# 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 – 8837

Chevron U.S.A., Inc. [OGRID 4323] SND 14 23 Federal Com Well No. 516H API No. 30-015-55049

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 & 2301 FEL	O	23	24S	31E	Eddy
First Take Point	100 FSL & 810 FEL	P	23	24S	31E	Eddy
Last Take Point/	25 FNL & 810 FEL	A	14	24S	31E	Eddy
Terminus						

## **Proposed Horizontal Units**

<b>Description</b>	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 – 8837 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.

Date: 2/6/2025

GERASIMOS RAZATOS DIRECTOR (ACTING)

GR/lrl

ID NO. 411180		<b>NSL - 883</b> ′
RECEIVED: 10/10/	REVIEWER:	TYPE:

RECEIVED: 12/12/24 REVIEWER:

APP NO:

pLEL2501351286

ABOVE THIS TABLE FOR OCD DIVISION USE ONLY

## NEW MEXICO OIL CONSERVATION DIVISION

- Geological & Engineering Bureau -



1220 South St. Francis Drive, S	anta Fe, NM 87505
ADMINISTRATIVE APPLIC	CATION CHECKLIST
THIS CHECKLIST IS MANDATORY FOR ALL ADMINISTRATIVE AF REGULATIONS WHICH REQUIRE PROCESSING A	
Applicant: Chevron U.S.A. Inc.	OGRID Number: 4323
Vell Name: SND 14 23 Fed Com #516H well	<b>API:</b> 30-025-55049
Pool: Cotton Draw; Bone Spring	Pool Code: 13367
SUBMIT ACCURATE AND COMPLETE INFORMATION RE INDICATED E	
1) TYPE OF APPLICATION: Check those which apply for A. Location – Spacing Unit – Simultaneous Dedic INSL NSP(PROJECT AREA)	
[ II ] Injection - Disposal - Pressure Increase - E	□ OLS □ OLM Enhanced Oil Recovery □ EOR □ PPR FOR OCD ONLY
2) NOTIFICATION REQUIRED TO: Check those which appears and offset operators or lease holders  B. Offset operators or lease holders  B. Royalty, overriding royalty owners, revenued concurrent application requires published notice  D. Notification and/or concurrent approval by the concurrent	Poply.  Notice Complete  Application Content Complete  Oy SLO Oy BLM
3) <b>CERTIFICATION:</b> I hereby certify that the information administrative approval is <b>accurate</b> and <b>complete</b> understand that <b>no action</b> will be taken on this approval 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 12, 2024
Paula M. Vance	Date
Print or Type Name	
	505-954-7286 Phone Number
P. Landa	FIIOHE NUMBEI
- Jan 10 Com	pmvance@hollandhart.com
Signature	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 #516H 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. 30-015-55049

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 #516H** well (API No. 30-015-55049), 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 #516H well is an infill well. SND 14 23 Fed Com #430H is the defining well. The location for the SND 14 23 Fed Com #516H oil well is as follows:

- Surface hole location: 966' FSL and 2,301' FEL (Unit O) of Section 23
- First take point: 100' FSL and 810' FEL (Unit P) of Section 23
- Last take point: 25' FNL and 810' FEL (Unit A) of Section 14
- Bottom hole location: 25' FNL and 810' 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 #516H** 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 #516H** 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 #516H 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 Onit
	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

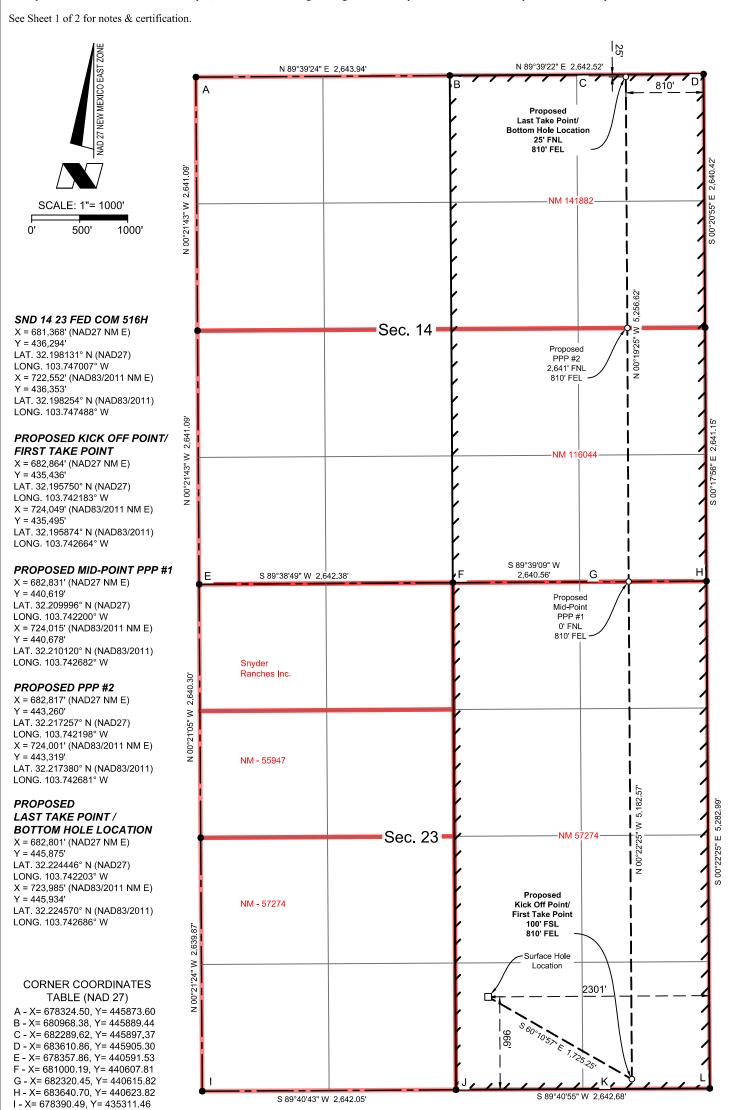
ATTORNEY FOR CHEVRON U.S.A., INC.

Santa Fe Main Office Phone: (505) 476-3441 Fax: (55) 476-3462 General Information Phone: (505) 629-6116 Online Phone Directory Visit:				4	State of New Mexico Energy, Minerals & Natural Resources Department OIL CONSERVATION DIVISION			C-102  Revised July 9, 2024  Submit Electronically via OCD Permitting			
https://www.emnrd.nm.gov/ocd/contact-us/								Submittal Type:	☐ Initial Su  ☑ Amende ☐ As Drille	d Report	
					WELL LOCA	TION INFORMATION	٧				
API Nı		15-55049	Pool Code	13367		Pool Name CO	TTON DRA	.W: BONE S	SPRING		
Propert	ty Code 33588		Property Na			14 23 FED COM		,	Well Numb	per 516H	
OGRII			Operator Na	ame		RON U.S.A. INC.			Ground Lev	vel Elevation 3,549'	
Surface		State ☐ Fee ☐	Tribal 🗵 F	ederal	CHET	Mineral Owner:	State   Fe	e 🗆 Tribal 🛭	X Federal	•	
-					Surf	ace Location					
UL	Section	Township	Range	Lot	Ft. from N/S	Ft. from E/W	Latitude	I	ongitude	County	
0	23	24 SOUTH	31 EAST, N.M.P.M.	N/A	966' SOUTH	2,301' EAST	32.19825		)3.747488° W	EDDY	
<u> </u>		24 500 111	11.171.1	17/12		Hole Location	32.17020	,4 11 1	J3.747 10C 1.	LDD.	
UL	Section	Township	Range	Lot	Ft. from N/S	Ft. from E/W	Latitude	I	Longitude	County	
A	14	24 SOUTH	31 EAST, N.M.P.M.	N/A	25' NORTH	810' EAST	32.22457	70° N 10	03.742686° W	EDDY	
	ited Acres	Infill or Defin	_		ig Well API	Overlapping Spacing Unit (Y/N) Consolidation Code					
	540 Numbers.	INFI		<u> </u>	0-015-53371	N FP  Well setbacks are under Common Ownership: □Yes ⊠No					
Order	Numbers.		R-22	2769		Well setbacks are ui	ider Commo	n Ownersnij	): LIYes MINO		
	_					off Point (KOP)	•				
UL	Section	Township	Range 31 EAST,	Lot	Ft. from N/S	Ft. from E/W	Latitude	I	Longitude	County	
P	23	24 SOUTH	N.M.P.M.	N/A	100' SOUTH	810' EAST	32.19587	74° N 10	03.742664° W	EDDY	
	1 ~ .	1		T		ake Point (FTP)	1 1	1,	*· •		
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	810' EAST	32.19587	74° N 10	03.742664° W	EDDY	
UL	Section	Township	Range	Lot	Ft. from N/S	Ft. from E/W	Latitude	Ī	Longitude	County	
ll .		1	31 EAST,		25' NORTH				_		
A	14	24 SOUTH	N.M.P.M.	N/A	25 NUKTH	810' EAST	32.22457	/0° N   10	03.742686° W	EDDY	
Unitize		rea of Uniform N/A	Interest	Spacing	g Unit Type 🗵 Hor	rizontal 🗆 Vertical	Grou	and Floor El	evation: 3,549'		
OPER/	ATOR CERT	TIFICATIONS				SURVEYOR CERTIF	ICATIONS				
I hereby best of n that this the land at this le unleased pooling If this w the cons mineral the well	e certify that the my knowledge organization including the ocation pursua d mineral inter order heretofo vell is a horizon sent of at least interest in eac	the information column and belief, and, is either owns a wo proposed bottom ant to a contract vest, or to a voluntore entered by the intal well, I further tone lessee or ow the tract (in the talinterval will be lo	intained herein if the well is a v in hole location o with an owner o ntary pooling ag e division. er certify that th iner of a workin rget pool or for	vertical or a or unleased or has a rig of a workin greement o nis organiza ng interest o rmation) in	directional well, I mineral interest in ght to drill this well ag interest or a compulsory ation has received or unleased which any part of	I hereby certify that the wactual surveys made by moto the best of my belief.  See Sheet 2 of 2 for plat.	ell location sh	supervision, a	and that the same		
Signatur			Date			Signature and Seal of Prof	fessional Surversional Surversiona Surversional Surversional Surversional Surversional Surversio	)23		NFILL Well	
Email A	ddress								E	XHIBIT	

## 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.



J - X= 681032.50, Y= 435326.28 K - X= 682353.82, Y= 435333.62 L - X= 683675.14, Y= 435340.95 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

640

Defining

State of New Mexico

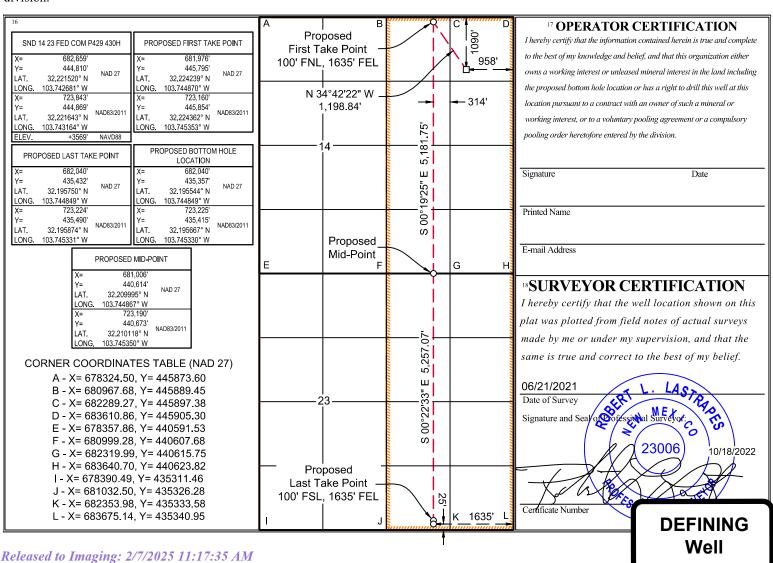
Energy, Minerals & Natural Resources Department OIL CONSERVATION DIVISION 1220 South St. Francis Dr. Santa Fe, NM 87505 Form C-102 Revised August 1, 2011 Submit one copy to appropriate District Office

☐ AMENDED REPORT

## WELL LOCATION AND ACREAGE DEDICATION PLAT

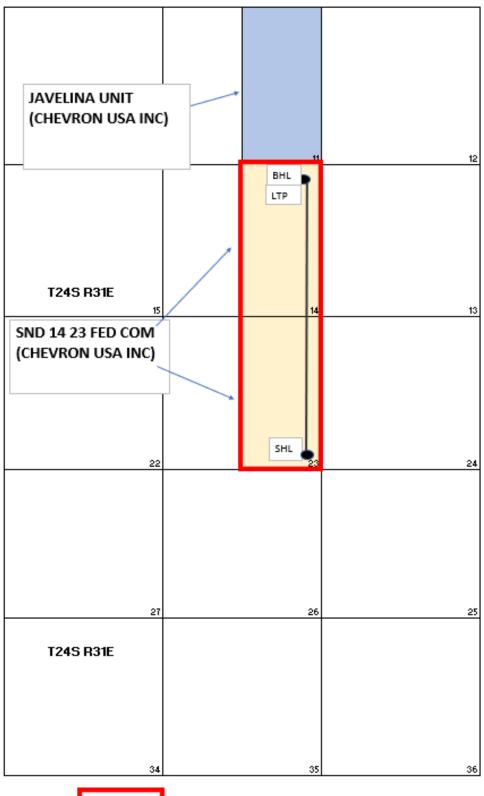
	<sup>1</sup> API N	lumber	<sup>2</sup> Pool (	Code	<sup>3</sup> Pool Name						
			1330	67	COTTON DRAW;BONE SPRING						
<sup>4</sup> Proper	ty Code			5 P	roperty Name				6 Well Number		
				SND 14 2	23 FED COM I	2429			430H		
<sup>7</sup> OGR	ID No.			8 O	perator Name				<sup>9</sup> Elevation		
43	23			CHEVE	RON U.S.A. IN	IC.			3569'		
				10 Sur	face Locat	ion					
UL or lot no.	Sect	ion Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/Wo	est line	County	
A	14	24 SOUTH	31 EAST, N.M.P.M.		1090'	NORTH	958'	EAS	Т	EDDY	
			11 Bottom F	Hole Locat	tion If Diff	erent From S	Surface				
UL or lot no.	Secti	ion Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/We	est line	County	
О	23	24 SOUTH	31 EAST, N.M.P.M.		25'	SOUTH	1635'	EAS	Т	EDDY	
<sup>12</sup> Dedicated Acres <sup>13</sup> Joint o		Joint or Infill	<sup>14</sup> Consolidation Code	<sup>5</sup> Order No.					•		
1											

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 516H



HORIZONTAL SPACING UNIT
AFFECTED TRACTS

EXHIBIT **B** 

Received by	
OCD:	
12/12/2024	
11:30:41	
AM	

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

EXHIBIT



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 #516H 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. 30-015-55049

## 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,

Pakhur

Paula M. Vance

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

Received by OCD: 12/12/2024 11:30:41 AM

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

					I	V!+
						Your item was delivered
						to an individual at the
						address at 1:10 pm on
						November 26, 2024 in
9414811898765483630540	Earthstone Permian LLC	300 N Marienfeld St Ste 1000	Midland	TX	79701-4688	MIDLAND, TX 79701.
						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.
						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.
5 10110307 05 405050205	5, 220	. 5 20% 1002				Treat radiney.

Received by OCD: 12/12/2024 11:30:41 AM

# 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
9414811898765483638225	The Mary Margaret Olson Trust	6031 W Interstate 20 Ste 251	Arlington	TX	76017-1090	ARLINGTON, TX 76017.
						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 <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 411180

#### **CONDITIONS**

Operator:	OGRID:
CHEVRON U S A INC	4323
6301 Deauville Blvd	Action Number:
Midland, TX 79706	411180
	Action Type:
	[UF-NSL] Non-Standard Location (NSL)

### CONDITIONS

Created By	Condition	Condition Date
llowe	None	1/7/2025