

**BEFORE THE OIL CONSERVATION DIVISION
EXAMINER HEARING MAY 17, 2018**

CASE NO. 16152

*CB SO 15 22 004 1H WELL,
THE CB SO 15 22 004 2H WELL,
AND THE CB SO 15 22 004 3H WELL*

LEA 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 (505) 748-1283 Fax (505) 748-0720
District III
1000 Rio Brazos Road, Aztec, NM 87410
Phone (505) 334-6178 Fax (505) 334 6170
District IV
1220 S St Francis Dr, Santa Fe, NM 87505
Phone (505) 476-3460 Fax (505) 476-3462

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

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

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number		² Pool Code 98220		³ Pool Name PURPLE SAGE; WOLFCAMP (GAS)	
⁴ Property Code		⁵ Property Name CB SO 15 22 004			⁶ Well Number 1H
⁷ GRID No. 4323		⁸ Operator Name CHEVRON U.S.A. INC.			⁹ Elevation 3006'

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
D	15	23 SOUTH	28 EAST, N.M.P.M.		336'	NORTH	779'	WEST	EDDY

¹¹ Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
M	22	23 SOUTH	28 EAST, N.M.P.M.		280'	SOUTH	330'	WEST	EDDY

¹² Dedicated Acres	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.

<p>16</p> <p>CB SO 15 22 004 NO. 1H WELL</p> <p>X= 577,987 NAD 27 Y= 477,174 LAT. 32.311616 LONG. 104.080901</p> <p>X= 619,170 NAD83 Y= 477,234 LAT. 32.311737 LONG. 104.081395</p> <p>ELEVATION +3006' NAVD 88</p>		<p>17 OPERATOR CERTIFICATION</p> <p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</p> <p><i>[Signature]</i> 4/10/2018 Signature Date</p> <p>Laura Becerra Printed Name</p> <p>LBecerra@Chevron.com E-mail Address</p>	
<p>PROPOSED FIRST TAKE POINT</p> <p>X= 577,538 NAD 27 Y= 477,172 LAT. 32.311614 LONG. 104.082356</p> <p>X= 618,720 NAD83 Y= 477,232 LAT. 32.311734 LONG. 104.082851</p>		<p>18 SURVEYOR CERTIFICATION</p> <p>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.</p> <p>3-15-2018 Date of Survey</p> <p><i>[Signature]</i> Signature and Seal of Professional Surveyor</p> <p>23006 Certificate Number</p>	
<p>PROPOSED MID POINT</p> <p>X= 577,563 NAD 27 Y= 472,187 LAT. 32.297909 LONG. 104.082312</p> <p>X= 618,746 NAD83 Y= 472,246 LAT. 32.298030 LONG. 104.082807</p>		<p>CORNER COORDINATES TABLE (NAD 27)</p> <p>A - Y=477496.90, X=577205.98 B - Y=477585.85, X=582543.98 C - Y=472181.86, X=577232.84 D - Y=472286.72, X=582546.90 E - Y=466658.95, X=577288.92 F - Y=467012.61, X=582560.30</p>	
<p>PROPOSED LAST TAKE POINT</p> <p>X= 577,615 NAD 27 Y= 467,199 LAT. 32.284196 LONG. 104.082180</p> <p>X= 618,798 NAD83 Y= 467,258 LAT. 32.284317 LONG. 104.082674</p>		<p>PROPOSED BOTTOM HOLE LOCATION</p> <p>X= 577,616 NAD 27 Y= 467,149 LAT. 32.284058 LONG. 104.082178</p> <p>X= 618,799 NAD83 Y= 467,208 LAT. 32.284179 LONG. 104.082673</p>	

BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. 1
Submitted by: Chevron NA Exp & Prod Co
Hearing Date: May 17, 2018

District I
1625 N French Dr., Hobbs, NM 88240
Phone: (575) 393-6161 Fax: (575) 393-0720
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☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number		² Pool Code 98220		³ Pool Name PURPLE SAGE; WOLFCAMP (GAS)	
⁴ Property Code		⁵ Property Name CB SO 15 22 004			⁶ Well Number 2H
⁷ OGRID No. 4323		⁸ Operator Name CHEVRON U.S.A. INC.			⁹ Elevation 3006'

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
D	15	23 SOUTH	28 EAST, N.M.P.M.		336'	NORTH	804'	WEST	EDDY

¹¹ Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
M	22	23 SOUTH	28 EAST, N.M.P.M.		280'	SOUTH	1255'	WEST	EDDY

¹² Dedicated Acres	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.

<p>16</p> <p>CB SO 15 22 004 NO 2H WELL</p> <p>X= 578,012 NAD 27 Y= 477,175 LAT. 32.311617 LONG. 104.080820</p> <p>X= 619,195 NAD83 Y= 477,234 LAT. 32.311738 LONG. 104.081315 ELEVATION +3006' NAVD 88</p> <p>PROPOSED FIRST TAKE POINT</p> <p>X= 578,463 NAD 27 Y= 477,188 LAT. 32.311650 LONG. 104.079362</p> <p>X= 619,645 NAD83 Y= 477,247 LAT. 32.311771 LONG. 104.079857</p> <p>PROPOSED MID POINT</p> <p>X= 578,488 NAD 27 Y= 472,202 LAT. 32.297944 LONG. 104.079318</p> <p>X= 619,671 NAD83 Y= 472,261 LAT. 32.298065 LONG. 104.079813</p> <p>PROPOSED LAST TAKE POINT</p> <p>X= 578,540 NAD 27 Y= 467,226 LAT. 32.284264 LONG. 104.079187</p> <p>X= 619,723 NAD83 Y= 467,285 LAT. 32.284385 LONG. 104.079681</p> <p>CORNER COORDINATES TABLE (NAD 27)</p> <p>A - Y=477496.90, X=577205.98 B - Y=477585.85, X=582543.98 C - Y=472181.86, X=577232.84 D - Y=472266.72, X=582546.80 E - Y=466858.95, X=577288.82 F - Y=467012.61, X=582560.30</p> <p>PROPOSED BOTTOM HOLE LOCATION</p> <p>X= 578,541 NAD 27 Y= 467,176 LAT. 32.284127 LONG. 104.079186</p> <p>X= 619,724 NAD83 Y= 467,235 LAT. 32.284247 LONG. 104.079680</p>	<p>17 OPERATOR CERTIFICATION</p> <p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</p> <p>4/10/2018 Date</p> <p>Signature Laura Becerra Printed Name LBecerra@Chevron.com E-mail Address</p> <p>18 SURVEYOR CERTIFICATION</p> <p>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.</p> <p>3-15-2018 Date of Survey</p> <p>Signature and Seal of Professional Surveyor: 23006 Certificate Number</p>
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BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. 2
Submitted by: Chevron NA Exp & Prod Co
Hearing Date: May 17, 2018

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WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number		² Pool Code 98220		³ Pool Name PURPLE SAGE; WOLFCAMP (GAS)	
⁴ Property Code		⁵ Property Name CB SO 15 22 004			⁶ Well Number 3H
⁷ GRID No. 4323		⁸ Operator Name CHEVRON U.S.A. INC.			⁹ Elevation 3007'

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
D	15	23 SOUTH	28 EAST, N.M.P.M.		335'	NORTH	829'	WEST	EDDY

¹¹ Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
N	22	23 SOUTH	28 EAST, N.M.P.M.		280'	SOUTH	2180'	WEST	EDDY

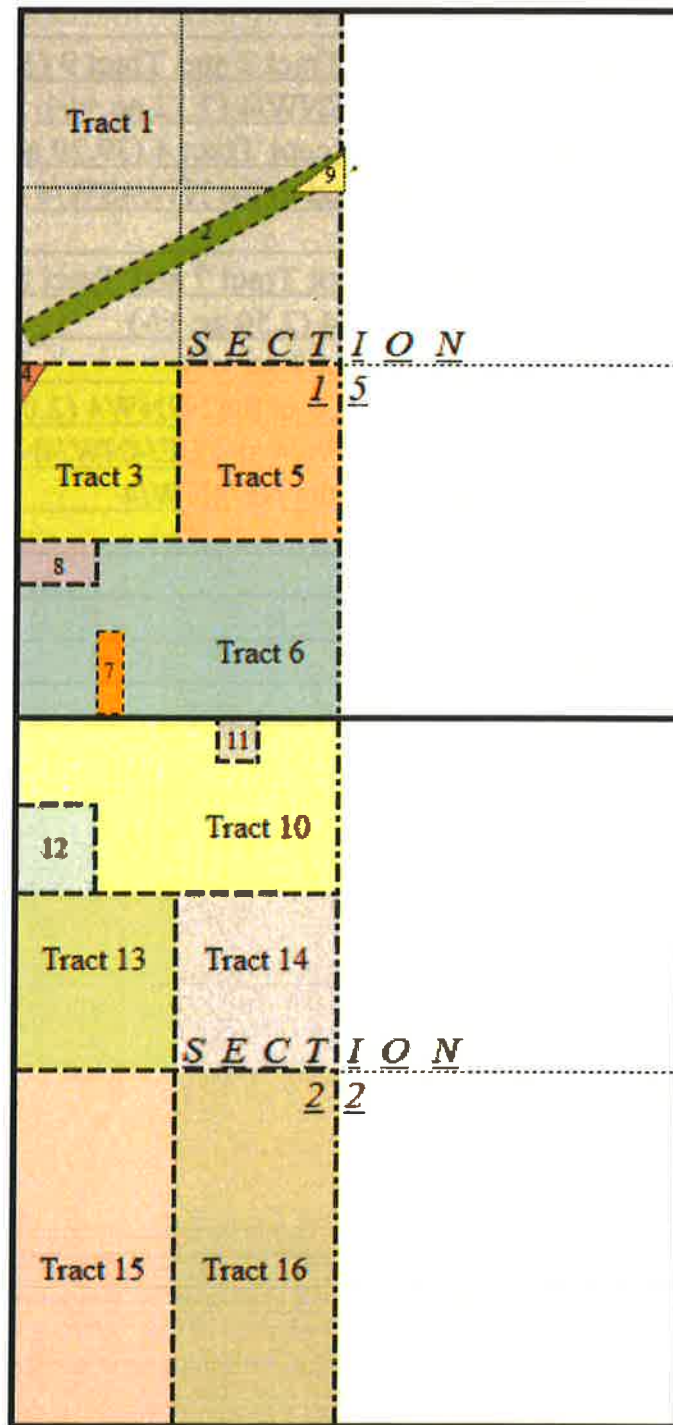
¹² Dedicated Acres 640	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
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No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.

<p>16</p> <p>CB SO 15 22 004 NO.3H WELL</p> <p>X= 578,037 NAD 27 Y= 477,175 LAT. 32.311618 LONG. 104.080739</p> <p>X= 619,220 NAD83 Y= 477,235 LAT. 32.311739 LONG. 104.081234</p> <p>ELEVATION +3007' NAVD 88</p>		<p>17 OPERATOR CERTIFICATION</p> <p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</p> <p>Signature _____ Date 4/10/2018</p> <p>Laura Becerra Printed Name</p> <p>LBecerra@Chevron.com E-mail Address</p>	
<p>PROPOSED FIRST TAKE POINT</p> <p>X= 579,387 NAD 27 Y= 477,203 LAT. 32.311686 LONG. 104.076368</p> <p>X= 620,570 NAD83 Y= 477,263 LAT. 32.311807 LONG. 104.076863</p>		<p>18 SURVEYOR CERTIFICATION</p> <p>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.</p> <p>3-15-2018 Date of Survey</p> <p>Signature and Seal of Professional Surveyor ROBERT L. LASTRAPES 23006 4-9-2018 Certificate Number</p>	
<p>PROPOSED MID POINT</p> <p>X= 579,413 NAD 27 Y= 472,217 LAT. 32.297979 LONG. 104.076325</p> <p>X= 620,595 NAD83 Y= 472,276 LAT. 32.298099 LONG. 104.076820</p>		<p>CORNER COORDINATES TABLE (NAD 27)</p> <p>A - Y=477496.90, X=577205.98 B - Y=477585.85, X=582543.98 C - Y=472181.86, X=577232.84 D - Y=472266.72, X=582546.90 E - Y=468858.95, X=577288.92 F - Y=467012.61, X=582560.30</p>	
<p>PROPOSED LAST TAKE POINT</p> <p>X= 579,465 NAD 27 Y= 467,253 LAT. 32.284332 LONG. 104.076194</p> <p>X= 620,648 NAD83 Y= 467,312 LAT. 32.284453 LONG. 104.076689</p>		<p>PROPOSED BOTTOM HOLE LOCATION</p> <p>X= 579,465 NAD 27 Y= 467,203 LAT. 32.284195 LONG. 104.076193</p> <p>X= 620,648 NAD83 Y= 467,262 LAT. 32.284316 LONG. 104.076687</p>	

BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. 3
Submitted by: Chevron NA Exp & Prod Co
Hearing Date: May 17, 2018

CB SO 15 52 004 #1H, #2H, #3H
T23S-R28E – Section 15, W/2
T23S-R28E – Section 22, W/2
Eddy County, NM



CB SO 15 52 004 #1H, #2H, #3H
T23S-R28E – Section 15, W/2
T23S-R28E – Section 22, W/2
Eddy County, NM

LEGEND	
Tract 1	Section 15: NW/4, less and except Tract 2 and Tract 9 (150.85 ac +/-)
Tract 2	Section 15: A strip of land in the S/2NW/4 (7.12 ac +/-)
Tract 3	Section 15: NW/4SW/4, less and except Tract 4 (39.29 ac +/-)
Tract 4	Section 15: A triangular parcel of land in the NW/4SW/4 (.71 ac +/-)
Tract 5	Section 15: NE/4SW/4
Tract 6	Section 15: S/2SW/4, less and except Tract 7 and Tract 8. (72.50 ac +/-)
Tract 7	Section 15: W/2W/2SE/4SW/4SW/4 (2.50 ac +/-)
Tract 8	Section 15: N/2NW/4SW/4SW/4 (5.00 ac +/-)
Tract 9	Section 15: A triangular parcel of land in the N2NW4 (2.03 ac +/-)
Tract 10	Section 22: NE/4NW/4, N/2NW/4NW/4 and SE/4NW/4NW/4, less Tract 11
Tract 11	Section 22: A 4.2183 acre parcel in the NE/4NW/4
Tract 12	Section 22: SW/4NW/4NW/4
Tract 13	Section 22: SW/4NW/4
Tract 14	Section 22: SE/4NW/4
Tract 15	Section 22: W/2SW/4
Tract 16	Section 22: E/2SW/4

* Note: Tract lines are approximate

CB SO 15 52 004 #1H, #2H, #3H
T23S-R28E – Section 15, W/2
T23S-R28E – Section 22, W/2
Eddy County, NM

UNIT RECAPITULATION

Working Interest Party	Gross Working Interest	Comments
Chevron Midcontinent, LP	0.214838952	
Chevron U.S.A. Inc.	0.229216133	
Oxy USA Inc.*	0.141729577	Engaged in trade talks
Kathleen Phillips*	0.004080969	
Andrea Busby	0.004080969	
Nortex Corporation*	0.011125000	Signed AFE's, Awaiting JOA sig
RKC, Inc.*	0.006796875	
Devon Energy Production Company LP*	0.003171875	Engaged in trade talks
XTO Holdings, LLC*	0.115539727	Engaged in trade talks
Mewbourne Oil Company*	0.143310547	Engaged in trade talks
Occidental Permian Limited Partnership*	0.125000000	Engaged in trade talks
Edmund T. Anderson IV (Unleased Mineral Int. Owner) *	0.001109375	Recently Leased to 3 rd party
TOTAL	1.000000000	

****Interests seeking to Compulsory Pool***



Irvin Gutierrez
Land Representative

Chevron U.S.A. Inc.
1400 Smith Street
Houston, Texas 77002
Tel 713.372.4299
irvin.gutierrez@chevron.com

VIA CERTIFIED MAIL – RETURN RECEIPT REQUESTED

March 28, 2018

XTO Holdings, LLC
810 Houston St.
Fort Worth, TX 76102

**RE: Proposal To Drill
CB SO 15 22 004 #1H
CB SO 15 22 004 #2H
CB SO 15 22 004 #3H
Section 15, Township 23 South, Range 28 East and
Section 22, Township 23 South, Range 28 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 SO 15 22 004 #1H well (“Well #1”), CB SO 15 22 004 #2H well (“Well #2”), and CB SO 15 22 004 #3H well (“Well #3”) at a legal location in Section 15, Township 23 South, Range 28 East and Section 22, Township 23 South, Range 28 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: 330’ FNL, 730 FWL for Well #1, 330’ FNL, 755’ FWL for Well #2, and 330’ FNL, 780’ FWL for Well #3, all in Section 15, Township 23 South, Range 28 East. The intended bottom hole location are as follows: 280’ FSL, 330’ FWL for Well #1, 280’ FSL, 1,255’ FWL for Well #2, and 280’ FSL, 2,180’ FWL for Well #3, all in Section 22, Township 23 South, Range 28 East.

The wells are proposed to drill vertically to a depth of approximately 9,570’ and horizontally in a southern direction within the Wolfcamp A formation to the referenced bottom hole location. Total measured depth of the wells is proposed to be approximately 20,311’ 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. The AFEs represent an estimated cost and are subject to change once wells are drilled/completed and actual costs are incurred. Parties electing to participate are responsible for their proportionate share of actual costs.

Subsequent to this letter, a A.A.P.L. Form 610 – 1989 Model Form Operating Agreement will be sent

to all parties.

Chevron currently shows the following working interest in the proposed contract area. Please note that this interest is subject to change pending further title verification:

XTO Holdings 11.55390625%

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.

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,

Irvin Gutierrez
Land
Representative

Enclosures

Chevron U.S.A. Inc.			Appropriation Request		
SAP Code N/A	Well Type Development	Field Culebra Bluff	Block 15-T23S-R28E & 22-T23S-R2	Well Name CB SO 10 22 004 1H	
Lease Private	Objective Wolfcamp A	Date 10/31/2018	Estimated By TXJA	Duration (days) 32.82	
Est. Depth (ft MD) 20311	Drillship Patterson 257	Rig Rate (\$/day) 30,000	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	0.00	0.00
Cost Category	Code	Sub-code	Amount (\$)		
Company Drilling Equipment	0000	0000	0		
Rig Work	7440	0001	671,174		
Company Labor	6601	0100	205,095		
Contract Project Supervision	7000	0300	35,276		
Fuel Diesel	7129	0100	126,010		
Utilities / Potable Water	7129	0300	3,282		
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	189,021		
Well Service Equipment Rentals	7230	0200	197,872		
Transportation Services, Land & Marine	7340	0300	62,000		
Transportation Air	7340	0500	0		
Solid Waste Disposal	7420	0300	164,020		
Drilling Fluids	7440	0004	115,500		
Directional Survey & Services	7440	0006	0		
Drill-Pipe Rental & Bits	7440	0007	136,360		
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	16,858		
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	\$2,892,569	
Participation & Authorization			Share	Amount (\$)	
			0.00 %		
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 15-T23S-R28E & 22-T23S-R2	Well Name CB SO 10 22 004 1H	
Lease Private/Federal/State	Objective Wolfcamp A	Date 10/31/2018	Estimated By TXJA	Duration (days) 25.96	
Est. Depth (ft MD) 20353	Drillship Completions	Rig Rate (\$/day) 0	Business Unit MCBU	Joint Venture Yes	
Reason for Expenditure Drill/Complete			Coordinates	x (ft)	y (ft)
			Mud Line	0.00	0.00
			Bottom Hole	330.00	0.00
Cost Category	Code	Sub-code	Amount (\$)		
Company Labor	6601	0100	109,969		
Contract Project Supervision	7000	0300	73,313		
Fuel - Diesel/Motor Fuels	7129	0100	0		
Utilities - Other & Potable Water	7129	0300	0		
Chemicals and Treating Agents	7140	0100	161,026		
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	466,430		
Well Service Equipment Rentals	7230	0200	96,672		
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	14,320		
Drilling Fluids	7440	0004	1,070,836		
WCR - Directional Survey And Service Costs	7440	0006	0		
WCR - Drill String Rentals & Bits	7440	0007	40,000		
WCR - Coil Tubing	7440	0009	141,186		
Stim/Gravel Pack Service (Not Materials)	7440	0010	4,034,950		
WCR - Pumping Services	7440	0011	17,500		
WCR - Equipment Lost In Hole	7440	0013	0		
WCR - Perforating & Electric Line Services	7440	0014	409,478		
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	\$6883680	
Participation & Authorization			Share	Amount (\$)	
			0.00 %		
Approved (Print Name)		Approved (Signature)			
[Enter Footer]		Date			

Chevron U.S.A. Inc.			Appropriation Request	
SAP Code N/A	Well Type Development	Field Culebra Bluff	Block 15-T23S-R28E & 22-T23S-R28E	Well Name CB SO 15 22 004 1H
Lease Private	Objective Wolfcamp A	Date	Estimated By SYCA	Duration (days) 33.24
Est. Depth (ft MD)	Drillship	Rig Rate (\$/day)	Business Unit MCBU	Joint Venture Yes
Reason for Expenditure		Coordinates	x (ft)	y (ft)
Facilities		Mud Line		
		Bottom Hole		
Cost Category		Code	Sub-code	Amount (\$)
Wellpad, wellhead hookup, & flowlines				600,000
Total				600,000
Participation & Authorization		Share	Amount	
Edmund T. Anderson, IV		0.11%	\$ 665.63	
Chevron Midcontinent, LP		26.65%	\$ 159,908.84	
Chevron U.S.A., Inc.		21.01%	\$ 126,089.24	
Nortex Corporation		0.85%	\$ 5,118.75	
Bird 2000 Limited Partnership		0.32%	\$ 1,911.14	
Devon Energy Production Company, LP		0.58%	\$ 3,459.38	
Kathleen A. Phillips		0.49%	\$ 2,952.67	
Mewbourne Oil Company		14.21%	\$ 85,253.91	
Nancy Ruth Norris		0.49%	\$ 2,952.67	
Occidental Permian, Limited Partnership		6.25%	\$ 37,500.00	
Oxy USA, Inc.		16.39%	\$ 98,346.55	
Radler 2000 Limited Partnership		0.26%	\$ 1,584.32	
RKC, Inc.		0.68%	\$ 4,078.13	
Sylvite Corporation		0.14%	\$ 855.36	
XTO Holdings, LLC		11.55%	\$ 69,323.44	
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 15-T23S-R28E & 22-T23S-R28E	Well Name CB SO 15 22 004 2H
Lease Private	Objective Wolfcamp A	Date	Estimated By SYCA	Duration (days) 33.24
Est. Depth (ft MD)	Drillship	Rig Rate (\$/day)	Business Unit MCBU	Joint Venture Yes
Reason for Expenditure		Coordinates	x (ft)	y (ft)
Facilities		Mud Line		
		Bottom Hole		
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RKC, Inc.		0.68%	\$ 4,078.13	
Sylvite Corporation		0.14%	\$ 855.36	
XTO Holdings, LLC		11.55%	\$ 69,323.44	
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 15-T23S-R28E & 22-T23S-R28E	Well Name CB SO 15 22 004 3H
Lease Private	Objective Wolfcamp A	Date	Estimated By SYCA	Duration (days) 33.24
Est. Depth (ft MD)	Drillship	Rig Rate (\$/day)	Business Unit MCBU	Joint Venture Yes
Reason for Expenditure		Coordinates	x (ft)	y (ft)
Facilities		Mud Line		
		Bottom Hole		
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Wellpad, wellhead hookup, & flowlines				600,000
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Sylvite Corporation		0.14%	\$ 855.36	
XTO Holdings, LLC		11.55%	\$ 69,323.44	
Approved (Print Name)		Approved (Signature)		
Company Confidential		Date		

**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. 16152

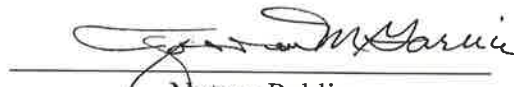
AFFIDAVIT

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

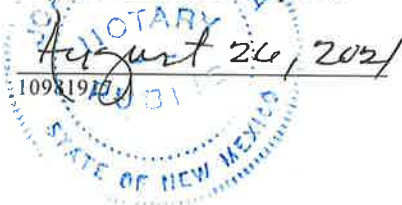
Adam G. Rankin, attorney in fact and authorized representative of Chevron U.S.A., Inc., the Applicant herein, being first duly sworn, upon oath, states that the above-referenced Applications have been provided under the notice letters and proof of receipts attached hereto.


Adam G. Rankin

SUBSCRIBED AND SWORN to before me this 16th day of May, 2018 by Adam G. Rankin.


Notary Public

My Commission Expires:





April 20, 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 SO 15 22 004 1H Well

CB SO 15 22 004 2H Well

CB SO 15 22 004 3H 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 May 17, 2018. 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 Irvin R. Gutierrez at (713) 372-4299 or irvin.gutierrez@chevron.com.

Sincerely,

Michael H. Feldewert
ATTORNEYS FOR CHEVRON U.S.A. INC.



April 20, 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 SO 15 22 004 1H Well

CB SO 15 22 004 2H Well

CB SO 15 22 004 3H 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 May 17, 2018. 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 Irvin R. Gutierrez at (713) 372-4299 or irvin.gutierrez@chevron.com.

Sincerely,

Michael H. Feldewert
ATTORNEYS FOR CHEVRON U.S.A. INC.



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Barcode	Recipient	Status	DL	Custom
9214 8901 9403 8305 6808 62	Andrea Ruth Brown	Delivered		
	296 Vermillion Marble Trl Buda TX 78610	Signature Received	No	
9214 8901 9403 8305 6808 55	Kathleen Phillips	Delivered		
	PO BOX 11313 Midland TX 79702	Signature Received	No	
9214 8901 9403 8305 6808 48	Edmund T Anderson IV	Delivered		
	2521 Humble Ave Suite 1020 Midland TX 79705	Signature Received	No	
9214 8901 9403 8305 6808 31	Sylvite Corporation			
	TR 3 Box 567 Broken Arrow OK 74012	In-Transit	No	

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Shipment Confirmation Acceptance Notice

A. Mailer Action

Note to Mailer: The labels and volume associated to this form online, **must** match the labeled packages being presented to the USPS® employee with this form.

Chevron U.S.A. - CB SO 15 22 004 1H 2H 3H Wells

CM# 79044.0002 20180420

PP List

Shipment Date: 04/20/2018

Shipped From:

Name: HOLLAND & HART LLP

Address: 110 N GUADALUPE ST # 1

City: SANTA FE

State: NM ZIP+4® 87501

Type of Mail	Volume
Priority Mail Express®*	
Priority Mail®	0
First-Class Package Service®	
Returns	
International*	
Other	4
Total	4

*Start time for products with service guarantees will begin when mail arrives at the local Post Office™ and items receive individual processing and acceptance scans.

B. USPS Action

Note to RSS Clerk:

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3. Scan or enter the barcode/label number from PS Form 5630
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5. Select Pay and End Visit to complete transaction

USPS EMPLOYEE: Please scan upon pickup or receipt of mail.
Leave form with customer or in customer's mail receptacle.

USPS SCAN AT ACCEPTANCE



9275 0901 1935 6200 0008 1165 97



Firm Mailing Book For Accountable Mail

Name and Address of Sender Holland & Hart LLP 110 N Guadalupe St # 1 Santa Fe NM 87501		Check type of mail or service <input type="checkbox"/> Adult Signature Required <input type="checkbox"/> Adult Signature Restricted Delivery <input checked="" type="checkbox"/> Certified Mail <input type="checkbox"/> Certified Mail Restricted Delivery <input type="checkbox"/> Collect on Delivery (COD) <input type="checkbox"/> Insured Mail <input type="checkbox"/> Priority Mail <input type="checkbox"/> Priority Mail Express <input type="checkbox"/> Registered Mail <input type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> Signature Confirmation <input type="checkbox"/> Signature Confirmation Restricted Delivery		Affix Stamp Here (if issued as an international certificate of mailing or for additional copies of this receipt). Postmark with Date of Receipt.														
USPS Tracking/Article Number		Addressee (Name, Street, City, State, & ZIP Code™)		Postage	(Extra Service) Fee	Handling Charge	Actual Value if Registered	Insured Value	Due Sender if COD	ASR Fee	ASRD Fee	RD Fee	RR Fee	SC Fee	SCRD Fee	SH Fee		
1. 9214 8901 9403 8305 6808 31		Sylvie Corporation TR 3 Box 567 Broken Arrow OK 74012		0.49	3.45	Handling Charge - if Registered and over \$50,000 in value							1.50					
2. 9214 8901 9403 8305 6808 48		Edmund T Anderson IV 2521 Humble Ave Suite 1020 Midland TX 79705		0.49	3.45								1.50					
3. 9214 8901 9403 8305 6808 55		Kathleen Phillips PO BOX 11313 Midland TX 79702		0.49	3.45								1.50					
4. 9214 8901 9403 8305 6808 62		Andrea Ruth Brown 296 Vermillion Marble Trl Buda TX 78610		0.49	3.45								Adult Signature Required	Adult Signature Restricted Delivery	Restricted Delivery	Return Receipt	Signature Confirmation	Signature Confirmation Restricted Delivery
Total Number of Pieces Listed by Sender 4		Total Number of Pieces Received at Post Office		Postmaster, Per (Name of receiving employee)														



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Holland & Hart LLP

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Barcode	Recipient	Status	DL	Custom
9214 8901 9403 8305 6811 35	Juanell Fort Estate Attn Raymond Fort 10609 Toledo Ave Lubbock TX 79424	Delivered Signature Received	No	
9214 8901 9403 8305 6811 28	Hayes Revocable Trust Michael and Kathryn Hayes co trustees 3608 Meadowridge Lane Midland TX 79707	Delivered Signature Received	No	
9214 8901 9403 8305 6811 11	Grambling & Mounce 100 N Stanton Ste 1000 El Paso TX 79901	Delivered Signature Received	No	
9214 8901 9403 8305 6811 04	Costilla Energy Inc PO BOX 10369 Midland TX 79702	Delivered Signature Received	No	
9214 8901 9403 8305 6810 98	BK Royalties LLC 10159 E 11th St #401 Tulsa OK 74128	Delivered Signature Received	No	
9214 8901 9403 8305 6810 81	BK Exploration Corporation 10159 E 11th St #401 Tulsa OK 74128	Delivered Signature Received	No	



100 items per page

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Shipment Confirmation Acceptance Notice

A. Mailer Action

Note to Mailer: The labels and volume associated to this form online, **must** match the labeled packages being presented to the USPS® employee with this form.

Chevron U.S.A. - CB SO 15 22 004 1H 2H 3H Wells
CM# 79044.0002 20180420
ORRI List

Shipment Date: 04/20/2018

Shipped From:

Name: HOLLAND & HART LLP

Address: 110 N GUADALUPE ST # 1

City: SANTA FE

State: NM ZIP+4® 87501

Type of Mail	Volume
Priority Mail Express®	
Priority Mail®	0
First-Class Package Service®	
Returns	
International*	
Other	6
Total	6

*Start time for products with service guarantees will begin when mail arrives at the local Post Office™ and items receive individual processing and acceptance scans.

B. USPS Action

Note to RSS Clerk:

1. Home screen > Mailing/Shipping > More
2. Select Shipment Confirm
3. Scan or enter the barcode/label number from PS Form 5630
4. Confirm the volume count message by selecting Yes or No
5. Select Pay and End Visit to complete transaction

USPS EMPLOYEE: Please scan upon pickup or receipt of mail.
Leave form with customer or in customer's mail receptacle.

USPS SCAN AT ACCEPTANCE



9275 0901 1935 6200 0008 1167 40



Firm Mailing Book For Accountable Mail

Name and Address of Sender		Check type of mail or service		Affix Stamp Here (if issued as an international certificate of mailing or for additional copies of this receipt). Postmark with Date of Receipt.										Firm Mailing Book For Accountable Mail									
		<input type="checkbox"/> Adult Signature Required <input type="checkbox"/> Adult Signature Restricted Delivery <input checked="" type="checkbox"/> Certified Mail <input type="checkbox"/> Certified Mail Restricted Delivery <input type="checkbox"/> Collect on Delivery (COD) <input type="checkbox"/> Insured Mail <input type="checkbox"/> Priority Mail		<input type="checkbox"/> Priority Mail Express <input type="checkbox"/> Registered Mail <input type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> Signature Confirmation <input type="checkbox"/> Signature Confirmation Restricted Delivery		Postage	(Extra Service) Fee	Handling Charge	Actual Value if Registered	Insured Value	Due Sender if COD	ASR Fee	ASRD Fee	RD Fee	RR Fee	SC Fee	SCRD Fee	SH Fee					
USPS Tracking/Article Number		Addressee (Name, Street, City, State, & ZIP Code™)																					
1.	9214 8901 9403 8305 6810 81	BK Exploration Corporation 10159 E 11th St #401 Tulsa OK 74128		0.49	3.45									1.50									
2.	9214 8901 9403 8305 6810 98	BK Royalties LLC 10159 E 11th St #401 Tulsa OK 74128		0.49	3.45									1.50									
3.	9214 8901 9403 8305 6811 04	Covellis Energy Inc PO BOX 10369 Midland TX 79702		0.49	3.45									1.50									
4.	9214 8901 9403 8305 6811 11	Grambling & Mounce 100 N Stanton Ste 1000 El Paso TX 79901		0.49	3.45									1.50									
5.	9214 8901 9403 8305 6811 28	Hayes Revocable Trust Michael and Kathryn Hayes co trustees 3608 Meadowridge Lane Midland TX 79707		0.49	3.45									1.50									
6.	9214 8901 9403 8305 6811 35	Juwell Fort Estate Attn Raymond For. 10609 Toledo Ave Lubbock TX 79424		0.49	3.45									1.50									
Total Number of Pieces Listed by Sender		Postmaster, Per (Name of receiving employee)																					
6																							

CARLSBAD CURRENT-ARGUS

AFFIDAVIT OF PUBLICATION

Ad No.
0001245138

HOLLAND & HART
PO BOX 2208


SANTA FE NM 87504

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

05/01/18


Legal Clerk

Subscribed and sworn before me this
1st of May 2018.


State of WI, County of Brown
NOTARY PUBLIC

9-19-21
My Commission Expires

Ad#:0001245138
P O : CB SO 15 22004
of Affidavits :0.00

BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. 9

Submitted by: Chevron NA Exp & Prod Co
Hearing Date: May 17, 2018

STATE OF NEW MEXICO
CO
ENERGY, MINERALS
AND NATURAL RE-
SOURCE DEPART-
MENT
OIL CONSERVATION
DIVISION
SANTA FE, NEW MEX
ICO

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 **May 17, 2018**, in the Oil Conservation Division Hearing Room at 1220 South St. Francis, Santa Fe, New Mexico, before an examiner duly appoint 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 **May 7, 2018**. 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 here refer to the New Mexico Principal Meridian whether or not so stated.)

To: All offset owners and pooled parties, including: BK Exploration Corporation; BK Royalties, LLC; Costilla Energy, Inc.; Grambling & Mounce nka Mounce, Green, Myers, Safi, Paxson & Galatzan; Hayes Revocable Trust and Michael D. Hayes and Kathryn A. Hayes, Co-Trustees; Juanell For Estate c/o Raymond F. Fort, her heirs and devisees; Sylvite Corporation; Edmund T. Anderson, IV, his heirs and devisees; Kathleen A. Phillips, her heirs and devisees; Nancy Ruth Norris, deceased, her daughter Adrea Ruth Brown inherited her interest, her heirs and devisees; Nortex Corporation; Bird 2000 Limited Partnership; Devon Energy Production Company, LP Mewbourne Oil Company; Occidental Permian, Limited Partnership; Oxy USA, Inc.; Radler 2000 Limited Partnership; RKC, Inc.; XTO Holdings, LLC.

**Case No. 16152:
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 W/2 of Section 15, Township 23 South, Range 28 East, and the W/2 of Section 22, Township 23 South, Range 28 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 SO 15 22 004 1H Well**, the proposed **CB SO 15 22 004 2H Well**, and the **CB SO 15 22 004 3H Well**, which will be simultaneously drilled and completed. The three proposed horizontal wells will be pad drilled from a surface location in the NW/4 SW/4 (Unit D) of Section 15 to a bottom hole locations in the SW/4 SW/4 (Unit M) of Section 22 for the **CB SO 15 22 004 1H Well** and the **CB SC 15 22 004 2H Well** and in the SE/4 SW/4 (Unit N) of Section 22 for the **CB SO 15 22 004 3H Well**. 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 2 miles east of Loving, New Mexico.

CARLSBAD CURRENT-ARGUS

AFFIDAVIT OF PUBLICATION

Ad No.
0001245146

HOLLAND & HART
PO BOX 2208


SANTA FE NM 87504

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

05/01/18

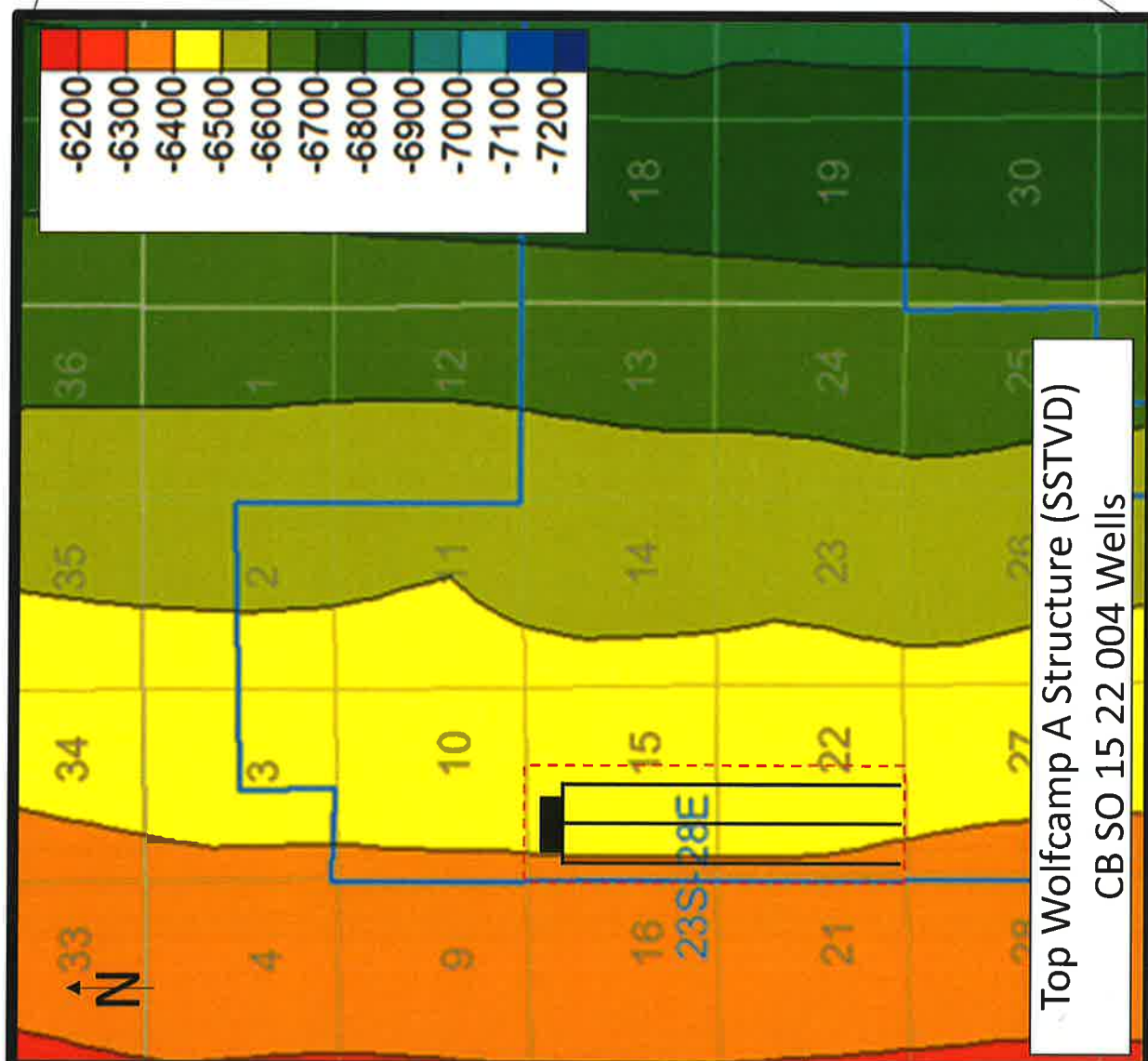
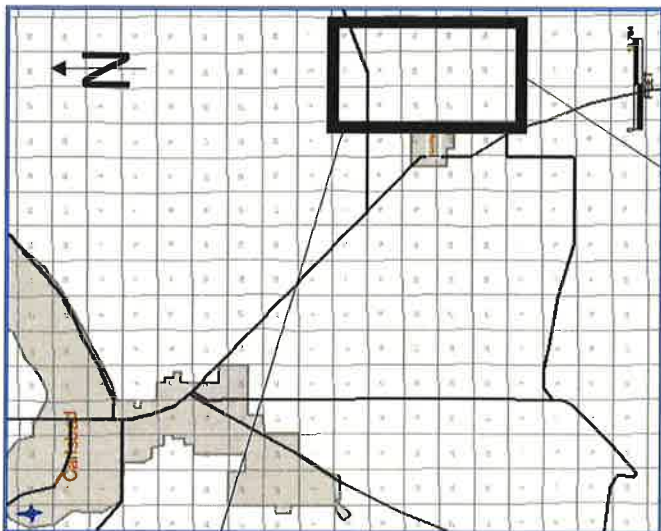

Legal Clerk

Subscribed and sworn before me this
1st of May 2018.


State of WI, County of Brown
NOTARY PUBLIC

9-19-21
My Commission Expires

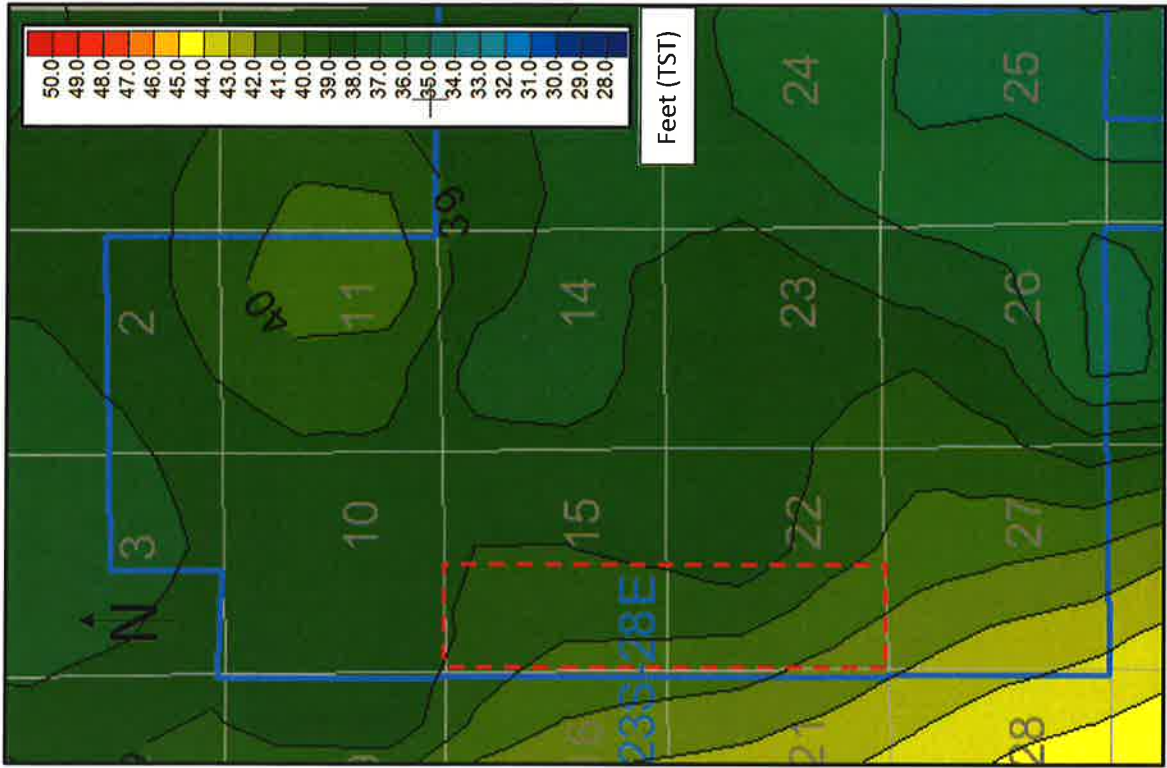




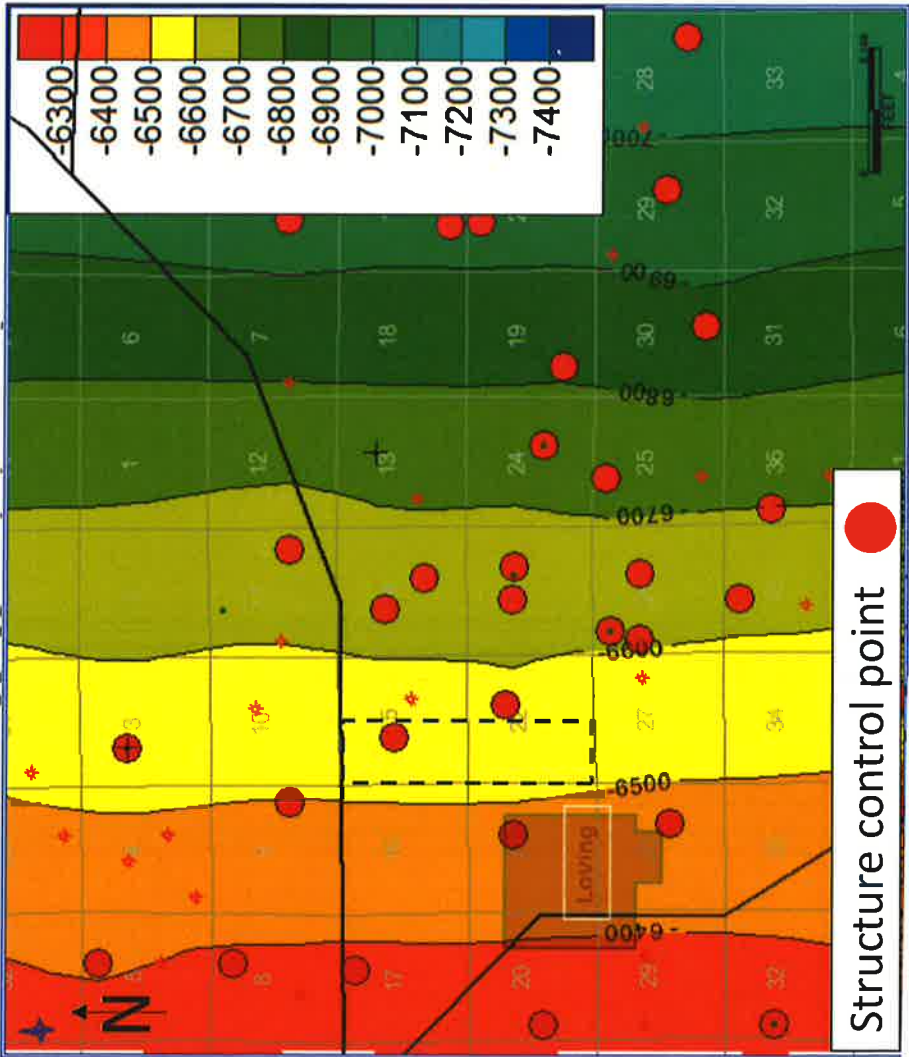
CB SO 15 22 004

Top Wolfcamp A Structure (SSTVD)
CB SO 15 22 004 Wells

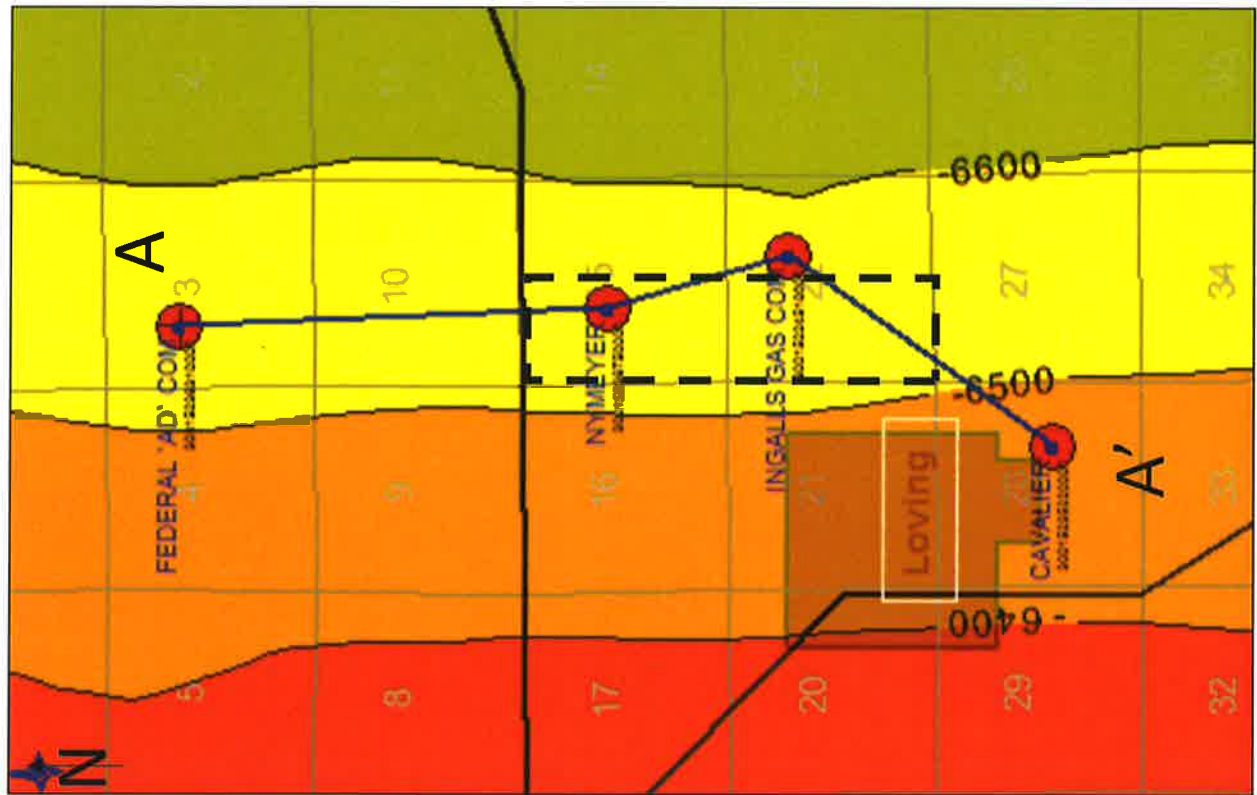
Wolfcamp Y-Sand Isopach



Top Wolfcamp Y-Sand Structure (SSTVD)



Cross Section Line & Wells



Top Wolfcamp Y-Sand Structure (SSTVD)

Top Wolfcamp Y-Sand Structure
(SSTVD)

Stratigraphic Cross Section

- Cross-section is flattened on the Wolfcamp Y-Sand interval top
- The target interval, Y-Sand, is defined by blue top/base markers
- Stratigraphic cross-section demonstrates the Y-sand target interval to be consistent in thickness across the proposed NSL area

