

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

**APPLICATION OF CHEVRON U.S.A. INC.
TO AMEND ORDER R-22769 TO ADD
ADDITIONAL INITIAL WELLS AND FOR
COMPULSORY POOLING,
EDDY 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, to amend pooling Order R-22769 to pool the entire Bone Spring formation and add additional initial wells under the pooling order. In support of its application, Chevron states:

1. On July 10, 2023, the Division entered Order R-22769 in Case 23562 pooling all uncommitted interests in a portion of the Bone Spring formation (Cotton Draw; Bone Spring [13367]), from beneath the base of the First Bone Spring to the top of the Wolfcamp formation, underlying a standard 640-acre, more or less, horizontal well spacing unit comprised of the E/2 of Sections 14 and 23, Township 24 South, Range 31 East, NMPM, Eddy County, New Mexico (the “Unit”). Chevron is the designated operator of the Unit and Order R-22769 dedicates the Unit to the drilled and producing **SND 14 23 Fed Com #429H** and **SND 14 23 Fed Com #430H** wells, both to be horizontally drilled from a surface location in the NE/4 NE/4 (Unit A) of Section 14, a first take point in the NW/4 NE/4 (B) of Section 14, and last take point in the SW/4 SE/4 (Unit O) of Section 23; and the **SND 14 23 Fed Com #431H** and **SND 14 23 Fed Com #432H** wells, both to be horizontally drilled from a surface location in the NE/4 NE/4 (Unit A) of Section 14, a first take point in the NE/4 NE/4 (Unit A) of Section 14, and last take point in the SE/4 SE/4 (Unit P) of Section 23.

2. Applicant requests to amend Order R-22769 and pool the entire Bone Spring formation and include the following additional initial wells:

- **SND 14 23 Fed Com #222H** and **SND 14 23 Fed Com #223H** wells, both to be horizontally drilled from a surface location in the SW/4 SE/4 (Unit O) of Section 23, a first take point in the SW/4 SE/4 (Unit O) of Section 23, and last take point in the NW/4 NE/4 (Unit B) of Section 14; and
- **SND 14 23 Fed Com #224H** and **SND 14 23 Fed Com #516H** wells, both to be horizontally drilled from a surface location in the SW/4 SE/4 (Unit O) of Section 23, a first take point in the SE/4 SE/4 (Unit P) of Section 23, and last take point in the NE/4 NE/4 (Unit A) of Section 14.

3. Applicant has reached a voluntary agreement with all the working interest owners in this proposed unit but seeks a pooling order for certain non-cost-bearing interest owners, including overriding royalty interest owners and record title owners, who have yet to execute the necessary federal communitization agreement.

4. The pooling of interests will allow Applicant to obtain a just and fair share of the oil and gas underlying the subject lands, avoid the drilling of unnecessary wells, will prevent waste, and will protect correlative rights.

WHEREFORE, Applicant requests that this application be set for hearing before an Examiner of the Oil Conservation Division on February 13, 2025, and, after notice and hearing as required by law, the Division enter an order:

- A. Amending pooling Order R-22769 to include the entire Bone Spring formation;
- B. Pooling certain overriding royalty interest owners and record title owners in the proposed horizontal well spacing unit; and
- C. Include additional initial wells under Order R-22769.

Respectfully submitted,

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ATTORNEYS FOR CHEVRON U.S.A. INC.

CASE _____: **Application of Chevron U.S.A. Inc. to Amend Order R-22769 to Add Additional Initial Wells and for Compulsory Pooling, Eddy County, New Mexico.** Applicant in the above-styled cause seeks to amend pooling Order R-22769 to pool the entire Bone Spring formation and add additional initial wells under the pooling order. Order R-22769 pooled a portion of the Bone Spring formation and dedicated the spacing unit to the drilled and producing **SND 14 23 Fed Com #429H** and **SND 14 23 Fed Com #430H** wells, both to be horizontally drilled from a surface location in the NE/4 NE/4 (Unit A) of Section 14, a first take point in the NW/4 NE/4 (B) of Section 14, and last take point in the SW/4 SE/4 (Unit O) of Section 23; and the **SND 14 23 Fed Com #431H** and **SND 14 23 Fed Com #432H** wells, both to be horizontally drilled from a surface location in the NE/4 NE/4 (Unit A) of Section 14, a first take point in the NE/4 NE/4 (Unit A) of Section 14, and last take point in the SE/4 SE/4 (Unit P) of Section 23. Applicant requests to amend Order R-22769 and pool the entire Bone Spring formation and include the following additional initial wells:

- **SND 14 23 Fed Com #222H** and **SND 14 23 Fed Com #223H** wells, both to be horizontally drilled from a surface location in the SW/4 SE/4 (Unit O) of Section 23, a first take point in the SW/4 SE/4 (Unit O) of Section 23, and last take point in the NW/4 NE/4 (Unit B) of Section 14; and
- **SND 14 23 Fed Com #224H** and **SND 14 23 Fed Com #516H** wells, both to be horizontally drilled from a surface location in the SW/4 SE/4 (Unit O) of Section 23, a first take point in the SE/4 SE/4 (Unit P) of Section 23, and last take point in the NE/4 NE/4 (Unit A) of Section 14.

Said area is located approximately 21 miles southeast of Loving, New Mexico.