

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 - 8844

**Chevron U.S.A. Inc. [OGRID 4323]
SND 14 23 Federal Com Well No. 624H
API No. 30-015-55052**

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

Proposed Location

	Footages	Unit/Lot	Sec.	Twsp	Range	County
Surface	966 FSL & 2241 FEL	O	23	24S	31E	Eddy
First Take Point	100 FSL & 380 FEL	P	23	24S	31E	Eddy
Last Take Point/ Terminus	25 FNL & 380 FEL	A	14	24S	31E	Eddy

Proposed Horizontal Gas Units

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

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 - 8844

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 First and Last 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 NE/4

Section 11, encroachment to the SE/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 wasting resources and reducing production from current and future well developments within the Wolfcamp formation underlying the E/2 of Section 23 and the E/2 of Section 14, thereby preventing waste.

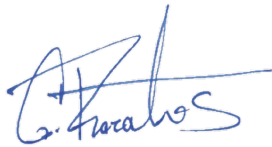
Your application has been filed under 19.15.16.15(C)(6) NMAC, 19.15.15.13 NMAC and 19.15.4.12 (A)(2) NMAC.

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.



Gerasimos Razatos

Division Director (Acting)

GR/lrl

Date: 2/6/2025

Revised March 23, 2017

ID NO. 411223

NSL - 8844

RECEIVED: 12/12/24	REVIEWER:	TYPE:	APP NO: pLEL2501361419
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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 Fed Com #624H well **API:** 30-025-55052
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

☒ 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.

Paula M. Vance

Print or Type Name

Signature

December 12, 2024

Date

505-954-7286

Phone Number

pmvance@hollandhart.com

e-mail Address



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

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 #624H well
E/2 of Sections 14 and 23, Township 24 South, Range 31 East, NMPM, Eddy County, New Mexico
Purple Sage; Wolfcamp (Gas) [98220]
API No. 30-015-55052

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 #624H well (API No. 30-015-55052), in a 640-acre, more or less, spacing unit underlying the E/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 #624H well** is as follows:

- Surface location: 966' FSL and 2,241' FEL (Unit O) of Section 23
- First take point: 100' FSL and 380' FEL (Unit P) of Section 23
- Last take point: 25' FNL and 380' FEL (Unit A) of Section 14
- Bottom location: 25' FNL and 380' FEL (Unit A) 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 north and Devon's Cotton Draw Unit to the south.



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

Chevron respectfully requests administrative approval of a non-standard location for the proposed **SND 14 23 Fed Com #624H** 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 #624H** well encroaches on the Javalina 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 #624H** 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 Cotton Draw Unit to the south 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:

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
Working Interest	Earthstone Permian LLC	Javalina Unit
	The Mabee-Flynt Lease Trust	
	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.



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	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,

A handwritten signature in blue ink, appearing to read 'Paula M. Vance'.

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 Online Phone Directory Visit: https://www.emnrd.nm.gov/ocd/contact-us/	State of New Mexico Energy, Minerals & Natural Resources Department OIL CONSERVATION DIVISION	C-102 Revised July 9, 2024 Submit Electronically via OCD Permitting	
		Submittal Type:	<input type="checkbox"/> Initial Submittal
			<input checked="" type="checkbox"/> Amended Report
		<input type="checkbox"/> As Drilled	

WELL LOCATION INFORMATION

API Number 30-015-55052	Pool Code 98220	Pool Name PURPLE SAGE; WOLFCAMP (GAS)
Property Code 335883	Property Name SND 14 23 FED COM	Well Number 624H
OGRID No. 4323	Operator Name CHEVRON U.S.A. INC.	Ground Level Elevation 3,549'
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 O	Section 23	Township 24 SOUTH	Range 31 EAST, N.M.P.M.	Lot N/A	Ft. from N/S 966' SOUTH	Ft. from E/W 2,241' EAST	Latitude 32.198255° N	Longitude 103.747294° W	County EDDY
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Bottom Hole Location

UL A	Section 14	Township 24 SOUTH	Range 31 EAST, N.M.P.M.	Lot N/A	Ft. from N/S 25' NORTH	Ft. from E/W 380' EAST	Latitude 32.224570° N	Longitude 103.741295° W	County EDDY
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Dedicated Acres 640	Infill or Defining Well INFILL	Defining Well API 30-015-55051	Overlapping Spacing Unit (Y/N) N	Consolidation Code P
Order Numbers. N/A			Well setbacks are under Common Ownership: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	

Kick Off Point (KOP)

UL P	Section 23	Township 24 SOUTH	Range 31 EAST, N.M.P.M.	Lot N/A	Ft. from N/S 100' SOUTH	Ft. from E/W 380' EAST	Latitude 32.195874° N	Longitude 103.741274° W	County EDDY
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First Take Point (FTP)

UL P	Section 23	Township 24 SOUTH	Range 31 EAST, N.M.P.M.	Lot N/A	Ft. from N/S 100' SOUTH	Ft. from E/W 380' EAST	Latitude 32.195874° N	Longitude 103.741274° W	County EDDY
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Last Take Point (LTP)

UL A	Section 14	Township 24 SOUTH	Range 31 EAST, N.M.P.M.	Lot N/A	Ft. from N/S 25' NORTH	Ft. from E/W 380' EAST	Latitude 32.224570° N	Longitude 103.741295° W	County EDDY
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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: 3,549'
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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 _____

SURVEYOR CERTIFICATIONS

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.

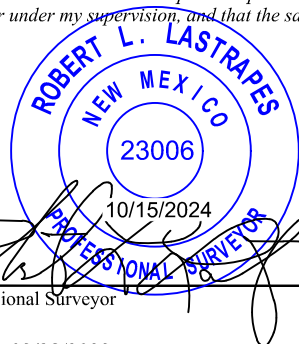
See Sheet 2 of 2 for plat.

Signature and Seal of Professional Surveyor _____

Certificate Number _____

02/28/2023

Date of Survey _____



EXHIBIT

A

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.

See Sheet 1 of 2 for notes & certification.

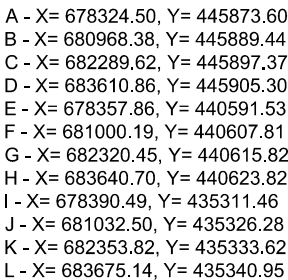
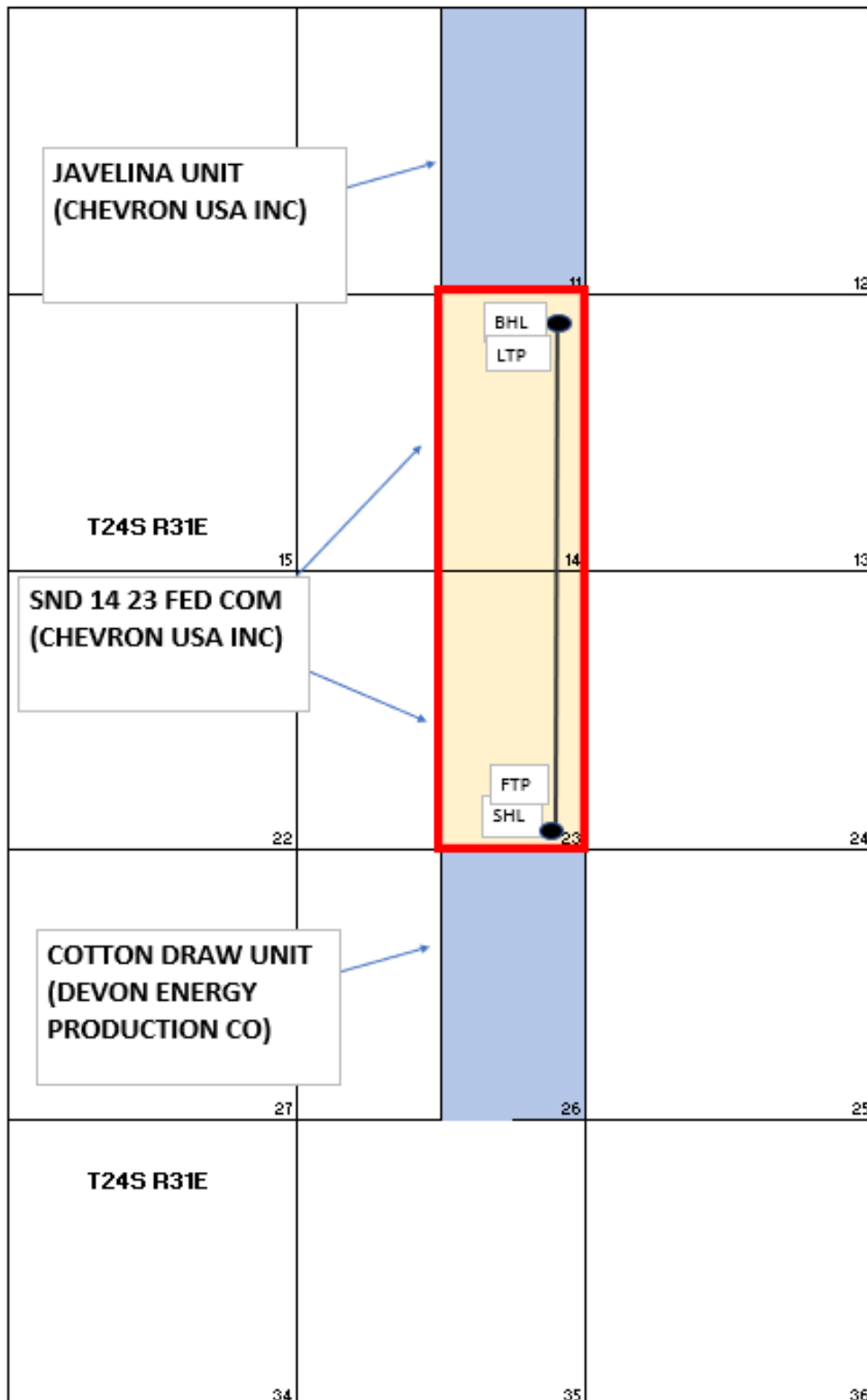


EXHIBIT B
SND 14 23 FED COM 624H



HORIZONTAL SPACING UNIT



AFFECTED TRACKS

EXHIBIT
B

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

EXHIBIT

C



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

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 #624H well
E/2 of Sections 14 and 23, Township 24 South, Range 31 East, NMPM, Eddy County, New Mexico
Purple Sage; Wolfcamp (Gas) [98220]
API No. 30-015-55052

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,

A handwritten signature in blue ink, appearing to read "Paula M. Vance".

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

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

9414811898765483637020	Earthstone Permian LLC	300 N Marienfeld St Ste 1000	Midland	TX	79701-4688	Your item was delivered to an individual at the address at 1:10 pm on November 26, 2024 in MIDLAND, TX 79701.
9414811898765483637099	Mabee-Flynt Lease Trust	15611 Wildwood Trce	Magnolia	TX	77354-1873	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 recipient was not available.
9414811898765483637044	Randy Prude	203 W Wall St Ste 1200	Midland	TX	79701-4516	Your item was delivered to an individual at the address at 4:01 pm on November 26, 2024 in MIDLAND, TX 79701.
9414811898765483637082	Warwick-Artemis, LLC	6608 N Western Ave PMB 417	Oklahoma City	OK	73116-7326	Your item was delivered to an individual at the address at 9:18 am on November 30, 2024 in OKLAHOMA CITY, OK 73116.
9414811898765483637037	The Mary Patricia Dougherty Trust	98 San Jacinto Blvd Ste 350	Austin	TX	78701-4282	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 needed.
9414811898765483637419	MKDWI, LLC	PO Box 4382	New York	NY	10163-4382	Your item arrived at the NEW YORK, NY 10163 post office at 9:40 am on November 30, 2024 and is ready for pickup.
9414811898765483637457	The Mary Margaret Olson Trust	6031 W Interstate 20 Ste 251	Arlington	TX	76017-1090	Your item was delivered to an individual at the address at 12:48 pm on November 30, 2024 in ARLINGTON, TX 76017.

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	OK	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 411223

CONDITIONS

Operator: CHEVRON U S A INC 6301 Deauville Blvd Midland, TX 79706	OGRID: 4323
	Action Number: 411223
	Action Type: [UF-NSL] Non-Standard Location (NSL)

CONDITIONS

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