# State of New Mexico Energy, Minerals and Natural Resources Department

Michelle Lujan Grisham

Governor

Melanie Kenderdine Cabinent Secretary - Designate

Ben Shelton Deputy Secretary (Acting) **Gerasimos "Gerry" Razatos** Division Director (Acting) Oil Conservation Division



Paula M. Vance pmvance@hollandhart.com

# **ADMINISTRATIVE NON-STANDARD LOCATION**

Administrative Order NSL – 8848

Chevron U.S.A., Inc. [OGRID 4323] DL 4 9 Federal Well No. 413H API No. 30-025-52504

Reference is made to your application received on December 20th, 2024.

# **Proposed Location**

_	<b>Footages</b>	Unit/Lot	Sec.	Twsp	Range	County
Surface	2538 FNL & 1693 FWL	F	04	22S	33E	Lea
First Take Point	2615 FSL & 330 FWL	L	04	22S	33E	Lea
Last Take Point	100 FSL & 330 FWL	M	09	22S	33E	Lea
Terminus	25 FSL & 330 FWL	M	09	22S	33E	Lea

# **Proposed Horizontal Units**

Description	Acres	Pool	Pool Code
SW/4 Section 04	480	Red Tank; Bone Spring, East	51687
W/2 Section 09			

You have requested to drill this horizontal well at an unorthodox 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. 19.15.16.15(C)(1)(a) NMAC governs the distance in the horizontal plane from any point in the completed interval to any outer boundary of the horizontal spacing unit, measured along a line perpendicular to the completed interval or to the tangent thereof, shall be a minimum of 330 feet for an oil well. 19.15.16.15(C)(1)(b) NMAC governs the first and last take point of a horizontal

Administrative Order NSL – 8848 Chevron U.S.A., Inc. Page 2 of 2

well shall be no closer than 100 feet in the horizontal plane, to any outer boundary of the horizontal spacing unit.

The request to deviate from an orthodox location has met all requirements of 19.15.16.15 (C)(5)(a) NMAC. It is understood that you are seeking this exception in order to create a non-standard location, comprised of Take Points referenced above, within the described Horizontal Spacing Unit.

This well's completed interval is as close as 25 feet to the northern edge of the horizontal spacing unit. Encroachment will impact the following tracts.

Section 04, encroachment to the SW/4 NW/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.

The Division understands you are seeking this unorthodox location to avoid wasting resources, and to reduce production from current and future well development within the Bone Spring formation underlying the SW/4 of Section 04 and W/2 of Section 09, thereby protecting the correlative rights and the disposition of waste resulting from oil and gas operations.

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 the Division deems necessary.

GERASIMOS RAZATOS DIRECTOR (ACTING)

GR/lrl

Date: 2/6/2025

	1 "8"
Revised March 23,	2017

RECEIVED: 12/20/24	REVIEWER:	TYPE:	PLEL2501435437

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



1220 South St. Francis Drive, S	Santa Fe, NM 87505
ADMINISTRATIVE APPLIC	CATION CHECKLIST
THIS CHECKLIST IS MANDATORY FOR ALL ADMINISTRATIVE A REGULATIONS WHICH REQUIRE PROCESSING	
Applicant: Chevron U.S.A. Inc.	OGRID Number: 4323
Well Name: DL 4 9 Federal #413H well	API: 30-025-52504
Pool: Red Tank; Bone Spring, East	Pool Code: 51687
SUBMIT ACCURATE AND COMPLETE INFORMATION REINDICATED	
1) TYPE OF APPLICATION: Check those which apply for A. Location – Spacing Unit – Simultaneous Dedication – NSL SP(PROJECT AREA)	
B. Check one only for [1] or [1]  [1] Commingling - Storage - Measurement  DHC CTB PLC PC  [11] Injection - Disposal - Pressure Increase -  WFX PMX SWD IPI	□ OLS □ OLM Enhanced Oil Recovery □ EOR □ PPR FOR OCD ONLY
2) NOTIFICATION REQUIRED TO: Check those which a  A. Offset operators or lease holders  B. Royalty, overriding royalty owners, revenue  C. Application requires published notice  D. Notification and/or concurrent approval to the second secon	pply.  Re owners  Dy SLO Dy BLM  Notice Complete  Application Content Complete
3) <b>CERTIFICATION</b> : I hereby certify that the informatio administrative approval is <b>accurate</b> and <b>complete</b> understand that <b>no action</b> will be taken on this ap notifications are submitted to the Division.	to the best of my knowledge. I also
Note: Statement must be completed by an individua	al with managerial and/or supervisory capacity.
	December 19, 2024
Paula M. Vance	Date
Print or Type Name	
· · · · · · · · · · · · · · · · · · ·	505-954-7286
Pho 11	Phone Number
Tal Toll	pmyanca@hollandhart.com
Signature	pmvance@hollandhart.com e-mail Address



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

December 19, 2024

# **VIA ONLINE FILING**

Gerasimos Razatos, Acting Division Director Oil Conservation Division Department of Energy, Minerals and Natural Resources 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 9 Federal #413H well SW/4 of Section 4 and W/2 of Section 9, Township 22 South, Range 33 East, NMPM, Lea County, New Mexico Red Tank; Bone Spring, East [51687] API No. 30-025-52504

Dear Mr. Razatos:

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 49 Federal #413H** well (API No. 30-025-52504), in a 480-acre, more or less, spacing unit underlying the SW/4 of Section 4 and W/2 of Section 9, Township 22 South, Range 33 East, NMPM, Lea County, New Mexico.

The DL 4 9 Federal #413H well is an infill well. DL 4 9 Federal #414H is the defining well. The location for the DL 4 9 Federal #413H oil well is as follows:

- Surface hole location: 2,538' FNL and 1,693' FWL (Unit F) of Section 4
- First take point: 2,615' FSL and 330' FWL (Unit L) of Section 4
- Last take point: 100' FSL and 330' FWL (Unit M) of Section 9
- Bottom hole location: 25' FSL and 330' FWL (Unit M) of Section 9

Since this acreage is governed by the Division's statewide rules, the proposed first take point for this well will be unorthodox because it is closer than the standard offsets to the northern boundary of the spacing unit—thus, encroaching on the spacing unit comprising Lot 3-4 and S/2 NW/4 of Section 4, Township 22 South, Range 33 East, and W/2 of Section 33, Township 21 South, Range 33 East (Chevron's Dagger Lake 4 33 Federal Com spacing unit) to the north.

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

Alaska Colorado Idaho Montana Nevada New Mexico Utah Washington, D.C. Wyoming



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

Chevron respectfully requests administrative approval of a non-standard location for the proposed **DL 4 9 Federal #413H** well. Chevron requests approval of this non-standard location because it is necessary to avoid causing wasted resources and reducing production from current and future well development in the area.

**Exhibit A** is a Form C-102 showing the **DL 4 9 Federal #413H** well encroaches on the DL 4 33 Federal Com spacing unit to the north. Also, included is the Form C-102 for the DL 4 9 Federal #414H, the defining well for the spacing unit.

**Exhibit B** is a plat for the surrounding area that shows the proposed DL 4 9 Federal #413H well in relation to the adjoining unit to the north. The offsetting <u>DL 4 33 Federal Com spacing unit to the north</u> includes the following other working interest owners: Ellipsis Oil and Gas Inc. and the Richard Kevin Barr Family Trust. In addition, the offsetting DL 4 33 Federal Com spacing unit includes Bureau of Land Management (BLM) leases. Accordingly, the "affected persons" are the other working interest owners in the DL 4 33 Federal Com spacing unit to the north and the BLM.

**Exhibit** C is a spreadsheet listing all affected persons 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 Chevron provided notice:

Type	Affected Party	Location	
Federal Mineral Interest	Bureau of Land Management	Lot 3-4 and S/2 NW/4 of	
Working Interest	Ellipsis Oil and Gas Inc.	Section 4, T22S-R33E, and	
	The Dichard Versin Dam Femily Trust	W/2 of Section 33, T21S-	
	The Richard Kevin Barr Family Trust	R33E	

Your attention to this matter is appreciated.

Sincerely,

Paula M. Vance

ATTORNEY FOR CHEVRON U.S.A., INC.

<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).

District I 1625 N. French Dr., H

1625 N. French Dr., Hobbs, NM 88240 Phone: (575) 393-6161 Fax: (575) 393-0720 <u>District II</u>

Phone: (575) 748-1283 Fax: (575) 748-9720 <u>District III</u> 1000 Rio Brazos Road, Aztec, NM 87410

811 S. First St., Artesia, NM 88210

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

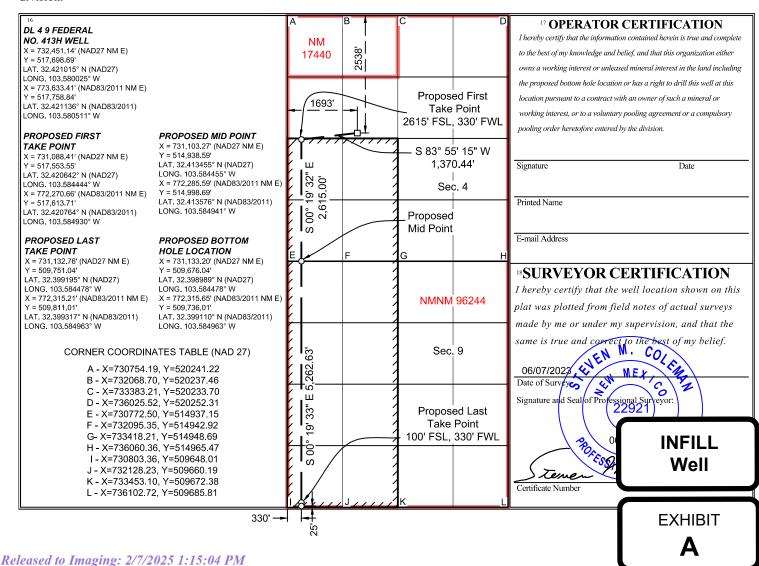
Form C-102 Revised August 1, 2011 Submit one copy to appropriate District Office

☐ AMENDED REPORT

## WELL LOCATION AND ACREAGE DEDICATION PLAT

	<sup>1</sup> API N	umber		<sup>2</sup> Pool	Code <sup>3</sup> Pool Name							
				516	587		RED 7	ΓANK;BONE S	PRING,E	AST		
<sup>4</sup> Property Code					<sup>5</sup> Pı	roperty Name				6 Well Number		
					DL 4	9 FEDERAL				413H		
<sup>7</sup> OGR	ID No.				8 O <sub>1</sub>	perator Name					<sup>9</sup> Elevation	
43	23				CHEVR	ON U.S.A. IN	C.				3653'	
<sup>10</sup> Surface Location												
UL or lot no.	Sect	on Township		Range	Lot Idn	Feet from the	North/South line	Feet from the	East/V	West line	County	
F	4	22 SOUT	1 33 E	AST, N.M.P.M	.	2538'	NORTH	1693'	WE	ST	LEA	
				11 Bottom ]	Hole Locat	ion If Diff	erent From S	Surface				
UL or lot no.	Secti	on Township		Range	Lot Idn	Feet from the	North/South line	Feet from the	East/V	Vest line	County	
M	9	22 SOUT	1 33 EA	AST, N.M.P.M		25'	SOUTH	330'	WE	ST	LEA	
12 Dedicated A	cres 13	Joint or Infill	<sup>14</sup> Conso	olidation Code	15 Order No.							
480 Infill					DE	FINING WELL	IS DL 4 9 FED	ERAL 414	ŀΗ			

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.



<u>District 1</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 <u>District IV</u>
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

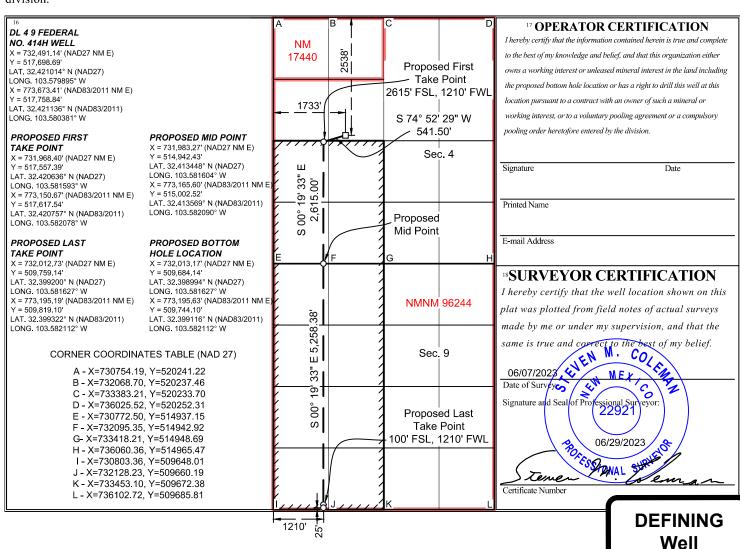
Form C-102 Revised August 1, 2011 Submit one copy to appropriate District Office

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## WELL LOCATION AND ACREAGE DEDICATION PLAT

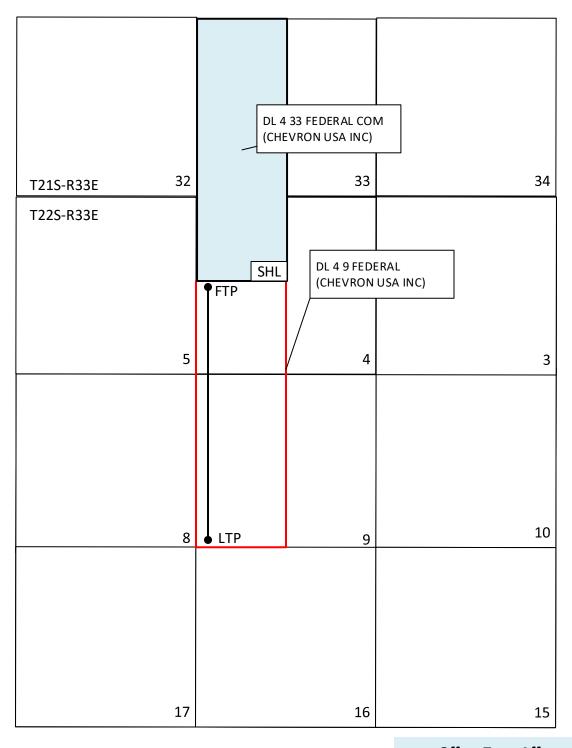
	<sup>1</sup> API Number <sup>2</sup> Pool Code <sup>3</sup> Pool Name					ne						
			516	87	RED TANK;BONE SPRING,EAST							
<sup>4</sup> Proper	ty Code		•	5 P	roperty Name				<sup>6</sup> Well Number			
				DL 4	4 9 FEDERAL					414H		
7OGR1	ID No.			8 O	perator Name					<sup>9</sup> Elevation		
432	23			CHEVE	RON U.S.A. IN	C.				3650'		
<sup>10</sup> Surface Location												
UL or lot no.	Sectio	n Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/V	Vest line	County		
F	4	22 SOUTH	33 EAST, N.M.P.M.		2538'	NORTH	1733'	WEST		LEA		
			<sup>11</sup> Bottom I	Hole Locat	ion If Diffe	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		
М	9	22 SOUTH	33 EAST, N.M.P.M.		25'	SOUTH	1210'	WEST		LEA		
12 Dedicated A	cres 13 Jo	int or Infill	<sup>14</sup> Consolidation Code	<sup>15</sup> Order No.								
480		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.



# **EXHIBIT B**

# **DL 4 9 FEDERAL 413H**



Horizontal Spacing Unit

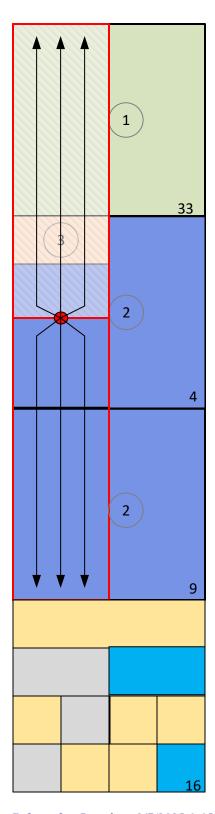
Affected Tract

Offset Tract Affected Parties
Operator - Chevron USA INC.
Working Interest Owners —
Ellipsis Oil and Gas Inc., and Richard
Kevin Barr Family Trust

Dagger Lake
Siren Pad 401
Ownership Breakdown

11/29/2023

Note:





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



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



Section 4, T22S-R33E – Lots 3 and 4, N/2NW/4 (Lease 3) Chevron 90% Working Interest See Title Opinion for WI Owners Lease NMNM 17440 Royalty 12.5% QLS – 911021 and 975338



DL 4 33 Federal Com Joint Operating Agreement Chevron WI 98%/ 80.16% BPO NRI / 80.36% APO NRI

Bureau of Land Management	301 Dinosaur Trail	Santa Fe	NM	87508
Ellipsis Oil & Gas, Inc.	Attn: Pete Marshall, 3500	Dalaas	TX	75219
	Maple Ave, Suite 7080			
Beverly Jean Renfro Barr, as Trustee of the Family Trust	804 Park Vista Cir.	Southlake	TX	76092
created under the Last Will and Testament of Richard				
Kevin Barr, Deceased				

EXHIBIT



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

December 3, 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 9 Federal #413H well SW/4 of Section 4 and W/2 of Section 9, Township 22 South, Range 33 East, NMPM, Lea County, New Mexico Red Tank; Bone Spring, East [51687] API No. 30-025-52504

# 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 Chevron U.S.A., Inc. (713) 372-3026 nicholasangelle@chevron.com

Sincerely,

Paula M. Vance

ATTORNEY FOR CHEVRON U.S.A., INC.

Received by OCD: 12/20/2024 8:54:19 AM

# Chevron - 413H - 415H - NSL Postal Delivery Report

9214 8901 9403 8390 2184 38	BUREAU OF LAND MANAGEMENT 301 DINOSAUR TRAIL SANTA FE NM 87508	Delivered Signature Received
9214 8901 9403 8390 2184 45	Ellipsis Oil & Gas Inc ATTN: Pete Marshall 3500 Maple Ave Suite 7080 Dalaas TX 75219	In-Transit
	BEVERLY JEAN RENFRO BARR AS TRUSTEE OF THE FAMILY TRUST CREATED UNDER THE	
	LAST WILL AND TESTAMENT OF RICHARD KEVIN BARR DECEASED 804 PARK VISTA CIR	
9214 8901 9403 8390 2184 52	Delivered Signature Received	

Sante Fe Main Office Phone: (505) 476-3441

General Information Phone: (505) 629-6116

Online Phone Directory <a href="https://www.emnrd.nm.gov/ocd/contact-us">https://www.emnrd.nm.gov/ocd/contact-us</a>

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

CONDITIONS

Action 414247

### **CONDITIONS**

Operator:	OGRID:
CHEVRON U S A INC	4323
6301 Deauville Blvd	Action Number:
Midland, TX 79706	414247
	Action Type:
	[UF-NSL] Non-Standard Location (NSL)

### CONDITIONS

E		Condition	Condition Date
	llowe	None	1/9/2025