

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

**APPLICATION OF CHEVRON U.S.A. INC.  
FOR COMPULSORY POOLING,  
LEA COUNTY, NEW MEXICO.**

CASE NO. \_\_\_\_\_

**APPLICATION**

Chevron U.S.A. Inc. (“Chevron” or “Applicant”) (OGRID No. 4323), through its undersigned attorneys, hereby files this application with the Oil Conservation Division pursuant to the provisions of NMSA 1978, § 70-2-17, for an order pooling all uncommitted mineral owners in the Bone Spring formation underlying a standard 480-acre, more or less, horizontal well spacing unit comprised of the W/2 of Section 33, Township 21 South, Range 33 East, and Lots 3 & 4 and the S/2 NW/4 (NW/4 equivalent) of irregular Section 4, Township 22 South, Range 33 East, NMPM, Lea County, New Mexico. In support of its application, Chevron states:

1. Applicant is a working interest owner in the proposed horizontal spacing unit and has the right to drill thereon.
2. Applicant seeks to initially dedicate the above-referenced horizontal spacing unit to the proposed **DL 4 33 Federal 401H** and **DL 4 33 Federal 402H** wells, to be horizontally drilled from a common surface location in the SE/4 NW/4 (Unit F) of irregular Section 4, T22S-R33E, with first take points in the SW/4 NW/4 (Unit E) of irregular Section 4, T22S-R33E, and last take points in the NW/4 NW/4 (Unit D) of Section 33, T21S-R33E; and **DL 4 33 Federal 403H** well, to be horizontally drilled from a common surface location in the SE/4 NW/4 (Unit F) of irregular Section 4, T22S-R33E, with a first take point in the SE/4 NW/4 (Unit F) of irregular Section 4, T22S-R33E, and last take point in the NE/4 NW/4 (Unit C) of Section 33, T21S-R33E.

3. The completed interval of the **DL 4 33 Federal 402H** is expected to remain within 330 feet of the adjoining quarter-quarter section (or equivalent) tracts to allow inclusion of these proximity tracts within the proposed horizontal spacing unit under 19.15.16.15.B(1)(b) NMAC.

4. Applicant owns 100 percent of the working interests in the proposed spacing unit and, therefore, seeks to pool only non-cost-bearing interest owners, including overriding royalty interest owners, whose interests have not been pooled within the subject spacing unit.

WHEREFORE, Applicant requests that this application be set for hearing before an Examiner of the Oil Conservation Division on September 12, 2024, and, after notice and hearing as required by law, the Division enter an order:

- A. Approving the horizontal well spacing unit and pooling the overriding royalty interests therein; and
- B. Designating Applicant operator of this spacing unit and the horizontal wells to be drilled thereon.

Respectfully submitted,

HOLLAND & HART LLP

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**ATTORNEYS FOR CHEVRON U.S.A. INC.**

CASE \_\_\_\_\_: **Application of Chevron U.S.A. Inc. for Compulsory Pooling, Lea County, New Mexico.** Applicant in the above-styled cause seeks an order pooling all uncommitted mineral owners in the Bone Spring formation underlying a standard 480-acre, more or less, horizontal well spacing unit comprised of the W/2 of Section 33, Township 21 South, Range 33 East, and Lots 3 & 4 and the S/2 NW/4 (NW/4 equivalent) of irregular Section 4, Township 22 South, Range 33 East, NMPM, Lea County, New Mexico. Said unit will be initially dedicated to the proposed **DL 4 33 Federal 401H** and **DL 4 33 Federal 402H** wells, to be horizontally drilled from a common surface location in the SE/4 NW/4 (Unit F) of irregular Section 4, T22S-R33E, with first take points in the SW/4 NW/4 (Unit E) of irregular Section 4, T22S-R33E, and last take points in the NW/4 NW/4 (Unit D) of Section 33, T21S-R33E; and **DL 4 33 Federal 403H** well, to be horizontally drilled from a common surface location in the SE/4 NW/4 (Unit F) of irregular Section 4, T22S-R33E, with a first take point in the SE/4 NW/4 (Unit F) of irregular Section 4, T22S-R33E, and last take point in the NE/4 NW/4 (Unit C) of Section 33, T21S-R33E. The completed interval of the **DL 4 33 Federal 402H** is expected to remain within 330 feet of the adjoining quarter-quarter section (or equivalent) tracts to allow inclusion of these proximity tracts within the proposed horizontal spacing unit under 19.15.16.15.B(1)(b) NMAC. Also, to be considered will be the designation of Applicant as operator of the wells. Said area is located approximately 24 miles west of Eunice, New Mexico.