

State of New Mexico
Energy, Minerals and Natural Resources Department

Michelle Lujan Grisham
Governor

Melanie Kenderdine
Cabinet Secretary - Designate

Ben Shelton
Deputy Secretary (Acting)

Gerasimos "Gerry" Razatos
Division Director (Acting)
Oil Conservation Division



Paula M. Vance
pmvance@hollandhart.com

ADMINISTRATIVE NON-STANDARD LOCATION

Administrative Order NSL – 8845

**Chevron U.S.A., Inc. [OGRID 4323]
DL 4 33 Federal Com Well No. 402H
API No. 30-025-52276**

Reference is made to your application received on December 12th, 2024.

Proposed Location

	<u>Footages</u>	<u>Unit/Lot</u>	<u>Sec.</u>	<u>Twsp</u>	<u>Range</u>	<u>County</u>
Surface	2538 FNL & 1713 FWL	F	04	22S	33E	Lea
First Take Point	2615 FNL & 1210 FWL	E	04	22S	33E	Lea
Last Take Point	100 FNL & 1210 FWL	D	33	21S	33E	Lea
Terminus	25 FNL & 1210 FWL	D	33	21S	33E	Lea

Proposed Horizontal Units

<u>Description</u>	<u>Acres</u>	<u>Pool</u>	<u>Pool Code</u>
NW/4 Section 04, T22S, R33E W/2 Section 33, T21S, R33E	480	Red Tank; Bone Spring, East	51687

You have requested to drill this horizontal well at an unorthodox 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. 19.15.16.15(C)(1)(a) NMAC governs the distance in the horizontal plane from any point in the completed interval to any outer boundary of the horizontal spacing unit, measured along a line perpendicular to the completed interval or to the tangent thereof, shall be a minimum of 330 feet for an oil well. 19.15.16.15(C)(1)(b) NMAC governs the first and last take point of a horizontal

Administrative Order NSL – 8845
Chevron U.S.A., Inc.
Page 2 of 2

well shall be no closer than 100 feet in the horizontal plane, to any outer boundary of the horizontal spacing unit.

The request to deviate from an orthodox location has met all requirements of 19.15.16.15 (C)(5)(a) NMAC. It is understood that you are seeking this exception in order to create a non-standard location, comprised of Take Points referenced above, within the described Horizontal Spacing Unit.

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 04, encroachment to the NW/4 SW/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.

The Division understands you are seeking this unorthodox location to avoid causing wasted resources, and to reduce production from current and future well development within the Bone Spring formation underlying the NW/4 of Section 04, T22S, R33E and W/2 of Section 33, T21S, R33E, thereby protecting the correlative rights and the disposition of wastes resulting from oil and gas operations.

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 the Division deems necessary.



GERASIMOS RAZATOS
DIRECTOR (ACTING)
GR/lrl

Date: 2/6/2025

ID NO. 411242

NSL - 8845

RECEIVED: 12/12/24	REVIEWER:	TYPE:	APP NO: pLEL2501377885
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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: DL 4 33 Federal Com #402H well **API:** 30-025-52276
Pool: Red Tank; Bone Spring, East **Pool Code:** 51687

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

December 12, 2024
Date

505-954-7286
Phone Number

pmvance@hollandhart.com
e-mail Address



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

December 12, 2024

VIA ONLINE FILING

Gerasimos Razatos, Acting Division Director
Oil Conservation Division
Department of Energy, Minerals and Natural Resources
1220 South Saint Francis Drive
Santa Fe, New Mexico 87505

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

DL 4 33 Fed Com #402H well
Lot 3-4 and S/2 NW/4 of Section 4, Township 22 South, Range 33 East, and W/2 of Section 33, Township 21 South, Range 33 East, NMPM, Lea County, New Mexico
Red Tank; Bone Spring, East [51687]
API No. 30-025-52276

Dear Mr. Razatos:

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 Red Tank; Bone Spring, East [51687], seeks administrative approval of an unorthodox well location for its **DL 4 33 Fed Com #402H** well (API No. 30-025-52276), in a 480-acre, more or less, spacing unit underlying the Lot 3-4 and S/2 NW/4 of Section 4, Township 22 South, Range 33 East, and W/2 of Section 33, Township 21 South, Range 33 East, NMPM, Lea County, New Mexico.

The location for the **DL 4 33 Fed Com #402H oil well** is as follows:

- Surface hole location: 2,538’ FNL and 1,713’ FWL (Unit F) of Section 4
- First take point: 2,615’ FNL and 1,210’ FWL (Unit E) of Section 4
- Last take point: 100’ FNL and 1,210’ FWL (Unit D) of Section 33
- Bottom hole location: 25’ FNL and 1,210’ FWL (Unit D) of Section 33

Since this acreage is governed by the Division’s statewide rules, the proposed first take point for this well will be unorthodox because it is closer than the standard offsets to the southern boundary of the spacing unit—thus, encroaching on the spacing unit comprising the SW/4 of Section 4 and W/2 of Section 9, Township 22 South, Range 33 East (Chevron’s Dagger Lake 4 9 Federal spacing unit) to the south.

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



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

Chevron respectfully requests administrative approval of a non-standard location for the proposed **DL 4 33 Fed Com #402H** well. Chevron requests approval of this non-standard location because it is necessary to avoid causing wasted resources and reducing production from current and future well development in the area.

Exhibit A is a Form C-102 showing the **DL 4 33 Fed Com #402H** well encroaches on the DL 4 9 Federal spacing unit to the south.

Exhibit B is a plat for the surrounding area that shows the proposed DL 4 33 Fed Com #402H well in relation to the adjoining unit to the south. The offsetting DL 4 9 Federal spacing unit to the south is operated by Chevron, and Chevron is the only working interest in the spacing unit. In addition, the offsetting DL 4 9 Federal spacing unit includes a Bureau of Land Management (BLM) lease. Accordingly, the only “affected person”¹ is the BLM.

Exhibit C is a spreadsheet listing all affected persons 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 Chevron provided notice:

Type	Affected Party	Location
Federal Mineral Interest	Bureau of Land Management	SW/4 of Section 4 and W/2 of Section 9, T22S-R33E

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

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 5 columns: Dedicated Acres, Joint or Infill, Consolidation Code, Order No.

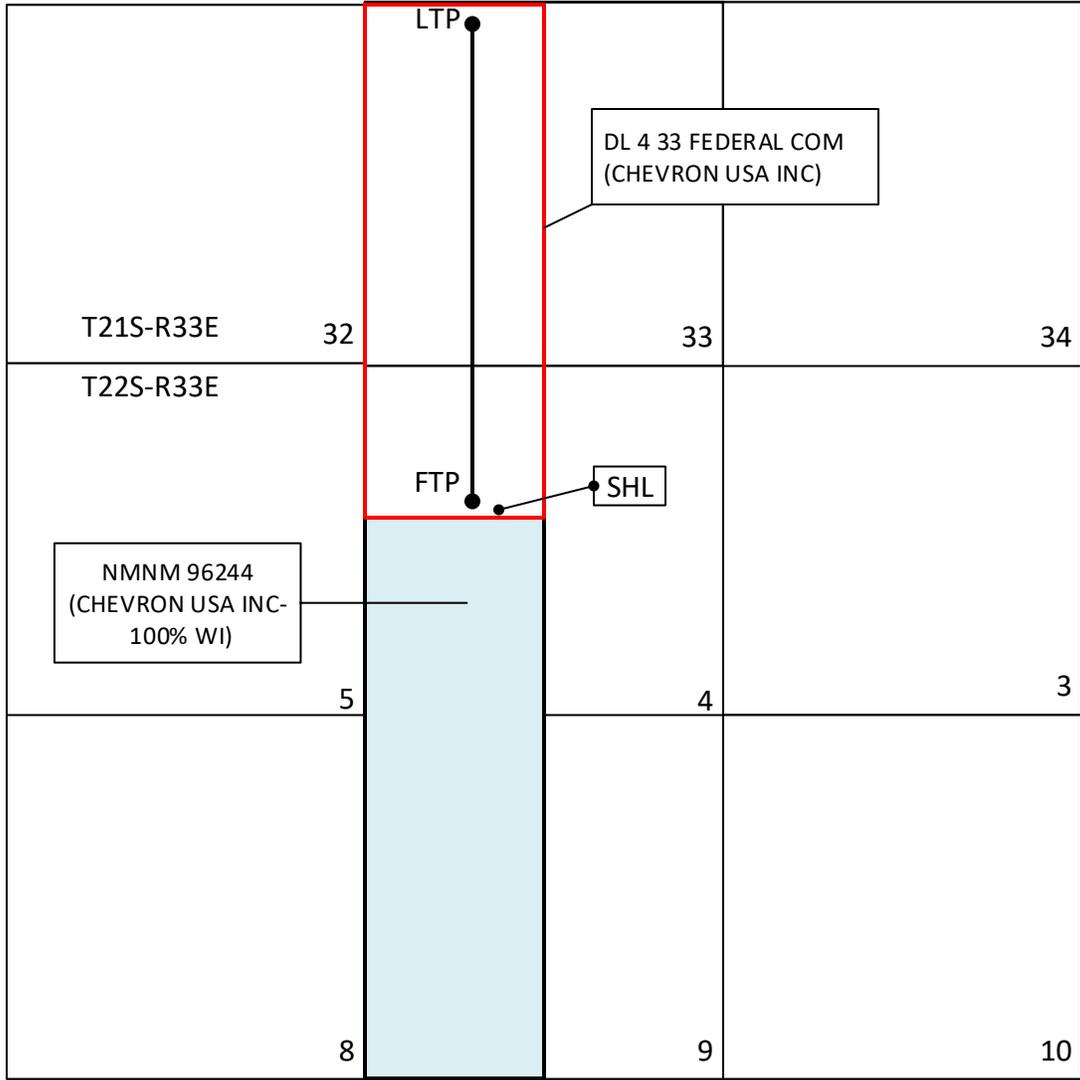
No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.

Main plat diagram showing well location, take points, and surveyor/operator certifications. Includes coordinate tables and a corner coordinates table.

EXHIBIT A

EXHIBIT B

DL 4 33 FEDERAL COM 402H



Horizontal Spacing Unit

Affected Tract

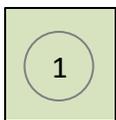
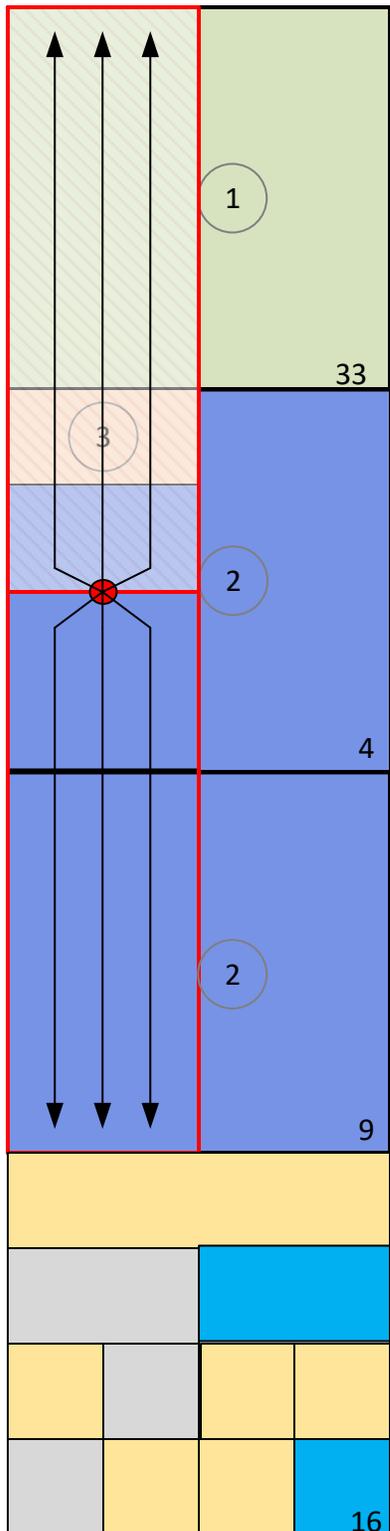
Offset Tract Affected Parties
 Operator - Chevron USA Inc.
 Working Interest Owners –
 Chevron USA Inc. - 100%

EXHIBIT B

Dagger Lake
Siren Pad 401
Ownership Breakdown

11/29/2023

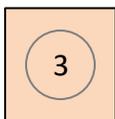
Note:



Section 33, T21S-R33E – Entire Section (Lease 1)
Chevron 100% Working Interest
Lease NMNM 124661
Royalty 12.5%
QLS - 960264



Section 4, T22S-R33E – Lots 1 and 2, S/2 N/2, S/2 (Lease 2)
Chevron 100% Working Interest
Section 9, T22S-R33E – All
Chevron 100% Working Interest
Lease NMNM 096244
Royalty 12.5%
QLS - 911019



Section 4, T22S-R33E – Lots 3 and 4, N/2NW/4 (Lease 3)
Chevron 90% Working Interest
See Title Opinion for WI Owners
Lease NMNM 17440
Royalty 12.5%
QLS – 911021 and 975338



DL 4 33 Federal Com
Joint Operating Agreement
Chevron WI 98%/ 80.16% BPO NRI / 80.36% APO NRI

Bureau of Land Management 301 Dinosaur Trail Santa Fe NM 87508





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

December 3, 2024

VIA CERTIFIED MAIL
RETURN RECEIPT REQUESTED

TO: Bureau of Land Management
301 Dinosaur Trail
Santa Fe, NM 87508

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

DL 4 33 Federal Com #402H well
Lot 3-4 and S/2 NW/4 of Section 4, Township 22 South, Range 33 East, and W/2 of Section 33, Township 21 South, Range 33 East, NMPM, Lea County, New Mexico
Red Tank; Bone Spring, East [51687]
API No. 30-025-52276

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
Chevron U.S.A., Inc.
(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 401H, 402H, 403H wells - NSL
Postal Delivery Report

9214 8901 9403 8390 2150 86	BUREAU OF LAND MANAGEMENT 301 DINOSAUR TRAIL SANTA FE NM 87508	Delivered Signature Received
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Sante Fe Main Office
Phone: (505) 476-3441

General Information
Phone: (505) 629-6116

Online Phone Directory
<https://www.emnrd.nm.gov/ocd/contact-us>

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

CONDITIONS

Action 411242

CONDITIONS

Operator: CHEVRON U S A INC 6301 Deauville Blvd Midland, TX 79706	OGRID: 4323
	Action Number: 411242
	Action Type: [UF-NSL] Non-Standard Location (NSL)

CONDITIONS

Created By	Condition	Condition Date
llowe	None	1/9/2025