

**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



Paula M. Vance  
[pmvancw@hollandhart.com](mailto:pmvancw@hollandhart.com)

**ADMINISTRATIVE NON-STANDARD LOCATION**

**Administrative Order NSL – 9110**

**Chevron U.S.A., Inc. [OGRID 4323]  
 SND 14 23 Federal Com P425 Well No. 425H  
 API No. 30-015-53401**

Reference is made to your application received on September 3<sup>rd</sup>, 2025.

**Proposed Location**

	<b>Footages</b>	<b>Unit/Lot</b>	<b>Sec.</b>	<b>Twsp</b>	<b>Range</b>	<b>County</b>
Surface	1082 FNL & 2239 FWL	C	14	24S	31E	Eddy
First Take Point	100 FNL & 432 FWL	D	14	24S	31E	Eddy
Last Take Point/ Terminus	100 FSL & 317 FWL	M	23	24S	31E	Eddy

**Proposed NSL Horizontal Unit**

<b>Description</b>	<b>Acres</b>	<b>Pool</b>	<b>Pool Code</b>
W/2 Section 14	640	Cotton Draw; Bone Spring	13367
W/2 Section 23			

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 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

Administrative Order NSL – 9110  
Chevron U.S.A., Inc.  
Page 2 of 2

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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 279 feet to the western edge of the horizontal spacing unit. Encroachment will impact the following tracts.

Section 22, encroachment to the NE/4 SE/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.

Division understands you are seeking this unorthodox location due to the drill deviating at the latter portion of the perforation zone, exceeding the tolerance boundary for this pool/formation's setback requirements within the Bonespring formation. The horizontal spacing unit underlies the W/2 Section 14 and the W/2 of Section 23. Approval thereby prevents waste while protecting the correlative rights of all affected parties.

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.



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**Albert C.S. Chang**  
Division Director  
AC/lrl

Date: 12/10/2025

ID NO. 502590

NSL - 9110

RECEIVED: <b>09/03/25</b>	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: [SND 14 23 Federal Com P425 425H](#)API: [30-015-53401](#)Pool: [Cotton Draw; Bone Spring](#)Pool Code: [13367](#)

**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<sub>(PROJECT AREA)</sub>       NSP<sub>(PRORATION UNIT)</sub>       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

**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.

September 3, 2025

Date

505-954-7286

Phone Number

[pmvance@hollandhart.com](mailto:pmvance@hollandhart.com)

e-mail Address

Paula M. Vance

Print or Type Name

Signature



**Paula M. Vance**  
**Associate**  
**Phone (505) 954-7286**  
**PMVance@hollandhart.com**

September 3, 2025

**VIA ONLINE FILING**

Albert Chang, 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 As-Drilled Unorthodox Well Location**

SND 14 23 Federal Com P425 425H well  
 W/2 Sections 14 and 23, Township 24 South, Range 31 East  
 Eddy County, New Mexico  
 Cotton Draw, Bone Spring [Pool 13367]  
 API No. 30-015-53401

Dear Mr. Chang:

Chevron U.S.A. Inc. (OGRID No. 4323) ("Chevron"), 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 Cotton Draw, Bone Spring [Pool 13367], seeks administrative approval of an unorthodox well location for the as-drilled location for its **SND 14 23 Federal Com P425 425H** well (API No. 30-015-53401), in a 640-acre, more or less, spacing unit underlying Sections 14 and 23, Township 24 South, Range 31 East, Eddy County, New Mexico.

The **SND 14 23 Federal Com P425 425H** oil well is an infill well. The as-drilled **SND 14 23 Federal Com 001 P26 226H** oil well is the defining well, creating the enlarged spacing unit.

The as-drilled location for the **SND 14 23 Federal Com P425 425H** is as follows:

- Surface location: 1,082' FNL and 2,239' FWL (Unit C) of Section 14
- First take point: 100' FNL and 432' FWL (Unit D) of Section 14
- Last take point: 100' FSL and 317' FWL (Unit M) of Section 23
- Bottom hole location: 100' FSL and 317' FWL (Unit M) of Section 23



**Paula M. Vance**  
**Associate**  
**Phone (505) 954-7286**  
**PMVance@hollandhart.com**

**Holland  
& Hart**

A limited portion of the completed lateral is more than 50 feet (instead located at 51 feet) from the previously approved projected location and closer to the outer boundary of the horizontal spacing unit than allowed<sup>1</sup>; therefore, Chevron is seeking approval for the unorthodox portion of the as-drilled well location that encroaches on XTO Permian Operating, LLC's Poker Lake Unit (federal).

Chevron U.S.A. Inc. respectfully requests administrative approval for the as-drilled non-standard location for the **SND 14 23 Federal Com P425 425H** well because it is necessary to allow Chevron to use its preferred well spacing plan for horizontal wells in this area, which will maximize recovery and prevent waste.

**Exhibit A** is a Form C-102 showing the as-drilled SND 14 23 Federal Com P425 425H well encroaches on XTO's Poker Lake Unit (federal). Also, included is the Form C-102 for the SND 14 23 Federal COM 001 P26 226H, the defining well for the spacing unit.

**Exhibit B** is a plat for Sections 14 and 23, that shows the SND 14 23 Federal Com P425 425H well in relation to the adjoining Poker Lake Unit (federal) to the west. Exhibit B also includes an ownership list for the Poker Lake Unit, showing that it is operated by XTO Permian Operating, LLC ("XTO"). In addition, the exhibit identifies the Bureau of Land Management ("BLM") and the State Land Office ("SLO") as affected parties since the Poker Lake Unit includes both federal and state leases. Accordingly, the "affected persons"<sup>2</sup> are listed in the table below.

**Exhibit C** is a spreadsheet listing all affected persons 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	Location
Operator	XTO Permian Operating, LLC	Poker Lake Federal Unit
Federal Mineral Interest	Bureau of Land Management	
State Mineral Interest	State Land Office	

<sup>1</sup> See NMAC § 19.15.16.15.C(5).

<sup>2</sup> 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).



**Paula M. Vance**  
**Associate**  
**Phone (505) 954-7286**  
PMVance@hollandhart.com

Your attention to this matter is appreciated.

Sincerely,

A handwritten signature in blue ink that appears to read "Paula M. Vance".

**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  
Washington, D.C.  
Wyoming

## EXHIBIT

A

C-102

Revised July 9, 2024

Submit Electronically  
via OCD Permitting

Submittal Type:	<input type="checkbox"/> Initial Submittal
	<input type="checkbox"/> Amended Report
	<input checked="" type="checkbox"/> As Drilled

Santa Fe Main Office  
Phone: (505) 476-3441 Fax: (55) 476-3462  
General Information  
Phone: (505) 629-6116  
  
Online Phone Directory Visit:  
<https://www.emnrd.nm.gov/ocd/contact-us/>

State of New Mexico  
Energy, Minerals & Natural Resources  
Department  
OIL CONSERVATION DIVISION

## WELL LOCATION INFORMATION

API Number 30-015-53401	Pool Code 13367	Pool Name COTTON DRAW; BONE SPRING
Property Code 335883	Property Name SND 14 23 FED COM	Well Number 425H
OGRID No. 4323	Operator Name CHEVRON U.S.A. INC.	Ground Level Elevation 3,569'
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	Section	Township	Range 31 EAST, N.M.P.M.	Lot	Ft. from N/S 1,082' NORTH	Ft. from E/W 2,239' WEST	Latitude 32.221660° N	Longitude 103.749917° W	County EDDY
C	14	24 SOUTH		N/A					

## Bottom Hole Location

UL	Section	Township	Range 31 EAST, N.M.P.M.	Lot	Ft. from N/S 100' SOUTH	Ft. from E/W 317' WEST	Latitude 32.195872° N	Longitude 103.756104° W	County EDDY
M	23	24 SOUTH		N/A					

Dedicated Acres 640	Infill or Defining Well INFILL	Defining Well API 30-015-48007	Overlapping Spacing Unit (Y/N) N	Consolidation Code N/A
Order Numbers. N/A		Well setbacks are under Common Ownership: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		

## Kick Off Point (KOP)

UL	Section	Township	Range 31 EAST, N.M.P.M.	Lot	Ft. from N/S 250' SOUTH	Ft. from E/W 488' WEST	Latitude 32.225320° N	Longitude 103.755584° W	County EDDY
M	11	24 SOUTH		N/A					

## First Take Point (FTP)

UL	Section	Township	Range 31 EAST, N.M.P.M.	Lot	Ft. from N/S 100' NORTH	Ft. from E/W 432' WEST	Latitude 32.224357° N	Longitude 103.755763° W	County EDDY
D	14	24 SOUTH		N/A					

## Last Take Point (LTP)

UL	Section	Township	Range 31 EAST, N.M.P.M.	Lot	Ft. from N/S 100' SOUTH	Ft. from E/W 317' WEST	Latitude 32.195872° N	Longitude 103.756104° W	County EDDY
M	23	24 SOUTH		N/A					

Unitized Area or Area of Uniform Interest N/A	Spacing Unit Type <input checked="" type="checkbox"/> Horizontal <input type="checkbox"/> Vertical	Ground Floor Elevation: 3,569'
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OPERATOR CERTIFICATIONS		SURVEYOR CERTIFICATIONS	
<p>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.</p> <p>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.</p>		<p>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.</p> <p>See Sheet 2 of 2 for plat.</p> <p><i>Not to be used for construction, bidding, recordation, conveyance, sales, or engineering design.</i></p>	
Signature	Date	PRELIMINARY	
Printed Name		Signature and Seal of Professional Surveyor	
Email Address		06/21/2021	
		Certificate Number	Date of Survey

## 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.

NAD 27 NEW MEXICO EAST ZONE

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.

See Sheet 1 of 2 for notes & certification.

**SND 14 23 FED COM 425H**

X = 680,571' (NAD27 NM E)

Y = 444,805'

LAT. 32.221536° N (NAD27)

LONG. 103.749434° W

X = 721,755' (NAD83/2011 NM E)

Y = 444,863'

LAT. 32.221660° N (NAD83/2011)

LONG. 103.749917° W

**PROPOSED KICK OFF POINT**

X = 678,811' (NAD27 NM E)

Y = 446,127'

LAT. 32.225196° N (NAD27)

LONG. 103.755100° W

X = 719,995' (NAD83/2011 NM E)

Y = 446,185'

LAT. 32.225320° N (NAD83/2011)

LONG. 103.755584° W

**MD = 10,507'**

**PROPOSED FIRST TAKE POINT**

X = 678,757' (NAD27 NM E)

Y = 445,776'

LAT. 32.224234° N (NAD27)

LONG. 103.755280° W

X = 719,941' (NAD83/2011 NM E)

Y = 445,835'

LAT. 32.224357° N (NAD83/2011)

LONG. 103.755763° W

**MD = 10,934'**

**PROPOSED PPP #1**

X = 678,665' (NAD27 NM E)

Y = 443,235'

LAT. 32.217249° N (NAD27)

LONG. 103.755623° W

X = 719,849' (NAD83/2011 NM E)

Y = 443,293'

LAT. 32.217372° N (NAD83/2011)

LONG. 103.756107° W

**MD = 13,491'**

**PROPOSED MID-POINT PPP #2**

X = 678,746' (NAD27 NM E)

Y = 440,594'

LAT. 32.209989° N (NAD27)

LONG. 103.755405° W

X = 719,931' (NAD83/2011 NM E)

Y = 440,653'

LAT. 32.210112° N (NAD83/2011)

LONG. 103.755888° W

**MD = 16,134'**

**PROPOSED PPP #3**

X = 678,846' (NAD27 NM E)

Y = 439,274'

LAT. 32.206360° N (NAD27)

LONG. 103.755107° W

X = 720,030' (NAD83/2011 NM E)

Y = 439,333'

LAT. 32.206483° N (NAD83/2011)

LONG. 103.755589° W

**MD = 17,467'**

**PROPOSED PPP #4**

X = 678,673' (NAD27 NM E)

Y = 437,953'

LAT. 32.202730° N (NAD27)

LONG. 103.755688° W

X = 719,857' (NAD83/2011 NM E)

Y = 438,012'

LAT. 32.202854° N (NAD83/2011)

LONG. 103.756170° W

**MD = 18,801'**

**PROPOSED LAST TAKE POINT/ BOTTOM HOLE LOCATION**

X = 678,707' (NAD27 NM E)

Y = 435,413'

LAT. 32.195748° N (NAD27)

LONG. 103.755622° W

X = 719,892' (NAD83/2011 NM E)

Y = 435,472'

LAT. 32.195872° N (NAD83/2011)

LONG. 103.756104° W

**MD = 21,344'**

**CORNER COORDINATES****TABLE (NAD 27)**

A - X = 678324.50, Y = 445873.60

B - X = 679646.09, Y = 445881.52

C - X = 680967.68, Y = 445889.45

D - X = 683610.86, Y = 445905.30

E - X = 678357.86, Y = 440591.53

F - X = 679678.57, Y = 440599.60

G - X = 680999.28, Y = 440607.68

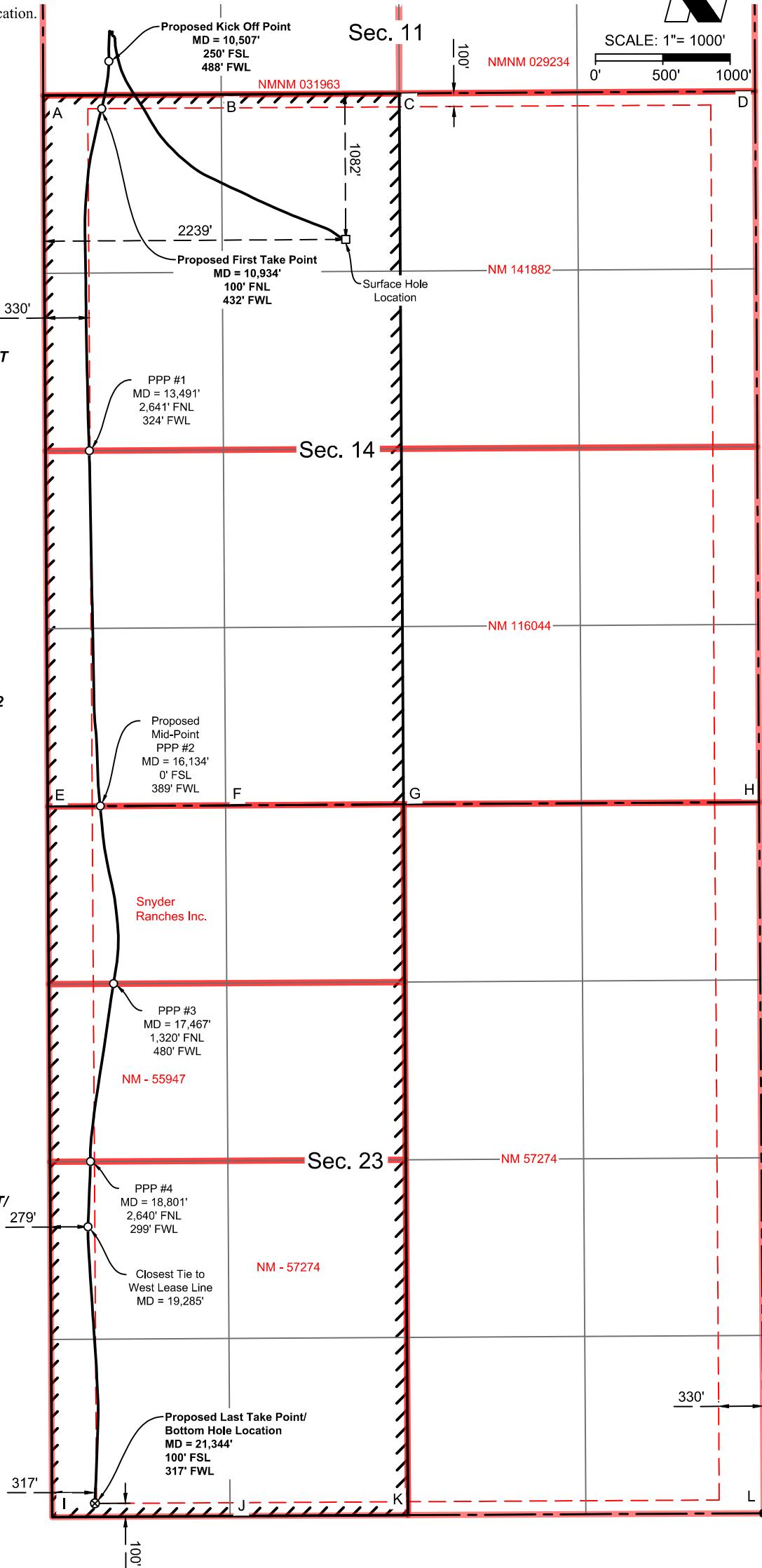
H - X = 683640.70, Y = 440623.82

I - X = 678390.49, Y = 435311.46

J - X = 679711.65, Y = 435318.83

K - X = 681032.50, Y = 435326.28

L - X = 683675.14, Y = 435340.95



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

District III  
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

<sup>1</sup> API Number <b>30 015 48007</b>	<sup>2</sup> Pool Code <b>13367</b>	<sup>3</sup> Property Name <b>COTTON DRAW;BONE SPRING -SAND DUNES,LOWER AVALON-</b>
<sup>4</sup> Property Code <b>330011</b>	<sup>5</sup> Property Name <b>SND 14 23 FED COM 001 P26</b>	<sup>6</sup> Well Number <b>226H</b>
<sup>7</sup> OGRID No. <b>4323</b>	<sup>8</sup> Operator Name <b>CHEVRON U.S.A. INC.</b>	<sup>9</sup> Elevation <b>3538'</b>

<sup>10</sup> Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
M	11	24 SOUTH	31 EAST, N.M.P.M.		140'	SOUTH	1283'	WEST	EDDY

<sup>11</sup> 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
M	23	24 SOUTH	31 EAST, N.M.P.M.		25'	SOUTH	1254'	WEST	EDDY
<sup>12</sup> Dedicated Acres <b>640</b>	<sup>13</sup> Joint or Infill	<sup>14</sup> Consolidation Code	<sup>15</sup> Order No.						

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.

<sup>16</sup>	<b>SND 14 23 FED COM 001 P26 NO. 226H WELL</b>	<b>PROPOSED FIRST TAKE POINT</b>	<img alt="Survey diagram showing a rectangular property boundary with a proposed first take point at the top center. The property is divided into sections 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31, 32, 33, 34, 35, 36, 37, 38, 39, 40, 41, 42, 43, 44, 45, 46, 47, 48, 49, 50, 51, 52, 53, 54, 55, 56, 57, 58, 59, 60, 61, 62, 63, 64, 65, 66, 67, 68, 69, 70, 71, 72, 73, 74, 75, 76, 77, 78, 79, 80, 81, 82, 83, 84, 85, 86, 87, 88, 89, 90, 91, 92, 93, 94, 95, 96, 97, 98, 99, 100, 101, 102, 103, 104, 105, 106, 107, 108, 109, 110, 111, 112, 113, 114, 115, 116, 117, 118, 119, 120, 121, 122, 123, 124, 125, 126, 127, 128, 129, 130, 131, 132, 133, 134, 135, 136, 137, 138, 139, 140, 141, 142, 143, 144, 145, 146, 147, 148, 149, 150, 151, 152, 153, 154, 155, 156, 157, 158, 159, 160, 161, 162, 163, 164, 165, 166, 167, 168, 169, 170, 171, 172, 173, 174, 175, 176, 177, 178, 179, 180, 181, 182, 183, 184, 185, 186, 187, 188, 189, 190, 191, 192, 193, 194, 195, 196, 197, 198, 199, 200, 201, 202, 203, 204, 205, 206, 207, 208, 209, 210, 211, 212, 213, 214, 215, 216, 217, 218, 219, 220, 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1592, 1593, 1594, 1595, 1596, 1597, 1598, 1599, 1599, 1600, 1601, 1602, 1603, 1604, 1605, 1606, 1607, 1608, 1609, 1609, 1610, 1611, 1612, 1613, 1614, 1615, 1616, 1617, 1618, 1619, 1619, 1620, 1621, 1622, 1623, 1624, 1625, 1626, 1627, 1628, 1629, 1629, 1630, 1631, 1632, 1633, 1634, 1635, 1636, 1637, 1638, 1639, 1639, 1640, 1641, 1642, 1643, 164	
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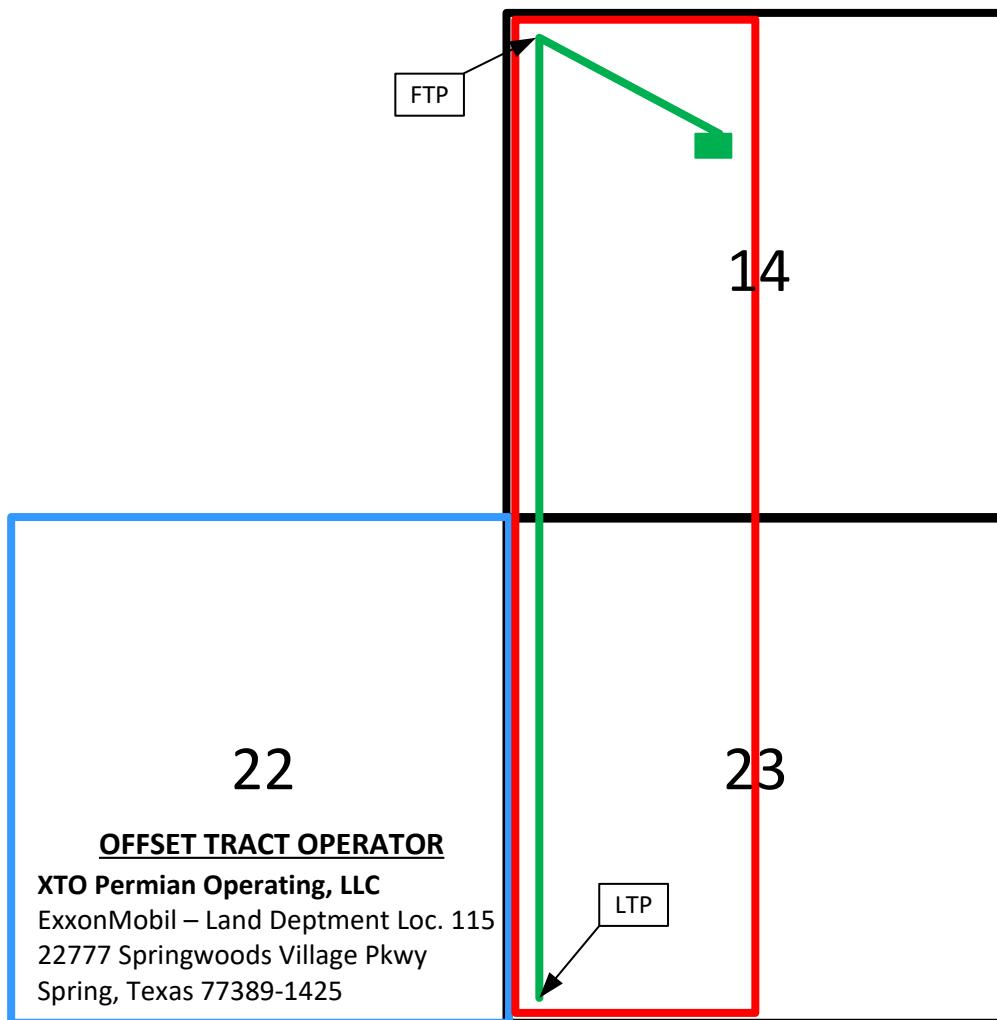
B

## SND 14 23 FED COM 425H

(API: 30-015-53401)

Township 24 South – Range 31 East  
Eddy County, New Mexico

 = SND 14 23 FED COM 425 HORIZONTAL SPACING UNIT  
 = Offset Tract



\*The offset Section 22 is part of the larger Poker Lake Federal Unit operated by XTO, which includes state leases by and between the State Land Office and federal leases by and between the Bureau of Land Management.

EXHIBIT  
**C**

Bureau of Land Management	620 E Greene St.	Carlsbad	NM	88220	
Bureau of Land Management	301 Dinosaur Trail	Santa Fe	NM	87508	
New Mexico State Land Office	310 Old Santa Fe Trail	Santa Fe	NM	87501	
New Mexico State Land Office	P.O. Box 1148	Santa Fe	NM	87504	
XTO Permian Operating, LLC	ExxonMobil - Land Department Loc 115	22777 Springwoods Village Pkwy	Spring	TX	77389-1425



**Paula M. Vance**  
**Associate**  
**Phone (505) 954-7286**  
PMVance@hollandhart.com

August 25, 2025

**VIA CERTIFIED MAIL**  
**RETURN RECEIPT REQUESTED**

**TO: ALL AFFECTED PERSONS**

**Re: Chevron U.S.A. Inc.**  
**Request for Administrative Approval of As-Drilled Unorthodox Well Location**

SND 14 23 Federal Com P425 425H well  
W/2 Sections 14 and 23, Township 24 South, Range 31 East  
Eddy County, New Mexico  
Cotton Draw, Bone Spring [Pool 13367]  
API No. 30-015-53401

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 this date with the applicant and 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:

Douglas Crawford  
Chevron U.S.A. Inc.  
Office: (713) 372-9615  
[dcrawford@chevron.com](mailto:dcrawford@chevron.com)

Sincerely,

A handwritten signature in blue ink that appears to read "Paula M. Vance".

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

Chevron - SD 425 NSL  
Postal Delivery Report

9414811898765479058716	Bureau of Land Management	620 E Greene St	Carlsbad	NM	88220-6292	Your item has been delivered to an agent at the front desk, reception, or mail room at 11:54 am on August 29, 2025 in CARLSBAD, NM 88220.
9414811898765479058754	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 10:54 am on August 28, 2025 in SANTA FE, NM 87508.
9414811898765479058761	New Mexico State Land Office	310 Old Santa Fe Trl	Santa Fe	NM	87501-2708	Your item was picked up at the post office at 7:40 am on August 29, 2025 in SANTA FE, NM 87501.
9414811898765479058723	New Mexico State Land Office	PO Box 1148	Santa Fe	NM	87504-1148	Your item was picked up at the post office at 7:50 am on August 28, 2025 in SANTA FE, NM 87501.
9414811898765479058709	XTO Permian Operating, LLC, Exxonmobil - Land Department Loc 115	22777 Springwoods Village Pkwy	Spring	TX	77389-1425	Your item was delivered to an individual at the address at 9:06 am on August 29, 2025 in SPRING, TX 77389.

**From:** [Paula M. Vance](#)  
**To:** [Lowe, Leonard, EMNRD](#)  
**Subject:** [EXTERNAL] RE: NSL - Chevron's SND 14 23 Federal Com P425 Well No. 425H - Action ID NO. 502590  
**Date:** Wednesday, December 3, 2025 10:33:57 AM

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CAUTION: This email originated outside of our organization. Exercise caution prior to clicking on links or opening attachments.

Leonard,

See additional detail below in **red**. Let me know if you need anything else on this one. Thanks.

**Paula Vance**

**Her / Hers / She** [\(What's this?\)](#)  
**Associate, Holland & Hart LLP**

[pmvance@hollandhart.com](mailto:pmvance@hollandhart.com) | **T:** (505) 954-7286 | **M:** (337) 280-9055

CONFIDENTIALITY NOTICE: This message is confidential and may be privileged. If you believe that this email has been sent to you in error, please reply to the sender that you received the message in error; then please delete this email.

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**From:** Lowe, Leonard, EMNRD <Leonard.Lowe@emnrd.nm.gov>  
**Sent:** Wednesday, November 26, 2025 2:58 PM  
**To:** Paula M. Vance <PMVance@hollandhart.com>  
**Subject:** NSL - Chevron's SND 14 23 Federal Com P425 Well No. 425H - Action ID NO. 502590  
**Importance:** High

**External Email**

P.V.,

The NSL application does not tell what happened during the drill that resulted in an unorthodox location at the latter part of the drill.

What is the reason that portion of the drill is unorthodox? *Limited geo-steering difficulties, intended to avoid issues with an offset well, caused a portion of the well to inadvertently cross the line. The error was not discovered until the as drilled survey was reviewed.*

All operators use the “preferred well spacing” for the reason. If the well didn’t deviate at that latter location, I would accept the reason for this application.

What is the reason the well tiered off the orthodox location?

**Leonard R. Lowe**

Engineering Bureau  
OCD/EMNRD  
5400 Oakland Ave.  
Albuquerque, N.M 87113  
Cell/Office Phone: 505-584-8351  
E-mail: [Leonard.Lowe@emnrd.nm.gov](mailto:Leonard.Lowe@emnrd.nm.gov)

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 502590

**CONDITIONS**

Operator:  CHEVRON U S A INC 6301 Deauville Blvd Midland, TX 79706	OGRID: 4323
	Action Number: 502590
	Action Type: [UF-NSL] Non-Standard Location (NSL)

**CONDITIONS**

Created By	Condition	Condition Date
llowe	None	9/11/2025