# State of New Mexico Energy, Minerals and Natural Resources Department

Michelle Lujan Grisham

Governor

Melanie Kenderdine Cabinent Secretary

Ben Shelton Deputy Secretary Gerasimos "Gerry" Razatos Division Director (Acting) Oil Conservation Division



Adam G. Rankin agrankin@hollandhart.com

# ADMINISTRATIVE NON-STANDARD LOCATION

Administrative Order NSL – 8927

Chevron U.S.A. Inc. [OGRID 4323] DL 10 03 Federal Com Well No. 408H API No. 30-025-52279

Reference is made to your application received on March 17<sup>th</sup>, 2025.

# **Proposed Location**

_	Footages	Unit/Lot	Sec.	Twsp	Range	County
Surface	348 FSL & 865 FWL	M	10	22S	33E	Lea
First Take Point	25 FSL & 1254 FWL	M	10	22S	33E	Lea
Last Take Point	100 FNL & 1254 FWL	D	03	22S	33E	Lea
Terminus	25 FNL & 1254 FWL	D	03	22S	33E	Lea

# **Proposed Horizontal Units**

Description	Acres	Pool	Pool Code
W/2 Section 10	640	Wildcat; Bone Spring	97846
W/2 Section 03			

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 – 8927 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 southern edge of the horizontal spacing unit. Encroachment will impact the following tracts.

Section 15, encroachment to the NW/4 NW/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.

The Division understands you are seeking this unorthodox location to avoid wasting resources and reducing production from current and future well development in the area. All while protecting the correlative rights within the Bone Spring formation underlying the W/2 of Section 10 and the W/2 of Section 03.

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: 4/30/2025

GERASIMOS RAZATOS DIRECTOR (ACTING)

GR/lrl

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		RATIVE APPLICAT				
THIS CH	HECKLIST IS MANDATORY FOR A REGULATIONS WHICH RI		ATIONS FOR EXCEPTIONS TO E E DIVISION LEVEL IN SANTA FE	DIVISION RULES AND		
Applicant: Chevron U	S.A. Inc.			Number: <u>4323</u>		
Well Name: DL 103			API: 30-02			
Pool: WC-025 G-06 S223	322J; Bone Spring		Pool Co	ode: 97846		
SUBMIT ACCURA	TE AND COMPLETE IN	FORMATION REQUINDICATED BELO		E TYPE OF APPLICATION		
	CATION: Check those - Spacing Unit – Simul SL NSP(PI	taneous Dedicatio				
[1] Comn  [11] Inject	e only for [1] or [11] ningling – Storage – M DHC CTB P ion – Disposal – Pressi WFX PMX S	$\square$ PC $\square$ (ure Increase – Enh	<del>-</del> -	FOR OCD ONLY		
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administrative a understand that	: I hereby certify that approval is <b>accurate</b> at <b>no action</b> will be ta e submitted to the Div	and <b>complete</b> to the ken on this application	the best of my know	ledge. I also		
Not	e: Statement must be comple	eted by an individual with	n managerial and/or superv	isory capacity.		
			March 17, 2025			
Adam G. Rankin			Date			
Print or Type Name						
			505-954-7294			
	)		Phone Number			
			agrankin@hollandhart	.com		
Signature			e-mail Address			



March 17, 2025

# **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** 

DL 10 3 Federal Com #408H well

W/2 of Sections 3 and 10, Township 22 South, Range 33 East, NMPM, Lea County, New Mexico

WC-025 G-06 S223322J; Bone Spring [97846]

API No. 30-025-52279

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 WC-025 G-06 S223322J; Bone Spring [97846], seeks administrative approval of an unorthodox well location for its **DL 10 3 Federal Com #408H** well (API No. 30-025-52279), in a 640-acre, more or less, spacing unit underlying the W/2 of Sections 3 and 10, Township 22 South, Range 33 East, NMPM, Lea County, New Mexico.

The DL 10 3 Federal Com #408H well is an infill well. DL 10 3 Kraken Fed Com #208H is the defining well. The location for the DL 10 3 Federal Com #408H oil well is as follows:

- Surface hole location: 348' FSL and 865' FWL (Unit M) of Section 10
- First take point: 25' FSL and 1,254' FWL (Unit M) of Section 10
- Last take point: 100' FNL and 1,254' FWL (Unit D) of Section 3
- Bottom hole location: 25' FNL and 1,254' FWL (Unit D) of Section 3

Since this acreage is governed by the Division's statewide rules, the proposed first take point for this well will be unorthodox because it is closer than the standard offsets to the southern boundary of the spacing unit—thus, encroaching on the spacing unit comprising the W/2 of Sections 15 and 22, Township 22 South, Range 33 East (Chevron's Dagger Lake 15 22 Federal Com spacing unit) to the south.

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 Colorado Idaho Montana Nevada New Mexico

Washington, D.C.
Wyoming



Chevron respectfully requests administrative approval of a non-standard location for the proposed **DL 10 3 Federal Com #408H** 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 **DL 10 3 Federal Com #408H** well encroaches on the DL 15 22 Federal Com spacing unit to the south. Also, included is the Form C-102 for the DL 10 3 Kraken Federal Com #208H, the defining well for the spacing unit.

**Exhibit B** is a plat for the surrounding area that shows the proposed DL 10 3 Federal Com #408H well in relation to the adjoining unit to the south. The offsetting <u>DL 15 22 Federal Com spacing unit to the south</u> includes the following other working interest owners: Antelope Energy Company, LLC; CJM Resources, LP; CML Exploration LLC; Freddie Wheeler; Hurt Properties, LP; the James Hurst Estate; Patterson Petroleum LLC; and RHR-711 LLC. In addition, the offsetting DL 15 22 Federal Com spacing unit includes Bureau of Land Management (BLM) leases. Accordingly, the "affected persons" are the other working interest owners in the DL 15 22 Federal Com spacing unit to the south 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
Federal Mineral Interest	Bureau of Land Management	
	Antelope Energy Company, LLC	
Working Interest	CJM Resources, LP	
	CML Exploration LLC	W/2 of Sections 15 % 22
	Freddie Wheeler	W/2 of Sections 15 & 22, T22S-R33E
	Hurt Properties, LP	122 <b>3-</b> K33E
	The James Hurst Estate	
	Patterson Petroleum LLC	
	RHR-711 LLC	

Your attention to this matter is appreciated.

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 Colorado

Montana Nevada New Mexico Utah Washington, D.C. Wyoming

<sup>&</sup>lt;sup>1</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).



Sincerely,

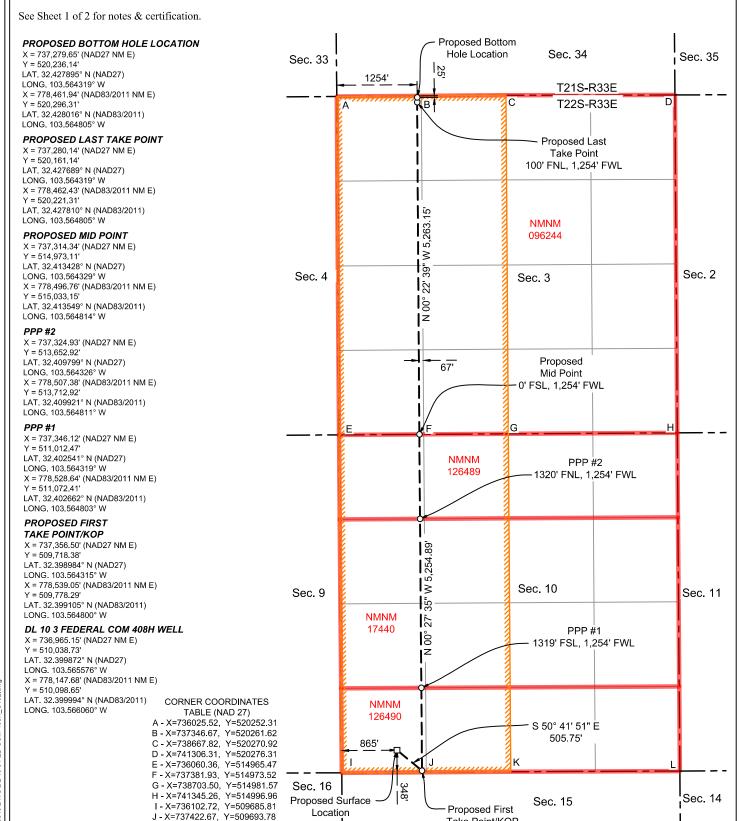
Adam G. Rankin

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

	e Main Offic	ce 441 Fax: (55) 4	76 2462		Stat	e of New Mexico				C-102	
Genera	l Information (505) 629-6	ı	70-3402			nerals & Natural Re Department		Revised July 9 Submit Electro			
	Phone Direc				OIL CONS	SERVATION DIV	ISION		ia OCD Permitting		
https://	www.emnrd	.nm.gov/ocd/co	ntact-us/	4				Submittal	☐ Initial Su		
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30-02:	5-52279		97846			WC-025 G-06 S223322J	;BONE SPR	RING	T		
Proper 33502	rty Code - 6		Property N DL 10 3 FI		СОМ				Well Numb 408H	er	
OGRI 4323	D No.		Operator N CHEVRON		INC.				Ground Lev 3562'	vel Elevation	
Surfac	e Owner: 🗆	State  Fee	<u> </u>			Mineral Owner:	State   Fe	e □ Tribal 🛭	I Federal □N	7/A	
					Çe	ace Location					
UL	Section	Township	Range	Lot	Ft. from N/S	Ft. from E/W	Latitude	Lo	ongitude	County	
M	10	22 SOUTH	33 EAST, N.M.P.M.	N/A	348' SOUTH	865' WEST	32.39999		3.566060° W	LEA	
UL	Section	Township	Range	Lot	Ft. from N/S	1 Hole Location  Ft. from E/W	Latitude	T.	ongitude	County	
D	3	22 SOUTH	33 EAST, N.M.P.M.	N/A	25' NORTH	1254' WEST	32.42801		03.564805° W	LEA	
Dedic 640	ated Acres	Infill or Defi	ning Well	Defining 30-025-	g Well API 49079	Overlapping Spacin NO	g Unit (Y/N	(Y/N) Consolidation Code C			
Order	Numbers 1	PLC854B		ı		Well setbacks are un	nder Commo	on Ownership	: ⊠Yes □No	□N/A	
					Kick C	Off Point (KOP)					
UL M	Section 10	Township 22 SOUTH	Range 33 EAST, N.M.P.M.	Lot N/A	Ft. from N/S 25' SOUTH	Ft. from E/W 1254' WEST	Latitude 32.399105		ongitude 3.564800° W	County LEA	
					First T	ake Point (FTP)					
UL M	Section 10	Township 22 SOUTH	Range 33 EAST, N.M.P.M.	Lot N/A	Ft. from N/S 25' SOUTH	Ft. from E/W 1254' WEST	Latitude 32.39910.		ongitude 33.564800° W	County LEA	
					ľ	ake Point (LTP)	7				
UL D	Section 3	Township 22 SOUTH	Range 33 EAST, N.M.P.M.	Lot N/A	Ft. from N/S 100' NORTH	Ft. from E/W 1254' WEST	Latitude 32.42781		ongitude 3.564805° W	County LEA	
Unitiz		area of Uniform	Interest	Spacing	g Unit Type 🛛 Ho	rizontal 🗆 Vertical	Gro	und Floor Ele	evation: 3562'		
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	rom the division			,	0		XX	S ONA SU		, -	
Signatu	ıre		Date			Signature and Seal of Pro		•		INFILL Well	
Printed	l Name					Certificate Number	Date of Su	rvey			
Email .	Address							(	08/30/2	EXHIBIT	

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.



Take Point/KOP

25' FSL, 1,254' FWL

K - X=738742.61, Y=509701.75

L - X=741384.61, Y=509713.53

District I 1625 N. French Dr., Hobbs, NM 88240 Phone: (575) 393-6161 Fax: (575) 393-0720

District III

Phone: (575) 393-6161 Fax: (575) 393-0720 <u>District II</u> 811 S. First St., Artesia, NM 88210 Phone: (575) 748-1283 Fax: (575) 748-9720

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

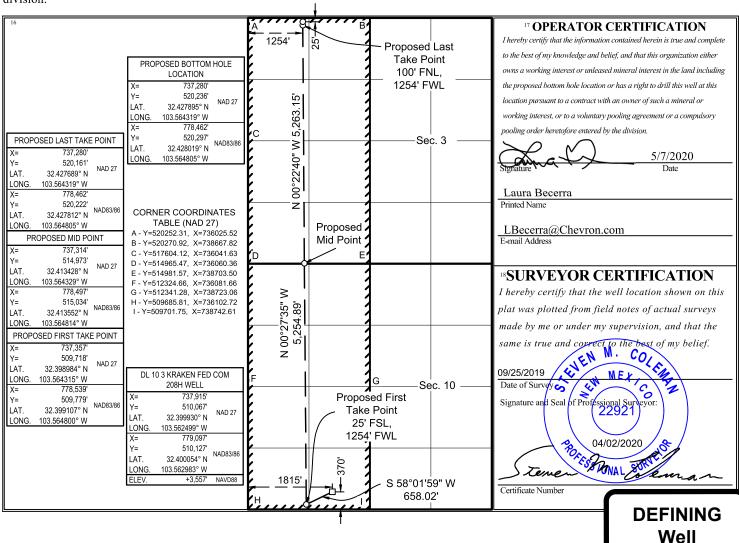
## WELL LOCATION AND ACREAGE DEDICATION PLAT

<sup>1</sup> API Number 30-025-49079		<sup>2</sup> Pool Code <sup>3</sup> Pool Name			
		97846	WC-025 G-06 S223322J;B0	ONE SPRING	
<sup>4</sup> Property Code		<sup>5</sup> Pr	<sup>6</sup> Well Number		
331068		DL 10 3 KRAKEN FED COM			
<sup>7</sup> OGRID No.		8 Operator Name			
4323		CHEVRON U.S.A. INC.			

<sup>10</sup> Surface Location

	Surface Location								
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
N	10	22 SOUTH	33 EAST, N.M.P.M.		370'	SOUTH	1815'	WEST	LEA
	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	3	22 SOUTH	33 EAST, N.M.P.M.		25'	NORTH	1254'	WEST	LEA
12 Dedicated A	cres 13 Join	nt or Infill	<sup>14</sup> Consolidation Code	Order No.					
640									

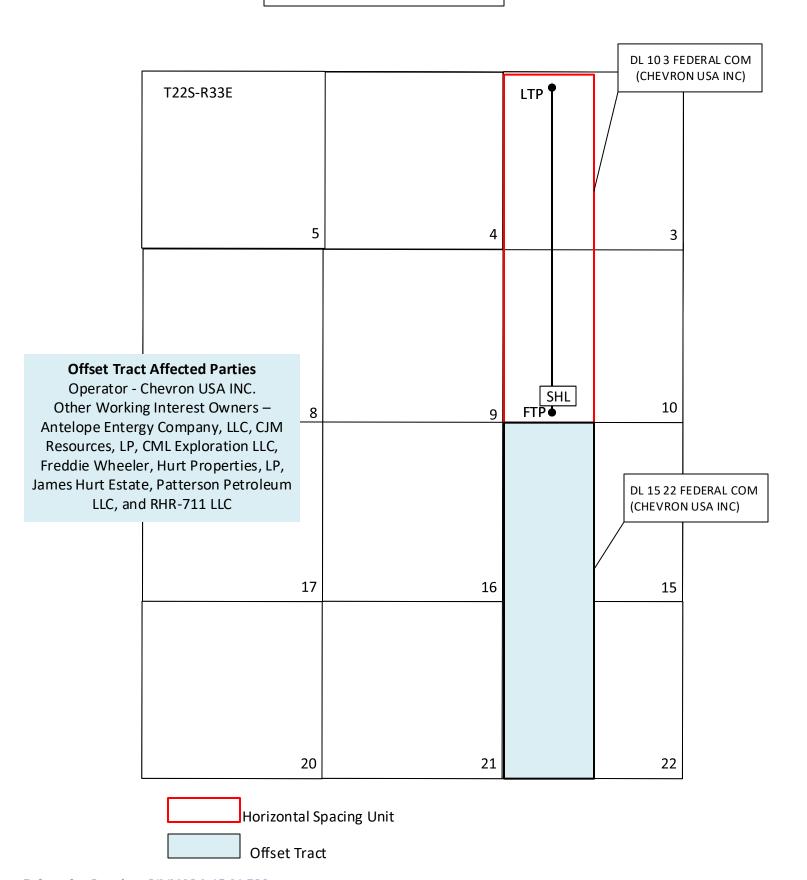
No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.





# **EXHIBIT B**

DL 10 3 FEDERAL COM 408H





Individual/Company	Representative	Address
Bureau of Land Management		301 Dinosaur Trail, Santa Fe, NM 87508
Antelope Energy Company, LLC	Attn: Emily Fielding	1801 Broadway, Suite 1550 Denver, CO 80202
CJM Resources, LP	Attn: David Murphy	508 W. Wall St., Ste. 1250 Midland, TX 79701
CML Exploration, LLC	Attn: Kyle Kana	Barton Oaks Plaza One, Ste. 435 901 Mopac Expressway South Austin, TX 78746
Freddie Jean Wheeler	C/O Mary Helen Johnson	PO Box 1567 Odessa, TX 76760
	Attn: Joe Hurt	
Hurt Properties, LP	Attn: Janice Hurt	P.O. Box 1927 Abingdon, VA 24212
James R. Hurt Estate	Attn: Joe Hurt	P.O. Box 72 Odessa, TX 79760-0072
Patterson Petroleum LLC	Attn: Donna Hartman	P.O. Box 1416 Snyder, TX 79550
RHR-711, LLC	Attn: John Osborne	316 Bailey Ave. Fort Worth, TX 76107



March 7, 2025

# VIA CERTIFIED MAIL RETURN RECEIPT REQUESTED

TO: ALL AFFECTED PERSONS

Re: Chevron U.S.A., Inc.

Request for Administrative Approval of Unorthodox Well Location

DL 10 3 Federal Com #408H well W/2 of Sections 3 and 10, Township 22 South, Range 33 East, NMPM, Lea County, New Mexico WC-025 G-06 S223322J; Bone Spring [97846]

API No. 30-025-52279

# 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:

Nicholas Angelle Chevron U.S.A., Inc. (713) 372-3026 nicholasangelle@chevron.com

Sincerely,

Adam G. Rankin

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

# Chevron - DL 407H - 409H NSL Postal Delivery Report

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Received by OCD: 3/17/2025 3:55:57 PM

# Chevron - DL 407H - 409H NSL Postal Delivery Report

						Your item was delivered to an
						individual at the address at
						10:50 am on March 13, 2025
9414811898765451559835	RHR-711, LLC, Attn John Osborne	316 Bailey Ave	Fort Worth	TX	76107-1828	in FORT WORTH, TX 76107.

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 443251

## **CONDITIONS**

Operator:	OGRID:
CHEVRON U S A INC	4323
6301 Deauville Blvd	Action Number:
Midland, TX 79706	443251
	Action Type:
	[UF-NSL] Non-Standard Location (NSL)

### CONDITIONS

Cre By	eated	Condition	Condition Date
llo	owe	None	3/20/2025