

Revised March 23, 2017

ID NO. 224372

NSL - 8597

RECEIVED:	REVIEWER:	TYPE:	APP NO: pLEL2315834163
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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: ZN 27 22 Fed State Com #203H **API:** 30-025-PENDING
Pool: WC-025 G-05 S233417N; Up Bone Spring **Pool Code:** 98133

**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.

Paula M. Vance

Print or Type Name

Signature

June 6, 2023

Date

505-954-7286

Phone Number

pmvance@hollandhart.com

e-mail Address



Paula M. Vance
Associate
Phone (505) 954-7286
 PMVance@hollandhart.com

June 1, 2023

VIA ONLINE FILING

Dylan Fuge, Division Director
 Oil Conservation Division
 Energy, Minerals and Natural Resources Department
 1220 South Saint Francis Drive
 Santa Fe, New Mexico 87505

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

ZN 27 22 Fed State Com #203H well
 E/2 of Sections 22 and 27, Township 23 South, Range 34 East, Lea County, New Mexico
 WC-025 G-05 S233417N; UP BONE SPRING [98133]
 API No. 30-025-PENDING

Dear Mr. Fuge:

Chevron U.S.A. Inc. ("Chevron") (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-05 S233417N; UP BONE SPRING [98133], seeks administrative approval of an unorthodox well location for its **ZN 27 22 Fed State Com #203H** well (API No. 30-025-PENDING), in a 640-acre, more or less, horizontal well spacing unit comprised of the E/2 of Sections 22 and 27, Township 23 South, Range 34 East, NMPM, Lea County, New Mexico.

The **ZN 27 22 Fed State Com #203H** oil well is an infill well. The **ZN 27 22 Fed State Com #202H** oil well is the defining well, creating the enlarged spacing unit.

The proposed location for the **ZN 27 22 Fed State Com #203H** is as follows:

- Surface hole location: 650' FNL and 1,267' FEL (Unit A) of Section 34
- First take point: 25' FSL and 550' FEL (Unit P) of Section 27
- Last take point: 100' FNL and 550' FEL (Unit A) of Section 22
- Bottom hole location: 25' FNL and 550' FEL (Unit A) of Section 22

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 oil rules, the completed first take point for this well will be unorthodox because it is closer than the standard offset to the southern boundary of the spacing unit—thus, encroaching on the E/2 of Section 34.

Chevron U.S.A. Inc. respectfully requests administrative approval of a non-standard location for the **ZN 27 22 Fed State Com #203H** and provides the following reason for the request: Approval of the unorthodox, completed interval is necessary to 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 ZN 27 22 Fed State Com #203H well encroaches on the spacing unit/tracts to the south in the E/2 of Section 34. Also, included is the Form C-102 for the ZN 27 22 Fed State Com #202H, the defining well for the spacing unit.

Exhibit B is a plat for the subject area, that shows the proposed ZN 27 22 Fed State Com #203H well in relation to the adjoining spacing unit/tracts to the south. The affected spacing unit is owned/operated by Chevron; there are no other working interest owners. In addition, the exhibit identifies that this includes a State Land Office ("SLO") lease. Accordingly, the "affected persons"¹ are Chevron and the SLO.

Exhibit C is a spreadsheet listing all affected persons requiring notice and includes tracking information demonstrating that each of the affected persons requiring notice 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
State Mineral Interest	State Land Office	E/2 of Section 34

Your attention to this matter is appreciated.

Sincerely,



Paula M. Vance
ATTORNEY FOR CHEVRON U.S.A. INC.

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).

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: (505) 748-1283 Fax: (505) 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	³ Pool Name
	98133	WC-025 G-05 S233417N; UP BONE SPRING
⁴ Property Code	⁵ Property Name	⁶ Well Number
	ZN 27 22 FED STATE COM	203H
⁷ OGRID No.	⁸ Operator Name	⁹ Elevation
4323	CHEVRON U.S.A. INC.	3455'

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
A	34	23 SOUTH	34 EAST, N.M.P.M.		650'	NORTH	1267'	EAST	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
A	22	23 SOUTH	34 EAST, N.M.P.M.		25'	NORTH	550'	EAST	LEA
¹² Dedicated Acres	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.						
640	INFILL			DEFINING WELL IS ZN 27 22 FED STATE COM 202H					

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>¹⁶</p> <p>PROPOSED BOTTOM HOLE LOCATION X = 772,729' (NAD27 NM E) Y = 472,949' LAT. 32.297168° N (NAD27) LONG. 103.450702° W X = 813,914' (NAD83/2011 NM E) Y = 473,008' LAT. 32.297291° N (NAD83/2011) LONG. 103.451179° W</p> <p>PROPOSED LAST TAKE POINT X = 772,730' (NAD27 NM E) Y = 472,874' LAT. 32.296962° N (NAD27) LONG. 103.450702° W X = 813,914' (NAD83/2011 NM E) Y = 472,933' LAT. 32.297085° N (NAD83/2011) LONG. 103.451178° W</p> <p>PROPOSED MID POINT X = 772,781' (NAD27 NM E) Y = 467,693' LAT. 32.282720° N (NAD27) LONG. 103.450674° W X = 813,966' (NAD83/2011 NM E) Y = 467,752' LAT. 32.282843° N (NAD83/2011) LONG. 103.451150° W</p> <p>PROPOSED FIRST TAKE POINT/ PENETRATION POINT X = 772,824' (NAD27 NM E) Y = 462,438' LAT. 32.268275° N (NAD27) LONG. 103.450677° W X = 814,008' (NAD83/2011 NM E) Y = 462,497' LAT. 32.268397° N (NAD83/2011) LONG. 103.451153° W</p> <p>CORNER COORDINATES TABLE (NAD 27) A-Y=472938.46, X=768000.13 B-Y=472958.24, X=770638.89 C-Y=472968.37, X=771959.07 D-Y=472978.50, X=773279.25 E-Y=467656.80, X=768046.92 F-Y=467677.61, X=770687.59 G-Y=467687.45, X=772009.54 H-Y=467697.29, X=773331.48 I-Y=462376.02, X=768094.09 J-Y=462396.82, X=770734.05 K-Y=462407.21, X=772054.03 L-Y=462417.61, X=773374.02 M-Y=457138.86, X=773423.12</p> <p>ZN 27 22 FED STATE COM 203H WELL X = 772,113' (NAD27 NM E) Y = 461,757' LAT. 32.266418° N (NAD27) LONG. 103.452995° W X = 813,297' (NAD83/2011 NM E) Y = 461,816' LAT. 32.266541° N (NAD83/2011) LONG. 103.453470° W ELEV. +3,455' (NAVD88)</p>	<p>Proposed Last Take Point 100' FNL, 550' FEL</p> <p>Sec. 22</p> <p>Proposed Mid Point</p> <p>Sec. 27</p> <p>Proposed First Take Point/ Penetration Point 25' FSL, 550' FEL</p> <p>Sec. 34</p> <p>N 00° 34' 01" W 5,256.34'</p> <p>N 00° 27' 41" W 5,255.38'</p> <p>N 46° 13' 27" E 984.46'</p>	<p>¹⁷ OPERATOR CERTIFICATION 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>¹⁸ SURVEYOR CERTIFICATION 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>08/11/2022 Date of Survey</p> <p>Signature and Seal of Professional Surveyor _____</p> <p>11/29/2022 Certificate Number</p> <p>WELL TYPE INFILL</p> <p>EXHIBIT A</p>
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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
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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	³ Pool Name
	98133	WC-025 G-05 S233417N; UP BONE SPRING
⁴ Property Code	⁵ Property Name	⁶ Well Number
	ZN 27 22 FED STATE COM	202H
⁷ OGRID No.	⁸ Operator Name	⁹ Elevation
4323	CHEVRON U.S.A. INC.	3456'

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
A	34	23 SOUTH	34 EAST, N.M.P.M.		650'	NORTH	1287'	EAST	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
B	22	23 SOUTH	34 EAST, N.M.P.M.		25'	NORTH	1430'	EAST	LEA
¹² Dedicated Acres	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.						
640	DEFINING								

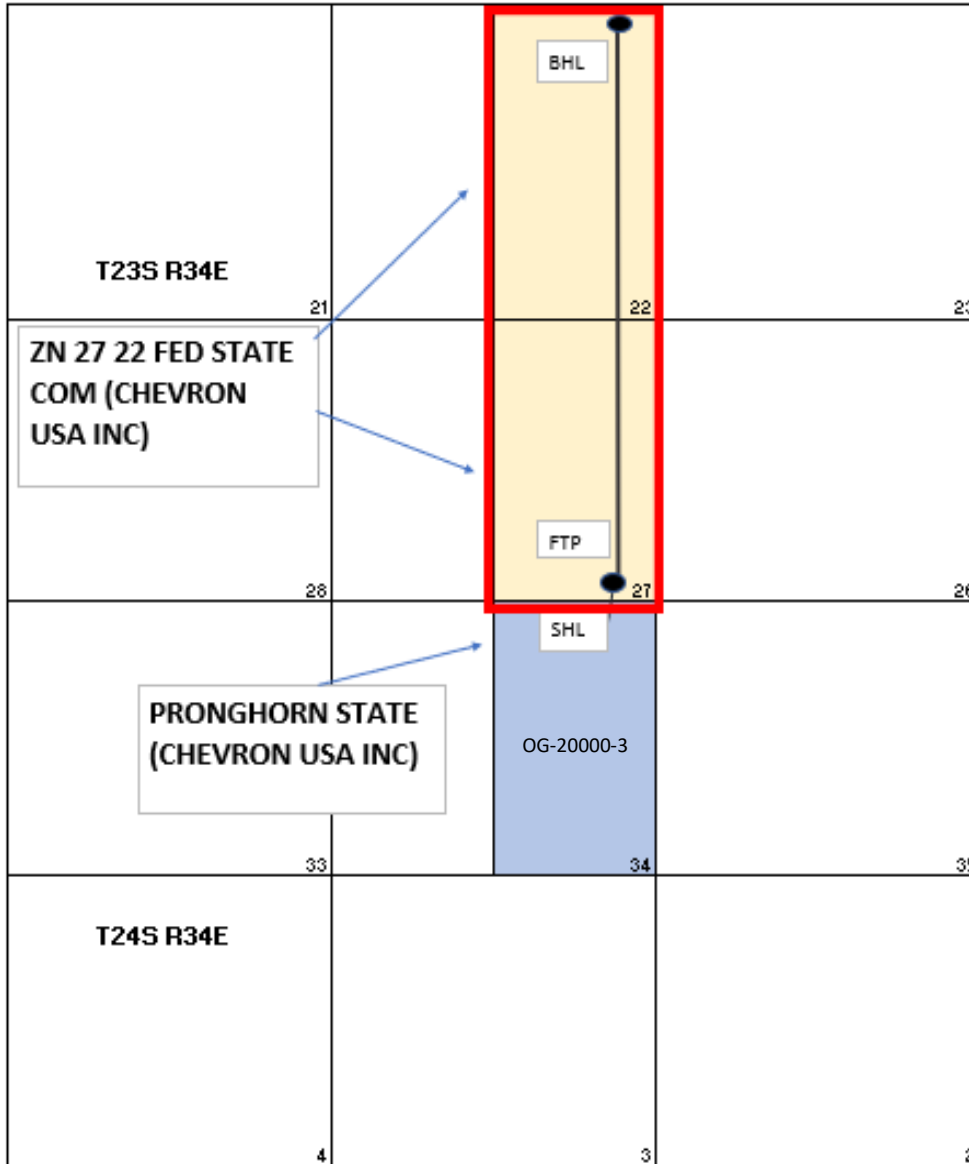
No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.

<p>¹⁶</p> <p>PROPOSED BOTTOM HOLE LOCATION X = 771,850' (NAD27 NM E) Y = 472,943' LAT. 32.297170° N (NAD27) LONG. 103.453550° W X = 813,034' (NAD83/2011 NM E) Y = 473,002' LAT. 32.297292° N (NAD83/2011) LONG. 103.454027° W</p> <p>PROPOSED LAST TAKE POINT X = 771,850' (NAD27 NM E) Y = 472,868' LAT. 32.296964° N (NAD27) LONG. 103.453550° W X = 813,034' (NAD83/2011 NM E) Y = 472,927' LAT. 32.297086° N (NAD83/2011) LONG. 103.454026° W</p> <p>PROPOSED MID POINT X = 771,902' (NAD27 NM E) Y = 467,687' LAT. 32.282722° N (NAD27) LONG. 103.453521° W X = 813,086' (NAD83/2011 NM E) Y = 467,746' LAT. 32.282845° N (NAD83/2011) LONG. 103.453997° W</p> <p>PROPOSED FIRST TAKE POINT/ PENETRATION POINT X = 771,944' (NAD27 NM E) Y = 462,431' LAT. 32.268274° N (NAD27) LONG. 103.453524° W X = 813,128' (NAD83/2011 NM E) Y = 462,489' LAT. 32.268397° N (NAD83/2011) LONG. 103.454000° W</p> <p>CORNER COORDINATES TABLE (NAD 27) A-Y=472938.46, X=768000.13 B-Y=472958.24, X=770638.89 C-Y=472968.37, X=771959.07 D-Y=472978.50, X=773279.25 E-Y=467656.80, X=768046.92 F-Y=467677.61, X=770687.59 G-Y=467687.45, X=772009.54 H-Y=467697.29, X=773331.48 I-Y=462376.02, X=768094.09 J-Y=462396.82, X=770734.05 K-Y=462407.21, X=772054.03 L-Y=462417.61, X=773374.02 M-Y=457138.86, X=773423.12</p> <p>ZN 27 22 FED STATE COM 202H WELL X = 772,093' (NAD27 NM E) Y = 461,757' LAT. 32.266419° N (NAD27) LONG. 103.453059° W X = 813,277' (NAD83/2011 NM E) Y = 461,815' LAT. 32.266541° N (NAD83/2011) LONG. 103.453535° W ELEV. +3,456' (NAVD88)</p>	<p>Proposed Last Take Point 100' FNL, 1430' FEL</p> <p>Sec. 22</p> <p>Proposed Mid Point</p> <p>Sec. 27</p> <p>Proposed First Take Point/ Penetration Point 25' FSL, 1430' FEL</p> <p>Sec. 34</p>	<p>¹⁷ OPERATOR CERTIFICATION 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>¹⁸ SURVEYOR CERTIFICATION 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>08/11/2022 Date of Survey</p> <p>Signature and Seal of Professional Surveyor: </p> <p>11/29/2022 Certificate Number</p>
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WELL TYPE
DEFINING

EXHIBIT B

ZN 27 22 FED STATE COM 203H



HORIZONTAL SPACING UNIT



AFFECTED TRACTS

EXHIBIT
B

ADDR1	ADDR2	ADDR3	ADDR4	ADDR5
New Mexico State Land Office	P.O. Box 1148	Santa Fe	NM	87504
New Mexico State Land Office	310 Old Santa Fe Trail	Santa Fe	NM	87501

EXHIBIT
C



Paula M. Vance
Associate
Phone (505) 954-7286
PMVance@hollandhart.com

June 1, 2023

VIA CERTIFIED MAIL
RETURN RECEIPT REQUESTED

TO: ALL AFFECTED PERSONS

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

ZN 27 22 Fed State Com #203H well
E/2 of Sections 22 and 27, Township 23 South, Range 34 East, Lea County, New Mexico
WC-025 G-05 S233417N; UP BONE SPRING [98133]
API No. 30-025-PENDING

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 the date this application is received by 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:

Corie Mathews, CPL
Chevron U.S.A. Inc.
Office: (713) 372-0402
Corie.Mathews@Chevron.com

Sincerely,

A handwritten signature in blue ink that reads "Paula M. Vance".

Paula M. Vance
ATTORNEY FOR CHEVRON U.S.A. INC.

Chevron - Zion 203H NSL
Postal Delivery Report

Tracking Number	Recipient	Status
9214 8901 9403 8317 6101 78	New Mexico State Land Office, PO BOX 1148, Santa Fe, NM 87504	In-Transit
9214 8901 9403 8317 6101 85	New Mexico State Land Office, 310 Old Santa Fe Trail, Santa Fe, NM 87501	In-Transit

District I
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Phone:(575) 748-1283 Fax:(575) 748-9720
District III
1000 Rio Brazos Rd., Aztec, NM 87410
Phone:(505) 334-6178 Fax:(505) 334-6170
District IV
1220 S. St Francis Dr., Santa Fe, NM 87505
Phone:(505) 476-3470 Fax:(505) 476-3462

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

CONDITIONS

Action 224372

CONDITIONS

Operator: CHEVRON U S A INC 6301 Deauville Blvd Midland, TX 79706	OGRID: 4323
	Action Number: 224372
	Action Type: [UF-NSL] Non-Standard Location (NSL)

CONDITIONS

Created By	Condition	Condition Date
llowe	None	6/7/2023