

**STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION**

**APPLICATION OF CHEVRON U.S.A. INC.
TO EXTEND THE DRILLING DEADLINE UNDER
ORDER NO. R-22778, LEA COUNTY, NEW MEXICO.**

CASE NO. _____
ORDER NO. R-22778

APPLICATION

Chevron U.S.A. Inc. (“Chevron” or “Applicant”), through its undersigned attorneys, hereby files this application with the Oil Conservation Division to extend the drilling deadline under compulsory pooling Order No. R-22778 (“Order”). In support of its application, Chevron states:

1. Division Order No. R-22778, entered on July 10, 2023, in Case No. 23567, created a standard 640-acre, more or less, horizontal spacing unit comprised of the E/2 of Sections 22 and 27, Township 23 South, Range 34 East, NMPM, Lea County, New Mexico (the “Unit”), and designated Chevron as operator of the Unit.

2. Order No. R-22778 further pooled the uncommitted interests in the Bone Spring formation (WC-025 G-05 S233417N; Upper Bone Spring [98133]) in the Unit and dedicated the Unit to the proposed initial **ZN 27 22 Fed State Com #201H** (API No. 30-025-PENDING), **ZN 27 22 Fed State Com #202H** (API No. 30-025-PENDING), and the **ZN 27 22 Fed State Com #203H** (API No. 30-025-PENDING).

3. Applicant requests that Order No. R-22778 be re-opened and amended to allow Applicant additional time to commence drilling the wells under the Order.

4. There is good cause for Applicant’s request for an extension of time to drill.

5. Under the Order, Applicant would be required to commence drilling the wells by July 11, 2024, and therefore, asks for the deadline to commence drilling the wells be extended for a year, to July 11, 2025.

WHEREFORE, Applicant requests that this application be set for hearing before an Examiner of the Oil Conservation Division on July 11, 2024, and, after notice and hearing as required by law, the Division enter an order extending the time for Chevron to commence drilling the proposed initial wells under the Order.

Respectfully submitted,

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ATTORNEYS FOR CHEVRON U.S.A. INC.

CASE _____ : **Application of Chevron U.S.A. Inc. to Amend Order No. R-22778, Lea County, New Mexico.** Applicant in the above-styled cause seeks a year extension of time for drilling the wells under Order No. R-22778. The Unit is comprised of the E/2 of Sections 22 and 27, Township 23 South, Range 34 East, NMPM, Lea County, New Mexico. Order No. R-22778 pooled the uncommitted interests in the Upper Bone Spring formation and dedicated the Unit to the proposed initial **ZN 27 22 Fed State Com #201H** and **ZN 27 22 Fed State Com #202H**, both to be horizontally drilled from a surface location in the NE/4 NE/4 (Unit A) of Section 34, to a bottom hole location in the NW/4 NE/4 (Unit B) of Section 22; and the **ZN 27 22 Fed State Com #203H**, to be horizontally drilled from a surface location in the NE/4 NE/4 (Unit A) of Section 34, to a bottom hole location in the NE/4 NE/4 (Unit A) of Section 22. Said area is located 18.5 miles northwest of Jal, New Mexico.