

State of New Mexico
Energy, Minerals and Natural Resources Department

Michelle Lujan Grisham
Governor

Melanie Kenderdine
Cabinet 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 – 8849

**Chevron U.S.A., Inc. [OGRID 4323]
DL 4 9 Federal Well No. 414H
API No. 30-025-52993**

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

Proposed Location

	<u>Footages</u>	<u>Unit/Lot</u>	<u>Sec.</u>	<u>Twsp</u>	<u>Range</u>	<u>County</u>
Surface	2538 FNL & 1733 FWL	F	04	22S	33E	Lea
First Take Point	2615 FSL & 1210 FWL	L	04	22S	33E	Lea
Last Take Point	100 FSL & 1210 FWL	M	09	22S	33E	Lea
Terminus	25 FSL & 1210 FWL	M	09	22S	33E	Lea

Proposed Horizontal Units

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

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 – 8849
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

NSL - 8849

Revised March 23, 2017

ID NO. 414253

RECEIVED: 12/20/24	REVIEWER:	TYPE:	APP NO: pLEL2501457577
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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: DL 4 9 Federal #414H well API: 30-025-52993
 Pool: Red Tank; Bone Spring, East Pool Code: 51687

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	
<input type="checkbox"/>	Notice Complete
<input type="checkbox"/>	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

December 20, 2024
Date

505-954-7286
Phone Number

pmvance@hollandhart.com
e-mail Address



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

December 20, 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 #414H 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. 30-025-52993

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 4 9 Federal #414H** well (API No. 30-025-52993), 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 location for the **DL 4 9 Federal #414H oil well** is as follows:

- Surface hole location: 2,538’ FNL and 1,733’ FWL (Unit F) of Section 4
- First take point: 2,615’ FSL and 1,210’ FWL (Unit L) of Section 4
- Last take point: 100’ FSL and 1,210’ FWL (Unit M) of Section 9
- Bottom hole location: 25’ FSL and 1,210’ 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
 www.hollandhart.com

Alaska	Montana	Utah
Colorado	Nevada	Washington, D.C.
Idaho	New Mexico	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 #414H 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 #414H well encroaches on the DL 4 33 Federal Com spacing unit to the north.

Exhibit B is a plat for the surrounding area that shows the proposed DL 4 9 Federal #414H well in relation to the adjoining unit to the north. The offsetting DL 4 33 Federal Com spacing unit to the north 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:

Table with 3 columns: Type, Affected Party, Location. Rows include Federal Mineral Interest (Bureau of Land Management) and Working Interest (Ellipsis Oil and Gas Inc., The Richard Kevin Barr Family Trust) located at Lot 3-4 and S/2 NW/4 of Section 4, T22S-R33E, and W/2 of Section 33, T21S-R33E.

Your attention to this matter is appreciated.

Sincerely,

Handwritten signature of Paula M. Vance

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).

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

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

¹ API Number		² Pool Code		³ Pool Name	
		51687		RED TANK;BONE SPRING,EAST	
⁴ Property Code		⁵ Property Name		⁶ Well Number	
		DL 4 9 FEDERAL		414H	
⁷ OGRID No.		⁸ Operator Name		⁹ Elevation	
4323		CHEVRON U.S.A. INC.		3650'	

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
F	4	22 SOUTH	33 EAST, N.M.P.M.		2538'	NORTH	1733'	WEST	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
M	9	22 SOUTH	33 EAST, N.M.P.M.		25'	SOUTH	1210'	WEST	LEA

¹² Dedicated Acres	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ 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.

<p>¹⁶ DL 4 9 FEDERAL NO. 414H WELL X = 732,491.14' (NAD27 NM E) Y = 517,698.69' LAT. 32.421014° N (NAD27) LONG. 103.579895° W X = 773,673.41' (NAD83/2011 NM E) Y = 517,758.84' LAT. 32.421136° N (NAD83/2011) LONG. 103.580381° W</p> <p>PROPOSED FIRST TAKE POINT X = 731,968.40' (NAD27 NM E) Y = 517,557.39' LAT. 32.420636° N (NAD27) LONG. 103.581593° W X = 773,150.67' (NAD83/2011 NM E) Y = 517,617.54' LAT. 32.420757° N (NAD83/2011) LONG. 103.582078° W</p> <p>PROPOSED LAST TAKE POINT X = 732,012.73' (NAD27 NM E) Y = 509,759.14' LAT. 32.399200° N (NAD27) LONG. 103.581627° W X = 773,195.19' (NAD83/2011 NM E) Y = 509,819.10' LAT. 32.399322° N (NAD83/2011) LONG. 103.582112° W</p> <p>PROPOSED MID POINT X = 731,983.27' (NAD27 NM E) Y = 514,942.43' LAT. 32.413448° N (NAD27) LONG. 103.581604° W X = 773,165.60' (NAD83/2011 NM E) Y = 515,002.52' LAT. 32.413569° N (NAD83/2011) LONG. 103.582090° W</p> <p>PROPOSED BOTTOM HOLE LOCATION X = 732,013.17' (NAD27 NM E) Y = 509,684.14' LAT. 32.398994° N (NAD27) LONG. 103.581627° W X = 773,195.63' (NAD83/2011 NM E) Y = 509,744.10' LAT. 32.399116° N (NAD83/2011) LONG. 103.582112° W</p> <p>CORNER COORDINATES TABLE (NAD 27)</p> <p>A - X=730754.19, Y=520241.22 B - X=732068.70, Y=520237.46 C - X=733383.21, Y=520233.70 D - X=736025.52, Y=520252.31 E - X=730772.50, Y=514937.15 F - X=732095.35, Y=514942.92 G - X=733418.21, Y=514948.69 H - X=736060.36, Y=514965.47 I - X=730803.36, Y=509648.01 J - X=732128.23, Y=509660.19 K - X=733453.10, Y=509672.38 L - X=736102.72, Y=509685.81</p>					<p>¹⁷ OPERATOR CERTIFICATION <i>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.</i></p> <p>Signature _____ Date _____</p> <p>Printed Name _____</p> <p>E-mail Address _____</p>
		<p>¹⁸ SURVEYOR CERTIFICATION <i>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.</i></p> <p>06/07/2023 Date of Survey</p> <p>Signature and Seal of Professional Surveyor: 06/29/2023</p> <p>Certificate Number _____</p>			

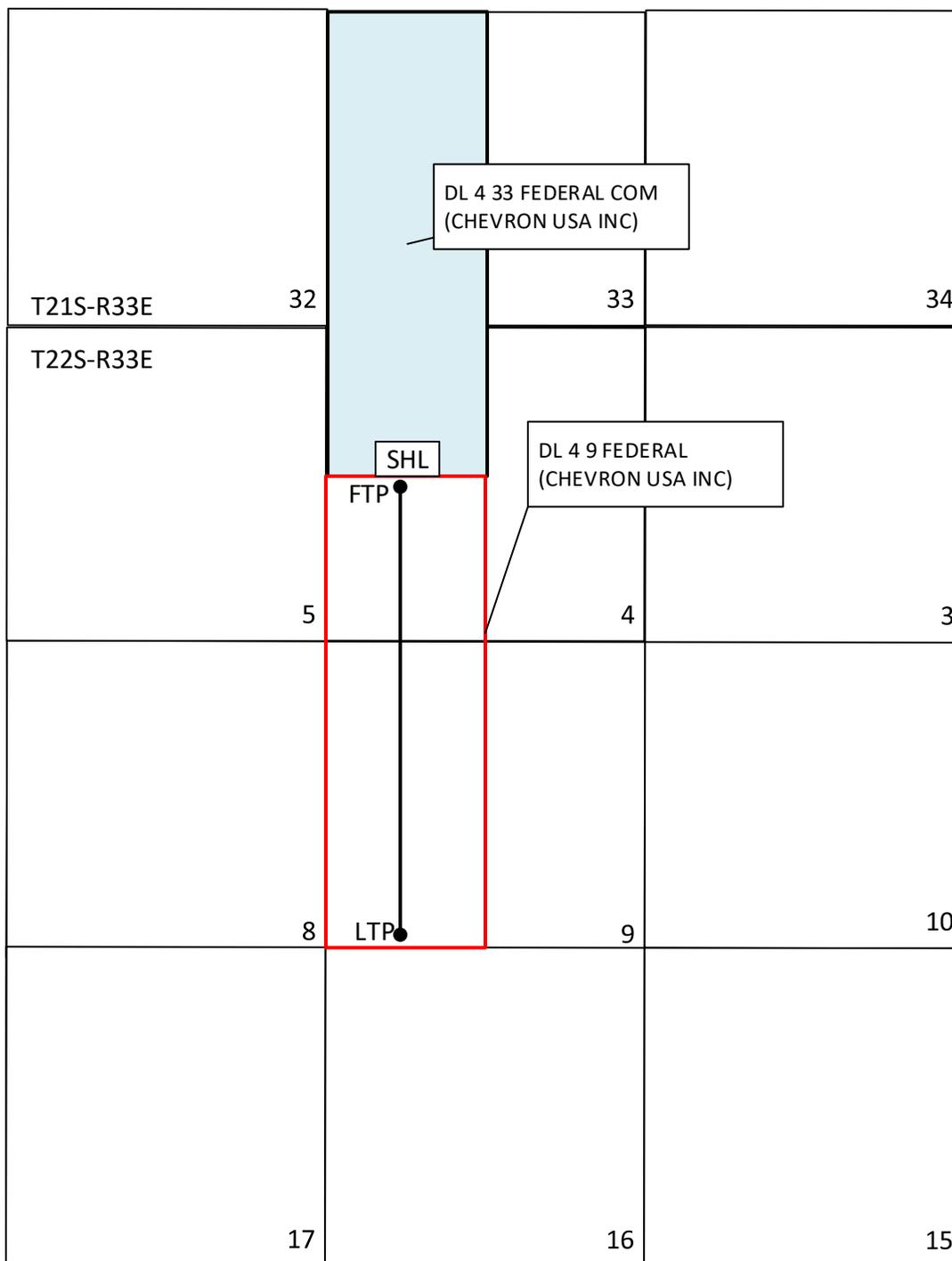
EXHIBIT
A

EXHIBIT

B

EXHIBIT B

DL 4 9 FEDERAL 414H



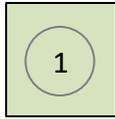
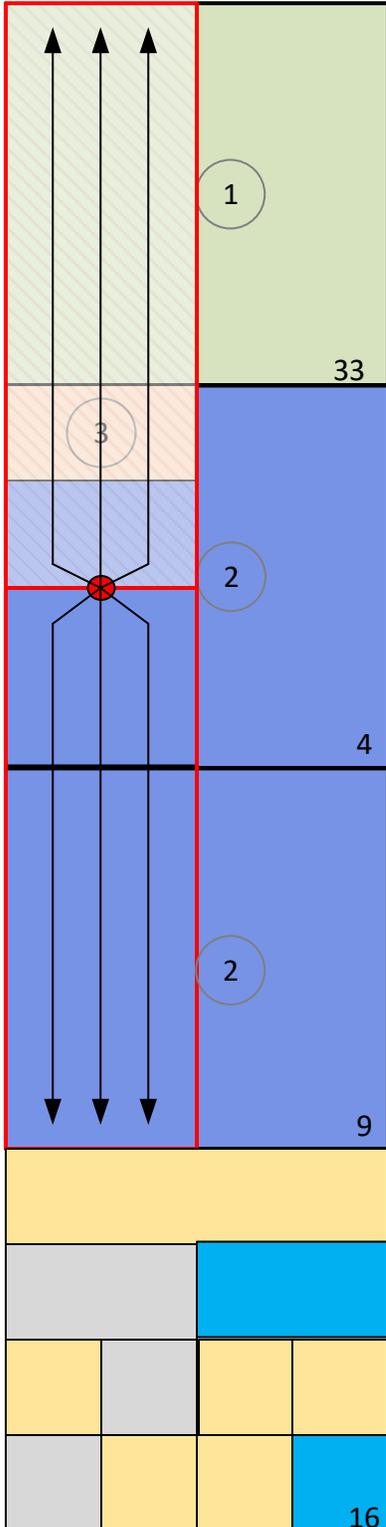
 Horizontal Spacing Unit
 Affected Tract

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

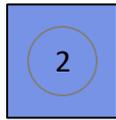
Dagger Lake
Siren Pad 401
Ownership Breakdown

11/29/2023

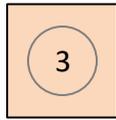
Note:



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 Maple Ave, Suite 7080	Dalaas	TX	75219
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.	Southlake	TX	76092





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 #414H 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. 30-025-52993

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.

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

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
9214 8901 9403 8390 2184 52	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 SOUTHLAKE TX 76092	Delivered Signature Received

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

General Information
Phone: (505) 629-6116

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

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

CONDITIONS

Action 414253

CONDITIONS

Operator: CHEVRON U S A INC 6301 Deauville Blvd Midland, TX 79706	OGRID: 4323
	Action Number: 414253
	Action Type: [UF-NSL] Non-Standard Location (NSL)

CONDITIONS

Created By	Condition	Condition Date
llowe	None	1/9/2025