

State of New Mexico  
Energy, Minerals and Natural Resources Department

**Michelle Lujan Grisham**  
Governor

**Melanie Kenderdine**  
Cabinet Secretary

**Dylan M. Fuge**  
Deputy Secretary

**Dylan Fuge**, Division Director (Acting)  
Oil Conservation Division



Ms. Paula M. Vance  
[pmvance@hollandhart.com](mailto:pmvance@hollandhart.com)

**ADMINISTRATIVE NON-STANDARD LOCATION**

Administrative Order NSL – 8741

**Chevron U.S.A., Inc. [OGRID 4323]  
DL 9 16 Federal Com Well No. 416H  
API No. 30-025-52350**

Reference is made to your application received on March 27<sup>th</sup>, 2024.

**Proposed Location**

	<b>Footages</b>	<b>Unit/Lot</b>	<b>Sec.</b>	<b>Twsp</b>	<b>Range</b>	<b>County</b>
Surface	363 FSL & 2582 FWL	N	04	22S	33E	Lea
First Take Point	25 FNL & 2310 FEL	B	09	22S	33E	Lea
Last Take Point	100 FSL & 2310 FEL	O	19	22S	33E	Lea
Terminus	25 FSL & 2310 FEL	O	16	22S	33E	Lea

**Proposed Horizontal Units**

<b>Description</b>	<b>Acres</b>	<b>Pool</b>	<b>Pool Code</b>
E/2 of Section 09	640	Red Tank; Bone Spring, East	51687
E/2 of Section 16			

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

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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 SE/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.

Division understands you are seeking this unorthodox location as a preferred well spacing plan for horizontal wells, to maximize recovery and to prevent waste within the Bone Spring formation underlying the E/2 of Section 09 and the E/2 of Section 16.

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 Division deems necessary.



**DYLAN M. FUGE**  
**DIRECTOR (ACTING)**  
DMF/lrl

**Date:** 5/3/24

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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 341424

CONDITIONS

Operator: CHEVRON U S A INC 6301 Deauville Blvd Midland, TX 79706	OGRID: 4323
	Action Number: 341424
	Action Type: [IM-SD] Admin Order Support Doc (ENG) (IM-AAO)

CONDITIONS

Created By	Condition	Condition Date
llowe	None	5/6/2024