

**BEFORE THE OIL CONSERVATION DIVISION
EXAMINER HEARING NOVEMBER 30, 2017**

CASE NO. 15895

(RB NE)

*~~CB SE~~ 5 32 Fed Com #11H Well,
the proposed ~~CB SE~~ 5 32 Fed Com #12H Well, &
the proposed ~~CB SE~~ 5 32 Fed Com #13H Well*

EDDY COUNTY, NEW MEXICO



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 30-015-44637		² Pool Code 98220		³ Pool Name PURPLE SAGE; WOLF CAMP (GAS)					
⁴ Property Code 320646		⁵ Property Name CB SE 5 32 FED COM						⁶ Well Number 1111	
⁷ GRID No. 4323		⁸ Operator Name CHEVRON U.S.A. INC.						⁹ Elevation 3028'	
¹⁰ Surface Location									
UL or lot no. P	Section 5	Township 24 SOUTH	Range 29 EAST, N.M.P.M.	Lot Idn	Feet from the 379'	North/South line SOUTH	Feet from the 1300'	East/West line EAST	County EDDY
¹¹ Bottom Hole Location If Different From Surface									
UL or lot no. B	Section 32	Township 23 SOUTH	Range 29 EAST, N.M.P.M.	Lot Idn	Feet from the 280'	North/South line NORTH	Feet from the 2180'	East/West line EAST	County EDDY
¹² Dedicated Acres 640		¹³ Joint or 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.

¹⁶ <table border="1"> <tr><th colspan="2">PROPOSED BOTTOM HOLE LOCATION</th></tr> <tr><td>X=</td><td>601,498 NAD 27</td></tr> <tr><td>Y=</td><td>461,258</td></tr> <tr><td>LAT.</td><td>32.267688</td></tr> <tr><td>LONG.</td><td>104.004958</td></tr> <tr><td>X=</td><td>642,681 NAD83</td></tr> <tr><td>Y=</td><td>461,317</td></tr> <tr><td>LAT.</td><td>32.267810</td></tr> <tr><td>LONG.</td><td>104.005449</td></tr> </table>		PROPOSED BOTTOM HOLE LOCATION		X=	601,498 NAD 27	Y=	461,258	LAT.	32.267688	LONG.	104.004958	X=	642,681 NAD83	Y=	461,317	LAT.	32.267810	LONG.	104.005449	Proposed Last Take Point 330' FNL, 2180' FEL Sec. 32 T23S-R29E T24S-R29E Mid Point Proposed First Take Point 330' FSL, 2180' FEL Sec. 5 Proposed Producing Interval N 01°14'58" W 4,992.07' N 00°17'44" W 4,977.54' S 87°05'42" W 880.85' 379' 1300'		¹⁷ OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division. Signature: <u>Dorian K. Fuentes</u> Date: _____ Printed Name: Dorian K. Fuentes E-mail Address: <u>djvo@chevron.com</u>	
PROPOSED BOTTOM HOLE LOCATION																							
X=	601,498 NAD 27																						
Y=	461,258																						
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CORNER COORDINATES TABLE (NAD 27) A - Y=461537.13, X=601026.36 B - Y=461542.17, X=603572.21 C - Y=456270.49, X=601137.17 D - Y=456251.69, X=603786.69 E - Y=450962.21, X=601166.20 F - Y=450947.72, X=603814.23 Mid Point Y=456267.14, X=601606.75 First Take Point Y=451269.67, X=601632.43 Last Take Point Y=451208.02, X=601498.98		¹⁸ SURVEYOR CERTIFICATION I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief. Date of Survey: <u>11-10-2016</u> Signature and Seal of Professional Surveyor: <u>ROBERT L. LASTRAPES</u> Certificate Number: <u>23006</u>																					

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1625 N French Dr., Hobbs, NM 88240
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OIL CONSERVATION DIVISION
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Santa Fe, NM 87505

Form C-102
Revised August 1, 2011
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District Office

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-015-44637	² Pool Code 98220	³ Pool Name Purple Sage; WinCamp (Gus)
⁴ Property Code	⁵ Property Name RB NL 5 32 FED Com	⁶ Well Number 11H
⁷ GRID No. 4323	⁸ Operator Name CHEVRON U.S.A. INC.	⁹ Elevation 3028'

¹⁰ Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
P	5	24 SOUTH	29 EAST, N.M.P.M.		379'	SOUTH	1300'	EAST	EDDY

¹¹ Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
H	32	23 SOUTH	29 EAST, N.M.P.M.		280'	NORTH	2180'	EAST	EDDY

¹² Dedicated Acres	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No
6.40			

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.

PROPOSED BOTTOM HOLE LOCATION X= 601.498 NAD 27 Y= 461.258 LAT. 32.267688 LONG. 104.004958 X= 642.681 NAD83 Y= 461.317 LAT. 32.267810 LONG. 104.005449	Proposed Last Take Point 330' FNL, 2180' FEL Sec 32 T23S-R29E T24S-R29E Mid Point Proposed First Take Point 330' FSL, 2180' FEL Sec 5 S 87°05'42" W 880.85' 379' 1300'	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 undivided 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. <i>[Signature]</i> 2-22-2017 Signature Date Doman K. Fuentes Printed Name div@chevron.com E-mail Address 18 SURVEYOR CERTIFICATION I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision and that the same is true and correct to the best of my belief. 11-10-2016 Date of Survey Signature and Seal of Professional Surveyor <i>[Signature]</i> 23006 Certificate Number
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CORNER COORDINATES TABLE (NAD 27)

A - Y=461537.13, X=601028.36
B - Y=461542.17, X=603672.21
C - Y=456270.49, X=601137.17
D - Y=456251.69, X=603786.69
E - Y=450962.21, X=601166.20
F - Y=450947.72, X=603814.23

Mid Point
Y=456267.14, X=601606.75
First Take Point
Y=451289.67, X=601632.43
Last Take Point
Y=461208.02, X=601498.98

RB NL 5 32 FED 11H WELL	
X=	602.512 NAD 27
Y=	451.334
LAT.	32.240400
LONG.	104.001776
X=	643.696 NAD83
Y=	451.393
LAT.	32.240523
LONG.	104.002266
ELEVATION -3028' NAVD 88	

BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. 1
Submitted by: CHEVRON U.S.A. INC.
Hearing Date: November 30, 2017

District I
1625 N. French Dr., Hobbs, NM 88249
Phone: (575) 393-6161 Fax: (575) 393-0720
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WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-015-44638		² Pool Code 98220		³ Pool Name PURPLE SAGE; WOLFCAMP (GAS)	
⁴ Property Code 320646		⁵ Property Name CB SE 5 32 FED COM			⁶ Well Number 12H
⁷ GRID No. 4323		⁸ Operator Name CHEVRON U.S.A. INC.			⁹ Elevation 3028'

¹⁰ Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
P	5	24 SOUTH	29 EAST, N.M.P.M.		380'	SOUTH	1275'	EAST	EDDY

¹¹ Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
A	32	23 SOUTH	29 EAST, N.M.P.M.		280'	NORTH	1255'	EAST	EDDY

¹² Dedicated Acres 640	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
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No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.

PROPOSED BOTTOM HOLE LOCATION X= 602,423 NAD 27 Y= 461,260 LAT. 32.267885 LONG. 104.001965 X= 643,608 NAD83 Y= 461,319 LAT. 32.267808 LONG. 104.002456	CORNER COORDINATES TABLE (NAD 27)	A - Y=461537.13, X=601028.36 B - Y=461542.17, X=603672.21 C - Y=456270.49, X=601137.17 D - Y=456251.69, X=603786.69 E - Y=450962.21, X=601166.20 F - Y=450947.72, X=603814.23 Mid Point Y=456260.54, X=602537.71 First Take Point Y=451284.60, X=602557.47 Last Take Point Y=461209.79, X=602424.14	CB SE 5 32 FED COM 12H WELL X= 602,537 NAD 27 Y= 451,334 LAT. 32.240400 LONG. 104.001695 X= 643,721 NAD83 Y= 451,393 LAT. 32.240522 LONG. 104.002185 ELEVATION -3028' NAVD 88	Proposed Last Take Point 330' FML, 1255' FEL Sec. 32 Mid Point T23S-R29E T24S-R29E Sec. 5 Proposed First Take Point 330' FSL, 1255' FEL S 22°14'25" E 53.60' N 01°14'43" W 5,000.43' N 00°17'48" W 4,976.00' 1255' 280' 380' 1275'	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 in a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division. <i>Dorian K. Fuentes</i> 1/30/18 Signature Date Dorian K. Fuentes Printed Name djvo@chevron.com E-mail Address	18 SURVEYOR CERTIFICATION I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief. 11-10-2016 Date of Survey Signature and Seal of Professional Surveyor: <i>Robert L. Lastrapes</i> 23006 23006 Certificate Number
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WELL LOCATION AND ACREAGE DEDICATION PLAT

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⁴ Property Code		⁵ Property Name RB NE 5 32 FED Com		⁶ Well Number 12H	
⁷ OGRID No. 4323		⁸ Operator Name CHEVRON U.S.A. INC.		⁹ Elevation 3028'	

" Surface Location									
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
P	5	24 SOUTH	29 EAST, N.M.P.M.		380'	SOUTH	1275'	EAST	EDDY

" 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
A	32	23 SOUTH	29 EAST, N.M.P.M.		280'	NORTH	1255'	EAST	EDDY
¹² Dedicated Acres 640		¹³ Joint or Infill		¹⁴ Consolidation Code		¹⁵ Order No			

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PROPOSED BOTTOM HOLE LOCATION X= 607,423 NAD 27 Y= 461,260 LAT. 32.267685 LONG. 104.001965 X= 643,806 NAD83 Y= 461,319 LAT. 32.267608 LONG. 104.002456		" 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 undivided 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. <i>[Signature]</i> 01-31-2017 Date Dorian K. Fuentes Printed Name DJVOOChevron.com E-mail Address
CORNER COORDINATES TABLE (NAD 27) A - Y=461537.13, X=601028.36 B - Y=461542.17, X=603672.21 C - Y=456270.49, X=601137.17 D - Y=456251.69, X=603786.69 E - Y=450962.21, X=601166.20 F - Y=450947.72, X=603814.23 Mid Point Y=456260.54, X=602531.71 First Take Point Y=451284.60, X=602557.47 Last Take Point Y=461209.79, X=602424.14	"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 knowledge. 11-10-2016 Date of Survey <i>[Signature]</i> Signature and Seal of Professional Surveyor 23006 Certificate Number	

BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. 2
Submitted by: CHEVRON U.S.A. INC.
Hearing Date: November 30, 2017

District I
1625 N. French Dr., Hobbs, NM 88240
Phone: (575) 393-6161 Fax: (575) 393-0720
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WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-015-44639		² Pool Code 98220		³ Pool Name PURPLE SAGE; WOLFCAMP (GAS)	
⁴ Property Code 320646		⁵ Property Name CB SE 5 32 FED COM			⁶ Well Number 13H
⁷ OGRID No. 4323		⁸ Operator Name CHEVRON U.S.A. INC.			⁹ Elevation 3028'
¹⁰ Surface Location					
UL or lot no. P	Section 5	Township 24 SOUTH	Range 29 EAST, N.M.P.M.	Lot Idn 380'	Feet from the North/South line SOUTH 1250'
				East/West line EAST	County EDDY
¹¹ Bottom Hole Location If Different From Surface					
UL or lot no. A	Section 32	Township 23 SOUTH	Range 29 EAST, N.M.P.M.	Lot Idn 280'	Feet from the North/South line NORTH 330'
				East/West line EAST	County EDDY
¹² Dedicated Acres 640		¹³ Joint or 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.

PROPOSED BOTTOM HOLE LOCATION X= 603,348 NAD 27 Y= 461,262 LAT. 32.267882 LONG. 103.998972 X= 644,532 NAD83 Y= 461,321 LAT. 32.267805 LONG. 103.999463 CORNER COORDINATES TABLE (NAD 27) A - Y=461537.13, X=601028.36 B - Y=461542.17, X=603672.21 C - Y=456270.49, X=601137.17 D - Y=456251.69, X=603786.69 E - Y=450962.21, X=601166.20 F - Y=450947.72, X=603814.23 Mid Point Y=456254.02, X=603456.70 First Take Point Y=451279.54, X=603482.51 Last Take Point Y=461211.55, X=603345.30 CB SE 5 32 FED COM 13H WELL X= 602,562 NAD 27 Y= 451,334 LAT. 32.246399 LONG. 104.001614 X= 643,746 NAD83 Y= 451,393 LAT. 32.240522 LONG. 104.002104 ELEVATION +3028' NAVD 88	16 Proposed Last Take Point 330' FNL, 330' FEL Sec. 32 T23S-R29E T24S-R29E Mid Point Sec. 5 Proposed First Take Point 330' FSL, 330' FEL S 86°36'26" E 921.87' 380' 1250'	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. <i>Dorian K. Fuentes</i> 1/30/18 Signature Date Dorian K. Fuentes Printed Name djvo@chevron.com E-mail Address 18 SURVEYOR CERTIFICATION I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief. 11-10-2016 Date of Survey Signature and Seal of Professional Surveyor 23006 1-30-2018 23006 Certificate Number
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WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-015-44639	² Pool Code 98220	³ Pool Name Purple Sage Wolfcamp (GAS.)
⁴ Property Code	⁵ Property Name RB NE 5 32 FED Com	⁶ Well Number 1311
⁷ OGRID No. 4323	⁸ Operator Name CHEVRON U.S.A. INC.	⁹ Elevation 3028'

" Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
P	5	24 SOUTH	29 EAST, N.M.P.M.		380'	SOUTH	1250'	EAST	EDDY

" 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
A	32	23 SOUTH	29 EAST, N.M.P.M.		280'	NORTH	330'	EAST	EDDY

¹⁰ Dedicated Acre	¹¹ Joint or Infill	¹² Consolidation Code	¹³ Order No
1.40			

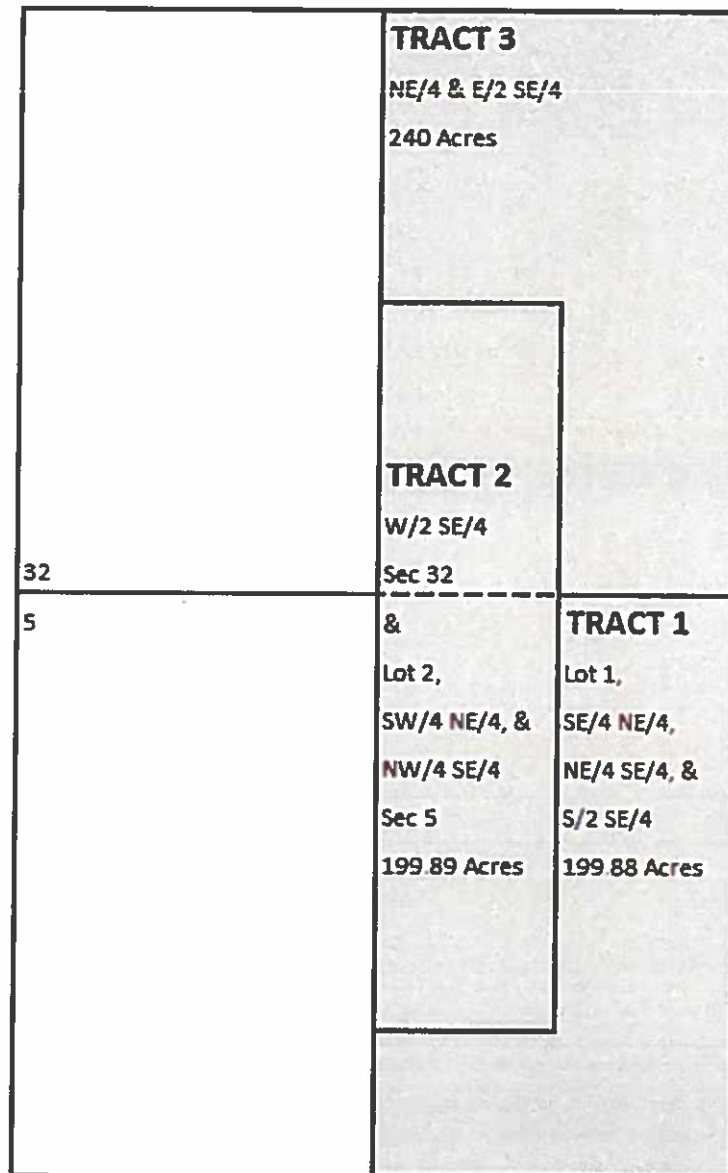
No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.

PROPOSED BOTTOM HOLE LOCATION X= 603,348 NAD 27 Y= 461,262 LAT. 32.257682 LONG. 103.998972 X= 644,532 NAD83 Y= 461,321 LAT. 32.267805 LONG. 103.999463 CORNER COORDINATES TABLE (NAD 27) A - Y=461537.13, X=601028.36 B - Y=461542.17, X=603672.21 C - Y=456270.49, X=601137.17 D - Y=456251.69, X=603786.69 E - Y=450962.21, X=601166.20 F - Y=450947.72, X=603814.23 Mid Point Y=456254.02, X=603456.70 First Take Point Y=451279.54, X=603482.51 Last Take Point Y=461211.55, X=603349.30 RB NE 5 32 FED 13H WELL X= 602,562 NAD 27 Y= 451,334 LAT. 32.240399 LONG. 104.001614 X= 643,746 NAD83 Y= 451,393 LAT 32.240522 LONG. 104.002104 ELEVATION -3028' NAVD 83	Proposed Last Take Point 330' FNL, 330' FEL Proposed Producing Interval N 01° 14' 23" W 5,008.71' Mid Point N 00° 17' 50" W 4,974.55' Proposed First Take Point 330' FSL, 330' FEL S 86° 36' 26" E 921.87'	" OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete in the best of my knowledge and belief, and that this organization either owns a working interest or a 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 in a voluntary pooling agreement or a compulsory pooling order heretofore covered by the division. Signature: <i>[Signature]</i> Date: 12-26-2016 Printed Name: Dorian K Fuentes Email Address: djf@chevron.com " SURVEYOR CERTIFICATION I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief. Date of Survey: 11-10-2016 Signature and Seal of Professional Surveyor: <i>[Signature]</i> 23006 Certificate Number
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BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. 3
Submitted by: CHEVRON U.S.A. INC.
Hearing Date: November 30, 2017

R N

ØB SE 5 32 Fed Com #11H, #12H, #13H
T24S-R29E-Section 5, E/2
T23S-R29E-Section 32, E/2
Eddy County, NM



Tract 1: NE/4 & E/2 SE/4 Section 32, T23S-R29E

Chevron U.S.A. Inc.	100.00%
Total	100.00%

**Tract 2: Lot 2, SW/4 NE/4, & NW/4 SE/4 Section 5, T24S-R29E,
and W/2 SE/4 Section 32, T23S-R29E**

Chevron U.S.A. Inc.	100.00%
Total	100.00%

Tract 3: NE/4 & E/2 SE/4 Section 5, T24S-R29E

Marathon Oil Permian LLC	62.50%
Marshall & Winston, Inc.	18.75%
Yosemite Creek Oil & Gas, LLC	9.00%
Featherstone Development Corporation	3.75%
ICA Energy, Inc.	3.75%
Mizel Resources, a Trust	2.25%
Total	100.00%

UNIT RECAPITULATION

T24S-R29E-Section 5, E/2
T23S-R29E-Section 32, E/2

Chevron U.S.A. Inc.	62.48651860%
Marathon Oil Permian LLC	23.44592588%
Marshall & Winston, Inc.	7.03377776%
Yosemite Creek Oil & Gas, LLC	3.37621333%
Featherstone Development Corporation	1.40675555%
ICA Energy, Inc.	1.40675555%
Mizel Resources, a Trust	0.84405333%
Total:	100.00000000%

Interests seeking to Compulsory Pool



Chris Cooper
Land Representative

Chevron U.S.A. Inc.
1400 Smith Street
Houston, Texas 77002
Tel 713.372.6778
Email ChrisCooper@chevron.com

VIA CERTIFIED MAIL – RETURN RECEIPT REQUESTED

September 11, 2017

Marathon Oil Permian LLC
Attn: Matt Brown
5555 San Felipe Street
Houston, Texas 77056

RE: **Proposal To Drill**
CB SE 5 32 Fed Com #13H
CB SE 5 32 Fed Com #12H
CB SE 5 32 Fed Com #11H
Section 5, Township 24 South, Range 29 East and
Section 32, Township 23 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 CB SE 5 32 Fed Com #13H well ("Well #1"), CB SE 5 32 Fed Com #12H well ("Well #2"), and CB SE 5 32 Fed Com #11H well ("Well #3") at a legal location in Section 5, Township 24 South, Range 29 East and Section 32, Township 23 South, Range 29 East, N.M.P.M., Eddy County, New Mexico. Chevron will develop this area by pad drilling.

The intended surface hole location for the wells are as follows: 380' FSL, 1,250' FEL for Well #1, 380' FSL, 1,275' FEL for Well #2, and 379' FSL, 1,300' FEL for Well #3, all in Section 5, Township 24 South, Range 29 East. The intended bottom hole location are as follows: 280' FNL, 330' FEL for Well #1, 280' FNL, 1,255' FEL for Well #2, and 280' FNL, 2,180' FEL for Well #3, all in Section 32, Township 23 South, Range 29 East.

The wells are proposed to drill vertically to a depth of approximately 10,200' and horizontally in a northern direction within the Wolfcamp A formation to the referenced bottom hole location. Total measured depth of the wells is proposed to be approximately 20,375' from surface to terminus. Please note that compliance with topography, cultural, and/or environmental concerns, among others, may require modifications to Chevron's intended procedure and/or location.

Enclosed are multiple documents for your review and execution. First are detailed AFEs for each well, in duplicate, reflecting estimated costs associated with this proposal. If you intend to participate, please execute in the appropriate box on each AFE, for each individual well, and return to the undersigned within 30 days of receipt of this proposal.

Second, enclosed is a proposed Form 610 -1989 Model Form Operating Agreement for your review and execution. This Operating Agreement will govern the drilling and operation of the Wells. If you agree to the terms of this Operating Agreement, please execute, attest, and acknowledge as indicated, and return an original to the undersigned within 30 days of receipt of this proposal. Please note that per Article VI(A), participation in the Initial Well (Well #1) is obligatory.

Lastly is a proposed Communitization Agreement for your review and execution as required by federal regulation when including at least one federal lease in a multi-lease proration unit. Therefore, please execute, acknowledge, and return an original to the undersigned within 30 days of receipt of this proposal.

Due to lease retention requirements, **Chevron will submit an application for a Compulsory Pooling Order with the New Mexico Oil Conservation Division within 30 days of your 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 and meet its lease retention obligations.

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

Sincerely,

Chris Cooper
Land Representative

Enclosures

Chevron U.S.A. Inc.			Appropriation Request		
SAP Code N/A	Well Type Development	Field Culebra Bluff	Block 32-T23S-R29E & 5-T24S-R29	Well Name CB-065 32 FED COM #11H	
Lease Private/Federal/State	Objective Wolfcamp A	Date 3/31/2018	Estimated By TXJA	Duration (days) 26.00	
Est. Depth (ft MD) 20000	Drillship Completions	Rig Rate (\$/day) 19,000	Business Unit MCBU	Joint Venture Yes	
Reason for Expenditure			Coordinates	x (ft)	y (ft)
Drill/Complete			Mud Line	0.00	0.00
			Bottom Hole	280.00	2,180.00
Cost Category	Code	Sub-code	Amount (\$)		
Company Labor	6601	0100	109,935		
Contract Project Supervision	7000	0300	73,290		
Fuel - Diesel/Motor Fuels	7129	0100	0		
Utilities - Other & Potable Water	7129	0300	0		
Chemicals and Treating Agents	7140	0100	262,603		
Surface Lifting Equipment And Materials	7150	0100	0		
WCR - Well Pipe - Tubing Under 2" OD	7190	0020	0		
WCR - Well Pipe - Tubing 2" OD and Over	7190	0021	45,000		
WCR - Well Pipe Casing	7190	0022	0		
Well Equipment And Materials	7190	0100	45,000		
Wellheads	7190	0110	85,000		
Engineering Services (Not Drilling)	7190	0120	0		
Materials, Supply, Repair Parts	7190	0500	0		
Surface Equipment Rentals	7230	0100	465,946		
Well Service Equipment Rentals	7230	0200	109,286		
Marine Transportation - Allocated	7320	0200	0		
Other Land Transportation Services - Not Rail	7340	0300	0		
ATC - Air Transportation	7340	0400	0		
Solid Waste Disposal	7420	0300	0		
Waste Water Disposal	7420	0600	58,000		
WCR - Rig Daywork	7440	0001	14,293		
Drilling Fluids	7440	0004	825,448		
WCR - Directional Survey And Service Costs	7440	0006	0		
WCR - Drill String Rentals & Bits	7440	0007	40,000		
WCR - Coil Tubing	7440	0009	140,173		
Stim/Gravel Pack Service (Not Materials)	7440	0010	4,823,000		
WCR - Pumping Services	7440	0011	17,500		
WCR - Equipment Lost In Hole	7440	0013	0		
WCR - Perforating & Electric Line Services	7440	0014	371,000		
WCR - Slickline Services	7440	0015	0		
WCR - Coring	7440	0017	0		
WCR - Testing	7440	0018	0		
WCR - Logging Wireline	7440	0019	15,000		
WCR - LWD (Logging while Drilling)	7440	0020	0		
WCR - Logging Mud	7440	0021	0		
WCR - Cement & Cementing	7440	0024	0		
Fishing Services And Tools	7440	0025	0		
Tech Services: CPTC, CRTC, PRC & 3rd Pty	7450	0200	0		
HES Permit Costs & Fees	7510	0500	0		
Spill Prevention	7510	0503	0		
Other Professional Services & Fees	7559	0200	0		
Communications - Radio	7615	0500	0		
Communications - Telephone - CITC	7615	0600	0		
Other Communications - 3rd Party	7620	0300	0		
			Total	\$7500473	
Participation & Authorization			Share	Amount (\$)	
Chevron U.S.A. Inc.			62.48651860%	4,686,785	
Nadel and Gussman Permian, LLC			8.20607406%	615,494	
Crown Oil Partners V, LP			7.61992591%	571,531	
Crump Energy Partners II, LLC			7.61992591%	571,531	
Marshall & Winston, Inc.			7.03377776%	527,567	
Yosemite Creek Oil & Gas, LLC			3.37621333%	253,232	
Featherstone Development Corporation			1.40675555%	105,513	
ICA Energy, Inc.			1.40675555%	105,513	
Mizel Resources, a Trust			0.84405333%	63,308	

		400.00.00	
Approved (Print Name)		Approved (Signature)	
[Enter Footer]		Date	

R2NE

Chevron U.S.A. Inc.			Appropriation Request		
SAP Code N/A	Well Type Development	Field Culebra Bluff	Block 32-T23S-R29E & 5-T24S-R29	Well Name CB-8E 5 32 FED COM #11H	
Lease Private/Federal/State	Objective Wolfcamp A	Date 3/31/2018	Estimated By TXJA	Duration (days) 33.05	
Est. Depth (ft MD) 20000	Drillship Nabors X Series or similar	Rig Rate (\$/day) 19,000	Business Unit MCBU	Joint Venture Yes	
Reason for Expenditure			Coordinates	x (ft)	y (ft)
Drill Wolfcamp A			Mud Line	0.00	0.00
			Bottom Hole	280.00	2,180.00
Cost Category	Code	Sub-code	Amount (\$)		
Company Drilling Equipment	0000	0000	0		
Rig Work	7440	0001	675,868		
Company Labor	6601	0100	206,532		
Contract Project Supervision	7000	0300	35,523		
Fuel Diesel	7129	0100	126,893		
Utilities / Potable Water	7129	0300	3,305		
Casing (tangible)	7190	0021	873,600		
Well Equipment & Materials	7190	0100	0		
Wellheads (tangible)	7190	0110	47,000		
Materials, Parts, & Supply	7190	0500	7,500		
Surface Equipment Rentals	7230	0100	190,253		
Well Service Equipment Rentals	7230	0200	197,898		
Transportation Services, Land & Marine	7340	0300	62,000		
Transportation Air	7340	0500	0		
Solid Waste Disposal	7420	0300	164,719		
Drilling Fluids	7440	0004	115,500		
Directional Survey & Services	7440	0006	0		
Drill-Pipe Rental & Bits	7440	0007	137,190		
Coil Tubing	7440	0009	0		
Stimulation / Gravel Pack Material	7440	0010	0		
Pumping Services	7440	0011	0		
Perforating	7440	0014	0		
Slickline Services	7440	0015	0		
Coring	7440	0017	0		
Testing	7440	0018	0		
Logging Wireline	7440	0019	0		
Logging While Drilling (LWD)	7440	0020	0		
Logging Mud	7440	0021	16,869		
Cementing	7440	0024	0		
Fishing Services & Tools	7440	0025	0		
Sitework / Locations	7450	0021	30,000		
Mobilization	7450	0023	12,000		
Tech Services, Affiliates, & 3rd Party	7450	0200	0		
HES, Permits, & Fees	7510	0500	0		
Communications Telephone	7615	0600	0		
			Total	\$2,902,650	
Participation & Authorization			Share	Amount (\$)	
Chevron U.S.A. Inc.			62.48651860%	1,813,765	
Nadel and Gussman Permian, LLC			8.20607406%	238,194	
Crown Oil Partners V, LP			7.61992591%	221,180	
Crump Energy Partners II, LLC			7.61992591%	221,180	
Marshall & Winston, Inc.			7.03377776%	204,166	
Yosemite Creek Oil & Gas, LLC			3.37621333%	98,000	
Featherstone Development Corporation			1.40675555%	40,833	
ICA Energy, Inc.			1.40675555%	40,833	
Mizel Resources, a Trust			0.84405333%	24,500	
			100.00 %		
Approved (Print Name)			Approved (Signature)		
Company Confidential			Date		

[illegible]

RBNE

Chevron U.S.A. Inc.			Appropriation Request		
SAP Code N/A	Well Type Development	Field Culebra Bluff	Block 32-T23S-R29E & 5-T24S-R29	Well Name 06 SE 5 32 FED COM #12H	
Lease Private/Federal/State	Objective Wolfcamp A	Date 3/31/2018	Estimated By TXJA	Duration (days) 28.00	
Est. Depth (ft MD) 20000	Drillship Completions	Rig Rate (\$/day) 19,000	Business Unit MCBU	Joint Venture Yes	
Reason for Expenditure			Coordinates	x (ft)	y (ft)
Drill/Complete			Mud Line	0.00	0.00
			Bottom Hole	280.00	1,255.00
Cost Category	Code	Sub-code	Amount (\$)		
Company Labor	6601	0100	109,935		
Contract Project Supervision	7000	0300	73,290		
Fuel - Diesel/Motor Fuels	7129	0100	0		
Utilities - Other & Potable Water	7129	0300	0		
Chemicals and Treating Agents	7140	0100	262,603		
Surface Lifting Equipment And Materials	7150	0100	0		
WCR - Well Pipe - Tubing Under 2" OD	7190	0020	0		
WCR - Well Pipe - Tubing 2" OD and Over	7190	0021	45,000		
WCR - Well Pipe Casing	7190	0022	0		
Well Equipment And Materials	7190	0100	45,000		
Wellheads	7190	0110	85,000		
Engineering Services (Not Drilling)	7190	0120	0		
Materials, Supply, Repair Parts	7190	0500	0		
Surface Equipment Rentals	7230	0100	465,946		
Well Service Equipment Rentals	7230	0200	109,286		
Marine Transportation - Allocated	7320	0200	0		
Other Land Transportation Services - Not Rail	7340	0300	0		
ATC - Air Transportation	7340	0400	0		
Solid Waste Disposal	7420	0300	0		
Waste Water Disposal	7420	0600	58,000		
WCR - Rig Daywork	7440	0001	14,293		
Drilling Fluids	7440	0004	825,448		
WCR - Directional Survey And Service Costs	7440	0006	0		
WCR - Drill String Rentals & Bits	7440	0007	40,000		
WCR - Coil Tubing	7440	0009	140,173		
Stim/Gravel Pack Service (Not Materials)	7440	0010	4,823,000		
WCR - Pumping Services	7440	0011	17,500		
WCR - Equipment Lost In Hole	7440	0013	0		
WCR - Perforating & Electric Line Services	7440	0014	371,000		
WCR - Slickline Services	7440	0015	0		
WCR - Coring	7440	0017	0		
WCR - Testing	7440	0018	0		
WCR - Logging Wireline	7440	0019	15,000		
WCR - LWD (Logging while Drilling)	7440	0020	0		
WCR - Logging Mud	7440	0021	0		
WCR - Cement & Cementing	7440	0024	0		
Fishing Services And Tools	7440	0025	0		
Tech Services: CPTC, CRTC, PRC & 3rd Pty	7450	0200	0		
HES Permit Costs & Fees	7510	0500	0		
Spill Prevention	7510	0503	0		
Other Professional Services & Fees	7559	0200	0		
Communications - Radio	7615	0500	0		
Communications - Telephone - CITC	7615	0600	0		
Other Communications - 3rd Party	7620	0300	0		
			Total		
			\$7500473		
Participation & Authorization		Share	Amount (\$)		
Chevron U.S.A. Inc.		62.48651860%	4,686,785		
Nadel and Gussman Permian, LLC		8.20607406%	615,494		
Crown Oil Partners V, LP		7.61992591%	571,531		
Crump Energy Partners II, LLC		7.61992591%	571,531		
Marshall & Winston, Inc.		7.03377776%	527,567		
Yosemite Creek Oil & Gas, LLC		3.37621333%	253,232		
Featherstone Development Corporation		1.40675555%	105,513		
ICA Energy, Inc.		1.40675555%	105,513		
Mizel Resources, a Trust		0.84405333%	63,308		

		100.00 %
Approved (Print Name)	Approved (Signature)	
[Enter Footer]	Date	

RBNE

Chevron U.S.A. Inc.			Appropriation Request		
SAP Code N/A	Well Type Development	Field Culebra Bluff	Block 32-T23S-R29E & 5-T24S-R29	Well Name CB-6E 5 32 FED COM #12H	
Lease Private/Federal/State	Objective Wolfcamp A	Date 3/31/2018	Estimated By TXJA	Duration (days) 33.05	
Est. Depth (ft MD) 20000	Drillship Nabors X Series or similar	Rig Rate (\$/day) 19,000	Business Unit MCBU	Joint Venture Yes	
Reason for Expenditure			Coordinates	x (ft)	y (ft)
Drill Wolfcamp A			Mud Line	0.00	0.00
			Bottom Hole	280.00	1,255.00
Cost Category	Code	Sub-code	Amount (\$)		
Company Drilling Equipment	0000	0000	0		
Rig Work	7440	0001	675,868		
Company Labor	6601	0100	206,532		
Contract Project Supervision	7000	0300	35,523		
Fuel Diesel	7129	0100	126,893		
Utilities / Potable Water	7129	0300	3,305		
Casing (tangible)	7190	0021	873,600		
Well Equipment & Materials	7190	0100	0		
Wellheads (tangible)	7190	0110	47,000		
Materials, Parts, & Supply	7190	0500	7,500		
Surface Equipment Rentals	7230	0100	190,253		
Well Service Equipment Rentals	7230	0200	197,898		
Transportation Services, Land & Marine	7340	0300	62,000		
Transportation Air	7340	0500	0		
Solid Waste Disposal	7420	0300	164,719		
Drilling Fluids	7440	0004	115,500		
Directional Survey & Services	7440	0006	0		
Drill-Pipe Rental & Bits	7440	0007	137,190		
Coil Tubing	7440	0009	0		
Stimulation / Gravel Pack Material	7440	0010	0		
Pumping Services	7440	0011	0		
Perforating	7440	0014	0		
Slickline Services	7440	0015	0		
Coring	7440	0017	0		
Testing	7440	0018	0		
Logging Wireline	7440	0019	0		
Logging While Drilling (LWD)	7440	0020	0		
Logging Mud	7440	0021	16,869		
Cementing	7440	0024	0		
Fishing Services & Tools	7440	0025	0		
Sitework / Locations	7450	0021	30,000		
Mobilization	7450	0023	12,000		
Tech Services, Affiliates, & 3rd Party	7450	0200	0		
HES, Permits, & Fees	7510	0500	0		
Communications Telephone	7615	0600	0		
			Total	\$2,902,650	
Participation & Authorization			Share	Amount (\$)	
Chevron U.S.A. Inc.			62.48651860%	1,813,765	
Nadel and Gussman Permian, LLC			8.20607406%	238,194	
Crown Oil Partners V, LP			7.61992591%	221,180	
Crump Energy Partners II, LLC			7.61992591%	221,180	
Marshall & Winston, Inc.			7.03377776%	204,166	
Yosemite Creek Oil & Gas, LLC			3.37621333%	98,000	
Featherstone Development Corporation			1.40675555%	40,833	
ICA Energy, Inc.			1.40675555%	40,833	
Mizel Resources, a Trust			0.84405333%	24,500	
			100.00 %		
Approved (Print Name)			Approved (Signature)		
Company Confidential			Date		

Chevron U.S.A. Inc.			Appropriation Request		
SAP Code N/A	Well Type Development	Field Culebra Bluff	Block 32-T23S-R29E & 5-T24S-R29	Well Name CS SE 5 32 FED COM #13H	
Lease Private/Federal/State	Objective Wolfcamp A	Date 3/31/2018	Estimated By TXJA	Duration (days) 26.00	
Est. Depth (ft MD) 20000	Drillship Completions	Rig Rate (\$/day) 19,000	Business Unit MCBU	Joint Venture Yes	
Reason for Expenditure			Coordinates	x (ft)	y (ft)
Drill/Complete			Mud Line	0.00	0.00
			Bottom Hole	280.00	330.00
Cost Category	Code	Sub-code	Amount (\$)		
Company Labor	5601	0100	109,935		
Contract Project Supervision	7000	0300	73,290		
Fuel - Diesel/Motor Fuels	7129	0100	0		
Utilities - Other & Potable Water	7129	0300	0		
Chemicals and Treating Agents	7140	0100	262,603		
Surface Lifting Equipment And Materials	7150	0100	0		
WCR - Well Pipe - Tubing Under 2" OD	7190	0020	0		
WCR - Well Pipe - Tubing 2" OD and Over	7190	0021	45,000		
WCR - Well Pipe Casing	7190	0022	0		
Well Equipment And Materials	7190	0100	45,000		
Wellheads	7190	0110	85,000		
Engineering Services (Not Drilling)	7190	0120	0		
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Surface Equipment Rentals	7230	0100	465,846		
Well Service Equipment Rentals	7230	0200	109,286		
Marine Transportation - Allocated	7320	0200	0		
Other Land Transportation Services - Not Rail	7340	0300	0		
ATC - Air Transportation	7340	0400	0		
Solid Waste Disposal	7420	0300	0		
Waste Water Disposal	7420	0600	58,000		
WCR - Rig Daywork	7440	0001	14,293		
Drilling Fluids	7440	0004	825,448		
WCR - Directional Survey And Service Costs	7440	0006	0		
WCR - Drill String Rentals & Bits	7440	0007	40,000		
WCR - Coil Tubing	7440	0009	140,173		
Stim/Gravel Pack Service (Not Materials)	7440	0010	4,823,000		
WCR - Pumping Services	7440	0011	17,500		
WCR - Equipment Lost In Hole	7440	0013	0		
WCR - Perforating & Electric Line Services	7440	0014	371,000		
WCR - Slickline Services	7440	0015	0		
WCR - Coring	7440	0017	0		
WCR - Testing	7440	0018	0		
WCR - Logging Wireline	7440	0019	15,000		
WCR - LWD (Logging while Drilling)	7440	0020	0		
WCR - Logging Mud	7440	0021	0		
WCR - Cement & Cementing	7440	0024	0		
Fishing Services And Tools	7440	0025	0		
Tech Services: CPTC, CRTG, PRC & 3rd Pty	7450	0200	0		
HES Permit Costs & Fees	7510	0500	0		
Spill Prevention	7510	0503	0		
Other Professional Services & Fees	7559	0200	0		
Communications - Radio	7615	0500	0		
Communications - Telephone - CITC	7615	0600	0		
Other Communications - 3rd Party	7620	0300	0		
			Total	\$7500473	
Participation & Authorization			Share	Amount (\$)	
Chevron U.S.A. Inc.			62.48651860%	4,686,785	
Nadel and Gussman Permian, LLC			8.20607406%	615,494	
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ICA Energy, Inc.			1.40675555%	105,513	
Mizel Resources, a Trust			0.84405333%	63,308	

		100.00 %	
Approved (Print Name)		Approved (Signature)	
[Enter Footer]		Date	

RBNE

[illegible]

Chevron U.S.A. Inc.			Appropriation Request		
SAP Code N/A	Well Type Development	Field Culebra Bluff	Block 32-T23S-R29E & 5-T24S-R29	Well Name GB SE 5 32 FED COM #13H	
Lease Private/Federal/State	Objective Wolfcamp A	Date 3/31/2018	Estimated By TXJA	Duration (days) 33.05	
Est. Depth (ft MD) 20000	Drillship Nabors X Series or similar	Rig Rate (\$/day) 19,000	Business Unit MCBU	Joint Venture Yes	
Reason for Expenditure			Coordinates	x (ft)	y (ft)
Drill Wolfcamp A			Mud Line	0.00	0.00
			Bottom Hole	280.00	330.00
Cost Category	Code	Sub-code	Amount (\$)		
Company Drilling Equipment	0000	0000	0		
Rig Work	7440	0001	675,868		
Company Labor	6601	0100	206,532		
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Materials, Parts, & Supply	7190	0500	7,500		
Surface Equipment Rentals	7230	0100	190,253		
Well Service Equipment Rentals	7230	0200	197,898		
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Transportation Air	7340	0500	0		
Solid Waste Disposal	7420	0300	164,719		
Drilling Fluids	7440	0004	115,500		
Directional Survey & Services	7440	0006	0		
Drill-Pipe Rental & Bits	7440	0007	137,190		
Coil Tubing	7440	0009	0		
Stimulation / Gravel Pack Material	7440	0010	0		
Pumping Services	7440	0011	0		
Perforating	7440	0014	0		
Slickline Services	7440	0015	0		
Coring	7440	0017	0		
Testing	7440	0018	0		
Logging Wireline	7440	0019	0		
Logging While Drilling (LWD)	7440	0020	0		
Logging Mud	7440	0021	16,869		
Cementing	7440	0024	0		
Fishing Services & Tools	7440	0025	0		
Sitework / Locations	7450	0021	30,000		
Mobilization	7450	0023	12,000		
Tech Services, Affiliates, & 3rd Party	7450	0200	0		
HES, Permits, & Fees	7510	0500	0		
Communications Telephone	7615	0600	0		
			Total		
			\$2,902,650		
Participation & Authorization		Share	Amount (\$)		
Chevron U.S.A. Inc.		62.48651860%	1,813,765		
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Crown Oil Partners V, LP		7.61992591%	221,180		
Crump Energy Partners II, LLC		7.61992591%	221,180		
Marshall & Winston, Inc.		7.03377776%	204,166		
Yosemite Creek Oil & Gas, LLC		3.37621333%	98,000		
Featherstone Development Corporation		1.40675555%	40,833		
ICA Energy, Inc.		1.40675555%	40,833		
Mizel Resources, a Trust		0.84405333%	24,500		
		100.00 %			
Approved (Print Name)		Approved (Signature)			
Company Confidential		Date			

[illegible]

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

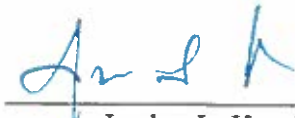
**APPLICATION OF CHEVRON U.S.A. INC.
FOR A NON-STANDARD SPACING AND
PRORATION UNIT AND COMPULSORY POOLING,
EDDY COUNTY, NEW MEXICO.**

CASE NO. 15895

AFFIDAVIT

STATE OF NEW MEXICO)
) ss.
COUNTY OF SANTA FE)

Jordan L. Kessler, attorney in fact and authorized representative of Chevron U.S.A., Inc.,
the Applicant herein, being first duly sworn, upon oath, states that the above-referenced
Application has been provided under the notice letters and proof of receipts attached hereto.



Jordan L. Kessler

SUBSCRIBED AND SWORN to before me this 29th day of November, 2017, by Jordan
L. Kessler.



Notary Public

My Commission Expires:


August 26, 2021

10463293

BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. 7
Submitted by: CHEVRON U.S.A. INC.
Hearing Date: November 30, 2017

HOLLAND & HART



Jordan L. Kessler
Associate
Phone (505) 988-4421
Fax (505) 983-6043
JLKessler@hollandhart.com

November 9, 2017

VIA CERTIFIED MAIL
CERTIFIED RECEIPT REQUESTED

TO: ALL INTEREST OWNERS SUBJECT TO POOLING PROCEEDINGS

Re: Application of Chevron U.S.A. Inc. for a non-standard spacing and proration unit and compulsory pooling, Eddy County, New Mexico.
CB SE 5 32 Fed Com #11H Well
CB SE 5 32 Fed Com #12H Well
CB SE 5 32 Fed Com #13H Well

Ladies & Gentlemen:

This letter is to advise you that Chevron U.S.A. Inc. has filed the enclosed application with the New Mexico Oil Conservation Division. This application will be set for hearing before a Division Examiner at 8:15 a.m. on November 30, 2017. The hearing will be held in Porter Hall in the Oil Conservation Division's Santa Fe Offices located at 1220 South Saint Francis Drive, Santa Fe, New Mexico 87505. 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 by Division Rule 19.15.4.13.B to file a Pre-hearing Statement four days in advance of a scheduled hearing. This statement must be filed at the Division's Santa Fe office at the above specified address and should include: the names of the parties and their attorneys; a concise statement of the case; the names of all witnesses the party will call to testify at the hearing; the approximate time the party will need to present its case; and identification of any procedural matters that are to be resolved prior to the hearing.

If you have any questions about this matter please contact Chris Cooper, at (713) 372-6778 or ChrisCooper@chevron.com.

Sincerely,

Jordan L. Kessler
ATTORNEYS FOR CHEVRON U.S.A. INC.

Holland & Hart LLP

Phone (505) 988-4421 Fax (505) 983-6043 www.hollandhart.com

110 North Guadalupe Suite 1 Santa Fe, New Mexico 87501 Mailing Address P.O. Box 2208 Santa Fe, NM 87504-2208

Aspen Boulder Carson City Colorado Springs Denver Denver Tech Center Billings Boise Cheyenne Jackson Hole Las Vegas Reno Salt Lake City

HOLLAND & HART



Jordan L. Kessler
Associate
Phone (505) 988-4421
Fax (505) 983-6043
JLKessler@hollandhart.com

November 9, 2017

VIA CERTIFIED MAIL
RETURN RECEIPT REQUESTED

TO: OFFSETTING LESSEES AND OPERATORS

Re: Application of Chevron U.S.A. Inc. for a non-standard spacing and proration unit and compulsory pooling, Eddy County, New Mexico.
CB SE 5 32 Fed Com #11H Well
CB SE 5 32 Fed Com #12H Well
CB SE 5 32 Fed Com #13H Well

This letter is to advise you that Chevron U.S.A. Inc. has filed the enclosed application with the New Mexico Oil Conservation Division. *Your interests are not being pooled under this application*, but as a lessee or operator in an offsetting tract, you are entitled to notice of this application.

This application has been set for hearing before a Division Examiner at 8:15 AM on November 30, 2017. The hearing will be held in Porter Hall in the Oil Conservation Division's Santa Fe Offices located at 1220 South Saint Francis Drive, Santa Fe, New Mexico 87505. 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 by Division Rule 19.15.4.13.B to file a Pre-Hearing Statement with the Oil Conservation Division's Santa Fe office, four days in advance of a scheduled hearing, but at least on the Thursday preceding the hearing. This statement must include: the names of the parties and their attorneys; a concise statement of the case; the names of all witnesses the party will call to testify at the hearing; the approximate time the party will need to present its case; and identification of any procedural matters that are to be resolved prior to the hearing.

If you have any questions about this matter please contact Chris Cooper, at (713) 372-6778 or ChrisCooper@chevron.com.

Sincerely,

Jordan L. Kessler

ATTORNEYS FOR CHEVRON U.S.A. INC.

Holland & Hart LLP

Phone (505) 988-4421 Fax (505) 983-6043 www.hollandhart.com

110 North Guadalupe Suite 1 Santa Fe, New Mexico 87501 Mailing Address P.O. Box 2208 Santa Fe, NM 87504-2208

Aspen Boulder Carson City Colorado Springs Denver Denver Tech Center Billings Boise Cheyenne Dallas Fort Worth Houston Kansas City Los Angeles Miami Minneapolis New York City Phoenix Portland San Francisco Seattle Silverdale Tampa Tucson

CB SE 5 32 Fed Com 11H, 12H, & 13H
Pooled Parties (4)
Case No. 15895

Marathon Oil Permian LLC
5555 San Felipe Street
Houston, Texas 77056

Yosemite Creek Oil & Gas, LLC
4350 S. Monaco Street, 5th Floor
Denver, Colorado 80237

Featherstone Development Corporation
P.O. Box 429
Roswell, New Mexico 88201-1709

Mizel Resources, a Trust
4350 S. Monaco Street, 5th Floor
Denver, Colorado 80237

U.S. Postal Service[®]
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12H, & 13H

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Certified Mail Fee

Pooled Parties (4)

Extra Services & Fees (check box, add fee to postage)

☐ Return Receipt (hardcopy)

☐ Return Receipt (electronic)

☐ Certified Mail Restricted Delivery[™]

☐ Adult Signature Required

☐ Adult Signature Restricted Delivery[™]

Postage

SANTA FE
Marathon Oil Permian LLC

5555 San Felipe Street

Houston, Texas 77056

PS Form 3800, April 2015 PSN 7530-02-000-9053 See Reverse for Instructions

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CERTIFIED MAIL[®] RECEIPT
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Pooled Parties (4)

Extra Services & Fees (check box, add fee to postage)

☐ Return Receipt (hardcopy)

☐ Return Receipt (electronic)

☐ Certified Mail Restricted Delivery[™]

☐ Adult Signature Required

☐ Adult Signature Restricted Delivery[™]

SANTA FE
Yosemite Creek Oil & Gas, LLC

4350 S. Monaco Street, 5th Floor

Denver, Colorado 80237

Only, states, ZIP+4[®]

PS Form 3800, April 2015 PSN 7530-02-000-9053 See Reverse for Instructions

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Marathon Oil Permian LLC
5555 San Felipe Street
Houston, Texas 77056

9590 9402 3164 7166 2843 63

2. Article Number (Transfer from service label)

7017 1450 0000 8377 6448

PS Form 3811, July 2015 PSN 7530-02-000-9053

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Yosemite Creek Oil & Gas, LLC
4350 S. Monaco Street, 5th Floor
Denver, Colorado 80237

9590 9402 3164 7166 2843 56

2. Article Number (Transfer from service label)

7017 1450 0002 1696 9167

PS Form 3811, July 2015 PSN 7530-02-000-9053

COMPLETE THIS SECTION ON DELIVERY

A. Signature MAYOS Cuneo ☐ Agent ☐ Addressee
B. Received by (Printed Name) MAYOS Cuneo Date of Delivery 11-13-17
C. Is delivery address different from item 1? ☐ Yes ☐ No
If YES, enter delivery address below:

3. Service Type
☐ Priority Mail Express[®]
☐ Registered Mail[™]
☐ Adult Signature Restricted Delivery
☐ Certified Mail[®]
☐ Certified Mail Restricted Delivery
☐ Collect on Delivery
☐ Collect on Delivery Restricted Delivery[™]
☐ Signature Confirmation[™]
☐ Signature Confirmation Restricted Delivery[™]
☐ Insured Mail[®]
☐ Mail Restricted Delivery[™]

Domestic Return Receipt

COMPLETE THIS SECTION ON DELIVERY

A. Signature MAYOS Cuneo ☐ Agent ☐ Addressee
B. Received by (Printed Name) MAYOS Cuneo Date of Delivery 11-13-17
C. Is delivery address different from item 1? ☐ Yes ☐ No
If YES, enter delivery address below:

3. Service Type
☐ Priority Mail Express[®]
☐ Registered Mail[™]
☐ Adult Signature Restricted Delivery
☐ Certified Mail[®]
☐ Certified Mail Restricted Delivery
☐ Collect on Delivery
☐ Collect on Delivery Restricted Delivery[™]
☐ Signature Confirmation[™]
☐ Signature Confirmation Restricted Delivery[™]
☐ Insured Mail[®]
☐ Mail Restricted Delivery[™]

Domestic Return Receipt

**CB SE 5 32 Fed Com 11H, 12H, & 13H
Offset (8)
Case No. 15895**

Cimarex Energy Co. of Colorado
600 N. Marienfeld Suite 600
Midland, TX 79701

Kaiser-Francis Oil Co.
6733 S. Yale Ave.
Tulsa, Ok 74136

Devon Energy Production Company LP
333 W. Sheridan Ave.
Oklahoma City, OK 73102

Mewbourne Oil Co.
500 W. Texas Ave. Suite 1020
Midland, TX 79701

EOG Resources, Inc.
P.O. Box 2267
Midland, TX 79702-2267

Oxy USA Inc.
P.O. Box 4294
Houston, TX 77210

COG Operating LLC
600 W. Illinois Ave.
Midland, TX 79701

Marathon Oil Permian LLC
5555 San Felipe St.
Houston, TX 77056

U.S. Postal Service
CERTIFIED MAIL® RECEIPT
Domestic Mail Only

For delivery information, visit usps.com/1111, 12H, & 13H
Offsets (8)
Certified Mail Fee

Extra Services & Fees (check box, add fee as appropriate)
☐ Return Receipt (hardcopy)
☐ Return Receipt (electronic)
☐ Certified Mail Restricted Delivery
☐ Adult Signature Required
☐ Adult Signature Restricted Delivery
Postmark Here

Cimarex Energy Company
Colorado
600 N. Marienfeld Suite 600
Midland, TX 79701

PS Form 3800, April 2015 PSN 7530-02-000-9053
See Reverse for Instructions

TEEE 269T 2000 054T 2102

U.S. Postal Service
CERTIFIED MAIL® RECEIPT
Domestic Mail Only

For delivery information, visit usps.com/1111, 12H, & 13H
Offsets (8)
Certified Mail Fee

Extra Services & Fees (check box, add fee as appropriate)
☐ Return Receipt (hardcopy)
☐ Return Receipt (electronic)
☐ Certified Mail Restricted Delivery
☐ Adult Signature Required
☐ Adult Signature Restricted Delivery
Postmark Here

Kaiser-Francis Oil Co.
6733 S. Yale Ave.
Tulsa, OK 74136

PS Form 3800, April 2015 PSN 7530-02-000-9053
See Reverse for Instructions

84EE 269T 2000 054T 2102

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:
Cimarex Energy Co. of
Colorado
600 N. Marienfeld Suite 600
Midland, TX 79701

9590 9402 3164 7166 2843 25

2. Article Number (Transfer from service label)

7017 1450 0002 1697 3331

PS Form 3811, July 2015 PSN 7530-02-000-9053

COMPLETE THIS SECTION ON DELIVERY

A. Signature
B. Received by (Printed Name)
C. Date of Delivery
D. Is delivery address different from item 1? ☐ Yes ☐ No
If YES, enter delivery address below:

3. Service Type
☐ Adult Signature
☐ Adult Signature Restricted Delivery
☐ Certified Mail®
☐ Certified Mail Restricted Delivery
☐ Collect on Delivery
☐ Collect on Delivery Restricted Delivery
☐ Insured Mail
☐ Insured Mail Restricted Delivery
☐ Priority Mail Express®
☐ Registered Mail
☐ Registered Mail Restricted Delivery
☐ Return Receipt for Merchandise
☐ Signature Confirmation®
☐ Signature Confirmation Restricted Delivery

Domestic Return Receipt

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:
Kaiser-Francis Oil Co.
6733 S. Yale Ave.
Tulsa, OK 74136

9590 9402 3164 7166 2843 18

2. Article Number (Transfer from service label)

7017 1450 0002 1697 3348

PS Form 3811, July 2015 PSN 7530-02-000-9053

COMPLETE THIS SECTION ON DELIVERY

A. Signature
B. Received by (Printed Name)
C. Date of Delivery
D. Is delivery address different from item 1? ☐ Yes ☐ No
If YES, enter delivery address below:

3. Service Type
☐ Adult Signature
☐ Adult Signature Restricted Delivery
☐ Certified Mail®
☐ Certified Mail Restricted Delivery
☐ Collect on Delivery
☐ Collect on Delivery Restricted Delivery
☐ Insured Mail
☐ Insured Mail Restricted Delivery
☐ Priority Mail Express®
☐ Registered Mail
☐ Registered Mail Restricted Delivery
☐ Return Receipt for Merchandise
☐ Signature Confirmation®
☐ Signature Confirmation Restricted Delivery

Domestic Return Receipt

U.S. Postal ServiceTM
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Domestic Mail Only

For delivery information, visit usps.com

OFFICIAL
 Certified Mail Fee

12H, & 13H
 Offsets (8)

Extra Services & Fees (check box, add fee as appropriate)

☐ Return Receipt (hardcopy) \$
☐ Return Receipt (electronic) \$
☐ Certified Mail Restricted Delivery \$
☐ Adult Signature Required \$
☐ Adult Signature Restricted Delivery \$

Postage

Devon Energy Production
 Company LP
 333 W. Sheridan Ave.
 Oklahoma City, OK 73102

Postmark
 SANTA FE
 NM 87501

3 JUN 2017

U.S. Postal ServiceTM
CERTIFIED MAIL® RECEIPT
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For delivery information, visit usps.com

OFFICIAL
 Certified Mail Fee

12H, & 13H
 Offsets (8)

Extra Services & Fees (check box, add fee as appropriate)

☐ Return Receipt (hardcopy) \$
☐ Return Receipt (electronic) \$
☐ Certified Mail Restricted Delivery \$
☐ Adult Signature Required \$
☐ Adult Signature Restricted Delivery \$

Postmark
 MIDLAND
 TX 79701

Mewbourne Oil Co.
 500 W. Texas Ave., Suite 1020
 Midland, TX 79701

3 JUN 2017

CERTIFIED MAIL
 PS Form 3811, April 2015 PSN 7530-02-000-9053

1. Complete items 1, 2, and 3.
 ■ Print your name and address on the reverse so that we can return the card to you.
 ■ Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Mewbourne Oil Co.
 500 W. Texas Ave., Suite 1020
 Midland, TX 79701

2. Article Number (transfer from service label)

7017 1450 0002 1697 3362

3. Service Type

☒ Adult Signature
☐ Adult Signature Restricted Delivery
☐ Certified Mail®
☐ Certified Mail Restricted Delivery
☐ Collect on Delivery
☐ Collect on Delivery Restricted Delivery
☐ Insured Mail
☐ Insured Mail Restricted Delivery

☐ Priority Mail Express®
☐ Registered Mail®
☐ Registered Mail Restricted Delivery
☐ Return Receipt for Merchandise
☐ Signature Confirmation®
☐ Signature Confirmation Restricted Delivery

A. Signature
 X *Alex Kirkley* ☐ Agent

B. Received by (Printed Name)
 Alex Kirkley ☐ Addressee

C. Date of Delivery

D. Is delivery address different from item 1? ☐ Yes ☐ No
 If YES, enter delivery address below:

Domestic Return Receipt

U.S. Postal ServiceTM
CERTIFIED MAIL® RECEIPT
Domestic Mail Only

For delivery information, visit usps.com

OFFICE

Certified Mail Fee

Extra Services & Fees (check box, add fee as appropriate)

☐ Return Receipt (hardcopy)	\$
☐ Return Receipt (electronic)	\$
☐ Certified Mail Restricted Delivery	\$
☐ Adult Signature Required	\$
☐ Adult Signature Restricted Delivery	\$

Postmark
Here

EOG Resources, Inc.

P.O. Box 2267

Midland, TX 79702-2267

PS Form 3800, April 2015 PSN 7530-02-000-9001 See Reverse for Instructions

U.S. Postal ServiceTM
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OFFICE

Certified Mail Fee

Extra Services & Fees (check box, add fee as appropriate)

☐ Return Receipt (hardcopy)	\$
☐ Return Receipt (electronic)	\$
☐ Certified Mail Restricted Delivery	\$
☐ Adult Signature Required	\$
☐ Adult Signature Restricted Delivery	\$

Postmark
Here

Oxy USA Inc.

P.O. Box 4294

Houston, TX 77210

PS Form 3800, April 2015 PSN 7530-02-000-9001 See Reverse for Instructions

U.S. Postal Service™
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Extra Services & Fees (check box, add fee as appropriate)

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☐ Return Receipt (electronic)	\$ <u>0.00</u>
☐ Certified Mail Restricted Delivery	\$ <u>0.00</u>
☐ Adult Signature Required	\$ <u>0.00</u>
☐ Adult Signature Restricted Delivery	\$ <u>0.00</u>

Postmark Here 2017

COG Operating LLC
 600 W. Illinois Ave.
 Midland, TX 79701

PS Form 3811, April 2015 PSN 7530-02-000-9053

U.S. Postal Service™
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For delivery information, visit **OFFICIAL** usps.com

Certified Mail Fee \$ 3.50

Extra Services & Fees (check box, add fee as appropriate)

☐ Return Receipt (hardcopy)	\$ <u>2.80</u>
☐ Return Receipt (electronic)	\$ <u>0.00</u>
☐ Certified Mail Restricted Delivery	\$ <u>0.00</u>
☐ Adult Signature Required	\$ <u>0.00</u>
☐ Adult Signature Restricted Delivery	\$ <u>0.00</u>

Postmark Here 2017

Marathon Oil Permian LLC
 5555 San Felipe St.
 Houston, TX 77056

PS Form 3811, April 2015 PSN 7530-02-000-9053

SENDER: COMPLETE THIS SECTION

Complete items 1, 2, and 3.

Print your name and address on the reverse so that we can return the card to you.

Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

COG Operating LLC
 600 W. Illinois Ave.
 Midland, TX 79701

2. Article Number (Transfer from service label)

9590 9402 3164 7166 2849 50

7017 1450 0002 1697 3393

PS Form 3811, July 2015 PSN 7530-02-000-9053

SENDER: COMPLETE THIS SECTION

Complete items 1, 2, and 3.

Print your name and address on the reverse so that we can return the card to you.

Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Marathon Oil Permian LLC
 5555 San Felipe St.
 Houston, TX 77056

2. Article Number (Transfer from service label)

9590 9402 3164 7166 2849 43

7017 1450 0002 1697 3409

PS Form 3811, July 2015 PSN 7530-02-000-9053

COMPLETE THIS SECTION ON DELIVERY

A. Signature Chuck King ☒ Agent ☐ Addressee

B. Received by (Printed Name) Chuck King ☐ Agent ☐ Addressee

C. Date of Delivery 11/3/17

D. Is delivery address different from item 1? ☐ Yes ☐ No

If YES, enter delivery address below:

3. Service Type

☐ Adult Signature	☐ Priority Mail Express®
☐ Adult Signature Restricted Delivery	☐ Registered Mail™
☐ Certified Mail®	☐ Registered Mail Restricted Delivery
☐ Certified Mail Restricted Delivery	☐ Return Receipt for Merchandise
☐ Collect on Delivery	☐ Signature Confirmation™
☐ Collect on Delivery Restricted Delivery	☐ Signature Confirmation Restricted Delivery
☐ Mail Restricted Delivery	

Domestic Return Receipt

COMPLETE THIS SECTION ON DELIVERY

A. Signature Charles Cancey ☒ Agent ☐ Addressee

B. Received by (Printed Name) Charles Cancey ☐ Agent ☐ Addressee

C. Date of Delivery 11-13-17

D. Is delivery address different from item 1? ☐ Yes ☐ No

If YES, enter delivery address below:

3. Service Type

☐ Adult Signature	☐ Priority Mail Express®
☐ Adult Signature Restricted Delivery	☐ Registered Mail™
☐ Certified Mail®	☐ Registered Mail Restricted Delivery
☐ Certified Mail Restricted Delivery	☐ Return Receipt for Merchandise
☐ Collect on Delivery	☐ Signature Confirmation™
☐ Collect on Delivery Restricted Delivery	☐ Signature Confirmation Restricted Delivery
☐ Mail Restricted Delivery	

Domestic Return Receipt

November 15, 2017

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

The State of New Mexico through its Oil Conservation Division hereby gives notice pursuant to law and the Rules and Regulations of the Division of the following public hearing to be held at 8:15 A.M. on November 30, 2017, in the Oil Conservation Division Hearing Room at 1220 South St. Francis, Santa Fe, New Mexico, before an examiner duly appointed for the hearing. If you are an individual with a disability who is in need of a reader, amplifier, qualified sign language interpreter, or any other form of auxiliary aid or service to attend or participate in the hearing, please contact Florene Davidson at 505-476-3458 or through the New Mexico Relay Network, 1-800-659-1779 by November 20, 2017. Public documents, including the agenda and minutes, can be provided in various accessible forms. Please contact Florene Davidson if a summary or other type of accessible form is needed.

**STATE OF
NEW MEXICO TO:**

All named parties and persons having any right, title, interest or claim in the following cases and notice to the public.

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

To: All offset owners and pooled parties, including: Marathon Oil Permian LLC; Yosemite Creek Oil &

BEFORE THE OIL CONSERVATION DIVISION

Santa Fe, New Mexico

Exhibit No. 8

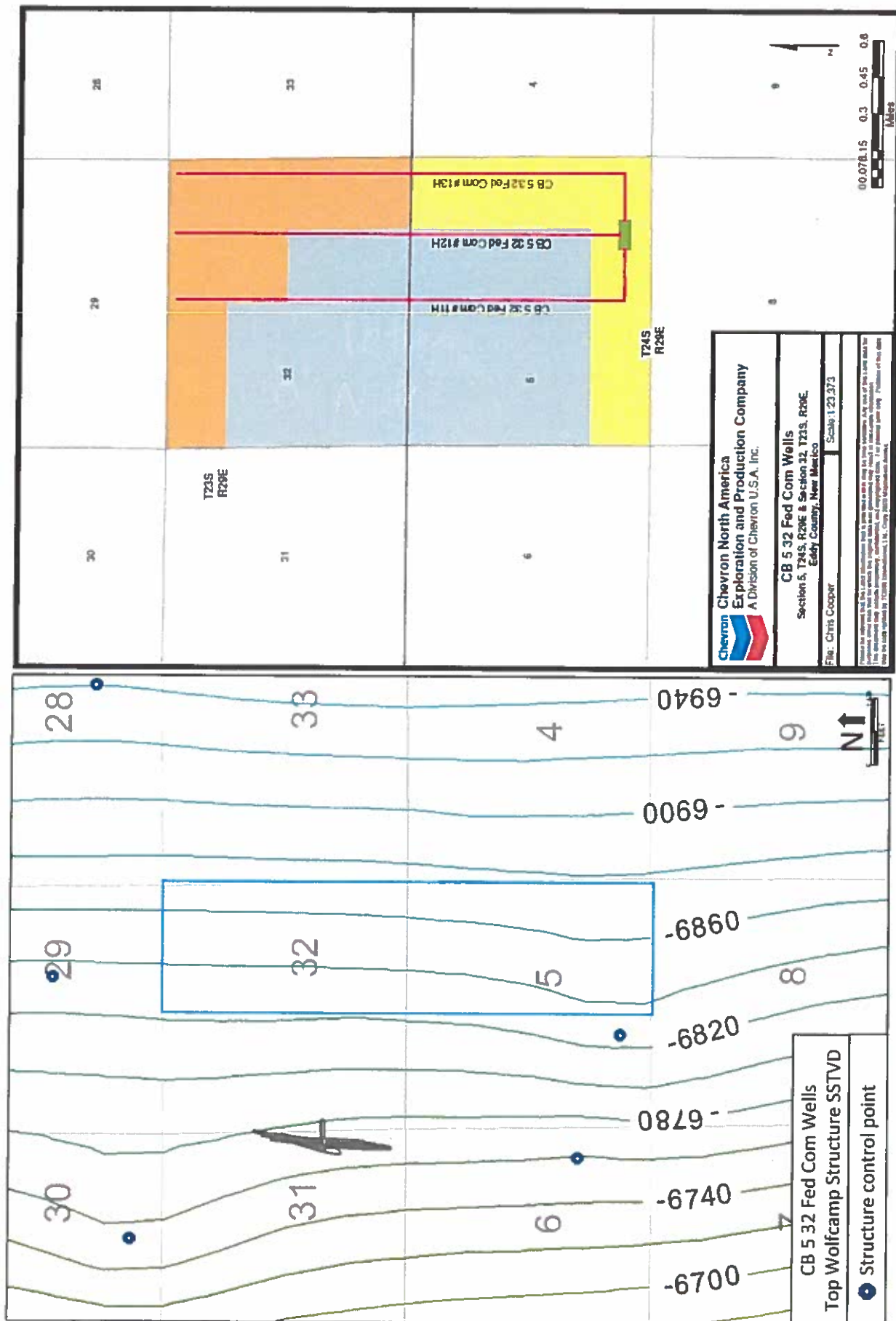
Submitted by: CHEVRON U.S.A. INC.

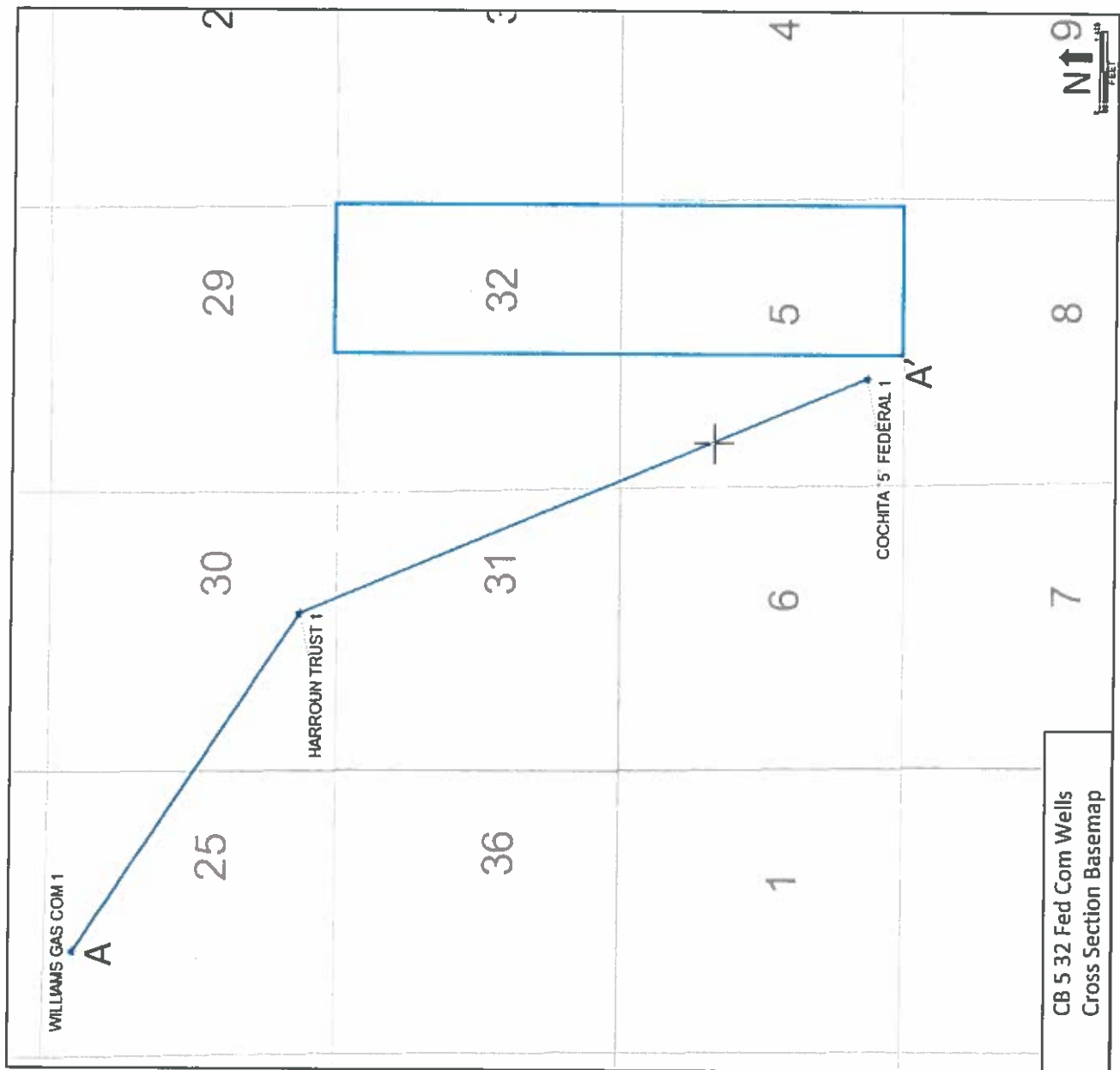
Hearing Date: November 30, 2017

Gas, LLC,
Featherstone Development Corporation;
Mizel Resources, a Trust.

Case No. 15895: Application of Chevron U.S.A. Inc. for a non-standard spacing and proration unit and compulsory pooling, Eddy County, New Mexico. Applicant in the above-styled cause seeks an order (1) creating a non-standard, 640-acre spacing and proration unit comprised of the E/2 of Section 5, Township 24 South, Range 29 East, and the E/2 of Section 32, Township 23 South, Range 29 East, N.M.P.M., Eddy County, New Mexico; and (2) pooling all mineral interests in the Wolfcamp formation underlying this acreage. Said non-standard unit is to be dedicated to applicant's three proposed wells: the CB SE 5 32 Fed Com #11H Well, the CB SE 5 32 Fed Com #12H Well, and the CB SE 5 32 Fed Com #13H Well, which will be simultaneously drilled and completed. The CB SE 5 32 Fed Com #11H Well and the CB SE 5 32 Fed Com #12H Well will be drilled from a surface location in the SW/4 SE/4 (Unit O) of Section 5 to a bottom hole location in NW/4 NE/4 (Unit B) of Section 32. The CB SE 5 32 Fed Com #13H Well will be drilled from a surface location in the SE/4 SE/4 (Unit P) of Section 5 to a bottom hole location in the NE/4 NE/4 of Section 32. The completed interval for each well will be at a standard 330 foot offset pursuant to the Special Rules for the Purple Sage Wolfcamp Gas Pool (Pool Code 98220). Also to be considered will be the cost of drilling and completing said wells and the allocation of the cost thereof as

well as actual operating costs and charges for supervision, designation of Chevron U.S.A. Inc. as operator of the wells and a 200% charge for risk involved in drilling said well. Said area is located approximately 5 miles northeast of Malaga, New Mexico.





CB 5 32 Fed Com Wells - Cross Section

