

ID NO. 107500

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|---------------------------|----------------------|------------------|-------------------------------|
| RECEIVED: 05/17/22 | REVIEWER: LRL | TYPE: NSL | APP NO: pLEL2214541770 |
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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: CO Grizzly 3 34 Fed 404H **API:** 30-025-49782
Pool: WC-025 G-06 S253209L; Bone Spring **Pool Code:** 96715

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

| <u>FOR OCD ONLY</u> | |
|--------------------------|------------------------------|
| <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.

Adam G. Rankin

Print or Type Name

Signature

5/17/2022
Date

505-954-7294
Phone Number

AGR Rankin@hollandhart.com
e-mail Address



Adam G. Rankin
Phone (505) 954-7294
AGRankin@hollandhart.com

May 17, 2022

VIA ONLINE FILING

Adrienne Sandoval
Oil Conservation Division
New Mexico 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**

CO Grizzly 3 34 Fed 404H well
W/2 of Section 34, T24S, R32E, and W/2 of Section 3, T25S, R32E
Lea County, New Mexico
WC-025 G-06 S253209L; Bone Spring pool [96715]
API No. 30-025-49782

Dear Ms. Sandoval:

Chevron U.S.A. Inc. (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-06 S253209L; Bone Spring pool [96715], seeks administrative approval of an unorthodox well location for its **CO Grizzly 3 34 Fed 404H well** (API No. 30-025-49782), in a 640-acre, more or less, spacing unit underlying the W/2 of Section 34, T24S, R32E, and W/2 of Section 3, T25S, R32E, Lea County, New Mexico.

The proposed location is as follows:

- Surface location: 240' FNL and 1540' FWL (Unit C) of Section 10
- Bottom hole location: 25' FNL and 330' FWL (Unit D) of Section 34
- First take point: 25' FSL and 330' FWL (Unit M) of Section 3
- Last take point: 100' FNL and 330' FWL (Unit D) of Section 34

Since this acreage is governed by the Division's statewide rules, the completed interval for this well will be unorthodox because it is closer than the standard offsets to the southern boundary of

T 505.988.4421 F 505.983.6043
110 North Guadalupe, Suite 1, Santa Fe, NM 87501-1849
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www.hollandhart.com

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

the spacing unit – thus encroaching on the N/2NW/4 of Section 10, T25S, R32E. Approval of the unorthodox, completed interval will 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 CO Grizzly 3 34 Fed 404H well encroaches on the spacing unit/tracts to the south in the N/2NW/4 of Section 10, T25S, R32E.

Exhibit B is a plat showing the proposed CO Grizzly 3 34 Fed 404H well in relation to adjoining spacing unit/tracts to the south. Exhibit B also identifies the ownership of the affected spacing unit, showing that it is owned by Chevron U.S.A. Inc. and Devon Energy Production Company, L.L.P. as working interest owners. In addition, the exhibit identifies that these are BLM leases. Accordingly, the “affected persons”¹ are the applicant, Chevron U.S.A. Inc., Devon Energy Production Company, L.L.P., and the United States Bureau of Land Management.

Exhibit C is a spreadsheet listing all affected persons and includes tracking information demonstrating that each of the affected persons 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 |
|--------------------------------------|--|--------------------------|
| Operator/ Working Interest | Chevron U.S.A. Inc. | N/2NW/4 of Section 10 |
| Operator/ Working Interest | Devon Energy Production Company, L.P. | N/2NW/4 of Section 10 |
| Federal/State Mineral Interest | United States Bureau of Land Management | N/2NW/4 of Section 10 |

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).

Your attention to this matter is appreciated.

Sincerely,



Adam G. Rankin
**ATTORNEY FOR
CHEVRON U.S.A. INC.**

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Alaska
Colorado
Idaho

Montana
Nevada
New Mexico

Utah
Washington, D.C.
Wyoming

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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 | |
| | | 96715 | | WC-025 G-06 S253209L;BONE SPRING | |
| ⁴ Property Code | | ⁵ Property Name | | | ⁶ Well Number |
| | | CO GRIZZLY 3 34 FED | | | 404H |
| ⁷ OGRID No. | | ⁸ Operator Name | | | ⁹ Elevation |
| 4323 | | CHEVRON U.S.A. INC. | | | 3470' |

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 |
|---------------|---------|----------|-------------------|---------|---------------|------------------|---------------|----------------|--------|
| C | 10 | 25 SOUTH | 32 EAST, N.M.P.M. | | 240' | NORTH | 1540' | 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 |
|---------------|---------|----------|-------------------|---------|---------------|------------------|---------------|----------------|--------|
| D | 34 | 24 SOUTH | 32 EAST, N.M.P.M. | | 25' | NORTH | 330' | WEST | LEA |

| | | | |
|-------------------------------|-------------------------------|----------------------------------|-------------------------|
| ¹² Dedicated Acres | ¹³ Joint or Infill | ¹⁴ Consolidation Code | ¹⁵ Order No. |
| 640 | INFILL | | |

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> <table border="1"> <tr> <th>CO GRIZZLY 3 34 FED NO. 404H WELL</th> <th>PROPOSED BOTTOM HOLE LOCATION</th> </tr> <tr> <td>X= 706,532' Y= 419,464' LAT. 32.151464° N LONG. 103.665996° W</td> <td>X= 705,377' Y= 430,230' LAT. 32.181077° N LONG. 103.669515° W</td> </tr> <tr> <td>X= 747,717' Y= 419,522' LAT. 32.151588° N LONG. 103.666473° W</td> <td>X= 746,561' Y= 430,288' LAT. 32.181200° N LONG. 103.669994° W</td> </tr> <tr> <td colspan="2">ELEVATION +3471' NAVD 88</td> </tr> </table> <table border="1"> <tr> <th>PROPOSED MID-POINT</th> </tr> <tr> <td>X= 705,412' Y= 424,976' LAT. 32.166635° N LONG. 103.669507° W</td> </tr> <tr> <td>X= 746,597' Y= 425,034' LAT. 32.166758° N LONG. 103.669984° W</td> </tr> </table> <table border="1"> <tr> <th>PROPOSED FIRST TAKE POINT</th> <th>PROPOSED LAST TAKE POINT</th> </tr> <tr> <td>X= 705,321' Y= 419,718' LAT. 32.152182° N LONG. 103.669904° W</td> <td>X= 705,377' Y= 430,155' LAT. 32.180871° N LONG. 103.669515° W</td> </tr> <tr> <td>X= 746,506' Y= 419,776' LAT. 32.152306° N LONG. 103.670381° W</td> <td>X= 746,562' Y= 430,213' LAT. 32.180994° N LONG. 103.669993° W</td> </tr> </table> <p>CORNER COORDINATES TABLE (NAD 27)</p> <p>A - Y=430251.61, X=705046.53 B - Y=424972.86, X=705081.74 C - Y=419689.78, X=704990.58 D - Y=419702.10, X=706322.72 E - Y=418382.46, X=706331.89 F - Y=430277.09, X=707688.13 G - Y=419714.41, X=707654.87 H - Y=418394.91, X=707664.04 I - Y=430302.57, X=710329.72 J - Y=425024.01, X=710361.63 K - Y=419739.04, X=710319.17</p> | CO GRIZZLY 3 34 FED NO. 404H WELL | PROPOSED BOTTOM HOLE LOCATION | X= 706,532' Y= 419,464' LAT. 32.151464° N LONG. 103.665996° W | X= 705,377' Y= 430,230' LAT. 32.181077° N LONG. 103.669515° W | X= 747,717' Y= 419,522' LAT. 32.151588° N LONG. 103.666473° W | X= 746,561' Y= 430,288' LAT. 32.181200° N LONG. 103.669994° W | ELEVATION +3471' NAVD 88 | | PROPOSED MID-POINT | X= 705,412' Y= 424,976' LAT. 32.166635° N LONG. 103.669507° W | X= 746,597' Y= 425,034' LAT. 32.166758° N LONG. 103.669984° W | PROPOSED FIRST TAKE POINT | PROPOSED LAST TAKE POINT | X= 705,321' Y= 419,718' LAT. 32.152182° N LONG. 103.669904° W | X= 705,377' Y= 430,155' LAT. 32.180871° N LONG. 103.669515° W | X= 746,506' Y= 419,776' LAT. 32.152306° N LONG. 103.670381° W | X= 746,562' Y= 430,213' LAT. 32.180994° N LONG. 103.669993° W | | <p>¹⁷ OPERATOR CERTIFICATION</p> <p><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 unreleased 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> |
|---|--|---|--|--|--|--|--------------------------|--|--------------------|--|--|---------------------------|--------------------------|--|--|--|--|--|--|
| | CO GRIZZLY 3 34 FED NO. 404H WELL | PROPOSED BOTTOM HOLE LOCATION | | | | | | | | | | | | | | | | | |
| | X= 706,532' Y= 419,464' LAT. 32.151464° N LONG. 103.665996° W | X= 705,377' Y= 430,230' LAT. 32.181077° N LONG. 103.669515° W | | | | | | | | | | | | | | | | | |
| | X= 747,717' Y= 419,522' LAT. 32.151588° N LONG. 103.666473° W | X= 746,561' Y= 430,288' LAT. 32.181200° N LONG. 103.669994° W | | | | | | | | | | | | | | | | | |
| ELEVATION +3471' NAVD 88 | | | | | | | | | | | | | | | | | | | |
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| X= 746,597' Y= 425,034' LAT. 32.166758° N LONG. 103.669984° W | | | | | | | | | | | | | | | | | | | |
| PROPOSED FIRST TAKE POINT | PROPOSED LAST TAKE POINT | | | | | | | | | | | | | | | | | | |
| X= 705,321' Y= 419,718' LAT. 32.152182° N LONG. 103.669904° W | X= 705,377' Y= 430,155' LAT. 32.180871° N LONG. 103.669515° W | | | | | | | | | | | | | | | | | | |
| X= 746,506' Y= 419,776' LAT. 32.152306° N LONG. 103.670381° W | X= 746,562' Y= 430,213' LAT. 32.180994° N LONG. 103.669993° W | | | | | | | | | | | | | | | | | | |
| | | <p>¹⁸ SURVEYOR CERTIFICATION</p> <p><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>02/18/2020 Date of Survey</p> <p>Signature and Seal of Professional Surveyor: _____</p> <p>ROBERT L. LASTRAPES NEW MEXICO 23006 03/10/2022</p> <p>_____ Certificate Number</p> | | | | | | | | | | | | | | | | | |

CO Grizzly 3 34 Fed 404H Well

Offsetting Tract

Chevron U.S.A. Inc.
1400 Smith St.
Houston, TX 77002

Devon Energy Production Company, LL.P.
333 West Sheridan Avenue
Oklahoma City, OK 73102

*With respect to the NW/4NW/4 of Section 10, Devon owns a 50% WI in the Second Bone Spring only, with Chevron owning the remaining 50% WI in the Second Bone Spring. Chevron owns 100% WI in all other depths and lands within the Offsetting Tract.

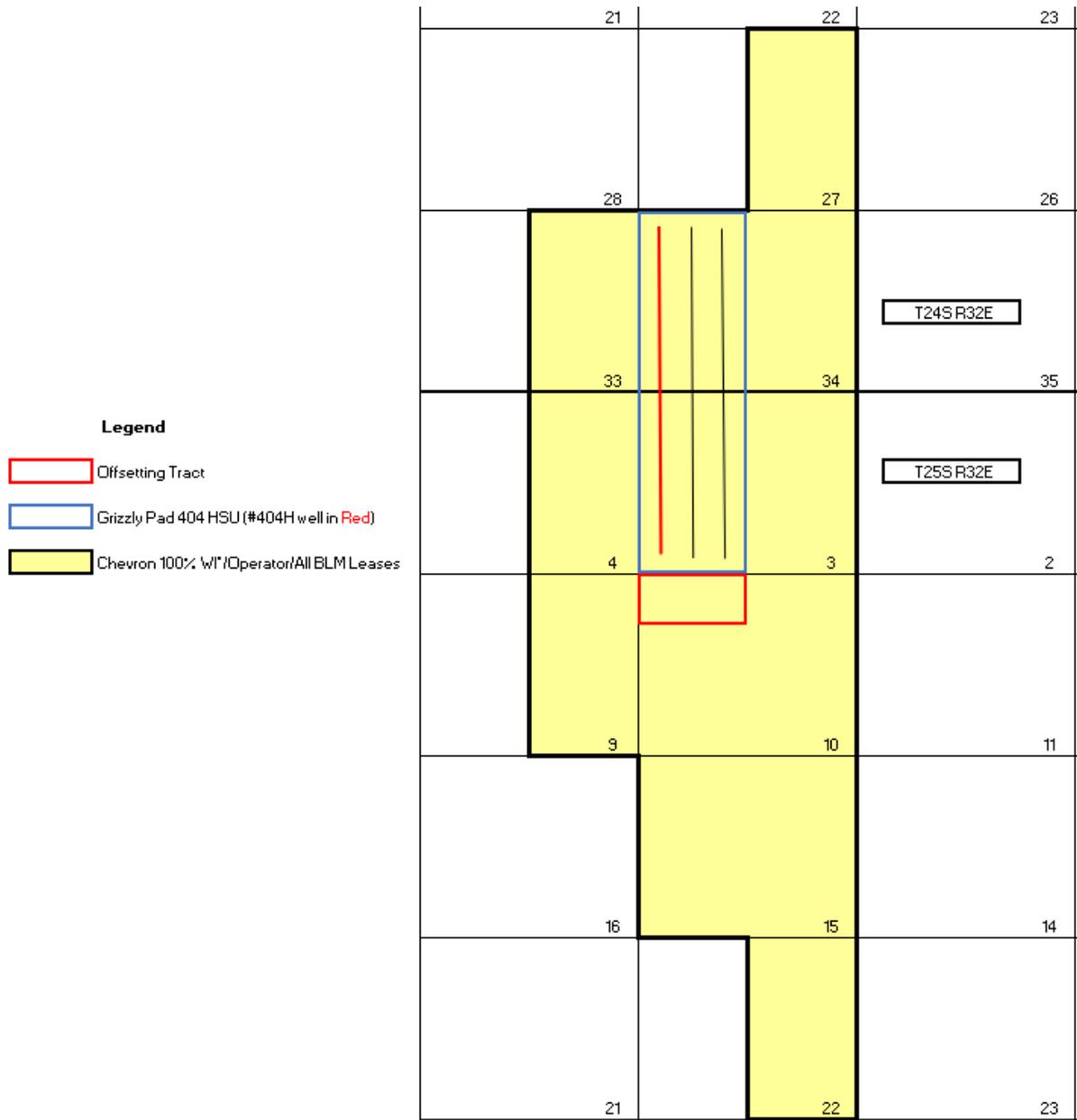


EXHIBIT B

| ADDR1 | ADDR2 | ADDR3 | ADDR4 | ADDR5 | ADDR6 |
|---|--------------------|----------|-------|-------|-------|
| United States Bureau of Land Management | 301 Dinosaur Trail | Santa Fe | NM | 87508 | |
| United States Bureau of Land Management | 620 E Greene St. | Carlsbad | NM | 88220 | |
| Devon Energy Production Company L.P. | P.O. Box 843559 | Dallas | TX | 75284 | |

EXHIBIT C



Adam G. Rankin
Phone (505) 954-7294
AGRankin@hollandhart.com

May 11, 2022

VIA CERTIFIED MAIL
RETURN RECEIPT REQUESTED

TO: ALL AFFECTED PERSONS

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

CO Grizzly 3 34 Fed 404H well
W/2 of Section 34, T24S, R32E, and W/2 of Section 3, T25S, R32E
Lea County, New Mexico
WC-025 G-06 S253209L; Bone Spring pool [96715]
API No. 30-025-49782

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 this date with the applicant and 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:

Kevin Stubbs
Chevron U.S.A. Inc.
(713) 372-9914
KevinStubbs@chevron.com

Sincerely,

Adam G. Rankin
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 |

| Parent ID | Mail Date | Name | Address | City | ST | Zip | MailClass | TrackingNo | Well |
|-----------|------------|---|------------------|----------|----|------------|---|------------------------|---|
| 31309 | 05/11/2022 | United States Bureau of Land Management | 301 Dinosaur Trl | Santa Fe | NM | 87508-1560 | Certified with Return Receipt (Signature) | 9414811898765879034525 | 72376 - Chevron - Grizzly 404H-406H NSL notice list - 1 |
| 31309 | 05/11/2022 | United States Bureau of Land Management | 620 E Greene St | Carlsbad | NM | 88220-6292 | Certified with Return Receipt (Signature) | 9414811898765879034501 | 72376 - Chevron - Grizzly 404H-406H NSL notice list - 2 |
| 31309 | 05/11/2022 | Devon Energy Production Company L.P. | PO Box 843559 | Dallas | TX | 75284-3559 | Certified with Return Receipt (Signature) | 9414811898765879034594 | 72376 - Chevron - Grizzly 404H-406H NSL notice list - 3 |

District I
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 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 107500

CONDITIONS

| | |
|--|--|
| Operator: CHEVRON U S A INC 6301 Deauville Blvd Midland, TX 79706 | OGRID: 4323 |
| | Action Number: 107500 |
| | Action Type: [UF-NSL] Non-Standard Location (NSL) |

CONDITIONS

| Created By | Condition | Condition Date |
|------------|--|----------------|
| llowe | NSL - 8370 is approved. The approved Order can be retrieved at the following OCD: website. https://ocdimage.emnrd.nm.gov/imaging/AEOrderCriteria.aspx | 5/25/2022 |