NSL - 8567

Revised March 23, 2017

ID NO. 207021		110L - 0307	,
RECEIVED:	REVIEWER:	TYPE:	pLEL2310330190

ABOVETHIS	TABLE FOR OCD DIVISION USE ONLY
NEW MEXICO OIL CO - Geological & Eng	ONSERVATION DIVISION ineering Bureau –
1220 South St. Francis Driv	1 AT THE PROPERTY OF THE PROPE
	PLICATION CHECKLIST
THIS CHECKLIST IS MANDATORY FOR ALL ADMINISTRAT REGULATIONS WHICH REQUIRE PROCES	TIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND SSING AT THE DIVISION LEVEL IN SANTA FE
pplicant: Chevron U.S.A. Inc.	OGRID Number: 4323
Vell Name: SD 18 19 Federal Com 425H	API: 30-025-50089
OOI: WC-025 G-06 S263319P	Pool Code: 97955
	N REQUIRED TO PROCESS THE TYPE OF APPLICATION TED BELOW
A. Location – Spacing Unit – Simultaneous De INSL NSP (PROJECT AREA)	
B. Check one only for [1] or [1] [1] Commingling – Storage – Measureme DHC DCTB PLC PC [11] Injection – Disposal – Pressure Increase WFX PMX SWD DP	C OLS OLM se – Enhanced Oil Recovery
A. Offset operators or lease holders B. Royalty, overriding royalty owners, reve C. Application requires published notice D. Notification and/or concurrent approv E. Notification and/or concurrent approv F. Surface owner G. For all of the above, proof of notification H. No notice required	ch apply. enue owners val by SLO val by BLM Notice Complete Application Content Complete
CERTIFICATION: I hereby certify that the inform administrative approval is accurate and compunderstand that no action will be taken on this notifications are submitted to the Division.	nation submitted with this application for blete to the best of my knowledge. I also s application until the required information and
Note: Statement must be completed by an Ind	lividual with managerial and/or supervisory capacity.
	April 12, 2023
Deana M. Bennett	Date
Print or Type Name	505 949 1924

Signature

505-848-1834

Phone Number

Deana.Bennett@modrall.com

e-mail Address



Deana M. Bennett 505.848.1834 dmb@modrall.com

VIA E-FILING

Acting Director Dylan M. Fuge And
OCD Engineering Bureau
Oil Conservation Division
New Mexico Department of Energy,
Minerals and Natural Resources
1220 South Saint Francis Drive
Santa Fe, New Mexico 87505

Re: Application of Chevron U.S.A. Inc. for administrative approval of unorthodox well location for its SD 18 19 Federal Com 425H Well located in the E/2E/2 of Sections 18 and 19, Township 26 South, Range 33 East, NMPM, Lea County, New Mexico.

Dear Director Fuge/OCD Engineering Bureau:

Pursuant to Division rules 19.15.16.15(C)(6) and 19.15.15.13 NMAC, Chevron U.S.A. Inc. (OGRID 4323) ("Chevron") seeks administrative approval of an unorthodox well location ("NSL") for its SD 18 19 Federal Com 425H well (API No. 30-025-50089) (the "Well"). The Well will be located in a 320-acre, more or less, standard spacing unit underlying the E/2E/2 of Sections 18 and 19, Township 26 South, Range 33 East, NMPM, Lea County, New Mexico, and will be in the WC-025 G-06 S263319P; Bone Spring pool (Pool ID: 97955). A C-102 for the Well is attached as **Exhibit A**.

The Well's completed interval will be closer than 330' from the outer boundary of the spacing unit, which requires an NSL approval. As shown on Exhibit A, this is a horizontal well that will be drilled as follows:

- Surface Hole Location: 425' FNL & 2,041' FEL of Section 18, T26S-R33E;
- First Take Point: 100' FNL & 1210' FEL of Section 18, T26S-R33E;
- Last Take Point: 100' FSL & 1210' FEL of Section 19, T26S-R33E;

Modrall Sperling Roehl Harris & Sisk P.A.

500 Fourth Street NW Suite 1000 Albuquerque, New Mexico 87102

PO Box 2168 Albuquerque, New Mexico 87103-2168

Tel: 505.848.1800

• Bottom Hole Location: 25' FSL & 1210' FEL of Section 19, T26S-R33E.

Chevron has included as **Exhibit B** a letter explaining why this application is needed. Chevron also provides a map of the area, attached as **Exhibit C**, which shows the tracts upon which the unorthodox location will encroach.

As discussed above, the completed interval of the Well is closer than 330' from the boundary of the spacing unit. See Exhibit A (C-102). The unorthodox location will encroach towards the W/2E/2 of Sections 18 and 19 of Township 26 South, Range 33 East. The tracts adjoining the spacing unit by a corner are more than 100' away from the first and last take points and, as a result, there is no need to provide notice to the offsetting corner tracts.

Chevron is the operator of the W/2E/2 of Sections 18 and 19 of Township 26 South, Range 33 East and owns 100% of the working interests in the W/2E/2 of Sections 18 and 19 of Township 26 South, Range 33 East. There are no unleased mineral interest owners in the W/2E/2 of Sections 18 and 19 of Township 26 South, Range 33 East. As a result, no notice to offset owners with respect to the W/2E/2 of Sections 18 and 19 of Township 26 South, Range 33 East is required. See Rule 19.15.4.12(A)(2) and Rule 19.15.2.7(A)(3).

Chevron is providing notice to the Bureau of Land Management ("BLM"). Proof of mailing, along with a copy of the notice letter sent to BLM, is attached hereto as **Exhibit D**.

Your attention to this matter is appreciated.

Sincerely,

Earl E. DeBrine

Deana M. Bennett

Attorneys for Chevron U.S.A.

Inc.

<u>District I</u>
1625 N. French Dr., Hobbs, NM 88240
Phone: (575) 393-6161 Fax: (575) 393-0720
<u>District II</u>
811 S. First St., Artesia, NM 88210
Phone: (575) 748-1283 Fax: (575) 748-9720

<u>District III</u> 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

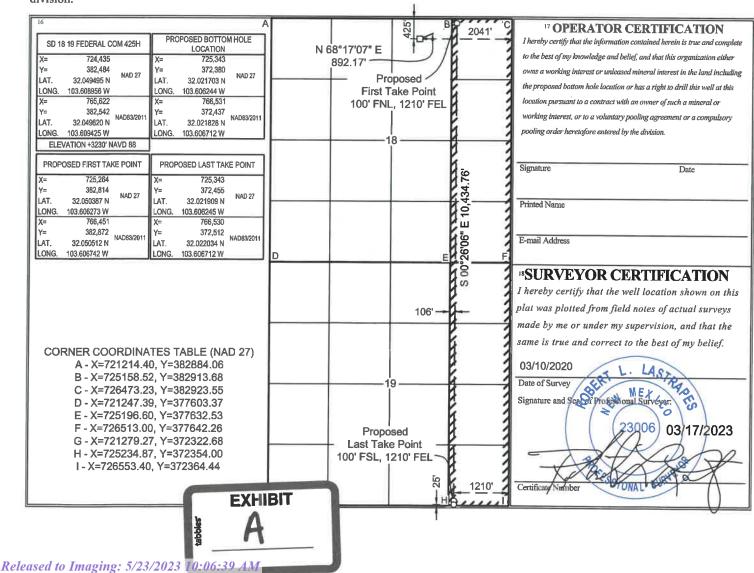
Form C-102 Revised August 1, 2011 Submit one copy to appropriate District Office

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

								_		
	1 API Nur	nber	² Pool	² Pool Code ³ Pool Name						
	30-025-5	0089	979	955	WC-025 G-06 S263319P;BONE SPRING					
⁴ Proper	ty Code	1		⁵ Property Name ⁶ Well N				Well Number		
332	808			SD 18 19 FEDERAL COM 425H				425H		
⁷ OGR	ID No.			8 C	perator Name					⁹ Elevation
43	23			CHEVI	RON U.S.A. IN	ON U.S.A. INC. 3230'			3230'	
¹⁰ Surface Location										
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/V	Vest line	Count
В	18	26 SOUTH	33 EAST, N.M.P.M.		425'	NORTH	2041'	EAST		LEA
			" Bottom l	Hole Locat	tion If Diff	erent From S	Surface			-
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/W	est line	County
P	19	26 SOUTH	33 EAST, N.M.P.M.		25'	SOUTH	1210'	EAS	ST	LEA
12 Dedicated A	cres 13 Join	nt or Infill	14 Consolidation Code	¹⁵ Order No.		-				
320	1	NFILL								

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.



April 7, 2023

VIA E-FILING

Acting Director Dylan M. Fuge and OCD Engineering Bureau Oil Conservation Division Energy, Minerals and Natural Resources Department 1220 South Saint Francis Drive Santa Fe, New Mexico 87505

Re: Non-Standard Location Application SD 18 19 Federal Com well Lea County, New Mexico

Dear Director Fuge/OCD Engineering Bureau

Chevron U.S.A. Inc. (OGRID 4323) ("Chevron") respectfully requests administrative approval of a non-standard location ("NSL") for the following well (the "Well"):

• SD 18 19 Federal Com well 425H (API No. 30-025-50089)

The Well's completed interval will be closer than 330' from the outer boundary of the spacing unit, which requires an NSL approval. The first and last take points for the Well are standard.

Chevron is requesting non-standard location approval for the Well to allow the setback from the outer boundary to be less than 330' from the western boundary of the horizontal spacing unit. Allowing Chevron to complete the Well at this non-standard location will result in the greatest recovery of reserves from the unit and will reduce waste.

Thank you for your consideration. Should you have any questions please contact me at jfleck@chevron.com or 432-687-7386.

Sincerely,

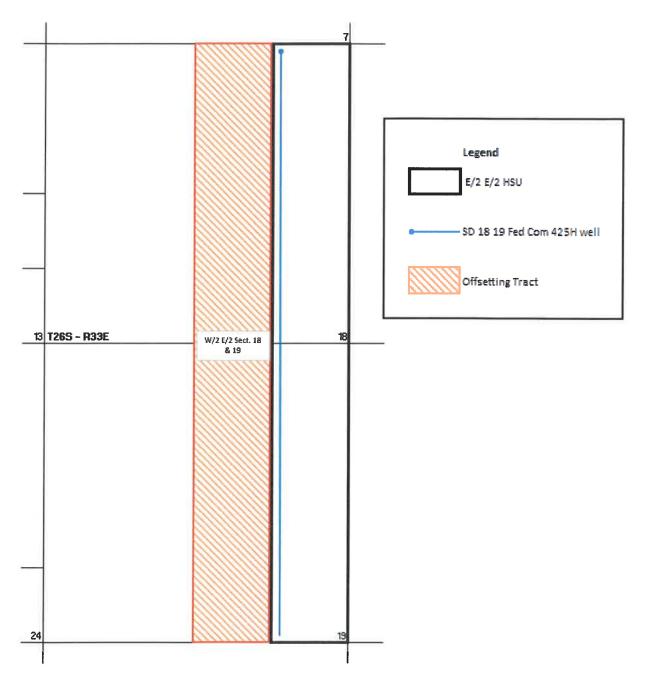
Abrdan Fleck, Reservoir Engineer

Chevron U.S.A. Inc.



Offset Operators and WI Owners

NSL Well: SD 18 19 Fed Com P361 425H Well



Offsetting Tracts in Township 26 South, Range 32 East:

W/2 E/2 Sect. 18 & 19:

Operator/Working Interest Owner: Federal/State Mineral Interest Owner:

Chevron U.S.A. Inc. (100% WI) Bureau of Land Management





Deana M. Bennett 505.848.1834 dmb@modrail.com

VIA CERTIFIED MAIL

TO AFFECTED PARTIES

Re: Application of Chevron U.S.A. Inc. for administrative approval of unorthodox well location for its SD 18 19 Federal Com 425H Well located in the E/2E/2 of Sections 18 and 19, Township 26 South, Range 33 East, NMPM, Lea County, New Mexico.

Dear Sir or Madam:

Enclosed is a copy of the above referenced application filed with the New Mexico Conservation Division on this date. Any objections that you have to this application must be filed in writing with the New Mexico Oil Conservation Division, 1220 South St. Francis Drive, Santa Fe, New Mexico 87505, within twenty (20) days from the date the Division receives the above referenced application. If no objection is received within this twenty-day period, the application may be approved administratively by the Division.

If you have any questions concerning this application, please contact:

Jordan Fleck Reservoir Engineer Chevron U.S.A. Inc. jfleck@chevron.com (432) 687-7386

Sincerely,

Jeana M. Bennett

Attorney for Chevron U.S.A. Inc.

Modrall Sperling Roehl Harris & Sisk P.A.

500 Fourth Street NW Suite 1000 Albuquerque, New Mexico 87102

PO Box 2168 Albuquerque, New Mexico 87103-2168

Tel: 505.848.1800



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District I
1625 N. French Dr., Hobbs, NM 88240
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State of New Mexico Energy, Minerals & Natural Resources Department OIL CONSERVATION DIVISION 1220 South St. Francis Dr. Santa Fe, NM 87505

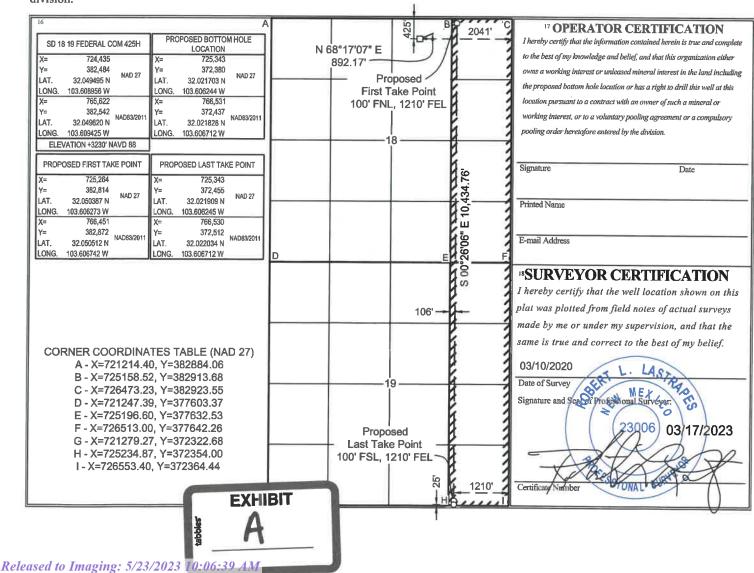
Form C-102
Revised August 1, 2011
Submit one copy to appropriate
District Office

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

	1 API Nun	nber	² Pool	Code	ode ³ Pool Name					
	30-025-5	0089	979	55	WC-025 G-06 S263319P;BONE SPRING					
⁴ Proper	ty Code			5 p	⁵ Property Name ⁶ Well Nu				Well Number	
332	808							425H		
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UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/V	Vest line	County
В	18	26 SOUTH	33 EAST, N.M.P.M.		425'	NORTH	2041'	EAST		LEA
			¹¹ Bottom I	Hole Locat	ion If Diff	erent From S	Surface		-	
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320	1	NFILL								

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Deana M. Bennett 505.848.1834 dmb@modrail.com

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500 Fourth Street NW Suite 1000 Albuquerque, New Mexico 87102

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Tel: 505.848.1800



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Type of Ma					Dated:
	Name, Street, City, State, Zip	Burcau of Land Management 301 Dinosaur Trail Santa Fe NM 87508			Postmaster: Name of receiving employee
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April 7, 2023

VIA E-FILING

Acting Director Dylan M. Fuge and OCD Engineering Bureau Oil Conservation Division Energy, Minerals and Natural Resources Department 1220 South Saint Francis Drive Santa Fe, New Mexico 87505

Re: Non-Standard Location Application SD 18 19 Federal Com well Lea County, New Mexico

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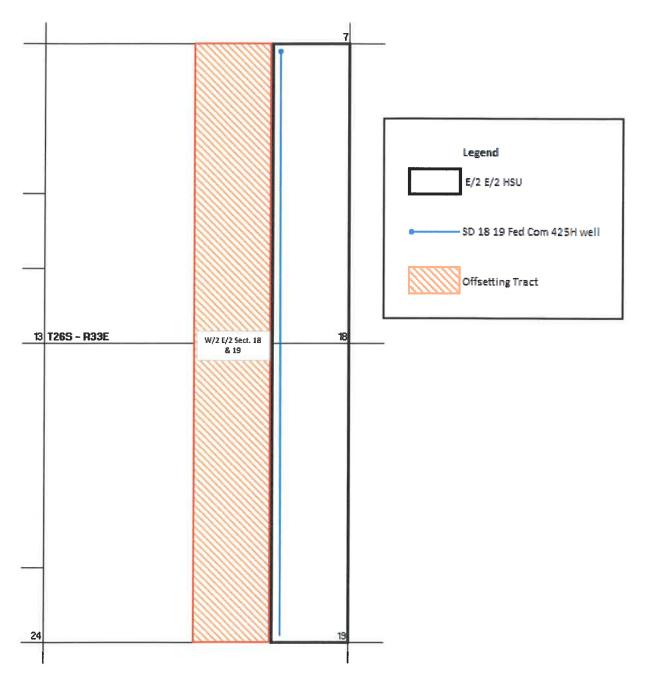
46rdan Fleck, Reservoir Engineer

Chevron U.S.A. Inc.



Offset Operators and WI Owners

NSL Well: SD 18 19 Fed Com P361 425H Well



Offsetting Tracts in Township 26 South, Range 32 East:

W/2 E/2 Sect. 18 & 19:

Operator/Working Interest Owner: Federal/State Mineral Interest Owner:

Chevron U.S.A. Inc. (100% WI) Bureau of Land Management



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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 207021

CONDITIONS

Operator:	OGRID:
CHEVRON U S A INC	4323
6301 Deauville Blvd	Action Number:
Midland, TX 79706	207021
	Action Type:
	[UF-NSL] Non-Standard Location (NSL)

CONDITIONS

		Condition
Ву		Date
llowe	None	4/13/2023