

**BEFORE THE OIL CONSERVATION DIVISION
EXAMINER HEARING NOVEMBER 2, 2023**

CASE NO. 23939

*FEW 16 21 FEDERAL COM #426H, #427H,
#428H, & #429H WELLS*

EDDY 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,
EDDY COUNTY, NEW MEXICO.**

CASE NO. 23939


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

Case: 23939	APPLICANT'S RESPONSE
Date	November 2, 2023
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, EDDY COUNTY, NEW MEXICO.
Entries of Appearance/Intervenors:	N/A
Well Family	FEW 16 21 Federal Com
Formation/Pool	
Formation Name(s) or Vertical Extent:	Wolfcamp
Primary Product (Oil or Gas):	Gas
Pooling this vertical extent:	N/A
Pool Name and Pool Code:	Purple Sage; Wolfcamp (gas) [98220]
Well Location Setback Rules:	Special Pool Rules for the Purple Sage
Spacing Unit	
Type (Horizontal/Vertical)	Horizontal
Size (Acres)	640
Building Blocks:	320 acres
Orientation:	North-South
Description: TRS/County	E/2 of Sections 16 and 21, Township 26 South, Range 27 East, NMPM, Eddy County, New Mexico
Standard Horizontal Well Spacing Unit (Y/N), If No, describe and is approval of non-standard unit requested in this application?	Yes
Other Situations	
Depth Severance: Y/N. If yes, description	N/A BEFORE THE OIL CONSERVATION DIVISION
Proximity Tracts: If yes, description	No Santa Fe, New Mexico
Proximity Defining Well: if yes, description	N/A Exhibit No. A
Applicant's Ownership in Each Tract	C-2 Submitted by: Chevron U.S.A. Inc.
	Hearing Date: November 2, 2023
	Case No. 23939
Well(s)	
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: 10/31/2023 11:04:42 AM</i>	FEW 16 21 Federal Com 426H well SHL: 861' FSL, 1,097' FEL (Unit P) of Section 9 BHL: 50' FSL, 2,310' FEL (Unit O) of Section 21 Target: Wolfcamp Orientation: North-South Completion: Standard Location
Well #2	FEW 16 21 Federal Com 427H well SHL: 870' FSL, 1,079' FEL (Unit P) of Section 9 BHL: 50' FSL, 1,600' FEL (Unit O) of Section 21 Target: Wolfcamp Orientation: North-South Completion: Standard Location
Well #3	FEW 16 21 Federal Com 428H well SHL: 879' FSL, 1,061' FEL (Unit P) of Section 9 BHL: 50' FSL, 990' FEL (Unit P) of Section 21 Target: Wolfcamp Orientation: North-South Completion: Standard Location
Well #4	FEW 16 21 Federal Com 429H well SHL: 889' FSL, 1,043' FEL (Unit P) of Section 9 BHL: 50' FSL, 330' FEL (Unit P) of Section 21 Target: Wolfcamp Orientation: North-South Completion: Standard Location
Horizontal Well First and Last Take Points	Exhibit C-1
Completion Target (Formation, TVD and MD)	Exhibit D-5
AFE Capex and Operating Costs	
Drilling Supervision/Month \$	N/A
Production Supervision/Month \$	N/A
Justification for Supervision Costs	N/A
Requested Risk Charge	N/A
Notice of Hearing	
Proposed Notice of Hearing	See Application
Proof of Mailed Notice of Hearing (20 days before hearing)	Exhibit E
Proof of Published Notice of Hearing (10 days before hearing)	Exhibit F
Ownership Determination	
Land Ownership Schematic of the Spacing Unit	Exhibit C-2
Tract List (including lease numbers and owners)	Exhibit C-2
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 C-2
Unlocatable Parties to be Pooled	N/A

Ownership/Depth Severance (including percentage above & below)	N/A
Joinder	
Sample Copy of Proposal Letter	N/A
List of Interest Owners (ie Exhibit A of JOA)	Exhibit C-2
Chronology of Contact with Non-Joined Working Interests	N/A
Overhead Rates In Proposal Letter	N/A
Cost Estimate to Drill and Complete	N/A
Cost Estimate to Equip Well	N/A
Cost Estimate for Production Facilities	N/A
Geology	
Summary (including special considerations)	Exhibit D
Spacing Unit Schematic	Exhibit D-2
Gunbarrel/Lateral Trajectory Schematic	N/A
Well Orientation (with rationale)	Exhibit D
Target Formation	Exhibit D, D-5
HSU Cross Section	Exhibit D-4
Depth Severance Discussion	N/A
Forms, Figures and Tables	
C-102	Exhibit C-1
Tracts	Exhibit C-2
Summary of Interests, Unit Recapitulation (Tracts)	Exhibit C-2
General Location Map (including basin)	Exhibit D-2
Well Bore Location Map	Exhibit D-2
Structure Contour Map - Subsea Depth	Exhibit D-3
Cross Section Location Map (including wells)	Exhibit D-4, D-5
Cross Section (including Landing Zone)	Exhibit D-4, D-5
Additional Information	
Special Provisions/Stipulations	N/A
CERTIFICATION: I hereby certify that the information provided in this checklist is complete and accurate.	
Printed Name (Attorney or Party Representative):	Paula M. Vance
Signed Name (Attorney or Party Representative):	
Date:	10/31/2023

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

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

CASE NO. 23939

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 mineral owners in the Wolfcamp formation underlying a standard 640-acre, more or less, horizontal well spacing unit comprised of the E/2 of Sections 16 and 21, Township 26 South, Range 27 East, NMPM, Eddy 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 **FEW 16 21 Federal Com 426H, FEW 16 21 Federal Com 427H, FEW 16 21 Federal Com 428H, and FEW 16 21 Federal Com 429H** wells, to be horizontally drilled from a common surface location in the SE/4 SE/4 (Unit P) of Section 9, with first take points in the NW/4 NE/4 (Unit B) and NE/4 NE/4 (Unit A) of said Section 16 and last take points in the SW/4 SE/4 (Unit O) and SE/4 SE/4 (Unit P) of said Section 21.
3. Applicant owns 100 percent of the working interests in the proposed spacing unit and, therefore, seeks to pool only non-cost-bearing interest owners, including overriding royalty interest owners and bare record title owners, whose interests have not been pooled within the subject spacing unit.

69: CF9 'H<9 'C=@7 CBG9F J5 H<CB' 8 -J -G-CB'
GUbHJ: YZBYk 'A Yl]Vt
91 \]V]hBc"6
Gi Va]HtX'Vm'7\ Yj fcb'l 'G'5 "bW
< YUf]b['8 UH. 'Bcj Ya VYf' &Z&S&
7 UgYBc" & ' - ' -

WHEREFORE, Applicant requests that this application be set for hearing before an Examiner of the Oil Conservation Division on November 2, 2023, and, after notice and hearing as required by law, the Division enter an order:

- A. Approving the horizontal well spacing unit and pooling the overriding royalty interests therein; and
- B. Designating Applicant operator of this spacing unit and the horizontal well to be drilled thereon.

Respectfully submitted,

HOLLAND & HART LLP

By: 

Michael H. Feldewert
Adam G. Rankin
Paula M. Vance
Post Office Box 2208
Santa Fe, NM 87504
505-998-4421
505-983-6043 Facsimile
mfeldewert@hollandhart.com
agrarkin@hollandhart.com
pmvance@hollandhart.com

ATTORNEYS FOR CHEVRON U.S.A. INC.

CASE _____: **Application of Chevron U.S.A. Inc. for Compulsory Pooling, Eddy County, New Mexico.** Applicant in the above-styled cause seeks an order pooling all uncommitted mineral owners in the Wolfcamp formation underlying a standard 640-acre, more or less, horizontal well spacing unit comprised of the E/2 of Sections 16 and 21, Township 26 South, Range 27 East, NMPM, Eddy County, New Mexico. Said unit will be initially dedicated to the proposed **FEW 16 21 Federal Com 426H, FEW 16 21 Federal Com 427H, FEW 16 21 Federal Com 428H, and FEW 16 21 Federal Com 429H** wells, to be horizontally drilled from a common surface location in the SE/4 SE/4 (Unit P) of Section 9, with first take points in the NW/4 NE/4 (Unit B) and NE/4 NE/4 (Unit A) of said Section 16 and last take points in the SW/4 SE/4 (Unit O) and SE/4 SE/4 (Unit P) of said Section 21. Also, to be considered will be the designation of Applicant as operator of the well. Said area is located approximately 14 miles southwest of Malaga, 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,
EDDY COUNTY, NEW MEXICO.

CASE NO. 23939

SELF-AFFIRMED STATEMENT OF GREGG PAZER

1. My name is Gregg Pazer. I work for Chevron U.S.A. Inc. (“Chevron”) as a Landman.

2. I have previously testified before the New Mexico Oil Conservation Division (“Division”) as an expert witness in petroleum land matters. My credentials as a landman have been accepted by the Division and made a matter of record.

3. I am familiar with the application filed by Chevron in this case, and I am familiar with the status of the lands in the subject area.

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

5. In **Case No. 23939**, Chevron seeks an order pooling all uncommitted interests in Wolfcamp formation, underlying a standard 640-acre, more or less, horizontal well spacing unit comprised of the E/2 of Sections 16 and 21, Township 26 South, Range 27 East, NMPM, Eddy County, New Mexico. Chevron seeks to initially dedicate the above-referenced horizontal spacing unit to the proposed **FEW 16 21 Federal Com 426H, FEW 16 21 Federal Com 427H, FEW 16 21 Federal Com 428H, and FEW 16 21 Federal Com 429H** wells, to be horizontally drilled from a common surface location in the SE/4 SE/4 (Unit P) of Section 9, with first take points in the

NW/4 NE/4 (Unit B) and NE/4 NE/4 (Unit A) of said Section 16 and last take points in the SW/4 SE/4 (Unit O) and SE/4 SE/4 (Unit P) of said Section 21.

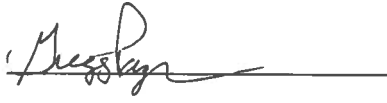
6. **Chevron Exhibit C-1** contains a draft Form C-102 for the wells in this horizontal spacing unit. These forms demonstrate that the completed interval for each well will comply with the Purple Sage Special Pool rules for gas wells. The exhibit shows that the wells will be assigned to the Purple Sage; Wolfcamp (gas) [98220].

7. **Chevron Exhibit C-2** identifies the tracts of land comprising the horizontal spacing unit, the ownership interests in each tract, and ownership interests on a spacing unit basis. Chevron owns 100 percent of the working interests in the proposed spacing unit and is seeking to pool the overriding royalty interests and title record owners highlighted in yellow. The subject acreage is comprised of state and federal lands.

8. 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.

9. **Chevron Exhibits C-1 through C-2** were either prepared by me or compiled under my direction and supervision.

10. 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.



Gregg Pazer

10/26/23

Date

District I
1625 N. French Dr., Hobbs, NM 88240
Phone: (575) 393-6161 Fax: (575) 393-0720
District II
811 S. First St., Artesia, NM 88210
Phone: (575) 748-1283 Fax: (575) 748-9720
District III
1000 Rio Brazos Road, Aztec, NM 87410
Phone: (505) 334-6178 Fax: (505) 334-6170
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505
Phone: (505) 476-3460 Fax: (505) 476-3462

State of New Mexico
Energy, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

Exhibit No. C-1
Submitted by: Chevron U.S.A. Inc.
Hearing Date: November 2, 2023 Case No. 23939
Revised August 1, 2011
Submit one copy to appropriate District Office

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-015-53731		² Pool Code 98220		³ Pool Name PURPLE SAGE; WOLFCAMP (GAS)	
⁴ Property Code		⁵ Property Name FEW 16 21 FEDERAL COM			⁶ Well Number 426H
⁷ OGRID No. 4323		⁸ Operator Name CHEVRON U.S.A. INC.			⁹ Elevation 3280'

¹⁰ Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
P	9	26 SOUTH	27 EAST, N.M.P.M.		861'	SOUTH	1097'	EAST	EDDY

¹¹ 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
O	21	26 SOUTH	27 EAST, N.M.P.M.		50'	SOUTH	2310'	EAST	EDDY

¹² Dedicated Acres 640	¹³ Joint or Infill INFILL	¹⁴ Consolidation Code	¹⁵ 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.

¹⁶ FEW 16 21 FEDERAL COM NO. 426H WELL
X = 544,503.15' (NAD27 NM E)
Y = 382,590.66'
LAT. 32.051775° N (NAD27)
LONG. 104.189692° W
X = 585,686.72' (NAD83/2011 NM E)
Y = 382,647.73'
LAT. 32.051898° N (NAD83/2011)
LONG. 104.190185° W

PROPOSED FIRST TAKE POINT
X = 543,313.75' (NAD27 NM E)
Y = 381,419.59'
LAT. 32.048560° N (NAD27)
LONG. 104.193536° W
X = 584,497.30' (NAD83/2011 NM E)
Y = 381,476.62'
LAT. 32.048683° N (NAD83/2011)
LONG. 104.194029° W

PROPOSED LAST TAKE POINT
X = 543,380.10' (NAD27 NM E)
Y = 371,461.58'
LAT. 32.021185° N (NAD27)
LONG. 104.193363° W
X = 584,563.85' (NAD83/2011 NM E)
Y = 371,518.42'
LAT. 32.021307° N (NAD83/2011)
LONG. 104.193856° W

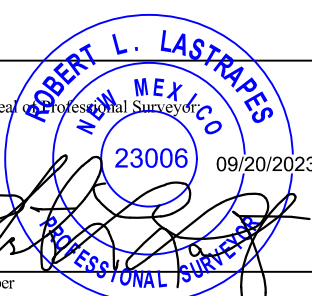
CORNER COORDINATES TABLE (NAD 27)

A - X=545589.77, Y=383035.99
B - X=542963.00, Y=381755.41
C - X=544292.53, Y=381733.50
D - X=545622.05, Y=381711.59
E - X=543003.94, Y=376443.90
F - X=544328.73, Y=376428.99
G - X=545653.53, Y=376414.09
H - X=543041.88, Y=371133.78
I - X=544367.30, Y=371125.12
J - X=545692.72, Y=371116.46

17 OPERATOR CERTIFICATION
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 _____

18 SURVEYOR CERTIFICATION
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.

Date of Survey _____
Signature and Seal of Professional Surveyor: 
Certificate Number _____

District I
1625 N. French Dr., Hobbs, NM 88240
Phone: (575) 393-6161 Fax: (575) 393-0720
District II
811 S. First St., Artesia, NM 88210
Phone: (575) 748-1283 Fax: (575) 748-9720
District III
1000 Rio Brazos Road, Aztec, NM 87410
Phone: (505) 334-6178 Fax: (505) 334-6170
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505
Phone: (505) 476-3460 Fax: (505) 476-3462

State of New Mexico
Energy, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-102
Revised August 1, 2011
Submit one copy to appropriate
District Office

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

Table with 3 columns: API Number (30-015-53699), Pool Code (98220), Pool Name (PURPLE SAGE; WOLFCAMP (GAS)), Property Code, Property Name (FEW 16 21 FEDERAL COM), Well Number (427H), OGRID No. (4323), Operator Name (CHEVRON U.S.A. INC.), Elevation (3281')

Surface Location

Table with 10 columns: UL or lot no. (P), Section (9), Township (26 SOUTH), Range (27 EAST, N.M.P.M.), Lot Idn, Feet from the (870'), North/South line (SOUTH), Feet from the (1079'), East/West line (EAST), County (EDDY)

Bottom Hole Location If Different From Surface

Table with 10 columns: UL or lot no. (O), Section (21), Township (26 SOUTH), Range (27 EAST, N.M.P.M.), Lot Idn, Feet from the (50'), North/South line (SOUTH), Feet from the (1600'), East/West line (EAST), County (EDDY)

Table with 4 columns: Dedicated Acres (640), Joint or Infill (DEFINING), Consolidation Code, Order No.

No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.

Plat diagram showing well location, corner coordinates table, and certification sections (Operator and Surveyor). Includes coordinates for proposed take points and bottom hole location, and a 'PRELIMINARY' stamp.

T:\2022\2224374\DWG\FEW 16 21 Federal Com No 427H_C-102.dwg

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
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1220 S. St. Francis Dr., Santa Fe, NM 87505
Phone: (505) 476-3460 Fax: (505) 476-3462

State of New Mexico
Energy, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-102
Revised August 1, 2011
Submit one copy to appropriate
District Office

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

Table with 3 columns: API Number, Pool Code, Pool Name, Property Code, Property Name, Well Number, OGRID No., Operator Name, Elevation.

Surface Location

Table with 10 columns: UL or lot no., Section, Township, Range, Lot Idn, Feet from the, North/South line, Feet from the, East/West line, County.

Bottom Hole Location If Different From Surface

Table with 10 columns: UL or lot no., Section, Township, Range, Lot Idn, Feet from the, North/South line, Feet from the, East/West line, County.

Table with 4 columns: Dedicated Acres, Joint or Infill, Consolidation Code, Order No.

No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.

Operator Certification and Surveyor Certification sections with signature lines and a preliminary notice. Includes well location details, corner coordinates table, and proposed take points.

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
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State of New Mexico
 Energy, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION
 1220 South St. Francis Dr.
 Santa Fe, NM 87505

Form C-102
 Revised August 1, 2011
 Submit one copy to appropriate
 District Office

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-015-53581	² Pool Code 98220	³ Pool Name PURPLE SAGE; WOLFCAMP (GAS)
⁴ Property Code	⁵ Property Name FEW 16 21 FEDERAL COM	
⁷ OGRID No. 4323	⁸ Operator Name CHEVRON U.S.A. INC.	
		⁶ Well Number 429H
		⁹ Elevation 3282'

¹⁰ Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
P	9	26 SOUTH	27 EAST, N.M.P.M.		889'	SOUTH	1043'	EAST	EDDY

¹¹ 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
P	21	26 SOUTH	27 EAST, N.M.P.M.		50'	SOUTH	330'	EAST	EDDY

¹² Dedicated Acres 640	¹³ Joint or Infill INFILL	¹⁴ Consolidation Code	¹⁵ 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.

¹⁶
FEW 16 21 FEDERAL COM
NO. 429H WELL
 X = 544,556.59' (NAD27 NM E)
 Y = 382,617.95'
 LAT. 32.051850° N (NAD27)
 LONG. 104.189519° W
 X = 585,740.15' (NAD83/2011 NM E)
 Y = 382,675.02'
 LAT. 32.051973° N (NAD83/2011)
 LONG. 104.190013° W

PROPOSED FIRST TAKE POINT
 X = 545,293.98' (NAD27 NM E)
 Y = 381,386.95'
 LAT. 32.048463° N (NAD27)
 LONG. 104.187144° W
 X = 586,477.59' (NAD83/2011 NM E)
 Y = 381,444.01'
 LAT. 32.048586° N (NAD83/2011)
 LONG. 104.187638° W

PROPOSED LAST TAKE POINT
 X = 545,360.25' (NAD27 NM E)
 Y = 371,448.64'
 LAT. 32.021142° N (NAD27)
 LONG. 104.186974° W
 X = 586,544.05' (NAD83/2011 NM E)
 Y = 371,505.51'
 LAT. 32.021265° N (NAD83/2011)
 LONG. 104.187467° W

CORNER COORDINATES TABLE (NAD 27)

A - X=545589.77, Y=383035.99
 B - X=542963.00, Y=381755.41
 C - X=544292.53, Y=381733.50
 D - X=545622.05, Y=381711.59
 E - X=543003.94, Y=376443.90
 F - X=544328.73, Y=376428.99
 G - X=545653.53, Y=376414.09
 H - X=543041.88, Y=371133.78
 I - X=544367.30, Y=371125.12
 J - X=545692.72, Y=371116.46

Sec. 9
NMNM
138827

S 30°55'20" E
 1,434.96'

Proposed First Take Point
 330' FNL,
 330' FEL

Proposed Mid-Point/PPP #2
 0' FSL, 330' FEL

Proposed Last Take Point
 330' FSL,
 330' FEL

Sec. 16
V-7385

Sec. 21
NMNM
100549

¹⁷ **OPERATOR CERTIFICATION**
 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 _____

¹⁸ **SURVEYOR CERTIFICATION**
 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.

Date of Survey _____

Signature and Seal of Professional Surveyor: _____

PRELIMINARY

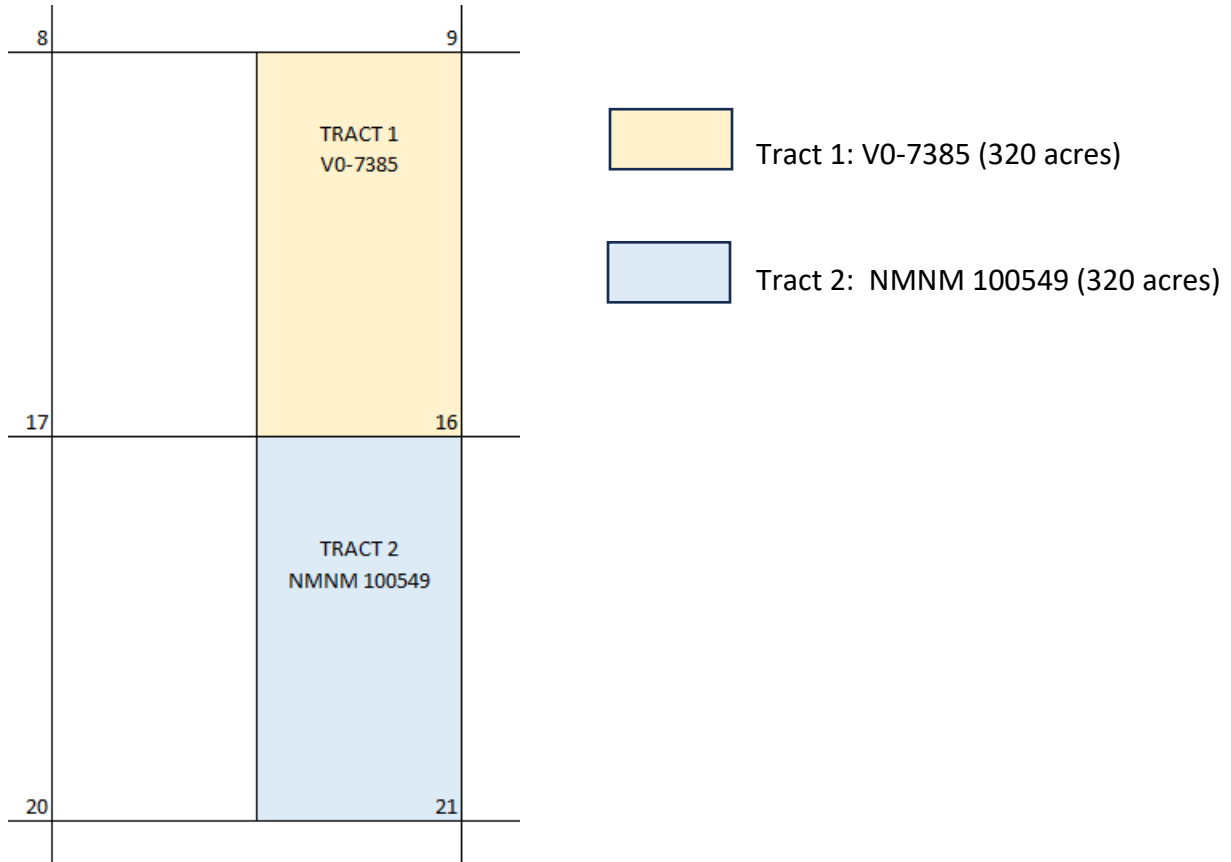
Certificate Number _____

T:\2022\2224374\DWG\FEW 16 21 Federal Com No 429H_C-102.dwg

OWNERSHIP BREAKDOWN

FEW 16 21 FEDERAL COM

E/2 of Section 16 and Section 21, T26S, R27E, Eddy County, New Mexico, Wolfcamp Formation, 640 acres, Delaware Basin



Tract 1 Ownership (E/2 Section 16, T26S R27E, being 320 acres)

Owner	WI	Net Acres	Status
Chevron U.S.A. Inc. 1400 Smith Street Houston, TX 77002	<u>100%</u>	<u>320</u>	<u>Committed (Operator)</u>
Total:	100.00%	320	

BEFORE THE OIL CONSERVATION DIVISION
 Santa Fe, New Mexico
 Exhibit No. C-2
 Submitted by: Chevron U.S.A. Inc.
 Hearing Date: November 2, 2023
 Case No. 23939

Tract 2 Ownership (E/2 Section 21, T26S R27E, being 320 acres acres)

Owner	WI	Net Acres	Status
Chevron U.S.A. Inc. 1400 Smith Street Houston, TX 77002	69.4%	222.08	Committed (Operator)
Chevron Midcontinent, L.P. 1400 Smith Street Houston TX 77002	30.6%	97.92	Committed
Total:	100.00%	320	

Overriding Royalty Interests (ORRI) seeking to Compulsory Pool:**ORRI Owners (Tract 1)**

Nearburg Production Company
P.O. Box 823085
Dallas, TX 75382

Nearburg Exploration Company, LLC
P.O. Box 823085
Dallas, TX 75382-3085

Nestegg Energy Corporation
2308 Sierra Vista Road
Artesia, NM 88210

ORRI Owners (Tract 2)

OXY Y-1 Company
5 Greenway Plaza, Suite 110
Houston, TX 77046

Record Title Interests seeking to Compulsory Pool:

Tract 1

Chisholm Energy Operating, LLC
801 Cherry Street, Suite 1200, Unit 20
Fort Worth, TX 76102

Tract 2

OXY Y-1 Company
5 Greenway Plaza, Suite 110
Houston, TX 77046

Unit Recapitulation – Wolfcamp – 640 AC

FEW 16 21 FEDERAL COM

E/2 of Section 16 and Section 21, T26S, R27E, Eddy County, New Mexico, Wolfcamp Formation,
640 acres, Delaware Basin

Owner	Unit WI
Chevron U.S.A. Inc.	84.7%
Chevron Midcontinent, L.P.	15.3%
Total	100.0000%

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

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

CASE NO. 23939

SELF-AFFIRMED STATEMENT OF ERIC SURRETT

1. My name is Eric Surratt. 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 D-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 application filed by Chevron in this case, and I have conducted a geologic study of the lands in the subject area.

4. Chevron has targeted the Wolfcamp formation in this case.

5. **Chevron Exhibit D-2** is a project locator map depicting Chevron’s proposed spacing unit outlined in dark blue. Existing producing wells are also depicted, including Chevron Wolfcamp wells in green. The approximate location for the well pad is depicted with a star.

6. **Chevron Exhibit D-3** shows a subsea structure map that I prepared on top of the Wolfcamp formation, with a contour interval of 20 feet. The approximate wellbore paths for the proposed initial wells are depicted with solid pink lines. The Wolfcamp dips gently to the east-northeast and is consistent across the project area. I do not observe any faulting, pinchouts, or other

BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. D
Submitted by: Chevron U.S.A. Inc.
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geologic impediments to developing the targeted intervals with horizontal wells in the area of the proposed spacing unit. The location of wells shown in cross-section A-A' are depicted with red squares with red lines connecting the points.

7. **Chevron Exhibit D-4** shows cross-section A-A' consisting of four wells penetrating the Wolfcamp formation that I used to construct a stratigraphic cross-section from north-northwest to south-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. The API number of the wells used to construct the cross-section are displayed above each well.

8. **Chevron Exhibit D-5** is a well log cross-section using the representative wells depicted in the previous exhibit for the Wolfcamp formation. The top of the Wolfcamp formation is denoted by a blue line. It identifies the targeted intervals for this project in red. It also demonstrates that the targeted intervals are continuous across the proposed spacing unit. The API number of the wells used to construct the cross-section are displayed above each well. In the left well log track is the gamma ray (GR) log. In the right well log track is bulk density (RHOB) displayed with the black curve and neutron-porosity (NPHI) displayed with the red curve.

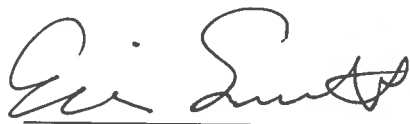
9. In my opinion, standup orientation of the proposed wells is the appropriate orientation for horizontal well development in this area because it is more near perpendicular to the maximum horizontal stress of the area.

10. Based on my geologic study, the Wolfcamp formation underlying the subject area is suitable for development by horizontal wells and the acreage comprising the proposed spacing unit 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 unit proposed.

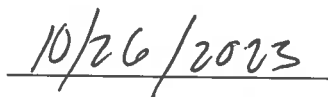
11. In my opinion, horizontal drilling will be the most efficient method to develop this acreage, to prevent the drilling of unnecessary wells, and to result in the greatest ultimate recovery, and that approving Chevron's application will be in the best interest of conservation, the prevention of waste, and protection of correlative rights.

12. **Chevron Exhibits D-1 through D-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 this case. This statement is made on the date next to my signature below.



Eric Surratt



Date

6301 Deauville Blvd N3407
Midland, TX 79706
(432) 967-8264
Ericurratt@Chevron.com

ERIC SURRATT, GIT

EXPERIENCE **CHEVRON U.S.A. INC.**

PERFORMANCE GEOLOGIST – MIDLAND, TX – 2022 - CURRENT

In my current role I am responsible for the permitting and planning of horizontal wells in the southern portion of Eddy County, New Mexico. This includes understanding any geologic trends which may create complexities during execution or lead to a degradation in ultimate recovery.

DEVELOPMENT GEOLOGIST – BAKERSFIELD, CA – 2021 - 2022

Key job responsibilities included understanding structural and stratigraphic styles of the Lost Hills oilfield near Lost Hills, CA to plan and permit both water injector and producing wells as part of the continued development strategy of the field.

EARTH SCIENCE INTERN – BAKERSFIELD, CA – SUMMER 2020

Refined surface geologic mapping near the Coalinga oilfield and created inputs for geologic overburden static model.

SAN DIEGO STATE UNIVERSITY

TEACHING ASSISTANT – SAN DIEGO, CA - 2019 - 2021

In addition to my studies, I worked as a teaching assistant where I graded test and course work, held weekly office hours with students, and taught the laboratory portion of various lower and upper-level college courses including mineralogy, petrology, structure, and field methods and mapping.

EDUCATION **SAN DIEGO STATE UNIVERSITY, SAN DEIGO, CA – 2019 - 2021**

Master of Science in Geological Sciences: Structural Geology Concentration –

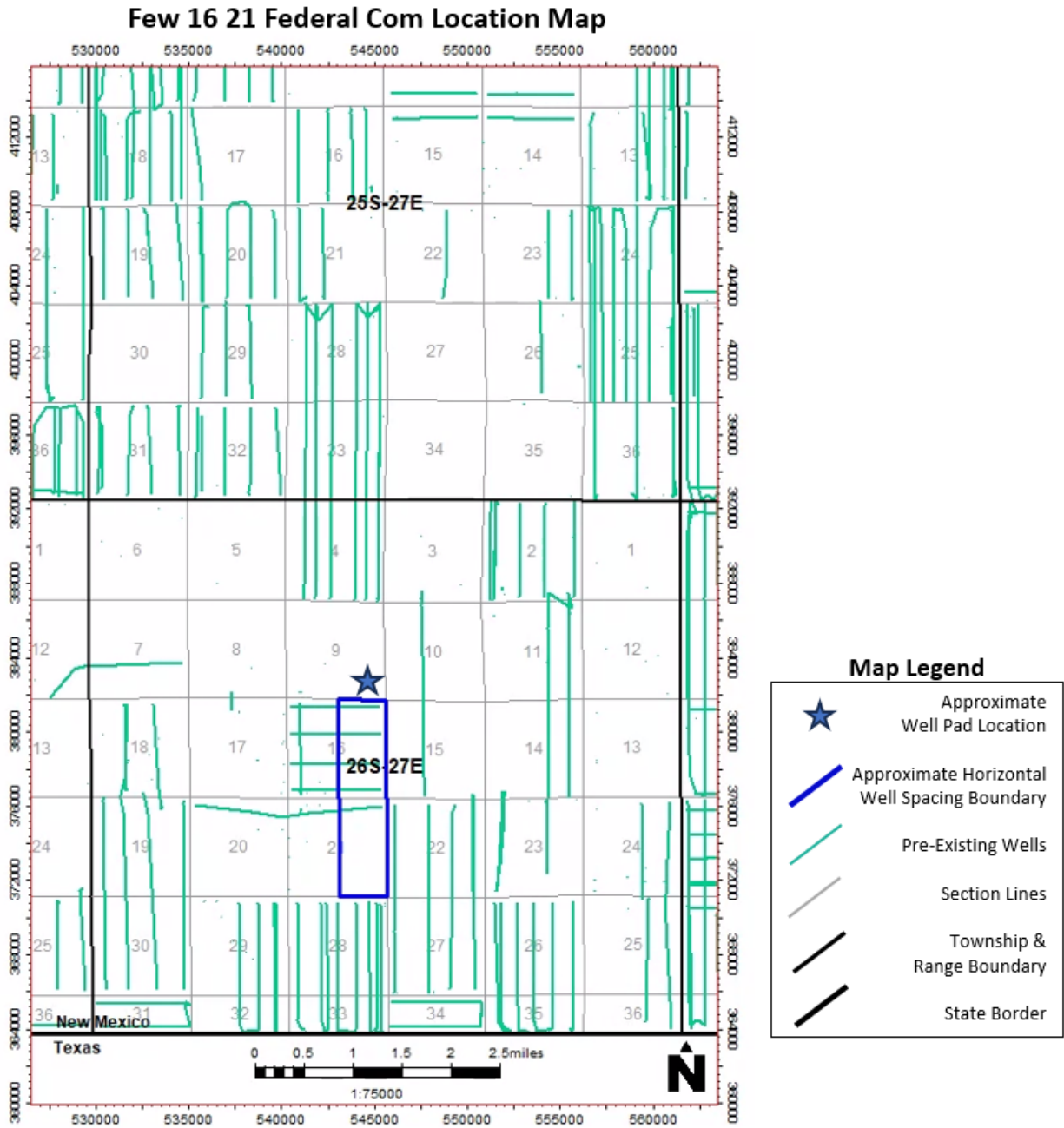
GPA 3.9 – Graduate research: Gypsum/Bassanite in a Major Southern California Fault Zone: Observations from the Clark Segment, San Jacinto Fault Zone, USA

SAN DIEGO STATE UNIVERSITY, SAN DIEGO, CA – 2017 - 2019

Bachelor of Science in Geological Sciences - GPA 3.7 – Undergraduate research: Paleoenvironments of the San Diego River Delta

HONORS & **GEOLOGIST-IN-TRAINING (GIT) CERTIFICATION - 2019 - CURRENT**

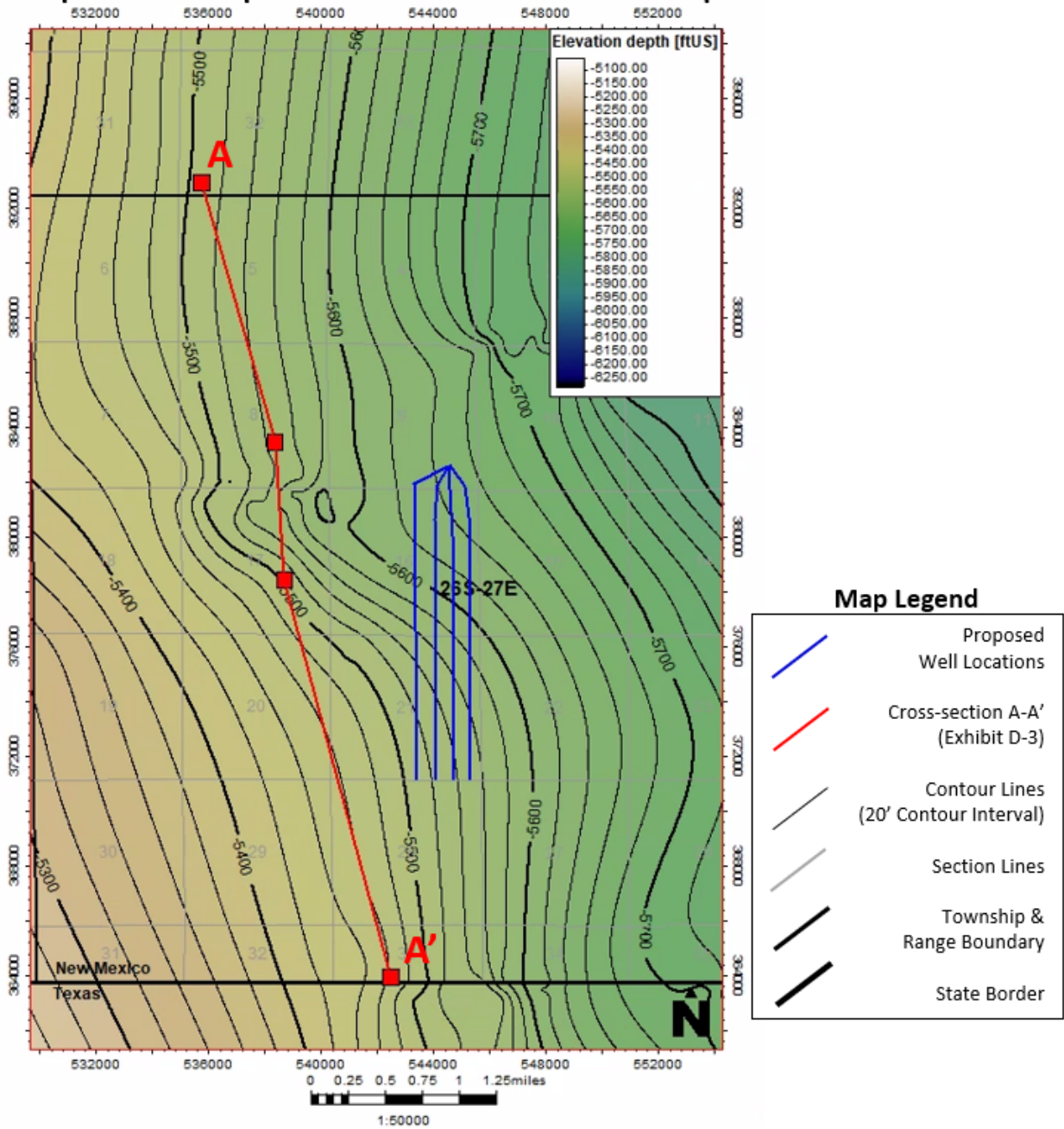
CERTIFICATIONS Successfully passed the National Association of State Boards of Geology – Fundamentals of Geology (FG) examination required for GIT certification in California. I currently plan to take the Practice of Geology (PG) and California Specific Exam (CSE), which are the final two requirements for certification as a Professional Geologist in California in October 2024.



**Chevron Exhibit D-1 –Few 16 21
Location Map**

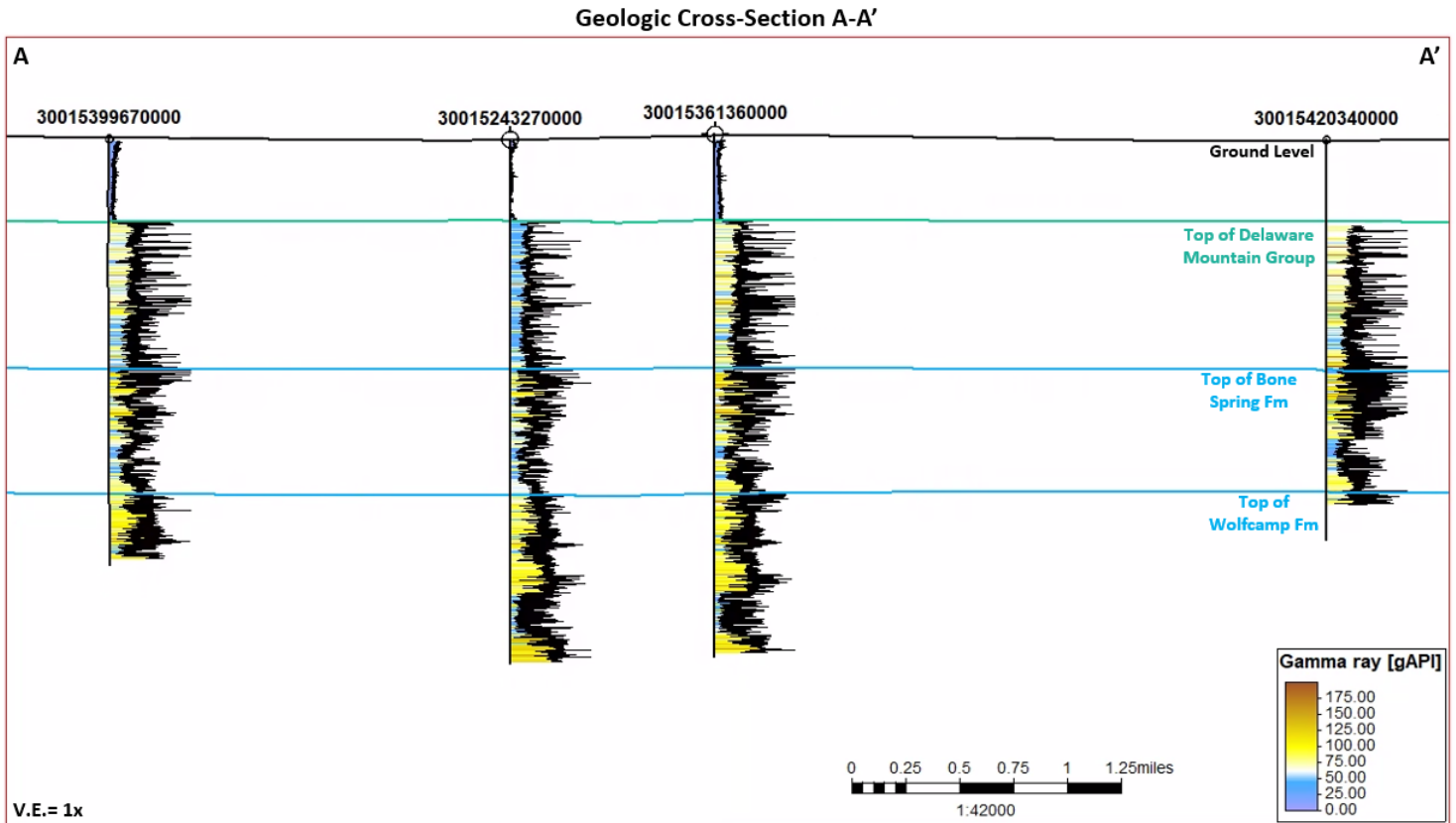
BEFORE THE OIL CONSERVATION DIVISION
 Santa Fe, New Mexico
 Exhibit No. D-2
 Submitted by: Chevron U.S.A. Inc.
 Hearing Date: November 2, 2023
 Case No. 23939

Top of Wolfcamp Formation Subsea Structure Map



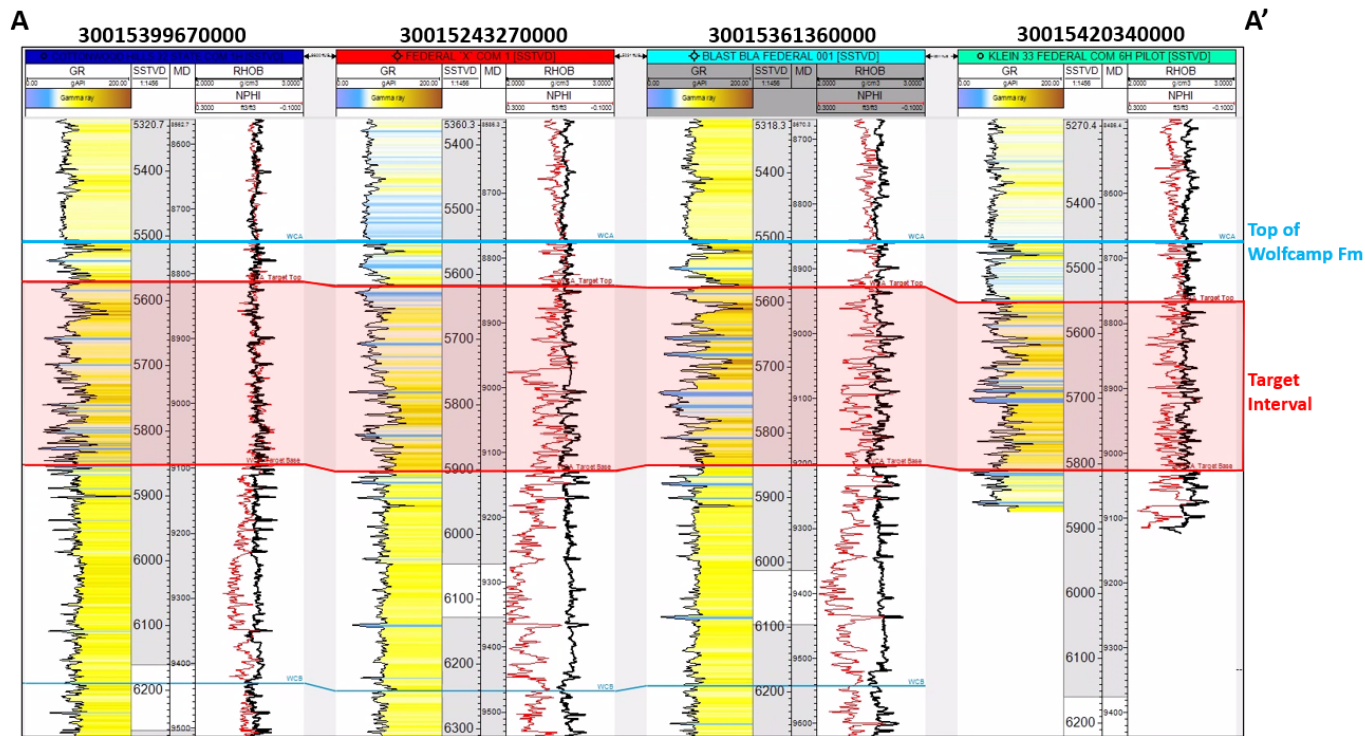
Chevron Exhibit D-2 – Top of Wolfcamp Subsea Structure Map

BEFORE THE OIL CONSERVATION DIVISION
 Santa Fe, New Mexico
 Exhibit No. D-3
 Submitted by: Chevron U.S.A. Inc.
 Hearing Date: November 2, 2023
 Case No. 23939



Chevron Exhibit D-3 – Geologic Cross-Section A-A'

BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. D-4
Submitted by: Chevron U.S.A. Inc.
Hearing Date: November 2, 2023
Case No. 23939



Cross-section is flattened on the top of the Wolfcamp Fm

**Chevron Exhibit D-4 – Well Log
Cross-Section A-A'**

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

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

CASE NO. 23939

**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 October 30, 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 herein.

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. E
Submitted by: Chevron U.S.A. Inc.
Hearing Date: November 2, 2023
Case No. 23939**



Paula M. Vance

10/30/23

Date



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

October 13, 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, Eddy County,
New Mexico: FEW 16 21 Federal Com 426H, 427H, 428H, 429H wells**

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 November 2, 2023, and the status of the hearing can be monitored through the Division’s website at <https://www.emnrd.nm.gov/ocd/>.

Due to the remodeling of the state building where the New Mexico Oil Conservation Division is located, hearings will be conducted remotely beginning at 8:15 a.m. 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 Gregg Pazer at (713) 372-9915 or gpazer@chevron.com.

Sincerely,

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

T 505.988.4421 F 505.983.6043
110 North Guadalupe, Suite 1, Santa Fe, NM 87501-1849
Mail to: P.O. Box 2208, Santa Fe, NM 87504-2208
www.hollandhart.com

Alaska	Montana	Utah
Colorado	Nevada	Washington, D.C.
Idaho	New Mexico	Wyoming

Cheron - E2 FEW 16-21 Fed Com Wells, Case no. 23939
Postal Delivery Report

9414811898765492405528	Nearburg Production Company	PO Box 823085	Dallas	TX	75382-3085	Your package will arrive later than expected, but is still on its way. It is
9414811898765492405504	Nearburg Exploration Company, LLC	PO Box 823085	Dallas	TX	75382-3085	Your package will arrive later than expected, but is still on its way. It is
9414811898765492405597	Nestegg Energy Corporation	2308 Sierra Vista Rd	Artesia	NM	88210-9409	Your item was delivered to an individual at the address at 12:25 pm on October 17,
9414811898765492405542	OXY Y-1 Company	5 Greenway Plz Ste 110	Houston	TX	77046-0521	Your item has been delivered to an agent for final delivery in HOUSTON, TX 77046
9414811898765492405580	Chisholm Energy Operating, LLC	801 Cherry St Ste 1200-20 Unit 20	Fort Worth	TX	76102-6803	Your package will arrive later than expected, but is still on its way. It is

Carlsbad Current Argus.

PART OF THE USA TODAY NETWORK

Affidavit of Publication

Ad # 0005844998

This is not an invoice

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

HOLLAND AND HART
PO BOX 2208

SANTA FE, NM 87504-2208

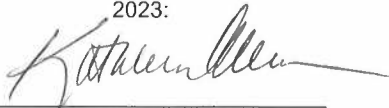
I, a legal clerk of the **Carlsbad Current Argus**, a newspaper published daily at the City of Carlsbad, in said county of Eddy, state of New Mexico and of general paid circulation in said county; that the same is a duly qualified newspaper under the laws of the State wherein legal notices and advertisements may be published; that the printed notice attached hereto was published in the regular and entire edition of said newspaper and not in supplement thereof in editions dated as follows:

10/17/2023




Legal Clerk

Subscribed and sworn before me this October 17, 2023:



State of WI, County of Brown
NOTARY PUBLIC



My commission expires

KATHLEEN ALLEN
Notary Public
State of Wisconsin

Ad # 0005844998
PO #: 23939
of Affidavits 1

This is not an invoice

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 cases. The hearings will be conducted remotely on Thursday, November 2, 2023, beginning at 8:15 a.m. To participate in the hearings, 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. Documents filed in these cases 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, or the New Mexico Relay Network at 1-800-659-1779, no later than October 22, 2023.

Persons may view and participate in the hearings through the following link: <https://nmemnrd.webex.com/nmemnrd/j.php?MTID=m2782857f226867528004f8664692193a>

Webinar number: 2480 928 8744

Join by video system: 24809288744@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: 2480 928 8744
Panelist password: gVU2PbUBJ68 (48827282 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 affected interest owners, including: Nearburg Production Company; Nearburg Exploration Company, LLC; Nestegg Energy Corporation; OXY Y-1 Company; and Chisholm Energy Operating, LLC.

Case No. 23939: Application of Chevron U.S.A. Inc. for Compulsory Pooling, Eddy County, New Mexico. Applicant in the above-styled cause seeks an order pooling all uncommitted mineral owners in the Wolfcamp formation underlying a standard 640-acre, more or less, horizontal well spacing unit comprised of the E/2 of Sections 16 and 21, Township 26 South, Range 27 East, NMPM, Eddy County, New Mexico. Said unit will be initially dedicated to the proposed FEW 16 21 Federal Com 426H, FEW 16 21 Federal Com 427H, FEW 16 21 Federal Com 428H, and FEW 16 21 Federal Com 429H wells, to be horizontally drilled from a common surface location in the SE/4 SE/4 (Unit P) of Section 9, with first take points in the NW/4 NE/4 (Unit B) and NE/4 NE/4 (Unit A) of said Section 16 and last take points in the SW/4 SE/4 (Unit O) and SE/4 SE/4 (Unit P) of said Section 21. Also, to be considered will be the designation of Applicant as operator of the well. Said area is located approximately 14 miles southwest of Malaga, New Mexico.
#5844998, Current Argus, October 17, 2023

BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. F
Submitted by: Chevron U.S.A. Inc.
Hearing Date: November 2, 2023
Case No. 23939