# 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 - 8836

Chevron U.S.A., Inc. [OGRID 4323] SND 14 23 Federal Com Well No. 224H API No. 30-015-55071

Reference is made to your application received on December 12<sup>th</sup>, 2024.

# **Proposed Location**

	<b>Footages</b>	Unit/Lot	Sec.	Twsp	Range	County
Surface	966 FSL & 2181 FEL	O	23	24S	31E	Eddy
First Take Point	100 FSL & 550 FEL	P	23	24S	31E	Eddy
Last Take Point/	25 FNL & 550 FEL	A	14	24S	31E	Eddy
Terminus						

# **Proposed Horizontal Units**

Description	Acres	Pool	Pool Code
E/2 Section 23	640	Cotton Draw; Bone Spring	13367
E/2 Section 14			

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 – 8836 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 11, 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 to avoid causing wasted resources and to reduce production from current and future well development within the Bone Spring formation underlying the E/2 of Section 23 and E/2 of Section 14, thereby protecting the correlative rights and the disposition of wastes 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

Revised March 23, 2017

RECEIVED: APP NO: REVIEWER: 12/12/24 pLEL2501339395

ABOVE THIS TABLE FOR OCD DIVISION USE ONLY

# NEW MEXICO OIL CONSERVATION DIVISION

- Geological & Engineering Bureau -



	1220 South St. Francis Di	rive, Santa Fe, NM 87505	ROMOGRATION DATE
		APPLICATION CHECKLIST	
	THIS CHECKLIST IS MANDATORY FOR ALL ADMINISTE REGULATIONS WHICH REQUIRE PROC	Rative applications for exceptions to d cessing at the division level in Santa Fe	iivision rules and
	plicant: Chevron U.S.A. Inc.		Number: 4323
	Il Name: SND 14 23 Fed Com #224H well	API: 30-02	
OC	Cotton Draw; Bone Spring	Pool Co	de: 13367
9	SUBMIT ACCURATE AND COMPLETE INFORMATI	ON REQUIRED TO PROCESS THE ATED BELOW	E TYPE OF APPLICATION
1)	TYPE OF APPLICATION: Check those which a  A. Location – Spacing Unit – Simultaneous  NSL NSP(PROJECT AREA)		
	B. Check one only for [1] or [1]  [1] Commingling – Storage – Measuren  DHC CTB PLC C  [11] Injection – Disposal – Pressure Incre WFX PMX SWD C	PC □OLS □OLM ase - Enhanced Oil Recovery	FOR OCD ONLY
2)	NOTIFICATION REQUIRED TO: Check those will A. Offset operators or lease holders  B. Royalty, overriding royalty owners, reconstruction requires published notice D. Notification and/or concurrent approximately. Notification and/or concurrent approximately. Surface owner  G. For all of the above, proof of notification in No notice required	evenue owners e oval by SLO oval by BLM	Notice Complete Application Content Complete
3)	CERTIFICATION: I hereby certify that the infor administrative approval is accurate and con understand that no action will be taken on the notifications are submitted to the Division.  Note: Statement must be completed by an i	nplete to the best of my knowled in the require application until the require	edge. I also ed information and

	December 12, 2024	
Paula M. Vance	Date	
Print or Type Name		
	505-954-7286	
Palahla	Phone Number	
	pmvance@hollandhart.com	
ignature	e-mail Address	



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

December 12, 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

SND 14 23 Fed Com #224H well E/2 of Sections 14 and 23, Township 24 South, Range 31 East, NMPM, Eddy County, New Mexico Cotton Draw; Bone Spring [13367] API No. 30-015-55071

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 Cotton Draw; Bone Spring [13367], seeks administrative approval of an unorthodox well location for its **SND 14 23 Fed Com #224H** well (API No. 30-015-55071), in a 640-acre, more or less, spacing unit underlying the E/2 of Sections 14 and 23, Township 24 South, Range 31 East, NMPM, Eddy County, New Mexico

The SND 14 23 Fed Com #224H well is an infill well. SND 14 23 Fed Com #430H is the defining well. The location for the SND 14 23 Fed Com #224H oil well is as follows:

- Surface hole location: 966' FSL and 2,181' FEL (Unit O) of Section 23
- First take point: 100' FSL and 550' FEL (Unit P) of Section 23
- Last take point: 25' FNL and 550' FEL (Unit A) of Section 14
- Bottom hole location: 25' FNL and 550' FEL (Unit A) of Section 14

Since this acreage is governed by the Division's statewide rules, the proposed last 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 Chevron's Javelina Unit to the <u>north</u>.

Chevron respectfully requests administrative approval of a non-standard location for the proposed **SND 14 23 Fed Com #224H** 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 **SND 14 23 Fed Com #224H** well encroaches on the Javalina Unit to the north. Also, included is the Form C-102 for the SND 14 23 Fed Com #430H, the defining well for the spacing unit.

**Exhibit B** is a plat for the surrounding area that shows the proposed SND 14 23 Fed Com #224H well in relation to the adjoining unit/tracts to the north. The offsetting <u>Javalina Unit to the north</u> includes the following other working interest owners<sup>1</sup>: Earthstone Permian LLC, the Mabee-Flynt Lease Trust, Randy Prude, Warwick-Artemis, LLC, the Mary Patricia Dougherty Trust, MKDWI, LLC, the Mary Margaret Olson Trust, the Catherine Grace Revocable Trust, and the Otto and Doris Schroeder Family Trust. In addition, the offsetting Javalina Unit is a federal unit that includes Bureau of Land Management (BLM) leases. Accordingly, the "affected persons" are the other working interest owners in the Javalina 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
Mineral Interest	Bureau of Land Management	
	Earthstone Permian LLC	
	The Mabee-Flynt Lease Trust	
	Randy Prude	Javalina Unit
Working Interest	Warwick-Artemis, LLC	Javanna Onti
	The Mary Patricia Dougherty Trust	
	MKDWI, LLC	
	The Mary Margaret Olson Trust	

<sup>&</sup>lt;sup>1</sup> Note, Exhibit B highlights the tracts within the Javalina Unit that directly offset the proposed well. Additionally, since Chevron is the designated operator of the Javalina Unit, notice is provided to the other working interest owners within the Javalina Unit, per 19.15.2.7.A(8) NMAC.

<sup>&</sup>lt;sup>2</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).

The Catherine Grace Revocable Trust		The Catherine	e Grace Revocab	le Trust
The Otto and Doris Schroeder Family		The Otto and	d Doris Schroed	ler Family
Trust		Trust		

Your attention to this matter is appreciated.

Sincerely,

Pakher

Paula M. Vance

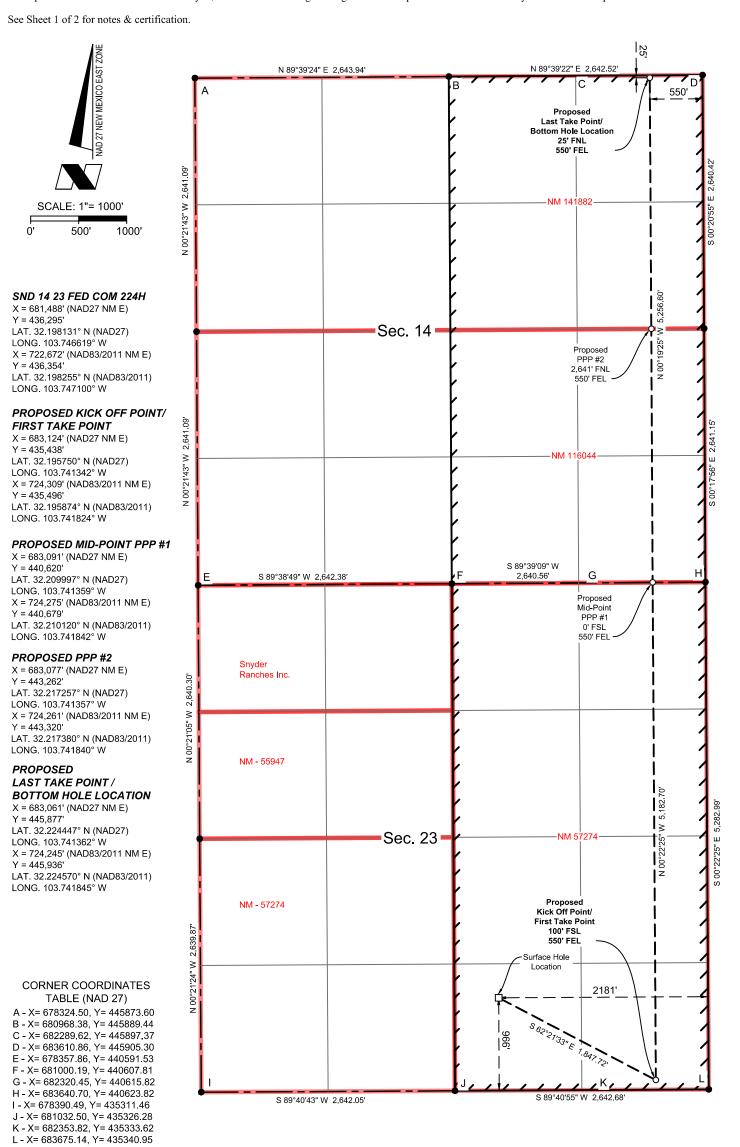
ATTORNEY FOR CHEVRON U.S.A., INC.

Phone: ( General Phone: ( Online I	l Information (505) 629-61 Phone Direct	441 Fax: (55) 4′ n 116			Energy, Min	te of New Mexico nerals & Natural Res Department SERVATION DIV		Submittal	C-102 Revised July 9, 2024 ubmit Electronically ia OCD Permitting ubmittal	
								Type:	✓ Amended  ☐ As Drille	_
					WELL LOCA	TION INFORMATION	.N N			
API Nu		15-55071	Pool Code	1336		Pool Name CO	OTTON DRA	AW: BONE	SPRING	
Proper	ty Code 33588		Property Na		ļ.			***, -	Well Numb	oer 224H
OGRII	D No.		Operator Na	ame		14 23 FED COM			Ground Lev	vel Elevation
Surface	e Owner: □	State □ Fee □	Tribal ☒ F	ederal	CHEV	/RON U.S.A. INC.  Mineral Owner: □	State   Fe	ee 🗆 Tribal	 ☑ Federal	3,549'
		<u></u>			Surf	face Location	·			
UL	Section	Township	Range 31 EAST,	Lot	Ft. from N/S	Ft. from E/W	Latitude		Longitude	County
О	23	24 SOUTH	31 EAST, N.M.P.M.	N/A	966' SOUTH	2,181' EAST	32.19825		103.747100° W	
					Bottom	n Hole Location				
UL	Section	Township	Range 31 EAST,	Lot	Ft. from N/S	Ft. from E/W	Latitude		Longitude	County
A	14	24 SOUTH	N.M.P.M.	N/A	25' NORTH	550' EAST	32.22457	70° N 1	103.741845° W	EDDY
Dedica	ated Acres	Infill or Defin	ining Well	Defini	ng Well API	Overlapping Spacing	o Unit (Y/N	Consolida	ntion Code	
	540	INFI	-		30-015-53371	N	30111 (=. )		P	
l	Numbers.			]/A		Well setbacks are un	nder Commo	on Ownersh	ip: □Yes ⊠No	
					Kick C	Off Point (KOP)				
UL	Section	Township	Range	Lot	Ft. from N/S	Ft. from E/W	Latitude		Longitude	County
Р	23	24 SOUTH	31 EAST, N.M.P.M.	N/A	100' SOUTH	550' EAST	32.19587	74° <u>N</u> 1	103.741824° W	EDDY
<u> </u>		<del></del> -				ake Point (FTP)				
UL	Section	Township	Range 31 EAST,	Lot	Ft. from N/S	Ft. from E/W	Latitude		Longitude	County
P	23	24 SOUTH	N.M.P.M.	N/A	100' SOUTH	550' EAST	32.19587	74° N 1	103.741824° W	EDDY
UL	Section	Township	Range	Lot	Ft. from N/S	Ake Point (LTP)  Ft. from E/W	Latitude		Longitude	County
A	14	24 SOUTH	31 EAST,	N/A	25' NORTH	550' EAST	32.22457		103.741845° W	
Δ	1+	24 300 111	N.IVI.F.1V1.	IN/A	23 1101111	220 171721	34.22	/// 11	.03./410=2	EDD1
Unitize		area of Uniform N/A	1 Interest	Spacing	ng Unit Type 🗵 Hor	rizontal   Vertical	Gro	ound Floor E	Elevation: 3,549'	
OPER.	ATOR CERT	TIFICATIONS	,			SURVEYOR CERTIFI	ICATIONS			
best of r. that this the land at this le unleasee pooling  If this w the cons mineral the well	I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and, if the well is a vertical or directional well, 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 a working interest or unleased mineral interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.  If this well is a horizontal well, I further certify that this organization has received the consent of at least one lessee or owner of a working interest or unleased mineral interest in each tract (in the target pool or formation) in which any part of the well's completed interval will be located or obtained a compulsory pooling order from the division.					I hereby certify that the we actual surveys made by me to the best of my belief.  See Sheet 2 of 2 for plat.	ne or under my	hown on this postpervision.  A.  23006  10/15/202	STRAD	
Signatur	re		Date			Signature and Seal of Profe	fessional Surv	veyor veyor		INFILL
							02/28/20			Well
Printed	Name					Certificate Number	Date of Sur	rvey		
Email A	Address								F	EXHIBIT

# ACREAGE DEDICATION PLATS

This grid represents a standard section. You may superimpose a non-standard section, or larger area, over this grid. Operators must outline the dedicated acreage in a red box, clearly show the well surface location and bottom hole location, if it is directionally drilled, with the dimensions from the section lines in the cardinal directions. If this is a horizontal wellbore show on this plat the location of the First Take Point and Last Take Point, and the point within the Completed interval (other than the First Take Point or Last Take Point) that is closest to any outer boundary of the tract.

Surveyors shall use the latest United States government survey or dependent resurvey. Well locations will be in reference to the New Mexico Principal Meridian. If the land is not surveyed, contact the OCD Engineering Bureau. Independent subdivision surveys will not be acceptable.



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

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

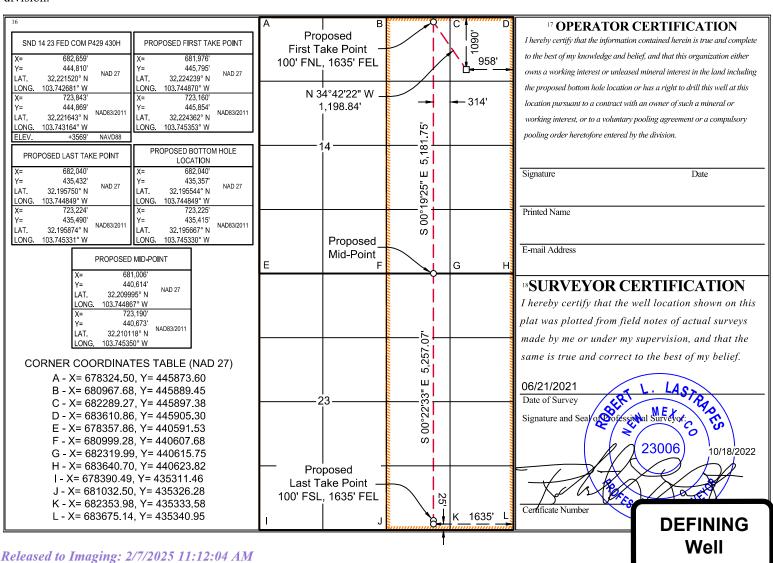
Form C-102
Revised August 1, 2011
Submit one copy to appropriate
District Office

☐ AMENDED REPORT

# WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number			<sup>2</sup> Pool	Code	<sup>3</sup> Pool Name						
			133	667	COTTON DRAW;BONE SPRING						
<sup>4</sup> Prope	rty Code			5 P1	roperty Name				6 -	<sup>6</sup> Well Number	
	SND 14 23 FED COM P429							430H			
<sup>7</sup> OGR	<sup>7</sup> OGRID No. <sup>8</sup> Operator Name									<sup>9</sup> Elevation	
43	23			CHEVR	ON U.S.A. IN	IC.			3569'		
	<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	West line	County	
A	14	24 SOUTH	31 EAST, N.M.P.M	.	1090'	NORTH	958'	EA	ST	EDDY	
		•	11 Bottom ]	Hole Locat	ion If Diff	erent From S	Surface				
UL or lot no.	Section	n Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/V	West line	County	
О	23	24 SOUTH	31 EAST, N.M.P.M	.	25'	SOUTH	1635'	EA	ST	EDDY	
12 Dedicated A	cres 13 Jo	int or Infill	<sup>14</sup> Consolidation Code	15 Order No.							
640		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** 

SND 14 23 FED COM 224H

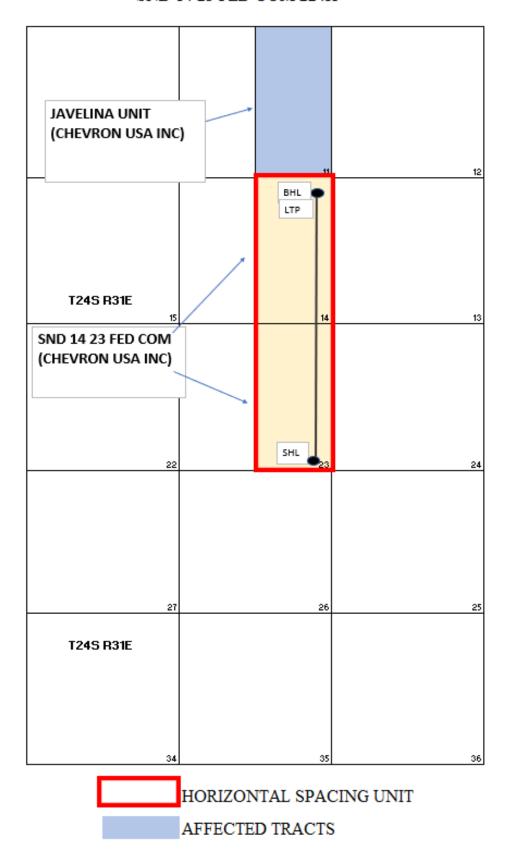


EXHIBIT **B** 

**C** 

P
age
11
of
1:

Earthstone Permian LLC	300 N. Marienfeld Street, Suite 1000	Midland	TX	79701
Mabee-Flynt Lease Trust	15611 Wildwood Trace	Magnolia	TX	77354
Randy Prude	203 West Wall St., Suite 1200	Midland	TX	79701
Warwick-Artemis, LLC	6608 North Western Ave., #417	Oklahoma City	OK	73116
The Mary Patricia Dougherty Trust	98 San Jacinto Blvd., Suite 350	Austin	TX	78701
MKDWI, LLC	P.O. Box 4382	New York	NY	10163
The Mary Margaret Olson Trust	6031 W. Interstate 20, Suite 251	Arlington	TX	76017
The Catherine Grace Revocable Trust	2705 W. Marquis Circle	Arlington	TX	76016
The Otto and Doris Schroeder Family Trust	500 Hawk Court	Coppell	TX	75019
Bureau of Land Management	301 Dinosaur Trail	Santa Fe	NM	87508



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

November 22, 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

SND 14 23 Fed Com #224H well E/2 of Sections 14 and 23, Township 24 South, Range 31 East, NMPM, Eddy County, New Mexico

Cotton Draw; Bone Spring [13367]

API No. 30-015-55071

# 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:

Corie Mathews Chevron U.S.A., Inc. (713) 372-0402 Corie.Mathews@chevron.com

Sincerely,

Paula M. Vance

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

Received by OCD: 12/12/2024 11:27:53 AM

# Chevron - SND 222H-224H, 516H, 119H, 513H wells - NSL Postal Delivery Report

						Your item was delivered to an individual at the
						address at 1:10 pm on
						November 26, 2024 in
9414811898765483630540	Farthstone Permian LLC	300 N Marienfeld St Ste 1000	Midland	TX	79701-4688	MIDLAND, TX 79701.
3414011030703403030340	Lartistone i cimian LEC	300 W Walletineld St Ste 1000	Maidia	17	73701 4000	We attempted to
						deliver your item at 1:21
						pm on November 29,
						2024 in MAGNOLIA, TX
						77354 and a notice was
						left because an
						authorized recipient
9414811898765483630588	Mabee-Flynt Lease Trust	15611 Wildwood Trce	Magnolia	TX	77354-1873	was not available.
2 12 13 2 2 3 3 3 3 3 3 3 3 3 3 3 3 3 3						Your item was delivered
						to an individual at the
						address at 4:01 pm on
						November 26, 2024 in
9414811898765483630571	Randy Prude	203 W Wall St Ste 1200	Midland	TX	79701-4516	MIDLAND, TX 79701.
						Your item was delivered
						to an individual at the
						address at 9:18 am on
						November 30, 2024 in
						OKLAHOMA CITY, OK
9414811898765483638218	Warwick-Artemis, LLC	6608 N Western Ave PMB 417	Oklahoma City	ОК	73116-7326	73116.
						We were unable to
						deliver your package at
						2:17 pm on November
						30, 2024 in AUSTIN, TX
						78701 because the
						business was closed. We
						will redeliver on the
						next business day. No
9414811898765483638256	The Mary Patricia Dougherty Trust	98 San Jacinto Blvd Ste 350	Austin	TX	78701-4282	action needed.
						Your package will arrive
						later than expected, but
						is still on its way. It is
						currently in transit to
9414811898765483638263	MKDWI, LLC	PO Box 4382	New York	NY	10163-4382	the next facility.

# Chevron - SND 222H-224H, 516H, 119H, 513H wells - NSL Postal Delivery Report

						Your item was delivered to an individual at the
						address at 12:48 pm on
						November 30, 2024 in
0.414.011.00076.5403.63033.5	The Mary Margaret Olson Trust	6021 W Interstate 20 Ste 251	Arlington	TX	76017-1090	ARLINGTON, TX 76017.
9414611696705465056225	The Mary Margaret Olson Trust	6031 W Interstate 20 Ste 251	Arlington	17	76017-1090	-
						Your item was delivered
						to an individual at the
						address at 3:12 pm on
						November 29, 2024 in
9414811898765483638294	The Catherine Grace Revocable Trust	2705 Marquis Cir W	Arlington	TX	76016-2017	ARLINGTON, TX 76016.
						Your package will arrive
						later than expected, but
						is still on its way. It is
						currently in transit to
9414811898765483638287	The Otto and Doris Schroeder Family Trust	500 Hawk Ct	Coppell	TX	75019-6502	the next facility.
						Your item was delivered
						to the front desk,
						reception area, or mail
						room at 2:50 pm on
						November 25, 2024 in
9414811898765483638232	Bureau of Land Management	301 Dinosaur Trl	Santa Fe	NM	87508-1560	SANTA FE, NM 87508.

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 411177

## **CONDITIONS**

Operator:	OGRID:
CHEVRON U S A INC	4323
6301 Deauville Blvd	Action Number:
Midland, TX 79706	411177
	Action Type:
	[UF-NSL] Non-Standard Location (NSL)

## CONDITIONS

Create By	d Condition	Condition Date
llowe	None	12/26/2024