

State of New Mexico  
Energy, Minerals and Natural Resources Department

**Michelle Lujan Grisham**  
Governor

**Sarah Cottrell Propst**  
Cabinet Secretary

**Todd E. Leahy, JD, PhD**  
Deputy Cabinet Secretary

**Dylan M. Fuge, Director**  
Oil Conservation Division



Ms. Paula M. Vance  
[pmvance@hollandhart.com](mailto:pmvance@hollandhart.com)

NON-STANDARD LOCATION

**Administrative Order NSL - 8597**

**Chevron U.S.A., Inc. [OGRID 4323]  
ZN 27 22 Federal State Well No. 203H  
API No. 30-025-PENDING**

**Proposed Location**

	<u>Footages</u>	<u>Unit/Lot</u>	<u>Sec.</u>	<u>Twsp</u>	<u>Range</u>	<u>County</u>
Surface	650 FNL & 1267 FEL	A	34	23S	34E	Lea
First Take Point	25 FSL & 550 FEL	P	27	23S	34E	Lea
Last Take Point	100 FNL & 550 FEL	A	22	23S	34E	Lea
Terminus	25 FNL & 550 FEL	A	22	23S	34E	Lea

**Proposed Horizontal Units**

<u>Description</u>	<u>Acres</u>	<u>Pool</u>	<u>Pool Code</u>
E/2 of Section 27	640	Wildcat; Upper Bone Spring	98133
E/2 of Section 22			

Reference is made to your application received on June 6<sup>th</sup>, 2023.

You have requested to drill this horizontal well at an unorthodox oil 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.

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 34, encroachment to the NE/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.

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Chevron U.S.A. Inc.

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Division understands you are seeking this unorthodox location as your preferred well spacing plan for horizontal wells in the area and to the prevent waste within the Bonespring formation underlying E/2 of Section 27 and the E/2 of Section 22.

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 Division deems necessary.



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**DYLAN M. FUGE**

**DIRECTOR**

DMF/lrl

**Date:** 7/10/2023

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 Phone:(575) 393-6161 Fax:(575) 393-0720

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**District IV**  
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**State of New Mexico**  
**Energy, Minerals and Natural Resources**  
**Oil Conservation Division**  
**1220 S. St Francis Dr.**  
**Santa Fe, NM 87505**

CONDITIONS

Action 239241

**CONDITIONS**

Operator: CHEVRON U S A INC 6301 Deauville Blvd Midland, TX 79706	OGRID: 4323
	Action Number: 239241
	Action Type: [IM-SD] Admin Order Support Doc (ENG) (IM-AAO)

**CONDITIONS**

Created By	Condition	Condition Date
llowe	None	7/12/2023