

Revised March 23, 2017

ID NO. 234035

NSL - 8614

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|-----------|-----------|-------|-------------------------------|
| RECEIVED: | REVIEWER: | TYPE: | APP NO: pLEL2318034652 |
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ABOVE THIS TABLE FOR OCD DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION
 - Geological & Engineering Bureau -
 1220 South St. Francis Drive, Santa Fe, NM 87505



ADMINISTRATIVE APPLICATION CHECKLIST

THIS CHECKLIST IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE

Applicant: Chevron U.S.A. Inc. **OGRID Number:** 4323
Well Name: MR 35 26 Federal Com #501H **API:** 30-025-PENDING
Pool: Triste Draw; Bone Spring **Pool Code:** 96603

SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED BELOW

- 1) **TYPE OF APPLICATION:** Check those which apply for [A]
 A. Location – Spacing Unit – Simultaneous Dedication
 NSL NSP (PROJECT AREA) NSP (PRORATION UNIT) SD
- B. Check one only for [I] or [II]
 [I] Commingling – Storage – Measurement
 DHC CTB PLC PC OLS OLM
 [II] Injection – Disposal – Pressure Increase – Enhanced Oil Recovery
 WFX PMX SWD IPI EOR PPR

- 2) **NOTIFICATION REQUIRED TO:** Check those which apply.
 A. Offset operators or lease holders
 B. Royalty, overriding royalty owners, revenue owners
 C. Application requires published notice
 D. Notification and/or concurrent approval by SLO
 E. Notification and/or concurrent approval by BLM
 F. Surface owner
 G. For all of the above, proof of notification or publication is attached, and/or,
 H. No notice required

| <u>FOR OCD ONLY</u> | |
|--------------------------|------------------------------|
| <input type="checkbox"/> | Notice Complete |
| <input type="checkbox"/> | Application Content Complete |

3) **CERTIFICATION:** I hereby certify that the information submitted with this application for administrative approval is **accurate** and **complete** to the best of my knowledge. I also understand that **no action** will be taken on this application until the required information and notifications are submitted to the Division.

Note: Statement must be completed by an individual with managerial and/or supervisory capacity.

Paula M. Vance

Print or Type Name

Signature

June 28, 2023
Date

505-954-7286
Phone Number

pmvance@hollandhart.com
e-mail Address



Paula M. Vance
Associate
 Phone (505) 954-7286
 PMVance@hollandhart.com

June 28, 2023

VIA ONLINE FILING

Dylan Fuge, Division Director
 Oil Conservation Division
 Energy, Minerals and Natural Resources Department
 1220 South Saint Francis Drive
 Santa Fe, New Mexico 87505

Re: Chevron U.S.A. Inc.
Request for Administrative Approval of Unorthodox Well Location

MR 35 26 Federal Com #501H well
 E/2 of 26 and 35, Township 23 South, Range 32 East, Lea County, New Mexico
 TRISTE DRAW; BONE SPRING (96603)
 API No. 30-025-PENDING

Dear Mr. Fuge:

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 TRISTE DRAW; BONE SPRING (96603), seeks administrative approval of an unorthodox well location for its **MR 35 26 Federal Com #501H** well (API No. 30-025-PENDING), in a 640-acre, more or less, horizontal well spacing unit comprised of the E/2 of 26 and 35, Township 23 South, Range 32 East, NMPM, Lea County, New Mexico.

The **MR 35 26 Federal Com #501H** oil well is an infill well. The **MR 35 26 Federal Com #502H** oil well is the defining well, creating the enlarged spacing unit.

The proposed location for the **MR 35 26 Federal Com #501H** is as follows:

- Surface hole location: 489’ FNL and 1,543’ FEL (Unit B) of Section 2, T24S-R32E
- First take point: 25’ FSL and 2,310’ FEL (Unit O) of Section 35, T23S-R32E
- Last take point: 100’ FNL and 2,310’ FEL (Unit B) of Section 26, T23S-R32E
- Bottom hole location: 25’ FNL and 2,310’ FEL (Unit B) of Section 26, T23S-R32E

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 | Montana | Utah |
| Colorado | Nevada | Washington, D.C. |
| Idaho | New Mexico | Wyoming |

Since this acreage is governed by the Division’s statewide oil rules, the completed first take point for this well will be unorthodox because it is closer than the standard offset to the southern boundary of the spacing unit—thus, encroaching on the E/2 of Section 2, T24S-R32E.

Chevron U.S.A. Inc. respectfully requests administrative approval of a non-standard location for the **MR 35 26 Federal Com #501H** and provides the following reason for the request: Approval of the unorthodox, completed interval is necessary to allow Chevron to use its preferred well spacing plan for horizontal wells in this area, which will maximize recovery and prevent waste.

Exhibit A is a Form C-102 showing the proposed MR 35 26 Federal Com #501H well encroaches on the spacing unit/tracts to the south in the E/2 of Section 2, T24S-R32E. Also, included is the Form C-102 for the MR 35 26 Federal Com #502H, the defining well for the spacing unit.

Exhibit B is a plat for the subject area, that shows the proposed MR 35 26 Federal Com #501H well in relation to the adjoining spacing unit/tracts to the south. The affected spacing unit is owned/operated by Chevron; there are no other working interest owners. In addition, the exhibit identifies that this includes a State Land Office (“SLO”) lease. Accordingly, the “affected persons”¹ are Chevron and the SLO.

Exhibit C is a spreadsheet listing all affected persons requiring notice 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:

| Type | Affected Party | Location |
|------------------------|-------------------|-----------------------------|
| State Mineral Interest | State Land Office | E/2 of Section 2, T24S-R32E |

Your attention to this matter is appreciated.

Sincerely,



Paula M. Vance
ATTORNEY FOR CHEVRON U.S.A. INC.

¹ 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).

District I
1625 N. French Dr., Hobbs, NM 88240
Phone: (575) 393-6161 Fax: (575) 393-0720
District II
811 S. First St., Artesia, NM 88210
Phone: (575) 748-1283 Fax: (575) 748-9720
District III
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

| | | | | | |
|--------------------------------|--|--|--|---|----------------------------------|
| ¹ API Number | | ² Pool Code 96603 | | ³ Pool Name TRISTE DRAW;BONE SPRING | |
| ⁴ Property Code | | ⁵ Property Name MR 35 26 FEDERAL COM | | | ⁶ Well Number 501H |
| ⁷ OGRID No. 4323 | | ⁸ Operator Name CHEVRON U.S.A. INC. | | | ⁹ Elevation 3628' |

¹⁰ Surface Location

| UL or lot no. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
|---------------|---------|----------|-------------------|---------|---------------|------------------|---------------|----------------|--------|
| B | 2 | 24 SOUTH | 32 EAST, N.M.P.M. | | 489' | NORTH | 1543' | EAST | LEA |

¹¹ 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 |
|---------------|---------|----------|-------------------|---------|---------------|------------------|---------------|----------------|--------|
| B | 26 | 23 SOUTH | 32 EAST, N.M.P.M. | | 25' | NORTH | 2310' | EAST | LEA |

| | | | |
|--------------------------------------|---|----------------------------------|---|
| ¹² Dedicated Acres 640 | ¹³ Joint or Infill INFILL | ¹⁴ Consolidation Code | ¹⁵ Order No. DEFINING WELL IS MR 35 26 FEDERAL COM 502H |
|--------------------------------------|---|----------------------------------|---|

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.

¹⁶
MR 35 26 FEDERAL COM NO. 501H WELL
X = 713,917' (NAD27 NM E)
Y = 456,242'
LAT. 32.252430° N (NAD27)
LONG. 103.641371° W
X = 755,101' (NAD83/2011 NM E)
Y = 456,301'
LAT. 32.252553° N (NAD83/2011)
LONG. 103.641853° W

PROPOSED FIRST TAKE POINT
X = 713,146' (NAD27 NM E)
Y = 456,748'
LAT. 32.253836° N (NAD27)
LONG. 103.643856° W
X = 754,329' (NAD83/2011 NM E)
Y = 456,807'
LAT. 32.253959° N (NAD83/2011)
LONG. 103.644338° W

PROPOSED LAST TAKE POINT
X = 713,072' (NAD27 NM E)
Y = 467,189'
LAT. 32.282537° N (NAD27)
LONG. 103.643878° W
X = 754,255' (NAD83/2011 NM E)
Y = 467,248'
LAT. 32.282660° N (NAD83/2011)
LONG. 103.644361° W

CORNER COORDINATES TABLE (NAD 27)
A - X= 710105.58, Y= 467256.80
B - X= 712744.10, Y= 467285.59
C - X= 714062.55, Y= 467300.00
D - X= 715381.01, Y= 467314.41
E - X= 710138.97, Y= 461975.45
F - X= 712778.48, Y= 462000.92
G - X= 714098.61, Y= 462014.70
H - X= 715418.73, Y= 462028.47
I - X= 710169.71, Y= 456694.99
J - X= 712812.79, Y= 456719.65
K - X= 714134.27, Y= 456733.50
L - X= 715455.75, Y= 456747.36

¹⁷ **OPERATOR CERTIFICATION**
I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

Signature _____ Date _____

Printed Name _____

E-mail Address _____

¹⁸ **SURVEYOR CERTIFICATION**
I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

03/16/2023
Date of Survey

Signature and Seal of Professional Surveyor _____

05/18/2023

Certificate Number _____

**WELL TYPE
INFILL**

**EXHIBIT
A**

District I
1625 N. French Dr., Hobbs, NM 88240
Phone: (575) 393-6161 Fax: (575) 393-0720
District II
811 S. First St., Artesia, NM 88210
Phone: (575) 748-1283 Fax: (575) 748-9720
District III
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

Table with 3 columns: API Number, Pool Code, Pool Name, Property Code, Property Name, Well Number, OGRID No., Operator Name, Elevation.

Surface Location

Table with 10 columns: UL or lot no., Section, Township, Range, Lot Idn, Feet from the North/South line, Feet from the East/West line, County.

Bottom Hole Location If Different From Surface

Table with 10 columns: UL or lot no., Section, Township, Range, Lot Idn, Feet from the North/South line, Feet from the East/West line, County.

Table with 4 columns: Dedicated Acres, Joint or Infill, Consolidation Code, Order No.

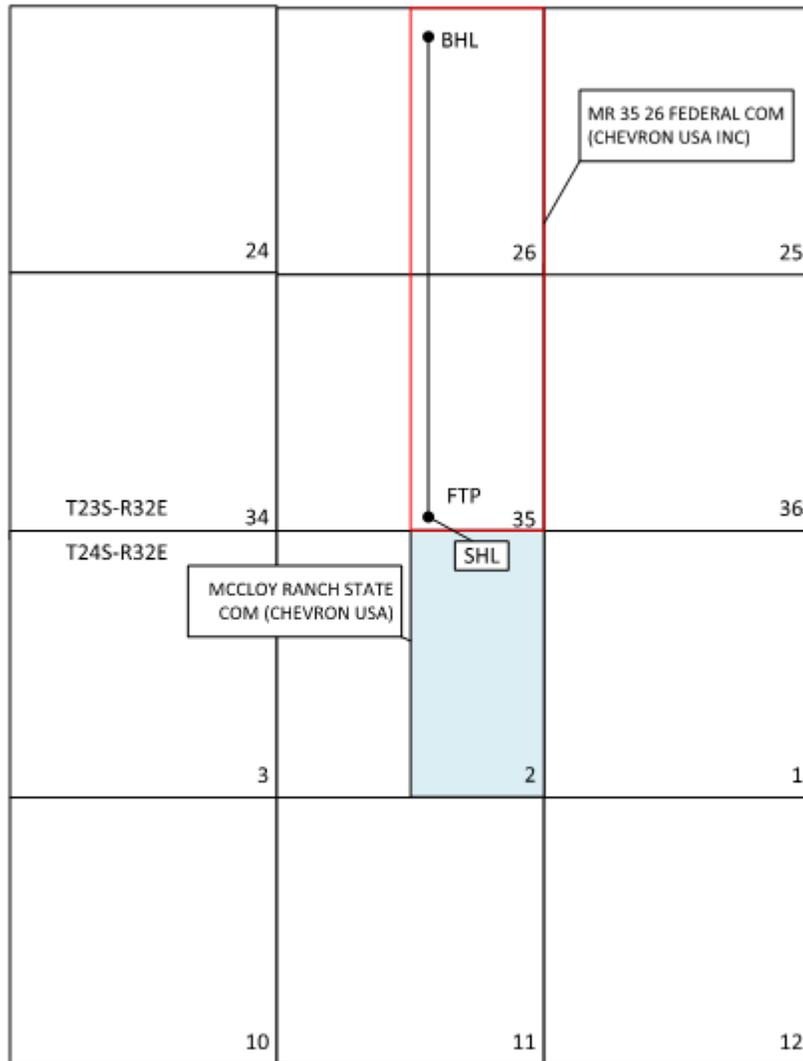
No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.

Main plat area containing: 16 MR 35 26 FEDERAL COM NO. 502H WELL coordinates; PROPOSED TAKE POINT and HOLE LOCATION coordinates; CORNER COORDINATES TABLE; 17 OPERATOR CERTIFICATION; 18 SURVEYOR CERTIFICATION; and a well diagram with NMNM 088164 and 129262 labels.

WELL TYPE
DEFINING

EXHIBIT B

MR 35 26 FEDERAL COM 501H



 Horizontal Spacing Unit
 Affected Tract

**EXHIBIT
B**

| ADDR1 | ADDR2 | ADDR3 | ADDR4 | ADDR5 |
|------------------------------|------------------------|----------|-------|-------|
| New Mexico State Land Office | P.O. Box 1148 | Santa Fe | NM | 87504 |
| New Mexico State Land Office | 310 Old Santa Fe Trail | Santa Fe | NM | 87501 |



Paula M. Vance
Associate
Phone (505) 954-7286
PMVance@hollandhart.com

June 27, 2023

VIA CERTIFIED MAIL
RETURN RECEIPT REQUESTED

TO: ALL AFFECTED PERSONS

Re: Chevron U.S.A. Inc.
Request for Administrative Approval of Unorthodox Well Location

MR 35 26 Federal Com #501H well
E/2 of 26 and 35, Township 23 South, Range 32 East, Lea County, New Mexico
TRISTE DRAW; BONE SPRING (96603)
API No. 30-025-PENDING

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, Land Representative
Chevron U.S.A. Inc.
Office: (713) 372-3026
NicholasAngelle@Chevron.com

Sincerely,

Paula M. Vance
ATTORNEY FOR CHEVRON U.S.A. INC.

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 | Montana | Utah |
| Colorado | Nevada | Washington, D.C. |
| Idaho | New Mexico | Wyoming |

Chevron- MR 35 26 Fed State Com 501H NSL
Postal Delivery Reports

| Tracking Number | Recipient | Status |
|------------------------|---|-----------|
| 9214890194038320530586 | New Mexico State Land Office PO BOX 1148 Santa Fe NM 87504 | Submitted |
| 9214890194038320530593 | New Mexico State Land Office 310 Old Santa Fe Trail Santa Fe NM 87501 | Submitted |

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 Phone:(505) 476-3470 Fax:(505) 476-3462

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

CONDITIONS

Action 234035

CONDITIONS

| | |
|--|--|
| Operator: CHEVRON U S A INC 6301 Deauville Blvd Midland, TX 79706 | OGRID: 4323 |
| | Action Number: 234035 |
| | Action Type: [UF-NSL] Non-Standard Location (NSL) |

CONDITIONS

| | | |
|------------|-----------|----------------|
| Created By | Condition | Condition Date |
| llowe | None | 6/29/2023 |