RECEIVED: 03/27/24

REVIEWER:

APP NO:

pLEL2410053577

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 APP	ICATION CHECKLIST
	E APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND
Applicant: Chevron U.S.A. Inc.	OGRID Number: 4323
Vell Name: DL 4 33 Federal Com 406H	<b>API</b> : 30-025-52349
Pool: Red Tank; Bone Spring	Pool Code: 51687
SUBMIT ACCURATE AND COMPLETE INFORMATION INDICATE	
1) TYPE OF APPLICATION: Check those which apply A. Location – Spacing Unit – Simultaneous Dec  NSL NSP(PROJECT AREA)	
B. Check one only for [1] or [1]  [1] Commingling – Storage – Measuremen  DHC CTB PLC PC  [11] Injection – Disposal – Pressure Increase  WFX PMX SWD IPI  2) NOTIFICATION REQUIRED TO: Check those which A. Offset operators or lease holders	OLS OLM - Enhanced Oil Recovery DEOR PPR FOR OCD ONLY Notice Complete
<ul> <li>B. Royalty, overriding royalty owners, rever</li> <li>C. Application requires published notice</li> <li>D. Notification and/or concurrent approva</li> <li>E. Notification and/or concurrent approva</li> <li>F. Surface owner</li> <li>G. For all of the above, proof of notification</li> <li>H. No notice required</li> </ul>	Content Complete
3) <b>CERTIFICATION:</b> I hereby certify that the informa administrative approval is <b>accurate</b> and <b>comple</b> understand that <b>no action</b> will be taken on this a notifications are submitted to the Division.	ete to the best of my knowledge. I also
Note: Statement must be completed by an indivi	dual with managerial and/or supervisory capacity.
	3/27/24
Paula M. Vance	Date
Print or Type Name	
	505-954-7286
Palthon	Phone Number
Ti Ti	pmvance@hollandhart.com
Signature	e-mail Address



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

March 25, 2024

### **VIA ONLINE FILING**

Dylan Fuge, Division Director (Acting)
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

DL 4 33 Federal Com 406H well E/2 of Section 33, Township 21 South, Range 33 East, and E/2 of Section 4, Township 22 South, Range 33 East, NMPM, Lea County, New Mexico Red Tank; Bone Spring, East [51687] API No. 30-025-52349

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 Red Tank; Bone Spring, East [51687], seeks administrative approval of an unorthodox well location for its **DL 4 33 Federal Com 406H** well (API No. 30-025-52349), in a 640-acre, more or less, horizontal well spacing unit comprised of the E/2 of Section 33, Township 21 South, Range 33 East, and E/2 of Section 4, Township 22 South, Range 33 East, NMPM, Lea County, New Mexico.

The **DL 4 33 Federal Com 406H** oil well is an infill well. The **DL 4 33 Federal Com 5H** oil well is the defining well, creating the enlarged spacing unit.

The proposed location for the **DL 4 33 Federal Com 406H** is as follows:

- Surface hole location: 363' FSL and 2,630' FEL (Unit O) of Section 4, T22S-R33E
- First take point: 25' FSL and 550' FEL (Unit P) of Section 4, T22S-R33E
- Last take point: 100' FNL and 550' FEL (Unit A) of Section 33, T21S-R33E
- Bottom hole location: 25' FNL and 550' FEL (Unit A) of Section 33, T21S-R33E

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 Montana Nevada New Mexico

Washington, D.C. 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 spacing unit comprising the E/2 of Sections 9 and 16, Township 22 South, Range 33 East (Chevron's Dagger Lake 9 16 spacing unit).

Chevron U.S.A. Inc. respectfully requests administrative approval of a non-standard location for the **DL 4 33 Federal Com 406H**. 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 DL 4 33 Federal Com 406H well encroaches on the spacing unit/tracts to the south in the E/2 of Sections 9 and 16, Township 22 South, Range 33 East. Also, included is the Form C-102 for the DL 4 33 Federal Com 5H, the defining well for the spacing unit.

**Exhibit B** is a plat for the subject area, that shows the proposed DL 4 33 Federal Com 406H well in relation to the adjoining spacing unit/tracts to the south. Also included is an ownership breakdown and lease map. The affected spacing unit is owned/operated by Chevron, and ConocoPhillips is a working interest owner. In addition, the exhibit identifies that this includes both the State Land Office ("SLO") and Bureau of Land Management ("BLM") leases. Accordingly, the "affected persons" 1 are ConocoPhillips, SLO, and BLM.

**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:

Туре	Affected Party	Location
WIO	ConocoPhillips	N/2 N/2, N/2 S/2 and
		SW/4 SE/4 of Section
		16, T22S-R33E
State Mineral	State Land Office	E/2 of Section 16,
Interest		T22S-R33E
Federal Mineral	Bureau of Land Management	E/2 of Section 9,
Interest		T22S-R33E

<sup>&</sup>lt;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).

Your attention to this matter is appreciated.

Sincerely,

Paula M. Vance

ATTORNEY 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

13 Joint or Infill

**INFILL** 

<sup>12</sup> Dedicated Acres

640

14 Consolidation Code

# 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

INFILL

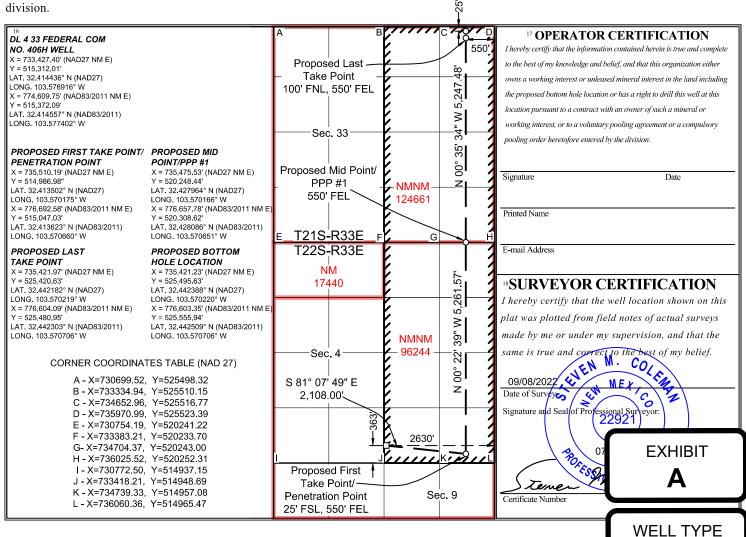
#### WELL LOCATION AND ACREAGE DEDICATION PLAT

	<sup>1</sup> API Num	iber	<sup>2</sup> Pool Co	ode	<sup>3</sup> Pool Name					
			51687	7	RED TANK;BONE SPRING,EAST					
<sup>4</sup> Proper	ty Code		<u>.</u>	<sup>5</sup> P	roperty Name				6 Well Number	
				DL 4 33	FEDERAL CO	OM				406H
<sup>7</sup> OGR	ID No.			8 O	perator Name					<sup>9</sup> Elevation
43.	23		CHEVRON U.S.A. INC. 3647'					3647'		
				10 Sur	face Locat	ion				
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/V	West line	County
О	4	22 SOUTH	33 EAST, N.M.P.M.		363'	SOUTH	2630'	EA	ST	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/V	Vest line	County
A	33	21 SOUTH	33 EAST, N.M.P.M.		25'	NORTH	550'	EA	ST	LEA

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

DEFINING WELL IS DL 4 33 FEDERAL COM 5H (30-025-46645)

15 Order No.



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		<sup>2</sup> Pool Code	<sup>3</sup> Pool Name					
300254664	5	51687	RED TANK; BONE SPRING, EAST					
<sup>4</sup> Property Code		<sup>5</sup> Pr	operty Name	6 Well Number				
326765		DL 4 33	FEDERAL COM	5H				
<sup>7</sup> OGRID No.		<sup>8</sup> Operator Name						
4323		CHEVRON U.S.A. INC.						

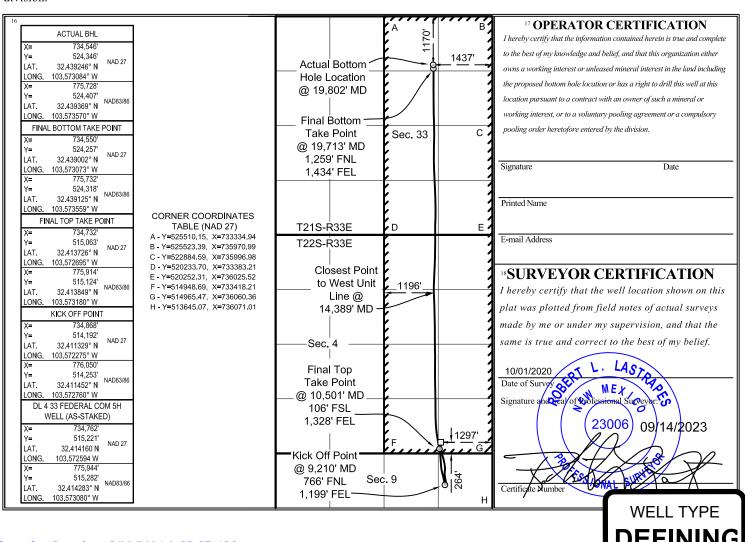
#### <sup>10</sup> Surface Location

Dotton Hala Landing If Different From Conform									
P	4	22 SOUTH	33 EAST, N.M.P.M.		264'	SOUTH	1297'	EAST	LEA
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

#### Bottom Hole Location If Different From Surface

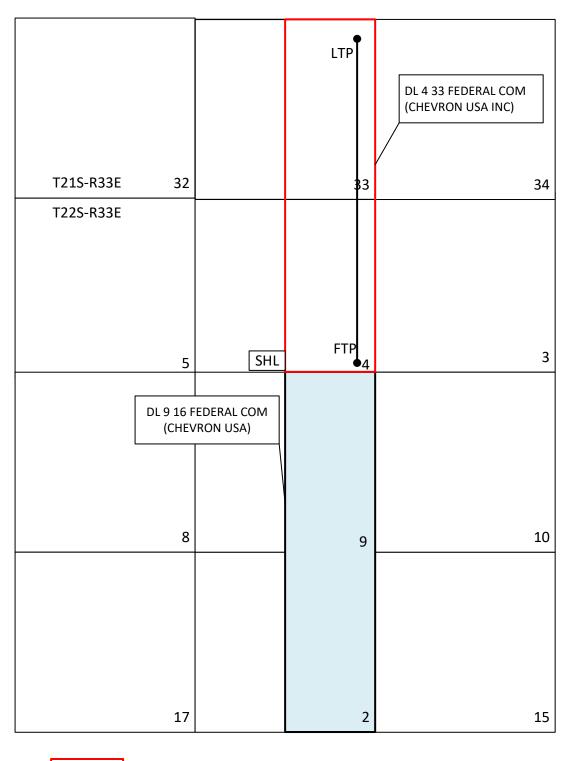
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
В	33	21 SOUTH	33 EAST, N.M.P.M.		1170'	NORTH	1437'	EAST	LEA
<sup>12</sup> Dedicated Acres <sup>13</sup> Joint or Infill <sup>14</sup> Consolidation Code		Order No.							
640	D	EFINING							

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.



# **EXHIBIT B**

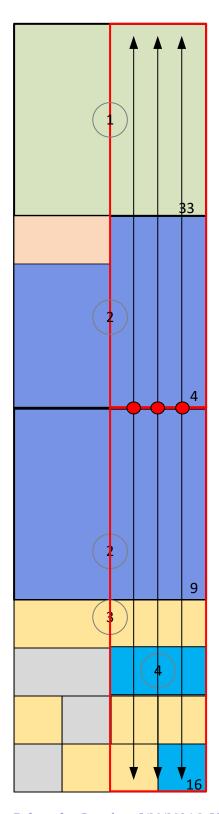
DL 4 33 FEDERAL COM 406H



Horizontal Spacing Unit

Affected Tract

# Dagger Lake Ownership Breakdown





Section 33, T21S-R33E – Entire Section (Lease 1) Chevron 100% Working Interest Lease NMNM 124661 – QLS 960264 Royalty 12.5%



Section 4, T22S-R33E – Lots 1 and 2, S/2 N/2, S/2 (Lease 2) Chevron 100% Working Interest Section 9, T22S-R33E – S/2 Chevron 100% Working Interest Lease NMNM 096244 – QLS 911019 Royalty 12.5%



Section 16, T22S-R33E – NE/4 NE/4, NW/4 NE/4, NE/4 NW/4, NW/4 NW/4, NW/4 SW/4, SE/4 SW/4, NE/4 SE/4, NW/4 SE/4, and SW/4 SE/4 (Lease 3)
Conoco 100% Working Interest
Lease State of New Mexico E-1932
Royalty 12.5%



Section 16, T22S-R33E –S/2 NE/4, SE/4 SE/4 (Lease 4) Chevron 100% Working Interest Lease State of New Mexico VB-2098 Royalty 12.5%

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
Bureau of Land Management	301 Dinosaur Trail	Santa Fe	NM	87508
Bureau of Land Management	620 E Greene St.	Carlsbad	NM	88220
ConocoPhillips	600 W. Illinois Ave	Midland	TX	79701



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

March 25, 2024

# VIA CERTIFIED MAIL RETURN RECEIPT REQUESTED

TO: ALL AFFECTED PERSONS

**Re:** Chevron U.S.A. Inc.

Request for Administrative Approval of Unorthodox Well Location

DL 4 33 Federal Com 406H well E/2 of Section 33, Township 21 South, Range 33 East, and E/2 of Section 4, Township 22 South, Range 33 East, NMPM, Lea County, New Mexico Red Tank; Bone Spring, East [51687]

API No. 30-025-52349

#### 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:

Nicholas Angelle, Land Representative Chevron U.S.A. Inc.

Office: (713) 372-3026

nicholasangelle@chevron.com

Sincerely,

Paula M. Vance

ATTORNEY FOR CHEVRON U.S.A. INC.

Received by OCD: 3/27/2024 2:12:22 PM

# Chevron - Dagger Lake NSL Post Delivery Report

TrackingNo	ToName	DeliveryAddress	City	State	Zip	StatusCode
9414811898765408600436	New Mexico State Land Office	PO Box 1148	Santa Fe	NM	87504-1148	In-Transit
9414811898765408600474	New Mexico State Land Office	310 Old Santa Fe Trl	Santa Fe	NM	87501-2708	In-Transit
9414811898765408600511	Bureau of Land Management	301 Dinosaur Trl	Santa Fe	NM	87508-1560	In-Transit
9414811898765408600559	Bureau of Land Management	620 E Greene St	Carlsbad	NM	88220-6292	In-Transit
9414811898765408600566	ConocoPhillips	600 W Illinois Ave	Midland	TX	79701-4882	In-Transit

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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 327415

#### **CONDITIONS**

Operator:	OGRID:
CHEVRON U S A INC	4323
6301 Deauville Blvd	Action Number:
Midland, TX 79706	327415
	Action Type:
	[UF-NSL] Non-Standard Location (NSL)

#### CONDITIONS

Created By	Condition	Condition Date
llowe	None	4/9/2024