

State of New Mexico
Energy, Minerals and Natural Resources Department

Michelle Lujan Grisham
Governor

Dylan M. Fuge
Deputy Secretary

Dylan Fuge, Division Director (Acting)
Oil Conservation Division



Ms. Deana M. Bennett
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Administrative Order NSP – 2182

ADMINISTRATIVE NON-STANDARD HORIZONTAL SPACING UNIT

Chevron U.S.A., Inc. [OGRID 4323]

Makers Mark 8 5 Federal Com Well No. 1H [API No. 30-015-49616]
Makers Mark 8 5 Federal Com Well No. 2H [API No. 30-015-49615]
Makers Mark 8 5 Federal Com Well No. 3H [API No. 30-015-49617]
Makers Mark 8 5 Federal Com Well No. 4H [API No. 30-015-49618]
Makers Mark 8 5 Federal Com Well No. 5H [API No. 30-015-49619]
Knob Creek 17 20 Federal Com Well No. 1H [API No. 30-015-PENDING]
Knob Creek 17 20 Federal Com Well No. 2H [API No. 30-015-PENDING]
Knob Creek 17 20 Federal Com Well No. 3H [API No. 30-015-PENDING]
Knob Creek 17 20 Federal Com Well No. 4H [API No. 30-015-PENDING]
Section 05, Section 08, Section 17, Section 20, T26S, R27E, Eddy County

Reference is made to your application received on January 4th, 2024.

You have requested approval of a non-standard horizontal spacing unit to be included in your proposed horizontal spacing unit, as follows:

Proposed Increased Horizontal Spacing Unit:

Description	Acres	Pool	Pool Code
Section 05	2560	Welch; Bone Spring	64010
Section 08			
Section 17			
Section 20			

You have requested an exception pursuant to Rule 19.15.16.15(A)(3) NMAC, to approve a non-standard horizontal spacing unit consisting of the entire area described above as the horizontal spacing unit. The proposed horizontal spacing unit does not consist of a quarter - quarter section or equivalent in sections, as required by Rule 19.15.16.15(B)(1) NMAC.

We understand that you are seeking this exception for an allowance to create a non-standard horizontal spacing unit, comprised of the Proposed Horizontal Spacing Unit referenced above within Eddy County, New Mexico.

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The Division understands you have given notice of this application to all operators or owners who are "affected persons," as defined in Paragraph (8) Subsection A of 19.15.2.7 NMAC, in all adjoining units which are to be being included.


You have requested this non-standard horizontal spacing unit in order to allow for efficient development, minimizing surface disturbance, and to allow full development of the communitized acreage within the Bone Spring formation. Thereby, preventing waste underlying Section 05, Section 08, Section 17 and Section 20 all while protecting correlative rights within the referenced Horizontal Spacing Unit.

Pursuant to the authority conferred by Division Rule 19.15.16.15(B)(5) NMAC, the above-described **non-standard horizontal spacing unit is hereby approved**. Further, the Applicant may add additional wells to the horizontal spacing unit. The additional well(s) shall be designated to the same horizontal spacing unit and pool/formation. Submit a Change of Plans to the OCD's permitting website. Reference this approved order number on the submitted Change of plans. Once submitted, email the Action ID number to the following e-mail address: ocd.engineer@emnrd.nm.gov of notice for additional wells.

General Provisions

The above approvals are subject to your being in compliance with all other applicable Division rules, including, but not limited to Division Rule 19.15.5.9 NMAC.

Jurisdiction of this case is retained for the entry of such further orders as the Division may deem necessary.



DYLAN M. FUGE
DIRECTOR (ACTING)
DMF/lrl

Date: 2/2/24

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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 315012

CONDITIONS

Operator: CHEVRON U S A INC 6301 Deauville Blvd Midland, TX 79706	OGRID: 4323
	Action Number: 315012
	Action Type: [IM-SD] Admin Order Support Doc (ENG) (IM-AAO)

CONDITIONS

Created By	Condition	Condition Date
llowe	None	2/15/2024