

State of New Mexico  
Energy, Minerals and Natural Resources Department

**Michelle Lujan Grisham**  
Governor

**Erin Taylor**  
Acting Cabinet Secretary

**Ben Shelton**  
Deputy Secretary

**Albert C.S. Chang**  
Division Director  
Oil Conservation Division



Deana M. Bennett  
[deana.bennett@modrall.com](mailto:deana.bennett@modrall.com)

**ADMINISTRATIVE NON-STANDARD LOCATION**

**Administrative Order NSL – 9180**

**Chevron U.S.A., Inc. [OGRID 4323]  
MR 2 State Com Well No. 505H  
API No. 30-025-53824**

Reference is made to your application received on October 24<sup>th</sup>, 2025.

**Proposed Location**

	<b>Footages</b>	<b>Unit/Lot</b>	<b>Sec.</b>	<b>Twsp</b>	<b>Range</b>	<b>County</b>
Surface	571 FNL & 2574 FWL	C	02	24S	32E	Lea
First Take Point	25 FNL & 1590 FEL	B	02	24S	32E	Lea
Last Take Point	100 FSL & 1590 FEL	O	02	24S	32E	Lea
Terminus	25 FSL & 1590 FEL	O	02	24S	32E	Lea

**Proposed NSL Horizontal Unit**

<b>Description</b>	<b>Acres</b>	<b>Pool</b>	<b>Pool Code</b>
Section 02	638.12	Triste Draw; Bone Spring	96603

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.

1220 South St. Francis Drive, 3<sup>rd</sup> Floor • Santa Fe, New Mexico 87505  
Phone (505) 476-3441 • [www.emnrd.state.nm.us/oed](http://www.emnrd.state.nm.us/oed)

Administrative Order NSL – 9180

Chevron U.S.A., Inc.

Page 2 of 2

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 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 25 feet to the northern edge of the horizontal spacing unit. Encroachment will impact the following tracts.

Section 35, encroachment to the SW/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.

The Division understands you are seeking this unorthodox location to allow for full and efficient development of acreage within the Bone Spring formation underlying entire Section 02, 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 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.



**Albert C.S. Chang**

Division Director

AC/lrl

Date: 1/26/2026

ID NO. 519802

NSL - 9180

Revised March 23, 2017

RECEIVED: <b>10/24/25</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: 4323Well Name: MR 2 State Com 505HAPI: 30-25-53824Pool: Triste Draw, Bone SpringPool Code: 96603

**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☐ PPR2) **NOTIFICATION REQUIRED TO:** Check those which apply.A. ☐ Offset operators or lease holdersB. ☐ Royalty, overriding royalty owners, revenue ownersC. ☐ Application requires published noticeD. ☐ Notification and/or concurrent approval by SLOE. ☒ Notification and/or concurrent approval by BLMF. ☐ Surface ownerG. ☒ 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.**

Deana M. Bennett

Print or Type Name

Signature

October 24, 2025

Date

505-848-1834

Phone Number

deana.bennett@modrall.com

e-mail Address



October 24, 2025

VIA E-FILING

Director Albert Chang  
*And*  
 OCD Engineering Bureau  
 Oil Conservation Division  
 New Mexico Department of Energy,  
 Minerals and Natural Resources  
 1220 South Saint Francis Drive  
 Santa Fe, New Mexico 87505

Deana M. Bennett  
 505.848.1834  
 dmb@modrall.com

**RE: Application of Chevron U.S.A. Inc. for administrative approval of unorthodox well location for its MR 2 State Com 505H well located in a 640-acre, more or less, horizontal spacing unit comprised of Section 2, Township 24 South, Range 32 East, Lea County, New Mexico**

Dear Director Chang /OCD Engineering Bureau:

Pursuant to Division rules 19.15.16.15(C)(6) and 19.15.15.13 NMAC, Chevron U.S.A. Inc. ("Chevron") (OGRID No. 4323) seeks administrative approval of an unorthodox well location ("NSL") for its MR 2 State Com 505H well (API No. 30-025-53824) (the "Well") located in Section 2, Township 24 South, Range 32 East, Lea County, New Mexico, and will be in the Triste Draw; Bone Spring pool (Pool Code 96603). A C-102 for the Well is attached as Exhibit A.

Chevron is requesting this NSL to allow for full and efficient development of this acreage.

The horizontal spacing unit to which the Well will be dedicated is described as:

Description	Acres	Pool	Pool Code
Section 2	640	Triste Draw; Bone Spring	96603

The Triste Draw; Bone Spring Pool is an oil pool subject to the state-wide rules, which establish a 100' setback requirement for the first and last take points of a well to the outer boundary of the spacing unit. The Well's **first take point** will be closer than 100' from the outer boundary of the spacing unit, which requires an NSL approval. As shown on Exhibit A, this is a horizontal well that will be drilled as follows:

- Surface Hole Location: 571' FNL & 2574' FWL (Unit C) of Section 2-T24S-R32E;
- Bottom Hole Location: 25' FSL & 1590' FEL (Unit O) of Section 2-T24S-R32E;
- First Take Point: 25' FNL & 1590' FEL (Unit B) of Section 2-T24S-R32E;
- Last Take Point: 100' FSL & 1590' FWL (Unit A) of Section 2-T24S-R32E.

Chevron applied for, and received, an order approving the 640-acre, more or less, non-standard unit, which is Order NSP-2305. Chevron has identified Order NSP-2305 on the C-102 in the cell labeled "Order Numbers" and Order NSP-2305 is attached as Exhibit E for your convenience.

Chevron has provided a map of the area, attached as Exhibit B, which shows the tracts upon which the unorthodox location will encroach.

As discussed above, the Well's **first take point** will be closer than 100' from the outer boundary of the spacing unit. See Exhibit A (C-102). The unorthodox location will encroach towards the S/2E/2 of Section 35, Township 23 South, Range 32 East.

**Chevron is the operator and owns 100% of the working interest in the S/2E/2 of Section 35, Township 23 South, Range 32 East.** Pursuant to Rule 19.15.4.12(A)(2) and Rule 19.15.2.7(A)(3), Chevron is thus only providing notice to the Bureau of Land Management. Proof of mailing along with a copy of the letter sent to the Bureau of Land Management are included in Exhibit C. Chevron's landman has provided a letter confirming the ownership in the S/2E/2 of Section 35, Township 23 South, Range 32 East., which is included as Exhibit D.

Your attention to this matter is appreciated.

Sincerely,



Deana M. Bennett

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

## WELL LOCATION INFORMATION

API Number 30-025-53824	Pool Code 96603	Pool Name TRISTE DRAW;BONE SPRING
Property Code - PENDING	Property Name MR 2 STATE COM	Well Number 505H
OGRID No. 4323	Operator Name CHEVRON U.S.A. INC.	Ground Level Elevation 3621'
Surface Owner: <input type="checkbox"/> State <input type="checkbox"/> Fee <input type="checkbox"/> Tribal <input checked="" type="checkbox"/> Federal		Mineral Owner: <input checked="" type="checkbox"/> State <input type="checkbox"/> Fee <input type="checkbox"/> Tribal <input type="checkbox"/> Federal

## Surface Location

UL C	Section 2	Township 24 SOUTH	Range 32 EAST, N.M.P.M.	Lot N/A	Ft. from N/S 571' NORTH	Ft. from E/W 2574' WEST	Latitude 32.252316° N	Longitude 103.645638° W	County LEA
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## Bottom Hole Location

UL O	Section 2	Township 24 SOUTH	Range 32 EAST, N.M.P.M.	Lot N/A	Ft. from N/S 25' SOUTH	Ft. from E/W 1590' EAST	Latitude 32.239495° N	Longitude 103.641958° W	County LEA
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Dedicated Acres 638.12	Infill or Defining Well INFILL	Defining Well API N/A	Overlapping Spacing Unit (Y/N) Yes	Consolidation Code N/A
Order Numbers - NSP-2305			Well setbacks are under Common Ownership: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	

## Kick Off Point (KOP)

UL O	Section 35	Township 23 SOUTH	Range 32 EAST, N.M.P.M.	Lot N/A	Ft. from N/S 475' SOUTH	Ft. from E/W 1591' EAST	Latitude 32.255204° N	Longitude 103.642013° W	County LEA
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## First Take Point (FTP)

UL B	Section 2	Township 24 SOUTH	Range 32 EAST, N.M.P.M.	Lot N/A	Ft. from N/S 25' NORTH	Ft. from E/W 1590' EAST	Latitude 32.253829° N	Longitude 103.642008° W	County LEA
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## Last Take Point (LTP)

UL O	Section 2	Township 24 SOUTH	Range 32 EAST, N.M.P.M.	Lot N/A	Ft. from N/S 100' SOUTH	Ft. from E/W 1590' EAST	Latitude 32.239701° N	Longitude 103.641959° W	County LEA
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Unitized Area or Area of Uniform Interest PENDING	Spacing Unit Type <input checked="" type="checkbox"/> Horizontal <input type="checkbox"/> Vertical	Ground Floor Elevation: 3621'
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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

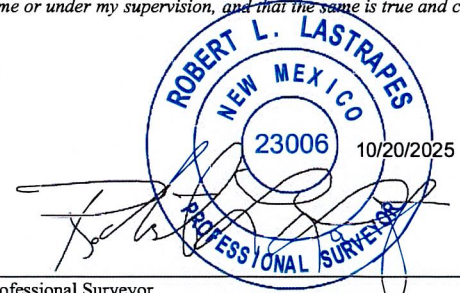
I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

See Sheet 2 of 2 for plat.

Signature and Seal of Professional Surveyor

Certificate Number

04/11/2024  
Date of Survey



EXHIBIT

tabbles

A

## 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.

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.

**MR 2 STATE COM**  
**NO. 505H WELL**

X = 712,747.59' (NAD27 NM E)  
Y = 456,147.86'  
LAT. 32.252193° N (NAD27)  
LONG. 103.645156° W  
X = 753,931.34' (NAD83/2011 NM E)  
Y = 456,206.66'  
LAT. 32.252316° N (NAD83/2011)  
LONG. 103.645638° W

**PPP #1**

X = 713,355.63' (NAD27 NM E)  
Y = 456,725.34'  
LAT. 32.253770° N (NAD27)  
LONG. 103.643177° W  
X = 754,539.36' (NAD83/2011 NM E)  
Y = 456,784.15'  
LAT. 32.253892° N (NAD83/2011)  
LONG. 103.643659° W

**PROPOSED KICK**  
**OFF POINT**

X = 713,861.38' (NAD27 NM E)  
Y = 457,205.67'  
LAT. 32.255081° N (NAD27)  
LONG. 103.641531° W  
X = 755,045.10' (NAD83/2011 NM E)  
Y = 457,264.48'  
LAT. 32.255204° N (NAD83/2011)  
LONG. 103.642013° W

**PPP #2**

X = 713,865.83' (NAD27 NM E)  
Y = 456,730.69'  
LAT. 32.253775° N (NAD27)  
LONG. 103.641527° W  
X = 755,049.57' (NAD83/2011 NM E)  
Y = 456,789.49'  
LAT. 32.253898° N (NAD83/2011)  
LONG. 103.642008° W

**PROPOSED FIRST**  
**TAKE POINT**

X = 713,866.07' (NAD27 NM E)  
Y = 456,705.69'  
LAT. 32.253707° N (NAD27)  
LONG. 103.641527° W  
X = 755,049.81' (NAD83/2011 NM E)  
Y = 456,764.49'  
LAT. 32.253829° N (NAD83/2011)  
LONG. 103.642008° W

**PPP #3**

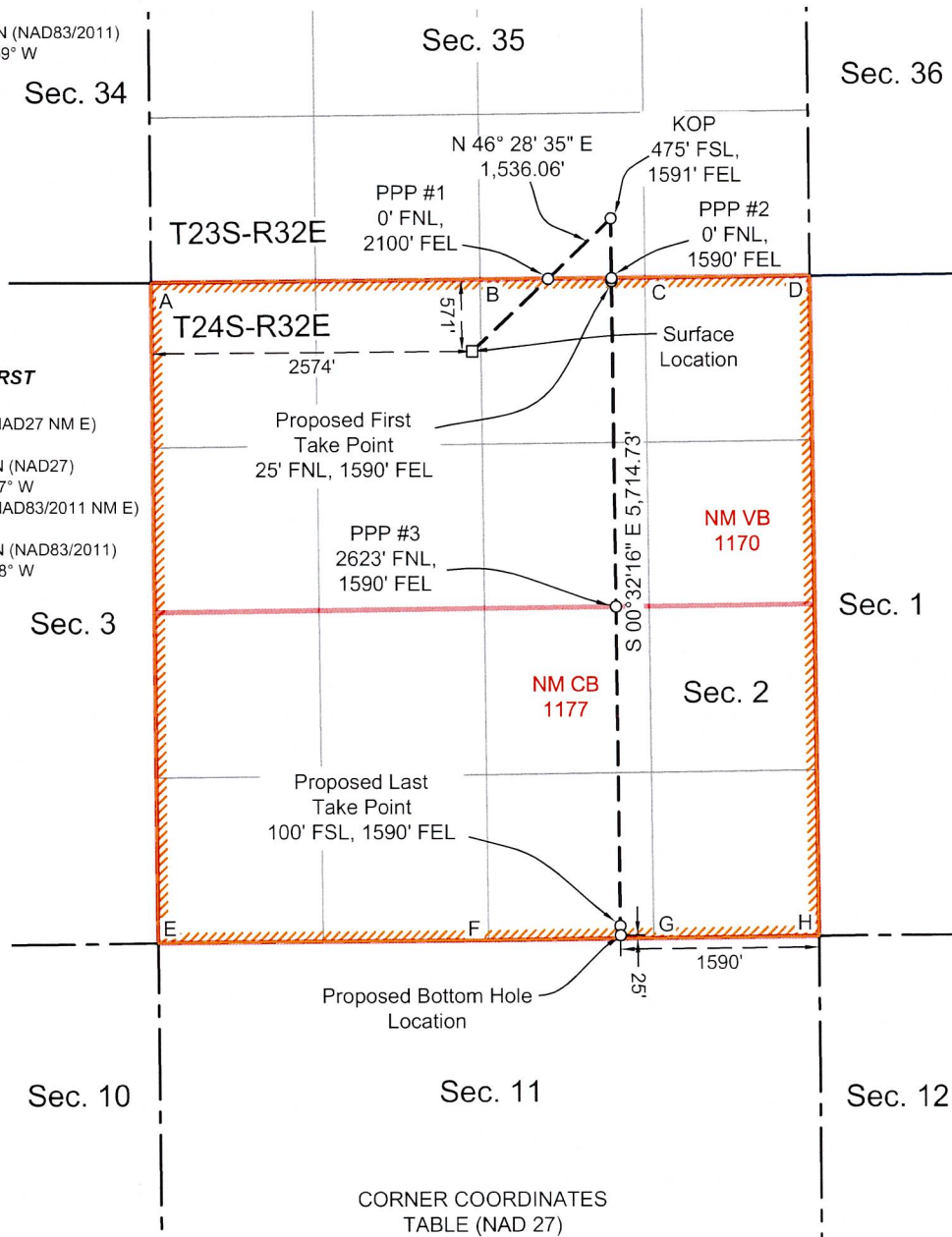
X = 713,890.46' (NAD27 NM E)  
Y = 454,107.50'  
LAT. 32.246564° N (NAD27)  
LONG. 103.641502° W  
X = 755,074.29' (NAD83/2011 NM E)  
Y = 454,166.25'  
LAT. 32.246687° N (NAD83/2011)  
LONG. 103.641983° W

**PROPOSED LAST**  
**TAKE POINT**

X = 713,914.31' (NAD27 NM E)  
Y = 451,566.19'  
LAT. 32.239578° N (NAD27)  
LONG. 103.641478° W  
X = 755,098.25' (NAD83/2011 NM E)  
Y = 451,624.88'  
LAT. 32.239701° N (NAD83/2011)  
LONG. 103.641959° W

**PROPOSED BOTTOM**  
**HOLE LOCATION**

X = 713,915.01' (NAD27 NM E)  
Y = 451,491.19'  
LAT. 32.239372° N (NAD27)  
LONG. 103.641477° W  
X = 755,098.96' (NAD83/2011 NM E)  
Y = 451,549.88'  
LAT. 32.239495° N (NAD83/2011)  
LONG. 103.641958° W





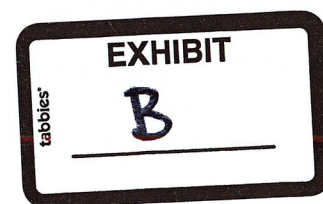
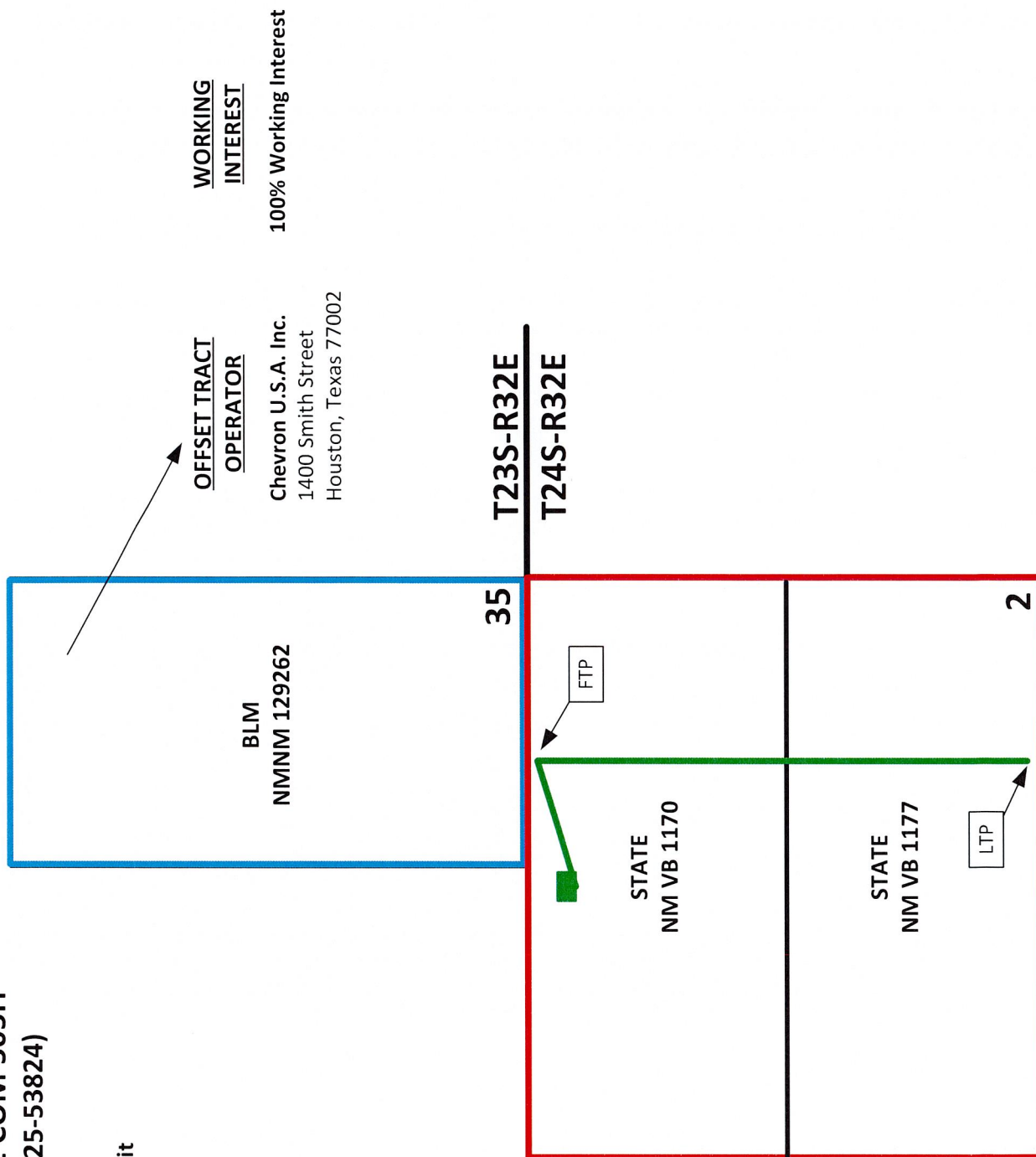
**CORNER COORDINATES**  
**TABLE (NAD 27)**

A - X=710169.71, Y=456694.99  
B - X=712812.79, Y=456719.65  
C - X=714134.27, Y=456733.50  
D - X=715455.75, Y=456747.36  
E - X=710206.16, Y=451432.85  
F - X=712855.10, Y=451453.36  
G - X=714180.15, Y=451469.39  
H - X=715505.20, Y=451485.43



MR 2 STATE COM 505H  
(API: 30-025-53824)

 = Horizontal Spacing Unit  
 = Offset Tract







MODRALL SPERLING

L A W Y E R S

October 24, 2025

**VIA CERTIFIED MAIL****TO AFFECTED PARTIES**

Deana M. Bennett  
505.848.1834  
dmb@modrall.com

**RE: Application of Chevron U.S.A. Inc. for administrative approval of unorthodox well location for its MR State Com 505H well located in a 640-acre, more or less, horizontal spacing unit comprised of Section 2, Township 24 South, Range 32 East, Lea County, New Mexico**

**Application of Chevron U.S.A. Inc. for administrative approval of unorthodox well location for its MR State Com 506H well located in a 640-acre, more or less, horizontal spacing unit comprised of Section 2, Township 24 South, Range 32 East, Lea County, New Mexico**

**Application of Chevron U.S.A. Inc. for administrative approval of unorthodox well location for its MR State Com 608H well located in a 640-acre, more or less, horizontal spacing unit comprised of Section 2, Township 24 South, Range 32 East, Lea County, New Mexico**

**Application of Chevron U.S.A. Inc. for administrative approval of unorthodox well location for its MR State Com 609H well located in a 640-acre, more or less, horizontal spacing unit comprised of Section 2, Township 24 South, Range 32 East, Lea County, New Mexico**

**Application of Chevron U.S.A. Inc. for administrative approval of unorthodox well location for its MR State Com 610H well located in a 640-acre, more or less, horizontal spacing unit comprised of Section 2, Township 24 South, Range 32 East, Lea County, New Mexico**

**Application of Chevron U.S.A. Inc. for administrative approval of unorthodox well location for its MR State Com 611H well located in a 640-acre, more or less, horizontal spacing unit comprised of Section 2, Township 24 South, Range 32 East, Lea County, New Mexico**

Dear Sir or Madam:

Enclosed is a copy of the above referenced applications filed with the New Mexico Conservation Division on this date. Any objections that you have to these applications must be filed in writing with the New Mexico Oil Conservation Division, 1220 South St. Francis Drive, Santa Fe, New Mexico 87505, within twenty (20) days from the date the Division receives the above-referenced applications. If no objection is received within this twenty-day period, the applications may be approved administratively by the Division.

Sincerely,

Deana M. Bennett  
*Attorney for Chevron U.S.A. Inc.*

Modrall Sperling  
Roehl Harris & Sisk P.A.

500 Fourth Street NW  
Suite 1000  
Albuquerque,  
New Mexico 87102

PO Box 2168  
Albuquerque,  
New Mexico 87103-2168

Tel: 505.848.1800  
www.modrall.com



Karlene Schuman  
 Modrall Sperling Roehl Harris & Sisk P.A.  
 500 Fourth Street, Suite 1000  
 Albuquerque NM 87102

PS Form 3877

Type of Mailing: CERTIFIED MAIL  
 10/24/2025

Firm Mailing Book ID: 298392

Line	USPS Article Number	Name, Street, City, State, Zip	Postage	Service Fee	RR Fee	Rest.Del.Fee	Reference Contents
1	9314 8699 0430 0141 8497 15	Bureau of Land Management 301 Dinosaur Trail Santa Fe NM 87508	\$3.28	\$5.30	\$2.82	\$0.00	Chevron 505, 506, 608-611
Totals:			\$3.28	\$5.30	\$2.82	\$0.00	83420.0050
			Grand Total:				NSL Applications
			\$11.40				

List Number of Pieces  
Listed by Sender

Total Number of Pieces  
Received at Post Office

Postmaster:  
Name of receiving employee

Dated:



October 21, 2025

**VIA EMAIL**

OCD Engineering Bureau  
Oil Conservation Division  
Energy, Minerals and Natural Resource Department  
1220 South Saint Francis Drive  
Santa Fe, New Mexico 87505

Re: Non-Standard Location Applications  
Lea County, New Mexico  
MR 2 State Com 505H API: 30-025-53824  
MR 2 State Com 506H API: 30-025-53825  
MR 2 State Com 608H API: 30-025-53830  
MR 2 State Com 609H API: 30-025-53831  
MR 2 State Com 610H API: 30-025-53832  
MR 2 State Com 611H API: 30-025-53833

Dear OCD Engineering Bureau:

I am a landman for Chevron U.S.A. Inc. ("Chevron"). Chevron has requested administrative approval of non-standard locations ("NSL") for the wells referenced above (the "Wells"). As noted in the NSL application materials for these Wells, the Wells unorthodox location for the first take point will encroach towards the East half of Section 35, Township 23 South, Range 32 East.

As a landman for Chevron, I have knowledge of the ownership of the East half of Section 35, Township 23 South, Range 32 East. I confirm that Chevron is the operator and owns 100% of the working interest in the East half of Section 35, Township 23 South, Range 32 East, which is the tract upon which the Wells will encroach.

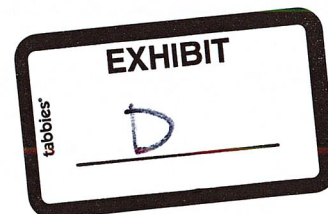
Thank you for your consideration.

Sincerely,

A handwritten signature in blue ink, reading "Douglas C. Crawford".

Douglas C. Crawford  
Land Representative

North America Exploration and Production Company  
Chevron U.S.A. Inc.  
6301 Deauville Blvd., Midland, Texas 79706  
Tel 713 372 9615  
dccrawford@chevron.com





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 Chang**  
Division Director  
Oil Conservation Division



Deana M. Bennett  
[deana.bennett@modrall.com](mailto:deana.bennett@modrall.com)

Administrative Order NSP – 2305

**ADMINISTRATIVE NON-STANDARD HORIZONTAL SPACING UNIT**

**Chevron U.S.A., Inc. [OGRID 4323]**

MR 2 State Com Well No. 503H [API No. 30-025-53822]

MR 2 State Com Well No. 504H [API No. 30-025-53823]

MR 2 State Com Well No. 505H [API No. 30-025-53824]

MR 2 State Com Well No. 506H [API No. 30-025-53825]

McCloy Ranch 2 24 32 State Com Well No. 001H [30-025-40551]

McCloy Ranch 2 24 32 State Com Well No. 002H [30-025-40860]

McCloy Ranch 2 24 32 State Com Well No. 004H [30-025-40861]

**HSU: Section 2, T24S R32E, Lea County**

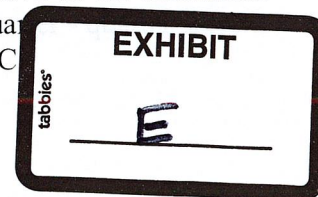
Reference is made to your application received on May 28<sup>th</sup>, 2025.

You have requested approval of a non-standard horizontal spacing unit to be included in your proposed horizontal spacing unit, as follows:

**Proposed Increased Horizontal Spacing Unit:**

<b>Description</b>	<b>Acres</b>	<b>Pool</b>	<b>Pool Code</b>
Section 02	640	Triste Draw; Bone Spring	96603

You have requested an exception pursuant to Rule 19.15.16.15(A)(3) NMAC, to approve a non-standard horizontal spacing unit consisting of the entire area described above as the horizontal spacing unit. The proposed horizontal spacing unit does not consist of a quarter section or equivalent in both sections, as required by Rule 19.15.16.15(B)(1) NMAC.



NSP - 2305  
Chevron U.S.A., Inc.  
Page 2 of 2

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We understand that you are seeking this exception for an allowance to create a non-standard horizontal spacing unit, comprised of the Proposed Horizontal Spacing Unit referenced above within Lea County, New Mexico.

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 which are to be being included.

You have requested this non-standard horizontal spacing unit to allow efficient development of acreage, to minimize surface disturbance by consolidating facilities, and to promote effective well spacing all while protecting the correlative rights within the Bone Spring formation. Therefore, preventing waste underlying all of Section 02 within the referenced Horizontal Spacing Unit.

Pursuant to the authority conferred by Division Rule 19.15.16.15(B)(5) NMAC, the above-described **non-standard horizontal spacing unit is hereby approved**. Further, the Applicant may add additional wells to the non-standard spacing unit, the well(s) must be in the same horizontal spacing unit and pool/formation. The new well's APD shall reference this NSP order number on Form C-102 with an adjacent letter stating this request.

### **General Provisions**

The above approvals are subject to your being in compliance with all other applicable Division rules, including, but not limited to Division Rule 19.15.5.9 NMAC.

Jurisdiction of this case is retained for the entry of such further orders as the Division may deem necessary.



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Albert C.S. Chang, PE  
Division Director  
AC/lrl

Date: 7/25/2025

Sante Fe Main Office  
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Online Phone Directory  
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State of New Mexico  
Energy, Minerals and Natural Resources  
Oil Conservation Division  
1220 S. St Francis Dr.  
Santa Fe, NM 87505

CONDITIONS

Action 519802

CONDITIONS

Operator: CHEVRON U S A INC 6301 Deauville Blvd Midland, TX 79706	OGRID: 4323
	Action Number: 519802
	Action Type: [UF-NSL] Non-Standard Location (NSL)

CONDITIONS

Created By	Condition	Condition Date
llowe	None	10/28/2025