

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, Acting Director**  
Oil Conservation Division



Ms. Paula Vance  
[pmvance@hollandhart.com](mailto:pmvance@hollandhart.com)

NON-STANDARD LOCATION

**Administrative Order NSL - 8542**

**Chevron U.S.A. Inc. [OGRID 4323]  
SND Javelina Unit 10 15 P607 Well No. 609H  
API No. 30-015-PENDING**

**Proposed Location**

	<u>Footages</u>	<u>Unit/Lot</u>	<u>Sec.</u>	<u>Twsp</u>	<u>Range</u>	<u>County</u>
Surface	2235 FNL & 1640 FWL	F	10	24S	31E	Eddy
First Take Point	330 FNL & 2090 FWL	C	10	24S	31E	Eddy
Last Take Point	100 FSL & 2090 FWL	N	15	24S	31E	Eddy
Terminus	25 FSL & 2090 FWL	N	15	24S	31E	Eddy

**Proposed Horizontal Gas Units**

<u>Description</u>	<u>Acres</u>	<u>Pool</u>	<u>Pool Code</u>
Section 10	1280	Purple Sage; Wolfcamp (GAS)	98220
Section 15			

Reference is made to your application received on February 24<sup>th</sup>, 2023.

You have requested to complete this horizontal well as a gas well described above in the referenced pool or formation. This well is governed by special rules, R-14262, for the Purple Sage; Wolfcamp (Gas) Pool and provides for 320-acre units, with wells located at least 330 feet from a unit outer boundary.

This well's completed interval is as close as 100 feet to the southern edge. Encroachment will impact the following tract.

Section 22, encroachment to the NW/4

The Division understands you have given notice of this application to all operators or owners who are "affected persons," as defined in Paragraph (8) Subsection A of 19.15.2.7 NMAC, in all adjoining units towards which the proposed location encroaches.

Administrative Order NSL - 8542

Chevron U.S.A., Inc.

Page 2 of 2

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Division understands you are seeking this unorthodox location as your preferred well spacing plan for horizontal wells and thereby preventing waste within the Wolfcamp formation underlying Section 10 and Section 15.

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 Subsection B of 19.15.15.13 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 Division deems necessary.



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**DYLAN M. FUGE**  
**DIRECTOR (ACTING)**

DMF/lrl

**Date:** 3/27/23

Revised March 23, 2017

ID NO. 190436

NSL - 8542

RECEIVED:	REVIEWER:	TYPE:	APP NO: <b>pLEL2305959566</b>
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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:** SND Javelina Unit 10 15 P607 #609H **API:** 30-015-PENDING  
**Pool:** Purple Sage; Wolfcamp (Gas) **Pool Code:** 98220

**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

**FOR OCD ONLY**

☐ Notice Complete

☐ 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.

2/24/23

Date

Paula M. Vance

Print or Type Name

Signature

505-954-7286

Phone Number

pmvance@hollandhart.com

e-mail Address



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

February 24, 2023

**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**

SND Javelina Unit 10 15 P607 #609H well  
Sections 10 and 15, Township 24 South, Range 31 East  
Eddy County, New Mexico  
Purple Sage; Wolfcamp (Gas) [Pool 98220]  
API No. 30-015-PENDING

Dear Ms. Sandoval:

Chevron U.S.A. Inc. (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 Purple Sage; Wolfcamp (Gas) pool [98220], seeks administrative approval of an unorthodox well location for its **SND Javelina Unit 10 15 P607 #609H well** (API No. 30-015-PENDING), in a 1,280-acre, more or less, spacing unit underlying Sections 10 and 15, Township 24 South, Range 31 East, Eddy County, New Mexico.

The **SND Javelina Unit 10 15 P607 #609H gas well** is an infill well. The **SND Javelina Unit 10 15 P610 #610H gas well** is the defining well, creating the enlarged spacing unit.

The proposed location for the **SND Javelina Unit 10 15 P607 #609H well** is as follows:

- Surface hole location: 2,235' FNL and 1,640' FWL (Unit F) of Section 10
- First take point: 330' FNL and 2,090' FWL (Unit C) of Section 10
- Last take point: 100' FSL and 2,090' FWL (Unit N) of Section 15
- Bottom hole location: 25' FSL and 2,090' FWL (Unit N) of Section 15

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 Special Pool rules for the Purple Sage Gas Pool, the completed interval 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 W/2 of Sections 22 and 27, T24S-R31E. We note that the adjacent SND Javelina Unit 10 15 P610 #610H well is a proximity well that pulls in the E/2 of Sections 10 and 15 to become part of this Purple Sage, Wolfcamp spacing unit, thus creating a 1,280-acre spacing unit consisting of the entirety of Sections 10 and 15. The highlighting in Exhibit B (below) is limited to the W/2 of the spacing unit, because the captioned well is located in the W/2 of Sections 10 and 15, and the encroachment only affects the W/2 of Sections 22 and 27.

Chevron U.S.A. Inc. respectfully requests administrative approval of a non-standard location for the **SND Javelina Unit 10 15 P607 #609H well** 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 SND Javelina Unit 10 15 P607 #609H well encroaches on the spacing unit/tracts to the south in the W/2 of Sections 22 and 27, T24S-R31E. Also, included is the Form C-102 for the SND Javelina Unit 10 15 P610 #610H, the defining well for the spacing unit.

**Exhibit B** is a plat for Sections 10 and 15, T24S-R31E, that shows the proposed SND Javelina Unit 10 15 P607 #609H well in relation to the adjoining spacing unit/tracts to the south. The affected spacing unit is operated by XTO Permian Operating, LLC ("XTO"). In addition, the exhibit identifies that this includes a Bureau of Land Management ("BLM") lease. Accordingly, the "affected persons"<sup>1</sup> are XTO and the BLM.

**Exhibit C** is a Mutual Release Agreement whereby XTO granted Chevron a waiver and agreed to allow Chevron to extend the laterals for six (6) Wolfcamp wells in Section 15, so long as the last take point is no closer than 100 feet from the south line of Section 15, Township 24 South, Range 31 East. The Mutual Release Agreement requires that Chevron provide notice to XTO prior to commencing completion operations.

**Exhibit D** is a spreadsheet listing all affected persons and includes tracking information demonstrating that each of the affected persons 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:

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<sup>1</sup> 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).

Type	Affected Party	Location
Operator/ Working Interest	XTO Permian Operating, LLC	W/2 of Sections 22 and 27
Federal Mineral Interest	Bureau of Land Management	W/2 of Sections 22 and 27

Your attention to this matter is appreciated.

Sincerely,



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

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

<sup>1</sup> API Number	<sup>2</sup> Pool Code 98220	<sup>3</sup> Pool Name PURPLE SAGE; WOLFCAMP (GAS)
<sup>4</sup> Property Code	<sup>5</sup> Property Name SND JAVELINA UNIT 10 15 P607	<sup>6</sup> Well Number 609H
<sup>7</sup> OGRID No. 4323	<sup>8</sup> Operator Name CHEVRON U.S.A. INC.	<sup>9</sup> Elevation 3465'

<sup>10</sup> Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
F	10	24 SOUTH	31 EAST, N.M.P.M.		2235'	NORTH	1640'	WEST	EDDY

<sup>11</sup> 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
N	15	24 SOUTH	31 EAST, N.M.P.M.		25'	SOUTH	2090'	WEST	EDDY

<sup>12</sup> Dedicated Acres 1280	<sup>13</sup> Joint or Infill INFILL	<sup>14</sup> Consolidation Code	<sup>15</sup> Order No. R-20250, TOTAL UNIT ACRES 5119.78
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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><sup>16</sup> <b>SND JAVELINA UNIT 10 15 P607 NO. 609H WELL</b> X = 674,665' (NAD27 NM E) Y = 448,896' LAT. 32.232870° N (NAD27) LONG. 103.768460° W X = 715,849' (NAD83/2011 NM E) Y = 448,955' LAT. 32.232994° N (NAD83/2011) LONG. 103.768944° W</p> <p><b>PROPOSED FIRST TAKE POINT</b> X = 675,110' (NAD27 NM E) Y = 450,804' LAT. 32.238109° N (NAD27) LONG. 103.766987° W X = 716,294' (NAD83/2011 NM E) Y = 450,863' LAT. 32.238232° N (NAD83/2011) LONG. 103.767471° W</p> <p><b>PROPOSED MID-POINT</b> X = 675,137' (NAD27 NM E) Y = 445,852' LAT. 32.224496° N (NAD27) LONG. 103.766985° W X = 716,321' (NAD83/2011 NM E) Y = 445,911' LAT. 32.224620° N (NAD83/2011) LONG. 103.767468° W</p> <p><b>PROPOSED LAST TAKE POINT</b> X = 675,162' (NAD27 NM E) Y = 440,671' LAT. 32.210252° N (NAD27) LONG. 103.766992° W X = 716,346' (NAD83/2011 NM E) Y = 440,729' LAT. 32.210376° N (NAD83/2011) LONG. 103.767475° W</p> <p><b>PROPOSED BOTTOM HOLE LOCATION</b> X = 675,163' (NAD27 NM E) Y = 440,596' LAT. 32.210046° N (NAD27) LONG. 103.766992° W X = 716,347' (NAD83/2011 NM E) Y = 440,654' LAT. 32.210169° N (NAD83/2011) LONG. 103.767475° W</p> <p><b>CORNER COORDINATES TABLE (NAD 27)</b></p> <p>A - X=673019.77, Y=451121.09 B - X=674340.24, Y=451129.52 C - X=675660.70, Y=451137.95 D - X=678301.64, Y=451154.80 E - X=673047.23, Y=445838.37 F - X=674366.55, Y=445847.18 G - X=675685.86, Y=445855.98 H - X=678324.50, Y=445873.60 I - X=673072.91, Y=440556.94 J - X=674394.15, Y=440565.59 K - X=675715.39, Y=440574.24 L - X=678357.86, Y=440591.53</p>		<p><sup>17</sup> <b>OPERATOR CERTIFICATION</b> 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><i>Cindy Herrera-Murillo</i> 08/23/2022 Signature Date</p> <p>Cindy Herrera-Murillo Printed Name</p> <p>eeof@chevron.com E-mail Address</p> <p><sup>18</sup> <b>SURVEYOR CERTIFICATION</b> 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.</p> <p>01/27/2022 Date of Survey</p> <p>Signature and Seal of Professional Surveyor <i>ROBERT L. LASTRAPES</i> 2022</p> <p>Certificate Number</p>
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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

<sup>1</sup> API Number	<sup>2</sup> Pool Code 98220	<sup>3</sup> Pool Name PURPLE SAGE; WOLFCAMP (GAS)
<sup>4</sup> Property Code	<sup>5</sup> Property Name SND JAVELINA UNIT 10 15 P610	<sup>6</sup> Well Number 610H
<sup>7</sup> OGRID No. 4323	<sup>8</sup> Operator Name CHEVRON U.S.A. INC.	<sup>9</sup> Elevation 3477'

<sup>10</sup> 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	10	24 SOUTH	31 EAST, N.M.P.M.		1280'	NORTH	2213'	EAST	EDDY

<sup>11</sup> 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	15	24 SOUTH	31 EAST, N.M.P.M.		25'	SOUTH	2325'	EAST	EDDY

<sup>12</sup> Dedicated Acres 1280	<sup>13</sup> Joint or Infill DEFINING	<sup>14</sup> Consolidation Code	<sup>15</sup> Order No. R-20250, TOTAL UNIT ACRES 5119.76
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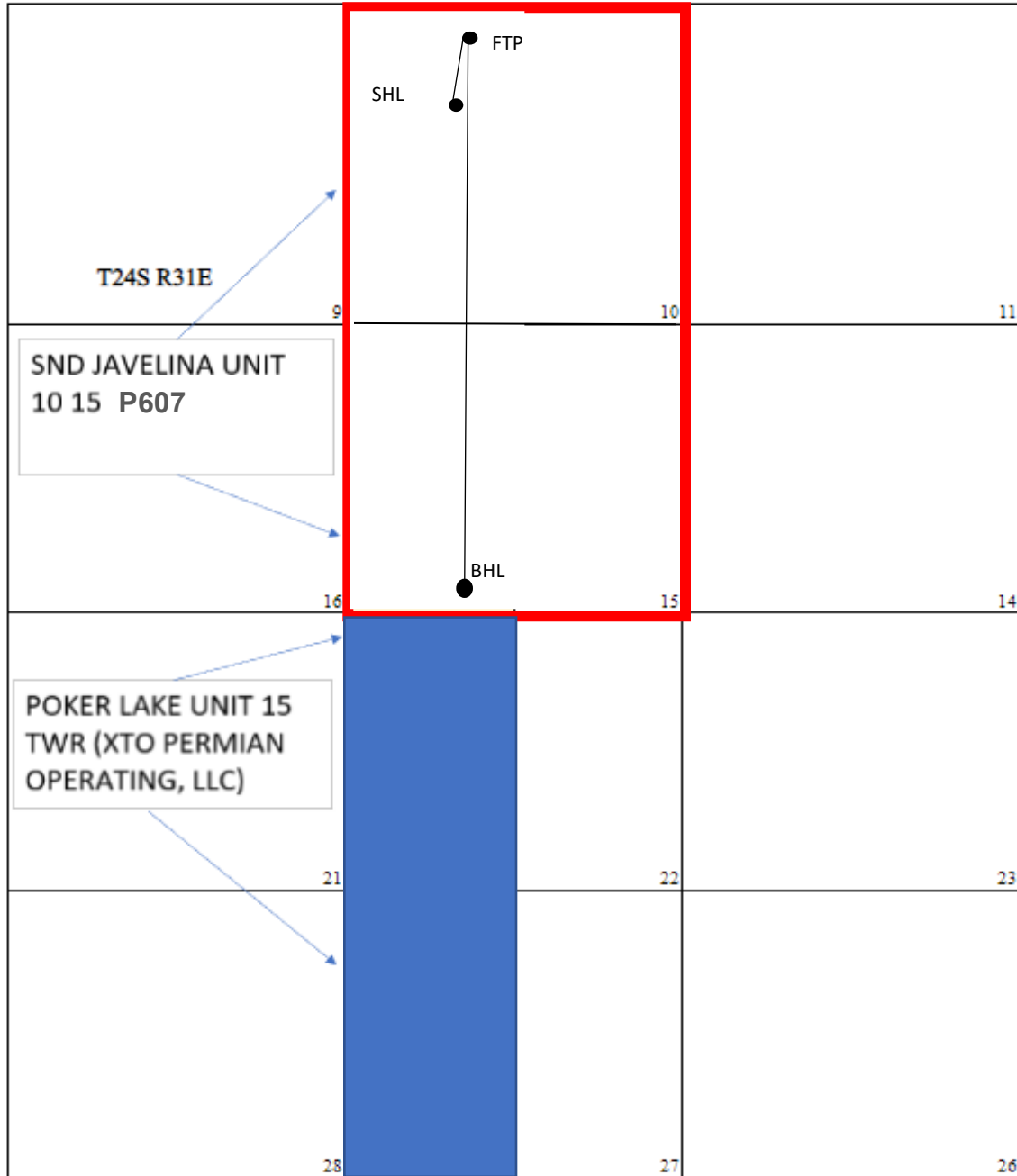
No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.

<p><sup>16</sup></p> <p>SND JAVELINA UNIT 10 15 P610 NO. 610H WELL</p> <p>X= 676,094' Y= 449,861' NAD 27 LAT. 32.235501° N LONG. 103.763821° W</p> <p>X= 717,278' Y= 449,920' NAD83/2011 LAT. 32.235625° N LONG. 103.764305° W</p> <p>ELEV. +3477' NAVD88</p> <p>PROPOSED FIRST TAKE POINT</p> <p>X= 675,978' Y= 450,810' NAD 27 LAT. 32.238112° N LONG. 103.764181° W</p> <p>X= 717,162' Y= 450,869' NAD83/2011 LAT. 32.238235° N LONG. 103.764665° W</p> <p>PROPOSED MID-POINT</p> <p>X= 676,000' Y= 445,858' NAD 27 LAT. 32.224500° N LONG. 103.764196° W</p> <p>X= 717,183' Y= 445,917' NAD83/2011 LAT. 32.224623° N LONG. 103.764680° W</p> <p>CORNER COORDINATES TABLE (NAD 27)</p> <p>A - X=673019.77, Y=451121.09 B - X=675660.70, Y=451137.95 C - X=676981.17, Y=451146.37 D - X=678301.64, Y=451154.80 E - X=673047.23, Y=445838.37 F - X=675685.86, Y=445855.98 G - X=677005.18, Y=445864.79 H - X=678324.50, Y=445873.60 I - X=673072.91, Y=440556.94 J - X=675715.39, Y=440574.24 K - X=677036.62, Y=440582.88 L - X=678357.86, Y=440591.53</p>	<p>PROPOSED LAST TAKE POINT</p> <p>X= 676,032' Y= 440,676' NAD 27 LAT. 32.210255° N LONG. 103.764179° W</p> <p>X= 717,216' Y= 440,735' NAD83/2011 LAT. 32.210379° N LONG. 103.764662° W</p> <p>PROPOSED BOTTOM HOLE LOCATION</p> <p>X= 676,033' Y= 440,601' NAD 27 LAT. 32.210049° N LONG. 103.764179° W</p> <p>X= 717,217' Y= 440,660' NAD83/2011 LAT. 32.210172° N LONG. 103.764662° W</p> <p>Proposed First Take Point 330' FNL, 2,325 FEL</p> <p>N 06°58'55" W 956.21'</p> <p>10</p> <p>2,213'</p> <p>1,280'</p> <p>S 00°14'53" E 4,951.93'</p> <p>Proposed Mid-Point</p> <p>15</p> <p>S 00°21'43" E 5,256.87'</p> <p>Proposed Last Take Point 100' FSL, 2,325' FEL</p> <p>25'</p> <p>2,325'</p>	<p><sup>17</sup> 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> <p><sup>18</sup> SURVEYOR CERTIFICATION</p> <p>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.</p> <p>06/23/2021 Date of Survey</p> <p>Signature and Seal of Professional Surveyor: _____</p> <p>ROBERT L. LASTRAPES NEW MEXICO 23006 04/27/2022</p> <p>Certificate Number _____</p>
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WELL TYPE  
**DEFINING**



### SND Javelina Unit 10 15 P607 609H





-  Horizontal Spacing Unit
-  Affected Tracts

EXHIBIT  
**B**

## MUTUAL RELEASE AGREEMENT

This Release Agreement (the "**Agreement**") dated effective as of September 27, 2021 (the "**Effective Date**") by and between Chevron U.S.A. Inc. ("**Chevron**") and XTO Permian Operating, LLC ("**XTO**"). XTO and Chevron are sometimes referred to individually as a "**Party**" and collectively as the "**Parties**".

## RECITALS

WHEREAS, XTO and Chevron entered into that certain offsite waiver dated September 27, 2017 (the "**Offsite Waiver**") to provide for the location of the PLU 15 Twin Wells Ranch 907 H Well (the "**Well**") from within the following lands operated by Chevron: Section 15 of Township 24 South, Range 31 East, Eddy County, New Mexico (the "**Lands**");

WHEREAS, following the drilling and completion of the Well, XTO discovered errors in the completion of the Well at three most heel stages near the southern boundary of Section 15 of Township 24 South, Range 31 East, Eddy County, New Mexico; and

WHEREAS, the Parties desire to enter into this Agreement to resolve and settle the errors in the completion of the Well in order to avoid the risk, hazards and burden of litigation, and as an alternate means of resolving the Parties' differences with respect to the Well.

NOW THEREFORE, for and in consideration of the mutual covenants, promises and conditions set forth herein, the receipt and sufficiency of which is acknowledged, and subject to the terms and provisions hereof, the Parties hereto agree to the following terms:

1. Within sixty (60) days from the execution of this Agreement, XTO shall commence the work for remediation of the Well as described on Exhibit A, attached hereto and made a part hereof (collectively, the "**Well Work**"). In the event the initial data gathering described on Exhibit A requires changes to the Well Work as determined by XTO, XTO shall provide a Revised Exhibit A to Chevron and upon the mutual agreement of the Parties, such Revised Exhibit A shall replace Exhibit A attached hereto.

2. Upon XTO's completion of the Well Work, XTO shall file with the Bureau of Land Management (the "**BLM**"), a completed Form 3160-5 reporting the subsequent Well Work operations; Form 3160-4, Well Completion or Recompletion Report and Log (the "**Form 3160-4**") and an updated as-drilled plat (Form C-102). Upon the BLM's approval of the Form 3160-4, XTO shall file with the New Mexico Oil Conservation Division (the "**NMOCD**") the updated completion document (Form 3160-4), an updated as-drilled plat (Form C-102) and a new authority to transport (Form C-104). Upon the BLM's approval of the Form 3160-4 and the NMOCD's approval of Form C-104, the Well Work shall be deemed complete and the date of the NMOCD's approval of Form C-104 shall be the "**Work Completion Date**". Chevron shall cooperate with XTO as reasonably necessary to support the regulatory filings described in this Section 2. XTO shall provide Chevron prompt notice of the Work Completion Date.

3. Upon the Work Completion Date, XTO shall have the right to return the Well as remediated by the Well Work back to production. Chevron waives, and agrees to formally waive, any objections to the location of the wellbore of the Well as remediated by the Well Work.

4. After the Well has produced for a period of one (1) year following the Work Completion Date, XTO shall conduct a positive pressure test to confirm the integrity of the patch described on Exhibit A. For such positive pressure test, the test pressure will be 500 psi over current pore pressure, held for thirty (30) minutes with no more than 10% bleed off. In the event the Well fails such positive pressure test, XTO shall (a) immediately shut-in the Well, and (b) conduct additional tests and/or remediation work as mutually agreeable to the Parties to restore and/or confirm the integrity of the patch. The Well shall remain shut-in and not be returned to production until the Parties mutually agree that the additional testing and remediation work has been successful.

5. XTO hereby grants to Chevron a waiver, and agrees that it will not protest any non-standard proration unit application filed with the NMOCD, for the six (6) Wolfcamp wells as

approximately described on Exhibit B, attached hereto and made a part hereof, (the "*Chevron Wells*") to allow Chevron to extend the laterals of the Chevron Wells such that the last take point of any Chevron Well is no closer than 100 feet from the south line of Section 15 of Township 24 South, Range 31 East, Eddy County, New Mexico and the bottom hole location of any Chevron Well does not cross the south line of Section 15 of Township 24 South, Range 31 East, Eddy County, New Mexico. Prior to commencing completion operations for the Chevron Wells, Chevron shall provide at least 30 days' prior written notice to XTO.

6. In consideration of the recitals, covenants and agreements set forth in this Agreement, the receipt and sufficiency of which is hereby acknowledged, Chevron hereby forever and fully releases and discharges XTO and its affiliates, and all of its and their officers, directors, agents, employees, personal representatives, agents, contractors, subcontractors, affiliates, successors and assigns, of and from any and all claims, demands, controversies, actions or causes of action, of any nature, type or character whatsoever, whether known or unknown, for compensatory damages, consequential damages, past and future interest, attorneys' fees and expenses, or any other loss or expense, whether known or unknown, arising out of or resulting from the (a) drilling, completion, location and presence of the Well on the Lands, and (b) the operation of the Well on the Lands prior to the Effective Date. The Parties acknowledge that this Release does not discharge XTO from any claims, demands, controversies, actions or causes of action, of any nature, type or character whatsoever, whether known or unknown, for compensatory damages, consequential damages, past and future interest, attorneys' fees and expenses, or any other loss or expense, which may arise from the operation of the Well after the Effective Date, including compensatory damages, consequential damages, past and future interest, attorneys' fees and expenses, or any other loss or expense arising after the Effective Date from the Well failing the positive pressure test referenced in Section 4.

7. In consideration of the recitals, covenants and agreements set forth in this Agreement, the receipt and sufficiency of which is hereby acknowledged, XTO hereby forever and fully releases and discharges Chevron and its affiliates, and all of its and their officers, directors, agents, employees, personal representatives, agents, contractors, subcontractors, affiliates, successors and assigns, of and from any and all claims, demands, controversies, actions or causes of action, of any nature, type or character whatsoever, whether known or unknown, for compensatory damages, consequential damages, past and future interest, attorneys' fees and expenses, or any other loss or expense, whether known or unknown, arising out of or resulting from (a) the Well Work, (b) the test to confirm the integrity of the patch described in Section 4, and (c) any additional tests and/or remediation work as mutually agreeable to the Parties to restore and/or confirm the integrity of the patch referenced in Section 4.

8. The Parties understand that the agreements set forth herein are done solely to compromise doubtful and disputed claims and causes of action, and that no agreement made or other consideration given shall be construed as an admission of liability on the part of the Parties, liability being expressly denied by each of them.

9. The Parties represent and warrant that each of them is the sole owner of their respective claims, causes of action, and rights made the subject of this Agreement, or as the Operator of Section 15 of Township 24 South, Range 31 East, Eddy County, New Mexico, Chevron is otherwise authorized to enter in to this Agreement on behalf the other non-operator owners, and they have duly authorized the representatives signing this agreement to execute it on their behalf.

10. This Agreement shall be governed by, construed, enforced in accordance with, and subject to, the laws of the State of Texas.

11. This Agreement contains the entire agreement between the Parties, with regard to the matters set forth herein, and shall be binding upon the Parties and their heirs, successors, and assign and shall inure to the benefit of the administrators, personal representatives, heirs, successors and assigns of the parties.

12. If any provision of this Agreement is held to be unenforceable or invalid by any court of competent jurisdiction, the validity and enforceability of the remaining provisions shall not be affected thereby. The Parties expressly agree to cooperate fully and execute any and all supplementary instruments and to take all additional actions as may be necessary or appropriate to

## Execution Version

give full effect to the terms and intent of this Agreement, which are not inconsistent with its terms.

13. Each Party shall keep confidential the terms of this Agreement, except that (1) the Parties may disclose the terms of this Agreement to their respective attorneys, accountants, auditors, tax advisors, regulatory personnel, and operations personnel on a need to know basis, on the condition that such persons pledge to maintain and preserve the confidentiality of such terms and agree not to disclose such terms to any other person or entity; (2) the Parties may make such disclosures to its officers, directors, and shareholders to the extent reasonably related to the reporting of business and financial matters; (3) the Parties may make such disclosures to any person or entity to the extent reasonably necessary for the purpose of regulatory compliance, tax treatment or tax law compliance; and (4) the Parties may make such disclosures if otherwise required by law or regulation.

14. This Agreement, which may be executed in identical counterparts, shall be effective as of the Effective Date following the execution by all of the parties.

**CHEVRON U.S.A. INC.:**

By: Jeff Wilson  
Name: Jeff Wilson  
Title: Attorney-In-Fact

**XTO PERMIAN OPERATING, LLC:**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

## Execution Version

give full effect to the terms and intent of this Agreement, which are not inconsistent with its terms.

13. Each Party shall keep confidential the terms of this Agreement, except that (1) the Parties may disclose the terms of this Agreement to their respective attorneys, accountants, auditors, tax advisors, regulatory personnel, and operations personnel on a need to know basis, on the condition that such persons pledge to maintain and preserve the confidentiality of such terms and agree not to disclose such terms to any other person or entity; (2) the Parties may make such disclosures to its officers, directors, and shareholders to the extent reasonably related to the reporting of business and financial matters; (3) the Parties may make such disclosures to any person or entity to the extent reasonably necessary for the purpose of regulatory compliance, tax treatment or tax law compliance; and (4) the Parties may make such disclosures if otherwise required by law or regulation.

14. This Agreement, which may be executed in identical counterparts, shall be effective as of the Effective Date following the execution by all of the parties.

**CHEVRON U.S.A. INC.:**

By: \_\_\_\_\_  
Name: Jeff Wilson  
Title: Attorney-In-Fact

**XTO PERMIAN OPERATING, LLC:**

By: DocuSigned by: Rick E Cannon  
Name: Rick Cannon  
Title: Vice President

**EXHIBIT A**

Attached to and Made a Part of that certain Release Agreement dated September 27, 2021 by and between Chevron U.S.A Inc. and XTO Permian Operating, LLC

**The Well Work****Initial Data Gathering**

1. Run tractor/caliper/camera to ~13,050'

**Remediation Work**

1. Kill Well
2. Pull tubing/GLVs/packer
3. Cleanout to 13,000'
4. Tractor 5-1/2" cast iron bridge plug (CIBP) and set at 12,855'
5. Run cement retainer and set at 12,220'
6. Cement squeeze interval per vendor recommendation
7. Drillout cement, pressure test as set forth in (i) and (ii) below and drill out CIBP
  - i. 500 psi cement squeeze pressure test prior to running the patch
  - ii. Test pressure will be 500 psi over Pore Pressure, held for 30 minutes with no more than 10% decline
8. Run prep mills and prep casing for patch
9. Tractor 5-1/2" CIBP and set at 12,860'
10. Run Mohawk ReLine HYD patch and set from 12,220'-12,845' (625')
11. Positive test patch and upper seal element to 1,000 psi
12. Drillout shoe and pressure test entire patch assembly to 1,000 psi
13. Drill depth control plug and cleanout well

**EXHIBIT B**

Attached to and Made a Part of that certain Release Agreement dated September 27, 2021 by and between Chevron U.S.A. Inc. and XTO Permian Operating, LLC

The Chevron Wells



Certificate Of Completion

Envelope Id: 330E2B95D47E428495FD1CFCD20D933E	Status: Completed
Subject: Please DocuSign: Dated-Release Agreement (Final Execution Version)(1621045.1)(1642129.1) (003).docx	
Source Envelope:	
Document Pages: 5	Signatures: 1
Certificate Pages: 2	Initials: 0
AutoNav: Enabled	Envelope Originator:
Enveloped Stamping: Enabled	Jim Pruitt
Time Zone: (UTC-06:00) Central Time (US & Canada)	Address Redacted
	jim.pruitt@exxonmobil.com
	IP Address: 136.228.238.110

Record Tracking

Status: Original	Holder: Jim Pruitt	Location: DocuSign
9/27/2021 11:18:27 AM	jim.pruitt@exxonmobil.com	
Security Appliance Status: Connected	Pool: Main SecApp 2	

Signer Events

Rick E Cannon  
rick.e.cannon@exxonmobil.com  
Production Manager  
XTO

Security Level: Email, Account Authentication  
(None)

Signature

DocuSigned by:  
*Rick E Cannon*  
6D09F40B94B3414

Signature Adoption: Pre-selected Style  
Using IP Address: 136.228.238.239

Timestamp

Sent: 9/27/2021 11:23:02 AM  
Viewed: 9/27/2021 11:47:31 AM  
Signed: 9/27/2021 11:47:41 AM

Electronic Record and Signature Disclosure:  
Accepted: 10/25/2018 11:36:24 AM  
ID: b6b1cba1-7c16-455a-bf0e-7f31cdcb5762  
Company Name: ExxonMobil Production 10

In Person Signer Events	Signature	Timestamp
Editor Delivery Events	Status	Timestamp
Agent Delivery Events	Status	Timestamp
Intermediary Delivery Events	Status	Timestamp
Certified Delivery Events	Status	Timestamp
Carbon Copy Events	Status	Timestamp
Witness Events	Signature	Timestamp
Notary Events	Signature	Timestamp
Envelope Summary Events	Status	Timestamps
Envelope Sent	Hashed/Encrypted	9/27/2021 11:23:02 AM
Certified Delivered	Security Checked	9/27/2021 11:47:31 AM
Signing Complete	Security Checked	9/27/2021 11:47:41 AM
Completed	Security Checked	9/27/2021 11:47:41 AM
Payment Events	Status	Timestamps
Electronic Record and Signature Disclosure		

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- I can print on paper the disclosure or save or send the disclosure to a place where I can print it, for future reference.
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ADDR1	ADDR2	ADDR3	ADDR4	ADDR5	ADDR6
XTO Permian Operating, LLC	22777 Springwoods Village Pkwy	Spring	TX	77389	
Bureau of Land Management	301 Dinosaur Trail	Santa Fe	NM	87508	
Bureau of Land Management	620 E Greene St.	Carlsbad	NM	88220	

EXHIBIT

D



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

February 21, 2022

**VIA CERTIFIED MAIL**  
**RETURN RECEIPT REQUESTED**

**TO: ALL AFFECTED PERSONS**

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

SND Javalina Unit 10 15 P607 #609H well  
Sections 10 and 15, Township 24 South, Range 31 East  
Eddy County, New Mexico  
Purple Sage; Wolfcamp (Gas) [Pool 98220]  
API No. 30-015-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:

Corie Mathews, CPL  
Chevron U.S.A. Inc.  
Office: (713) 372-0402  
[Corie.Mathews@Chevron.com](mailto:Corie.Mathews@Chevron.com)

Sincerely,

A handwritten signature in blue ink, appearing to read "Paula M. Vance".

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

**MANIFEST - 73912 - Chevron - Javelina Unit 607H-609H**

Parent ID	Mail Date	Name	Address_1	City	ST	Zip	MailClass	TrackingNo	Well
31309	02/21/2023	XTO Permian Operating, LLC	22777 Springwoods Village Pkwy	Spring	TX	77389-1425	Certified with Return Receipt (Signature)	9414811898765830843364	73912 - Chevron - Javelina Unit 607H-609H notice list - 1
31309	02/21/2023	Bureau of Land Management	301 Dinosaur Trl	Santa Fe	NM	87508-1560	Certified with Return Receipt (Signature)	9414811898765830843326	73912 - Chevron - Javelina Unit 607H-609H notice list - 2
31309	02/21/2023	Bureau of Land Management	620 E Greene St	Carlsbad	NM	88220-6292	Certified with Return Receipt (Signature)	9414811898765830843302	73912 - Chevron - Javelina Unit 607H-609H notice list - 3

**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 190436

CONDITIONS

Operator: CHEVRON U S A INC 6301 Deauville Blvd Midland, TX 79706	OGRID: 4323
	Action Number: 190436
	Action Type: [UF-NSL] Non-Standard Location (NSL)

CONDITIONS

Created By	Condition	Condition Date
Ilowe	NSL - 8542	2/28/2023