

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



Deana Bennett  
[deana.bennett@modrall.com](mailto:deana.bennett@modrall.com)

**ADMINISTRATIVE NON-STANDARD LOCATION**

Administrative Order NSL – 8884

**Chevron U.S.A., Inc. [OGRID 4323]**  
**SD 24 13 Federal Com Well No. 312H**  
**API No. 30-025-51549**

Reference is made to your application received on February 19<sup>th</sup>, 2025.

**Proposed Location**

	<b>Footages</b>	<b>Unit/Lot</b>	<b>Sec.</b>	<b>Twsp</b>	<b>Range</b>	<b>County</b>
Surface	1334 FSL & 1034 FEL	I	24	26S	32E	Lea
First Take Point	100 FSL & 1001 FEL	P	24	26S	32E	Lea
Last Take Point	185 FNL & 1044 FEL	A	13	26S	32E	Lea
Terminus	40 FNL & 1042 FEL	A	13	26S	32E	Lea

**Proposed Horizontal Units**

<b>Description</b>	<b>Acres</b>	<b>Pool</b>	<b>Pool Code</b>
E/2 E/2 Section 24	320	Wildcat; Bone Spring	97955
E/2 E/2 Section 13			

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 – 8884  
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 255 – 319 feet to the western edge of the horizontal spacing unit. Encroachment will impact the following tracts.

Section 24, encroachment to the W/2 E/2  
Section 13, encroachment to the W/2 E/2

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. It is understood that the affected tracts are a 100% W.I. to the applicant of this application, therefore the notice period does not apply.

The Division understands you are seeking this unorthodox location for the greatest recovery of reserves from the unit all while preventing waste, and to protect the correlative rights within the Bone Spring formation underlying the E/2 E/2 of Section 24 and the E/2 E/2 of Section 13.

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.



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**GERASIMOS RAZATOS**  
**DIRECTOR (ACTING)**  
GR/lrl

**Date:** 2/26/2025

ID NO. 433624

NSL - 8884

Revised March 23, 2017

RECEIVED: 02/19/25	REVIEWER:	TYPE:	APP NO: pLEL2505233587
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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:** SD 24 13 Federal Com 312H **API:** 30-025-51549  
**Pool:** WC-025 G-06 S263319P; Bone Spring **Pool Code:** 97955

**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☐ PPR2) **NOTIFICATION REQUIRED TO:** Check those which apply.A. ☐ Offset operators or lease holdersB. ☐ Royalty, overriding royalty owners, revenue ownersC. ☐ Application requires published noticeD. ☐ Notification and/or concurrent approval by SLOE. ☒ Notification and/or concurrent approval by BLMF. ☐ Surface ownerG. ☒ For all of the above, proof of notification or publication is attached, and/or,H. ☐ No notice required**FOR OCD ONLY**☐ Notice Complete☐ 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.**

Deana M. Bennett

Print or Type Name

Signature

02/19/2025

Date

505-848-1834

Phone Number

deana.bennett@modrall.com

e-mail Address



February 19, 2025

VIA E-FILING

Deana M. Bennett  
505.848.1834  
dmb@modrall.com

Acting Director Gerasimos Razatos  
*And*  
OCD Engineering Bureau  
Oil Conservation Division  
New Mexico Department of Energy,  
Minerals and Natural Resources  
1220 South Saint Francis Drive  
Santa Fe, New Mexico 87505

**RE: Application of Chevron U.S.A. Inc. for administrative approval of unorthodox well location for its SD 24 13 Federal Com 312H well located in a horizontal spacing unit comprised of the E/2E/2 of Sections 13 and 24, Township 26 South, Range 32 East, Lea County, New Mexico and Request for Expedited Review**

Dear Acting Director Razatos /OCD Engineering Bureau:

Pursuant to Division rules 19.15.16.15(C)(6) and 19.15.15.13 NMAC, Chevron U.S.A. Inc. ("Chevron") (OGRID No. 4323) seeks administrative approval of an unorthodox well location ("NSL") for its SD 24 13 Federal Com 312H well (API No. 30-025-51549) (the "Well"). The Well will be located in a 320-acre, more or less, standard spacing unit comprised of the E/2E/2 of Sections 13 and 24, Township 26 South, Range 32 East, Lea County, New Mexico, and will be in the WC-025 G-06 S263319P; Bone Spring pool (Pool Code 97955). A C-102 for the Well is attached as Exhibit A.

WC-025 G-06 S263319P; Bone Spring Pool is an oil pool subject to the state-wide rules, which establish a 330' setback requirement for the completed interval of a well to the outer boundary of the spacing unit. The Well's completed interval will be closer than 330' from the outer boundary of the spacing unit, which requires an NSL approval. The Well's first and last take points are standard. As shown on Exhibit A, this is a horizontal well that will be drilled as follows:

- Surface Hole Location: 1334' FSL & 1034' FEL of Section 24-T26S-R32E;
- First Take Point: 100' FSL & 1001' FEL of Section 24-T26S-R32E;

Modrall Sperling  
Roehl Harris & Sisk P.A.

500 Fourth Street NW  
Suite 1000  
Albuquerque,  
New Mexico 87102

PO Box 2168  
Albuquerque,  
New Mexico 87103-2168

Tel: 505.848.1800  
www.modrall.com



- Bottom Hole Location: 40'FNL & 1042' FEL of Section 13-T26S-R32E;
- Last Take Point: 185' FNL & 1044' FEL of Section 13-T26S-R32E.

Chevron has included as Exhibit B a letter explaining why this application is needed. Chevron also provides a map of the area, attached as Exhibit C, which shows the tracts upon which the unorthodox location will encroach.


As discussed above, the completed lateral of the Well will be closer than 330' from the outer boundary of the spacing unit. *See* Exhibit A (C-102). The unorthodox location will encroach towards the W/2E/2 of Sections 13 and 24, Township 26 South, Range 32 East. The tracts adjoining the spacing unit by a corner are more than 100' away from the first and last take points and, as a result, there is no need to provide notice to the offsetting corner tracts.

Chevron is the operator and owns 100% of the working interest in the W/2E/2 of Sections 13 and 24, Township 26 South, Range 32 East. Pursuant to Rule 19.15.4.12(A)(2) and Rule 19.15.2.7(A)(3), Chevron is thus only providing notice to the Bureau of Land Management. Proof of mailing along with a copy of the letter sent to the Bureau of Land Management are included in Exhibit D.

*Given that Chevron is the operator and 100% working interest owner in the offsetting tracts, Chevron respectfully requests expedited review of this NSL application.*

Your attention to this matter is appreciated.

Sincerely,



Deana M. Bennett  
*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: <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 & Natural Resources Department <b>OIL CONSERVATION DIVISION</b>	<b>C-102</b> Revised July 9, 2024 Submit Electronically via OCD Permitting	
		Submittal Type:	<input type="checkbox"/> Initial Submittal
			<input checked="" type="checkbox"/> Amended Report
		<input type="checkbox"/> As Drilled	

**WELL LOCATION INFORMATION**

API Number 30-025-51549	Pool Code 97955	Pool Name WC-025 G-06 S263319P; BONE SPRING
Property Code	Property Name SD 24 13 FEDERAL COM	Well Number 312H
OGRID No. 4323	Operator Name CHEVRON U.S.A. INC.	Ground Level Elevation 3,143'
Surface Owner: <input type="checkbox"/> State <input type="checkbox"/> Fee <input type="checkbox"/> Tribal <input checked="" type="checkbox"/> Federal		Mineral Owner: <input type="checkbox"/> State <input type="checkbox"/> Fee <input type="checkbox"/> Tribal <input checked="" type="checkbox"/> Federal

**Surface Location**

UL P	Section 24	Township 26 SOUTH	Range 32 EAST, N.M.P.M.	Lot N/A	Ft. from N/S 1334' SOUTH	Ft. from E/W 1034' EAST	Latitude 32.024607° N	Longitude 103.623158° W	County LEA
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**Bottom Hole Location**

UL A	Section 13	Township 26 SOUTH	Range 32 EAST, N.M.P.M.	Lot N/A	Ft. from N/S 40' NORTH	Ft. from E/W 1042' EAST	Latitude 32.050270° N	Longitude 103.623177° W	County LEA
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Dedicated Acres 320	Infill or Defining Well INFILL	Defining Well API 30-025-43675	Overlapping Spacing Unit (Y/N) N	Consolidation Code FP & C
Order Numbers. R-14411 & NMNM138439			Well setbacks are under Common Ownership: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	

**Kick Off Point (KOP)**

UL P	Section 24	Township 26 SOUTH	Range 32 EAST, N.M.P.M.	Lot N/A	Ft. from N/S 100' SOUTH	Ft. from E/W 1001' EAST	Latitude 32.021215° N	Longitude 103.623056° W	County LEA
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**First Take Point (FTP)**

UL P	Section 24	Township 26 SOUTH	Range 32 EAST, N.M.P.M.	Lot N/A	Ft. from N/S 100 SOUTH	Ft. from E/W 1001' EAST	Latitude 32.021215° N	Longitude 103.623056° W	County LEA
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**Last Take Point (LTP)**

UL A	Section 13	Township 26 SOUTH	Range 32 EAST, N.M.P.M.	Lot N/A	Ft. from N/S 185' NORTH	Ft. from E/W 1044' EAST	Latitude 32.049871° N	Longitude 103.623184° W	County LEA
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Unitized Area or Area of Uniform Interest CA# NMNM138439	Spacing Unit Type <input checked="" type="checkbox"/> Horizontal <input type="checkbox"/> Vertical	Ground Floor Elevation: 3,143'
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**OPERATOR CERTIFICATIONS**

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.

Signature \_\_\_\_\_ Date \_\_\_\_\_

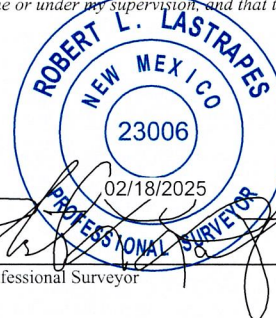
Printed Name \_\_\_\_\_

Email Address \_\_\_\_\_

**SURVEYOR CERTIFICATIONS**

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.

See Sheet 2 of 2 for plat.



Signature and Seal of Professional Surveyor \_\_\_\_\_

11/23/2021

Certificate Number \_\_\_\_\_

Date of Survey \_\_\_\_\_

**EXHIBIT****A**



## 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.

See Sheet 1 of 2 for notes & certification.

**SD 24 13 FEDERAL COM 312H**

X = 720,239' (NAD27 NM E)  
Y = 373,357'  
LAT. 32.024481° N (NAD27)  
LONG. 103.622691° W  
X = 761,427' (NAD83/2011 NM E)  
Y = 373,414'  
LAT. 32.024607° N (NAD83/2011)  
LONG. 103.623158° W

**PROPOSED  
KICK OFF POINT/  
FIRST TAKE POINT**

X = 720,279' (NAD27 NM E)  
Y = 372,124'  
LAT. 32.021090° N (NAD27)  
LONG. 103.622588° W  
X = 761,467' (NAD83/2011 NM E)  
Y = 372,181'  
LAT. 32.021215° N (NAD83/2011)  
LONG. 103.623056° W  
MD = 9,780'

**MID POINT PP #1**

X = 720,187' (NAD27 NM E)  
Y = 377,380'  
LAT. 32.035541° N (NAD27)  
LONG. 103.622774° W  
X = 761,375' (NAD83/2011 NM E)  
Y = 377,437'  
LAT. 32.035666° N (NAD83/2011)  
LONG. 103.623242° W  
MD = 15,282'

**PROPOSED  
LAST TAKE POINT**

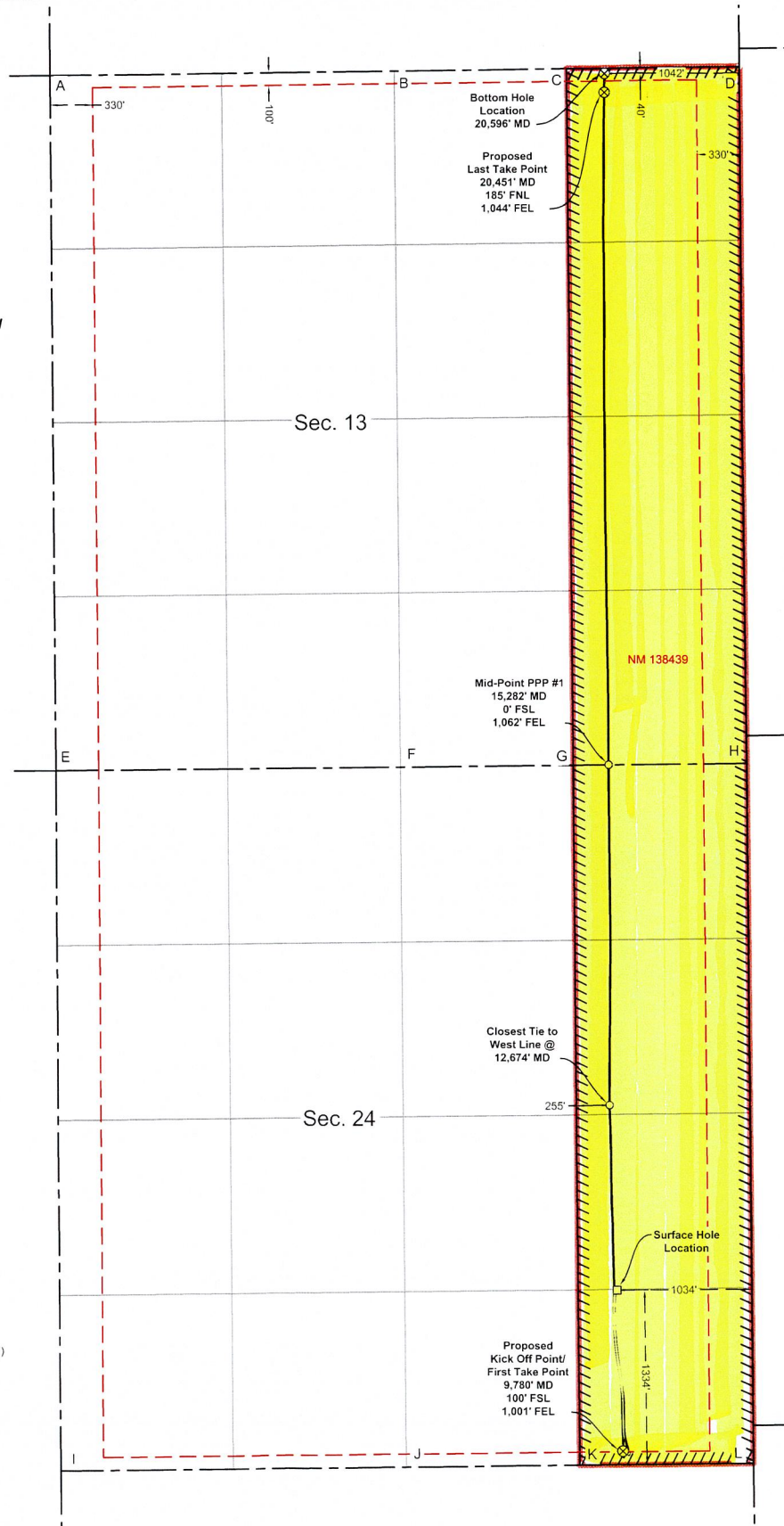
X = 720,171' (NAD27 NM E)  
Y = 382,548'  
LAT. 32.049746° N (NAD27)  
LONG. 103.622715° W  
X = 761,358' (NAD83/2011 NM E)  
Y = 382,605'  
LAT. 32.049871° N (NAD83/2011)  
LONG. 103.623184° W  
MD = 20,451'

**BOTTOM HOLE LOCATION**

X = 720,173' (NAD27 NM E)  
Y = 382,693'  
LAT. 32.050145° N (NAD27)  
LONG. 103.622707° W  
X = 761,360' (NAD83/2011 NM E)  
Y = 382,750'  
LAT. 32.050270° N (NAD83/2011)  
LONG. 103.623177° W  
MD = 20,596'

**CORNER COORDINATES TABLE (NAD 27)**

A - X=715890.15, Y=382677.22  
B - X=718552.69, Y=382711.66  
C - X=719883.96, Y=382728.88  
D - X=721215.23, Y=382746.10  
E - X=715922.04, Y=377338.54  
F - X=718585.38, Y=377364.32  
G - X=719917.05, Y=377377.21  
H - X=721248.72, Y=377390.10  
I - X=715943.63, Y=377197.70  
J - X=718612.32, Y=372006.29  
K - X=719946.66, Y=372020.08  
L - X=721281.01, Y=372033.87



T:\2024\22\3658\DWG\SD 24 13 FEDERAL COM 312H - C-102 PRE-COMP 021825.dwg



**Mark Behl**  
Midcontinent Business Unit

February 19, 2025

VIA E-FILING

Acting Director Gerasimos Razatos  
And  
OCD Engineering Bureau  
Oil Conservation Division  
New Mexico Department of Energy,  
Minerals and Natural Resources  
1220 South Saint Francis Drive  
Santa Fe, New Mexico 87505

Re: Non-Standard Location Application  
SD 24 13 Federal Com 512H well  
Lea County, New Mexico

Dear Acting Director Razatos /OCD Engineering Bureau:

Chevron U.S.A. Inc. (OGRID 4323) ("Chevron") respectfully requests administrative approval of a non-standard location ("NSL") for the following well (the "Well"):

- SD 24 13 Federal Com 512H well (API No. 30-025-51549)

The Well will be completed within the WC-025 G-06 S263319P; Bone Spring pool (Pool Code 97955).

The Well's completed interval will be closer than 330' from the outer boundary of the spacing unit, which requires an NSL approval. The first and last take points for the Well are standard.

Chevron is requesting non-standard location approval for the Well to allow the setback from the outer boundary to be less than 330' from the western boundary of the horizontal spacing unit. Allowing Chevron to complete the Well at this non-standard location will result in the greatest recovery of reserves from the unit and will reduce waste.

Thank you for your consideration. Should you have any questions please contact me at mark.behl@chevron.com or 713-372-0879.

Sincerely,

A handwritten signature in black ink, appearing to read "M Behl".

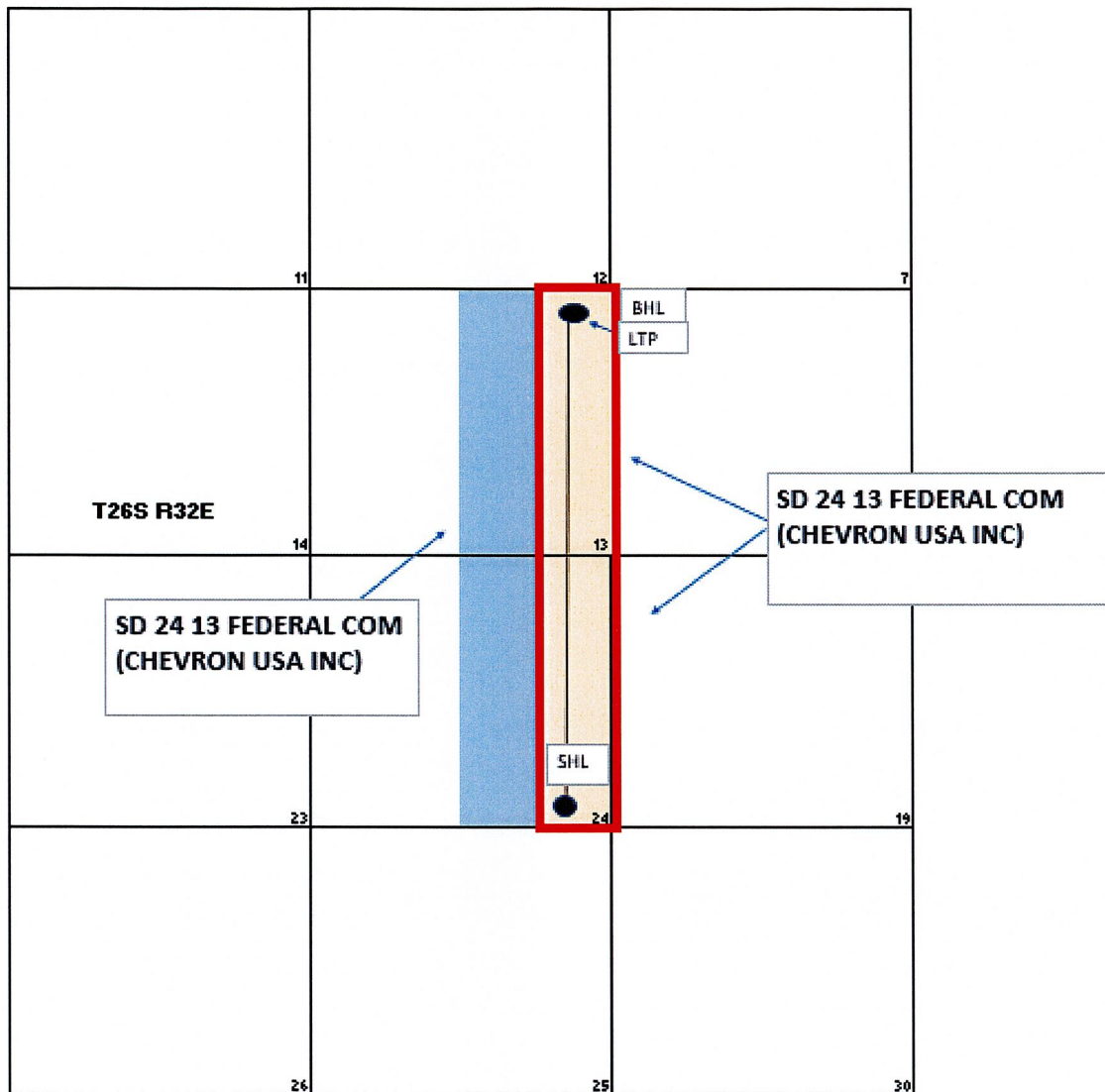
**Mark Behl**  
Reservoir Engineer  
Chevron U.S.A. Inc.

Midcontinent Business Unit  
Chevron U.S.A., Inc.  
1400 Smith Street, Houston, TX 77002

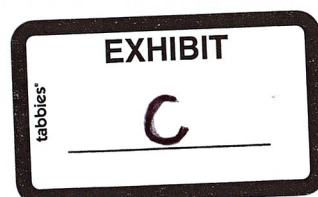




# **EXHIBIT B** SD 24 13 FEDERAL COM 312H



HORIZONTAL SPACING UNIT  
 AFFECTED TRACTS





February 19, 2025

Deana M. Bennett  
505.848.1834  
dmb@modrall.com

**VIA CERTIFIED MAIL**

**TO AFFECTED PARTIES**

**RE: Application of Chevron U.S.A. Inc. for administrative approval of unorthodox well location for its SD 24 13 Federal Com 312H well located in a horizontal spacing unit comprised of the E/2E/2 of Sections 13 and 24, Township 26 South, Range 32 East, Lea County, New Mexico**

Dear Sir or Madam:

Enclosed is a copy of the above referenced application filed with the New Mexico Conservation Division on this date. Any objections that you have to these applications must be filed in writing with the New Mexico Oil Conservation Division, 1220 South St. Francis Drive, Santa Fe, New Mexico 87505, within twenty (20) days from the date the Division receives the above-referenced applications. If no objection is received within this twenty-day period, the applications may be approved administratively by the Division.

If you have no objection to this application, please sign the waiver as indicated below and return the original.

If you have any questions concerning this application, please contact:

Mark Behl  
Reservoir Engineer  
Chevron U.S.A. Inc.  
[mark.behl@chevron.com](mailto:mark.behl@chevron.com)

Sincerely,



Deana M. Bennett  
*Attorney for Chevron U.S.A. Inc.*

Modrall Sperling  
Roehl Harris & Sisk P.A.

500 Fourth Street NW  
Suite 1000  
Albuquerque,  
New Mexico 87102

PO Box 2168  
Albuquerque,  
New Mexico 87103-2168

Tel: 505.848.1800  
[www.modrall.com](http://www.modrall.com)



Karlene Schuman  
Modrall Sperling Roehl Harris & Sisk P.A.  
500 Fourth Street, Suite 1000  
Albuquerque NM 87102

PS Form 3877  
Type of Mailing: CERTIFIED MAIL  
02/19/2025

Firm Mailing Book ID: 282743

Line	USPS Article Number	Name, Street, City, State, Zip	Postage	Service Fee	RR Fee	Rest.Del.Fee	Reference Contents
1	9314 8699 0430 0131 7230 70	Bureau of Land Management 301 Dinosaur Trail Santa Fe NM 87508	\$2.04	\$4.85	\$2.62	\$0.00	83420.0050 - NSL
Totals:			\$2.04	\$4.85	\$2.62	\$0.00	
			Grand Total:				\$9.51

List Number of Pieces  
Listed by Sender

Total Number of Pieces  
Received at Post Office

Postmaster:  
Name of receiving employee

Dated:



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 433624

CONDITIONS

Operator: CHEVRON U S A INC 6301 Deauville Blvd Midland, TX 79706	OGRID: 4323
	Action Number: 433624
	Action Type: [UF-NSL] Non-Standard Location (NSL)

CONDITIONS

Created By	Condition	Condition Date
llowe	None	2/21/2025