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 - 8926

Chevron U.S.A. Inc. [OGRID 4323] DL 10 03 Federal Com Well No. 407H API No. 30-025-52278

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

Proposed Location

	Footages	Unit/Lot	Sec.	Twsp	Range	County
Surface	348 FSL & 815 FWL	M	10	22S	33E	Lea
First Take Point	25 FSL & 330 FWL	M	10	22S	33E	Lea
Last Take Point	100 FNL & 330 FWL	D	03	22S	33E	Lea
Terminus	25 FNL & 330 FWL	D	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 – 8926 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 NW/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

ID NO. 443244	NSL -	8926
10.113211	1 12	

10 110: 113211	1,22	0,20	
RECEIVED: 03/17/25	REVIEWER:	TYPE:	APP NO:

ABOVE THIS TABLE FOR OCD DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION

- Geological & Engineering Bureau -



1000 C II CL E L' D'	
1220 South St. Francis Driv	/e, Santa Fe, NM 8/505
ADMINISTRATIVE AP	PLICATION CHECKLIST
	TIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND SSING AT THE DIVISION LEVEL IN SANTA FE
Applicant: Chevron U.S.A. Inc.	OGRID Number: 4323
Well Name: DL 10 3 Federal Com 407H	API: 30-025-52278
Pool: WC-025 G-06 S223322J; Bone Spring	Pool Code: 97846
	N REQUIRED TO PROCESS THE TYPE OF APPLICATION TED BELOW
1) TYPE OF APPLICATION: Check those which app A. Location – Spacing Unit – Simultaneous Do NSL NSP(PROJECT AREA)	
B. Check one only for [1] or [1] [1] Commingling – Storage – Measuremed DHC DHC DTB PLC POID IN Impection – Disposal – Pressure Increased WFX PMX SWD DIP 2) NOTIFICATION REQUIRED TO: Check those which A. Offset operators or lease holders B. Royalty, overriding royalty owners, revealed and provided provide	C OLS OLM Se - Enhanced Oil Recovery T EOR PPR Chapply. The enue owners The val by SLO The val by BLM The one of publication is attached, and/or,
 CERTIFICATION: I hereby certify that the inform administrative approval is accurate and comp understand that no action will be taken on this notifications are submitted to the Division. 	• •
Note: Statement must be completed by an ind	lividual with managerial and/or supervisory capacity.
	March 17, 2025
Adam G. Rankin	Date
Print or Type Name	
Thin of Type Name	505-954-7294
	Phone Number
	agrankin@hollandhart.com
Signature	e-mail Address



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 #407H 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. 30-025-52278

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 #407H** well (API No. 30-025-52278), 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 #407H 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 #407H oil well is as follows:

- Surface hole location: 348' FSL and 815' FWL (Unit M) of Section 10
- First take point: 25' FSL and 330' FWL (Unit M) of Section 10
- Last take point: 100' FNL and 330' FWL (Unit D) of Section 3
- Bottom hole location: 25' FNL and 330' FWL (Unit D) 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 #407H** 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 #407H** 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 #407H 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	
Working Interest	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,

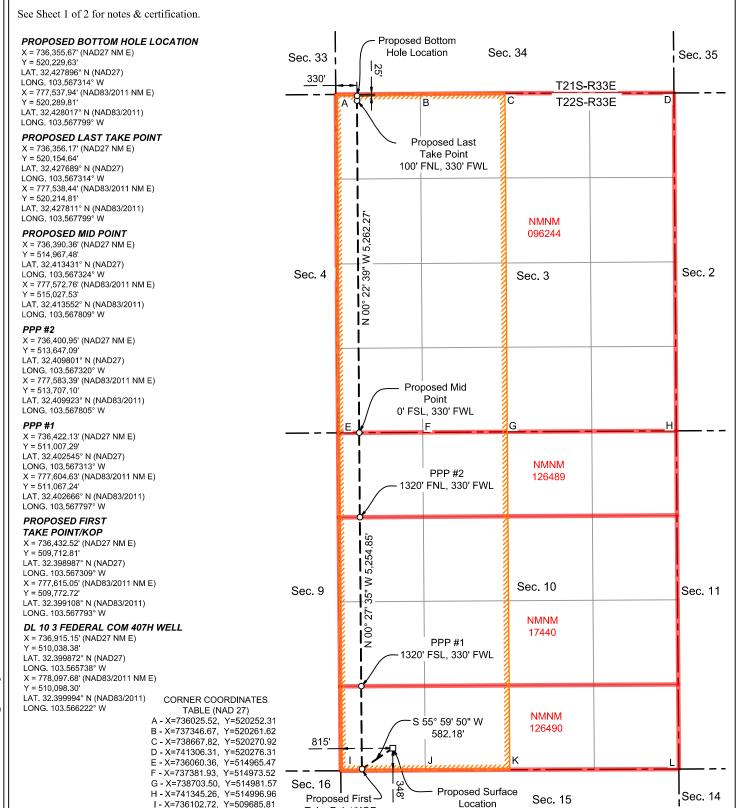
Adam G. Rankin

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

	e Main Offic		76 2462		Stat	te of New Mexico				C-102
Phone: (505) 476-3441 Fax: (55) 476-3462 General Information Phone: (505) 629-6116 Energy, Min				nerals & Natural Re Department			evised July 9, 2024			
OIL CONS					SEDILATION DIVIGIONI			ubmit Electronically lia OCD Permitting		
Online Phone Directory Visit: https://www.emnrd.nm.gov/ocd/contact-us/										
							Submittal Type:	☐ Amende		
									☐ As Drill	ed
A DI N	lumber -		Pool Code			TION INFORMATION Pool Name	N			
	5-52278		97846			WC-025 G-06 S223322J	J;BONE SPR	ING		
Proper 33502	rty Code - 6		Property N DL 10 3 FI		СОМ				Well Numb	per
OGRI 4323	D No.		Operator N CHEVRON		NC				Ground Lev 3562'	vel Elevation
	e Owner: 🗆	State ☐ Fee ☐	<u> </u>			Mineral Owner:	State □ Fe	e □ Tribal 🛭		7/A
UL	Section	Township	Range	Lot	Surf Ft. from N/S	Ft. from E/W	Latitude	1.0	ongitude	County
M	10	22 SOUTH	33 EAST, N.M.P.M.	N/A	348' SOUTH	815' WEST	32.39999		3.566222° W	LEA
UL	Section	Township	Range	Lot	Ft. from N/S	n Hole Location Ft. from E/W	Latitude	11,	ongitude	County
D	3	22 SOUTH	33 EAST, N.M.P.M.	N/A	25' NORTH	330' WEST	32.42801		93.567799° W	LEA
Dedic 640	ated Acres	Infill or Defi	ning Well	Defining	g Well API 49079	Overlapping Spacin NO	g Unit (Y/N	Consolidati	on Code C	
Order	Numbers l	PLC854B				Well setbacks are un	nder Commo	n Ownership	: ⊠Yes □No	□N/A
					Kick C	Off Point (KOP)				
UL M	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 330' WEST	Latitude 32.399108		ongitude 3.567793° W	County LEA
			ļ			ake Point (FTP)	-			
UL M	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 330' WEST	Latitude 32.39910		ongitude 3.567793° W	County LEA
		Ι	_	-		ake Point (LTP)		_		
UL D	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 330' WEST	Latitude 32.42781		ongitude 3.567799° W	County LEA
Unitiz		area of Uniform	Interest	Spacing	g Unit Type 🛛 Ho	rizontal 🗆 Vertical	Gro	und Floor Ele	evation: 3562'	
				•		T				
		TIFICATIONS				SURVEYOR CERTIF	ICATIONS			
best of that this the land at this unlease pooling If this w the con- minera	my knowledge is organization d including the location pursued mineral integer order heretof well is a horizous tinterest in eat linterest in e	e proposed botton ant to a contract crest, or to a volue fore entered by the contal well, I furthe t one lessee or ow ach tract (in the ta	if the well is a vorking interest on hole location with an owner nary pooling a edivision. The certify that the core of a working to for for for for for the certify that the core of a working the core of or for for the core of a working the core of the co	vertical or or unleasea or has a rig of a workin greement of this organization in the contraction of the con	directional well, I mineral interest in ght to drill this well ag interest or or a compulsory ation has received or unleased which any part of	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	sukervislon S MEX 23006	01/31/202	is true and correct
	l's completed ir rom the division	interval will be lo on.	cated or obtair	ied a comp	uisory pooling		1	ONAL SU		4
Signatu	ıre		Date			Signature and Seal of Pro	fessional Surv	16		INFILL Well
Printed	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.



Take Point/KOP

25' FSL, 330' 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 II

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

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

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-025-49079		² Pool Code ³ Pool Name		
		97846	WC-025 G-06 S223322J;BONE SPRING	
⁴ Property Code		⁵ Pr	6 Well Number	
331068		DL 10 3 KI	RAKEN FED COM	208H
⁷ OGRID No.		⁸ O _I	9 Elevation	
4323		CHEVR	3557'	

□ Surface Location

				Sui	Tace Local	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
	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	⁵ 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.

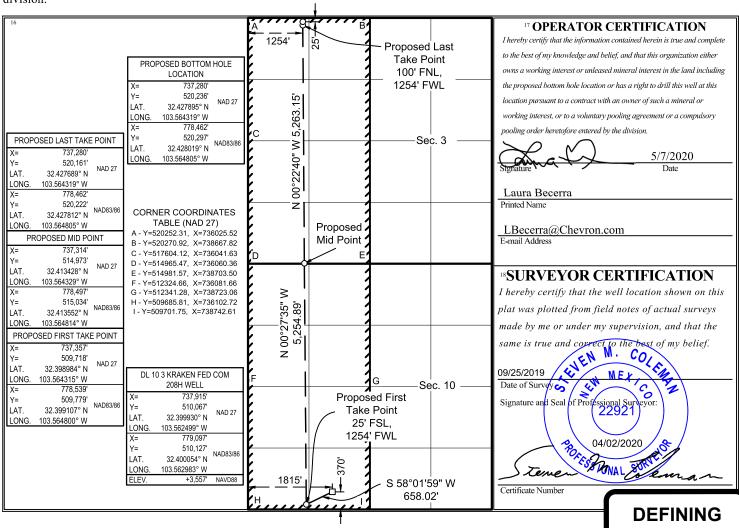
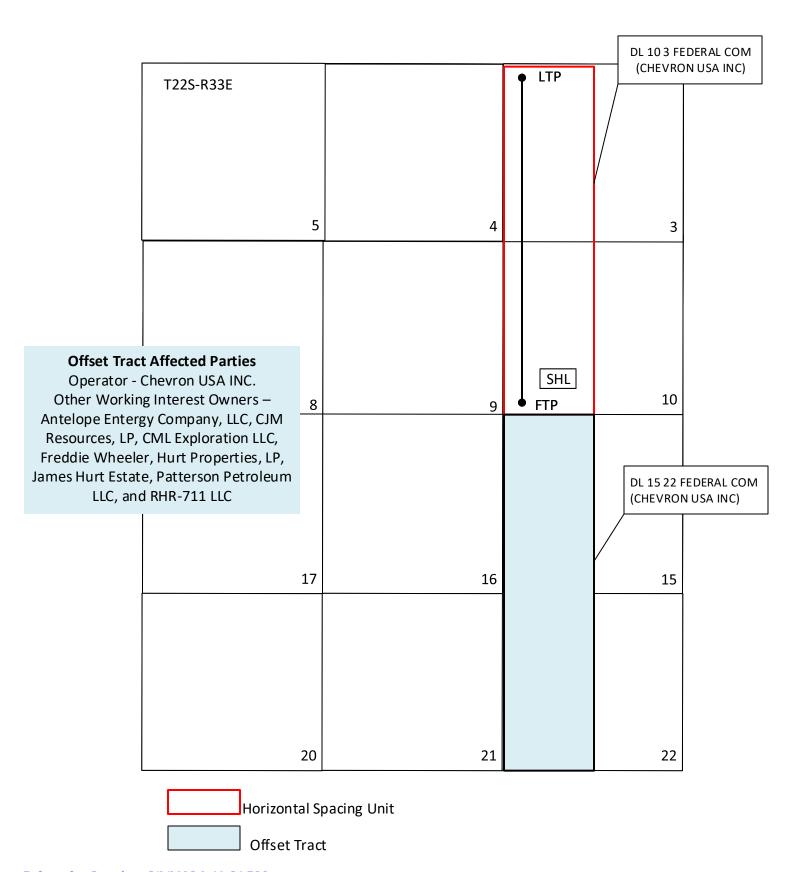




EXHIBIT B

DL 10 3 FEDERAL COM 407H





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

<u>VIA CERTIFIED MAIL</u> 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 #407H 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. 30-025-52278

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

						Your item was delivered to the
						front desk, reception area, or
						mail room at 12:33 pm on
						March 10, 2025 in SANTA FE,
9414811898765451559279	Bureau of Land Management	301 Dinosaur Trl	Santa Fe	NM	87508-1560	
						Your item has been delivered
						to an agent at the front desk,
						reception, or mail room at
	Antelope Energy Company, LLC, Attn					10:09 am on March 10, 2025
9414811898765451559859	Emily Fielding	1801 Broadway Ste 1550	Denver	СО	80202-3842	in DENVER, CO 80202.
		,				Your item was delivered to the
						front desk, reception area, or
						mail room at 11:44 am on
	CJM Resources, LP, Attn David					March 10, 2025 in MIDLAND,
9414811898765451559866	Murphy	508 W Wall St Ste 1250	Midland	TX	79701-5069	TX 79701.
						Your item was delivered to an
		901 S Mopac Expy,				individual at the address at
		Barton Oaks Plaza One,				11:30 am on March 11, 2025
9414811898765451559828	CML Exploration, LLC, Attn Kyle Kana	Ste. 435	Austin	TX	78746-5776	in AUSTIN, TX 78746.
						Your item was picked up at a
						postal facility at 12:38 pm on
	Freddie Jean Wheeler, C/O Mary					March 10, 2025 in ODESSA, TX
9414811898765451559804	Helen Johnson, Attn Joe Hurt	PO Box 1567	Odessa	TX	79760-1567	79761.
						Your item was picked up at
						the post office at 1:23 pm on
						March 10, 2025 in ABINGDON,
9414811898765451559897	Hurt Properties, LP, Attn Janice Hurt	PO Box 1927	Abingdon	VA	24212-1927	VA 24210.
						Your item was picked up at a
						postal facility at 12:39 pm on
						March 10, 2025 in ODESSA, TX
9414811898765451559842	James R. Hurt Estate, Attn Joe Hurt	PO Box 72	Odessa	TX	79760-0072	79761.
						Your item was delivered to an
						individual at the address at
	Patterson Petroleum LLC, Attn					10:37 am on March 11, 2025
9414811898765451559880	Donna Hartman	PO Box 1416	Snyder	TX	79550-1416	in SNYDER, TX 79549.

Received by OCD: 3/17/2025 3:49:42 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 443244

CONDITIONS

Operator:	OGRID:
CHEVRON U S A INC	4323
6301 Deauville Blvd	Action Number:
Midland, TX 79706	443244
	Action Type:
	[UF-NSL] Non-Standard Location (NSL)

CONDITIONS

E		Condition	Condition Date
	llowe	None	3/20/2025