

iD NO. 327407

RECEIVED: 03/27/24	REVIEWER:	TYPE:	APP NO: pLEL2410049860
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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 404H **API:** 30-025-52347
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

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 4 33 Federal Com 404H well
 E/2 of Section 33, Township 21 South, Range 33 East, and E/2 of Section 4, Township 22 South, Range 33 East, NMPM, Lea County, New Mexico
 Red Tank; Bone Spring, East [51687]
 API No. 30-025-52347

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 4 33 Federal Com 404H** well (API No. 30-025-52347), in a 640-acre, more or less, horizontal well spacing unit comprised of the E/2 of Section 33, Township 21 South, Range 33 East, and E/2 of Section 4, Township 22 South, Range 33 East, NMPM, Lea County, New Mexico.

The **DL 4 33 Federal Com 404H** oil well is an infill well. The **DL 4 33 Federal Com 5H** oil well is the defining well, creating the enlarged spacing unit.

The proposed location for the **DL 4 33 Federal Com 404H** is as follows:

- Surface hole location: 363’ FSL and 2,557’ FWL (Unit N) of Section 4, T22S-R33E
- First take point: 25’ FSL and 2,310’ FEL (Unit O) of Section 4, T22S-R33E
- Last take point: 100’ FNL and 2,310’ FEL (Unit B) of Section 33, T21S-R33E
- Bottom hole location: 25’ FNL and 2,310’ FEL (Unit B) of Section 33, T21S-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 southern boundary of the spacing unit—thus, encroaching on the spacing unit comprising the E/2 of Sections 9 and 16, Township 22 South, Range 33 East (Chevron’s Dagger Lake 9 16 spacing unit).

Chevron U.S.A. Inc. respectfully requests administrative approval of a non-standard location for the **DL 4 33 Federal Com 404H**. 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 4 33 Federal Com 404H well encroaches on the spacing unit/tracts to the south in the E/2 of Sections 9 and 16, Township 22 South, Range 33 East. Also, included is the Form C-102 for the DL 4 33 Federal Com 5H, the defining well for the spacing unit.

Exhibit B is a plat for the subject area, that shows the proposed DL 4 33 Federal Com 404H well in relation to the adjoining spacing unit/tracts to the south. Also included is an ownership breakdown and lease map. The affected spacing unit is owned/operated by Chevron, and ConocoPhillips is a working interest owner. In addition, the exhibit identifies that this includes both the State Land Office (“SLO”) and Bureau of Land Management (“BLM”) leases. Accordingly, the “affected persons”¹ are ConocoPhillips, SLO, and 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
WIO	ConocoPhillips	N/2 N/2, N/2 S/2 and SW/4 SE/4 of Section 16, T22S-R33E
State Mineral Interest	State Land Office	E/2 of Section 16, T22S-R33E
Federal Mineral Interest	Bureau of Land Management	E/2 of Section 9, T22S-R33E

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).

Your attention to this matter is appreciated.

Sincerely,



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

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110 North Guadalupe, Suite 1, Santa Fe, NM 87501-1849
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Alaska
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Idaho

Montana
Nevada
New Mexico

Utah
Washington, D.C.
Wyoming

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 main rows: 1 API Number (51687), 2 Pool Code (51687), 3 Pool Name (RED TANK;BONE SPRING,EAST); 4 Property Code, 5 Property Name (DL 4 33 FEDERAL COM), 6 Well Number (404H); 7 OGRID No. (4323), 8 Operator Name (CHEVRON U.S.A. INC.), 9 Elevation (3648')

10 Surface Location

Table with 10 columns: UL or lot no. (N), Section (4), Township (22 SOUTH), Range (33 EAST, N.M.P.M.), Lot Idn, Feet from the (363'), North/South line (SOUTH), Feet from the (2557'), East/West line (WEST), County (LEA)

11 Bottom Hole Location If Different From Surface

Table with 10 columns: UL or lot no. (B), Section (33), Township (21 SOUTH), Range (33 EAST, N.M.P.M.), Lot Idn, Feet from the (25'), North/South line (NORTH), Feet from the (2310'), East/West line (EAST), County (LEA)

Table with 5 columns: 12 Dedicated Acres (640), 13 Joint or Infill (INFILL), 14 Consolidation Code, 15 Order No. (DEFINING WELL IS DL 4 33 FEDERAL COM 5H (30-025-46645))

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 well location diagram showing sections 33, 4, and 9. Includes coordinates for proposed first and last take points, penetration points, and bottom hole locations. Includes Operator Certification and Surveyor Certification sections with signatures and seals.

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: (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 (3002546645), Pool Code (51687), Pool Name (RED TANK; BONE SPRING, EAST), Property Code (326765), Property Name (DL 4 33 FEDERAL COM), Well Number (5H), OGRID No. (4323), Operator Name (CHEVRON U.S.A. INC.), Elevation (3633')

Table for Surface Location: UL or lot no. (P), Section (4), Township (22 SOUTH), Range (33 EAST, N.M.P.M.), Lot Idn, Feet from the (264'), North/South line (SOUTH), Feet from the (1297'), East/West line (EAST), County (LEA)

Table for Bottom Hole Location: UL or lot no. (B), Section (33), Township (21 SOUTH), Range (33 EAST, N.M.P.M.), Lot Idn, Feet from the (1170'), North/South line (NORTH), Feet from the (1437'), East/West line (EAST), County (LEA)

Table for well details: Dedicated Acres (640), Joint or Infill (DEFINING), Consolidation Code, Order No.

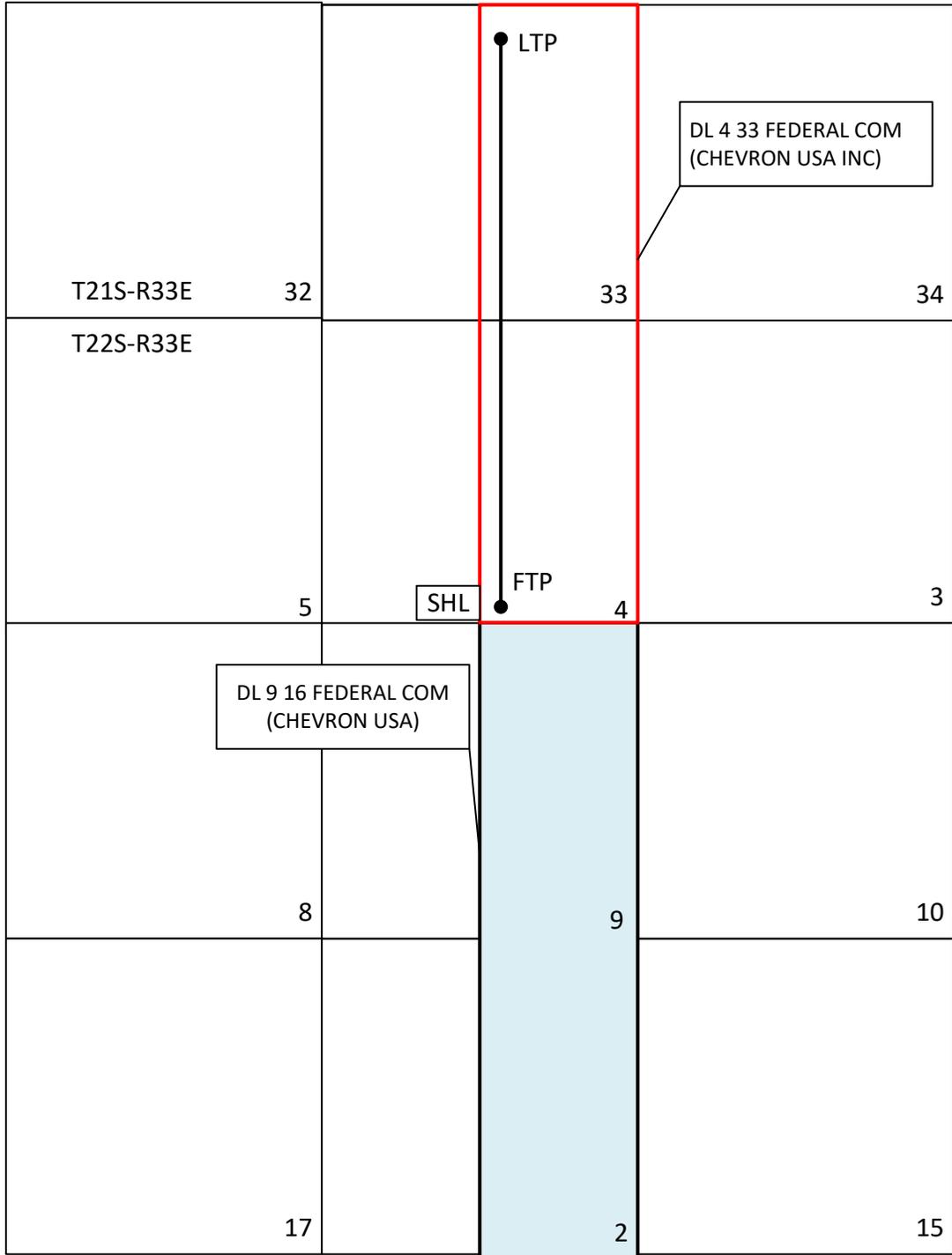
No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.

Large diagram area containing: ACTUAL BHL coordinates, CORNER COORDINATES TABLE (NAD 27), OPERATOR CERTIFICATION, SURVEYOR CERTIFICATION, and well location details (Actual Bottom Hole Location @ 19,802' MD, Final Bottom Take Point @ 19,713' MD, etc.)

WELL TYPE
DEFINING

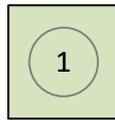
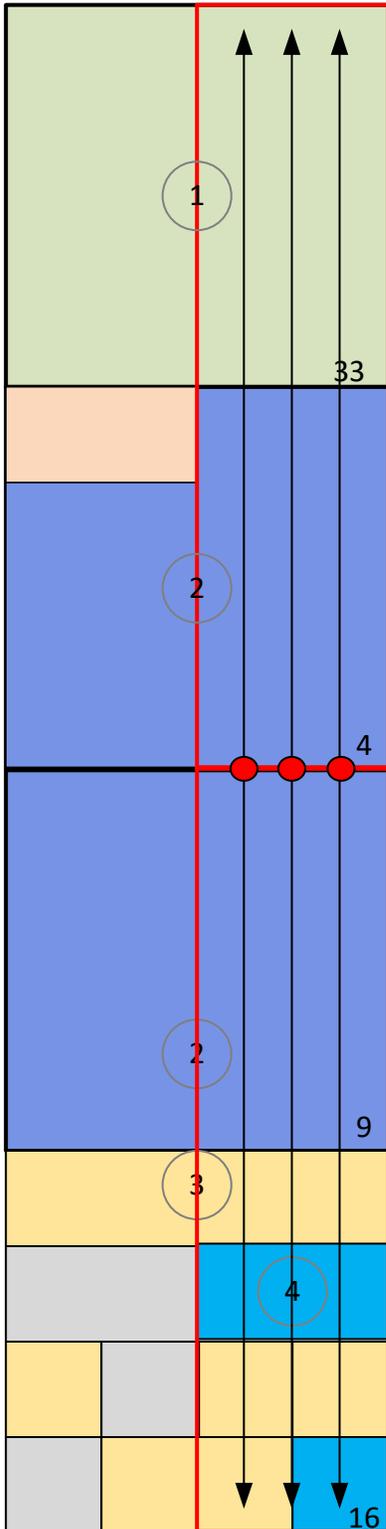
EXHIBIT B

DL 4 33 FEDERAL COM 404H

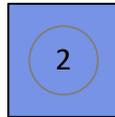


-  Horizontal Spacing Unit
-  Affected Tract

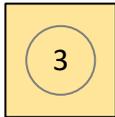
Dagger Lake Ownership Breakdown



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



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



Section 16, T22S-R33E – NE/4 NE/4, NW/4 NE/4, NE/4 NW/4, NW/4 NW/4, NW/4 SW/4, SE/4 SW/4, NE/4 SE/4, NW/4 SE/4, and SW/4 SE/4 (Lease 3)
Conoco 100% Working Interest
Lease State of New Mexico E-1932
Royalty 12.5%



Section 16, T22S-R33E – S/2 NE/4, SE/4 SE/4 (Lease 4)
Chevron 100% Working Interest
Lease State of New Mexico VB-2098
Royalty 12.5%

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
Bureau of Land Management	301 Dinosaur Trail	Santa Fe	NM	87508
Bureau of Land Management	620 E Greene St.	Carlsbad	NM	88220
ConocoPhillips	600 W. Illinois Ave	Midland	TX	79701

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 4 33 Federal Com 404H well
E/2 of Section 33, Township 21 South, Range 33 East, and E/2 of Section 4, Township 22 South, Range 33 East, NMPM, Lea County, New Mexico
Red Tank; Bone Spring, East [51687]
API No. 30-025-52347

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.

Chevron - Dagger Lake NSL
Post Delivery Report

TrackingNo	ToName	DeliveryAddress	City	State	Zip	StatusCode
9414811898765408600436	New Mexico State Land Office	PO Box 1148	Santa Fe	NM	87504-1148	In-Transit
9414811898765408600474	New Mexico State Land Office	310 Old Santa Fe Trl	Santa Fe	NM	87501-2708	In-Transit
9414811898765408600511	Bureau of Land Management	301 Dinosaur Trl	Santa Fe	NM	87508-1560	In-Transit
9414811898765408600559	Bureau of Land Management	620 E Greene St	Carlsbad	NM	88220-6292	In-Transit
9414811898765408600566	ConocoPhillips	600 W Illinois Ave	Midland	TX	79701-4882	In-Transit

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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 327407

CONDITIONS

Operator: CHEVRON U S A INC 6301 Deauville Blvd Midland, TX 79706	OGRID: 4323
	Action Number: 327407
	Action Type: [UF-NSL] Non-Standard Location (NSL)

CONDITIONS

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