

State of New Mexico  
Energy, Minerals and Natural Resources Department

**Michelle Lujan Grisham**  
Governor

**Sarah Cottrell Propst**  
Cabinet Secretary

**Todd E. Leahy, JD, PhD**  
Deputy Cabinet Secretary

**Dylan M. Fuge, Acting Director**  
Oil Conservation Division



Ms. Paula M. Vance  
[PMvance@hollandhart.com](mailto:PMvance@hollandhart.com)

NON-STANDARD LOCATION

**Administrative Order NSL - 8545**

**Chevron U.S.A., INC. [OGRID 16696]  
DL 10 3 Morag Federal Com Well No. 410H  
API No. 30-025-50878**

**Proposed Location**

	<u>Footages</u>	<u>Unit/Lot</u>	<u>Sec.</u>	<u>Twsp</u>	<u>Range</u>	<u>County</u>
Surface	960 FSL & 1665 FEL	O	10	22S	33E	Lea
First Take Point	25 FSL & 2178 FEL	O	10	22S	33E	Lea
Last Take Point	100 FNL & 2178 FEL	B	3	22S	33E	Lea
Terminus	25 FNL & 2178 FEL	B	3	22S	33E	Lea

**Proposed Horizontal Units**

<u>Description</u>	<u>Acres</u>	<u>Pool</u>	<u>Pool Code</u>
E/2 of Section 10	640	Wildcat; Bone Spring	97846
E/2 of Section 03			

Reference is made to your application received on March 6<sup>th</sup>, 2023.

You have requested to drill this horizontal well at an unorthodox oil well location described above in the referenced pool or formation. 19.15.16.15(B)(1)(a) NMAC governs this proposed well and provides that the operator shall dedicate to each horizontal oil well a standard horizontal spacing unit that comprises of one or more contiguous tracts that the horizontal well's completed interval penetrates, each of which consists of a governmental quarter - quarter section or equivalent.

This well's completed interval is as close as 25 feet to the southern edge of the horizontal spacing unit. Encroachment will impact the following tract(s).

Section 15, encroachment to the NW/4 NE/4

The Division understands you have given notice of this application to all operators or owners who are "affected persons," as defined in 19.15.2.7(A)(8) NMAC, in all adjoining units towards which the proposed location encroaches.

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Division understands you are seeking this unorthodox location as your preferred well spacing plan for horizontal wells within the Bone Spring Formation. While preventing waste within the formation underlying E/2 of Section 10 and the E/2 of Section 3.


Your application has been filed under 19.15.16.15(C)(6) NMAC, 19.15.15.13 NMAC and 19.15.4.12 (A)(2) NMAC.

Per 19.15.15.13 (B) NMAC, **Division approves this unorthodox location.**

Reference this NSL order number on the As Drilled C-102 submitted with the Authorization to Transport, to place this well into production.

The above approvals are subject to your following all other applicable Division rules.

Jurisdiction of this case is retained for the entry of further orders as Division deems necessary.



**DYLAN M. FUGE**  
**DIRECTOR (ACTING)**

DMF/lrl

**Date:** 3/27/23

**District I**  
1625 N. French Dr., Hobbs, NM 88240  
Phone:(575) 393-6161 Fax:(575) 393-0720  
**District II**  
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**District III**  
1000 Rio Brazos Rd., Aztec, NM 87410  
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**District IV**  
1220 S. St Francis Dr., Santa Fe, NM 87505  
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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 201614

CONDITIONS

Operator: CHEVRON U S A INC 6301 Deauville Blvd Midland, TX 79706	OGRID: 4323
	Action Number: 201614
	Action Type: [IM-SD] Admin Order Support Doc (ENG) (IM-AAO)

CONDITIONS

Created By	Condition	Condition Date
llowe	None	3/28/2023