

**BEFORE THE OIL CONSERVATION DIVISION  
EXAMINER HEARING JUNE 01, 2023**

**CASE NO. 23568**

*ZN 27 22 FED STATE COM #401H WELL*

**LEA COUNTY, NEW MEXICO**



**STATE OF NEW MEXICO  
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT  
OIL CONSERVATION DIVISION**

**APPLICATION OF CHEVRON U.S.A. INC.  
FOR COMPULSORY POOLING,  
LEA COUNTY, NEW MEXICO.**

**CASE NO. 23568**


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**COMPULSORY POOLING APPLICATION CHECKLIST****ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS**

<b>Case: 23568</b>	<b>APPLICANT'S RESPONSE</b>
<b>Date</b>	<b>June 1, 2023</b>
Applicant	Chevron U.S.A. Inc.
Designated Operator & OGRID (affiliation if applicable)	Chevron U.S.A. Inc. (OGRID No. 4323)
Applicant's Counsel:	Holland & Hart LLP
Case Title:	APPLICATION OF CHEVRON U.S.A. INC. FOR COMPULSORY POOLING, LEA COUNTY, NEW MEXICO.
Entries of Appearance/Intervenors:	N/A
Well Family	ZN 27 22
<b>Formation/Pool</b>	
Formation Name(s) or Vertical Extent:	Lower Bone Spring Pool
Primary Product (Oil or Gas):	Oil
Pooling this vertical extent:	N/A
Pool Name and Pool Code:	Antelope Ridge; Bone Spring, West (98133)
Well Location Setback Rules:	Statewide oil rules
<b>Spacing Unit</b>	
Type (Horizontal/Vertical)	Horizontal
Size (Acres)	320
Building Blocks:	40 acres
Orientation:	South-North
Description: TRS/County	W/2 E/2 of Sections 22 and 27, Township 23 South, Range 34 East, NMPM, Lea County, New Mexico
Standard Horizontal Well Spacing Unit (Y/N), If No, describe <u>and</u> is approval of non-standard unit requested in this application?	Yes
<b>Other Situations</b>	
Depth Severance: Y/N. If yes, description	N/A
Proximity Tracts: If yes, description	No
Proximity Defining Well: if yes, description	N/A
Applicant's Ownership in Each Tract	A-3
<b>Well(s)</b>	
Name & API (if assigned), surface and bottom hole location, footages, completion target, orientation, completion status (standard or non-standard)	Add wells as needed

Well #1 <i>Received by OCD: 5/30/2023 2:14:01 PM</i>	<b><u>ZN 27 22 Fed State Com #401H well</u></b> SHL: 650' FNL, 1,367' FEL (Unit B) of Section 34 BHL: 25' FNL, 1,980' FEL (Unit B) of Section 22 Target: Bone Spring Orientation: South-North Completion: Non-Standard Location
Horizontal Well First and Last Take Points	Exhibit A-2
Completion Target (Formation, TVD and MD)	Exhibit A-4
<b>AFE Capex and Operating Costs</b>	
Drilling Supervision/Month \$	\$8,000
Production Supervision/Month \$	\$800
Justification for Supervision Costs	Exhibit A
Requested Risk Charge	200%
<b>Notice of Hearing</b>	
Proposed Notice of Hearing	See Application
Proof of Mailed Notice of Hearing (20 days before hearing)	Exhibit C
Proof of Published Notice of Hearing (10 days before hearing)	Exhibit D
<b>Ownership Determination</b>	
Land Ownership Schematic of the Spacing Unit	Exhibit A-3
Tract List (including lease numbers and owners)	Exhibit A-3
If approval of Non-Standard Spacing Unit is requested, Tract List (including lease numbers and owners) of Tracts subject to notice requirements.	N/A
Pooled Parties (including ownership type)	Exhibit A-3
Unlocatable Parties to be Pooled	N/A
Ownership Depth Severance (including percentage above & below)	N/A
<b>Joinder</b>	
Sample Copy of Proposal Letter	Exhibit A-4
List of Interest Owners (ie Exhibit A of JOA)	Exhibit A-3
Chronology of Contact with Non-Joined Working Interests	Exhibit A-5
Overhead Rates In Proposal Letter	Exhibit A-4
Cost Estimate to Drill and Complete	Exhibit A-4
Cost Estimate to Equip Well	Exhibit A-4
Cost Estimate for Production Facilities	Exhibit A-4
<b>Geology</b>	
Summary (including special considerations)	Exhibit B
Spacing Unit Schematic	Exhibit B-2
Gunbarrel/Lateral Trajectory Schematic	N/A

Well Orientation (with rationale)	Exhibit B
Target Formation	Exhibit B, B-4, B-5
HSU Cross Section	Exhibit B-4, B-5
Depth Severance Discussion	N/A
<b>Forms, Figures and Tables</b>	
C-102	Exhibit A-2
Tracts	Exhibit A-3
Summary of Interests, Unit Recapitulation (Tracts)	Exhibit A-3
General Location Map (including basin)	Exhibit B-2
Well Bore Location Map	Exhibit B-2
Structure Contour Map - Subsea Depth	Exhibit B-3
Cross Section Location Map (including wells)	Exhibit B-4, B-5
Cross Section (including Landing Zone)	Exhibit B-4, B-5
<b>Additional Information</b>	
Special Provisions/Stipulations	N/A
<b>CERTIFICATION: I hereby certify that the information provided in this checklist is complete and accurate.</b>	
<b>Printed Name</b> (Attorney or Party Representative):	Paula M. Vance
<b>Signed Name</b> (Attorney or Party Representative):	
<b>Date:</b>	5/30/2023

**STATE OF NEW MEXICO  
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT  
OIL CONSERVATION DIVISION**

**APPLICATION OF CHEVRON U.S.A. INC.  
FOR COMPULSORY POOLING,  
LEA COUNTY, NEW MEXICO.**

**CASE NO. 23568**

**APPLICATION**

Chevron U.S.A. Inc. ("Chevron" or "Applicant") (OGRID No. 4323), through its undersigned attorneys, hereby files this application with the Oil Conservation Division pursuant to the provisions of NMSA 1978, § 70-2-17, for an order pooling all uncommitted interests in the Lower Bone Spring formation (Antelope Ridge; Bone Spring, West [98133]), underlying a standard 320-acre, more or less, horizontal well spacing unit comprised of the W/2 E/2 of Sections 22 and 27, Township 23 South, Range 34 East, NMPM, Lea County, New Mexico. In support of its application, Chevron states:

1. Applicant is a working interest owner in the proposed horizontal spacing unit and has the right to drill thereon.
2. Applicant seeks to initially dedicate the above-referenced horizontal spacing unit to the proposed **ZN 27 22 Fed State Com 401H** well, to be horizontally drilled from a surface location in the NW/4 NE/4 (Unit B) of Section 34 to a bottom hole location in the NW/4 NE/4 (Unit B) of Section 22.
3. Applicant has sought and been unable to obtain voluntary agreement for the development of these lands from all interest owners in the subject spacing unit.
4. The pooling of interests will allow Applicant to obtain a just and fair share of the oil and gas underlying the subject lands, avoid the drilling of unnecessary wells, will prevent waste, and will protect correlative rights.

WHEREFORE, Applicant requests that this application be set for hearing before an Examiner of the Oil Conservation Division on June 1, 2023, and, after notice and hearing as required by law, the Division enter an order:

- A. Approving the horizontal well spacing unit and pooling all uncommitted interests therein;
- B. Designating Applicant operator of this spacing unit and the horizontal well to be drilled thereon;
- C. Authorizing Applicant to recover its costs of drilling, completing, and equipping the well;
- D. Approving the actual operating charges and costs of supervision while drilling and after completion, together with a provision adjusting the rates pursuant to the COPAS accounting procedures; and
- E. Imposing a 200% penalty for the risk assumed by Applicant in drilling and completing the well against any working interest owner who does not voluntarily participate in the drilling of the well.

Respectfully submitted,

HOLLAND & HART LLP

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Adam G. Rankin  
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ATTORNEYS FOR CHEVRON U.S.A. INC.



CASE \_\_\_\_\_:      **Application of Chevron U.S.A. Inc. for Compulsory Pooling, Lea County, New Mexico.** Applicant in the above-styled cause seeks an order pooling all uncommitted interests in the Lower Bone Spring formation (Antelope Ridge; Bone Spring, West [98133]), underlying a standard 320-acre, more or less, horizontal well spacing unit comprised of the W/2 E/2 of Sections 22 and 27, Township 23 South, Range 34 East, NMPM, Lea County, New Mexico. Said unit will be initially dedicated to the proposed **ZN 27 22 Fed State Com 401H** well, to be horizontally drilled from a surface location in the NW/4 NE/4 (Unit B) of Section 34 to a bottom hole location in the NW/4 NE/4 (Unit B) of Section 22. Also, to be considered will be the cost of drilling and completing the well and the allocation of the cost thereof, actual operating costs and charges for supervision, designation of Applicant as operator of the well, and a 200% charge for risk involved in drilling the well. Said area is located approximately 18.5 miles northwest of Jal, New Mexico.

**STATE OF NEW MEXICO  
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT  
OIL CONSERVATION DIVISION**

**APPLICATIONS OF CHEVRON U.S.A. INC.  
FOR COMPULSORY POOLING,  
LEA COUNTY, NEW MEXICO.**

**CASE NOS. 23568 & 23569**

**SELF-AFFIRMED STATEMENT OF CORIE MATHEWS**

1. My name is Corie Mathews. I work for Chevron U.S.A. Inc. ("Chevron") as a Landman.

2. I have not previously testified before the New Mexico Oil Conservation Division ("Division") as an expert witness in petroleum land matters. I have included a copy of my resume as **Chevron Exhibit A-1** for the Division to review and respectfully request that my credentials be accepted as a matter of record, and that I be tendered as an expert in petroleum land matters.

3. I am familiar with the applications filed by Chevron in these cases, and I am familiar with the status of the lands in the subject area.

4. None of the uncommitted parties in these cases have indicated opposition to proceeding by self-affirmed statement and, therefore, I do not expect any opposition at the hearing.

5. Under these consolidate cases, Chevron seeks an order pooling all uncommitted interests in the Lower Bone Spring formation, underlying the referenced acreage all in Township 23 South, Range 34 East, NMPM, Lea County, New Mexico, as follows:

- Under **Case No. 23568**, Chevron seeks to pool a standard 320-acre, more or less, horizontal well spacing unit comprised of the W/2 E/2 of Sections 22 and 27, and initially dedicate this Bone Spring spacing unit to the proposed **ZN 27 22 Fed State Com 401H** well, to be horizontally drilled from a surface location in the NW/4

NE/4 (Unit B) of Section 34 to a bottom hole location in the NW/4 NE/4 (Unit B) of Section 22.

- Under **Case No. 23569**, Chevron seeks to pool a standard 320-acre, more or less, horizontal well spacing unit comprised of the E/2 E/2 of Sections 22 and 27, and initially dedicate this Bone Spring spacing unit to the proposed **ZN 27 22 Fed State Com 402H** well, to be horizontally drilled from a surface location in the NW/4 NE/4 (Unit B) of Section 34 to a bottom hole location in the NE/4 NE/4 (Unit A) of Section 22.

6. The first take point for each of the wells will be at a non-standard location; therefore, Chevron will apply separately by administrative application.

7. **Chevron Exhibit A-2** contains a draft Form C-102 for the wells in this horizontal spacing unit. These forms demonstrate that the completed interval for each well will comply with statewide setbacks for oil wells. The exhibit shows that the wells will be assigned to the Antelope Ridge; Bone Spring, West [98133].

8. **Chevron Exhibit A-3** identifies the tracts of land comprising the horizontal spacing unit, the ownership interests in each tract, and ownership interests on a spacing unit basis. The interest owners that Chevron seeks to pool are highlighted in yellow. Exhibit A-3 also includes a list of the overriding royalty interests and title record owners that Chevron seeks to pool. The subject acreage is comprised of state and federal lands.

9. **Chevron Exhibit A-4** contains a sample of the well proposal letter and AFE for each well that was sent to owners with a working interest. The costs reflected in the AFE are consistent with what Chevron and other operators have incurred for drilling similar horizontal wells in the area in this formation.

10. Chevron requests that the overhead and administrative costs for drilling and producing the proposed wells be set at \$8,000 per month while drilling and \$800 per month while producing. These costs are consistent with what other operators are charging in this area for similar wells.

11. **Chevron Exhibit A-5** contains a general summary of the contacts with the uncommitted interest owners. As indicated in the exhibit, Chevron has made a good faith effort to locate and has had communications with all of the working interest owners that it seeks to pool in these cases in an effort to reach voluntary joinder. In my opinion, Chevron has undertaken good faith efforts to reach an agreement with the uncommitted interest owners.

12. Chevron has provided the law firm of Holland & Hart LLP with the names and addresses of the parties that Chevron seeks to pool and instructed that they be notified of this hearing. Chevron has conducted a diligent search of all public records in the county where the property is located, reviewed telephone directories, and conducted computer searches to locate contact information for each interest owner.

13. **Chevron Exhibits A-1 through A-5** were either prepared by me or compiled under my direction and supervision.

14. I affirm under penalty of perjury under the laws of the State of New Mexico that the foregoing statements are true and correct. I understand that this self-affirmed statement will be used as written testimony in these cases. This statement is made on the date next to my signature below.

Corie Mathews

Corie Mathews

5/25/2023

Date

## Corie Mathews, CPL

### OVERVIEW

Energy Commerce graduate with fourteen (14) years of experience working as a professional in-house landman. Responsible for oil and gas leasehold acquisitions, title curatives, negotiation of surface use agreements, property access, procurements of surface and subsurface easements, salt water disposal and fresh water use agreements and surface damage settlements. Directly involved in negotiating, drafting, and administering oil and gas leases, surface use agreements, operating agreements, assignments, production sharing agreements and pooling agreements. Experience in dispute resolution matters and due diligence in property interest acquisitions. Managed field landmen and worked extensively with title attorneys, regulatory specialists and Land Administration.

### EMPLOYMENT

#### **CHEVRON U.S.A, INC.** (Houston, Texas)

##### Northern Delaware Basin – Land Representative (2022-Present)

- Responsible for all subsurface Land matters associated with development areas located in Eddy and Lea Counties in New Mexico including title and curative processes, oil and gas leasing, communitization agreements, negotiating operating agreement, consent to pooling agreements and designations of pooled units for operated wells.
- Provide support and draft exhibits for non-standard locations, compulsory pooling applications and commingling applications.
- Manage federal units to ensure timely development of commitment wells and establishing Participating Areas.

#### **MARATHON OIL CORPORATION** (Houston, Texas)

##### Eagle Ford Shale – Senior Land Professional (2022-2022) Advanced Land Professional (2021-2022)

- Responsible for all subsurface Land matters for approximately 40K acres to support a multi-rig program in mainly Karnes County, Texas which includes subsurface easements, off-lease point of penetration waivers, AMI lease offerbacks, regulatory support for well permitting, Division Order suspense support and well set ups, lease ratifications, lease amendments, unit agreements and operating agreements.
- Supported Land Administration with system upgrades to ensure the land processes integrated seamlessly.
- Project Lead to update the land process for drill ready production sharing agreement type of wells which included collaborating with multiple departments.
- Managed brokers to cure outstanding title requirements.
- Provided owner relations support to maintain good working relationships with mineral and surface owners.
- Collaborated with lease and land analysts for new and existing lease and contract set ups to maintain accurate data.
- Mentored landmen to provide guidance on how to manage an area of responsibility and risk management in complex land situations.

- Managed approximately 315 PDP wells to communicate at risk units to Operations.
- Actively marketed and negotiated non-operated wellbores to capitalize on carry and farmout opportunities; draft wellbore purchase contracts, wellbore assignments, wellbore operating agreements and farmout agreements.
- Identified and negotiated production sharing agreements with offset operators to extend laterals for operated wells or capture stranded acreage.

#### **EP ENERGY E&P COMPANY, L.P. (Houston, Texas)**

##### **Eagle Ford Shale - Staff Landman (2018-2021)**

- Responsible for managing all Land matters associated with approximately 40K net acres in mainly La Salle County, Texas including leasing, NEMIs, NPRIs, allocation wells, PSA wells, Rule 37 exceptions, operating agreements and designations of pooled units.
- Managed field brokers for title abstracting and curative; closely worked with outside counsel on litigation and settlement agreements.
- Drafted and negotiated pooling agreements, lease amendments, operating agreements, surface use and right-of-way agreements, production sharing agreements, and surface use and 3<sup>rd</sup> party water waivers.
- Project land lead for EOR and mitigated potential legal issues.

##### **Uintah Basin - Staff Landman (2016-2018) Senior Landman (2013-2016) Landman (2012-2013)**

- Responsible for all Land matters associated with several townships within EP Energy's Northeastern Utah Asset in Uintah Basin, which included thousands of leases and hundreds of operated and non-operated wells.
- Negotiated oil and gas leases with the Ute Indian Tribe and secured communization agreements with the Bureau of Land Management and Bureau of Indian Affairs.
- Developed positive working relationship with Utah Division of Oil, Gas and Mining for State of Utah oil and gas leases.
- Managed a multi-million dollar land budget which included monitoring competitor activity, leasing and renewal efforts.
- Responsible for directing field landman for negotiations to acquire surface use agreements for a multi-rig drilling program.
- Evaluated title opinions, determined necessary curative efforts to manage title risk, and calculated working and net revenue interests.

##### **Louisiana – Landman (2009-2012)**

- Worked in EP Energy's Haynesville Asset for one (1) year and was in charge of all aspects of Land matters for a small area as my first placement since graduating the rotational program.
- Rotational development program which included lease records, division order, gas marketing, acquisitions and divestures, South Louisiana exploratory play and Haynesville.

#### **EDUCATION**

Texas Tech University  
Bachelor of Business Administration – Energy Commerce, May 2009

## 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 &amp; 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	<sup>2</sup> Pool Code 2209	<sup>3</sup> Pool Name ANTELOPE RIDGE; BONE SPRING, WEST
<sup>4</sup> Property Code	<sup>5</sup> Property Name ZN 27 22 FED STATE COM	<sup>6</sup> Well Number 401H
<sup>7</sup> OGRID No. 4323	<sup>8</sup> Operator Name CHEVRON U.S.A. INC.	<sup>9</sup> Elevation 3455'

<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
B	34	23 SOUTH	34 EAST, N.M.P.M.		650'	NORTH	1367'	EAST	LEA

<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
B	22	23 SOUTH	34 EAST, N.M.P.M.		25'	NORTH	1980'	EAST	LEA

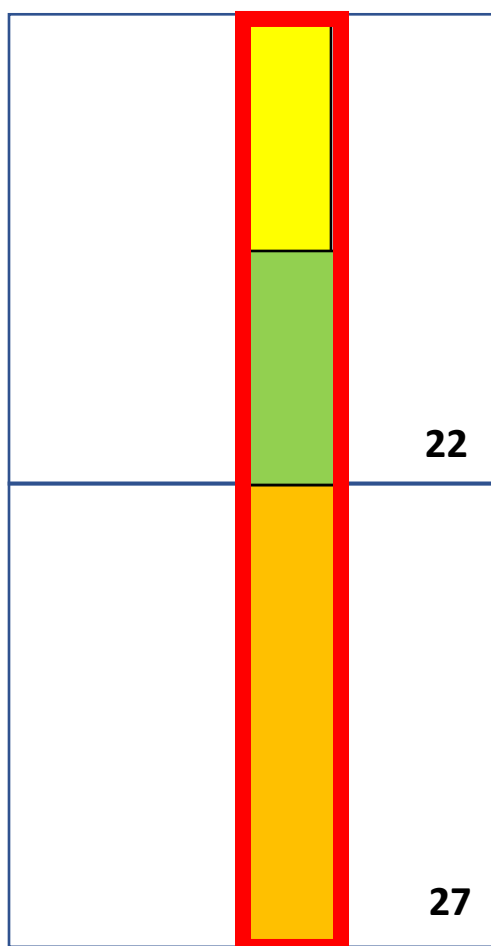
<sup>12</sup> Dedicated Acres 320	<sup>13</sup> Joint or Infill DEFINING	<sup>14</sup> Consolidation Code	<sup>15</sup> Order No.
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No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.

<sup>16</sup> <b>PROPOSED BOTTOM HOLE LOCATION</b> X = 771,300' (NAD27 NM E) Y = 472,938' LAT. 32.297171° N (NAD27) LONG. 103.455330° W X = 812,484' (NAD83/2011 NM E) Y = 472,997' LAT. 32.297293° N (NAD83/2011) LONG. 103.455807° W  <b>PROPOSED LAST TAKE POINT</b> X = 771,300' (NAD27 NM E) Y = 472,863' LAT. 32.296964° N (NAD27) LONG. 103.455329° W X = 812,484' (NAD83/2011 NM E) Y = 472,922' LAT. 32.297087° N (NAD83/2011) LONG. 103.455806° W  <b>PROPOSED MIDPOINT</b> X = 771,352' (NAD27 NM E) Y = 467,683' LAT. 32.282723° N (NAD27) LONG. 103.455301° W X = 812,536' (NAD83/2011 NM E) Y = 467,741' LAT. 32.282846° N (NAD83/2011) LONG. 103.455777° W  <b>PROPOSED FIRST TAKE POINT/ PENETRATION POINT</b> X = 771,394' (NAD27 NM E) Y = 462,426' LAT. 32.268274° N (NAD27) LONG. 103.455303° W X = 812,578' (NAD83/2011 NM E) Y = 462,485' LAT. 32.268396° N (NAD83/2011) LONG. 103.455779° W  <b>ZN 27 22 FED STATE COM 401H WELL</b> X = 772,013' (NAD27 NM E) Y = 461,756' LAT. 32.266419° N (NAD27) LONG. 103.453318° W X = 813,197' (NAD83/2011 NM E) Y = 461,815' LAT. 32.266541° N (NAD83/2011) LONG. 103.453794° W ELEV. +3,455' (NAVD88)		<sup>17</sup> <b>OPERATOR CERTIFICATION</b> I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and 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 such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.  Signature _____ Date _____  Printed Name _____  E-mail Address _____
	<sup>18</sup> <b>SURVEYOR CERTIFICATION</b> 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.  08/11/2022 Date of Survey Signature and Seal of Professional Surveyor: 11/29/2022 Certificate Number	

## ZN 27 22 FED COM STATE COM 401H

T23S-R34E



Tract 1 – 80 acres  
STATE OF NEW MEXICO  
VBO483



Tract 2 – 80 acres  
BLM  
NMNM 132073



Tract 3 – 160 acres  
BLM  
NMLC 071949



Horizontal Spacing Unit - 320 acres



Ownership for ZN 27 22 FED COM STATE COM 401H  
Unit By Tract  
W/2E/2 of Sections 22 and 27, T23S-R34E  
320 acres

TRGWI = Tract Gross Working Interest  
UGWI = Unit Gross Working Interest  
TRNRI = Tract Net Revenue Interest  
URI = Unit Revenue Interest  
Bold Italic and Asterisk = Party subject to compulsory pooling

W/2NE/4 of Section 22, T23S-R34E

Tract 1 - 80/320 = 25%

OWNER	TRGWI	UGWI	TRNRI	URI	TYPE
State of New Mexico	0.00000000	0.00000000	0.18750000	0.04687500	RI
Chevron U.S.A. Inc.	0.87500000	0.21875000	0.65625000	0.16406250	WI
<b>Tom M. Ragsdale*</b>	0.08437500	0.02109375	0.06328125	0.01582031	WI
Blanco Holdings I, Ltd.	0.02812500	0.00703125	0.02109375	0.00527344	WI
Lisa R. Barr	0.00468750	0.00117188	0.00351563	0.00087891	WI
180 Petroleum Inc.	0.00312500	0.00078125	0.00234375	0.00058594	WI
Royal Oak Oil & Gas, LLC	0.00312500	0.00078125	0.00234375	0.00058594	WI
<b>Michael L. Yates*</b>	0.00156250	0.00039063	0.00117188	0.00029297	WI
Chevron U.S.A. Inc.	0.00000000	0.00000000	0.06250000	0.01562500	ORRI
Total	1.00000000	0.25000000	1.00000000	0.25000000	

W/2SE/4 of Section 22, T23S-R34E

Tract 2 - 80/320 = 25%

OWNER	TRGWI	UGWI	TRNRI	URI	TYPE
United States of America	0.00000000	0.00000000	0.12500000	0.03125000	RI
Chevron U.S.A. Inc.	1.00000000	0.25000000	0.78000000	0.19500000	WI
<b>GMT New Mexico Royalty Company LLC*</b>	0.00000000	0.00000000	0.09500000	0.02375000	ORRI
Total	1.00000000	0.25000000	1.00000000	0.25000000	

W/2E/2 of Section 27, T23S-R34E

TRACT 3 - 160/320 = 50%

OWNER	TRGWI	UGWI	TRNRI	URI	TYPE
United States of America	0.00000000	0.00000000	0.12500000	0.06250000	RI
Chevron U.S.A. Inc.	1.00000000	0.50000000	0.82500000	0.41250000	WI
<b>Elliott-Hall Company Limited Partnership*</b>	0.00000000	0.00000000	0.02500000	0.01250000	ORRI
<b>Elliott Industries*</b>	0.00000000	0.00000000	0.02500000	0.01250000	ORRI
Total	1.00000000	0.50000000	1.00000000	0.50000000	

Ownership for ZN 27 22 FED COM STATE COM 401H  
Unit Summary  
W/2E/2 of Sections 22 and 27, T23S-R34E  
320 acres

WI = Working Interest  
RI = Revenue Interest  
Bold Italic and Asterisk = Party subject to compulsory pooling

OWNER	WI	NRI	TYPE
Chevron U.S.A. Inc.	0.96875000	0.77156250	WI
<b>Tom M. Ragsdale*</b>	0.02109375	0.01582031	WI
Blanco Holdings I, Ltd.	0.00703125	0.00527344	WI
Lisa R. Barr	0.00117188	0.00087891	WI
180 Petroleum Inc.	0.00078125	0.00058594	WI
Royal Oak Oil & Gas, LLC	0.00078125	0.00058594	WI
<b>Michael L. Yates*</b>	0.00039063	0.00029297	WI
Chevron U.S.A. Inc.	0.00000000	0.01562500	ORRI
<b>GMT New Mexico Royalty Company LLC*</b>	0.00000000	0.02375000	ORRI
<b>Elliott-Hall Company Limited Partnership*</b>	0.00000000	0.01250000	ORRI
<b>Elliott Industries*</b>	0.00000000	0.01250000	ORRI
TOTAL	1.00000000	0.85937500	

**Bold Italic and Asterisk = Party subject to compulsory pooling**

OWNER	TYPE
<b><i>Tom M. Ragsdale*</i></b>	WI
<b><i>Michael L. Yates*</i></b>	WI
<b><i>GMT New Mexico Royalty Company LLC*</i></b>	ORRI
<b><i>Elliott-Hall Company Limited Partnership*</i></b>	ORRI
<b><i>Elliott Industries*</i></b>	ORRI
<b><i>Endeavor Energy Resources, L.P. *</i></b>	RECORD TITLE OWNER
<b><i>Oxy USA WTP LP*</i></b>	RECORD TITLE OWNER
<b><i>Centennial Resource Production, LLC*</i></b>	RECORD TITLE OWNER



**Corie Mathews, CPL**  
Land Representative, Mid-Continent Business Unit

March 16, 2023

**VIA FEDEX**

180 Petroleum, Inc.  
2607 Lockheed Dr.  
Midland, TX 79701

RE: Proposal to Drill

ZN 27 22 FED STATE COM 201H  
ZN 27 22 FED STATE COM 202H  
ZN 27 22 FED STATE COM 203H  
ZN 27 22 FED STATE COM 401H  
E/2 of Sections 27 and 22, T23S-R34E  
Lea County, New Mexico

ZN 27 22 FED STATE COM 402H  
ZN 27 22 FED STATE COM 601H  
ZN 27 22 FED STATE COM 602H

Dear Working Interest Owner:

Chevron U.S.A. Inc. ("Chevron") hereby proposes to drill the following wells located in the E/2 of Sections 27 and 22, Township 23 South, Range 34 East, Lea County, New Mexico, to be drilled from the same surface pad location.

The intended surface hole location (SHL) and bottom hole location (BHL) for the well are as follows:

**ZN 27 22 FED STATE COM 201H**  
SHL: 650' FNL & 1307' FEL Sec. 34  
BHL: 25' FNL & 2,310' FEL Sec. 22  
Formation: Lower Avalon  
TVD: 9,192'

**ZN 27 22 FED STATE COM 202H**  
SHL: 650' FNL & 1287' FEL Sec. 34  
BHL: 25' FNL & 1,430' FEL Sec. 22  
Formation: Lower Avalon  
TVD: 9,678'

**ZN 27 22 FED STATE COM 203H**  
SHL: 650' FNL & 1267' FEL Sec. 34  
BHL: 25' FNL & 550' FEL Sec. 22  
Formation: Lower Avalon  
TVD: 9,303'

**ZN 27 22 FED STATE COM 401H**  
SHL: 650' FNL & 1367' FEL Sec. 34  
BHL: 25' FNL & 1980' FEL Sec. 22  
Formation: Second Bone Spring Upper  
TVD: 10,308'

Chevron U.S.A. Inc.  
1400 Smith Street, Houston, TX 77002  
Tel 713 372 0402  
corie.mathews@chevron.com

**BEFORE THE OIL CONSERVATION DIVISION**  
**Santa Fe, New Mexico**  
**Exhibit No. A-4**  
**Submitted by: Chevron U.S.A. Inc.**  
**Hearing Date: June 1, 2023**  
**Case No. 23568**

Page 2  
March 16, 2023

**ZN 27 22 FED STATE COM 402H**  
SHL: 650' FNL & 1327' FEL Sec. 34  
BHL: 25' FNL & 660' FEL Sec. 22  
Formation: Second Bone Spring Upper  
TVD: 10,338'

**ZN 27 22 FED STATE COM 601H**  
SHL: 650' FNL & 1387' FEL Sec. 34  
BHL: 25' FNL & 1980' FEL Sec. 22  
Formation: Wolfcamp A  
TVD: 11,464'

**ZN 27 22 FED STATE COM 602H**  
SHL: 650' FNL & 1347' FEL Sec. 34  
BHL: 25' FNL & 660' FEL Sec. 22  
Formation: Wolfcamp A  
TVD: 11,473'

Please note that compliance with topography, cultural, and/or environmental concerns, among others, may require modifications to Chevron's intended procedure and/or location.

**Enclosed are documents for your review and execution.** Please see the detailed AFEs for the wells, reflecting estimated costs that will be incurred to drill, complete, and equip the well associated with this proposal. If you intend to participate, please execute in the appropriate box on the AFEs, and return to the undersigned within 30 days of receipt of this proposal. The AFEs represent an estimated cost and are subject to change once wells are drilled/completed and actual costs are incurred. Parties electing to participate are responsible for their proportionate share of actual costs. Failure to respond within 30 days of receipt will be deemed an election not to participate in the proposed wells.


Should you elect to participate in the well, your execution of the Operating Agreement ("JOA") and Communitization Agreement ("CA") are required. The proposed JOA and CA will be sent to you shortly after this proposal letter. The overhead rates in section III.1.B (Overhead – Fixed Rate Basis) will be \$11,000/month drilling rate and \$1100/month producing rate. Your interest can be found on the AFE. Please note that this interest is subject to change pending further title verification.

**Please send an electronic copy of all executed documents to corie.mathews@chevron.com to ensure timely receipt. Originals can be sent to:**

**Chevron U.S.A. Inc.**  
**Attn: Corie Mathews**  
**1400 Smith St.**  
**Houston, TX 77002**

**Chevron will submit an application for a Compulsory Pooling Order with the New Mexico Oil Conservation Division after 30 days of your receipt of this letter.** This will allow Chevron to move forward with planning and drilling the subject wells while allowing time to properly execute a JOA amongst the parties.

Please note that Chevron is open to discuss possible trades, assignments, etc. of your interest in the subject acreage. Should you be interested or have any questions, please feel free to contact me.

Sincerely,  
  
Corie Mathew, CPL  
Enclosures

Chevron U.S.A. Inc. - Operator					
County, State	Field	Well Name: ZN 27 22 FED STATE COM 401H			
Lea, NM	Delaware Basin				
Area	Objective	Duration (days) (DRL: 17.8 days)			
Zion	Second Bone Spring Upper				
API	SHL Location	BHL Location	Depth		
PENDING	Sec 34 T23S R34E 650' FNL; 1367' FEL	Sec 22 T23S R34E 25' FNL; 1980' FEL	MD: 21,222' TVD: 10,308'		
Drilling					
Cost Category		Code	Sub-code	Int/Tan	Amount (\$)
Rig Daywork	Rig Daywork	7440	0001	Int	\$ 749,926
Rig Daywork	Rig Daywork	7440	0001	Int	\$ 20,081
Company Labor	Company Labor	6601	0100	Int	\$ 142,791
Contract Labor	Contract Labor	7000	0200	Int	\$ 30,445
Fuel & Utilities	Fuel & Utilities	7129	0100	Int	\$ 134,051
Fuel & Utilities	Fuel & Utilities	7129	0300	Int	\$ 10,420
Drilling & Completion Fluids	Drilling & Completion Fluids	7190	1900	Int	\$ 273,880
Materials, Supplies, & Parts	Materials, Supplies, & Parts	7190	0500	Int	\$ 38,698
Transportation	Transportation	7340	0300	Int	\$ 191,291
Directional Survey	Directional Survey	7440	0006	Int	\$ 442,600
Drill String & Drill Bits	Drill String & Drill Bits	7440	0007	Int	\$ 246,093
Equipment Rentals	Equipment Rentals	7230	0100	Int	\$ 258,728
Well Services	Well Services	7230	0200	Int	\$ 204,268
Solid Waste Disposal	Solid Waste Disposal	7420	0300	Int	\$ 99,214
Logging - Mud	Logging - Mud	7440	0021	Int	\$ 17,935
Casing	Casing	7190	0022	Tan	\$ 1,163,617
Wellheads & Trees	Wellheads & Trees	7190	0110	Tan	\$ 42,897
Cement & Cementing	Cement & Cementing	7440	0024	Int	\$ 234,982
Sitework / Roads / Location	Sitework / Roads / Location	7450	0021	Int	\$ 17,822
Completions					
Rigs	Workover Rigs			Int	\$ 18,000
Rigs	Snubbing Rigs			Int	\$ 98,100
100	Company Labor			Int	\$ 100,643
Industrial Services	Safety Services			Int	\$ 122,773
Fuel	Fuel			Int	\$ 240,555
Water	Frac Water			Tan	\$ 468,871
Well Construction Services	Pressure Control Equipment			Int	\$ 240,555
Well Construction Services	Downhole Rental Tools - Drill String and BHA			Int	\$ 719,719
Well Construction Commodities	Drill Bits and Reamers			Int	\$ 81,568
Well Construction Services	Pressure Pumping - Stimulation and Sand Control			Tan	\$ 790,019
Well Construction Services	Pressure Pumping - Stimulation and Sand Control			Int	\$ 1,052,340
Well Construction Services	D and C Misc Surface Rentals and Services			Int	\$ 186,150
Well Construction Services	Coiled Tubing			Int	\$ 44,900
Well Construction Services	D and C Waste Management			Int	\$ -
Well Construction Services	Wireline - Cased Hole			Int	\$ 66,533
Well Construction Services	Wireline - Cased Hole			Int	\$ 194,364
Well Construction Commodities	OCTG			Tan	\$ 497,000
Well Construction Services	Completions Equipment and Installation Services			Int	\$ 38,688
Well Construction Commodities	Surface Wellheads and Production Trees			Tan	\$ 41,461
Oilfield O and M Services	Oilfield Site Prep and Maintenance Services			Int	\$ 1,755
Facilities					
Wellpad, Wellhead Hookup, Flowlines & Electrical				Tan	\$ 312,245
				Int	\$ 468,368
Total					\$ 10,104,346
Participation & Authorization					
Chevron U.S.A. Inc.			96.87500000%		\$9,788,585
Michael L. Yates			0.03906300%		\$3,947
Royal Oak & Gas, LLC			0.15625000%		\$15,788
180 Petroluem, Inc.			0.15625000%		\$15,788
Lisa R. Barr			0.23437500%		\$23,682
Tom M. Ragsdale d/b/a Siana Oil & Gas Co., LLC			1.13281300%		\$114,463
Blanco Holdings I, Ltd.			1.40625000%		\$142,092
					\$0
					\$0
					\$0
					\$0
			100.00000100%		
Approved by (Print Name)			Approved by (Signature)		
Entity (Print Name)			Date		

### Zion Wells

All Working Interest owners received ballot letters with AFEs for all wells involved, which were sent and tracked by USPS mail on March 9, 2023

- Tom M. Ragsdale
  - March 29, 2023 – Received email with executed AFE documents to participate in the wells.
  - April 20, 2023 – Spoke to Mr. Ragsdale over the phone and answered a few title and planned operations questions.
  - May 4, 2023- Emailed Mr. Ragsdale a copy of the Operating Agreement for his review.
  - May 16, 2023- Emailed Mr. Ragsdale to obtain the status of the Operating Agreement.
  - May 24, 2023 – Received a call from Mr. Ragsdale attorney regarding potential changes to the Operating Agreement and plan to meet for lunch on May 31<sup>st</sup>. I informed the attorney that we will be moving forward with the compulsory pooling hearing on June 1<sup>st</sup> to ensure we execute on our drill schedule but will review any changes they have to see if they are acceptable.
- Michael L. Yates
  - March 16, 2023 – Emailed Synergy (brokerage firm) to help locate Mr. Yates since received no response from the ballot letters. Synergy was able to find a working phone number that was not disconnected. Called and left voicemail.
  - March 16, 2023 – Emailed Mr. Yates with no response.
  - March 23, 2023 – Emailed Mr. Yates with no response.
  - March 29, 2023 – Emailed Mr. Yates with no response.
  - March 30, 2023 – Spoke to Mr. Yates on the phone. He stated he wanted to potentially sell his interest to Chevron. He informed me to text him if needed.
  - March 31, 2023 – Spoke to Mr. Yates on the phone to give him Chevron's offer. He declined and had to immediately hang up the call since he was in a business meeting.
  - March 31, 2023 – Texted Mr. Yates to ask for a counter but received no response.
  - April 4, 2023 – Texted Mr. Yates to ask him to contact me but received no response.
  - April 10, 2023 – Texted Mr. Yates to ask if he was going to make a decision on participating in the wells or preferred to non-consent the wells and if he planned to sign the Operating Agreement but received no response.
  - April 21, 2023 – Texted Mr. Yates to ask him to confirm his mailing address but received no response.

**STATE OF NEW MEXICO  
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT  
OIL CONSERVATION DIVISION**

**APPLICATIONS OF CHEVRON U.S.A. INC.  
FOR COMPULSORY POOLING,  
LEA COUNTY, NEW MEXICO.**

**CASE NOS. 23568 & 23569**

**SELF-AFFIRMED STATEMENT OF KATRINA HOFFMAN**

1. My name is Katrina Hoffman. I work for Chevron U.S.A. Inc. ("Chevron") as a Geologist.

2. I have not previously testified before the New Mexico Oil Conservation Division ("Division") as an expert witness in petroleum geology matters. I have included a copy of my resume as **Chevron Exhibit B-1** for the Division to review and respectfully request that my credentials be accepted as a matter of record, and that I be tendered as an expert in petroleum geology matters.

3. I am familiar with the applications filed by Chevron in these cases, and I have conducted a geologic study of the lands in the subject area.

4. Chevron has targeted the Lower Bone Spring formation in these cases.

5. **Chevron Exhibit B-2** is a project locator map depicting Chevron's proposed spacing units outlined in dark blue. Existing producing wells for the Lower Bone Springs formation are depicted in black. Chevron's Zion Unit is outlined in red. The approximate location for the well pad is depicted with a star.

6. **Chevron Exhibit B-3** shows a subsea structure map that I prepared on top of the Lower Bone Spring formation, with a contour interval of 100 feet. The approximate wellbore paths for the proposed initial wells are depicted with solid pink lines. The Lower Bone Spring dips gently

**BEFORE THE OIL CONSERVATION DIVISION  
Santa Fe, New Mexico  
Exhibit No. B  
Submitted by: Chevron U.S.A. Inc.  
Hearing Date: June 1, 2023  
Case No. 23568**



to the East and is consistent across the project area. I do not observe any faulting, pinchouts, or other geologic impediments to developing the targeted intervals with horizontal wells in the area of the proposed spacing units.

7. **Chevron Exhibit B-4** shows cross-section lines consisting of four wells penetrating the Bone Spring formation that I used to construct a stratigraphic cross-section from northwest to southeast. I chose the logs from these wells to create the cross-sections because they penetrate the targeted interval, are of good quality, and are representative of the geology in the subject area.

8. **Chevron Exhibit B-5** is a stratigraphic cross-section using the representative wells depicted in the previous exhibit for the Bone Spring formation. It identifies the targeted intervals for this project. It also demonstrates that the targeted intervals are continuous across the proposed spacing units.

9. In my opinion, standup orientation of the proposed wells is the appropriate orientation for horizontal well development in this area because it is near perpendicular to the maximum horizontal stress of the area.

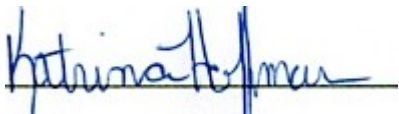
10. Based on my geologic study, the Bone Spring formation underlying the subject area is suitable for development by horizontal wells and the acreage comprising the proposed spacing units will contribute more-or-less equally to the production from the wellbores. I have not identified any geologic impediments to drilling horizontal wells in the area of the spacing units proposed.

11. In my opinion, horizontal drilling will be the most efficient method to develop this acreage, to prevent the drilling of unnecessary wells, and to result in the greatest ultimate recovery,

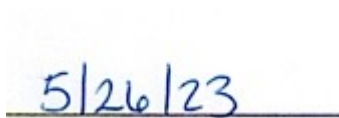
and that approving Chevron's application will be in the best interest of conservation, the prevention of waste, and protection of correlative rights.

12. **Chevron Exhibits B-1 through B-5** were either prepared by me or compiled under my direction and supervision.

13. I affirm under penalty of perjury under the laws of the State of New Mexico that the foregoing statements are true and correct. I understand that this self-affirmed statement will be used as written testimony in these cases. This statement is made on the date next to my signature below.

A handwritten signature in blue ink, appearing to read "Katrina Hoffman", written over a horizontal line.

Katrina Hoffman

A handwritten date "5/26/23" in blue ink, written over a horizontal line.

Date

**Katrina Hoffman**  
**Senior Development Geologist, Chevron North America**  
 1400 Louisiana St., Houston, TX 77002

## Professional Experience

- |   |                            |
|---|----------------------------|
| <p><b>Senior Development Geologist</b><br/> <b>Chevron North America, Mid-Continent, Houston TX</b></p> <ul style="list-style-type: none"> <li>• Lead geologist for Lea County, NM development areas; Sand Dunes, Zion, McCloy Ranch.             <ul style="list-style-type: none"> <li>○ Generated well landing strategies for key development intervals including Bone Springs and Wolfcamp formations.</li> <li>○ Incorporated machine learning, data science, in-depth petrophysical analysis, geophysical, completion modeling, and offset production data into landing recommendations.</li> </ul> </li> <li>• Led geologic efforts to define/update regional extents of multiple Bone Springs formations.</li> <li>• Collaborated with engineers to understand geologic drivers for production and to deliver subsurface geologic overviews for Annual Reserves analysis.</li> <li>• Mentored summer intern in a project to assess future basin potential.</li> </ul>   | <p><b>2020-Present</b></p> |
| <p><b>Strategic Advisor Secondment to Catalyst</b><br/> <b>Catalyst, New York, New York</b></p> <ul style="list-style-type: none"> <li>• Served as strategic MARC program advisor to Catalyst. Developed a 5-year plan to broaden the reach of the MARC initiative to a multi-regional audience of Catalyst supporter organizations.</li> <li>• Supervised direct report and provided support and guidance in the following areas: managing and analyzing quantitative data; conducting qualitative data analysis; writing summaries of findings; and supporting the integration of research insights into MARC program design.</li> <li>• Developed program design, content, and go-to-market strategy for the Catalyst MARC Dialogue Teams program, leveraging materials and feedback from the in-house program developed at Chevron in 2017 and Catalyst pilot held at Shell, Humana, and McCormick.</li> <li>• Provided in-depth consultation and coaching on developing a D&amp;I strategy to more than 2 dozen external organizations, including P&amp;G, Boeing, Whirlpool, Shell, Bechtel, Bank of America.</li> </ul>  | <p><b>2019-2020</b></p>    |
| <p><b>Senior Development Geologist</b><br/> <b>Chevron North America, Mid-Continent, Houston TX</b></p> <ul style="list-style-type: none"> <li>• Lead asset development geologist on the CO<sub>2</sub>/waterflood team, supporting development opportunities in Rangely, McElroy and Vacuum fields.             <ul style="list-style-type: none"> <li>○ Integrated interpretation from wells, seismic, mapped surfaces and other sources (cores, pressures, production history) leading to detailed reservoir characterization.</li> <li>○ Responsible for OOIP, OGIP and current view of remaining HC in place as well as reservoir visualization, opportunity identification, and the integration of static models with fluid-flow simulations.</li> </ul> </li> <li>• Project Manager for Rangely East End Horizontal Well Development project. Key deliverables included; full-field and pilot development strategy, internal and external peer reviews, ESHIA workshop, drilling estimates from external partner (Brammer), and conducting end of Phase 2 DRB.             <ul style="list-style-type: none"> <li>○ Exhibited exemplary internal and external stakeholder engagement skills. Notably, rebuilt regulatory relationships with COGCC and BLM after a 7-year drilling hiatus, and improved relationships between the asset development and technical teams.</li> </ul> </li> </ul> | <p><b>2018-2019</b></p>    |

BEFORE THE OIL CONSERVATION DIVISION  
 Santa Fe, New Mexico  
 Exhibit No. B-1  
 Submitted by: Chevron U.S.A. Inc.  
 Hearing Date: June 1, 2023  
 Case No. 23568

**Earth Science Learning Solution Specialist****2015-2018****Chevron Energy Technologies, Houston TX**

- Ensure the quality design and development of technical learning solutions for the Earth Science and Petroleum Engineering technical learning portfolios.
- Experienced in project management, managing budgets, and overseeing external vendors. Routinely maintained a portfolio of 20+ projects.
- Designed learning solutions that are aligned with business requirements, meet the needs of the learner, and integrate adult learning principles.

**Exploration and New Ventures Earth Scientist****2013-2015****Chevron Energy Technologies, Houston TX**

- Provided exploration services for the Eurasia Business Unit in the Precaspian basin: integrated critical risk elements (seal, trap, charge, reservoir) from well post-mortem to appraise overall prospectivity of key play trends.
- Integrated interpretation and well based stratigraphy for basin and prospect scale assessments.
- Completed sub- and supra-salt structural and stratigraphic mapping on 3D and 2D seismic datasets.
- Developed stratigraphic framework, created GDE maps and high-graded play risk maps from well stratigraphic analysis.

**Earth Science Modeler****2011-2013****Chevron North America, San Joaquin, Bakersfield CA**

- Maintained and leveraged the Kern River full-field model for project execution, reserves and resource volume estimates, opportunity identification and mapping 4D saturation change.
- Calculated P4-P6 resource volumetrics and presented results to the Reserves Advisory Committee. Identified 82 MMBO OOIP of low resistivity pay potential (6-8ohm).
- 4D saturation change modeling of multiple time steps spanning 10 years. Used to identify resaturation channels, reducing horizontal well decline rates.
- Co-mentored two summer interns.

**Development Geologist****2009-2011****Chevron North America, San Joaquin, Bakersfield CA**

- Planned and executed a 23 well steamflood expansion project, developed project economics and added 2.3 MMbbl of reserves.
- Completed 2D stratigraphic and structural geologic characterization; detailed sand barriers, desaturation levels, and OWC and generated COIP and structure maps.
- Developed a 3D model for resistivity, porosity and oil saturation properties.
- Completed petrophysical evaluation of open- and cased-hole log data to characterize static and dynamic reservoir properties.

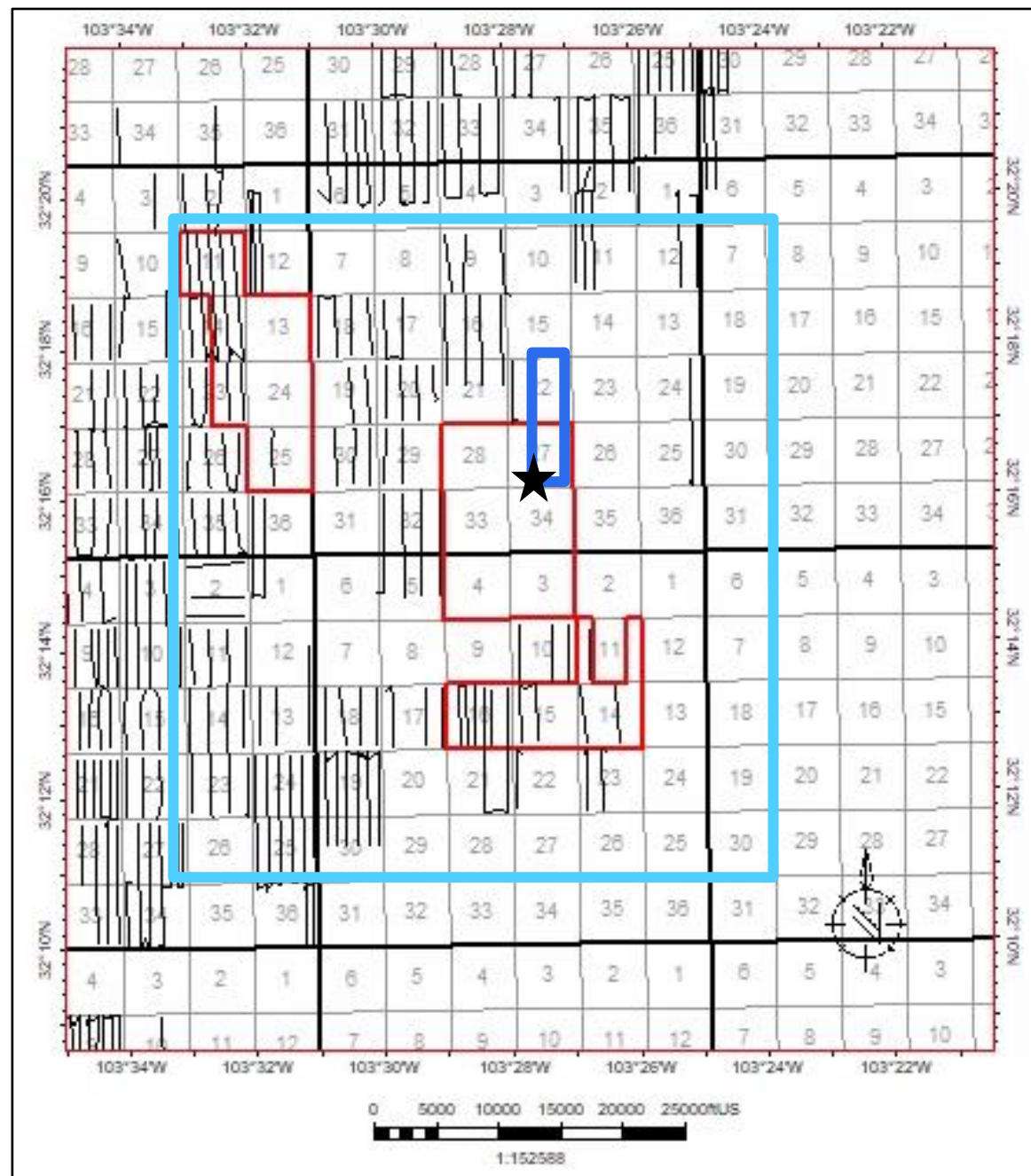
**Intern Assignment****2008****Chevron North America, San Joaquin, Bakersfield CA**

- Provided geologic recommendations for future recompletions in the San Ardo field.
  - 2D geologic interpretation of key horizons.
  - Created cross-section, structure and isopach maps.

**Education**

<b>Dates attended</b>	<b>School</b>	<b>Year Graduated</b>	<b>Remarks (Including specialization, degrees, extra activities, etc.)</b>
2006-2008	Indiana University	2008	M.S. Biogeochemistry
2004-2006	Indiana University	2006	B.S. Geological Sciences

# Exhibit B-2: Project Locator Map



Chevron's full-field development plan targeting the Lower Bone Springs formation minimizes surface impact through:

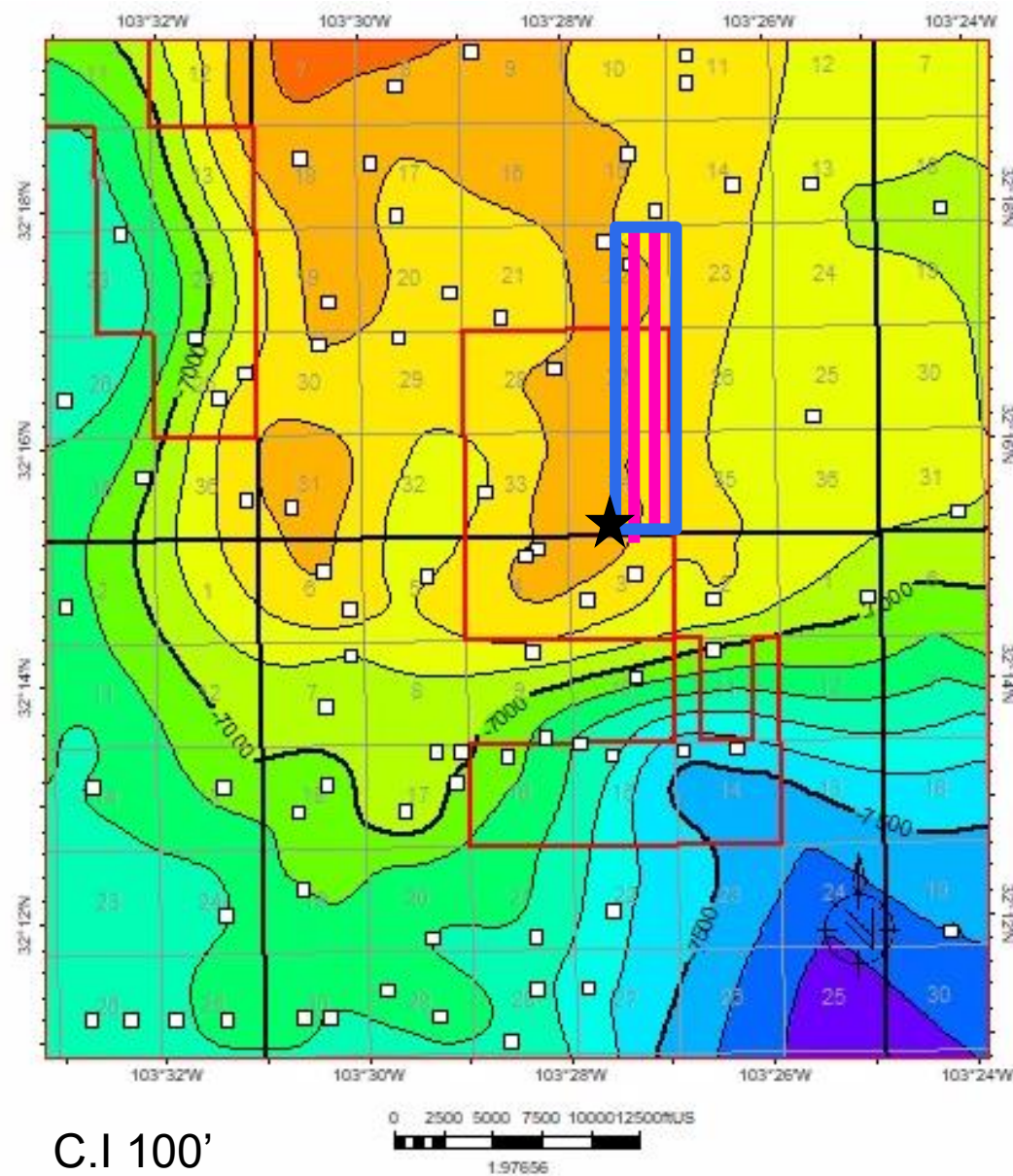
- Use of multi-well pads,
- Utilizing existing centralized facilities

## Map Legend

- Chevron Zion Development Area
- Spacing Unit of Force Pool
- Structure Map Outline
- ★ Pad 2 location
- Existing Lower Bone Springs wells



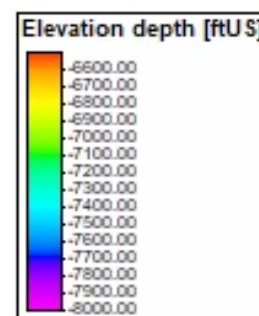
# Exhibit B-3: Top Lower Bone Spring formation Structure Map (TVDSS)



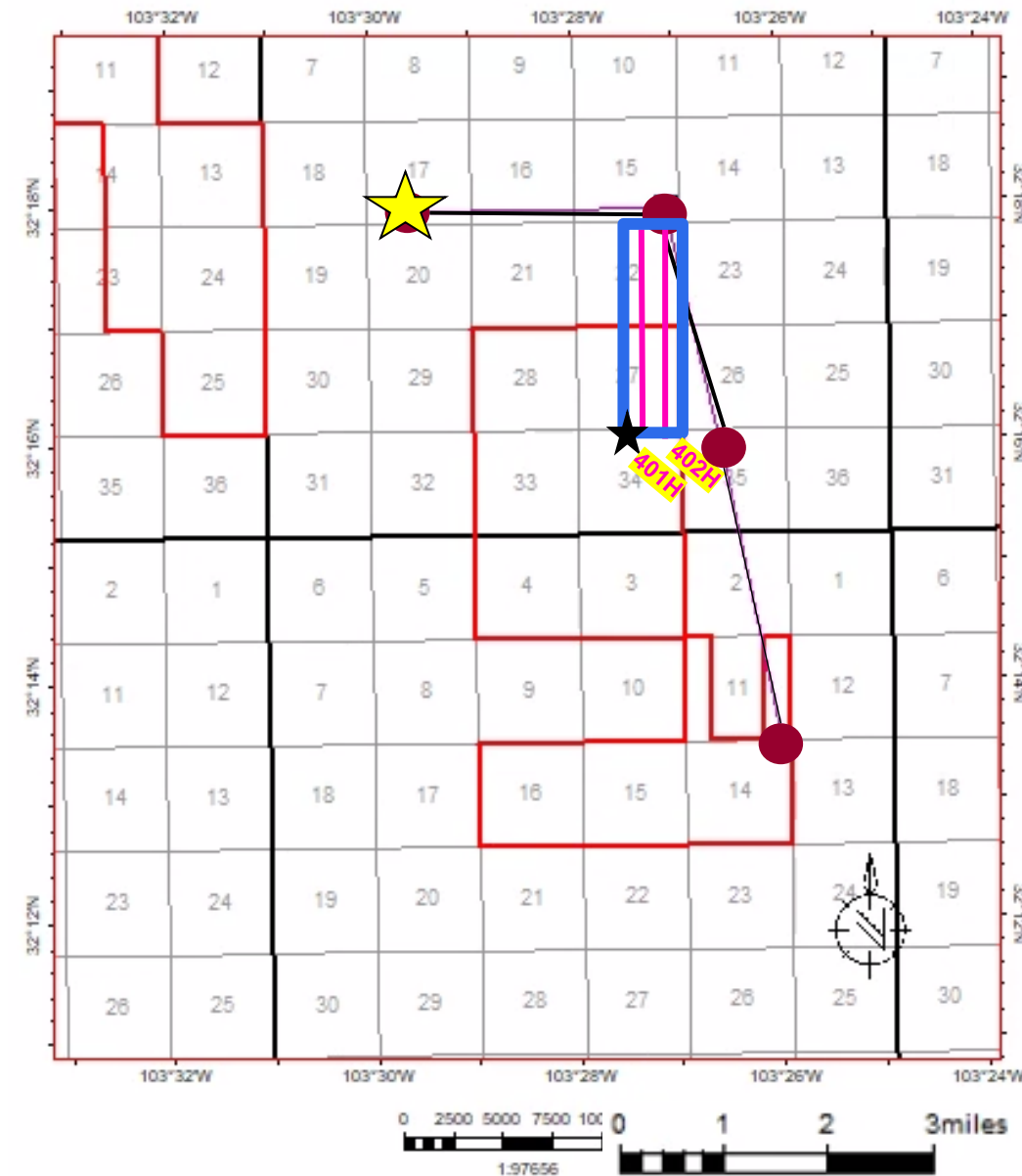
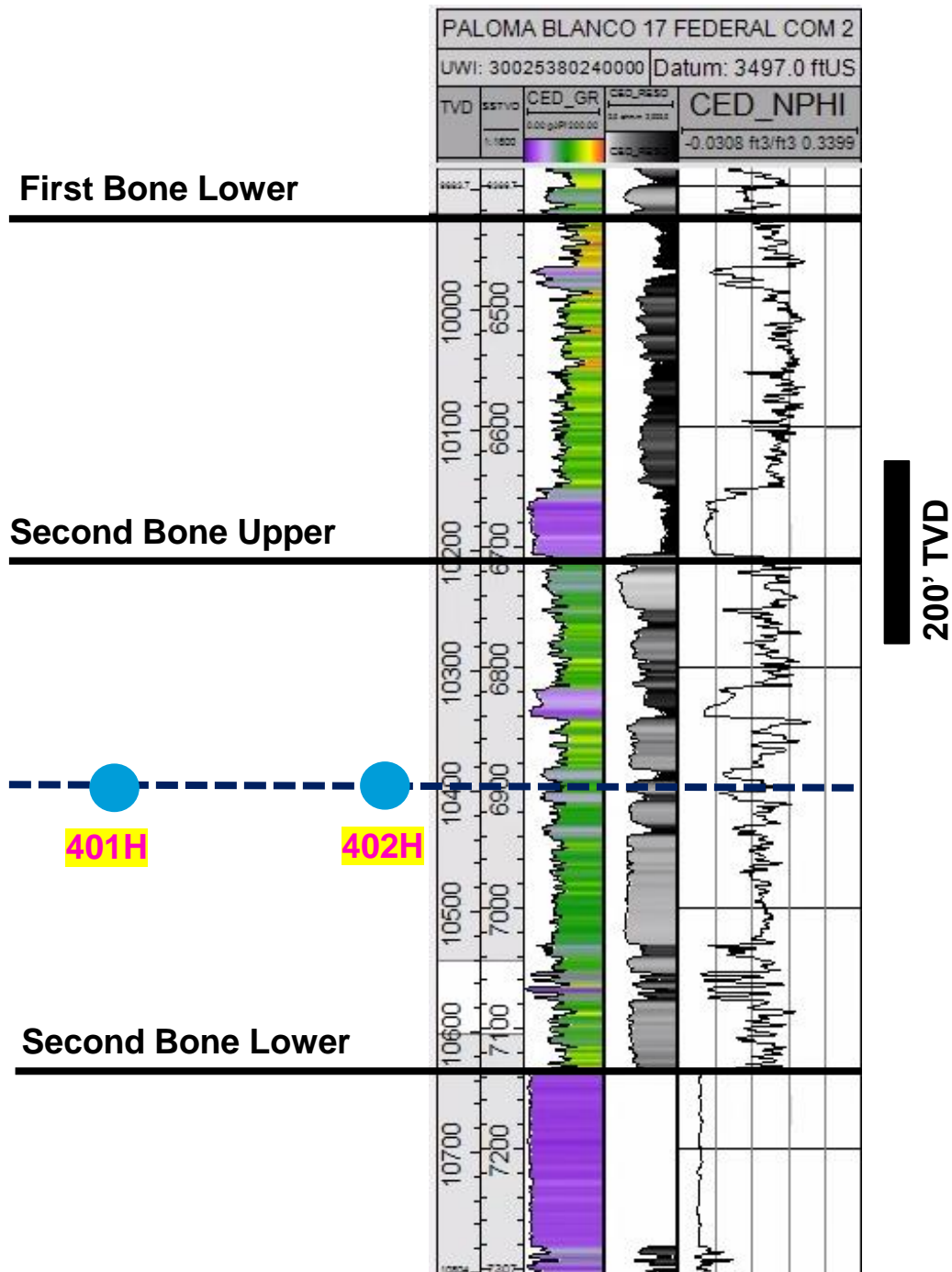
The Lower Bone Spring formation dips gently down to the East and is a consistent across the force pool spacing unit.

## Map Legend

- Chevron Zion Development Area
- Spacing Unit of Force Pool
- ★ Pad 2 location
- Control wells
- Chevron Proposed Lower Bone Springs wells



# Exhibit B-4: Location Map of Stratigraphic Wells Cross Section and Type Well



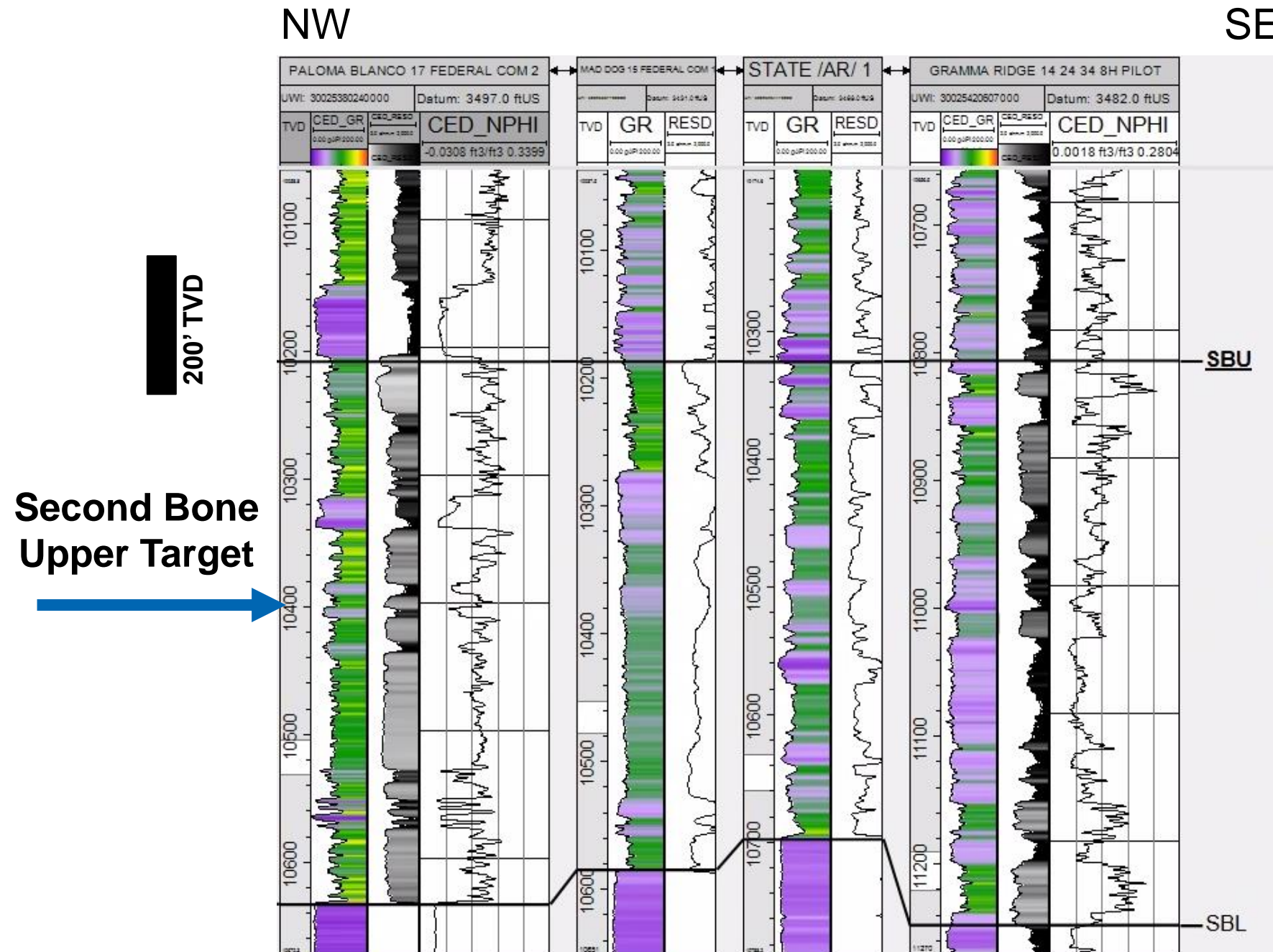
## Legend

- Chevron Zion Development Area
- Spacing Unit of Force Pool
- ★ Pad 2 location
- ★ Type well
- Cross-Section wells
- Chevron Proposed Lower Bone Springs wells





# Exhibit B-5: Stratigraphic Cross Section



Cross section flattened on the Second Bone Upper formation (SBU)

Target interval is defined by the blue arrows.

The stratigraphic cross section demonstrates the Lower Bone Springs target interval to be consistent across the proposed area.





**STATE OF NEW MEXICO  
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT  
OIL CONSERVATION DIVISION**

**APPLICATION OF CHEVRON U.S.A. INC.  
FOR COMPULSORY POOLING,  
LEA COUNTY, NEW MEXICO.**

**CASE NO. 2356:**

**SELF-AFFIRMED STATEMENT OF  
PAULA M. VANCE**

1. I am attorney in fact and authorized representative of Chevron U.S.A. Inc. (“Chevron”), the Applicant herein. I have personal knowledge of the matter addressed herein and am competent to provide this self-affirmed statement.
2. The above-referenced application and notice of the hearing on this application was sent by certified mail to the locatable affected parties on the date set forth in the letter attached hereto.
3. The spreadsheet attached hereto contains the names of the parties to whom notice was provided.
4. The spreadsheet attached hereto contains the information provided by the United States Postal Service on the status of the delivery of this notice as of May 24, 2023.
5. I caused a notice to be published to all parties subject to this compulsory pooling proceeding. An affidavit of publication from the publication’s legal clerk with a copy of the notice publication is attached as Exhibit D.
6. I affirm under penalty of perjury under the laws of the State of New Mexico that the foregoing statements are true and correct. I understand that this self-affirmed statement will be used as written testimony in this case. This statement is made on the date next to my signature below.

**BEFORE THE OIL CONSERVATION DIVISION  
Santa Fe, New Mexico  
Exhibit No. C  
Submitted by: Chevron U.S.A. Inc.  
Hearing Date: June 1, 2023  
Case No. 23568**



Paula M. Vance

5/30/23

Date



**Paula M. Vance**  
**Associate Attorney**  
**Phone** (505) 988-4421  
**Email** pmvance@hollandhart.com

May 12, 2023

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

**TO: ALL INTEREST OWNERS SUBJECT TO POOLING PROCEEDINGS**

**Re: Application of Chevron U.S.A. Inc for Compulsory Pooling, Lea County, New Mexico: ZN 27 22 Fed State Com #401 well**

Ladies & Gentlemen:

This letter is to advise you that Chevron U.S.A. Inc. has filed the enclosed application with the New Mexico Oil Conservation Division. A hearing has been requested before a Division Examiner on June 1, 2023, and the status of the hearing can be monitored through the Division's website at <https://www.emnrd.nm.gov/ocd/>.

**The hearing will be conducted on June 1, 2023, beginning at 8:15 a.m. Due to ongoing construction and associated space limitations at the Wendell Chino Building, Parties, Counsel for Parties, and the public are encouraged to attend/participate via the Webex Meeting platform. To participate in the electronic hearing, see the instructions posted on the OCD Hearings website: <https://www.emnrd.nm.gov/ocd/hearing-info/>.**

You are not required to attend this hearing, but as an owner of an interest that may be affected by this application, you may appear and present testimony. Failure to appear at that time and become a party of record will preclude you from challenging the matter at a later date. Parties appearing in cases are required to file a Pre-hearing Statement four business days in advance of a scheduled hearing that complies with the provisions of NMAC 19.15.4.13.B.

If you have any questions about this matter, please contact Corie Mathews at (713) 372-0402 or [corie.mathews@chevron.com](mailto: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.**

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  
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Alaska  
Colorado  
Idaho

Montana  
Nevada  
New Mexico

Utah  
Washington, D.C.  
Wyoming

Chevron - Zion 201H-203H, 401H-402H, 601H-602H wells  
Case Nos. 23567-23571 Postal Delivery Report

TrackingNo	ToName	DeliveryAddress	City	State	Zip	USPS_Status
9414811898765424684984	Elliott Industries	PO Box 1355	Roswell	NM	88202-1355	Your package will arrive later than expected, but is still on its way. It is currently in transit to the next facility.
9414811898765424684946	Elliott-Hall Company Limited Partnership	PO Box 1231	Ogden	UT	84402-1231	Your item was picked up at the post office at 3:01 pm on May 15, 2023 in OGDEN, UT 84402.
9414811898765424684991	Occidental Oil & Gas Corporation	5 Greenway Plz Ste 110	Houston	TX	77046-0521	Your item has been delivered to an agent for final delivery in HOUSTON, TX 77046 on May 15, 2023 at 12:25 pm.
9414811898765424684908	GMT New Mexico Royalty Company LLC	1560 Broadway Ste 2000	Denver	CO	80202-5138	Your package will arrive later than expected, but is still on its way. It is currently in transit to the next facility.
9414811898765424684922	Centennial Resource Production, LLC	1001 17th St Ste 1800	Denver	CO	80202-2058	Your item was delivered to an individual at the address at 1:04 pm on May 15, 2023 in DENVER, CO 80202.
9414811898765424684960	Endeavor Energy Resources, L.P.	110 N Marienfeld St Ste 200	Midland	TX	79701-4412	Your item was delivered to an individual at the address at 3:05 pm on May 15, 2023 in MIDLAND, TX 79701.
9414811898765424684953	Michael L. Yates	2317 Routh St Apt A	Dallas	TX	75201-2014	Your package will arrive later than expected, but is still on its way. It is currently in transit to the next facility.
9414811898765424684915	Royal Oak Oil & Gas, LLC	11510 Montmarte Blvd	Houston	TX	77082-2764	Your package will arrive later than expected, but is still on its way. It is currently in transit to the next facility.
9414811898765424684779	180 Petroleum Inc.	PO Box 1797	Manchaca	TX	78652-1797	Your item was picked up at the post office at 12:55 pm on May 15, 2023 in MANCHACA, TX 78652.
9414811898765424684731	Lisa R. Barr	1885 Antioch Rd	Franklin	GA	30217-3673	Your item was delivered to an individual at the address at 2:25 pm on May 16, 2023 in FRANKLIN, GA 30217.
9414811898765424684786	Tom M. Ragsdale	8500 Cypresswood Dr Ste 104	Spring	TX	77379-7106	Your package will arrive later than expected, but is still on its way. It is currently in transit to the next facility.
9414811898765424684748	Blanco Holdings I, Ltd	PO Box 36530	Houston	TX	77236-6530	Your item was picked up at the post office at 10:28 am on May 18, 2023 in HOUSTON, TX 77074.

**Affidavit of Publication**STATE OF NEW MEXICO  
COUNTY OF LEA

I, Daniel Russell, Publisher of the Hobbs News-Sun, a newspaper published at Hobbs, New Mexico, solemnly swear that the clipping attached hereto was published in the regular and entire issue of said newspaper, and not a supplement thereof for a period of 1 issue(s).

Beginning with the issue dated  
May 12, 2023  
and ending with the issue dated  
May 12, 2023.



Publisher

Sworn and subscribed to before me this  
12th day of May 2023.



Business Manager

My commission expires  
January 29, 2027

(Seal)

**STATE OF NEW MEXICO  
NOTARY PUBLIC  
GUSSIE RUTH BLACK  
COMMISSION # 1087526  
COMMISSION EXPIRES 01/29/2027**

This newspaper is duly qualified to publish legal notices or advertisements within the meaning of Section 3, Chapter 167, Laws of 1937 and payment of fees for said

**LEGAL NOTICE  
May 12, 2023****STATE OF NEW MEXICO  
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT  
OIL CONSERVATION DIVISION  
SANTA FE, NEW MEXICO**

The State of New Mexico, Energy Minerals and Natural Resources Department, Oil Conservation Division ("Division") hereby gives notice that the Division will hold public hearings before a hearing examiner on the following case. The hearing will be conducted remotely on Thursday, June 1, 2023, beginning at 8:15 a.m. To participate in the electronic hearing, see the instructions posted below. The docket may be viewed at <https://www.emnrd.nm.gov/ocd/hearing-info/> or obtained from Marlene Salvidrez, at [Marlene.Salvidrez@emnrd.nm.gov](mailto:Marlene.Salvidrez@emnrd.nm.gov). Documents filed in the case may be viewed at <https://ocdimage.emnrd.nm.gov/Imaging/Default.aspx>. If you are an individual with a disability who needs a reader, amplifier, qualified sign language interpreter, or other form of auxiliary aid or service to attend or participate in a hearing, contact Marlene Salvidrez at [Marlene.Salvidrez@emnrd.nm.gov](mailto:Marlene.Salvidrez@emnrd.nm.gov), or the New Mexico Relay Network at 1-800-659-1779, no later than May 22, 2023.

Persons may view and participate in the hearings through the following link:

<https://nmemnrd.webex.com/nmemnrd/j.php?MTID=ma6ae23341387d744a0ac0dd42666b517>  
Webinar number: 2487 125 5805

Join by video system: 24871255805@nmemnrd.webex.com  
You can also dial 173.243.2.68 and enter your webinar number

Join by phone: 1-844-992-4726 United States Toll Free  
+1-408-418-9388 United States Toll  
Access code: 2487 125 5805

Panelist password: SVkzTp8GF43 (78598784 from phones and video systems)

**STATE OF NEW MEXICO TO:  
All named parties and persons  
having any right, title, interest  
or claim in the following case  
and notice to the public.**

(NOTE: All land descriptions herein refer to the New Mexico Principal Meridian whether or not so stated.)

To: All interest owners subject to pooling proceedings, including: Blanco Holdings I, Ltd; Tom M. Ragsdale, his heirs and devisees; Lisa R. Barr, her heirs and devisees; 180 Petroleum Inc.; Royal Oak Oil & Gas, LLC; Michael L. Yates, his heirs and devisees; Endeavor Energy Resources, L.P.; Centennial Resource Production, LLC; GMT New Mexico Royalty Company LLC; Occidental Oil & Gas Corporation; Elliott-Hall Company Limited Partnership; and Elliott Industries.

Case No. 23568: Application of Chevron U.S.A. Inc. for Compulsory Pooling, Lea County, New Mexico. Applicant in the above-styled cause seeks an order pooling all uncommitted interests in the Lower Bone Spring formation (Antelope Ridge; Bone Spring, West [98133]), underlying a standard 320-acre, more or less, horizontal well spacing unit comprised of the W/2 E/2 of Sections 22 and 27, Township 23 South, Range 34 East, NMPM, Lea County, New Mexico. Said unit will be initially dedicated to the proposed ZN 27 22 Fed State Com 401H well, to be horizontally drilled from a surface location in the NW/4 NE/4 (Unit B) of Section 34 to a bottom hole location in the NW/4 NE/4 (Unit B) of Section 22. Also, to be considered will be the cost of drilling and completing the well and the allocation of the cost thereof, actual operating costs and charges for supervision, designation of Applicant as operator of the well, and a 200% charge for risk involved in drilling the well. Said area is located approximately 18.5 miles northwest of Jal, New Mexico.  
#00278555

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HOLLAND & HART LLC  
PO BOX 2208  
SANTA FE, NM 87504-2208

**BEFORE THE OIL CONSERVATION DIVISION  
Santa Fe, New Mexico  
Exhibit No. D  
Submitted by: Chevron U.S.A. Inc.  
Hearing Date: June 1, 2023  
Case No. 23568**