
|--------------------|---------------|-----------|------------------------|

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 34 27 Fed Com 408H API: 30-025-49722  
Pool: WC-025 G-07 S243225C; LWR Bone Spring, WC-025 G-06 S253209L; Bone Spring Pool Code: 97964, 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 34 27 Fed Com 408H well  
E/2 of Sections 27 and 34, T24S, R32E  
Lea County, New Mexico  
As to the E/2 of Sec. 27: WC-025 G-07 S243225C; LWR Bone Spring pool [97964]  
As to the E/2 of Sec. 34: WC-025 G-06 S253209L; Bone Spring pool [96715]  
API No. 30-025-49722

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-07 S243225C; LWR Bone Spring pool [97964] and WC-025 G-06 S253209L; Bone Spring pool [96715], seeks administrative approval of an unorthodox well location for its **CO Grizzly 34 27 Fed Com 408H well** (API No. 30-025-49722), in a 640-acre, more or less, spacing unit underlying the E/2 of Sections 27 and 34, T24S, R32E, Lea County, New Mexico.

The proposed location is as follows:

- Surface location: 192' FNL and 1625' FEL (Unit B) of Section 3
- Bottom hole location: 25' FNL and 1430' FEL (Unit B) of Section 27
- First take point: 25' FSL and 1430' FEL (Unit O) of Section 34
- Last take point: 100' FNL and 1430' FEL (Unit B) of Section 27

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          |

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 the spacing unit – thus encroaching on the N/2NE/4 of Section 3, 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** are Form C-102s showing the proposed CO Grizzly 34 27 Fed Com 408H well encroaches on the spacing unit/tracts to the south in the N/2NE/4 of Section 3, T25S, R32E.

**Exhibit B** is a plat showing the proposed CO Grizzly 34 27 Fed Com 408H 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. as 100% working interest owner. In addition, the exhibit identifies that these are BLM leases. Accordingly, the "affected persons"<sup>1</sup> are the applicant, Chevron U.S.A. Inc., 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/<br>Working<br>Interest     | Chevron U.S.A. Inc.                        | N/2NE/4 of<br>Section 3 |
| Federal/State<br>Mineral<br>Interest | United States Bureau of Land<br>Management | N/2NE/4 of<br>Section 3 |

Your attention to this matter is appreciated.

Sincerely,



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

<sup>1</sup> 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).

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

|                                |  |  |
|--------------------------------|--|--|
| <sup>1</sup> API Number        | <sup>2</sup> Pool Code<br>97964                        | <sup>3</sup> Pool Name<br>WC-025 G-07 S243225C;LWR BONE SPRING |
| <sup>4</sup> Property Code     | <sup>5</sup> Property Name<br>CO GRIZZLY 34 27 FED COM | <sup>6</sup> Well Number<br>408H                               |
| <sup>7</sup> OGRID No.<br>4323 | <sup>8</sup> Operator Name<br>CHEVRON U.S.A. INC.      | <sup>9</sup> Elevation<br>3504'                                |

<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 |
|---------------|---------|----------|-------------------|---------|---------------|------------------|---------------|----------------|--------|
| B             | 3       | 25 SOUTH | 32 EAST, N.M.P.M. |         | 192'          | NORTH            | 1625'         | 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 |
|---------------|---------|----------|-------------------|---------|---------------|------------------|---------------|----------------|--------|
| B             | 27      | 24 SOUTH | 32 EAST, N.M.P.M. |         | 25'           | NORTH            | 1430'         | EAST           | LEA    |

|                                      |   |                                  |                         |
|--------------------------------------|---|----------------------------------|-------------------------|
| <sup>12</sup> Dedicated Acres<br>320 | <sup>13</sup> Joint or Infill<br>Defining | <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.

|  |  |   |
|--|--|---|
| <p><b>CO GRIZZLY 34 27 FED COM<br/>408H WELL</b></p> <p>X= 708,734<br/>Y= 424,816<br/>LAT. 32.166138° N<br/>LONG. 103.658772° W<br/>NAD 27</p> <p>X= 749,920<br/>Y= 424,874<br/>LAT. 32.166262° N<br/>LONG. 103.659250° W<br/>NAD83/2011</p> <p><b>ELEVATION +3504' NAVD 88</b></p> <p><b>PROPOSED LAST TAKE POINT</b></p> <p>X= 708,868<br/>Y= 435,467<br/>LAT. 32.195414° N<br/>LONG. 103.658123° W<br/>NAD 27</p> <p>X= 750,053<br/>Y= 435,526<br/>LAT. 32.195538° N<br/>LONG. 103.658602° W<br/>NAD83/2011</p> <p><b>PROPOSED BOTTOM HOLE LOCATION</b></p> <p>X= 708,868<br/>Y= 435,542<br/>LAT. 32.195620° N<br/>LONG. 103.658123° W<br/>NAD 27</p> <p>X= 750,053<br/>Y= 435,601<br/>LAT. 32.195744° N<br/>LONG. 103.658602° W<br/>NAD83/2011</p> |  | <p><b><sup>17</sup> OPERATOR CERTIFICATION</b></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 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.</p> <p>Signature _____ Date _____</p> <p>Printed Name _____</p> <p>E-mail Address _____</p> <p><b><sup>18</sup> SURVEYOR CERTIFICATION</b></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>11/03/2020<br/>Date of Survey</p> <p>Signature and Seal of Professional Surveyor: </p> <p>Certificate Number _____</p> |
|--|--|---|

CORNER COORDINATES TABLE (NAD 27)

A - X=705011.33, Y=435530.36  
B - X=707654.57, Y=435555.75  
C - X=708976.20, Y=435568.44  
D - X=710297.82, Y=435581.13  
E - X=705046.53, Y=430251.61  
F - X=707688.13, Y=430277.09  
G - X=709008.93, Y=430289.83  
H - X=710329.72, Y=430302.57  
I - X=705081.74, Y=424972.86  
J - X=707721.68, Y=424998.44  
K - X=709041.66, Y=425011.22  
L - X=710361.63, Y=425024.01

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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

|                                |  |   |
|--------------------------------|--|---|
| <sup>1</sup> API Number        | <sup>2</sup> Pool Code<br>96715                        | <sup>3</sup> Pool Name<br>WC-025 G-06 S253209L; BONE SPRING |
| <sup>4</sup> Property Code     | <sup>5</sup> Property Name<br>CO GRIZZLY 34 27 FED COM | <sup>6</sup> Well Number<br>408H                            |
| <sup>7</sup> OGRID No.<br>4323 | <sup>8</sup> Operator Name<br>CHEVRON U.S.A. INC.      | <sup>9</sup> Elevation<br>3504'                             |

<sup>10</sup> Surface Location

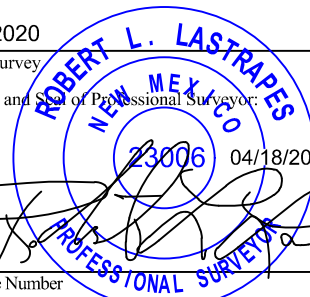
| UL or lot no. | Section | Township | Range             | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
|---------------|---------|----------|-------------------|---------|---------------|------------------|---------------|----------------|--------|
| B             | 3       | 25 SOUTH | 32 EAST, N.M.P.M. |         | 192'          | NORTH            | 1625'         | 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 |
|---------------|---------|----------|-------------------|---------|---------------|------------------|---------------|----------------|--------|
| B             | 27      | 24 SOUTH | 32 EAST, N.M.P.M. |         | 25'           | NORTH            | 1430'         | EAST           | LEA    |

|                                      |   |                                  |                         |
|--------------------------------------|---|----------------------------------|-------------------------|
| <sup>12</sup> Dedicated Acres<br>320 | <sup>13</sup> Joint or Infill<br>Defining | <sup>14</sup> Consolidation Code | <sup>15</sup> 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.

|   |   |
|---|---|
| <p><b>CO GRIZZLY 34 27 FED COM</b><br/>408H WELL</p> <p>X= 708,734<br/>Y= 424,816<br/>LAT. 32.166138° N<br/>LONG. 103.658772° W</p> <p>X= 749,920<br/>Y= 424,874<br/>LAT. 32.166262° N<br/>LONG. 103.659250° W</p> <p>ELEVATION +3504' NAVD 88</p> <p><b>PROPOSED FIRST TAKE POINT</b></p> <p>X= 708,932<br/>Y= 425,035<br/>LAT. 32.166737° N<br/>LONG. 103.658131° W</p> <p>X= 750,117<br/>Y= 425,093<br/>LAT. 32.166860° N<br/>LONG. 103.658608° W</p> <p><b>PROPOSED LAST TAKE POINT</b></p> <p>X= 708,868<br/>Y= 435,467<br/>LAT. 32.195414° N<br/>LONG. 103.658123° W</p> <p>X= 750,053<br/>Y= 435,526<br/>LAT. 32.195538° N<br/>LONG. 103.658602° W</p> <p><b>PROPOSED BOTTOM HOLE LOCATION</b></p> <p>X= 708,868<br/>Y= 435,542<br/>LAT. 32.195620° N<br/>LONG. 103.658123° W</p> <p>X= 750,053<br/>Y= 435,601<br/>LAT. 32.195744° N<br/>LONG. 103.658602° W</p> | <p><b>16</b></p> <p><b>17 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.</p> <p>Signature _____ Date _____</p> <p>Printed Name _____</p> <p>E-mail Address _____</p> <p><b>18 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.</p> <p>11/03/2020<br/>Date of Survey</p> <p>Signature and Seal of Professional Surveyor: </p> <p>Certificate Number _____</p> |
|---|---|

**CORNER COORDINATES TABLE (NAD 27)**

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F - X=707688.13, Y=430277.09  
G - X=709008.93, Y=430289.83  
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J - X=707721.68, Y=424998.44  
K - X=709041.66, Y=425011.22  
L - X=710361.63, Y=425024.01

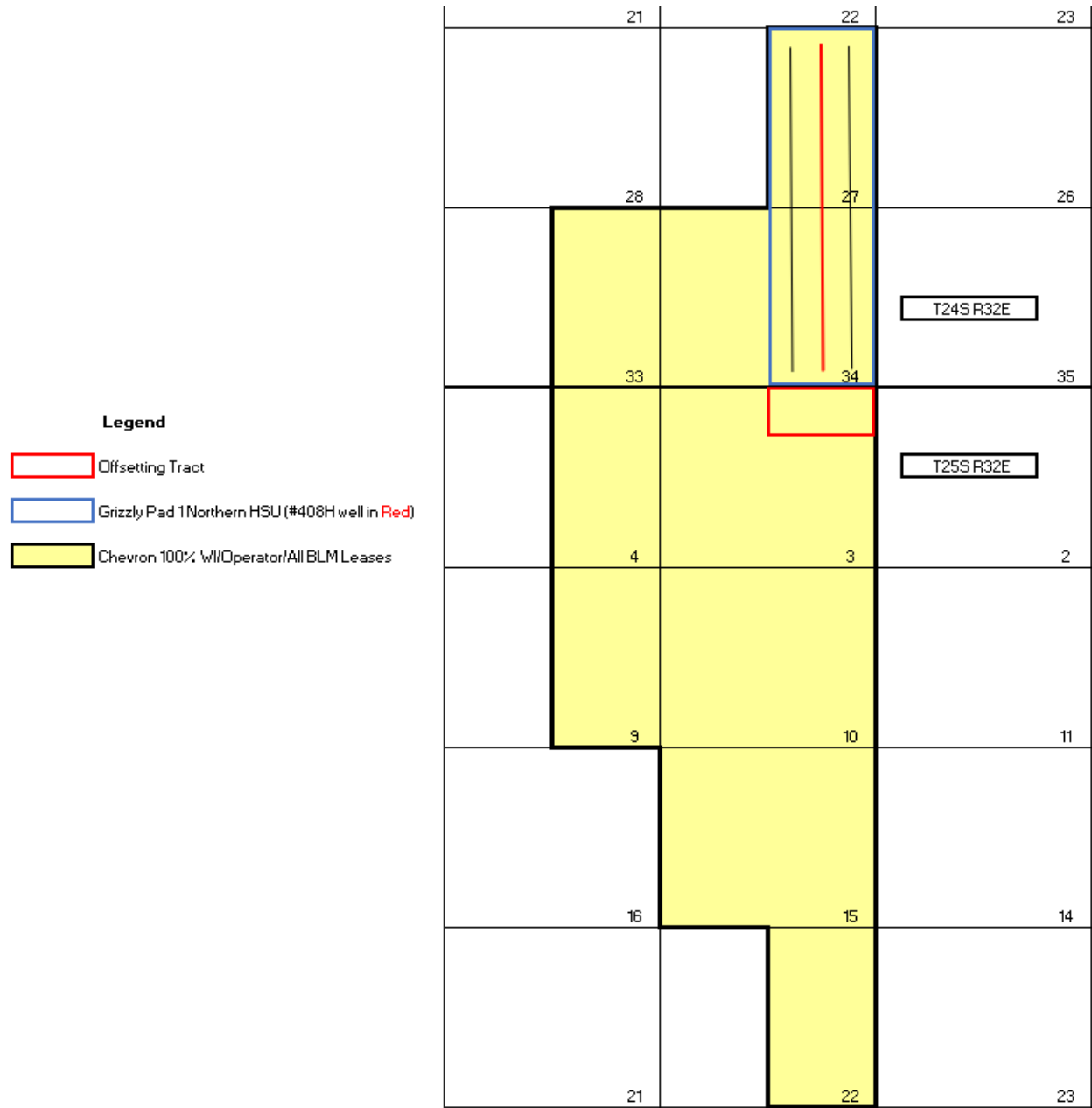
**Diagram Details:**  
Proposed Last Take Point 100' FNL, 1430' FEL  
Proposed First Take Point 25' FSL, 1430' FEL  
N 00°20'47" W 10,507.44'  
N 41°59'29" E 294.58'  
192', 1625', 1430', 25'

**CO Grizzly 34 27 Fed Com 408H Well**Offsetting Tract

Chevron U.S.A. Inc.

1400 Smith St.

Houston, TX 77002

**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 |       |

## **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 34 27 Fed Com 408H well  
E/2 of Sections 27 and 34, T24S, R32E  
Lea County, New Mexico  
As to the E/2 of Sec. 27: WC-025 G-07 S243225C; LWR Bone Spring pool [97964]  
As to the E/2 of Sec. 34: WC-025 G-06 S253209L; Bone Spring pool [96715]  
API No. 30-025-49722

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  
Mail to: P.O. Box 2208, Santa Fe, NM 87504-2208  
www.hollandhart.com

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) | 9414811898765879035898 | 72375 - Chevron - Grizzly 407H-409H, 416h-418h, CO Viper 401H-403H 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) | 9414811898765879035881 | 72375 - Chevron - Grizzly 407H-409H, 416h-418h, CO Viper 401H-403H NSL notice list - 2 |

**District I**

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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 107523

**CONDITIONS**

|  |  |
|--|--|
| Operator:<br>CHEVRON U S A INC<br>6301 Deauville Blvd<br>Midland, TX 79706 | OGRID:<br>4323                                       |
|  | Action Number:<br>107523                             |
|  | Action Type:<br>[UF-NSL] Non-Standard Location (NSL) |

**CONDITIONS**

|            |  |                |
|------------|--|----------------|
| Created By | Condition  | Condition Date |
| Ilowe      | NSL - 8374 is approved. The approved Order can be retrieved at the following OCD: website. <a href="https://ocdimage.emnrd.nm.gov/imaging/AEOrderCriteria.aspx">https://ocdimage.emnrd.nm.gov/imaging/AEOrderCriteria.aspx</a> | 6/3/2022       |