State of New Mexico Energy, Minerals and Natural Resources Department

Michelle Lujan-Grisham Governor

Melanie A. Kenderdine Deputy Secretary – Designate

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



Paula M. Vance pmvance@hollandhart.com

ADMINISTRATIVE NON-STANDARD LOCATION

Administrative Order NSL - 8841

Chevron U.S.A. Inc. [OGRID 4323] SND 14 23 Federal Com Well No. 620H API No. 30-015-55045

Reference is made to your application received on December 12th, 2024.

Proposed Location

	Footages	Unit/Lot	Sec.	Twsp	Range	County
Surface	671 FSL & 444 FWL	М	23	24S	31E	Eddy
First Take Point	100 FSL & 1260 FWL	Μ	23	24S	31E	Eddy
Last Take Point/	25 FNL & 1260 FWL	D	14	24S	31E	Eddy
Terminus						•

Proposed Horizontal Gas Units

Description	Acres	Pool	Pool Code
W/2 of Section 23	640	Purple Sage; Wolfcamp, Gas	98220
W/2 of Section 14			

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 governs wells to be located at least 330 feet from the unit outer boundary of a spacing unit and no closer than 10 feet to any quarter – quarter section line. The completed intervals of horizontal wells are to be located no closer than 330 feet to the exterior boundary of a standard 320 - acre **gas** spacing unit.

Administrative Order NSL - 8841 Chevron U.S.A. Inc. Page 2 of 2

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.

The well's completed interval is as close as 100 feet to the southern boundary and 25 feet to the northern boundary of the horizontal spacing unit. Encroachment will impact the following tract(s).

Section 26, encroachment to the NW/4 Section 11, encroachment to the SW/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.

Division understands you are seeking this unorthodox location to avoid causing wasted resources and reducing production from current and future well developments within the Wolfcamp formation underlying the W/2 of Section 23 and the W/2 of Section 14, 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 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.

Date: 2/6/2025

Gerasimos Razatos Division Director (Acting) GR/lrl

Received by OCD: 12/12/2024 11:54:42 AM

:42 AM		
	NSL - 8841	Revised

ID NO. 411201		NSL - 8841		Revised Match 25, 2017
RECEIVED: 12/12/24	REVIEWER:	TYPE:	APP NO:	LEL2501359258
	- Geolog	ABOVE THIS TABLE FOR OCD DIVIS ICO OIL CONSERVA gical & Engineering Francis Drive, Santa	sion use only TION DIVISION Bureau –	
	ST IS MANDATORY FOR	TRATIVE APPLICATIO	IONS FOR EXCEPTIONS	
Applicant: Chevron U.S.A. In				ID Number: <u>4323</u>
Well Name: SND 14 23 Fed				0-025-55045
Pool: Purple Sage; Wolfcamp (Ga	is)		Pool	Code: <u>98220</u>
1) TYPE OF APPLICATIC	DN: Check those cing Unit – Sime	INDICATED BELOV e which apply for [A] ultaneous Dedication	N	The type of application SD
DHC - DHC WFX	ng – Storage – CTB Disposal – Pres PMX JIRED TO: Chec	Measurement PLC PC OL ssure Increase – Enhar SWD IPI EC :k those which apply.	nced Oil Recove	FOR OCD ONLY Notice Complete
B. Royalty, ove C. Application D. Notification E. Surface own	erriding royalty requires publis and/or concu and/or concu ner above, proof	owners, revenue own) /	Application Content Complete
administrative appro	oval is accurate action will be t		e best of my kno	

Note: Statement must be completed by an individual with managerial and/or supervisory capacity.

Paula M. Vance

Print or Type Name

Parthe

Signature

December 12, 2024

505-954-7286

Phone Number

pmvance@hollandhart.com e-mail Address



December 12, 2024

VIA ONLINE FILING

Gerasimos Razatos, Acting Division Director 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 14 23 Fed Com #620H well W/2 of Sections 14 and 23, Township 24 South, Range 31 East, NMPM, Eddy County, New Mexico Purple Sage; Wolfcamp (Gas) [98220] API No. 30-015-55045

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 Purple Sage-Wolfcamp Gas Pool [98220], seeks administrative approval of an unorthodox well location for its SND 14 23 Fed Com #620H well (API No. 30-015-55045), in a 640-acre, more or less, spacing unit underlying the W/2 of Sections 14 and 23, Township 24 South, Range 31 East, NMPM, Eddy County, New Mexico.

The location for the proposed SND 14 23 Fed Com #620H well is as follows:

- Surface location: 671' FSL and 444' FWL (Unit M) of Section 23
- First take point: 100' FSL and 1,260' FWL (Unit M) of Section 23
- Last take point: 25' FNL and 1,260' FWL (Unit D) of Section 14
- Bottom location: 25' FNL and 1,260' FWL (Unit D) of Section 14

Since this acreage is governed by the Division's Special Pool Rules for the Purple Sage Wolfcamp (*See* Division Order R-14262), the proposed first and last take points for this well will be unorthodox because each is closer than the required offsets to the northern and southern boundary of the spacing unit—thus, encroaching on Chevron's Javelina Unit to the <u>north</u> and Devon's Cotton Draw Unit to the <u>south</u>.



Chevron respectfully requests administrative approval of a non-standard location for the proposed **SND 14 23 Fed Com #620H** 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 **SND 14 23 Fed Com #620H** well encroaches on the Javelina Unit to the north as well as Devon's Cotton Draw Unit to the south.

Exhibit B is a plat for the surrounding area that shows the proposed SND 14 23 Fed Com #620H well in relation to the adjoining units/tracts to the north and south. The offsetting Javalina Unit to the north includes the following other working interest owners¹: Earthstone Permian LLC, the Mabee-Flynt Lease Trust, Randy Prude, Warwick-Artemis, LLC, the Mary Patricia Dougherty Trust, MKDWI, LLC, the Mary Margaret Olson Trust, the Catherine Grace Revocable Trust, and the Otto and Doris Schroeder Family Trust. The offsetting <u>Cotton Draw Unit to the south</u> is operated by Devon Energy Production Co. ("Devon"). In addition, the offsetting Javalina Unit and Cotton Draw Unit are federal units that include Bureau of Land Management (BLM) leases. Accordingly, the "affected persons"² are the other working interest owners to the north, Devon to the south, and the BLM.

Exhibit C is a spreadsheet listing all affected persons Chevron provided notice 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:

Туре	Affected Party	Offsetting Acreage
Mineral Interest	Bureau of Land Management	Cotton Draw Unit and Javalina Unit
Operator	Devon Energy Production Co.	Cotton Draw Unit
Working Interest	Earthstone Permian LLC The Mabee-Flynt Lease Trust Randy Prude	Javalina Unit

¹ Note, Exhibit B highlights the tracts within the Javalina Unit and Cotton Draw Unit that directly offset the proposed well. Additionally, since Chevron is the designated operator of the Javalina Unit to the north, notice is provided to the other working interest owners within the Javalina Unit, and since Devon is the operator of the Cotton Draw Unit to the south, notice is only provided to Devon, per 19.15.2.7.A(8) NMAC.

Alaska Colorado Idaho Montana Nevada New Mexico Utah Washington, D.C. Wyoming

² See 19.15.2.7.A(8) NMAC [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) NMAC.



Warwick-Artemis, LLC
The Mary Patricia Dougherty Trust
MKDWI, LLC
The Mary Margaret Olson Trust
The Catherine Grace Revocable
Trust
The Otto and Doris Schroeder
Family Trust

Your attention to this matter is appreciated.

Sincerely,

Pathin

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

T 505.988.4421 F 505.983.6043 110 North Guadalupe, Suite 1, Santa Fe, NM 87501-1849 Mail to: P.O. Box 2208, Santa Fe, NM 87504-2208 www.hollandhart.com

Alaska Colorado Idaho Montana Nevada New Mexico Utah

Wyoming

Washington, D.C.

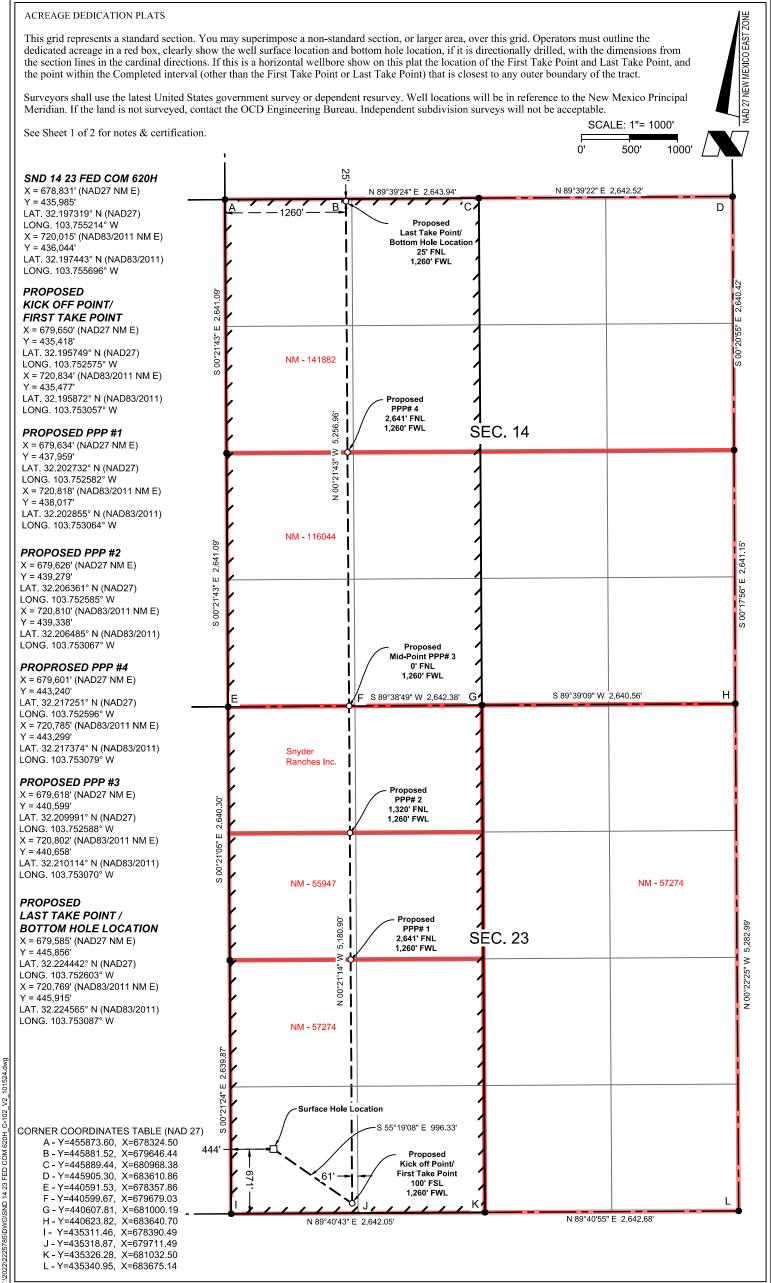
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Santa Fe Main Phone: (505) General Infor Phone: (505) Online Phone https://www.c	476-3441 rmation 629-6116 e Director	5 y Visit:		-					C- Revised July 9, Submit Electror via OCD Permi Submittal Type:		
					WELL LOCA	TION INFORMATION	N				
API Number			Pool Code			Pool Name			(0.4.8)		
Property Cod	30-015- ode	55045	Property Na	98220 ame		PUKPL	E SAGE; W	JLFCAMP	Well Numb	er	
	335883				SND	14 23 FED COM				620H	
OGRID No.	4323		Operator Na	ame	CHEV	RON U.S.A. INC.			Ground Lev	el Elevation 3,538'	
Surface Owr	ner: 🗆 St	ate 🗆 Fee 🗆] Tribal 🗵 Fe	ederal		Mineral Owner:	State 🗆 Fee	e 🗆 Tribal	X Federal		
					Sumf	ace Location					
UL Sec	ction	Township	Range	Lot	Ft. from N/S	Ft. from E/W	Latitude		Longitude	County	
		24 SOUTH	31 ĔAST, N.M.P.M.	N/A	671' SOUTH	444' WEST	32.19744		03.755696° W	EDDY	
	25	21500111	100000			Hole Location	52.1771		03.755070 11	LDDT	
UL Sec	ction 7	Township	Range	Lot	Ft. from N/S	Ft. from E/W	Latitude		Longitude	County	
D	14	24 SOUTH	31 EAST, N.M.P.M.	N/A	25' NORTH	1,260' WEST	32.22456	5° N 1	03.753087° W	EDDY	
							•				
Dedicated A	Acres 1	Infill or Defi	ning Well	Defining	g Well API	Overlapping Spacin	g Unit (Y/N)	Consolidat			
640		DEFIN	ING	30-	015-55045	N	1 0		Р		
Order Numb	bers.		N/	A		Well setbacks are un	nder Commo	n Ownershi	p: ∐Yes ⊠No		
					Kick O	off Point (KOP)	-				
UL Sec	ction 7	Township	Range 31 EAST,	Lot	Ft. from N/S	Ft. from E/W	Latitude		Longitude	County	
M	23	24 SOUTH	N.M.P.M.	N/A	100' SOUTH	1,260' WEST	32.19587	'2° N 1	03.753057° W	EDDY	
						ake Point (FTP)	-				
UL Sec	ction 7	Township	Range 31 EAST,	Lot N/A	Ft. from N/S	Ft. from E/W	Latitude	-	Longitude	County	
M 2	23	24 SOUTH	N.M.P.M.	IN/A	100' SOUTH	1,260' WEST	32.19587	2° N 1	03.753057° W	EDDY	
UL Sec	ction [7	Township	Range	Lot	Last Ta	Ake Point (LTP) Ft. from E/W	Latitude		Longitude	County	
			31 EAST,	N/A					c	•	
D	14	24 SOUTH	N.M.P.M.	1.071	25' NORTH	1,260' WEST	32.22456	5° N 1	03.753087° W	EDDY	
Unitized Are		a of Uniform _{N/A}	Interest	Spacing	Unit Type 🗵 Ho	rizontal 🗆 Vertical	Grou	and Floor E	levation: 3,538	1	
OPERATOR	R CERTIF	FICATIONS				SURVEYOR CERTIF	ICATIONS				
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.			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	own on this p super-tsion, 230 10/15/	and that the same	om field notes of is true and correct				
Signature			Date			Signature and Seal of Pro-	ressional Surve	-	18		
Printed Name						Certificate Number	Date of Sur				
Email Address	s									EXHIBIT	
			D.04.11 DA							Α	

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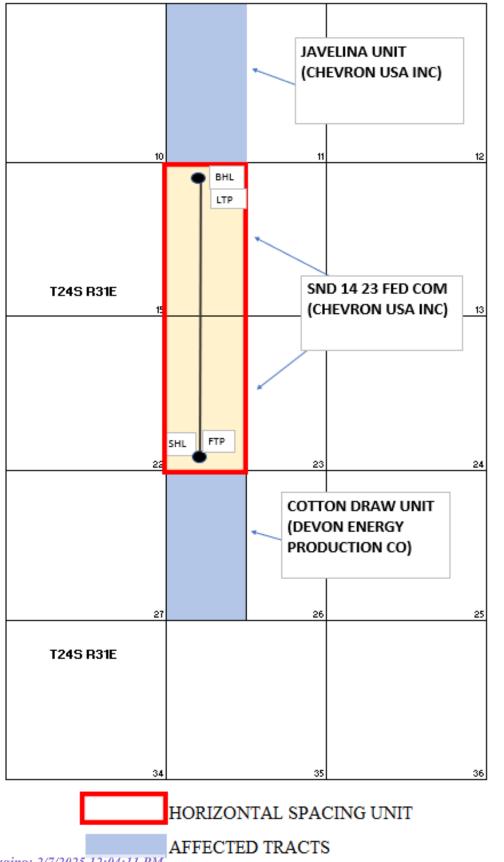
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EXHIBIT

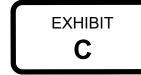
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Earthstone Permian LLC	300 N. Marienfeld Street, Suite 1000	Midland	TX	79701
Mabee-Flynt Lease Trust	15611 Wildwood Trace	Magnolia	ΤX	77354
Randy Prude	203 West Wall St., Suite 1200	Midland	TX	79701
Warwick-Artemis, LLC	6608 North Western Ave., #417	Oklahoma City	ОК	73116
The Mary Patricia Dougherty Trust	98 San Jacinto Blvd., Suite 350	Austin	TX	78701
MKDWI, LLC	P.O. Box 4382	New York	NY	10163
The Mary Margaret Olson Trust	6031 W. Interstate 20, Suite 251	Arlington	TX	76017
The Catherine Grace Revocable Trust	2705 W. Marquis Circle	Arlington	ΤX	76016
The Otto and Doris Schroeder Family Trust	500 Hawk Court	Coppell	TX	75019
Bureau of Land Management	301 Dinosaur Trail	Santa Fe	NM	87508
Devon Energy Production Company	333 West Sheirdan Avenue	Oklahoma City	OK	73102





November 22, 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**

SND 14 23 Fed Com #620H well W/2 of Sections 14 and 23, Township 24 South, Range 31 East, NMPM, Eddy County, New Mexico Purple Sage; Wolfcamp (Gas) [98220] API No. 30-015-55045

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 Chevron U.S.A., Inc. (713) 372-0402 Corie.Mathews@chevron.com

Sincerely,

PARIL

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

T 505.988.4421 F 505.983.6043 110 North Guadalupe, Suite 1, Santa Fe, NM 87501-1849 Mail to: P.O. Box 2208, Santa Fe, NM 87504-2208 www.hollandhart.com

Alaska Colorado

Montana Nevada New Mexico Wyoming

Utah

Washington, D.C.

			1			Your item was delivered to an
						individual at the address at
0.4.4.04.4.000765.400607000					70704 4600	1:10 pm on November 26,
9414811898765483637020	Earthstone Permian LLC	300 N Marienfeld St Ste 1000	Midland	ТΧ	/9/01-4688	2024 in MIDLAND, TX 79701.
						We attempted to deliver your
						item at 1:21 pm on November
						29, 2024 in MAGNOLIA, TX
						77354 and a notice was left
						because an authorized
9414811898765483637099	Mabee-Flynt Lease Trust	15611 Wildwood Trce	Magnolia	тх	77354-1873	recipient was not available.
						Your item was delivered to an
						individual at the address at
						4:01 pm on November 26,
9414811898765483637044	Randy Prude	203 W Wall St Ste 1200	Midland	ΤХ	79701-4516	2024 in MIDLAND, TX 79701.
						Your item was delivered to an
						individual at the address at
						9:18 am on November 30,
						2024 in OKLAHOMA CITY, OK
9414811898765483637082	Warwick-Artemis, LLC	6608 N Western Ave PMB 417	Oklahoma City	ОК	73116-7326	73116.
						We were unable to deliver
						your package at 2:17 pm on
						November 30, 2024 in
						AUSTIN, TX 78701 because
						the business was closed. We
						will redeliver on the next
						business day. No action
9414811898765483637037	The Mary Patricia Dougherty Trust	98 San Jacinto Blvd Ste 350	Austin	ТΧ	78701-4282	needed.
						Your item arrived at the NEW
						YORK, NY 10163 post office at 9:40 am on November 30,
0414011000705402027440		DO Dov 4282	New Yerk	NIV	10162 4202	
9414811898765483637419	IVIKUVVI, LLC	PO Box 4382	New York	NY	10163-4382	2024 and is ready for pickup. Your item was delivered to an
						individual at the address at
						12:48 pm on November 30,
0414011000705402027457	The Mary Margaret Olean Truct	(021 W/ Interstate 20 St- 251	Arlington	ту	76017 1000	2024 in ARLINGTON, TX
9414811898/0548303/45/	The Mary Margaret Olson Trust	6031 W Interstate 20 Ste 251	Arlington	ТΧ	76017-1090	/001/.

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Received by OCD: 12/12/2024 11:54:42 AM

9414811898765483637464	The Catherine Grace Revocable Trust	2705 Marquis Cir W	Arlington	ТХ	76016-2017	Your item was delivered to an individual at the address at 3:13 pm on November 29, 2024 in ARLINGTON, TX 76016.
9414811898765483637426	The Otto and Doris Schroeder Family Trust	500 Hawk Ct	Coppell	тх	75019-6502	Your package will arrive later than expected, but is still on its way. It is currently in transit to the next facility.
9414811898765483637402	Bureau of Land Management	301 Dinosaur Trl	Santa Fe	NM	87508-1560	Your item was delivered to the front desk, reception area, or mail room at 2:50 pm on November 25, 2024 in SANTA FE, NM 87508.
9414811898765483637495	Devon Energy Production Company	333 W Sheridan Ave	Oklahoma City	ОК	73102-5010	Your item has been delivered and is available at a PO Box at 2:26 pm on November 30, 2024 in OKLAHOMA CITY, OK 73102.

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Received by OCD: 12/12/2024 11:54:42 AM

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

Operator:	OGRID:
CHEVRON U S A INC	4323
6301 Deauville Blvd	Action Number:
Midland, TX 79706	411201
	Action Type:
	[UF-NSL] Non-Standard Location (NSL)
CONDITIONS	

Created By	Condition	Condition Date
llowe	None	1/9/2025

CONDITIONS

Action 411201