

**BEFORE THE OIL CONSERVATION DIVISION
EXAMINER HEARING JANUARY 4, 2024**

CASE NO. 24096

*CB SE 5 32 FEDERAL COM 3 201H
& 202H 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. 24096


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

| | |
|--|---|
| Case: 24096 | APPLICANT'S RESPONSE |
| Date | January 4, 2024 |
| 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 | CB SE 5 32 Federal Com 3 |
| Formation/Pool | |
| Formation Name(s) or Vertical Extent: | Bone Spring |
| Primary Product (Oil or Gas): | Oil |
| Pooling this vertical extent: | From beneath the base of the First Bone Spring to the base of the Bone Spring formation. |
| Pool Name and Pool Code: | Cedar Canyon; Bone Spring; [11520] |
| Well Location Setback Rules: | Statewide oil rules |
| Spacing Unit | |
| Type (Horizontal/Vertical) | Horizontal |
| Size (Acres) | 640 |
| Building Blocks: | 40 acres |
| Orientation: | South-North |
| Description: TRS/County | Lots 3 and 4, S/2 NW/4 and SW/4 (W/2 equivalent) of Section 5, Township 24 South, Range 29 East, and the W/2 of Section 32, Township 23 South, Range 29 East, NMPM, Eddy 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 |
| Other Situations | |
| Depth Severance: Y/N. If yes, description <div style="text-align: center;"> <p>BEFORE THE OIL CONSERVATION DIVISION Santa Fe, New Mexico Exhibit No. A Submitted by: Chevron U.S.A. Inc. Hearing Date: January 4, 2024 Case No. 24096</p> </div> | Yes; Chevron seeks to pool only a portion of the Bone Spring formation from beneath the base of the First Bone Spring to the base of the Bone Spring formation, the stratigraphic equivalent of 100 feet below the First Bone Spring formation, as seen at 4,566 feet subsea true vertical depth beneath the surface, to the stratigraphic equivalent of the top of the base of the Bone Spring formation, as seen at 6,811 feet subsea true vertical depth beneath the surface, as shown in that certain Gamma Ray well log in the Cochiti '32C' State 1 (API # 30-015-31910), located in Section 32, Township 23 South, Range 29 East, Eddy County, New Mexico. |
| Proximity Tracts: If yes, description | Yes |

| | |
|--|--|
| Proximity Definition Well if yes, description <i>Received by OGD: 1/2/2024 9:55:42 PM</i> | The CB SE 5 32 Federal Com 3 202H is expected to remain within 330 feet of the adjoining quarter-quarter section (or equivalent) tracts to allow inclusion of these proximity tracts within each respective proposed horizontal spacing unit under 19.15.16.15.B(1)(b) NMAC. |
| Applicant's Ownership in Each Tract | C-2 |
| 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 | <u>CB SE 5 32 Federal Com 3 201H well</u> SHL: 351' FNL, 1,791' FWL (Unit C) of Section 8, T24S-R29E BHL: 25' FNL, 550' FWL (Unit D) of Section 32, T23S-R29E Target: Bone Spring Orientation: South-North Completion: Standard Location |
| Well #2 | <u>CB SE 5 32 Federal Com 3 202H well</u> SHL: 350' FNL, 1,866' FWL (Unit C) of Section 8, T24S-R29E BHL: 25' FNL, 1,600' FWL (Unit C) of Section 32, T23S-R29E Target: Bone Spring Orientation: South-North Completion: Proximity Tract |
| Horizontal Well First and Last Take Points | Exhibit C-1 |
| Completion Target (Formation, TVD and MD) | Exhibit C-3 |
| | |
| AFE Capex and Operating Costs | |
| Drilling Supervision/Month \$ | \$10,000 |
| Production Supervision/Month \$ | \$1,000 |
| Justification for Supervision Costs | Exhibit C |
| Requested Risk Charge | 200% |
| Notice of Hearing | |
| Proposed Notice of Hearing | Exhibit B |
| 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) | Exhibit C-2 |
| Joinder | |
| Sample Copy of Proposal Letter | Exhibit C-3 |

| | |
|--|--|
| Received by OCD: 1/2/2024 3:35:42 PM List of Interest Owners (re Exhibit A of JOA) | Exhibit C-2 |
| Chronology of Contact with Non-Joined Working Interests | Exhibit C-4 |
| Overhead Rates In Proposal Letter | Exhibit C-3 |
| Cost Estimate to Drill and Complete | Exhibit C-3 |
| Cost Estimate to Equip Well | Exhibit C-3 |
| Cost Estimate for Production Facilities | Exhibit C-3 |
| Geology | |
| Summary (including special considerations) | Exhibit D |
| Spacing Unit Schematic | Exhibit D-1 |
| Gunbarrel/Lateral Trajectory Schematic | N/A |
| Well Orientation (with rationale) | Exhibit D |
| Target Formation | Exhibit D, D-3 |
| HSU Cross Section | Exhibit D-3 |
| Depth Severance Discussion | D, D-4 |
| 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-1 |
| Well Bore Location Map | Exhibit D-1 |
| Structure Contour Map - Subsea Depth | Exhibit D-2 |
| Cross Section Location Map (including wells) | Exhibit D-3 |
| Cross Section (including Landing Zone) | Exhibit D-3 |
| 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: | 1/2/2024 |

**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. 24096

APPLICATION

Chevron U.S.A. Inc. ("Chevron" or "Applicant") (OGRID No. 4323), through its undersigned attorneys, 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 a portion of the Bone Spring formation, from beneath the base of the First Bone Spring to the base of the Bone Spring formation, underlying a standard 640-acre, more or less, horizontal well spacing unit comprised of Lots 3 and 4, S/2 NW/4 and SW/4 (W/2 equivalent) of Section 5, Township 24 South, Range 29 East, and the W/2 of Section 32, Township 23 South, Range 29 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 well spacing unit to the proposed **CB SE 5 32 Federal Com 3 201H** and the **CB SE 5 32 Federal Com 3 202H** wells, to be horizontally drilled from a common surface location in the NW/4 of Section 8, Township 24 South, Range 29 East, with first take points, respectively, in the SW/4 SW/4 (Unit M) and the SE/4 SW/4 (Unit N) of Section 5 and last take points in the NW/4 NW/4 (Unit D) and the NE/4 NW/4 (Unit C) of Section 32.

69: CF9'H<9'C=@7CBG9FJ5HCB'8-J-G-CB'
GubHJ: YZBYk 'A YI jvE
9I \ J]hBc"6
Gi Va jHtX'Vm'7\ Yj fcb'l 'G'5"-bW'
<YUf]b['8 UHf. >Ubi Ufm(z&\$&(' '
7 UgY'Bc" &(\$- *

3. The completed interval of the proposed **CB SE 5 32 Federal Com 3 202H** well is expected to remain within 330 feet of the offsetting quarter-quarter sections or equivalent tracts to include them within this proposed spacing unit under 19.15.16.15.B(1)(b) NMAC.

4. An ownership depth severance exists in the Bone Spring formation within the proposed horizontal well spacing unit. Accordingly, Chevron seeks to pool only a portion of the Bone Spring formation, from beneath the base of the First Bone Spring to the base of the Bone Spring formation, the stratigraphic equivalent of 100 feet below the First Bone Spring formation, as seen at 4,566 feet subsea true vertical depth beneath the surface, to the stratigraphic equivalent of the top of the base of the Bone Spring formation, as seen at 6,811 feet subsea true vertical depth beneath the surface, as shown in that certain Gamma Ray well log in the Cochiti '32C' State 1 (API # 30-015-31910), located in Section 32, Township 23 South, Range 29 East, Eddy County, New Mexico. Chevron will provide notice of this hearing to the vertical offset parties within the pool who are not subject to this pooling application.

5. Applicant has sought and been unable to obtain voluntary agreement for the development of these lands from all the interest owners in the subject spacing unit.

6. 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 January 4, 2024, and, after notice and hearing as required by law, the Division enter an order:

- A. Pooling all uncommitted interests within the defined portion of the Bone Spring formation;

- C. Designating Applicant as the operator of this spacing unit and the wells to be drilled thereon;
- D. Authorizing Applicant to recover its costs of drilling, equipping, and completing the wells;
- E. Approving the actual operating charges and costs of supervision, together with a provision adjusting the rates pursuant to the COPAS accounting procedures; and
- F. Imposing a 200% charge for the risk assumed by Applicant in drilling and completing the wells against any working interest owner who does not voluntarily participate in the drilling of the wells.

Respectfully submitted,

HOLLAND & HART LLP

By: 

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Paula M. Vance
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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 a portion of the Bone Spring formation, from beneath the base of the First Bone Spring to the base of the Bone Spring formation, underlying a standard 640-acre, more or less, horizontal well spacing unit comprised of Lots 3 and 4, S/2 NW/4 and SW/4 (W/2 equivalent) of Section 5, Township 24 South, Range 29 East, and the W/2 of Section 32, Township 23 South, Range 29 East, NMPM, Eddy County, New Mexico. Applicant seeks to initially dedicate the above-referenced horizontal well spacing unit to the proposed **CB SE 5 32 Federal Com 3 201H** and the **CB SE 5 32 Federal Com 3 202H** wells, to be horizontally drilled from a common surface location in the NW/4 of Section 8, Township 24 South, Range 29 East, with first take points, respectively, in the SW/4 SW/4 (Unit M) and the SE/4 SW/4 (Unit N) of Section 5 and last take points in the NW/4 NW/4 (Unit D) and the NE/4 NW/4 (Unit C) of Section 32. The completed interval of the proposed **CB SE 5 32 Federal Com 3 202H** well is expected to remain within 330 feet of the offsetting quarter-quarter sections or equivalent tracts to include them within this proposed spacing unit under 19.15.16.15.B(1)(b) NMAC. Also, to be considered will be the cost of drilling and completing the wells, the allocation of the cost thereof, the actual operating costs and charges for supervision, the designation of applicant as operator, and the imposition of 200% charge for risk involved in drilling and completing each well. Said area is located approximately 5 miles northeast of Malaga, New Mexico.

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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. 24096

SELF-AFFIRMED STATEMENT OF DOUGLAS C. CRAWFORD

1. My name is Douglas C. Crawford. 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 petroleum 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. 24096**, Chevron seeks to pool the uncommitted interests in a portion of the Bone Spring formation, from beneath the base of the First Bone Spring to the base of the Bone Spring formation, underlying a standard 640-acre, more or less, horizontal well spacing unit comprised of Lots 3 and 4, S/2 NW/4 and SW/4 (W/2 equivalent) of Section 5, Township 24 South, Range 29 East, and the W/2 of Section 32, Township 23 South, Range 29 East, NMPM, Eddy County, New Mexico. Chevron seeks to initially dedicate the above-referenced horizontal well spacing unit to the proposed **CB SE 5 32 Federal Com 3 201H** and the **CB SE 5 32 Federal Com 3 202H** wells, to be horizontally drilled from a common surface location in the NW/4 of Section

8, Township 24 South, Range 29 East, with first take points, respectively, in the SW/4 SW/4 (Unit M) and the SE/4 SW/4 (Unit N) of Section 5 and last take points in the NW/4 NW/4 (Unit D) and the NE/4 NW/4 (Unit C) of Section 32.

6. The completed interval of the **CB SE 5 32 Federal Com 3 202H** is expected to remain within 330 feet of the adjoining quarter-quarter section (or equivalent) tracts to allow inclusion of these proximity tracts within the proposed horizontal spacing unit under 19.15.16.15.B(1)(b) NMAC.

7. **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 statewide setbacks for oil wells. The exhibit shows that the wells will be assigned to the Cedar Canyon; Bone Spring; [11520].

8. **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. The interest owners that Chevron seeks to pool are indicated in bold with an asterisk. Exhibit C-2 also includes a list of the overriding royalty interests, mineral interest owners and title record holders that Chevron seeks to pool. The subject acreage is comprised of state, federal and fee lands. Additionally, Chevron Exhibit C-2 includes a list of the interest owners, and their percentage interest, in the vertical offset for the proposed spacing unit. **Chevron Exhibit E** includes a sample copy of the notice that was sent to the vertical offsets interest owners, as well as postal tracking information.

9. **Chevron Exhibit C-3** 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 \$10,000 per month while drilling and \$1,000 per month while producing. These costs are consistent with what other operators are charging in this area for similar wells.

11. **Chevron Exhibit C-4** 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 this case 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 C-1 through C-4** 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 this case. This statement is made on the date next to my signature below.

A handwritten signature in blue ink, reading "Douglas C. Crawford". The signature is written in a cursive style with a horizontal line underneath the name.

Douglas C. Crawford

12.12.2023

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

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 | ² Pool Code 11520 | ³ Pool Name CEDAR CANYON; BONE SPRING |
| ⁴ Property Code | ⁵ Property Name CB SE 5 32 FEDERAL COM 3 | ⁶ Well Number 201H |
| ⁷ OGRID No. 4323 | ⁸ Operator Name CHEVRON U.S.A. INC. | ⁹ Elevation 3016' |

¹⁰ Surface Location

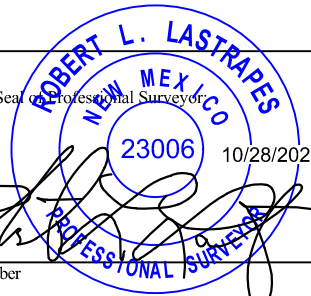
| UL or lot no. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
|---------------|---------|----------|-------------------|---------|---------------|------------------|---------------|----------------|--------|
| C | 8 | 24 SOUTH | 29 EAST, N.M.P.M. | | 351' | NORTH | 1791' | WEST | 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 |
|---------------|---------|----------|-------------------|---------|---------------|------------------|---------------|----------------|--------|
| D | 32 | 23 SOUTH | 29 EAST, N.M.P.M. | | 25' | NORTH | 550' | WEST | EDDY |

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

| | | | |
|---|---|---|---|
| <p>¹⁶</p> <p>PROPOSED LAST TAKE POINT X = 598,936' (NAD27 NM E) Y = 461,441' LAT. 32.268212° N (NAD27) LONG. 104.013246° W X = 640,119' (NAD83/86 NM E) Y = 461,500' LAT. 32.268334° N (NAD83/86) LONG. 104.013737° W</p> <p>PROPOSED MID POINT X = 599,038' (NAD27 NM E) Y = 456,285' LAT. 32.254040° N (NAD27) LONG. 104.012966° W X = 640,221' (NAD83/86 NM E) Y = 456,345' LAT. 32.254162° N (NAD83/86) LONG. 104.013457° W</p> <p>PROPOSED FIRST TAKE POINT X = 599,068' (NAD27 NM E) Y = 451,074' LAT. 32.239712° N (NAD27) LONG. 104.012919° W X = 640,251' (NAD83/86 NM E) Y = 451,133' LAT. 32.239835° N (NAD83/86) LONG. 104.013410° W</p> <p>CB SE 5 32 FEDERAL COM 3 201H WELL X = 600,310' (NAD27 NM E) Y = 450,616' LAT. 32.238445° N (NAD27) LONG. 104.008904° W X = 641,494' (NAD83/86 NM E) Y = 450,675' LAT. 32.238567° N (NAD83/86) LONG. 104.009394° W ELEV. +3016' (NAVD88)</p> | <p>PROPOSED BOTTOM HOLE LOCATION X = 598,934' (NAD27 NM E) Y = 461,516' LAT. 32.268418° N (NAD27) LONG. 104.013250° W X = 640,118' (NAD83/86 NM E) Y = 461,575' LAT. 32.268540° N (NAD83/86) LONG. 104.013741° W</p> <p>CORNER COORDINATES TABLE (NAD 27) A= Y=461541.79, X=598383.67 B= Y=461539.46, X=599706.02 C= Y=461537.13, X=601028.36 D= Y=461542.17, X=603672.21 E= Y=456289.41, X=598487.65 F= Y=456279.95, X=599812.41 G= Y=456270.49, X=601137.17 H= Y=456251.69, X=603786.69 I= Y=450976.71, X=598518.17 J= Y=450969.46, X=599842.18 K= Y=450962.21, X=601166.20 L= Y=450947.72, X=603814.23 M= Y=449648.83, X=598523.64 N= Y=449619.88, X=603820.10</p> | <p>25'</p> <p>550'</p> <p>Proposed Last Take Point 100' FNL, 550' FWL</p> <p>Sec. 32</p> <p>Proposed Mid Point</p> <p>T23S-R29E T24S-R29E</p> <p>Sec. 5</p> <p>Proposed First Take Point 100' FSL, 550' FWL</p> <p>351'</p> <p>1791'</p> <p>N 69° 47' 27" W 1,324.31'</p> <p>Sec. 8</p> | <p>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.</p> <p>Signature _____ Date _____</p> <p>Printed Name _____</p> <p>E-mail Address _____</p> <p>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.</p> <p>Date of Survey _____</p> <p>Signature and Seal of Professional Surveyor: </p> <p>Certificate Number _____</p> |
|---|---|---|---|

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

| | | |
|--------------------------------|--|---|
| ¹ API Number | ² Pool Code 11520 | ³ Pool Name CEDAR CANYON; BONE SPRING |
| ⁴ Property Code | ⁵ Property Name CB SE 5 32 FEDERAL COM 3 | ⁶ Well Number 202H |
| ⁷ OGRID No. 4323 | ⁸ Operator Name CHEVRON U.S.A. INC. | ⁹ Elevation 3017' |

¹⁰ Surface Location

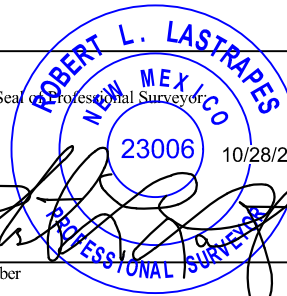
| UL or lot no. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
|---------------|---------|----------|-------------------|---------|---------------|------------------|---------------|----------------|--------|
| C | 8 | 24 SOUTH | 29 EAST, N.M.P.M. | | 350' | NORTH | 1866' | WEST | EDDY |

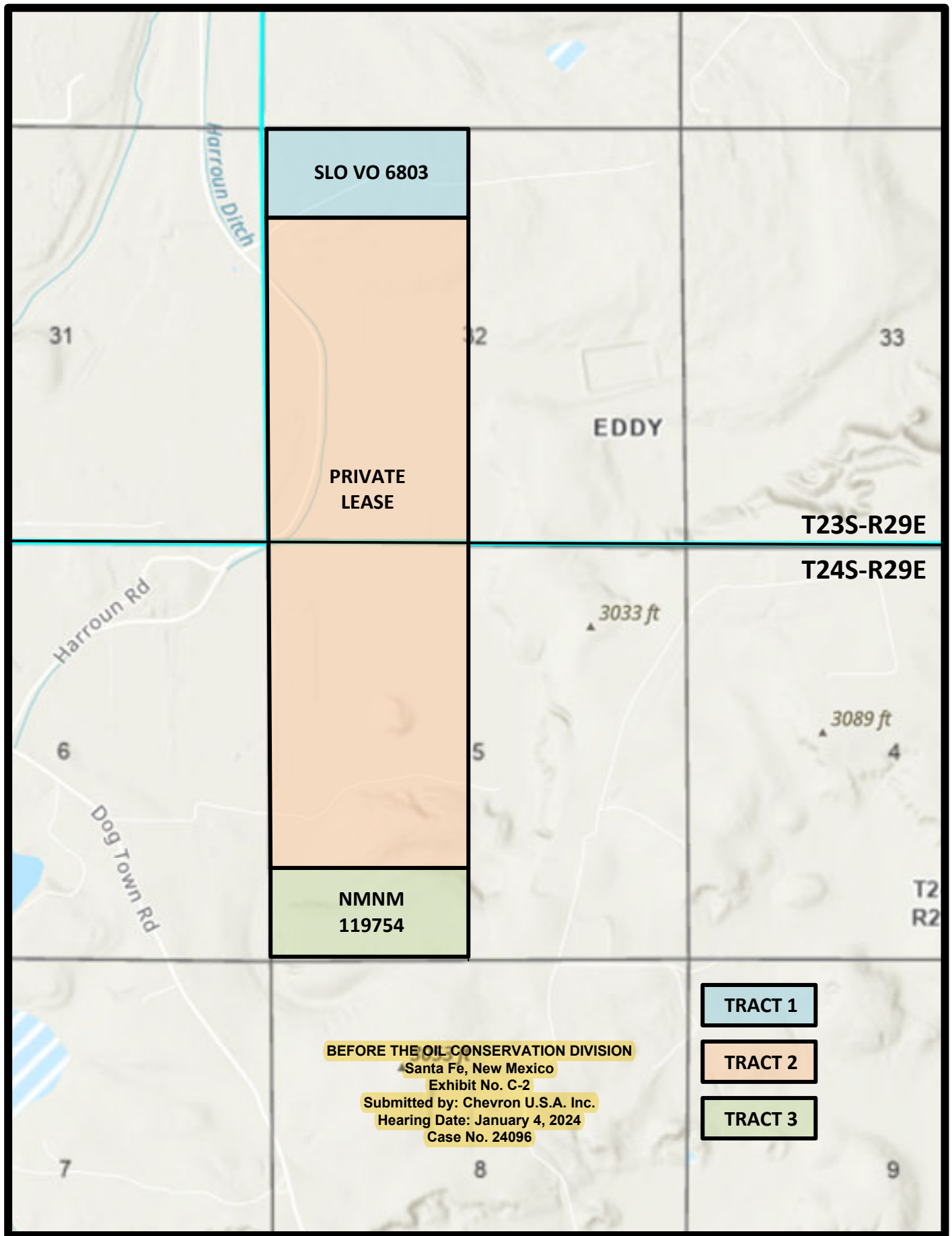
¹¹ Bottom Hole Location If Different From Surface

| UL or lot no. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
|---------------|---------|----------|-------------------|---------|---------------|------------------|---------------|----------------|--------|
| C | 32 | 23 SOUTH | 29 EAST, N.M.P.M. | | 25' | NORTH | 1600' | WEST | EDDY |

| | | | |
|--------------------------------------|---|----------------------------------|-------------------------|
| ¹² Dedicated Acres 640 | ¹³ Joint or Infill DEFINING | ¹⁴ Consolidation Code | ¹⁵ 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.

| | | |
|---|--|---|
| <p>¹⁶</p> <p>PROPOSED LAST TAKE POINT X = 599,986' (NAD27 NM E) Y = 461,439' LAT. 32.268198° N (NAD27) LONG. 104.009848° W X = 641,169' (NAD83/86 NM E) Y = 461,498' LAT. 32.268320° N (NAD83/86) LONG. 104.010339° W</p> <p>PROPOSED MID POINT X = 600,088' (NAD27 NM E) Y = 456,278' LAT. 32.254010° N (NAD27) LONG. 104.009569° W X = 641,271' (NAD83/86 NM E) Y = 456,337' LAT. 32.254132° N (NAD83/86) LONG. 104.010060° W</p> <p>PROPOSED FIRST TAKE POINT X = 600,118' (NAD27 NM E) Y = 451,068' LAT. 32.239688° N (NAD27) LONG. 104.009523° W X = 641,301' (NAD83/86 NM E) Y = 451,127' LAT. 32.239810° N (NAD83/86) LONG. 104.010013° W</p> <p>CORNER COORDINATES TABLE (NAD 27) A= Y=461541.79, X=598383.67 B= Y=461539.46, X=599706.02 C= Y=461537.13, X=601028.36 D= Y=461542.17, X=603672.21 E= Y=456289.41, X=598487.65 F= Y=456279.95, X=599812.41 G= Y=456270.49, X=601137.17 H= Y=456251.69, X=603786.69 I= Y=450976.71, X=598518.17 J= Y=450969.46, X=599842.18 K= Y=450962.21, X=601166.20 L= Y=450947.72, X=603814.23 M= Y=449648.83, X=598523.64 N= Y=449619.88, X=603820.10</p> <p>CB SE 5 32 FEDERAL COM 3 202H WELL X = 600,385' (NAD27 NM E) Y = 450,616' LAT. 32.238444° N (NAD27) LONG. 104.008662° W X = 641,569' (NAD83/86 NM E) Y = 450,675' LAT. 32.238566° N (NAD83/86) LONG. 104.009152° W ELEV. +3017' (NAVD88)</p> | | <p>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.</p> <p>Signature _____ Date _____</p> <p>Printed Name _____</p> <p>E-mail Address _____</p> <p>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.</p> <p>Date of Survey _____</p> <p>Signature and Seal of Professional Surveyor: </p> <p>Certificate Number _____</p> |
|---|--|---|



Consolidated Ownership

Bone Spring Unit

Covering the W/2 of Section 32, Township 23 South, Range 29 East and the W/2 of Section 5, Township 24 South, Range 29 East, Eddy County, New Mexico
containing 639.810 acres, more or less

Base of the First Bone Spring to the base of the Bone Spring Formation, the stratigraphic equivalent of 100 feet below the First Bone Spring formation, as seen at 4,556 feet subsea true vertical depth beneath the surface, to the stratigraphic equivalent of the top of the base of the Bone Spring Formation, as seen at 6,811 feet subsea true vertical depth beneath the surface, as shown in Gamma Ray well log in the Cochiti "32"C State 1 (API # 30-015-31910), located in Section 32, Township 23 South, Range 29 East, Eddy County, New Mexico

UGWI = Unit Gross Working Interest

URI = Unit Revenue Interest

Bold and Asterisk = Force Pooled Party

| Owner | Address | UGWI | UNRI | TYPE | Tract | Comments |
|---|--|------------|------------|------|-------|----------|
| State of New Mexico | | 0.00000000 | 0.02083952 | RI | 1 | |
| First National Bank of Santa Fe, Trustee of the Dorothy S. Harroun Irrevocable Trust dated October 13, 1983 | c/o Farmers National Company, 15 West 6th Street, #2700, Tulsa, OK 74119 | 0.00000000 | 0.06327499 | RI | 2 | |
| Harroun Energy, LLC | 320 Gold Avenue, Ste. 200, Albuquerque, NM 87102 | 0.00000000 | 0.06327499 | RI | 2 | |
| Pegasus Resources, LLC | 2821 West 7th Street, Ste. 500, Fort Worth, TX 76107 | 0.00000000 | 0.00344966 | RI | 2 | |
| Janet Elizabeth Vogt, Trustee of the Andrew and Janet Vogt Trust, dated March 3, 2008 | 13404 Piedra Grande Place NE, Albuquerque, NM 87111 | 0.00000000 | 0.00281222 | RI | 2 | |
| Jeffery C. Neal and K. Frances B. Neal, Trustees of the J. F. Neal Revocable Trust | 1311 Doepp Drive, Carlsbad, NM 88220 | 0.00000000 | 0.00281222 | RI | 2 | |
| Judith N. Hanttula and Joseph E. Hanttula, Co-Trustees of the Joseph E. Hanttula and Judith "Judy" N. Hanttula Revocable Family Trust | 3996 Marble Hill Road, Frisco, TX 75034 | 0.00000000 | 0.00281222 | RI | 2 | |
| J.M. Mineral & Land Co. Inc. | P.O. 1015, Midland, TX 79702 | 0.00000000 | 0.00071243 | RI | 2 | |
| Magnolia Royalty Company | P.O. Box 10703, Midland, TX 79702 | 0.00000000 | 0.00071243 | RI | 2 | |
| Eric D. Boyt | P.O. Box 2602, Midland, TX 79702 | 0.00000000 | 0.00035621 | RI | 2 | |
| SMP Sidecar Titan Mineral Holdings, L.P. | 4143 Maple Ave., Ste. 500, Dallas, TX 75219 | 0.00000000 | 0.00014999 | RI | 2 | |
| Herman Clifford Walker III | P.O. Box 8508, Midland, TX 79708 | 0.00000000 | 0.00009374 | RI | 2 | |
| SMP Titan Mineral Holdings, L.P. | 4143 Maple Ave., Ste. 500, Dallas, TX 75219 | 0.00000000 | 0.00008571 | RI | 2 | |
| MSH Family Real Estate Partnership II, LLC | 4143 Maple Ave., Ste. 500, Dallas, TX 75219 | 0.00000000 | 0.00004285 | RI | 2 | |
| SMP Titan Flex, L.P. | 4143 Maple Ave., Ste. 500, Dallas, TX 75219 | 0.00000000 | 0.00002143 | RI | 2 | |
| United States of America - Bureau of Land Management | | 0.00000000 | 0.01562964 | RI | 3 | |
| Westall Oil & Gas, LLC* | P.O. Box 4, Loco Hills, NM 88255 | 0.00000000 | 0.00250074 | ORI | 1 | |
| Zunis Energy, LLC* | 15 E. 15th Street, #3300, Tulsa, OK 74103 | 0.00000000 | 0.00146507 | ORI | 1 | |
| Sam H. Jolliffe, IV* | 1614 Ventura Ave., Midland, TX 79705 | 0.00000000 | 0.00062519 | ORI | 1 | |
| Chevron U.S.A. Inc. (ORI) | | 0.00000000 | 0.00039074 | ORI | 1 | |
| Susannah D. Adelson, Trustee of the James Adelson & Family 2015 Trust* | 15 E. 15th Street, #3300, Tulsa, OK 74103 | 0.00000000 | 0.00012394 | ORI | 1 | |
| Mizel Resources, a Trust* | 4350 South Monaco Street, 5th Floor, Denver, CO 80237 | 0.00281334 | 0.00225067 | WI | All | |

| | | | | | | |
|---------------------------------|---|-------------------|-------------------|----|-----|--|
| Juneau Oil & Gas, LLC* | 3700 Buffalo Speedway, Ste. 925, Houston, TX 77098 | 0.00468889 | 0.00375111 | WI | All | |
| Yosemite Creek Oil & Gas, LLLP* | 4350 South Monaco Street, 5th Floor, Denver, CO 80237 | 0.01125334 | 0.00900267 | WI | All | |
| Marshall & Winston, Inc.* | P.O. Box 50880, Midland, TX 79710 | 0.02344446 | 0.01875557 | WI | All | |
| Chevron U.S.A. Inc. (WI) | | 0.95779997 | 0.78405406 | WI | All | |
| Total | | <u>1.00000000</u> | <u>1.00000000</u> | | | |

Ownership in Vertical Offset
Suface to Base of First Bone Spring

UGWI = Unit Gross Working Interest

URI = Unit Revenue Interest

| Owner | Address | UGWI | UNRI | TYPE | Tract | Comments |
|---|--|------------|------------|------|-------|------------------------------|
| State of New Mexico | | 0.00000000 | 0.02083952 | RI | 1 | |
| First National Bank of Santa Fe, Trustee of the Dorothy S. Harroun Irrevocable Trust dated October 13, 1983 | c/o Farmers National Company, 15 West 6th Street, #2700, Tulsa, OK 74119 | 0.00000000 | 0.06327499 | RI | 2 | |
| Harroun Energy, LLC | 320 Gold Avenue, Ste. 200, Albuquerque, NM 87102 | 0.00000000 | 0.06327499 | RI | 2 | |
| Pegasus Resources, LLC | 2821 West 7th Street, Ste. 500, Fort Worth, TX 76107 | 0.00000000 | 0.00344966 | RI | 2 | |
| Janet Elizabeth Vogt, Trustee of the Andrew and Janet Vogt Trust, dated March 3, 2008 | 13404 Piedra Grande Place NE, Albuquerque, NM 87111 | 0.00000000 | 0.00281222 | RI | 2 | |
| Jeffery C. Neal and K. Frances B. Neal, Trustees of the J. F. Neal Revocable Trust | 1311 Doepp Drive, Carlsbad, NM 88220 | 0.00000000 | 0.00281222 | RI | 2 | |
| Judith N. Hanttula and Joseph E. Hanttula, Co-Trustees of the Joseph E. Hanttula and Judith "Judy" N. Hanttula Revocable Family Trust | 3996 Marble Hill Road, Frisco, TX 75034 | 0.00000000 | 0.00281222 | RI | 2 | |
| J.M. Mineral & Land Co. Inc. | P.O. 1015, Midland, TX 79702 | 0.00000000 | 0.00071243 | RI | 2 | |
| Magnolia Royalty Company | P.O. Box 10703, Midland, TX 79702 | 0.00000000 | 0.00071243 | RI | 2 | |
| Eric D. Boyt | P.O. Box 2602, Midland, TX 79702 | 0.00000000 | 0.00035621 | RI | 2 | |
| SMP Sidecar Titan Mineral Holdings, L.P. | 4143 Maple Ave., Ste. 500, Dallas, TX 75219 | 0.00000000 | 0.00014999 | RI | 2 | |
| Herman Clifford Walker III | P.O. Box 8508, Midland, TX 79708 | 0.00000000 | 0.00009374 | RI | 2 | |
| SMP Titan Mineral Holdings, L.P. | 4143 Maple Ave., Ste. 500, Dallas, TX 75219 | 0.00000000 | 0.00008571 | RI | 2 | |
| MSH Family Real Estate Partnership II, LLC | 4143 Maple Ave., Ste. 500, Dallas, TX 75219 | 0.00000000 | 0.00004285 | RI | 2 | |
| SMP Titan Flex, L.P. | 4143 Maple Ave., Ste. 500, Dallas, TX 75219 | 0.00000000 | 0.00002143 | RI | 2 | |
| United States of America - Bureau of Land Management | | 0.00000000 | 0.01562964 | RI | 3 | |
| Westall Oil & Gas, LLC | P.O. Box 4, Loco Hills, NM 88255 | 0.00000000 | 0.00250074 | ORI | 1 | |
| Zunis Energy, LLC | 15 E. 15th Street, #3300, Tulsa, OK 74103 | 0.00000000 | 0.00146507 | ORI | 1 | |
| Sam H. Jolliffe, IV | 1614 Ventura Ave., Midland, TX 79705 | 0.00000000 | 0.00062519 | ORI | 1 | |
| Chevron U.S.A. Inc. (ORI) | 1400 Smith Street, Houston, Texas 77002 | 0.00000000 | 0.00039074 | ORI | 1 | |
| Susannah D. Adelson, Trustee of the James Adelson & Family 2015 Trust | 15 E. 15th Street, #3300, Tulsa, OK 74103 | 0.00000000 | 0.00012394 | ORI | 1 | |
| EOG A Resources | 5509 Champions Dr, Midland, Texas 79706 | 0.00000000 | 0.01250000 | ORI | 2 | Vertical Offset Notice Party |

| | | | | | | |
|---------------------------------|---|-------------------|-------------------|-----|-----|------------------------------|
| EOG M Resources | 5509 Champions Dr, Midland, Texas 79706 | 0.00000000 | 0.01250000 | ORI | 2 | Vertical Offset Notice Party |
| EOG Y Resources | 5509 Champions Dr, Midland, Texas 79706 | 0.00000000 | 0.02500000 | ORI | 2 | Vertical Offset Notice Party |
| Oxy Y-1 Company | 5 Greenway Plaza, Suite 110, Houston, Texas 77046 | 0.00000000 | 0.01250000 | ORI | 2 | Vertical Offset Notice Party |
| EOG A Resources | 5509 Champions Dr, Midland, Texas 79706 | 0.14998515 | 0.11248886 | WI | 2 | Vertical Offset Notice Party |
| EOG M Resources | 5509 Champions Dr, Midland, Texas 79706 | 0.14998515 | 0.11248886 | WI | 2 | Vertical Offset Notice Party |
| EOG Y Resources | 5509 Champions Dr, Midland, Texas 79706 | 0.29997030 | 0.22497773 | WI | 2 | Vertical Offset Notice Party |
| Oxy Y-1 Company | 5 Greenway Plaza, Suite 110, Houston, Texas 77046 | 0.14998515 | 0.11248886 | WI | 2 | Vertical Offset Notice Party |
| Mizel Resources, a Trust* | 4350 South Monaco Street, 5th Floor, Denver, CO 80237 | 0.00070354 | 0.00052766 | WI | 1,3 | |
| Juneau Oil & Gas, LLC* | 3700 Buffalo Speedway, Ste. 925, Houston, TX 77098 | 0.00117257 | 0.00087943 | WI | 1,3 | |
| Yosemite Creek Oil & Gas, LLLP* | 4350 South Monaco Street, 5th Floor, Denver, CO 80237 | 0.00281417 | 0.00211063 | WI | 1,3 | |
| Marshal & Winston, Inc.* | P.O. Box 50880, Midland, TX 79710 | 0.00586286 | 0.00439714 | WI | 1,3 | |
| Chevron U.S.A. Inc. | 1400 Smith Street, Houston, Texas 77002 | 0.25007424 | 0.18495491 | WI | 1,3 | |
| Total | | <u>1.00000000</u> | <u>1.00000000</u> | | | |

Unit by Tract
Bone Spring Unit - Preliminary

Covering the W/2 of Section 32, Township 23 South, Range 29 East and the W/2 of Section 5, Township 24 South, Range 29 East, Eddy County, New Mexico
containing 639.810 acres, more or less

Base of the First Bone Spring to the base of the Bone Spring Formation, the stratigraphic equivalent of 100 feet below the First Bone Spring formation, as seen at 4,556 feet subsea true vertical depth beneath the surface, to the stratigraphic equivalent of the top of the base of the Bone Spring Formation, as seen at 6,811 feet subsea true vertical depth beneath the surface, as shown in Gamma Ray well log in the Cochiti "32"C State 1 (API # 30-015-31910), located in Section 32, Township 23 South, Range 29 East, Eddy County, New Mexico

TRGWI = Tract Gross Working Interest

UGWI = Unit Gross Working Interest

TRNRI = Tract Net Revenue Interest

URI = Unit Revenue Interest

Bold and Asterisk = Force Pooled Party

Unit Tract 1

N/2 of NW/4 of Section 32, Township 23 South, Range 29 East

Tract Factor - 80.000/639.810= 0.12503712

| Owner | TRGWI | UGWI | TNRI | URI | TYPE | Comments |
|---|--------------------------|--------------------------|--------------------------|--------------------------|------|----------|
| State of New Mexico | 0.00000000 | 0.00000000 | 0.16666667 | 0.02083952 | RI | |
| Westall Oil & Gas, LLC* | 0.00000000 | 0.00000000 | 0.02000000 | 0.00250074 | ORI | |
| Zunis Energy, LLC* | 0.00000000 | 0.00000000 | 0.01171708 | 0.00146507 | ORI | |
| Sam H. Jolliffe, IV* | 0.00000000 | 0.00000000 | 0.00500000 | 0.00062519 | ORI | |
| Chevron U.S.A. Inc. (ORI) | 0.00000000 | 0.00000000 | 0.00312500 | 0.00039074 | ORI | |
| Susannah D. Adelson, Trustee of the James Adelson & Family 2015 Trust* | 0.00000000 | 0.00000000 | 0.00099125 | 0.00012394 | ORI | |
| Mizel Resources, a Trust* | 0.00281334 | 0.00035177 | 0.00077417 | 0.00009680 | WI | |
| Juneau Oil & Gas, LLC* | 0.00468889 | 0.00058629 | 0.00129028 | 0.00016133 | WI | |
| Yosemite Creek Oil & Gas, LLLP* | 0.01125334 | 0.00140709 | 0.00309667 | 0.00038720 | WI | |
| Marshal & Winston, Inc.* | 0.02344446 | 0.00293143 | 0.00645140 | 0.00080666 | WI | |
| Chevron U.S.A. Inc. (WI) | 0.95779997 | 0.11976055 | 0.78088748 | 0.09763992 | WI | |
| Total | <u>1.00000000</u> | <u>0.12503712</u> | <u>1.00000000</u> | <u>0.12503712</u> | | |

Unit Tract 2

S/2 of NW/4 & SW/4 of Section 32, Township 23 South, Range 29 East and Lots 3 & 4, S/2 of NW/4 & N/2 of SW/4 of Section 5, Township 24 South, Range 29 East

Tract Factor - 479.810/639.810= 0.74992576

| Owner | TRGWI | UGWI | TNRI | URI | TYPE | Comments |
|---|--------------------------|--------------------------|--------------------------|--------------------------|------|----------|
| First National Bank of Santa Fe, Trustee of the Dorothy S. Harroun Irrevocable Trust dated October 13, 1983 | 0.00000000 | 0.00000000 | 0.08437500 | 0.06327499 | RI | |
| Harroun Energy, LLC | 0.00000000 | 0.00000000 | 0.08437500 | 0.06327499 | RI | |
| Pegasus Resources, LLC | 0.00000000 | 0.00000000 | 0.00460000 | 0.00344966 | RI | |
| Janet Elizabeth Vogt, Trustee of the Andrew and Janet Vogt Trust, dated March 3, 2008 | 0.00000000 | 0.00000000 | 0.00375000 | 0.00281222 | RI | |
| Jeffery C. Neal and K. Frances B. Neal, Trustees of the J. F. Neal Revocable Trust | 0.00000000 | 0.00000000 | 0.00375000 | 0.00281222 | RI | |
| Judith N. Hanttula and Joseph E. Hanttula, Co-Trustees of the Joseph E. Hanttula and Judith "Judy" N. Hanttula Revocable Family Trust | 0.00000000 | 0.00000000 | 0.00375000 | 0.00281222 | RI | |
| J.M. Mineral & Land Co. Inc. | 0.00000000 | 0.00000000 | 0.00095000 | 0.00071243 | RI | |
| Magnolia Royalty Company | 0.00000000 | 0.00000000 | 0.00095000 | 0.00071243 | RI | |
| Eric D. Boyt | 0.00000000 | 0.00000000 | 0.00047500 | 0.00035621 | RI | |
| SMP Sidecar Titan Mineral Holdings, L.P. | 0.00000000 | 0.00000000 | 0.00020000 | 0.00014999 | RI | |
| Herman Clifford Walker III | 0.00000000 | 0.00000000 | 0.00012500 | 0.00009374 | RI | |
| SMP Titan Mineral Holdings, L.P. | 0.00000000 | 0.00000000 | 0.00011429 | 0.00008571 | RI | |
| MSH Family Real Estate Partnership II, LLC | 0.00000000 | 0.00000000 | 0.00005714 | 0.00004285 | RI | |
| SMP Titan Flex, L.P. | 0.00000000 | 0.00000000 | 0.00002857 | 0.00002143 | RI | |
| Mizel Resources, a Trust* | 0.00281334 | 0.00210979 | 0.00246167 | 0.00184607 | WI | |
| Juneau Oil & Gas, LLC* | 0.00468889 | 0.00351632 | 0.00410278 | 0.00307678 | WI | |
| Yosemite Creek Oil & Gas, LLLP* | 0.01125334 | 0.00843917 | 0.00984667 | 0.00738427 | WI | |
| Marshall & Winston, Inc.* | 0.02344446 | 0.01758160 | 0.02051390 | 0.01538390 | WI | |
| Chevron U.S.A. Inc. (WI) | 0.95779997 | 0.71827887 | 0.77557498 | 0.58162365 | WI | |
| Total | <u>1.00000000</u> | <u>0.74992576</u> | <u>1.00000000</u> | <u>0.74992576</u> | | |

Unit Tract 2 - Vertical Offset from Surface to Base of First Bone Spring only

S/2 of NW/4 & SW/4 of Section 32, Township 23 South, Range 29 East and Lots 3 & 4, S/2 of NW/4 & N/2 of SW/4 of Section 5, Township 24 South, Range 29 East

Tract Factor - 479.810/639.810= 0.74992576

| Owner | TRGWI | UGWI | TNRI | URI | TYPE | Comments |
|---|------------|------------|------------|------------|------|----------|
| First National Bank of Santa Fe, Trustee of the Dorothy S. Harroun Irrevocable Trust dated October 13, 1983 | 0.00000000 | 0.00000000 | 0.08437500 | 0.06327499 | RI | |

| | | | | | | |
|---|------------|------------|------------|------------|------|--|
| Harroun Energy, LLC | 0.00000000 | 0.00000000 | 0.08437500 | 0.06327499 | RI | |
| Pegasus Resources, LLC | 0.00000000 | 0.00000000 | 0.00460000 | 0.00344966 | RI | |
| Janet Elizabeth Vogt, Trustee of the Andrew and Janet Vogt Trust, dated March 3, 2008 | 0.00000000 | 0.00000000 | 0.00375000 | 0.00281222 | RI | |
| Jeffery C. Neal and K. Frances B. Neal, Trustees of the J. F. Neal Revocable Trust | 0.00000000 | 0.00000000 | 0.00375000 | 0.00281222 | RI | |
| Judith N. Hanttula and Joseph E. Hanttula, Co-Trustees of the Joseph E. Hanttula and Judith "Judy" N. Hanttula Revocable Family Trust | 0.00000000 | 0.00000000 | 0.00375000 | 0.00281222 | RI | |
| J.M. Mineral & Land Co. Inc. | 0.00000000 | 0.00000000 | 0.00095000 | 0.00071243 | RI | |
| Magnolia Royalty Company | 0.00000000 | 0.00000000 | 0.00095000 | 0.00071243 | RI | |
| Eric D. Boyt | 0.00000000 | 0.00000000 | 0.00047500 | 0.00035621 | RI | |
| SMP Sidecar Titan Mineral Holdings, L.P. | 0.00000000 | 0.00000000 | 0.00020000 | 0.00014999 | RI | |
| Herman Clifford Walker III | 0.00000000 | 0.00000000 | 0.00012500 | 0.00009374 | RI | |
| SMP Titan Mineral Holdings, L.P. | 0.00000000 | 0.00000000 | 0.00011429 | 0.00008571 | RI | |
| MSH Family Real Estate Partnership II, LLC | 0.00000000 | 0.00000000 | 0.00005714 | 0.00004285 | RI | |
| SMP Titan Flex, L.P. | 0.00000000 | 0.00000000 | 0.00002857 | 0.00002143 | RI | |
| Chevron U.S.A. Inc. | 0.00000000 | 0.00000000 | 0.06250000 | 0.00039074 | ORRI | |
| EOG A Resources | 0.20000000 | 0.14998515 | 0.15000000 | 0.01250000 | WI | |
| EOG M Resources | 0.20000000 | 0.14998515 | 0.15000000 | 0.01250000 | WI | |
| EOG Y Resources | 0.40000000 | 0.29997030 | 0.30000000 | 0.02500000 | WI | |
| Oxy Y-1 Company | 0.20000000 | 0.14998515 | 0.15000000 | 0.01250000 | WI | |

Total 1.00000000 1.00000000

Unit Tract 3

S/2 of SW/4 of Section 5, Township 24 South, Range 29 East

Tract Factor - 80.000/639.810= 0.12503712

| Owner | TRGWI | UGWI | TNRI | URI | TYPE | Comments |
|--|------------|------------|------------|------------|------|----------|
| United States of America - Bureau of Land Management | 0.00000000 | 0.00000000 | 0.12500000 | 0.01562964 | RI | |
| Mizel Resources, a Trust* | 0.00281334 | 0.00035177 | 0.00246167 | 0.00030780 | WI | |
| Juneau Oil & Gas, LLC* | 0.00468889 | 0.00058629 | 0.00410278 | 0.00051300 | WI | |
| Yosemite Creek Oil & Gas, LLLP* | 0.01125334 | 0.00140709 | 0.00984667 | 0.00123120 | WI | |
| Marshal & Winston, Inc.* | 0.02344446 | 0.00293143 | 0.02051390 | 0.00256500 | WI | |
| Chevron U.S.A. Inc. (WI) | 0.95779997 | 0.11976055 | 0.83807498 | 0.10479048 | WI | |

Total 1.00000000 0.12503712 1.00000000 0.12503712



July 12, 2023

Via Certified Mail – Return Receipt Requested

Juneau Oil and Gas LLC
3700 Buffalo Speedway Ste 925
Houston, Texas 77098

RE: Well Proposals
CB SE 5 32 Federal Com 3 201H
CB SE 5 32 Federal Com 3 202H
W2 Section 32, Township 23 South, Range 29 East N.M.P.M.,
W2 Section 5, Township 24 South, Range 29 East N.M.P.M.,
Eddy County, New Mexico

Dear Working Interest Owner:

Chevron U.S.A. Inc. (“Chevron”) hereby proposes to drill the following horizontal wells located in the West Half (W2) of both Section 5, T24S-R29E, and Section 32, T23S-R29E Eddy County, New Mexico. Chevron proposes to drill all wells from the same pad located in Unit C of Section 8, T24S-R29E.

| Well Name | Surface Hole Location | Bottom Hole Location | First Take Point | Last Take Point | Total Measured Depth/Vertical Depth | Formation/Bench |
|-------------------------------|--|--|--|---|-------------------------------------|--------------------------|
| CB SE 5 32 Federal Com 3 201H | 351' FNL & 1791' FWL Section 8 T24S-R29E | 25' FNL & 550' FWL Section 32 T23S-R29E | 100' FSL & 550' FWL Section 5 T24S-R29E | 100' FNL & 550' FWL Section 32 T23S-R29E | MD: 18,060' TVD: 9,050' | Second Bone Spring Upper |
| CB SE 5 32 Federal Com 3 202H | 350' FNL & 1866' FWL Section 8 T24S-R29E | 25' FNL & 1600' FWL Section 32 T23S-R29E | 100' FSL & 1600' FWL Section 5 T24S-R29E | 100' FNL & 1600' FWL Section 32 T23S-R29E | MD: 18,060' TVD: 8,600' | Second Bone Spring Upper |

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

Enclosed for your review are detailed Authority for Expenditure (“AFE”) for each well reflecting estimated costs to drill, complete and equip the well(s) associated with this proposal. **If you intend to participate, please execute, and indicate participation in the appropriate box on this letter 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.

Mid-Continent Business Unit
Americas Exploration & Production
a division of Chevron U.S.A. Inc.
1400 Smith St., Houston, TX 77002
Tel 713 372 9615
dccrawford@chevron.com

BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. C-3
Submitted by: Chevron U.S.A. Inc.
Hearing Date: January 4, 2024
Case No. 24096

Chevron is proposing to drill these well(s) under the terms of a new 1989 Model Form Operating Agreement which will be sent upon request. The basic terms of this agreement are as follows:

- Overhead Rates: \$12,639 Drilling / 1,429 Production
- Non-Consent Penalties: 100% / 300% / 300%
- Expenditure Limit: \$100,000

If any Working Interest Parties elect not to participate in the drilling of subject well(s) or do not respond, Chevron will submit an application for a Compulsory Pooling Order with the New Mexico Oil Conservation Division after 30 days of receipt of this letter. This will allow Chevron to move forward with planning and drilling the subject well(s) 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 project area. Should you be interested or have any questions, please feel free to contact me at the contact information listed below.

Sincerely,

Douglas C. Crawford
Land Representative

Enclosures

Mid-Continent Business Unit
Americas Exploration & Production
a division of Chevron U.S.A. Inc.
1400 Smith St., Houston, TX 77002
Tel 713 372 9615
dccrawford@chevron.com

Your interest under the proposed contract area is as follows (Subject to change pending further title verification):

WORKING INTEREST OWNER: 0.468889%

Please elect one of the following:

_____ Elects to participate in the above-captioned wells and agrees to bear a proportionate share of the costs associated with each well, detailed in the enclosed AFEs.

_____ Elects NOT to participate in the above-captioned wells.

Company / Individual: _____

By: _____

Name: _____

Title: _____

Date: _____

Mid-Continent Business Unit
Americas Exploration & Production
a division of Chevron U.S.A. Inc.
1400 Smith St., Houston, TX 77002
Tel 713 372 9615
dccrawford@chevron.com

| Chevron U.S.A. Inc. | | | Appropriation Request | |
|---|--------------------|----------------------|-------------------------------|-----------------|
| County, State | Well Type | Field | Well Name | |
| Eddy, NM | Development | Delaware Basin | CB SE 5 32 FEDERAL COM 3 201H | |
| Area | Objective | Date | Project Engineer | Duration (days) |
| Culebra Bluff | Second Bone Spring | 6/28/2023 | N/A | 21.46 |
| Playbook Name | | | Business Unit | Joint Venture |
| CB SBU 10,000' Lateral (April 2023) | | | MCBU | Yes |
| Reason for Expenditure | | | Change from Playbook: | |
| Drilling | | | N/A | |
| Cost Category | Code | Sub-code | Amount (\$) | |
| Rig Daywork - All | 0001 | 01000 | \$ 561,240 | |
| Additional Rig Equipment | 0001 | 01008 | \$ 5,189 | |
| Company Labor - All | 0100 | 04000 | \$ 68,099 | |
| Contract Labor - All | 0200 | 04100 | \$ 28,874 | |
| Fuel & Utilities - All | 0100 | 06000 | \$ 174,400 | |
| Utilities not provided by contractor | 0300 | 06006 | \$ 11,674 | |
| Mobilization / De-Mobilization - All | 0003 | 08000 | \$ 670,000 | |
| Drilling & Completion Fluids - All | 1900 | 09000 | \$ 104,262 | |
| Materials, Supplies, & Parts - All | 0500 | 10000 | \$ 23,548 | |
| Transportation - All | 0300 | 11000 | \$ 93,393 | |
| Directional Survey - All | 0006 | 12000 | \$ 393,684 | |
| Drill String & Drill Bits - All | 0007 | 13000 | \$ 159,152 | |
| Equipment Rentals - All | 0100 | 14000 | \$ 254,969 | |
| Well Services - All | 0200 | 14200 | \$ 73,570 | |
| Solid Waste Disposal - All | 0300 | 15000 | \$ 47,215 | |
| Logging - Wireline - All | 0019 | 22000 | \$ - | |
| Logging - Mud - All | 0021 | 23000 | \$ 6,122 | |
| Casing - All | 0022 | 30000 | \$ 735,819 | |
| Wellheads & Trees - All | 0110 | 31100 | \$ 63,252 | |
| Cement & Cementing - All | 0024 | 32000 | \$ 306,040 | |
| Sitework / Roads / Location - All | 0021 | 54000 | \$ 11,559 | |
| Technical Services: ETC, PRC, & Third Party | 0200 | 56000 | \$ 219,039 | |
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| | | | | |
| Total | | | \$ 4,011,100.00 | |
| | | | | |
| Participation & Authorization | | Share (%) | Amount (\$) | |
| Juneau Oil and Gas LLC | | 0.4688890% | \$18,807.61 | |
| | | 0.0000000% | \$0.00 | |
| | | 0.0000000% | \$0.00 | |
| | | 0.0000000% | \$0.00 | |
| Total | | 0% | \$18,807.61 | |
| Approved (Print Name) | | Approved (Signature) | | |
| | | | | |
| | | Date | | |

| Chevron U.S.A. Inc. | | | Appropriation Request | |
|---|--------------------|----------------------|----------------------------------|-----------------|
| County, State | Well Type | Field | Well Name | |
| Eddy, NM | Development | Delaware Basin | CB SE 5 32 FEDERAL COM 3 201H | |
| Area | Objective | Date | Project Engineer | Duration (days) |
| Culebra Bluff | Second Bone Spring | 6/28/2023 | N/A | 7.80 |
| Playbook Name | | | Business Unit | Joint Venture |
| 2000_2000_9_40_SW_SF | | | MCBU | Yes |
| Reason for Expenditure | | | Change from Playbook: April 2023 | |
| Completions | | | N/A | |
| Cost Category | Code | Sub-code | Amount (\$) | |
| Workover Rigs | | | \$ 18,000 | |
| Snubbing Rigs | | | \$ 89,370 | |
| Company Labor | | | \$ 47,006 | |
| Contract Labor and Safety Services | | | \$ 49,587 | |
| Fuel | | | \$ 270,306 | |
| Frac Water | | | \$ 681,100 | |
| Pressure Control Equipment | | | \$ 270,306 | |
| Equipment Rentals | | | \$ 404,971 | |
| Cleanout Tools | | | \$ 86,237 | |
| Sand | | | \$ 719,802 | |
| Pressure Pumping - Stimulation Services | | | \$ 861,258 | |
| Well Services | | | \$ 181,614 | |
| Drill Out Spread - Not Including Rig | | | \$ 130,590 | |
| Waste Management | | | \$ - | |
| Wireline - Logging and Toe Prep | | | \$ 64,516 | |
| Wireline - Perforating | | | \$ 192,921 | |
| OCTG | | | \$ 497,000 | |
| Completions Equipment and Installation Services | | | \$ 27,000 | |
| Surface Wellheads and Production Trees | | | \$ 41,461 | |
| Site Prep and Maintenance Services | | | \$ 1,125 | |
| Total | | | \$ 4,634,172.66 | |
| | | | | |
| Participation & Authorization | | Share (%) | Amount (\$) | |
| Juneau Oil and Gas LLC | | 0.4688890% | \$21,729.13 | |
| | | 0.0000000% | \$0.00 | |
| | | 0.0000000% | \$0.00 | |
| | | 0.0000000% | \$0.00 | |
| Total | | 0% | \$21,729.13 | |
| Approved (Print Name) | | Approved (Signature) | | |
| | | | | |
| | | Date | | |

| Chevron U.S.A. Inc. | | | Appropriation Request | |
|--|---------------------------------|-------------------------|--|--------------------------|
| County, State Eddy, NM | Well Type Development | Field Delaware Basin | Well Name CB SE 5 32 FEDERAL COM 3 202H | |
| Area Culebra Bluff | Objective Second Bone Spring | Date 6/28/2023 | Project Engineer N/A | Duration (days) 16.46 |
| Playbook Name CB SBU 10,000' Lateral (April 2023) | | | Business Unit MCBU | Joint Venture Yes |
| Reason for Expenditure | | | Change from Playbook: | |
| Drilling | | | N/A | |
| Cost Category | Code | Sub-code | Amount (\$) | |
| Rig Daywork - All | 0001 | 01000 | \$ 561,240 | |
| Additional Rig Equipment | 0001 | 01008 | \$ 5,189 | |
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| Fuel & Utilities - All | 0100 | 06000 | \$ 174,400 | |
| Utilities not provided by contractor | 0300 | 06006 | \$ 11,674 | |
| Mobilization / De-Mobilization - All | 0003 | 08000 | \$ - | |
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| Materials, Supplies, & Parts - All | 0500 | 10000 | \$ 23,548 | |
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| Logging - Wireline - All | 0019 | 22000 | \$ - | |
| Logging - Mud - All | 0021 | 23000 | \$ 6,122 | |
| Casing - All | 0022 | 30000 | \$ 735,819 | |
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| Total | | | \$ 3,341,100.00 | |
| | | | | |
| Participation & Authorization | | Share (%) | Amount (\$) | |
| Juneau Oil and Gas LLC | | 0.4688890% | \$15,666.05 | |
| | | 0.0000000% | \$0.00 | |
| | | 0.0000000% | \$0.00 | |
| | | 0.0000000% | \$0.00 | |
| Total | | 0% | \$15,666.05 | |
| Approved (Print Name) | | Approved (Signature) | | |
| | | | | |
| | | Date | | |

| Chevron U.S.A. Inc. | | | Appropriation Request | |
|---|--------------------|----------------------|----------------------------------|-----------------|
| County, State | Well Type | Field | Well Name | |
| Eddy, NM | Development | Delaware Basin | CB SE 5 32 FEDERAL COM 3 202H | |
| Area | Objective | Date | Project Engineer | Duration (days) |
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| Playbook Name | | | Business Unit | Joint Venture |
| 2000_2000_9_40_SW_SF | | | MCBU | Yes |
| Reason for Expenditure | | | Change from Playbook: April 2023 | |
| Completions | | | N/A | |
| Cost Category | Code | Sub-code | Amount (\$) | |
| Workover Rigs | | | \$ 18,000 | |
| Snubbing Rigs | | | \$ 89,370 | |
| Company Labor | | | \$ 47,006 | |
| Contract Labor and Safety Services | | | \$ 49,587 | |
| Fuel | | | \$ 270,306 | |
| Frac Water | | | \$ 681,100 | |
| Pressure Control Equipment | | | \$ 270,306 | |
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| Cleanout Tools | | | \$ 86,237 | |
| Sand | | | \$ 719,802 | |
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| Well Services | | | \$ 181,614 | |
| Drill Out Spread - Not Including Rig | | | \$ 130,590 | |
| Waste Management | | | \$ - | |
| Wireline - Logging and Toe Prep | | | \$ 64,516 | |
| Wireline - Perforating | | | \$ 192,921 | |
| OCTG | | | \$ 497,000 | |
| Completions Equipment and Installation Services | | | \$ 27,000 | |
| Surface Wellheads and Production Trees | | | \$ 41,461 | |
| Site Prep and Maintenance Services | | | \$ 1,125 | |
| Total | | | \$ 4,634,172.66 | |
| | | | | |
| Participation & Authorization | | Share (%) | Amount (\$) | |
| Juneau Oil and Gas LLC | | 0.4688890% | \$21,729.13 | |
| | | 0.0000000% | \$0.00 | |
| | | 0.0000000% | \$0.00 | |
| | | 0.0000000% | \$0.00 | |
| Total | | 0% | \$21,729.13 | |
| Approved (Print Name) | | Approved (Signature) | | |
| | | | | |
| | | Date | | |

| | | | | |
|---|---------------------------------|--------------------------|--|---|
| Chevron U.S.A. Inc. | | | Appropriation Request | |
| SAP Code N/A | Well Type Development | Field Delaware Basin | Block Section 5, T24S-R29E Section 32, T23S-R29E | Well Name CB SE 5 32 FEDERAL COM 3 201H and 202H |
| Lease Private/BLM | Objective Second Bone Spring | Date 7/6/2023 | Estimated By EJUG and BYKZ | Duration (days) N/A |
| Est. Depth (ft MD) 18,060', 18060' | Drillship Patterson 349 | Rig Rate (\$/day) N/A | Business Unit MCBU | Joint Venture Yes |
| Reason for Expenditure | | | | |
| Facilities - Wellpad, Wellhead Hookup, Flowlines and Railway Bore | | | | |
| TOTAL: | | | | \$2,160,000.00 |
| | | | | |
| | | | | |
| Participation & Authorization | | Code | Share (%) | Amount (\$) |
| Juneau Oil and Gas LLC | | | 0.4688890% | \$10,128.00 |
| | | | 0.0000000% | |
| | | | 0.0000000% | |
| | | | 0.0000000% | |
| Total | | | 0% | \$10,128.00 |
| Approved (Print Name) | | | Approved (Signature) | |
| | | | | |
| | | | Date | |

Case Numbers 24096

Chronology of Contact with Non-Joined Working Interest Owners

All working interest owners received ballot letter with AFEs for 6 wells, which were sent by USPS tracked mail on 7/12/2023

- Juneau Oil and Gas LLC
 - 7/13/2023 - Received well proposal and AFE
 - 8/2/2023 – Signed well proposal and AFE
 - 11/9/2023 – JOA sent for review
- Marshall & Winston
 - 7/18/2023 – Received well proposal and AFE
 - 7/31/2023 – Signed well proposal and AFE
 - 11/9/2023 – JOA sent for review
- Mizel Resources
 - 7/24/2023 – Email with confirmation of receipt of well proposals along with a couple of questions of which were answered.
 - 8/1/2023 – Email with more questions and stating there was no objections to the pooling application by Chevron and that they want more time to review the ballot letters and AFEs.
 - 8/11/2023 – Email asking for additional 60 days to review.
 - 9/5/2023 – Email asking for exact deadline to make election.
 - 9/8/2023 – Email stating that they want more time to decide and again state that they do not object to Chevrons pooling application.
 - 11/9/2023 – JOA sent for review
- Yosemite Creek Oil and Gas LLC
 - Same as above as they work together

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

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

CASE NO. 24096

SELF-AFFIRMED STATEMENT OF EFREN MENDEZ, JR

1. My name is Efren Mendez, Jr. I work for Chevron U.S.A. Inc. ("Chevron") as a Geologist.

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

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 Bone Spring formation in this case.

5. **Chevron Exhibit D-1** is a project locator map. Chevron's Culebra Bluff development is outlined in red.

6. **Chevron Exhibit D-2** shows three subsea structure maps that I prepared on top of the Second Bone Spring Upper, top of the Second Bone Spring Lower, and the top of the Third Bone Spring, each with a contour interval of 100 feet. The approximate wellbore paths for the proposed initial wells are depicted with solid pink lines. The Bone Spring dips gently 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.

69: CF9'H<9'C=@7 CBG9FJ5HCB'8-J-GCB'
GUbHJ: YZBYk 'AYI Jw
9I \ J]hBc"8'
Gi Va JHXY'Vm'7\ Yj fcb'I 'G'5'"=bW'
<YUf]b['8 UH.'>Ubi Ufm(Z&\$&(''
7 UgY'Bc"&(\$-*

7. The right-hand side of **Chevron Exhibit D-3** shows cross-section lines consisting of three wells penetrating the Bone Spring formation that I used to construct a stratigraphic cross-section from north to south. 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. To the left I use the representative wells for the Bone Spring formation to identify the targeted intervals for this project. It also demonstrates that the targeted intervals are continuous across the proposed spacing units.

8. An ownership depth severance exists in the Bone Spring formation within the proposed horizontal well spacing unit. Accordingly, Chevron seeks to pool only a portion of the Bone Spring formation, from beneath the base of the First Bone Spring to the base of the Bone Spring formation, the stratigraphic equivalent of 100 feet below the First Bone Spring formation, as seen at 4,566 feet subsea true vertical depth beneath the surface, to the stratigraphic equivalent of the top of the base of the Bone Spring formation, as seen at 6,811 feet subsea true vertical depth beneath the surface, as shown in that certain Gamma Ray well log in the Cochiti '32C' State 1 (API # 30-015-31910), located in Section 32, Township 23 South, Range 29 East, Eddy County, New Mexico. **Chevron Exhibit D-4** includes the type-log for the Cochiti '32C' State 1 and highlights the vertical interval that that Chevron seeks to pool.

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

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-4** 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.



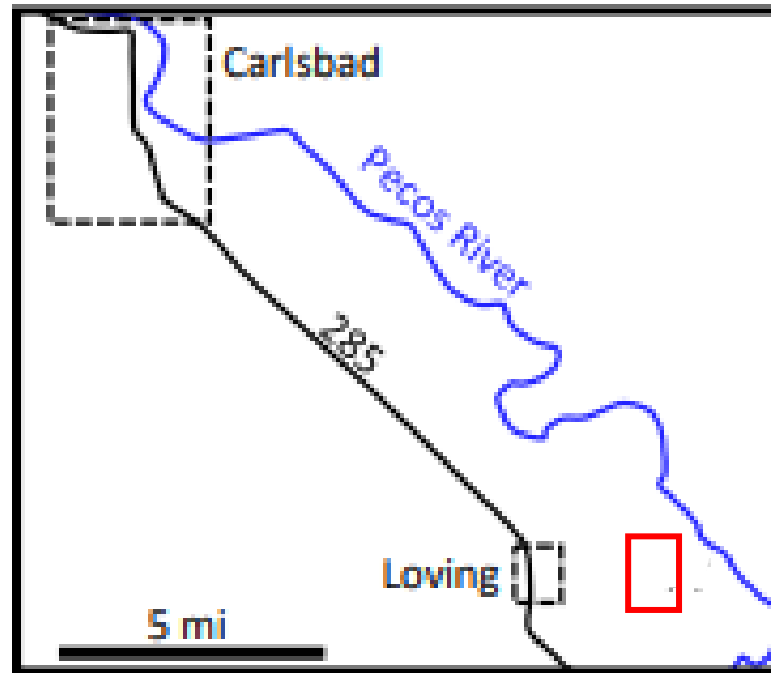
Efren Mendez, Jr.

12/18/2023

Date

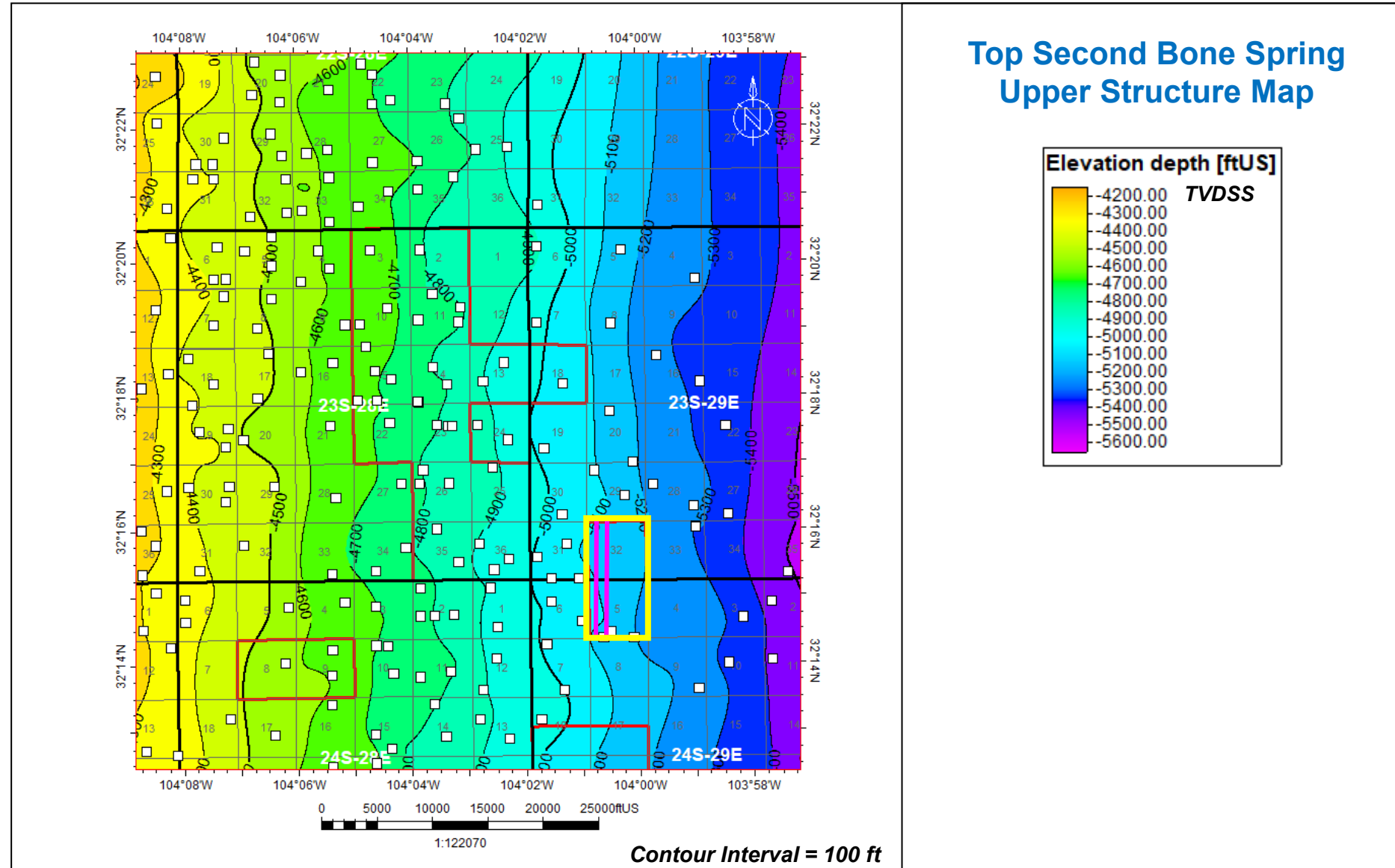
CB SE 5 32 Federal Com

Project Locator Map



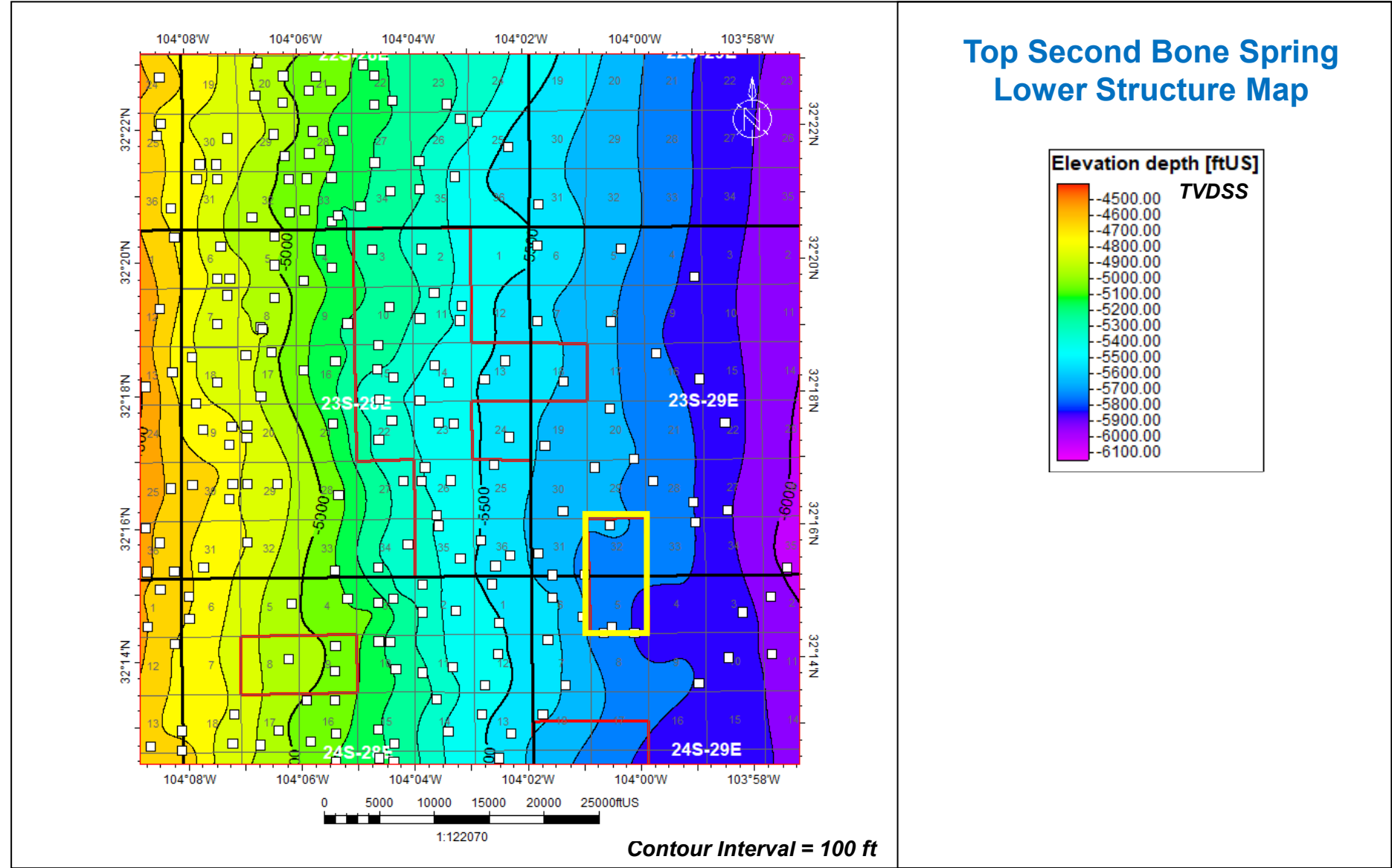
CB SE 5 32 Federal Com

Top Second Bone Spring Upper Structure Map (TVDSS)



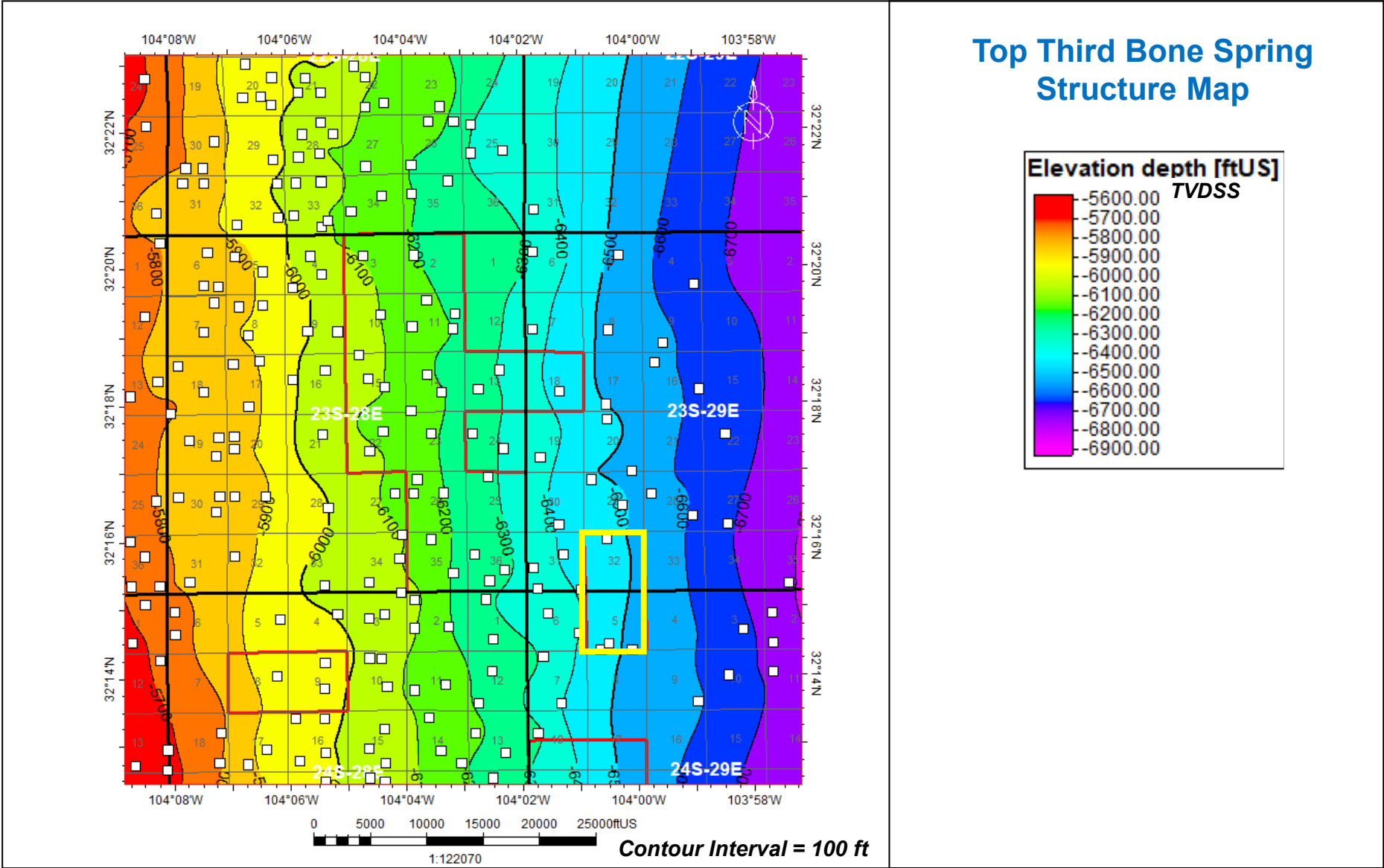
CB SE 5 32 Federal Com

Top Second Bone Spring Lower Structure Map (TVDSS)



CB SE 5 32 Federal Com

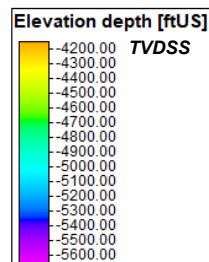
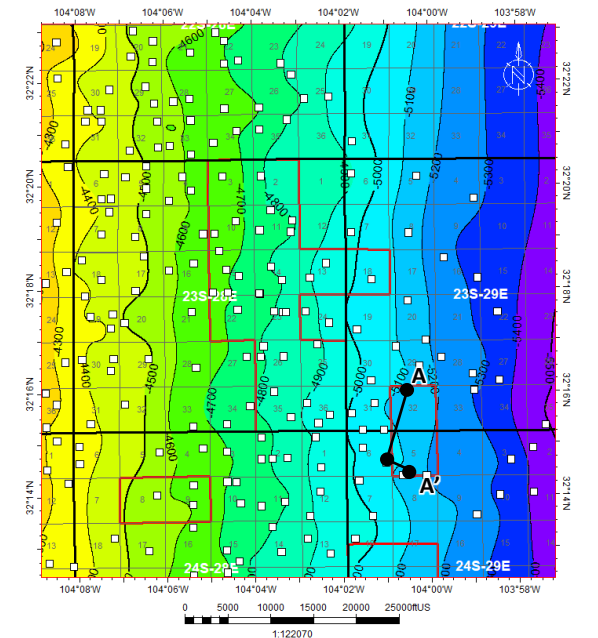
Top Third Bone Spring Structure Map (TVDSS)



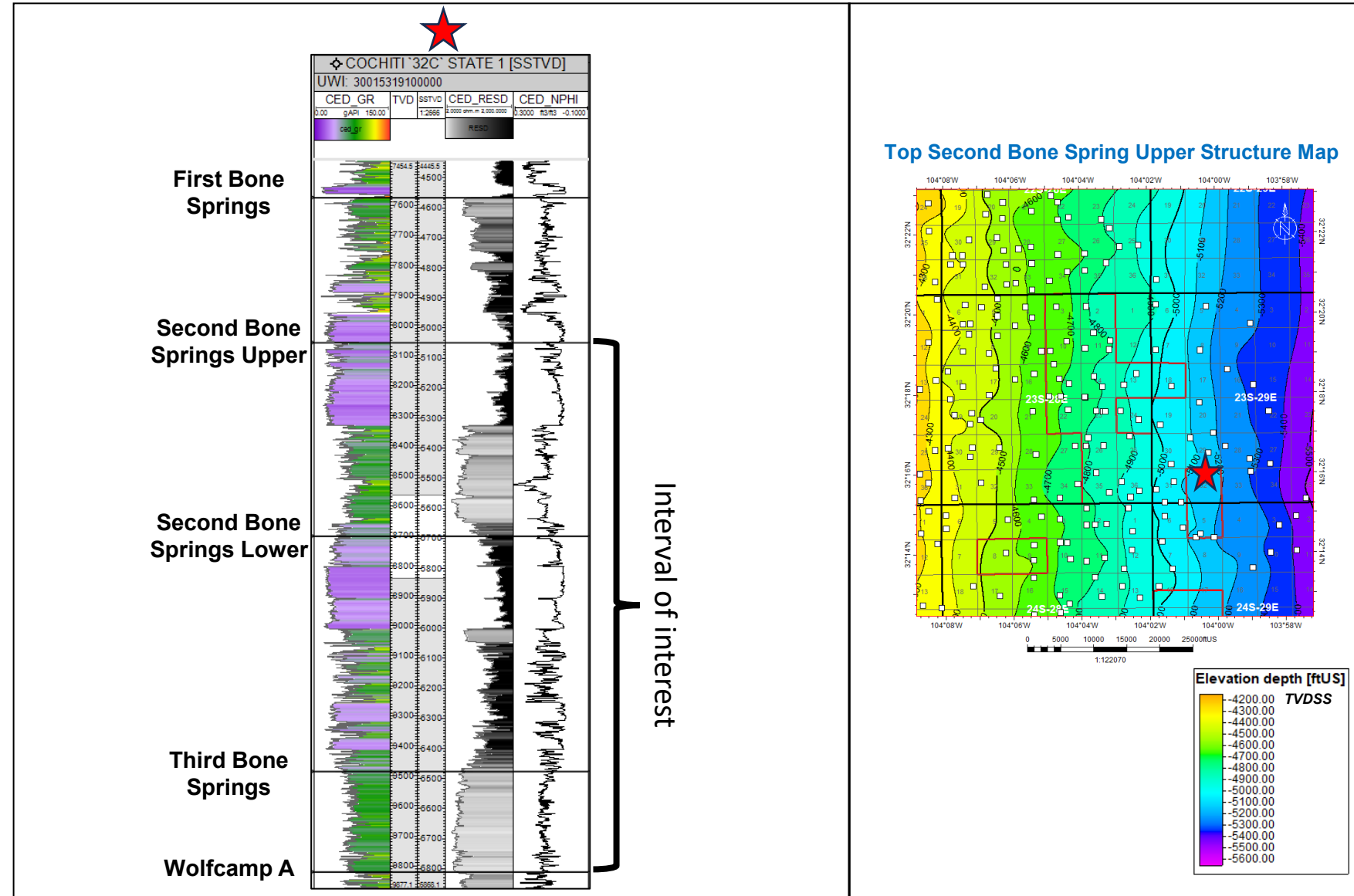
| North A | | | | South A' |
|------------|-----------------------|-----------------------|---------------------------|-------------|
| | Gochiti '32C' State 1 | Double Dale Fee Com 1 | Gochita '5' Federal Com 1 | |



Top Second Bone Spring Upper Structure Map



CB SE 5 32 Federal Com
Type-log: Cochiti '32C' State 1



**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. 24096

**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 December 29, 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: January 4, 2024
Case No. 24096**



Paula M. Vance

1/2/24

Date



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

December 15, 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: CB SE 5 32 Federal Com 3 201H and 202H 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 January 4, 2024, 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 Douglas Crawford at (713) 372-9915 or dccrawford@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
www.hollandhart.com

Alaska
Colorado
Idaho

Montana
Nevada
New Mexico

Utah
Washington, D.C.
Wyoming



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

December 15, 2023

VIA CERTIFIED MAIL
CERTIFIED RECEIPT REQUESTED

TO: VERTICAL OFFSETS IN POOL

**Re: Application of Chevron U.S.A. Inc for Compulsory Pooling, Eddy County,
New Mexico: CB SE 5 32 Federal Com 3 201H and 202H 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 January 4, 2024, and the status of the hearing can be monitored through the Division's website at <https://www.emnrd.nm.gov/ocd/>.

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Your interest is not being pooled by this application. You are receiving this notice because you own an interest in the Bone Spring formation that is not being included in the horizontal spacing unit. 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 Douglas Crawford at (713) 372-9915 or dccrawford@chevron.com.

Sincerely,

A handwritten signature in blue ink that reads "Paula M. Vance".

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

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

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

Chevron CB SE 5-32 BS E2 Pooling - Case no. 24095-24096
Postal Delivery Report

| | | | | | | |
|------------------------|---|------------------------|------------|----|------------|---|
| 9414811898765496119162 | C/O Farmers National Compay, First National Bank of Santa Fe, Trustee of the Dorothy S. Harroun Irrevocable Trust | 15 W 6TH ST STE 2700 | TULSA | OK | 74119-5421 | Your item was delivered to an individual at the address at 2:19 pm on December 21, 2023 in TULSA, OK 74119. |
| 9414811898765496119346 | SMP Sidecar Titan Mineral Holdings, L.P. | 4143 MAPLE AVE STE 500 | DALLAS | TX | 75219-3294 | Your item was delivered to an individual at the address at 10:51 am on December 20, 2023 in DALLAS, TX 75219. |
| 9414811898765496119384 | Herman Clifford Walker III | PO BOX 8508 | MIDLAND | TX | 79708-8508 | Your item was picked up at a postal facility at 1:47 pm on December 28, 2023 in MIDLAND, TX 79708. |
| 9414811898765496119377 | SMP Titan Mineral Holdings, L.P. | 4143 MAPLE AVE STE 500 | DALLAS | TX | 75219-3294 | Your item was delivered to an individual at the address at 10:51 am on December 20, 2023 in DALLAS, TX 75219. |
| 9414811898765496119018 | MSH Family Real Estate Partnership II, LLC | 4143 MAPLE AVE STE 500 | DALLAS | TX | 75219-3294 | Your item was delivered to an individual at the address at 10:51 am on December 20, 2023 in DALLAS, TX 75219. |
| 9414811898765496119056 | SMP Titan Flex, L.P. | 4143 MAPLE AVE STE 500 | DALLAS | TX | 75219-3294 | Your item was delivered to an individual at the address at 10:51 am on December 20, 2023 in DALLAS, TX 75219. |
| 9414811898765496119063 | Westall Oil & Gas, LLC | PO BOX 4 | LOCO HILLS | NM | 88255-0004 | Your item has been delivered and is available at a PO Box at 11:02 am on December 26, 2023 in LOCO HILLS, NM 88255. |
| 9414811898765496119025 | Zunis Energy, LLC | 15 E 15TH ST UNIT 3300 | TULSA | OK | 74119-4001 | Your item was delivered to the front desk, reception area, or mail room at 12:24 pm on December 21, 2023 in TULSA, OK 74103. |
| 9414811898765496119001 | Sam H. Jolliffe, IV | 1614 VENTURA AVE | MIDLAND | TX | 79705-7444 | Your item was returned to the sender on December 23, 2023 at 7:09 am in MIDLAND, TX 79705 because the addressee was not known at the delivery address noted on the package. |

Chevron CB SE 5-32 BS E2 Pooling - Case no. 24095-24096
Postal Delivery Report

| | | | | | | |
|------------------------|--|-------------------------------|-------------|----|------------|---|
| 9414811898765496119049 | Susannah D. Adelson, Trustee of The James Adelson & Family 2015 Trust | 15 E 15TH ST UNIT 3300 | TULSA | OK | 74119-4001 | Your item was delivered to the front desk, reception area, or mail room at 12:24 pm on December 21, 2023 in TULSA, OK 74103. |
| 9414811898765496119087 | Mizel Resources, a Trust | 4350 S MONACO ST FL 5 | DENVER | CO | 80237-3400 | Your item was delivered to the front desk, reception area, or mail room at 10:46 am on December 18, 2023 in DENVER, CO 80237. |
| 9414811898765496119124 | Harroun Energy, LLC | 320 GOLD AVE SW STE 200 | ALBUQUERQUE | NM | 87102-3235 | This is a reminder to arrange for redelivery of your item or your item will be returned to sender. |
| 9414811898765496119032 | Juneau Oil & Gas, LLC | 3700 BUFFALO SPEEDWAY STE 925 | HOUSTON | TX | 77098-3721 | Your item was delivered to an individual at the address at 4:56 pm on December 19, 2023 in HOUSTON, TX 77098. |
| 9414811898765496119452 | Yosemite Creek Oil & Gas, LLLP | 4350 S MONACO ST FL 5 | DENVER | CO | 80237-3400 | Your item was delivered to the front desk, reception area, or mail room at 10:46 am on December 18, 2023 in DENVER, CO 80237. |
| 9414811898765496119469 | Marshal & Winston, Inc. | PO BOX 50880 | MIDLAND | TX | 79710-0880 | Your item was picked up at a postal facility at 10:17 am on December 21, 2023 in MIDLAND, TX 79705. |
| 9414811898765496119100 | Pegasus Resources, LLC | 2821 W 7TH ST STE 500 | FORT WORTH | TX | 76107-8913 | Your item was delivered to an individual at the address at 12:01 pm on December 19, 2023 in FORT WORTH, TX 76107. |
| 9414811898765496119148 | Janet Elizabeth Vogt, Trustee of The Andrew and Janet Vogt Trust Dated March 3, 2008 | 13404 PIEDRA GRANDE PL NE | ALBUQUERQUE | NM | 87111-9217 | Your item was delivered to an individual at the address at 11:31 am on December 19, 2023 in ALBUQUERQUE, NM 87111. |
| 9414811898765496119131 | Jeffery C. Neal and K. Frances B. Neal, Trustees of the J.F. Neal Revocable Trust | 1311 DOEPP DR | CARLSBAD | NM | 88220-4625 | Your item was delivered to an individual at the address at 4:01 pm on December 21, 2023 in CARLSBAD, NM 88220. |
| 9414811898765496119315 | Judith N. Hanttula and Joseph E. Hanttula, Co-Trustees of the Joseph E. Hanittula and Judith Judy N. Hanttula Revocable Family Trust | 3996 MARBLE HILL RD | FRISCO | TX | 75034-8455 | Your package will arrive later than expected, but is still on its way. It is currently in transit to the next facility. |

Chevron CB SE 5-32 BS E2 Pooling - Case no. 24095-24096
Postal Delivery Report

| | | | | | | |
|------------------------|------------------------------|--------------|---------|----|------------|--|
| 9414811898765496119353 | J.M. Mineral & Land Co. Inc. | PO BOX 1015 | MIDLAND | TX | 79702-1015 | Your item was delivered to the front desk, reception area, or mail room at 11:59 am on December 21, 2023 in MIDLAND, TX 79702. |
| 9414811898765496119360 | Magnolia Royalty Company | PO BOX 10703 | MIDLAND | TX | 79702-7703 | Your item was delivered to the front desk, reception area, or mail room at 11:58 am on December 21, 2023 in MIDLAND, TX 79702. |
| 9414811898765496119391 | Eric D. Boyt | PO BOX 2602 | MIDLAND | TX | 79702-2602 | Your item was delivered to the front desk, reception area, or mail room at 11:58 am on December 21, 2023 in MIDLAND, TX 79702. |

Chevron CB SE 5 32 Vertical Offset - Case nos. 24095-24096
Postal Delivery Report

| | | |
|-----------------------------|---|------------------------------|
| 9214 8901 9403 8341 9624 58 | OXY Y-1 COMPANY 5 GREENWAY PLAZA SUITE 110 HOUSTON TX 77046 | Delivered Signature Received |
| 9214 8901 9403 8341 9624 65 | EOG A RESOURCES EOG M RESOURCES EOG Y RESOURCES 5509 CHAMPIONS DR MIDLAND TX 79706 | Delivered Signature Received |

Carlsbad Current Argus.

PART OF THE USA TODAY NETWORK

Affidavit of Publication

Ad # 0005867023

This is not an invoice

HOLLAND AND HART
PO BOX 2208

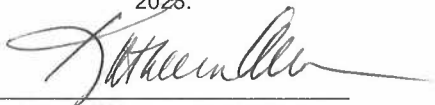
SANTA FE, NM 87504-2208

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:

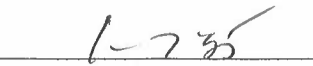
12/19/2023

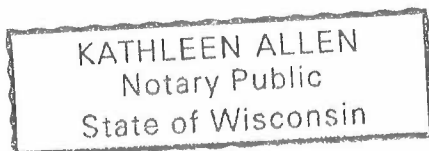

Legal Clerk

Subscribed and sworn before me this December 19,
2023:



State of WI, County of Brown
NOTARY PUBLIC


My commission expires



Ad # 0005867023
PO #: 5867023
of Affidavits 1

This is not an invoice

BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. F
Submitted by: Chevron U.S.A. Inc.
Hearing Date: January 4, 2024
Case No. 24096

STATE OF NEW MEXICO
ENERGY, MINERALS AND
NATURAL RESOURCES
DEPARTMENT
OIL CONSERVATION DIVI-
SION
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 cases. The hearings will be conducted remotely on Thursday, January 4, 2024, 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 Sheila Apodaca, at Sheila.Apodaca@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 Sheila Apodaca at Sheila.Apodaca@emnrd.nm.gov, or the New Mexico Relay Network at 1-800-659-1779, no later than December 24, 2023.

Persons may view and participate in the hearings through the following link: <https://nmemnrd.webex.com/nmemnrd/j.php?MTID=mdc8645ccf2c0febe64ceac720dd750a3>

Webinar number: 2484 878 5178

Join by video system: Dial 24848785178@nmemnrd.webex.com

You can also dial 173.243.2.68 and enter your webinar number.

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+1-408-418-9388 United States Toll

Access code: 2484 878 5178
Panelist password:
bxEpP3Je3a5 (29377353
from phones and video sys-

tems)

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: OXY Y-1 Company; EOG A Resources, EOG M Resources, EOG Y Resources; First National Bank of Santa Fe, Trustee of the Dorothy S. Harroun Irrevocable Trust dated October 13, 1983; Harroun Energy, LLC; Pegasus Resources, LLC; Janet Elizabeth Vogt, Trustee of the Andrew and Janet Vogt Trust, dated March 3, 2008; Jeffery C. Neal and K. Frances B. Neal, Trustees of the J. F. Neal Revocable Trust; Judith N. Hanttula and Joseph E. Hanttula, Co-Trustees of the Joseph E. Hanttula and Judith "Judy" N. Hanttula Revocable Family Trust; J.M. Mineral & Land Co. Inc.; Magnolia Royalty Company; Eric D. Boyt, his heirs and devisees; SMP Sidecar Titan Mineral Holdings, L.P.; Herman Clifford Walker III, his heirs and devisees; SMP Titan Mineral Holdings, L.P.; MSH Family Real Estate Partnership II, LLC; SMP Titan Flex, L.P.; Westall Oil & Gas, LLC; Zunis Energy, LLC; Sam H. Jolliffe, IV, his heirs and devisees; Susannah D. Adelson, Trustee of the James Adelson & Family 2015 Trust; Mizel Resources, a Trust; Juneau Oil & Gas, LLC; Yosemite Creek Oil & Gas, LLLP, and Marshal & Winston, Inc.

Case No. 24096: 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 a portion of the Bone Spring formation, from beneath the base of the First Bone Spring to the base of the Bone Spring for-

mation, underlying a standard 640-acre, more or less, horizontal well spacing unit comprised of Lots 3 and 4, S/2 NW/4 and SW/4 (W/2 equivalent) of Section 5, Township 24 South, Range 29 East, and the W/2 of Section 32, Township 23 South, Range 29 East, NMPM, Eddy County, New Mexico. Applicant seeks to initially dedicate the above-referenced horizontal well spacing unit to the proposed **CB SE 5 32 Federal Com 3 201H** and the **CB SE 5 32 Federal Com 3 202H** wells, to be horizontally drilled from a common surface location in the NW/4 of Section 8, Township 24 South, Range 29 East, with first take points, respectively, in the SW/4 SW/4 (Unit M) and the SE/4 SW/4 (Unit N) of Section 5 and last take points in the NW/4 NW/4 (Unit D) and the NE/4 NW/4 (Unit C) of Section 32. The completed interval of the proposed **CB SE 5 32 Federal Com 3 202H** well is expected to remain within 330 feet of the offsetting quarter-quarter sections or equivalent tracts to include them within this proposed spacing unit under 19.15.16.15.B(1)(b) NMAC. Also, to be considered will be the cost of drilling and completing the wells, the allocation of the cost thereof, the actual operating costs and charges for supervision, the designation of applicant as operator, and the imposition of 200% charge for risk involved in drilling and completing each well. Said area is located approximately 5 miles northeast of Malaga, New Mexico.
#5867023, Current Argus, Dec. 19, 2023