

ID NO. 327371

NSL - 8743

RECEIVED: 03/27/24	REVIEWER:	TYPE:	APP NO: pLEL2410048773
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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 9 16 Federal Com 418H **API:** 30-025-52352
Pool: Red Tank; Bone Spring **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
Date

Print or Type Name

Signature

3/27/24
Date

505-954-7286
Phone Number

pmvance@hollandhart.com
e-mail Address



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

March 25, 2024

VIA ONLINE FILING

Dylan Fuge, Division Director (Acting)
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**

DL 9 16 Federal Com 418H well
E/2 of Sections 9 & 16, Township 22 South, Range 33 East, NMPM, Lea County, NM
Red Tank; Bone Spring, East [51687]
API No. 30-025-52352

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 Red Tank; Bone Spring, East [51687], seeks administrative approval of an unorthodox well location for its **DL 9 16 Federal Com 418H** well (API No. 30-025-52352), in a 640-acre, more or less, horizontal well spacing unit comprised of the E/2 of Sections 9 & 16, Township 22 South, Range 33 East, NMPM, Lea County, NM.

The **DL 9 16 Federal Com 418H** oil well is an infill well. The **DL 9 16 Federal Com 17H** oil well is the defining well, creating the enlarged spacing unit.

The proposed location for the **DL 9 16 Federal Com 418H** is as follows:

- Surface hole location: 363’ FSL and 2,605’ FEL (Unit O) of Section 4, T22S-R33E
- First take point: 25’ FNL and 550’ FEL (Unit A) of Section 9, T22S-R33E
- Last take point: 100’ FSL and 550’ FEL (Unit P) of Section 33, T22S-R33E
- Bottom hole location: 25’ FSL and 550’ FEL (Unit P) of Section 33, T22S-R33E

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 northern boundary of the spacing unit—thus, encroaching on the spacing unit comprising the E/2 of Section 33, Township 21 South, Range 33 East, and E/2 of Section 4, Township 22 South, Range 33 East (Chevron’s Dagger Lake 4 33 spacing unit).

Chevron U.S.A. Inc. respectfully requests administrative approval of a non-standard location for the **DL 9 16 Federal Com 418H**. 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 DL 9 16 Federal Com 417H well encroaches on the spacing unit/tracts to the north in the E/2 of Section 33, Township 21 South, Range 33 East, and E/2 of Section 4, Township 22 South, Range 33 East. Also, included is the Form C-102 for the DL 9 16 Federal Com 17H, the defining well for the spacing unit.

Exhibit B is a plat for the subject area, that shows the proposed DL 9 16 Federal Com 418H well in relation to the adjoining spacing unit/tracts to the north. Also included is an ownership breakdown and lease map. The affected spacing unit is owned/operated by Chevron; there are no other working interest owners. In addition, the exhibit identifies that this includes Bureau of Land Management (“BLM”) leases. Accordingly, the “affected persons”¹ are BLM.

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
Federal Mineral Interest	Bureau of Land Management	E/2 of Section 4, T22S-R33E, & 33 T21S-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.

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 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., and a descriptive text for the well.

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 well location details, bearings, distances, section numbers (Sec. 4, 9, 16), and certification sections for Operator and Surveyor.

EXHIBIT A

WELL TYPE INFILL

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: (505) 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 3002546648	² Pool Code 51687	³ Pool Name RED TANK; BONE SPRING, EAST
⁴ Property Code 326766	⁵ Property Name DL 9 16 LOCH NESS P1 FED COM	
⁷ OGRID No. 4323	⁸ Operator Name CHEVRON U.S.A. INC.	⁶ Well Number 17H
		⁹ Elevation 3634'

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
O	4	22 SOUTH	33 EAST, N.M.P.M.		264'	SOUTH	1322'	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
O	16	22 SOUTH	33 EAST, N.M.P.M.		431'	SOUTH	1415'	EAST	LEA

¹² Dedicated Acres 640	¹³ Joint or Infill DEFINING	¹⁴ Consolidation Code	¹⁵ Order No.
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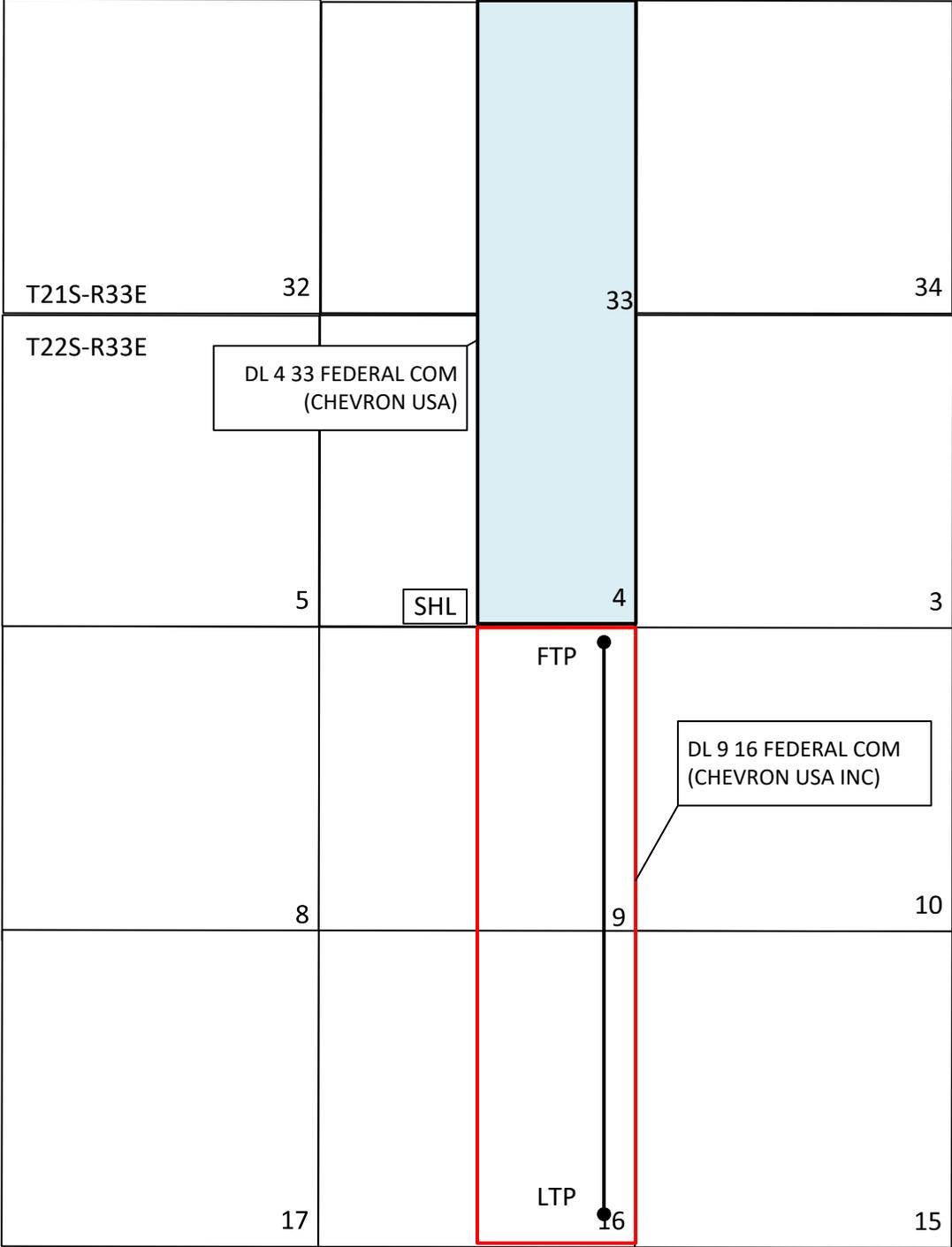
No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.

<p>¹⁶</p> <p>DL 9 16 LOCH NESS P1 FED COM 17H WELL (AS-STAKED)</p> <p>X= 734,737' Y= 515,221' LAT. 32,414161° N LONG. 103.572675 W NAD 27</p> <p>X= 775,919' Y= 515,282' LAT. 32,414284° N LONG. 103.573181 W NAD83/86</p> <p>KICK OFF POINT</p> <p>X= 734,414' Y= 515,839' LAT. 32,415864° N LONG. 103.573707° W NAD 27</p> <p>X= 775,596' Y= 515,899' LAT. 32,415987° N LONG. 103.574193° W NAD83/86</p> <p>FINAL TOP TAKE POINT</p> <p>X= 734,604' Y= 514,851' LAT. 32,413147° N LONG. 103.573114° W NAD 27</p> <p>X= 775,788' Y= 514,912' LAT. 32,413270° N LONG. 103.573800° W NAD83/86</p> <p>FINAL BOTTOM TAKE POINT</p> <p>X= 734,725' Y= 504,911' LAT. 32,385822° N LONG. 103.572952° W NAD 27</p> <p>X= 775,907' Y= 504,971' LAT. 32,385945° N LONG. 103.573437° W NAD83/86</p> <p>ACTUAL BHL</p> <p>X= 734,727' Y= 504,831' LAT. 32,385602° N LONG. 103.572948° W NAD 27</p> <p>X= 775,909' Y= 504,892' LAT. 32,385725° N LONG. 103.573432° W NAD83/86</p>	<p>CORNER COORDINATES TABLE (NAD 27)</p> <p>A - Y=517604.12, X=736041.63 B - Y=514948.69, X=733418.21 C - Y=514965.47, X=736060.36 D - Y=512324.66, X=736081.66 E - Y=509672.38, X=733453.10 F - Y=509685.81, X=736102.72 G - Y=504393.66, X=733496.88 H - Y=504406.30, X=736144.86</p>		<p>¹⁷ OPERATOR CERTIFICATION</p> <p>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.</p> <p>Signature _____ Date _____</p> <p>Printed Name _____</p> <p>E-mail Address _____</p>

WELL TYPE
DEFINING

EXHIBIT B

DL 9 16 FEDERAL COM 418H



 Horizontal Spacing Unit
 Affected Tract

**EXHIBIT
B**

Bureau of Land Management	301 Dinosaur Trail	Santa Fe	NM	87508
Bureau of Land Management	620 E Greene St.	Carlsbad	NM	88220

EXHIBIT
C



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

March 25, 2024

VIA CERTIFIED MAIL
RETURN RECEIPT REQUESTED

TO: ALL AFFECTED PERSONS

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

DL 9 16 Federal Com 418H well
E/2 of Sections 9 & 16, Township 22 South, Range 33 East, NMPM, Lea County, NM
Red Tank; Bone Spring, East [51687]
API No. 30-025-52352

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



Shipment Confirmation Acceptance Notice

A. Mailer Action

Note to Mailer: The labels and volume associated to this form online, **must** match the labeled packages being presented to the USPS® employee with this form.

Chev-DL 9 16 FedCom 416H 417H & 418H
CM# 79044.0002

Shipment Date: 03/25/2024

Shipped From:

Name: HOLLAND & HART LLP (1)

Address: 110 N GUADALUPE ST # 1

City: SANTA FE

State: NM ZIP+4® 87501

Type of Mail	Volume
Priority Mail Express®	
Priority Mail®	
First-Class Package Service®	
Returns	
International*	
Other	2
Total	2

*Start time for products with service guarantees will begin when mail arrives at the local Post Office™ and items receive individual processing and acceptance scans.

B. USPS Action

Note to RSS Clerk:

1. Home screen > Mailing/Shipping > More
2. Select Shipment Confirm
3. Scan or enter the barcode/label number from PS Form 5630
4. Confirm the volume count message by selecting Yes or No
5. Select Pay and End Visit to complete transaction

USPS EMPLOYEE: Please scan upon pickup or receipt of mail.
Leave form with customer or in customer's mail receptacle.



USPS SCAN AT ACCEPTANCE



9275 0901 1935 6200 0051 4593 06



Firm Mailing Book For Accountable Mail

Name and Address of Sender
 HOLLAND & HART LLP (1)
 110 N GUADALUPE ST # 1
 SANTA FE NM 87501

- Check type of mail or service
- Adult Signature Required
 - Adult Signature Restricted Delivery
 - Certified Mail
 - Certified Mail Restricted Delivery
 - Collect on Delivery (COD)
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 - Priority Mail
 - Priority Mail Express
 - Registered Mail
 - Return Receipt for Merchandise
 - Signature Confirmation
 - Signature Confirmation Restricted Delivery

Affix Stamp Here
 (for additional copies of this receipt).
 Postmark with Date of Receipt.

USPS Tracking/Article Number	Addressee (Name, Street, City, State, & ZIP Code™)	Postage	(Extra Service) Fee	Handling Charge	Actual Value if Registered	Insured Value	Due Sender if COD	ASR Fee	ASRD Fee	RD Fee	RR Fee	SC Fee	SCRD Fee	SH Fee	
1. 9214 8901 9403 8354 3004 90	BUREAU OF LAND MANAGEMENT 301 DINOSAUR TRAIL SANTA FE NM 87508	1.39	4.40	Handling Charge - if Registered and over \$50,000 in value							2.32				
2. 9214 8901 9403 8354 3005 05	BUREAU OF LAND MANAGEMENT 620 E GREENE ST CARLSBAD NM 88220	1.39	4.40									2.32			
									Adult Signature Required	Adult Signature Restricted Delivery	Restricted Delivery	Return Receipt	Signature Confirmation	Signature Confirmation Restricted Delivery	Special Handling
Total Number of Pieces Listed by Sender 2	Total Number of Pieces Received at Post Office	Postmaster, Per (Name of receiving employee)													



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SANTA FE, NM 87501-9902
(800)275-8777

03/25/2024 03:33 PM

Product	Qty	Unit Price	Price
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Prepaid Mail	1		\$0.00
Santa Fe, NM 87508			
Weight: 0 lb 5.10 oz			
Acceptance Date: Mon 03/25/2024			
Tracking #: 9214 8901 9403 8354 3004 90			

Prepaid Mail	1		\$0.00
Carlsbad, NM 88220			
Weight: 0 lb 5.10 oz			
Acceptance Date: Mon 03/25/2024			
Tracking #: 9214 8901 9403 8354 3005 06			

Grand Total: \$0.00

Text your tracking number to 28777 (2USPS) to get the latest status. Standard Message and Data rates may apply. You may also visit www.usps.com USPS Tracking or call 1-800-222-1811.

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Clerk: 17

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 811 S. First St., Artesia, NM 88210
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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 327371

CONDITIONS

Operator: CHEVRON U S A INC 6301 Deauville Blvd Midland, TX 79706	OGRID: 4323
	Action Number: 327371
	Action Type: [UF-NSL] Non-Standard Location (NSL)

CONDITIONS

Created By	Condition	Condition Date
llowe	None	4/9/2024