State of New Mexico Energy, Minerals and Natural Resources Department

Michelle Lujan Grisham

Governor

Melanie Kenderdine Cabinent Secretary

Ben Shelton Deputy Secretary Gerasimos "Gerry" Razatos Division Director (Acting) Oil Conservation Division



Adam G. Rankin agrankin@hollandhart.com

ADMINISTRATIVE NON-STANDARD LOCATION

Administrative Order NSL - 8928

Chevron U.S.A. Inc. [OGRID 4323] DL 10 03 Federal Com Well No. 408H API No. 30-025-52280

Reference is made to your application received on March 17th, 2025.

Proposed Location

| _ | Footages | Unit/Lot | Sec. | Twsp | Range | County |
|------------------|--------------------|--------------|------|------|-------|--------|
| Surface | 348 FSL & 915 FWL | M | 10 | 22S | 33E | Lea |
| First Take Point | 25 FSL & 1278 FWL | J | 10 | 22S | 33E | Lea |
| Last Take Point | 100 FNL & 1278 FWL | \mathbf{C} | 03 | 22S | 33E | Lea |
| Terminus | 25 FNL & 1278 FWL | \mathbf{C} | 03 | 22S | 33E | Lea |

Proposed Horizontal Units

| Description | Acres | Pool | Pool Code |
|----------------|-------|----------------------|-----------|
| W/2 Section 10 | 640 | Wildcat; Bone Spring | 97846 |
| W/2 Section 03 | | | |

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 – 8928 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 15, encroachment to the NE/4 NW/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 wasting resources and reducing production from current and future well development in the area. All while protecting the correlative rights within the Bone Spring formation underlying the W/2 of Section 10 and the W/2 of Section 03.

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.

Date: 4/30/2025

GERASIMOS RAZATOS DIRECTOR (ACTING)

GR/lrl

| IT | N T | . 443 | 257 |
|-----|--------------|--------|-------|
| 11) | | 444 | / 7 / |
| 11 | \mathbf{I} | . TT.) | 431 |

| 18 1101 118281 | | | |
|--------------------|-----------|-------|---------|
| RECEIVED: 03/17/25 | REVIEWER: | TYPE: | APP NO: |

ABOVE THIS TABLE FOR OCD DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION



| - Geological & En | ngineering Bureau – (() |
|---|---|
| 1220 South St. Francis Dr | rive, Santa Fe, NM 87505 |
| ADMINISTRATIVE A | APPLICATION CHECKLIST |
| | RATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND CESSING AT THE DIVISION LEVEL IN SANTA FE |
| | |
| Applicant: Chevron U.S.A. Inc. | OGRID Number: 4323 |
| Well Name: DL 10 3 Federal Com 409H | API: 30-025-52280 |
| Pool: WC-025 G-06 S223322J; Bone Spring | Pool Code: 97846 |
| | ON REQUIRED TO PROCESS THE TYPE OF APPLICATION ATED BELOW |
| 1) TYPE OF APPLICATION: Check those which a | pply for [A] |
| A. Location - Spacing Unit - Simultaneous | |
| ■NSL NSP(project area) | □ NSP(PRORATION UNIT) □ SD |
| | |
| B. Check one only for [1] or [1] | aont |
| [I] Commingling - Storage - Measurem □ DHC □ CTB □ PLC □ I | PC DOLS DOLM |
| [II] Injection – Disposal – Pressure Increa | — · · · — · · |
| WFX PMX SWD | |
| O) NOTIFICATION PROMIPED TO OLUMBIA | FOR OCD ONLY |
| NOTIFICATION REQUIRED TO: Check those what A. Offset operators or lease holders | Notice Complete |
| B. Royalty, overriding royalty owners, re | evenue owners Application |
| C. Application requires published notice | e Content |
| D. Notification and/or concurrent appr | oval by SLO Complete |
| E. Notification and/or concurrent appr | oval by BLM |
| F. ☐ Surface ownerG.☐ For all of the above, proof of notifical | ation or publication is attached, and/or, |
| H. ☐ No notice required | tion of publication is attached, and/or, |
| | |
| 3) CERTIFICATION : I hereby certify that the inform | · · |
| administrative approval is accurate and con | nplete to the best of my knowledge. I also his application until the required information and |
| notifications are submitted to the Division. | is application and the required information and |
| Note: Statement must be completed by an in | ndividual with managerial and/or supervisory capacity. |
| Note. Statement must be completed by arm | idividual with managenar and/or supervisory capacity. |
| | March 17, 2025 |
| Adam G. Rankin | Date |
| Print or Type Name | _ |
| or type traine | 505-954-7294 |
| | Phone Number |
| Color | |
| Signature | <u>agrankin@hollandhart.com</u> e-mail Address |
| og. id. di | O THAIL / MAILOSS |



March 17, 2025

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 10 3 Federal Com #409H well

W/2 of Sections 3 and 10, Township 22 South, Range 33 East, NMPM, Lea County, New Mexico

WC-025 G-06 S223322J; Bone Spring [97846]

API No. 30-025-52280

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 WC-025 G-06 S223322J; Bone Spring [97846], seeks administrative approval of an unorthodox well location for its **DL 10 3 Federal Com #409H** well (API No. 30-025-52280), in a 640-acre, more or less, spacing unit underlying the W/2 of Sections 3 and 10, Township 22 South, Range 33 East, NMPM, Lea County, New Mexico.

The DL 10 3 Federal Com #409H well is an infill well. DL 10 3 Kraken Fed Com #208H is the defining well. The location for the DL 10 3 Federal Com #409H oil well is as follows:

- Surface hole location: 348' FSL and 915' FWL (Unit M) of Section 10
- First take point: 25' FSL and 2,178' FWL (Unit J) of Section 10
- Last take point: 100' FNL and 2,178' FWL (Unit C) of Section 3
- Bottom hole location: 25' FNL and 2,178' FWL (Unit C) of Section 3

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 W/2 of Sections 15 and 22, Township 22 South, Range 33 East (Chevron's Dagger Lake 15 22 Federal Com 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 Colorado Idaho Montana Nevada New Mexico

Washington, D.C.
Wyoming



Chevron respectfully requests administrative approval of a non-standard location for the proposed **DL 10 3 Federal Com #409H** 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 10 3 Federal Com #409H** well encroaches on the DL 15 22 Federal Com spacing unit to the south. Also, included is the Form C-102 for the DL 10 3 Kraken Federal Com #208H, the defining well for the spacing unit.

Exhibit B is a plat for the surrounding area that shows the proposed DL 10 3 Federal Com #409H well in relation to the adjoining unit to the south. The offsetting <u>DL 15 22 Federal Com spacing unit to the south</u> includes the following other working interest owners: Antelope Energy Company, LLC; CJM Resources, LP; CML Exploration LLC; Freddie Wheeler; Hurt Properties, LP; the James Hurst Estate; Patterson Petroleum LLC; and RHR-711 LLC. In addition, the offsetting DL 15 22 Federal Com spacing unit includes Bureau of Land Management (BLM) leases. Accordingly, the "affected persons" are the other working interest owners in the DL 15 22 Federal Com spacing unit to the south and 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 | | |
| | Antelope Energy Company, LLC | | |
| | CJM Resources, LP | | |
| | CML Exploration LLC | W/2 of Sections 15 % 22 | |
| Working Interest | Freddie Wheeler | W/2 of Sections 15 & 22, T22S-R33E | |
| | Hurt Properties, LP | 122 3- K33E | |
| | The James Hurst Estate | | |
| | Patterson Petroleum LLC | | |
| | RHR-711 LLC | | |

Your attention to this matter is appreciated.

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 Colorado Montana Nevada New Mexico

Utah Washington, D.C. Wyoming

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).



Sincerely,

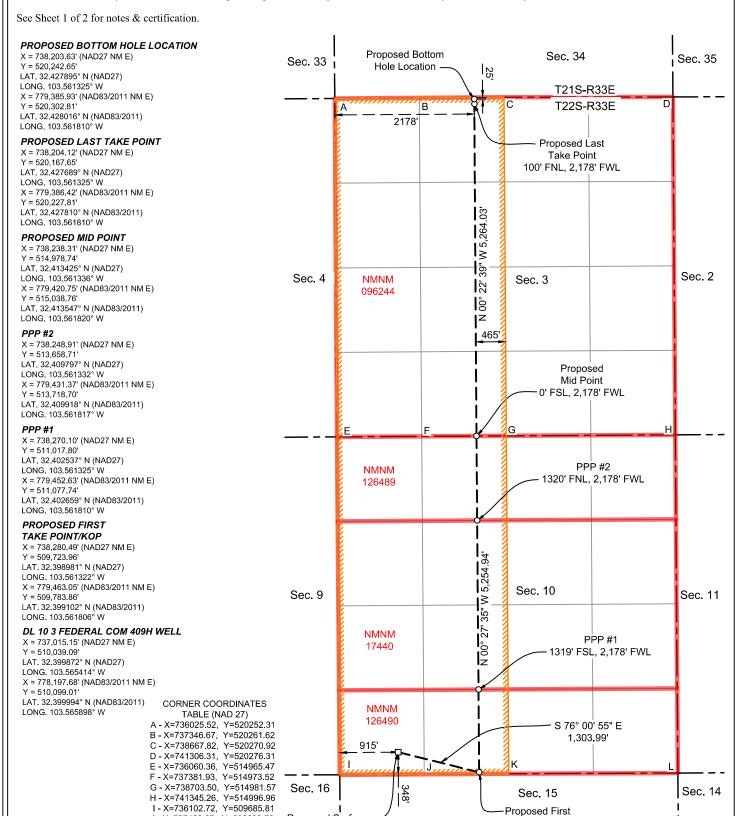
Adam G. Rankin

ATTORNEY FOR CHEVRON U.S.A., INC.

| | e Main Offic | | | | Stat | e of New Mexico | | | | <u>C-102</u> |
|--|--|--|--|--|--|--|--------------------|---------------------------|--------------------------|--|
| General information | | | | Energy, Mir | nerals & Natural Re | | | | | |
| | (505) 629-6 | | | | OIL CONS | Department SERVATION DIV | ISION | | | ubmit Electronically ia OCD Permitting |
| Online https:// | Phone Direction www.emnrd. | tory Visit: .nm.gov/ocd/co | ntact-us/ | | | | | | ☑ Initial St | |
| | | | | | | | | Submittal Type: | ☐ Amende | d Report |
| | | | | | | | | | ☐ As Drill | ed |
| A DI N | Tumber - | | D. 10.1. | | | TION INFORMATION | N | | | |
| | 5-52280 | | Pool Code 97846 | | | Pool Name WC-025 G-06 S223322J | ;BONE SPR | RING | | |
| Proper 33502 | rty Code - 6 | | Property N DL 10 3 FI | | СОМ | | | | Well Numb 409H | per |
| OGRI 4323 | D No. | | Operator N CHEVRON | | INC. | | | | Ground Lev 3562' | vel Elevation |
| | e Owner: \Box | State □ Fee □ | | | | Mineral Owner: | State □ Fe | e □ Tribal 🛭 | | //A |
| | | | | | S | · I4: | | | | ' |
| UL | Section | Township | Range | Lot | Ft. from N/S | Ft. from E/W | Latitude | Lo | ongitude | County |
| M | 10 | 22 SOUTH | 33 EAST, N.M.P.M. | N/A | 348' SOUTH | 915' WEST | 32.39999 | | 3.565898° W | LEA |
| UL | Section | Township | Range | Lot | Ft. from N/S | Hole Location Ft. from E/W | Latitude | T. | ongitude | County |
| C | 3 | 22 SOUTH | 33 EAST, N.M.P.M. | N/A | 25' NORTH | 2178' WEST | 32.42801 | | 03.561810° W | LEA |
| Dedic 640 | ated Acres | Infill or Defi | ning Well | Defining 30-025- | g Well API 49079 | Overlapping Spacing Unit (Y/N) Consolidation Code NO C | | | | |
| Order | Numbers l | PLC854B | | | | Well setbacks are un | nder Commo | on Ownership | : ⊠Yes □No | □N/A |
| | | | | | Kick C | Off Point (KOP) | | | | |
| UL N | Section 10 | Township 22 SOUTH | Range 33 EAST, N.M.P.M. | Lot N/A | Ft. from N/S 25' SOUTH | Ft. from E/W 2178' WEST | Latitude 32.399102 | | ongitude 3.561806° W | County LEA |
| | | | | | First T | ake Point (FTP) | | | | |
| UL N | Section 10 | Township 22 SOUTH | Range 33 EAST, N.M.P.M. | Lot N/A | Ft. from N/S 25' SOUTH | Ft. from E/W 2178' WEST | Latitude 32.39910 | | ongitude 03.561806° W | County LEA |
| | • | | 1 | | ľ | ake Point (LTP) | · - | | | |
| UL C | Section 3 | Township 22 SOUTH | Range 33 EAST, N.M.P.M. | Lot N/A | Ft. from N/S 100' NORTH | Ft. from E/W 2178' WEST | 22.42781 | | ongitude 3.561810° W | County LEA |
| Unitiz | | area of Uniform | Interest | Spacing | g Unit Type 🛛 Ho | rizontal 🏻 Vertical | Gro | und Floor Ele | evation: 3562' | |
| ODED | ATOR CER | TIPICATIONS | 1 | | | CLIDVEVOD CEDTIE | ICATIONS | | | |
| | | TIFICATIONS | | | | SURVEYOR CERTIF | | | | |
| best of that this the land at this unlease pooling If this we the con | my knowledge is organization d including the location pursued mineral integorder heretof well is a horizonsent of at least | e proposed botton ant to a contract crest, or to a volus fore entered by th ontal well, I furthe t one lessee or ow | if the well is a vorking interest on hole location with an owner intary pooling a e division. The certify that the core of a working a working the cortify that the core of a working a working the core of a working the c | vertical or of our unleased or has a rig of a workin greement of this organization in the contraction of the | directional well, I mineral interest in ght to drill this well ag interest or or a compulsory ation has received or unleased | I hereby certify that the w actual surveys made by m to the best of my belief. See Sheet 2 of 2 for plat. | e or under my | Suhervislo Ag MEX 23006 | 01/31/202 | is true and correct |
| the wel | | interval will be lo | | | which any part of ulsory pooling | | | S OWAT SU | | 2 |
| Signatu | ıre | | Date | | | Signature and Seal of Pro | fessional Surv | reyor | | INFILL Well |
| Printed | l Name | | | | | Certificate Number | Date of Su | rvey | | |
| Email . | Address | | | | _ | | | (| 08/30/2 | EXHIBIT |

This grid represents a standard section. You may superimpose a non-standard section, or larger area, over this grid. Operators must outline the dedicated acreage in a red box, clearly show the well surface location and bottom hole location, if it is directionally drilled, with the dimensions from the section lines in the cardinal directions. If this is a horizontal wellbore show on this plat the location of the First Take Point and Last Take Point, and the point within the Completed interval (other than the First Take Point or Last Take Point) that is closest to any outer boundary of the tract.

Surveyors shall use the latest United States government survey or dependent resurvey. Well locations will be in reference to the New Mexico Principal Meridian. If the land is not surveyed, contact the OCD Engineering Bureau. Independent subdivision surveys will not be acceptable.



Proposed Surface

Location

Take Point/KOP

25' FSL, 2,178' FWL

J - X=737422.67, Y=509693.78

K - X=738742.61, Y=509701.75

L - X=741384.61, Y=509713.53

District I 1625 N. French Dr., Hobbs, NM 88240 Phone: (575) 393-6161 Fax: (575) 393-0720

District III

<u>District II</u> 811 S. First St., Artesia, NM 88210 Phone: (575) 748-1283 Fax: (575) 748-9720

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 30-025-49079 | | ² Pool Code ³ Pool Name | | |
|---|--|---|-------------------------|------------|
| | | 97846 | WC-025 G-06 S223322J;B0 | ONE SPRING |
| ⁴ Property Code | | ⁵ Pr | 6 Well Number | |
| 331068 | | DL 10 3 KI | 208H | |
| ⁷ OGRID No. | | ⁸ O _I | 9 Elevation | |
| 4323 | | CHEVR | 3557' | |

¹⁰ Surface Location

| | | | | Sui | race Locat | 1011 | | | |
|----------------|---|--------------|-------------------------------------|-----------|---------------|------------------|---------------|----------------|--------|
| UL or lot no. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
| N | 10 | 22 SOUTH | 33 EAST, N.M.P.M. | | 370' | SOUTH | 1815' | WEST | 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 |
| D | 3 | 22 SOUTH | 33 EAST, N.M.P.M. | | 25' | NORTH | 1254' | WEST | LEA |
| 12 Dedicated A | cres 13 Join | nt or Infill | ¹⁴ Consolidation Code 15 | Order No. | | | | | |
| 640 | | | | | | | | | |

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.

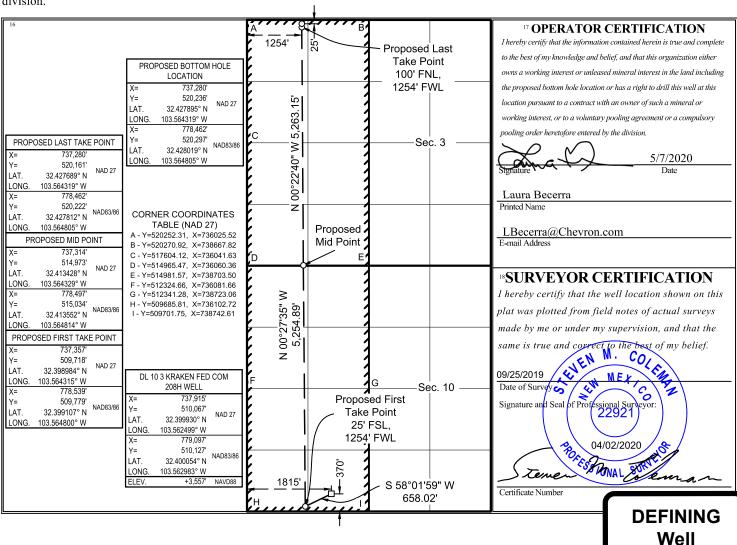
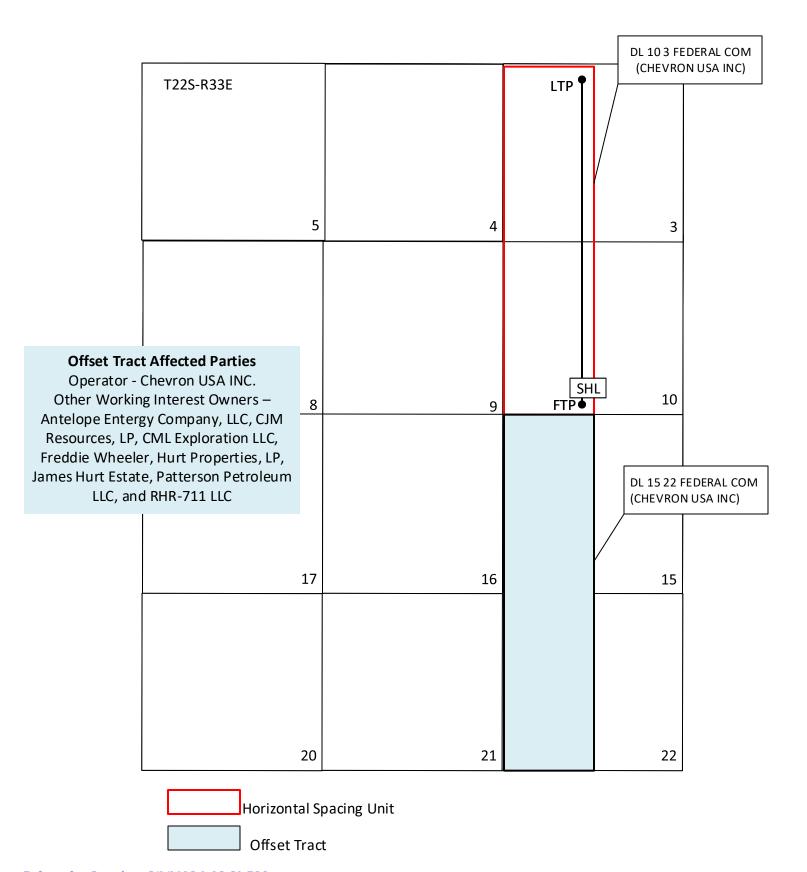




EXHIBIT B

DL 10 3 FEDERAL COM 409H





| Individual/Company | Representative | Address |
|------------------------------|------------------------|---|
| Bureau of Land Management | | 301 Dinosaur Trail, Santa Fe, NM 87508 |
| Antelope Energy Company, LLC | Attn: Emily Fielding | 1801 Broadway, Suite 1550 Denver, CO 80202 |
| CJM Resources, LP | Attn: David Murphy | 508 W. Wall St., Ste. 1250 Midland, TX 79701 |
| CML Exploration, LLC | Attn: Kyle Kana | Barton Oaks Plaza One, Ste. 435 901 Mopac Expressway South Austin, TX 78746 |
| Freddie Jean Wheeler | C/O Mary Helen Johnson | PO Box 1567 Odessa, TX 76760 |
| | Attn: Joe Hurt | |
| Hurt Properties, LP | Attn: Janice Hurt | P.O. Box 1927 Abingdon, VA 24212 |
| James R. Hurt Estate | Attn: Joe Hurt | P.O. Box 72 Odessa, TX 79760-0072 |
| Patterson Petroleum LLC | Attn: Donna Hartman | P.O. Box 1416 Snyder, TX 79550 |
| RHR-711, LLC | Attn: John Osborne | 316 Bailey Ave. Fort Worth, TX 76107 |



March 7, 2025

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 10 3 Federal Com #409H well W/2 of Sections 3 and 10, Township 22 South, Range 33 East, NMPM, Lea County, New Mexico WC-025 G-06 S223322J; Bone Spring [97846]

API No. 30-025-52280

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,

Adam G. Rankin

ATTORNEY FOR CHEVRON U.S.A., INC.

Chevron - DL 407H - 409H NSL Postal Delivery Report

| to the |
|-------------------|
| a, or |
| |
| n V E E |
| A FE, |
| |
| ered |
| desk, |
| at |
| 025 |
| |
| to the |
| a, or |
| n |
| AND, |
| |
| to an |
| at |
| 025 |
| |
| at a |
| n on |
| SA, TX |
| |
| at |
| n on |
| DON, |
| |
| at a |
| n on |
| SA, TX |
| |
| to an |
| at |
| 025 |
| |
| d a 2 m s m s m s |

Received by OCD: 3/17/2025 3:59:45 PM

Chevron - DL 407H - 409H NSL Postal Delivery Report

| | | | | | | Your item was delivered to an |
|------------------------|---------------------------------|----------------|------------|----|------------|-------------------------------|
| | | | | | | individual at the address at |
| | | | | | | 10:50 am on March 13, 2025 |
| 9414811898765451559835 | RHR-711, LLC, Attn John Osborne | 316 Bailey Ave | Fort Worth | TX | 76107-1828 | in FORT WORTH, TX 76107. |

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 443257

CONDITIONS

| Operator: | OGRID: |
|---------------------|--------------------------------------|
| CHEVRON U S A INC | 4323 |
| 6301 Deauville Blvd | Action Number: |
| Midland, TX 79706 | 443257 |
| | Action Type: |
| | [UF-NSL] Non-Standard Location (NSL) |

CONDITIONS

| Cre By | eated | Condition | Condition Date |
|-----------|-------|-----------|-------------------|
| llo | owe | None | 3/20/2025 |