State of New Mexico Energy, Minerals and Natural Resources Department

Michelle Lujan-Grisham Governor

Melanie A. Kenderdine Deputy Secretary – Designate

Gerasimos "Gerry" Razatos Division Director (Acting) Oil Conservation Division



Ben Shelton

Deputy Secretary (Acting)

Paula M. Vance pmvance@hollandhart.com

ADMINISTRATIVE NON-STANDARD LOCATION

Administrative Order NSL - 8842

Chevron U.S.A. Inc. [OGRID 4323] SND 14 23 Federal Com Well No. 621H API No. 30-015-55046

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

Proposed Location

	Footages	Unit/Lot	Sec.	Twsp	Range	County
Surface	671 FSL & 464 FWL	M	23	24S	31E	Eddy
First Take Point	100 FSL & 2188 FWL	N	23	24S	31E	Eddy
Last Take Point/	25 FNL & 2188 FWL	C	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 - 8842 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.

The 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

D NO. 411205		NSL	- 884	12
RECEIVED:	REVIEWER:		TYPE:	

TYPE: APP NO: pLEL2501360485 2/12/24

ABOVE THIS TABLE FOR OCD DIVISION USE ONL

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 14 23 Fed Com #621H well **API**: 30-025-55046 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 NSP(PROJECT AREA) NSP(PRORATION UNIT) \Box SD ■NSL B. Check one only for [1] or [1] [1] Commingling - Storage - Measurement СТВ □PLC PC [II] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery ☐ WFX PMX □SWD □IPI EOR \square PPR **FOR OCD ONLY** 2) **NOTIFICATION REQUIRED TO:** Check those which apply. Notice Complete A. Offset operators or lease holders B. Royalty, overriding royalty owners, revenue owners **Application** C. ☐ Application requires published notice Content D. Notification and/or concurrent approval by SLO Complete 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 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.

	December 12, 2024
Paula M. Vance	Date
Print or Type Name	505-954-7286
Palahla	Phone Number
7 22	pmvance@hollandhart.com
iignature	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 #621H 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. 30-015-55046

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 #621H well (API No. 30-015-55046), 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 #621H well is as follows:

- Surface location: 671' FSL and 464' FWL (Unit M) of Section 23
- First take point: 100' FSL and 2,188' FWL (Unit N) of Section 23
- Last take point: 25' FNL and 2,188' FWL (Unit C) of Section 14
- Bottom location: 25' FNL and 2,188' FWL (Unit C) 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 south.



Chevron respectfully requests administrative approval of a non-standard location for the proposed SND 14 23 Fed Com #621H 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 #621H** 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 #621H well in relation to the adjoining units/tracts to the north and south. The offsetting <u>Javalina Unit to the north</u> 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" 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:

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

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.

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,

Pakhir

Paula M. Vance

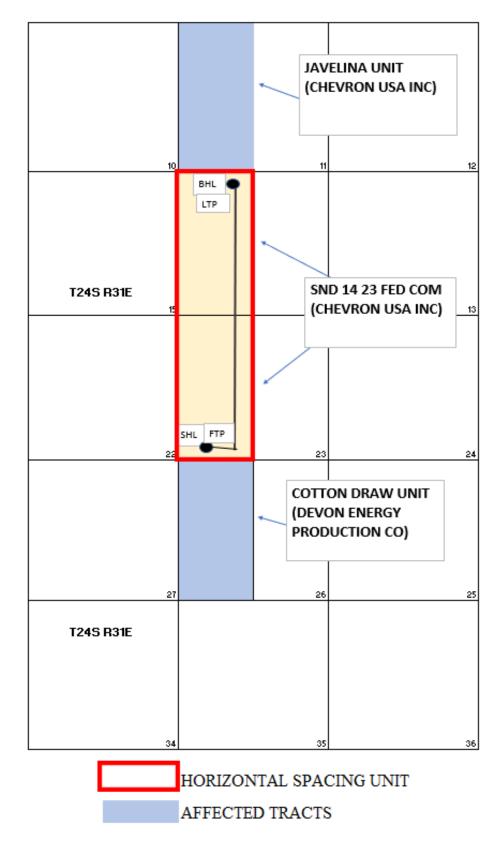
ATTORNEY FOR

CHEVRON U.S.A., INC.

Santa Fe Main Office Phone: (505) 476-3441 Fax: (55) 476-3462 General Information Phone: (505) 629-6116		Energy, Mir	Department	k Natural Resources tment Submit Elect			C-102 evised July 9, 2024 ubmit Electronically ia OCD Permitting
Online Phone Directory Visit: https://www.emnrd.nm.gov/ocd/contact-us/						☐ Initial Su	
	j				Submitta Type:	1 X Amende	d Report
					-JF	☐ As Drille	ed
		WELL LOCA	TION INFORMATION	N			
API Number Pool Code 30-015-55046	00226		Pool Name	E SAGE; W	OLECAMI	P (GAS)	
Property Code Property Na	98220 ame)	TORILI	L Bride, W	OLI CITIVII	Well Numb	
OGRID No. Operator No.	ame	SND	14 23 FED COM			Ground Lev	621H vel Elevation
4323		CHEV	RON U.S.A. INC.				3,539'
Surface Owner: ☐ State ☐ Fee ☐ Tribal ☒ Fe	ederal		Mineral Owner: □	State □ Fe	e 🗆 Tribal	X Federal	
		Surf	ace Location				
UL Section 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	671' SOUTH	464' WEST	32.1974	13° N	103.755631° W	EDDY
		-	Hole Location				
UL Section Township Range 31 EAST,	Lot	Ft. from N/S	Ft. from E/W	Latitude		Longitude	County
C 14 24 SOUTH N.M.P.M.	N/A	25' NORTH	2,188' WEST	32.22450	56° N	103.750086° W	EDDY
Dedicated Acres	Definin	g Well API	Overlapping Spacing	a Unit (V/N	Consolida	tion Code	
640 INFILL		-015-55045	N	g Omt (1/1v	Consonua	P P	
Order Numbers.		013 330 13	Well setbacks are un	nder Commo	n Ownersh	ip: □Yes ဩNo	
		Kiek O	off Point (KOP)				
UL Section Township Range	Lot	Ft. from N/S	Ft. from E/W	Latitude		Longitude	County
N 23 24 SOUTH N.M.P.M.	N/A	100' SOUTH	2,188' WEST	32.19587	73° N	103.750057° W	EDDY
11 23 24 500 111 11.111.111.11		First T:	ake Point (FTP)				EDD I
UL Section Township Range	Lot	Ft. from N/S	Ft. from E/W	Latitude		Longitude	County
N 23 24 SOUTH N.M.P.M.	N/A	100' SOUTH	2,188' WEST	32.19587	73° N	103.750057° W	EDDY
			nke Point (LTP)				
UL Section Township Range 31 EAST,	Lot	Ft. from N/S	Ft. from E/W	Latitude		Longitude	County
C 14 24 SOUTH N.M.P.M.	N/A	25' NORTH	2,188' WEST	32.22450	66° N	103.750086° W	EDDY
Unitized Area or Area of Uniform Interest	Chaoina	· Unit Trme 🔽 Her	izantal 🗆 Nautical	Gro	and Floor I	Elevation: 3,539	pt .
N/A	Spacing	g Omt Type 🖾 Hot	rizontal Vertical	Gro			
OPERATOR CERTIFICATIONS			SURVEYOR CERTIF	ICATIONS			
I hereby certify that the information contained herein	is true and	complete to the	I hereby certify that the wo		own on this	nlat was plotted for	om field notes of
best of my knowledge and belief, and, if the well is a v that this organization either owns a working interest of the land including the proposed bottom hole location at this location pursuant to a contract with an owner of unleased mineral interest, or to a voluntary pooling a pooling order heretofore entered by the division.	ertical or a or unleased or has a rig of a workin	directional well, I mineral interest in ght to drill this well g interest or	actual surveys made by m to the best of my belief. See Sheet 2 of 2 for plat.	e or under my	supervision	and that the same . LASTRADINE X CO	is true and correct
If this well is a horizontal well, I further certify that th the consent of at least one lessee or owner of a workir mineral interest in each tract (in the target pool or for the well's completed interval will be located or obtain order from the division.	ig interest o mation) in	or unleased which any part of	_	Koh	80	3006) 15/2024	
Signature Date			Signature and Seal of Pro	essional Surv	eyor		
				01/19/20	023	V	
Printed Name			Certificate Number	Date of Su	rvey		
Email Address							EXHIBIT

:\2022\2225785\DWG\SND 14 23 FED COM 621H C-102 V2 101524.dwg

EXHIBIT B SND 14 23 FED COM 621H



ЕХНІВІТ **В**

EXHIBIT C	Received by OCD:
	D: 12/12/2024
	12:05:49 F

Earthstone Permian LLC	300 N. Marienfeld Street, Suite 1000	Midland	TX	79701
Mabee-Flynt Lease Trust	15611 Wildwood Trace	Magnolia	TX	77354
Randy Prude	203 West Wall St., Suite 1200	Midland	TX	79701
Warwick-Artemis, LLC	6608 North Western Ave., #417	Oklahoma City	OK	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	TX	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 #621H 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. 30-015-55046

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,

Paula M. Vance **ATTORNEY FOR**

CHEVRON U.S.A., INC.

Received by OCD: 12/12/2024 12:05:49 PM

Chevron - SND 619H-624H NSL Postal Delivery Report

					1	
						Your item was delivered to an
						individual at the address at 1:10 pm on November 26,
9414811898765483637020	Farthstone Permian LLC	300 N Marienfeld St Ste 1000	Midland	TX	79701-4688	2024 in MIDLAND, TX 79701.
3414011030703403037020	Editione Fermian EE	500 Wildrichield St Stc 1000	Wildiana	17	75701 4000	202 1 111 1111 122 111 29, 174 73 70 21
						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	TX	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	TX	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	OK	73116-7326	
						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	TX	78701-4282	
5414011050705405057057	The Mary Fathera Bougherty Trust	38 San Jacinto Diva Ste 330	Austill	17	76701-4262	necucu.
						Your item arrived at the NEW
						YORK, NY 10163 post office at
						9:40 am on November 30,
9414811898765483637419	MKDWI, 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,
						2024 in ARLINGTON, TX
9414811898765483637457	The Mary Margaret Olson Trust	6031 W Interstate 20 Ste 251	Arlington	TX	76017-1090	76017.

Received by OCD: 12/12/2024 12:05:49 PM

Chevron - SND 619H-624H NSL Postal Delivery Report

9414811898765483637464	The Catherine Grace Revocable Trust	2705 Marquis Cir W	Arlington	TX	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	TX	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.

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 411205

CONDITIONS

Operator:	OGRID:
CHEVRON U S A INC	4323
6301 Deauville Blvd	Action Number:
Midland, TX 79706	411205
	Action Type:
	[UF-NSL] Non-Standard Location (NSL)

CONDITIONS

Create By	d Condition	Condition Date
llow	e None	1/9/2025