

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 - 8616**

**Chevron U.S.A., Inc. [4323]**  
**MR 35 26 Federal Com Well No. 601H**  
**API No. 30-025-PENDING**

	<u>Footages</u>	<u>Unit/Lot</u>	<u>Sec.</u>	<u>Twsp</u>	<u>Range</u>	<u>County</u>
Surface	490 FNL & 1523 FEL	B	02	24S	32E	Lea
First Take Point	25 FSL & 2188 FEL	O	35	23S	32E	Lea
Last Take Point	100 FNL & 2188 FEL	B	26	23S	32E	Lea
Terminus	25 FNL & 2188 FEL	B	26	23S	32E	Lea

**Proposed Horizontal Units**

<u>Description</u>	<u>Acres</u>	<u>Pool</u>	<u>Pool Code</u>
E/2 of Section 35, T23S R32E	640	Wildcat; Upper Wolfcamp	98248
E/2 of Section 26, T23S R32E			

Reference is made to your application received on June 28<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 oil 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 02, T24S R32E, encroachment to the NW/4 NE/4

Administrative Order NSL - 8616  
Chevron U.S.A., Inc.  
Page 2 of 2

---

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.

Division understands you are seeking this unorthodox location as your preferred well spacing plan for horizontal wells in this location and to prevent waste within the Bone Spring formation underlying the E/2 of Section 35, T23S, R32E and the E/2 of Section 14, T23S, R32E.

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 (C-104), 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.

  
\_\_\_\_\_  
**DYLAN M. FUGE**  
**DIRECTOR**  
DMF/lrl

**Date:** 8/4/2023

**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 Rd., Aztec, NM 87410  
Phone:(505) 334-6178 Fax:(505) 334-6170  
**District IV**  
1220 S. St Francis Dr., Santa Fe, NM 87505  
Phone:(505) 476-3470 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 249754

CONDITIONS

Operator: CHEVRON U S A INC 6301 Deauville Blvd Midland, TX 79706	OGRID: 4323
	Action Number: 249754
	Action Type: [IM-SD] Admin Order Support Doc (ENG) (IM-AAO)

CONDITIONS

Created By	Condition	Condition Date
llowe	None	8/8/2023