

**BEFORE THE OIL CONSERVATION DIVISION
EXAMINER HEARING JANUARY 8, 2026**

CASE NO. 25816

*SAND DUNES 222H-224H BS EXTENSIONS -
ORDER NO. R-23985*

EDDY COUNTY, NEW MEXICO



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

**APPLICATION OF CHEVRON U.S.A. INC.
TO AMEND ORDER NO. R-23985,
EDDY COUNTY, NEW MEXICO.**

**CASE NO. 25816
ORDER NO. R-23985**

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

**APPLICATION OF CHEVRON U.S.A. INC.
TO AMEND ORDER NO. R-23985,
EDDY COUNTY, NEW MEXICO.**

**CASE NO. 25816
ORDER NO. R-23985**

APPLICATION

Chevron U.S.A. Inc. ("Chevron" or "Applicant"), through its undersigned attorneys, hereby files this application with the Oil Conservation Division to amend Order No. R-23985 ("Order") to allow for an extension of time to complete the initial wells under the Order. In support of its application, Chevron states:

1. Division Order No. R-23985, entered on September 2, 2025, in Case No. 25510, pooled the uncommitted record title owner and overriding royalty interests in a portion of the Bone Spring formation (Cotton Draw; Bone Spring [13367]), from the top of the Bone Spring formation to the top of the Second Bone Spring Sandstone, underlying a standard 640-acre, more or less, horizontal spacing unit comprised of the E/2 of Sections 14 and 23, Township 24 South, Range 31 East, NMPM, Eddy County, New Mexico (the "Unit"), and designated Chevron as operator of the Unit. Order No. R-23985 further dedicated the Unit to the **SND 14 23 Fed Com 222H** (API No. 30-015-55047), **SND 14 23 Fed Com 223H** (API No. 30-015-55048), and **SND 14 23 Fed Com 224H** (API No. 30-015-55071).

2. The **SND 14 23 Fed Com 222H** was spud on December 20, 2024 and the **SND 14 23 Fed Com 223H** and **SND 14 23 Fed Com 224H** were both spud on December 21, 2024.

3. Applicant requests that Order No. R-23985 be re-opened and amended to allow Applicant additional time to complete the wells under the Order.

**BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. A
Submitted by: Chevron U.S.A. Inc.
Hearing Date: January 8, 2026
Case No. 25816**


4. There is good cause for Applicant's request for an extension of time.

5. Under the Order, Applicant would be required to complete the wells no later than one year after the commencement of drilling; therefore, Chevron asks for a year extension from the date of commencement of drilling the wells.

WHEREFORE, Applicant requests that this application be set for hearing before an Examiner of the Oil Conservation Division on January 8, 2026, and, after notice and hearing as required by law, the Division enter an order extending the time for Chevron to complete the proposed initial wells under the Order.

Respectfully submitted,

HOLLAND & HART LLP

By: 
Adam G. Rankin
Paula M. Vance
A. Raylee Starnes
Post Office Box 2208
Santa Fe, NM 87504
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ATTORNEYS FOR CHEVRON U.S.A. INC.

CASE _____: **Application of Chevron U.S.A. Inc. to Amend Order No. R-23985, Eddy County, New Mexico.** Applicant in the above-styled cause seeks an extension of time to complete the initial wells under Order No. R-23985. The Unit is comprised of the E/2 of Sections 14 and 23, Township 24 South, Range 31 East, NMPM, Eddy County, New Mexico. Order No. R-23985 pooled the uncommitted record title owner and overriding royalty interests in a portion of the Bone Spring formation, from the top of the Bone Spring formation to the top of the Second Bone Spring Sandstone, and dedicated the Unit to the **SND 14 23 Fed Com 222H** and **SND 14 23 Fed Com 223H** wells, both horizontally drilled from surface locations in the SW/4 SE/4 (Unit O) of Section 23, with first take points in the SW/4 SE/4 (Unit O) of Section 23, and last take points in the NW/4 NE/4 (Unit B) of Section 14; and **SND 14 23 Fed Com 224H** well, horizontally drilled from a surface location in the SW/4 SE/4 (Unit O) of Section 23, with a first take point in the SE/4 SE/4 (Unit P) of Section 23, and last take point in the NE/4 NE/4 (Unit A) of Section 14. Said area is located approximately 21 miles southeast of Loving, New Mexico.

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

**IN THE MATTER OF APPLICATION FOR
COMPULSORY POOLING SUBMITTED BY
CHEVRON U.S.A. INC.**

**CASE NO. 25510
ORDER NO. R-23985**

ORDER

The Director of the New Mexico Oil Conservation Division (“OCD”), having heard this matter through a Hearing Examiner on August 7, 2025, and after considering the testimony, evidence, and recommendation of the Hearing and Technical Examiners, issues the following Order.

FINDINGS OF FACT

1. Chevron U.S.A. Inc. (“Operator”) submitted an application (“Application”) to compulsory pool the uncommitted oil and gas interests within the spacing unit (“Unit”) described in Exhibit A. Operator seeks to be designated the operator of the Unit.
2. Operator will dedicate the well(s) described in Exhibit A (“Well(s)”) to the Unit.
3. Operator proposes the supervision and risk charges for the Well(s) described in Exhibit A.
4. Operator identified the owners of uncommitted interests in oil and gas minerals in the Unit and provided evidence that notice was given.
5. The Application was heard by the Hearing Examiner on the date specified above, during which Operator presented evidence through affidavits in support of the Application. No other party presented evidence at the hearing.

CONCLUSIONS OF LAW

6. OCD has jurisdiction to issue this Order pursuant to NMSA 1978, Section 70-2-17.
7. Operator is the owner of an oil and gas working interest within the Unit.
8. Operator satisfied the notice requirements for the Application and the hearing as required by 19.15.4.12 NMAC.
9. OCD satisfied the notice requirements for the hearing as required by 19.15.4.9 NMAC.
10. Operator has the right to drill the Well(s) to a common source of supply at the

depth(s) and location(s) in the Unit described in Exhibit A.

11. The Unit contains separately owned uncommitted interests in oil and gas minerals.
12. Some of the owners of the uncommitted interests have not agreed to commit their interests to the Unit.
13. The pooling of uncommitted interests in the Unit will prevent waste and protect correlative rights, including the drilling of unnecessary wells.
14. This Order affords to the owner of an uncommitted interest the opportunity to produce his just and equitable share of the oil or gas in the pool.

ORDER

15. The uncommitted interests in the Unit are pooled as set forth in Exhibit A.
16. The Unit shall be dedicated to the Well(s) set forth in Exhibit A.
17. Operator is designated as operator of the Unit and the Well(s).
18. If the location of a well will be unorthodox under the spacing rules in effect at the time of completion, Operator shall obtain the OCD's approval for a non-standard location in accordance with 19.15.16.15(C) NMAC.
19. If the Unit is a non-standard horizontal spacing unit which has not been approved under this Order, Operator shall obtain the OCD's approval for a non-standard horizontal spacing unit in accordance with 19.15.16.15(B)(5) NMAC.
20. The Operator shall commence drilling the Well(s) within one year after the date of this Order, and complete each Well no later than one (1) year after the commencement of drilling the Well.
21. This Order shall terminate automatically if the Operator fails to comply with the preceding paragraph unless the Operator requests an extension by notifying the OCD and all parties that required notice of the original compulsory pooling application in accordance with 19.15.4.12.B and 19.15.4.12.C NMAC. Upon no objection after twenty (20) days the extension is automatically granted up to one year. If a protest is received the extension is not granted and the Operator must set the case for a hearing.
22. Operator may propose reasonable deviations from the development plan via notice to the OCD and all parties that required notice of the original compulsory pooling application in accordance with 19.15.4.12.B and 19.15.4.12.C NMAC. Upon no objection after twenty (20) days the deviation is automatically granted. If a protest is received the deviation is not granted and the Operator must set the case for a hearing.

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ORDER NO. R-23985

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23. The infill well requirements in 19.15.13.9 NMAC through 19.15.13.12 NMAC shall be applicable.
24. Operator shall submit each owner of an uncommitted working interest in the pool ("Pooled Working Interest") an itemized schedule of estimated costs to drill, complete, and equip the well ("Estimated Well Costs").
25. No later than thirty (30) days after Operator submits the Estimated Well Costs, the owner of a Pooled Working Interest shall elect whether to pay its share of the Estimated Well Costs or its share of the actual costs to drill, complete and equip the well ("Actual Well Costs") out of production from the well. An owner of a Pooled Working Interest who elects to pay its share of the Estimated Well Costs shall render payment to Operator no later than thirty (30) days after the expiration of the election period, and shall be liable for operating costs, but not risk charges, for the well. An owner of a Pooled Working Interest who fails to pay its share of the Estimated Well Costs or who elects to pay its share of the Actual Well Costs out of production from the well shall be considered to be a "Non-Consenting Pooled Working Interest."
26. No later than one hundred eighty (180) days after Operator submits a Form C-105 for a well, Operator shall submit to each owner of a Pooled Working Interest an itemized schedule of the Actual Well Costs. The Actual Well Costs shall be considered to be the Reasonable Well Costs unless an owner of a Pooled Working Interest files a written objection no later than forty-five (45) days after receipt of the schedule. If an owner of a Pooled Working Interest files a timely written objection, OCD shall determine the Reasonable Well Costs after public notice and hearing.
27. No later than sixty (60) days after the expiration of the period to file a written objection to the Actual Well Costs or OCD's order determining the Reasonable Well Costs, whichever is later, each owner of a Pooled Working Interest who paid its share of the Estimated Well Costs shall pay to Operator its share of the Reasonable Well Costs that exceed the Estimated Well Costs, or Operator shall pay to each owner of a Pooled Working Interest who paid its share of the Estimated Well Costs its share of the Estimated Well Costs that exceed the Reasonable Well Costs.
28. The reasonable charges for supervision to drill and produce a well ("Supervision Charges") shall not exceed the rates specified in Exhibit A, provided however that the rates shall be adjusted annually pursuant to the COPAS form entitled "Accounting Procedure-Joint Operations."
29. No later than within ninety (90) days after Operator submits a Form C-105 for a well, Operator shall submit to each owner of a Pooled Working Interest an itemized schedule of the reasonable charges for operating and maintaining the well ("Operating Charges"), provided however that Operating Charges shall not include

the Reasonable Well Costs or Supervision Charges. The Operating Charges shall be considered final unless an owner of a Pooled Working Interest files a written objection no later than forty-five (45) days after receipt of the schedule. If an owner of a Pooled Working Interest files a timely written objection, OCD shall determine the Operating Charges after public notice and hearing.

30. Operator may withhold the following costs and charges from the share of production due to each owner of a Pooled Working Interest who paid its share of the Estimated Well Costs: (a) the proportionate share of the Supervision Charges; and (b) the proportionate share of the Operating Charges.
31. Operator may withhold the following costs and charges from the share of production due to each owner of a Non-Consenting Pooled Working Interest: (a) the proportionate share of the Reasonable Well Costs; (b) the proportionate share of the Supervision and Operating Charges; and (c) the percentage of the Reasonable Well Costs specified as the charge for risk described in Exhibit A.
32. Operator shall distribute a proportionate share of the costs and charges withheld pursuant to the preceding paragraph to each Pooled Working Interest that paid its share of the Estimated Well Costs.
33. Each year on the anniversary of this Order, and no later than ninety (90) days after each payout, Operator shall provide to each owner of a Non-Consenting Pooled Working Interest a schedule of the revenue attributable to a well and the Supervision and Operating Costs charged against that revenue.
34. Any cost or charge that is paid out of production shall be withheld only from the share due to an owner of a Pooled Working Interest. No cost or charge shall be withheld from the share due to an owner of a royalty interests. For the purpose of this Order, an unleased mineral interest shall consist of a seven-eighths (7/8) working interest and a one-eighth (1/8) royalty interest.
35. Except as provided above, Operator shall hold the revenue attributable to a well that is not disbursed for any reason for the account of the person(s) entitled to the revenue as provided in the Oil and Gas Proceeds Payment Act, NMSA 1978, Sections 70-10-1 *et seq.*, and relinquish such revenue as provided in the Uniform Unclaimed Property Act, NMSA 1978, Sections 7-8A-1 *et seq.*
36. The Unit shall terminate if (a) the owners of all Pooled Working Interests reach a voluntary agreement; or (b) the well(s) drilled on the Unit are plugged and abandoned in accordance with the applicable rules. Operator shall inform OCD no later than thirty (30) days after such occurrence.
37. OCD retains jurisdiction of this matter for the entry of such orders as may be deemed necessary.

**STATE OF NEW MEXICO
OIL CONSERVATION DIVISION**



**ALBERT CHANG
DIRECTOR**

AC/asf

Date: 9/2/2025

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Exhibit A

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| COMPULSORY POOLING APPLICATION CHECKLIST | |
|---|--|
| ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS | |
| Case: 25510 | APPLICANT'S RESPONSE |
| Date: | August 7, 2025 |
| Applicant | Chevron U.S.A. Inc. |
| Designated Operator & OGRID (affiliation if applicable) | Chevron U.S.A. Inc. [OGRID 228937] |
| 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 | SND 14 23 |
| Formation/Pool | |
| Formation Name(s) or Vertical Extent: | Bone Spring |
| Primary Product (Oil or Gas): | Oil |
| Pooling this vertical extent: | top of the Bone Spring formation to the top of the Second Bone Spring Sandstone |
| Pool Name and Pool Code: | Cotton Draw; Bone Spring [13367] |
| Well Location Setback Rules: | Statewide Rules |
| Spacing Unit | |
| Type (Horizontal/Vertical) | Horizontal |
| Size (Acres) | 640-acres |
| Building Blocks: | 40 acres |
| Orientation: | Standup |
| Description: TRS/County | E/2 of Sections 14 and 23, Township 24 South, Range 31 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? | N/A |
| Other Situations | |
| <p>BEFORE THE OIL CONSERVATION DIVISION Santa Fe, New Mexico Exhibit No. A Submitted by: Chevron U.S.A. Inc. Hearing Date: August 7, 2025 Case No. 25510</p> | <p>Yes; from the top of the Bone Spring formation, as seen at 8,364 feet measured depth beneath the surface, to the stratigraphic equivalent of the top of the Second Bone Spring Sandstone, as seen a 10,049 feet measured depth beneath the surface, as shown in that certain Gamma Ray dated August 14th, 2018, in the Striker 2 SWD #001 (API # 30-015-44416), located in Section 23 East, Township 24 South, Range 31 East, Eddy County, New Mexico.</p> |
| Depth Severance: Y/N. If yes, description | |
| Proximity Tracts: If yes, description | Yes; the SND 14 23 Fed Com 223H 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 19.15.16.15.8(1)(b) NMAC. |
| Proximity Tracts: If yes, description | Yes; See above |

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| | |
|--|--|
| Applicant's Ownership in Each Tract | Exhibit C-2 |
| Well(s) | |
| Name & API (if assigned), surface and bottom hole location, footages, completion target, orientation, completion status (standard or non-standard) | |
| Well #1 | <u>SND 14 23 Fed Com 222H</u> (API No. 30-015-55047) SHL: 966' FSL & 2,221' FEL (Unit O) of Section 23 BHL: 25' FNL & 2,310' FEL (Unit B) of Section 14 Completion Target: Bone Spring formation Well Orientation: Standup Completion: NSL-8834 |
| Well #2 | <u>SND 14 23 Fed Com 223H</u> (API No. 30-015-55048) SHL: 966' FSL & 2,201' FEL (Unit O) of Section 23 BHL: 25' FNL & 1,430' FEL (Unit B) of Section 14 Completion Target: Bone Spring formation Well Orientation: Standup Completion: NSL-8835 / Proximity well |
| Well #3 | <u>SND 14 23 Fed Com 224H</u> (API No. 30-015-55071) SHL: 966' FSL & 2,181' FEL (Unit O) of Section 23 BHL: 25' FNL & 550' FEL (Unit A) of Section 14 Completion Target: Bone Spring formation Well Orientation: Standup / South-North Completion: NSL-8836 |
| Horizontal Well First and Last Take Points | Exhibit C-1 |
| Completion Target (Formation, TVD and MD) | Exhibit D-4 |
| | |
| 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 | 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 Lis | N/A |
| Pooled Parties (including ownership type) | Exhibit C-2 |
| Unlocatable Parties to be Pooled | N/A |


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| | |
|--|--|
| Ownership Depth Severance (including percentage above & below) | Exhibit C-2 |
| 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 | Exhibit D-3 |
| Well Orientation (with rationale) | Exhibit D |
| Target Formation | Exhibit D & D-4 |
| HSU Cross Section | Exhibit D-3 |
| Depth Severance Discussion | See Exhibit C and D-5 |
| 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 |
| Well Bore Location Map | Exhibit D-2 |
| Structure Contour Map - Subsea Depth | Exhibit D-3 |
| Cross Section Location Map (including wells) | Exhibit D-3 |
| Cross Section (including Landing Zone) | Exhibit D-4 |
| 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: | 31-Jul-25 |

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

**APPLICATION OF CHEVRON U.S.A. INC.
TO AMEND ORDER NO. R-23985,
EDDY COUNTY, NEW MEXICO.**

**CASE NO. 25816
ORDER NO. R-23985**

SELF-AFFIRMED STATEMENT OF DOUGLAS C. CRAWFORD

1. My name is Douglas C. Crawford. I work for Chevron U.S.A. Inc. ("Chevron" or "Applicant") 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. On September 2, 2025, the Division entered Order R-23985 in Case 25510 pooling the uncommitted record title owner and overriding royalty interests in a portion of the Bone Spring formation (Cotton Draw; Bone Spring [13367]), from the top of the Bone Spring formation to the top of the Second Bone Spring Sandstone, underlying a standard 640-acre, more or less, horizontal spacing unit comprised of the E/2 of Sections 14 and 23, Township 24 South, Range 31 East, NMPM, Eddy County, New Mexico (the "Unit"). Chevron is the designated operator of the Unit and Order R-23985 dedicates the Unit to the **SND 14 23 Fed Com 222H** (API No. 30-015-55047), **SND 14 23 Fed Com 223H** (API No. 30-015-55048), and **SND 14 23 Fed Com 224H** (API No. 30-015-55071). The **SND 14 23 Fed Com 222H** was spud on December 20, 2024 and the **SND 14 23 Fed Com 223H** and **SND 14 23 Fed Com 224H** were both spud on December 21, 2024.

**BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. C
Submitted by: Chevron U.S.A. Inc.
Hearing Date: January 8, 2026
Case No. 25816**

5. Chevron is working diligently to complete these wells and request an extension to address unforeseen mechanical issues.

6. There have not been any changes to the summary of interests.

7. None of the working interest owners that remain subject to this pooling order have been asked at this time to make an election on the applicable wells, or to pay their estimated share of the costs to drill, complete and equip the applicable wells.

8. **Chevron Exhibit C-1** is the evidentiary notice, which identifies the status of the parties (committed or uncommitted), the type of commitment, along with the date that the notice letter was sent by Holland & Hart LLP to the affected parties and the date the affidavit of notice of publication was published in the newspaper.

9. **Chevron Exhibit C-1** was 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.


Douglas C. Crawford

12-18-25
Date

SND Commitment Summary - BS

| Owner Name | Ownership Type | Ownership Status | Commitment Type | Notice Provided - Letter | Notice Provided - NOP | Exhibit |
|-----------------------------------|----------------|------------------|-----------------|--------------------------|-----------------------|---------------|
| Abo Royalty, LLC | ORRI | Uncommitted | N/A | 19-Dec-25 | 23-Dec-25 | Exhibit D & E |
| EOG Resources, Inc. | ORRI | Uncommitted | N/A | 19-Dec-25 | 23-Dec-25 | Exhibit D & E |
| Elk Range Royalties, LP | ORRI | Uncommitted | N/A | 19-Dec-25 | 23-Dec-25 | Exhibit D & E |
| Penasco Petroleum LLC | ORRI | Uncommitted | N/A | 19-Dec-25 | 23-Dec-25 | Exhibit D & E |
| Rolla R. Hinkle III | ORRI | Uncommitted | N/A | 19-Dec-25 | 23-Dec-25 | Exhibit D & E |
| Blue Star Oil and Gas, LLC | ORRI | Uncommitted | N/A | 19-Dec-25 | 23-Dec-25 | Exhibit D & E |
| SMP Patriot Mineral Holdings, LLC | ORRI | Uncommitted | N/A | 19-Dec-25 | 23-Dec-25 | Exhibit D & E |
| Chevron U.S.A. Inc | WI | Committed | JOA/Operator | | | |
| Vladin LLC | WI | Committed | JOA | | | |
| Blue Star Oil and Gas, LLC | WI | Committed | JOA | | | |
| Tinian Oil & Gas LLC | WI | Committed | JOA | | | |
| Abo Rpetroleum LLC | WI | Committed | JOA | | | |

| |
|------------------------------------|
| RI = Royalty Interest |
| ORRI = Overriding Royalty Interest |
| WI = Working Interest |

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

**APPLICATION OF CHEVRON U.S.A. INC.
TO AMEND ORDER NO. R-23985,
EDDY COUNTY, NEW MEXICO.**

**CASE NO. 25816
ORDER R-23985**

**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, 2025.

5. I caused a notice to be published to all parties subject to these proceedings. An affidavit of publication from the publication's legal clerk with a copy of the notice of 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. D
Submitted by: Chevron U.S.A. Inc.
Hearing Date: January 8, 2026
Case No. 25816**



Paula M. Vance

12/29/25

Date



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

December 19, 2025

VIA CERTIFIED MAIL
CERTIFIED RECEIPT REQUESTED

TO: ALL INTEREST OWNERS SUBJECT TO POOLING PROCEEDINGS

Re: Application of Chevron U.S.A. Inc. to Amend Order No. R-23985, Eddy County, New Mexico: SND 14 23 Fed Com 222H, 223H, 224H 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 8, 2026, and the status of the hearing can be monitored through the Division's website at <https://www.emnrd.nm.gov/ocd/>.

It is anticipated that hearings will be held in a hybrid format with both in-person and virtual participation options. The meeting will be held in the Pecos Hall Hearing Room at the Wendall Chino Building, 1st Floor, 1220 South St. Francis Dr., Santa Fe, New Mexico. To participate virtually in the 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)- 372-9615 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

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| Colorado | Nevada | Washington, D.C. |
| Idaho | New Mexico | Wyoming |

Chevron - Sand Dunes BS and WC extensions - Case nos. 25816-25817
Postal Delivery Report

| | | | | | | |
|------------------------|-----------------------------------|------------------------|---------|----|------------|---|
| 9414811898765432601027 | Abo Royalty, LLC | PO Box 900 | Artesia | NM | 88211-0900 | Your package will arrive later than expected, but is still on its way. It is currently in transit to the next facility. |
| 9414811898765432601003 | EOG Resources, Inc. | 1111 Bagby St Lbby 2 | Houston | TX | 77002-2589 | This is a reminder to arrange for redelivery of your item or your item will be returned to sender. |
| 9414811898765432601096 | Elk Range Royalties, LP | 2110 Farrington St | Dallas | TX | 75207-6502 | Your package will arrive later than expected, but is still on its way. It is currently in transit to the next facility. |
| 9414811898765432601041 | Penasco Petroleum LLC | PO Box 2292 | Roswell | NM | 88202-2292 | Your item arrived at the ROSWELL, NM 88202 post office at 8:14 am on December 26, 2025 and is ready for pickup. Your item may be picked up at ROSWELL, 415 N PENNSYLVANIA AVE, ROSWELL, NM 882019998, M-F 0830-1700; SAT 0900-1200. |
| 9414811898765432601089 | Rolla R. Hinkle III | PO Box 2292 | Roswell | NM | 88202-2292 | Your item arrived at the ROSWELL, NM 88202 post office at 8:14 am on December 26, 2025 and is ready for pickup. Your item may be picked up at ROSWELL, 415 N PENNSYLVANIA AVE, ROSWELL, NM 882019998, M-F 0830-1700; SAT 0900-1200. |
| 9414811898765432601034 | Blue Star Oil and Gas, LLC | PO Box 100 | Artesia | NM | 88211-0100 | Your package will arrive later than expected, but is still on its way. It is currently in transit to the next facility. |
| 9414811898765432601072 | SMP Patriot Mineral Holdings, LLC | 4143 Maple Ave Ste 500 | Dallas | TX | 75219-3294 | We were unable to deliver your package at 7:54 am on December 27, 2025 in DALLAS, TX 75219 because the business was closed. We will redeliver on the next business day. No action needed. |

Affidavit of Publication**Copy of Publication:**No. 77460

State of New Mexico

County of Eddy:

Adrian Heddenbeing duly sworn, says that he is the **Publisher**

of the Carlsbad Current Argus, a weekly newspaper of

general circulation, published in English at Carlsbad,

said county and state, and that the hereto attached

Legal Ad

was published in a regular and entire issue of the said

Carlsbad Current Argus, a weekly newspaper duly qualified

for that purpose within the meaning of Chapter 167 of

the 1937 Session Laws of the state of New Mexico for

1 Consecutive weeks/day on the same

day as follows:

First Publication December 23, 2025

Second Publication _____

Third Publication _____

Fourth Publication _____

Fifth Publication _____

Sixth Publication _____

Seventh Publication _____

Eighth Publication _____

Subscribed and sworn before me this

23rd day of December 2025

LATISHA ROMINE
Notary Public, State of New Mexico
Commission No. 1076338
My Commission Expires
05-12-2027



Latisha Romine

Notary Public, Eddy County, New Mexico

Case No. 25816: Application of Chevron U.S.A. Inc. to Amend Order No. R-23985, Eddy County, New Mexico. Notice to all affected interest owners, including all heirs, devisees and successors of: Abo Royalty, LLC; EOG Resources, Inc.; Elk Range Royalties, LP; Penasco Petroleum LLC; Rolla R. Hinkle III; Blue Star Oil and Gas, LLC; SMP Patriot Mineral Holdings, LLC. The State of New Mexico, Energy Minerals and Natural Resources Department, Oil Conservation Division (Division) hereby gives notice that the Division will hold public hearing 8:30 a.m. on January 8, 2026, to consider this application. The hearing will be conducted in a hybrid fashion, both in-person at the Energy, Minerals, Natural Resources Department, Wendell Chino Building, Pecos Hall, 1220 South St. Francis Drive, 1st Floor, Santa Fe, NM 87505 and via the WebEx virtual meeting platform. To participate in the hearings electronically, see the instructions posted on the docket for the hearing date: <https://www.emnrd.nm.gov/ocd/hearing-info/> or contact Freya Tschantz, at Freya.Tschantz@emnrd.nm.gov. Applicant in the above-styled cause seeks an extension of time to complete the initial wells under Order No. R-23985. The Unit is comprised of the E/2 of Sections 14 and 23, Township 24 South, Range 31 East, NMPM, Eddy County, New Mexico. Order No. R-23985 pooled the uncommitted record title owner and overriding royalty interests in a portion of the Bone Spring formation, from the top of the Bone Spring formation to the top of the Second Bone Spring Sandstone, and dedicated the Unit to the **SND 14 23 Fed Com 222H and SND 14 23 Fed Com 223H** wells, both horizontally drilled from surface locations in the SW/4 SE/4 (Unit O) of Section 23, with first take points in the SW/4 SE/4 (Unit O) of Section 23, and last take points in the NW/4 NE/4 (Unit B) of Section 14; and **SND 14 23 Fed Com 224H** well, horizontally drilled from a surface location in the SW/4 SE/4 (Unit O) of Section 23, with a first take point in the SE/4 SE/4 (Unit P) of Section 23, and last take point in the NE/4 NE/4 (Unit A) of Section 14. Said area is located approximately 21 miles southeast of Loving, New Mexico.

77460-Published in Carlsbad Current Argus Dec. 23, 2025.

BEFORE THE OIL CONSERVATION DIVISION

Santa Fe, New Mexico

Exhibit No. E

Submitted by: Chevron U.S.A. Inc.

Hearing Date: January 8, 2026

Case No. 25816