

State of New Mexico
Energy, Minerals and Natural Resources Department

Michelle Lujan Grisham
Governor

Melanie A. Kenderdine
Cabinet Secretary

Ben Shelton
Deputy Secretary

Erin Taylor
Deputy Secretary

Albert C.S. Chang
Division Director
Oil Conservation Division



Deana M. Bennett
deana.bennett@modrall.com

ADMINISTRATIVE NON-STANDARD LOCATION

Administrative Order NSL – 9147

**Chevron U.S.A., Inc. [OGRID 4323]
ZN 34 27 Federal State Com Well No. 408H
API No. 30-025-55025**

Reference is made to your application received on October 7th, 2025.

Proposed Location

	Footages	Unit/Lot	Sec.	Twsp	Range	County
Surface	2117 FNL & 1886 FWL	F	34	23S	34E	Lea
First Take Point	2615 FNL & 1430 FWL	F	34	23S	34E	Lea
Last Take Point	100 FNL & 1430 FWL	C	27	23S	34E	Lea
Terminus	25 FNL & 1430 FWL	C	27	23S	34E	Lea

Proposed NSL Horizontal Unit

Description	Acres	Pool	Pool Code
NW/4 Section 34 W/2 Section 27	480	Antelope Ridge; Bone Spring, SW	97621

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 dedicate a horizontal well at 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

Administrative Order NSL – 9147

Chevron U.S.A., Inc.

Page 2 of 2

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 well shall be no closer than 100 feet for a well within 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 34, encroachment to the NE/4 SW/4

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

The Division understands you are seeking this unorthodox location in order to recovery the greatest amount of reserves within the Bone Spring formation underlying the NW/4 section 34 and the W/2 Section 27, thereby preventing waste.

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.



Albert C.S. Chang
Division Director
AC/lrl

Date: 1/5/2026

ID NO. 512988

NSL - 9147

Revised March 23, 2017

RECEIVED: 10/07/25	REVIEWER:	TYPE:	APP NO:
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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: ZN 34 27 Fed State Com 408H **API:** 30-025-55025
Pool: Antelope Ridge; Bone Spring, SW **Pool Code:** 97621

**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.

Deana M. Bennett

Print or Type Name

Signature

October 7, 2025

Date

505-848-1834

Phone Number

deana.bennett@modrall.com

e-mail Address



MODRALL SPERLING

L A W Y E R S

October 7, 2025

VIA E-FILING

Deana M. Bennett
505.848.1834
dmb@modrall.com

Director Albert Chang

And

OCD Engineering Bureau
Oil Conservation Division
New Mexico Department of Energy,
Minerals and Natural Resources
1220 South Saint Francis Drive
Santa Fe, New Mexico 87505

RE: Application of Chevron U.S.A. Inc. for administrative approval of unorthodox well location for its ZN 34 27 Fed State Com 408H well located in a 480-acre, more or less, horizontal spacing unit comprised of the W/2 of Section 27 and the NW/4 of Section 34, Township 23 South, Range 34 East, Lea County, New Mexico

Dear Director Chang /OCD Engineering Bureau:

Pursuant to Division rules 19.15.16.15(C)(6) and 19.15.15.13 NMAC, Chevron U.S.A. Inc. ("Chevron") (OGRID No. 4323) seeks administrative approval of an unorthodox well location ("NSL") for its ZN 34 27 Fed State Com 408H well (API No. 30-025-55025) (the "Well") located in the W/2 of Section 27 and the NW/4 of Section 34, Township 23 South, Range 34 East, Lea County, New Mexico, and will be in the Antelope Ridge; Bone Spring, SW pool (Pool Code 97621). A C-102 for the Well is attached as Exhibit A.

The horizontal spacing unit to which the Well will be dedicated is described as:

Description	Acres	Pool	Pool Code
W/2 Section 27 & NW/4 Section 34	480	Antelope Ridge; Bone Spring, SW	97621

The Antelope Ridge; Bone Spring, SW Pool is an oil pool subject to the state-wide rules, which establish a 100' setback requirement for the first and last take points of a well to the outer boundary of the spacing unit. The Well's **first take point** will be closer than 100' from the outer boundary of the spacing unit, which requires an NSL approval. As shown on Exhibit A, this is a horizontal well that will be drilled as follows:

- Surface Hole Location: 2117' FNL & 1886' FWL (Unit F) of Section 34-T23S-R34E;
- Bottom Hole Location: 25' FNL & 1430' FWL (Unit C) of Section 27-T23S-R34E;
- First Take Point: 2615' FNL & 1430' FWL (Unit F) of Section 34-T23S-R34E;
- Last Take Point: 100' FNL & 1430' FWL (Unit C) of Section 27-T23S-R34E.

The 480-acre, more or less, horizontal spacing unit in which the Well will be located is standard because the Well is a proximity tract well because its completed lateral is closer than 330' from the quarter quarter section lines in the W/2 of Sections 34 and 27.

Chevron has included as Exhibit B a letter explaining why this application is needed. Chevron also provides a map of the area, attached as Exhibit C, which shows the tracts upon which the unorthodox location will encroach.

As discussed above, the Well's **first take point** will be closer than 100' from the outer boundary of the spacing unit. *See* Exhibit A (C-102). The unorthodox location will encroach towards the N/2SW/4 of Section 34, Township 23 South, Range 34 East.

Chevron is the operator and owns 100% of the working interest in N/2SW/4 of Section 34, Township 23 South, Range 34 East. Pursuant to Rule 19.15.4.12(A)(2) and Rule 19.15.2.7(A)(3), Chevron is thus only providing notice to the Bureau of Land Management. Proof of mailing along with a copy of the letter sent to the Bureau of Land Management are included in Exhibit D. Chevron's landman has provided a letter confirming the ownership in the N/2SW/4 of Section 34, Township 23 South, Range 34 East, which is included as Exhibit E.

Your attention to this matter is appreciated.

Sincerely,



Deana M. Bennett

Attorney for Chevron U.S.A. Inc.

C-102 Submit Electronically Via OCD Permitting	State of New Mexico Energy, Minerals & Natural Resources Department OIL CONSERVATION DIVISION	Revised July 9, 2024	
		Submittal Type:	<input type="checkbox"/> Initial Submittal
			<input checked="" type="checkbox"/> Amended Report
		<input type="checkbox"/> As Drilled	

WELL LOCATION INFORMATION

API Number 30-025-55025	Pool Code 97621	Pool Name ANTELOPE RIDGE; BONE SPRING, SW
Property Code N/A	Property Name ZN 34 27 FED STATE COM	Well Number 408H
OGRID No. 4323	Operator Name CHEVRON U.S.A. INC.	Ground Level Elevation 3467'
Surface Owner: <input type="checkbox"/> State <input type="checkbox"/> Fee <input type="checkbox"/> Tribal <input checked="" type="checkbox"/> Federal		Mineral Owner: <input type="checkbox"/> State <input type="checkbox"/> Fee <input type="checkbox"/> Tribal <input checked="" type="checkbox"/> Federal

Surface Location

UL F	Section 34	Township 23S	Range 34E	Lot N/A	Ft. from North 2117	Ft. from West 1886	Latitude 32.262513° N	Longitude 103.460343° W	County LEA
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Bottom Hole Location

UL C	Section 27	Township 23S	Range 34E	Lot N/A	Ft. from North 25	Ft. from West 1430	Latitude 32.282777° N	Longitude 103.461844° W	County LEA
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Dedicated Acres 480	Infill or Defining Well DEFINING	Defining Well API PENDING- ZN 34 27 FED STATE COM 408H	Overlapping Spacing Unit (Y/N) NO	Consolidation Code C
Order Numbers. N/A			Well setbacks are under Common Ownership: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	

Kick Off Point (KOP)

UL F	Section 34	Township 23S	Range 34E	Lot N/A	Ft. from North 2615	Ft. from West 1430	Latitude 32.261142° N	Longitude 103.461814° W	County LEA
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First Take Point (FTP)

UL F	Section 34	Township 23S	Range 34E	Lot N/A	Ft. from North 2615	Ft. from West 1430	Latitude 32.261142° N	Longitude 103.461814° W	County LEA
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Last Take Point (LTP)

UL C	Section 27	Township 23S	Range 34E	Lot N/A	Ft. from North 100	Ft. from West 1430	Latitude 32.282571° N	Longitude 103.461844° W	County LEA
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Unitized Area or Area of Uniform Interest N/A	Spacing Unit Type <input checked="" type="checkbox"/> Horizontal <input type="checkbox"/> Vertical	Ground Floor Elevation: 3467'
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OPERATOR CERTIFICATIONS

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and, if the well is a vertical or directional well, 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 a working interest or unleased mineral interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

If this well is a horizontal well, I further certify that this organization has received the consent of at least one lessee or owner of a working interest or unleased mineral interest in each tract (in the target pool or formation) in which any part of the well's completed interval will be located or obtained a compulsory pooling order from the division.

Signature _____ Date _____

Printed Name _____

Email Address _____

Note: No allowable will be assigned if the well has been consolidated or a non-standard unit has been approved by the division.

SURVEYOR CERTIFICATIONS

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys.



Chad Harcrow

Signature and Seal of Professional Surveyor

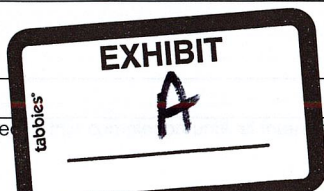
CHAD HARCROW

Certificate Number

17777

Date of Survey

N/A



ACREAGE DEDICATION PLATS

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.

(NAD 27 NM E)

<i>ZN 34 27 FED STATE COM NO. 408H WELL</i>	<i>PROPOSED FIRST TAKE POINT/KICK OFF POINT</i>
X=770,000.57	X=769,550.00
Y=460,274.08	Y=459,771.73
LAT.32.262390°N	LAT.32.261019°N
L ONG.103.459867°W	LONG.103.461338°W

PPP #1	PPP #2
X=769,537.06	X=769,523.88
Y=461,066.71	Y=462,386.69
LAT.32.264579°N	LAT.32.268208°N
LONG.103.461345°W	LONG.103.461353°W

PROPOSED LAST TAKE POINT	PROPOSED BOTTOM HOLE LOCATION
X=769,477.58	Y=769,476.91
Y=467,567.22	Y=467,642.21
LAT. 32.282448°N	LAT. 32.282654°N
LONG 103.461367°W	LONG 103.461367°W

(NAD 83/2011 NM E)

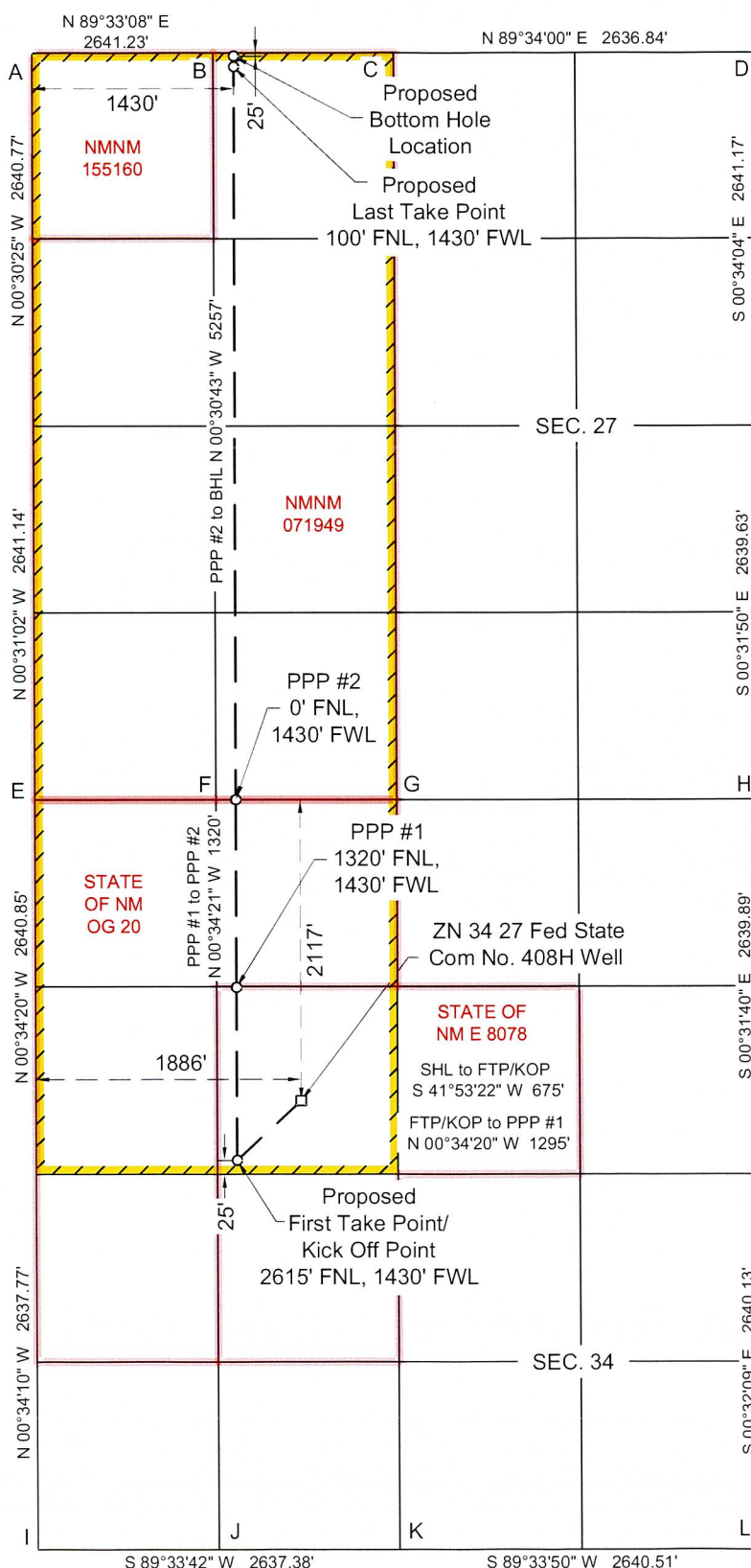
<i>ZN 34 27 FED STATE COM</i>	<i>PROPOSED FIRST TAKE</i>
<i>NO. 408H WELL</i>	<i>POINT/KICK OFF POINT</i>
X=811,184.79	X=810,734.22
Y=460,332.75	Y=459,830.38
LAT.32.262513°N	LAT.32.261142°N
LONG.103.460343°W	LONG.103.461814°W

PPP #1	PPP #2
X=810,721.25	X=810,708.04
Y=461,125.38	Y=462,445.40
LAT.32.264702°N	LAT.32.268330°N
LONG.103.461821°W	LONG.103.461830°W

PROPOSED LAST TAKE POINT	PROPOSED BOTTOM HOLE LOCATION
X=810,661.63	X=810,660.96
Y=467,626.05	Y=467,701.05
LAT. 32.282571°N	LAT. 32.282777°N
LONG. 103.461844°W	LONG. 103.461844°W

CORNER COORDINATES
(NAD 27 NM E)

A - X=768046.73, Y=467656.04 1913 GLO BC
B - X=769367.04, Y=467666.36
C - X=770687.36, Y=467676.68 1913 GLO BC
D - X=773323.61, Y=467696.62
E - X=768093.92, Y=462375.37 3/4" IP
F - X=769414.05, Y=462385.82
G - X=770734.18, Y=462396.26 1913 GLO BC
H - X=773374.21, Y=462417.09 1913 GLO BC
I - X=768146.50, Y=457098.05 1913 GLO BC
J - X=769464.90, Y=457108.14
K - X=770783.29, Y=457118.23 1913 GLO BC
L - X=773423.21, Y=457138.32 1913 GLO BC





Michael Chen
Reservoir Engineer

October 7, 2025

VIA E-FILING

Director Chang
and OCD Engineering Bureau
Oil Conservation Division
Energy, Minerals and Natural Resource Department
1220 South Saint Francis Drive
Santa Fe, New Mexico 87505

Re: Non-Standard Location Application
ZN 34 27 FED STATE COM 408H
Lea County, New Mexico

Dear Director Chang/OCD Engineering Bureau:

Chevron U.S.A. Inc. ("Chevron"), OGRID No. 4323, respectfully requests administrative approval of a non-standard location ("NSL") for the following wells (the "Well"):

- ZN 34 27 FED STATE COM 408H well (API No. 30-025-55025)

The Well will be completed within the ANTELOPE RIDGE; BONE SPRING, SW pool (Pool Code: 97621).

Chevron is requesting non-standard location approval for the Well because the first take point of the Well will be less than 100' from the outer boundary of the horizontal spacing unit. The completed interval and last take point for the Wells are standard. Allowing Chevron to complete the well at this non-standard location will result in the greatest recovery of reserves from the unit and will reduce waste.

Thank you for your consideration. Should you have any questions, please contact me at michaelchen@chevron.com or (661) 859-8991.

Feel free to contact me if you have any questions or concerns.

Sincerely,

A handwritten signature in black ink that reads "Michael Chen".

Michael Chen
Reservoir Engineer

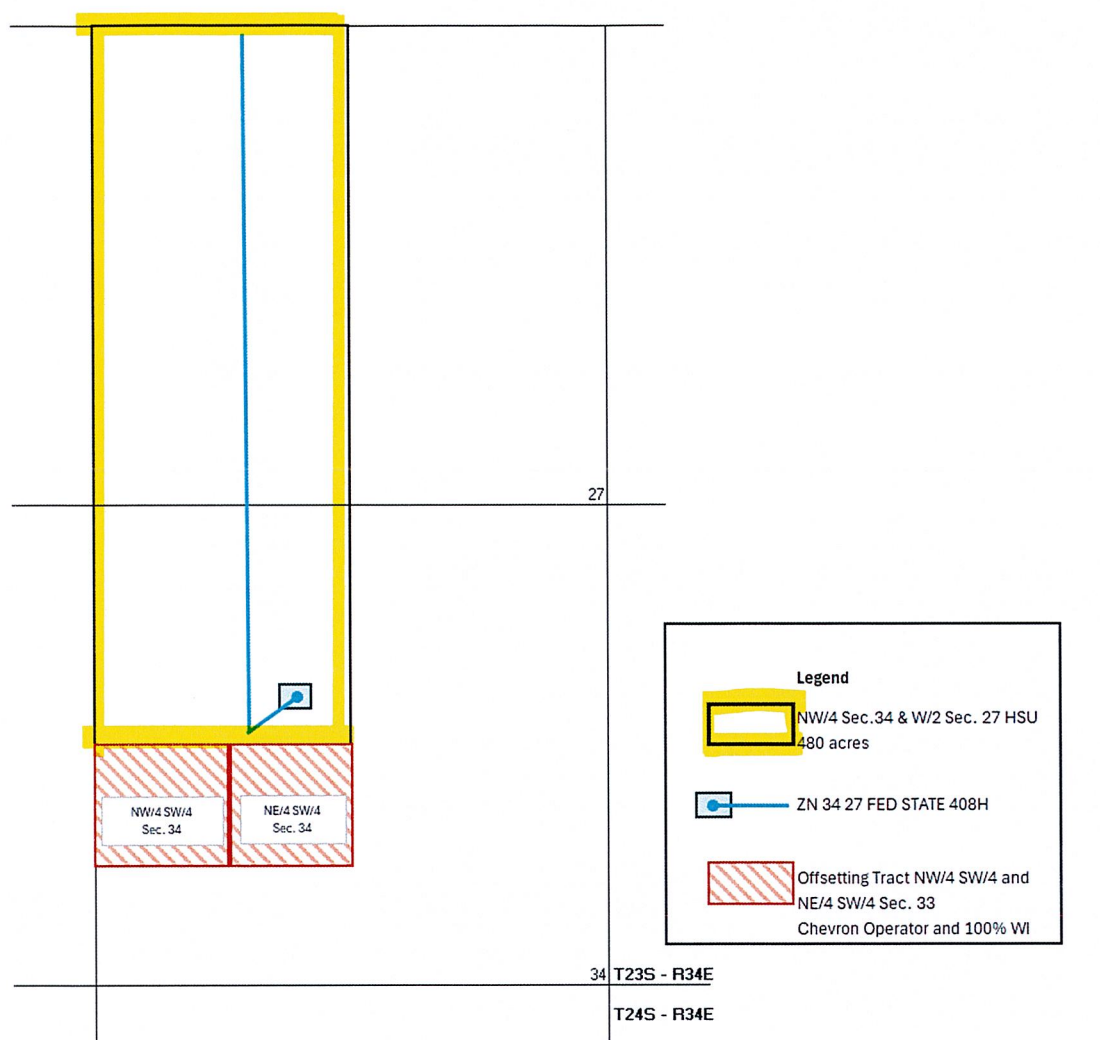
Mid-Continent Business Unit
North America Exploration and Production Company
Chevron U.S.A. Inc.
6301 Deauville Blvd., Midland, Texas 79706
Tel 661 859 8991 Fax 866 908-3881
michaelchen@chevron.com



Offset Operators and WI Owners

NSL Well: ZN 34 27 FED STATE COM 408H (30-025-55025)

Pool Code: [97621] ANTELOPE RIDGE; BONE SPRING, SW



Offsetting Tract in Township 23 South, Range 34 East:

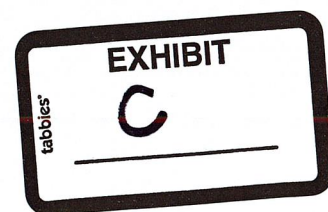
NW/4 SW/4 and NE/4 SW/4 Section 34:

Operator/Working Interest Owner:

Chevron U.S.A. Inc. (100% WI)

Federal/State Mineral Interest Owner:

State of New Mexico





MODRALL SPERLING

L A W Y E R S

October 7, 2025

VIA CERTIFIED MAIL

TO AFFECTED PARTIES

Deana M. Bennett
505.848.1834
dmb@modrall.com

RE: Application of Chevron U.S.A. Inc. for administrative approval of unorthodox well location for its ZN 34 27 Fed State Com 407H well located in a 480-acre, more or less, horizontal spacing unit comprised of the W/2 of Section 27 and the NW/4 of Section 34, Township 23 South, Range 34 East, Lea County, New Mexico

Application of Chevron U.S.A. Inc. for administrative approval of unorthodox well location for its ZN 34 27 Fed State Com 408H well located in a 480-acre, more or less, horizontal spacing unit comprised of the W/2 of Section 27 and the NW/4 of Section 34, Township 23 South, Range 34 East, Lea County, New Mexico

Application of Chevron U.S.A. Inc. for administrative approval of unorthodox well location for its ZN 34 27 Fed State Com 409H well located in a 480-acre, more or less, horizontal spacing unit comprised of the W/2 of Section 27 and the NW/4 of Section 34, Township 23 South, Range 34 East, Lea County, New Mexico

Dear Sir or Madam:

Enclosed is a copy of the above referenced applications filed with the New Mexico Conservation Division on this date. Any objections that you have to these applications must be filed in writing with the New Mexico Oil Conservation Division, 1220 South St. Francis Drive, Santa Fe, New Mexico 87505, within twenty (20) days from the date the Division receives the above-referenced applications. If no objection is received within this twenty-day period, the applications may be approved administratively by the Division.

If you have any questions concerning this application, please contact:

Michael Chen
Reservoir Engineer
Chevron U.S.A. Inc.
michaelchen@chevron.com

Sincerely,

Deana M. Bennett
Attorney for Chevron U.S.A. Inc.

Modrall Sperling
Roehl Harris & Sisk P.A.

500 Fourth Street NW
Suite 1000
Albuquerque,
New Mexico 87102

PO Box 2168
Albuquerque,
New Mexico 87103-2168

Tel: 505.848.1800
www.modrall.com



Karlene Schuman
Modrall Sperling Roehl Harris & Sisk P.A.
500 Fourth Street, Suite 1000
Albuquerque NM 87102

PS Form 3877

Type of Mailing: CERTIFIED MAIL
10/07/2025

Firm Mailing Book ID: 297347

Line	USPS Article Number	Name, Street, City, State, Zip	Postage	Service Fee	RR Fee	Rest.Del.Fee	Reference Contents
1	9314 8699 0430 0140 9912 93	Bureau of Land Management 301 Dinosaur Trail Santa Fe NM 87508	\$3.56	\$5.30	\$2.82	\$0.00	83420.0050 Chevron ZN 34 27 407H, 408H, 409H
Totals:			\$3.56	\$5.30	\$2.82	\$0.00	
			Grand Total:				\$11.68

Dated:

Postmaster:

Name of receiving employee

Total Number of Pieces
Received at Post Office

List Number of Pieces
Listed by Sender



October 7, 2025

VIA EMAIL

OCD Engineering Bureau
Oil Conservation Division
Energy, Minerals and Natural Resource Department
1220 South Saint Francis Drive
Santa Fe, New Mexico 87505

Re: Non-Standard Location Application
ZN 34 27 FED STATE COM 407H
Lea County, New Mexico

Non-Standard Location Application
ZN 34 27 FED STATE COM 408H
Lea County, New Mexico

Non-Standard Location Application
ZN 34 27 FED STATE COM 409H
Lea County, New Mexico

Dear OCD Engineering Bureau:

I am a landman for Chevron U.S.A. Inc. ("Chevron"). Chevron has requested administrative approval of non-standard locations ("NSL") for the ZN 34 27 FED STATE COM 407H, ZN 34 27 FED STATE COM 408H, and ZN 34 27 FED STATE COM 409H wells (the "Wells"). As noted in the NSL application materials for these Wells, the Wells unorthodox location for the first take point will encroach towards the N/2SW/4 of Section 34, Township 23 South, Range 34 East.

As a landman for Chevron, I have knowledge of the ownership of the N/2SW/4 of Section 34, Township 23 South, Range 34 East. I confirm that Chevron is the operator and owns 100% of the working interest in the N/2SW/4 of Section 34, Township 23 South, Range 34 East, which is the tracts upon which the Wells will encroach.

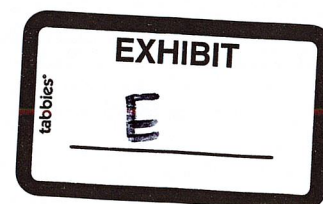
Thank you for your consideration.

Sincerely,

A handwritten signature in blue ink that reads "N. Angelle".

Nicholas Angelle
Land Representative

Mid-Continent Business Unit
North America Exploration and Production Company
Chevron U.S.A. Inc.
1400 Smith St. Houston, TX 77002
Tel 281 382 1632 Fax 866 908-3881
nicholasangelle@chevron.com



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 512988

CONDITIONS

Operator: CHEVRON U S A INC 6301 Deauville Blvd Midland, TX 79706	OGRID: 4323
	Action Number: 512988
	Action Type: [UF-NSL] Non-Standard Location (NSL)

CONDITIONS

Created By	Condition	Condition Date
llowe	None	10/9/2025