

**BEFORE THE OIL CONSERVATION DIVISION  
EXAMINER HEARING JULY 11, 2024**

**CASE NO. 24597**

*ZN 27 22 FED STATE COM #201H, #202H, &  
#203H WELLS*

**LEA COUNTY, NEW MEXICO**



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

**APPLICATION OF CHEVRON U.S.A. INC.  
TO EXTEND THE DRILLING DEADLINE UNDER  
ORDER NO. R-22778, LEA COUNTY, NEW MEXICO.**

**CASE NO. 24597  
ORDER NO. R-22778**

**TABLE OF CONTENTS**

- **Chevron Exhibit A:** Extension Application
- **Chevron Exhibit B:** Original Pooling Orders
- **Chevron Exhibit C:** Self-Affirmed Statement from Cori Mathews, Landman
  - **Chevron Exhibit C-1:** Update Pooling Exhibit
- **Chevron Exhibit D:** Self-Affirmed Statement of Notice
- **Chevron Exhibit E:** Affidavit of Publication

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

**APPLICATION OF CHEVRON U.S.A. INC.  
TO EXTEND THE DRILLING DEADLINE UNDER  
ORDER NO. R-22778, LEA COUNTY, NEW MEXICO.**

CASE NO. 24597  
ORDER NO. R-22778

**APPLICATION**

Chevron U.S.A. Inc. (“Chevron” or “Applicant”), through its undersigned attorneys, hereby files this application with the Oil Conservation Division to extend the drilling deadline under compulsory pooling Order No. R-22778 (“Order”). In support of its application, Chevron states:

1. Division Order No. R-22778, entered on July 10, 2023, in Case No. 23567, created a standard 640-acre, more or less, horizontal spacing unit comprised of the E/2 of Sections 22 and 27, Township 23 South, Range 34 East, NMPM, Lea County, New Mexico (the “Unit”), and designated Chevron as operator of the Unit.

2. Order No. R-22778 further pooled the uncommitted interests in the Bone Spring formation (WC-025 G-05 S233417N; Upper Bone Spring [98133]) in the Unit and dedicated the Unit to the proposed initial **ZN 27 22 Fed State Com #201H** (API No. 30-025-PENDING), **ZN 27 22 Fed State Com #202H** (API No. 30-025-PENDING), and the **ZN 27 22 Fed State Com #203H** (API No. 30-025-PENDING).

3. Applicant requests that Order No. R-22778 be re-opened and amended to allow Applicant additional time to commence drilling the wells under the Order.

4. There is good cause for Applicant’s request for an extension of time to drill.

BEFORE THE OIL CONSERVATION DIVISION  
Santa Fe, New Mexico  
Exhibit No. A  
Submitted by: Chevron U.S.A. Inc.  
Hearing Date: July 11, 2024  
Case No. 24597

5. Under the Order, Applicant would be required to commence drilling the wells by July 11, 2024, and therefore, asks for the deadline to commence drilling the wells be extended for a year, to July 11, 2025.

WHEREFORE, Applicant requests that this application be set for hearing before an Examiner of the Oil Conservation Division on July 11, 2024, and, after notice and hearing as required by law, the Division enter an order extending the time for Chevron to commence drilling the proposed initial wells under the Order.

Respectfully submitted,

HOLLAND & HART LLP

By:  \_\_\_\_\_

Michael H. Feldewert  
Adam G. Rankin  
Paula M. Vance  
Post Office Box 2208  
Santa Fe, NM 87504  
505-988-4421  
505-983-6043 Facsimile  
mfeldewert@hollandhart.com  
agrarkin@hollandhart.com  
pmvance@hollandhart.com

**ATTORNEYS FOR CHEVRON U.S.A. INC.**

CASE \_\_\_\_\_ : **Application of Chevron U.S.A. Inc. to Amend Order No. R-22778, Lea County, New Mexico.** Applicant in the above-styled cause seeks a year extension of time for drilling the wells under Order No. R-22778. The Unit is comprised of the E/2 of Sections 22 and 27, Township 23 South, Range 34 East, NMPM, Lea County, New Mexico. Order No. R-22778 pooled the uncommitted interests in the Upper Bone Spring formation and dedicated the Unit to the proposed initial **ZN 27 22 Fed State Com #201H** and **ZN 27 22 Fed State Com #202H**, both to be horizontally drilled from a surface location in the NE/4 NE/4 (Unit A) of Section 34, to a bottom hole location in the NW/4 NE/4 (Unit B) of Section 22; and the **ZN 27 22 Fed State Com #203H**, to be horizontally drilled from a surface location in the NE/4 NE/4 (Unit A) of Section 34, to a bottom hole location in the NE/4 NE/4 (Unit A) of Section 22. Said area is located 18.5 miles northwest of Jal, New Mexico.

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

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

**CASE NO. 23567  
ORDER NO. R-22778**

**ORDER**

The Director of the New Mexico Oil Conservation Division (“OCD”), having heard this matter through a Hearing Examiner on June 01, 2023, and after considering the testimony, evidence, and recommendation of the Hearing Examiner, issues the following Order.

**FINDINGS OF FACT**

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

**CONCLUSIONS OF LAW**

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

**BEFORE THE OIL CONSERVATION DIVISION  
Santa Fe, New Mexico  
Exhibit No. B  
Submitted by: Chevron U.S.A. Inc.  
Hearing Date: July 11, 2024  
Case No. 24597**

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

**ORDER**

15. The uncommitted interests in the Unit are pooled as set forth in Exhibit A.
16. The Unit shall be dedicated to the Well(s) set forth in Exhibit A.
17. Operator is designated as operator of the Unit and the Well(s).
18. If the location of a well will be unorthodox under the spacing rules in effect at the time of completion, Operator shall obtain the OCD's approval for a non-standard location in accordance with 19.15.16.15(C) NMAC.
19. If the Unit is a non-standard horizontal spacing unit which has not been approved under this Order, Operator shall obtain the OCD's approval for a non-standard horizontal spacing unit in accordance with 19.15.16.15(B)(5) NMAC.
20. The Operator shall commence drilling the Well(s) within one year after the date of this Order, and complete each Well no later than one (1) year after the commencement of drilling the Well.
21. This Order shall terminate automatically if Operator fails to comply with Paragraph 20 unless Operator obtains an extension by amending this Order for good cause shown.
22. The infill well requirements in 19.15.13.9 NMAC through 19.15.13.12 NMAC shall be applicable.
23. Operator shall submit each owner of an uncommitted working interest in the pool ("Pooled Working Interest") an itemized schedule of estimated costs to drill, complete, and equip the well ("Estimated Well Costs").
24. No later than thirty (30) days after Operator submits the Estimated Well Costs, the owner of a Pooled Working Interest shall elect whether to pay its share of the Estimated Well Costs or its share of the actual costs to drill, complete and equip the well ("Actual Well Costs") out of production from the well. An owner of a Pooled

CASE NO. 23567  
ORDER NO. R-22778

Page 2 of 7

Working Interest who elects to pay its share of the Estimated Well Costs shall render payment to Operator no later than thirty (30) days after the expiration of the election period, and shall be liable for operating costs, but not risk charges, for the well. An owner of a Pooled Working Interest who fails to pay its share of the Estimated Well Costs or who elects to pay its share of the Actual Well Costs out of production from the well shall be considered to be a "Non-Consenting Pooled Working Interest."

25. No later than one hundred eighty (180) days after Operator submits a Form C-105 for a well, Operator shall submit to each owner of a Pooled Working Interest an itemized schedule of the Actual Well Costs. The Actual Well Costs shall be considered to be the Reasonable Well Costs unless an owner of a Pooled Working Interest files a written objection no later than forty-five (45) days after receipt of the schedule. If an owner of a Pooled Working Interest files a timely written objection, OCD shall determine the Reasonable Well Costs after public notice and hearing.
26. No later than sixty (60) days after the expiration of the period to file a written objection to the Actual Well Costs or OCD's order determining the Reasonable Well Costs, whichever is later, each owner of a Pooled Working Interest who paid its share of the Estimated Well Costs shall pay to Operator its share of the Reasonable Well Costs that exceed the Estimated Well Costs, or Operator shall pay to each owner of a Pooled Working Interest who paid its share of the Estimated Well Costs its share of the Estimated Well Costs that exceed the Reasonable Well Costs.
27. The reasonable charges for supervision to drill and produce a well ("Supervision Charges") shall not exceed the rates specified in Exhibit A, provided however that the rates shall be adjusted annually pursuant to the COPAS form entitled "Accounting Procedure-Joint Operations."
28. No later than within ninety (90) days after Operator submits a Form C-105 for a well, Operator shall submit to each owner of a Pooled Working Interest an itemized schedule of the reasonable charges for operating and maintaining the well ("Operating Charges"), provided however that Operating Charges shall not include the Reasonable Well Costs or Supervision Charges. The Operating Charges shall be considered final unless an owner of a Pooled Working Interest files a written objection no later than forty-five (45) days after receipt of the schedule. If an owner of a Pooled Working Interest files a timely written objection, OCD shall determine the Operating Charges after public notice and hearing.
29. Operator may withhold the following costs and charges from the share of production due to each owner of a Pooled Working Interest who paid its share of the Estimated Well Costs: (a) the proportionate share of the Supervision Charges; and (b) the proportionate share of the Operating Charges.



30. Operator may withhold the following costs and charges from the share of production due to each owner of a Non-Consenting Pooled Working Interest: (a) the proportionate share of the Reasonable Well Costs; (b) the proportionate share of the Supervision and Operating Charges; and (c) the percentage of the Reasonable Well Costs specified as the charge for risk described in Exhibit A.
31. Operator shall distribute a proportionate share of the costs and charges withheld pursuant to paragraph 29 to each Pooled Working Interest that paid its share of the Estimated Well Costs.
32. Each year on the anniversary of this Order, and no later than ninety (90) days after each payout, Operator shall provide to each owner of a Non-Consenting Pooled Working Interest a schedule of the revenue attributable to a well and the Supervision and Operating Costs charged against that revenue.
33. Any cost or charge that is paid out of production shall be withheld only from the share due to an owner of a Pooled Working Interest. No cost or charge shall be withheld from the share due to an owner of a royalty interests. For the purpose of this Order, an unleased mineral interest shall consist of a seven-eighths (7/8) working interest and a one-eighth (1/8) royalty interest.
34. Except as provided above, Operator shall hold the revenue attributable to a well that is not disbursed for any reason for the account of the person(s) entitled to the revenue as provided in the Oil and Gas Proceeds Payment Act, NMSA 1978, Sections 70-10-1 *et seq.*, and relinquish such revenue as provided in the Uniform Unclaimed Property Act, NMSA 1978, Sections 7-8A-1 *et seq.*
35. The Unit shall terminate if (a) the owners of all Pooled Working Interests reach a voluntary agreement; or (b) the well(s) drilled on the Unit are plugged and abandoned in accordance with the applicable rules. Operator shall inform OCD no later than thirty (30) days after such occurrence.
36. OCD retains jurisdiction of this matter for the entry of such orders as may be deemed necessary.

**STATE OF NEW MEXICO  
OIL CONSERVATION DIVISION**



**DYLAN M FUGE**  
**DIRECTOR**  
DMF/hat

Date: 7/10/2023

CASE NO. 23567  
ORDER NO. R-22778

Page 4 of 7

Exhibit A

COMPULSORY POOLING APPLICATION CHECKLIST	
ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS	
Case: 23567	APPLICANT'S RESPONSE
Date	June 1, 2023
Applicant	Chevron U.S.A. Inc.
Designated Operator & OGRID (affiliation if applicable)	Chevron U.S.A. Inc. (OGRID No. 4323)
Applicant's Counsel:	Holland & Hart LLP
Case Title:	APPLICATION OF CHEVRON U.S.A. INC. FOR COMPULSORY POOLING, LEA COUNTY, NEW MEXICO.
Entries of Appearance/Intervenors:	N/A
Well Family	ZN 27 22
<b>Formation/Pool</b>	
Formation Name(s) or Vertical Extent:	Upper Bone Spring Pool
Primary Product (Oil or Gas):	Oil
Pooling this vertical extent:	N/A
Pool Name and Pool Code:	WC-025 G-05 S233417N; UP BONE SPRING (98133)
Well Location Setback Rules:	Statewide oil rules
<b>Spacing Unit</b>	
Type (Horizontal/Vertical)	Horizontal
Size (Acres)	640
Building Blocks:	40 acres
Orientation:	South-North
Description: TRS/County	E/2 of Sections 22 and 27, Township 23 South, Range 34 East, NMPM, Lea County, New Mexico
Standard Horizontal Well Spacing Unit (Y/N), If No, describe <u>and</u> is approval of non-standard unit requested in this application?	Yes
<b>Other Situations</b>	
Depth Severance: Y/N. If yes, description	N/A
Proximity Tracts: If yes, description	Yes
Proximity Defining Well: if yes, description	ZN 27 22 Fed State Com 202H is expected to remain within 330 feet of the adjoining quarter-quarter section (or equivalent) tracts to allow inclusion of these proximity tracts within the proposed horizontal spacing unit under 19.15.16.15.B(1)(b) NMAC.
Applicant's Ownership in Each Tract	A-3
<b>Well(s)</b>	
Name & API (if assigned), surface and bottom hole location, footages, completion target, orientation, completion status (standard or non-standard)	Add wells as needed

Released to Imaging: 5/30/2023 2:19:51 PM

CASE NO. 23567  
ORDER NO. R-22778


Well #1 <i>Received by OCD: 5/30/2023 2:12:43 PM</i>	<b><u>ZN 27 22 Fed State Com #201H well</u></b> SHL: 650' FNL, 1,307' FEL (Unit A) of Section 34 BHL: 25' FNL, 2,310' FEL (Unit B) of Section 22 Target: Bone Spring Orientation: South-North Completion: Non-Standard Location
Well #2	<b><u>ZN 27 22 Fed State Com #202H well</u></b> SHL: 650' FNL, 1,287' FEL (Unit A) of Section 34 BHL: 25' FNL, 1,430' FEL (Unit B) of Section 22 Target: Bone Spring Orientation: South-North Completion: Non-Standard Location; utilizing Proximity Tracts
Well #3	<b><u>ZN 27 22 Fed State Com #203H well</u></b> SHL: 650' FNL, 1,267' FEL (Unit A) of Section 34 BHL: 25' FNL, 550' FEL (Unit A) of Section 22 Target: Bone Spring Orientation: South-North Completion: Non-Standard Location
Horizontal Well First and Last Take Points	Exhibit A-2
Completion Target (Formation, TVD and MD)	Exhibit A-4
<b>AFE Capex and Operating Costs</b>	
Drilling Supervision/Month \$	\$8,000
Production Supervision/Month \$	\$800
Justification for Supervision Costs	Exhibit A
Requested Risk Charge	200%
<b>Notice of Hearing</b>	
Proposed Notice of Hearing	See Application
Proof of Mailed Notice of Hearing (20 days before hearing)	Exhibit C
Proof of Published Notice of Hearing (10 days before hearing)	Exhibit D
<b>Ownership Determination</b>	
Land Ownership Schematic of the Spacing Unit	Exhibit A-3
Tract List (including lease numbers and owners)	Exhibit A-3
If approval of Non-Standard Spacing Unit is requested, Tract List (including lease numbers and owners) of Tracts subject to notice requirements.	N/A
Pooled Parties (including ownership type)	Exhibit A-3
Unlocatable Parties to be Pooled	N/A
Ownership Depth Severance (including percentage above & below)	N/A
<b>Joinder</b>	
Sample Copy of Proposal Letter	Exhibit A-4
List of Interest Owners (ie Exhibit A of JOA)	Exhibit A-3

Page 4 of 4

*Released to Imaging: 5/30/2023 2:19:51 PM*

CASE NO. 23567  
ORDER NO. R-22778

Page 6 of 7

Chronology of Contact With Non-Joined Working Interests	Exhibit A-5	Received by OCD: 5/30/2023 2:12:43 PM	Page 5 of 4
Overhead Rates In Proposal Letter	Exhibit A-4		
Cost Estimate to Drill and Complete	Exhibit A-4		
Cost Estimate to Equip Well	Exhibit A-4		
Cost Estimate for Production Facilities	Exhibit A-4		
<b>Geology</b>			
Summary (including special considerations)	Exhibit B		
Spacing Unit Schematic	Exhibit B-2		
Gunbarrel/Lateral Trajectory Schematic	N/A		
Well Orientation (with rationale)	Exhibit B		
Target Formation	Exhibit B, B-4, B-5		
HSU Cross Section	Exhibit B-4, B-5		
Depth Severance Discussion	N/A		
<b>Forms, Figures and Tables</b>			
C-102	Exhibit A-2		
Tracts	Exhibit A-3		
Summary of Interests, Unit Recapitulation (Tracts)	Exhibit A-3		
General Location Map (including basin)	Exhibit B-2		
Well Bore Location Map	Exhibit B-2		
Structure Contour Map - Subsea Depth	Exhibit B-3		
Cross Section Location Map (including wells)	Exhibit B-4, B-5		
Cross Section (including Landing Zone)	Exhibit B-4, B-5		
<b>Additional Information</b>			
Special Provisions/Stipulations	N/A		
<b>CERTIFICATION: I hereby certify that the information provided in this checklist is complete and accurate.</b>			
Printed Name (Attorney or Party Representative):	Paula M. Vance		
Signed Name (Attorney or Party Representative):			
Date:			5/30/2023

Released to Imaging: 5/30/2023 2:19:51 PM

CASE NO. 23567  
ORDER NO. R-22778

Page 7 of 7

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

**APPLICATION OF CHEVRON U.S.A. INC.  
TO EXTEND THE DRILLING DEADLINE UNDER  
ORDER NO. R-22778, LEA COUNTY, NEW MEXICO.**

**CASE NO. 24597  
ORDER NO. R-22778**

**SELF-AFFIRMED STATEMENT OF CORIE MATHEWS**

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

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

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

4. On July 10, 2023, the Division issued Order R-22778 (“Pooling Order”) in Case No. 23567 pooling the uncommitted interests in the Bone Spring formation (WC-025 G-05 S233417N; Upper Bone Spring [98133]) underlying a standard 640-acre, more or less, horizontal spacing unit comprised of the E/2 of Sections 22 and 27, Township 23 South, Range 34 East, NMPM, Lea County, New Mexico. Chevron is the designated operator under the Pooling Order and the pooled spacing unit is initially dedicated to the proposed **ZN 27 22 Fed State Com #201H** (API No. 30-025-PENDING), **ZN 27 22 Fed State Com #202H** (API No. 30-025-PENDING), and the **ZN 27 22 Fed State Com #203H** (API No. 30-025-PENDING).

5. Chevron is eager to develop this acreage; however, Chevron conducted additional title to confirm the status of all interest owners involved. Having done so, Chevron intends to

promptly drill the initial wells under the order. Good cause therefore exists to extend the deadline to commence drilling under the order for a year, until July 11, 2025.

6. All of the working interest parties from the original Pooling Order are the same. Two of the overriding royalty interests changed; Pegasus Resources III, LLC and McMullen Minerals II, LP acquired Elliott Hall Company Limited Partnership and Elliott Industries' interest. **Chevron Exhibit C-1** is an updated copy of the pooling exhibit.

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

8. The granting of this application will prevent waste and protect correlative rights.

9. I affirm under penalty of perjury under the laws of the State of New Mexico that the foregoing statements are true and correct. I understand that this self-affirmed statement will be used as written testimony in this case. This statement is made on the date next to my signature below.

Corie Mathews

7/1/2024

Corie Mathews

Date

Ownership for ZN 27 22 FED COM STATE COM 201H, 202H and 203H  
 Unit By Tract "UPDATED"  
 E/2 of Sections 22 and 27, T23S-R34E  
 640 acres

TRGWI = Tract Gross Working Interest  
 UGWI = Unit Gross Working Interest  
 TRNRI = Tract Net Revenue Interest  
 URI = Unit Revenue Interest  
**Bold Italic and Asterisk = Party subject to compulsory pooling**

**NE/4 of Section 22, T23S-R34E**

Tract 1 - 160/640 = 25%

OWNER	TRGWI	UGWI	TRNRI	URI	TYPE
<i>State of New Mexico</i>	0.00000000	0.00000000	0.18750000	0.04687500	RI
Chevron U.S.A. Inc.	0.87500000	0.21875000	0.65625000	0.16406250	WI
<b><i>Tom M. Ragsdale*</i></b>	0.08437500	0.02109375	0.06328125	0.01582031	WI
Blanco Holdings I, Ltd.	0.02812500	0.00703125	0.02109375	0.00527344	WI
Lisa R. Barr	0.00468750	0.00117188	0.00351563	0.00087891	WI
180 Petroleum Inc.	0.00312500	0.00078125	0.00234375	0.00058594	WI
Royal Oak Oil & Gas, LLC	0.00312500	0.00078125	0.00234375	0.00058594	WI
<b><i>Michael L. Yates*</i></b>	0.00156250	0.00039063	0.00117188	0.00029297	WI
Chevron U.S.A. Inc.	0.00000000	0.00000000	0.06250000	0.01562500	ORRI
Total	1.00000000	0.25000000	1.00000000	0.25000000	

**SE/4 of Section 22, T23S-R34E**

Tract 2 - 160/640 = 25%

OWNER	TRGWI	UGWI	TRNRI	URI	TYPE
<i>United States of America</i>	0.00000000	0.00000000	0.12500000	0.03125000	RI
Chevron U.S.A. Inc.	1.00000000	0.25000000	0.78000000	0.19500000	WI
<b><i>GMT New Mexico Royalty Company LLC*</i></b>	0.00000000	0.00000000	0.09500000	0.02375000	ORRI
Total	1.00000000	0.25000000	1.00000000	0.25000000	

**E/2 of Section 27, T23S-R34E**

TRACT 3 - 320/640 = 50%

OWNER	TRGWI	UGWI	TRNRI	URI	TYPE
<i>United States of America</i>	0.00000000	0.00000000	0.12500000	0.06250000	RI
Chevron U.S.A. Inc.	1.00000000	0.50000000	0.82500000	0.41250000	WI
<b><i>McMullen Minerals II, LP (formerly Elliott-Hall Company Limited Partnership and Elliott Industries)*</i></b>	0.00000000	0.00000000	0.00400000	0.00200000	ORRI
<b><i>Pegasus Resources III, LLC (formerly Elliott-Hall Company Limited Partnership and Elliott Industries)*</i></b>	0.00000000	0.00000000	0.04600000	0.02300000	ORRI
Total	1.00000000	0.50000000	1.00000000	0.50000000	

Ownership for ZN 27 22 FED COM STATE COM 201H, 202H and 203H  
 Unit Summary "UPDATED"  
 E/2 of Sections 22 and 27, T23S-R34E  
 640 acres

WI = Working Interest  
 RI = Revenue Interest  
 Bold Italic and Asterisk = Party subject to compulsory pooling

OWNER	WI	NRI	TYPE
Chevron U.S.A. Inc.	0.96875000	0.77156250	WI
<b>Tom M. Ragsdale*</b>	0.02109375	0.01582031	WI
Blanco Holdings I, Ltd.	0.00703125	0.00527344	WI
Lisa R. Barr	0.00117188	0.00087891	WI
180 Petroleum Inc.	0.00078125	0.00058594	WI
Royal Oak Oil & Gas, LLC	0.00078125	0.00058594	WI
<b>Michael L. Yates*</b>	0.00039063	0.00029297	WI
Chevron U.S.A. Inc.	0.00000000	0.01562500	ORRI
<b>GMT New Mexico Royalty Company LLC*</b>	0.00000000	0.02375000	ORRI
<b>McMullen Minerals II, LP (formerly Elliott-Hall Company Limited Partnership and Elliott Industries)*</b>	0.00000000	0.00200000	ORRI
<b>Pegasus Resources III, LLC (formerly Elliott-Hall Company Limited Partnership and Elliott Industries)*</b>	0.00000000	0.02300000	ORRI
<b>TOTAL</b>	1.00000000	0.85937500	



**LIST OF PARTIES**

**UPDATED**

**Bold Italic and Asterisk = Party subject to compulsory pooling**

OWNER	TYPE
<b><i>Tom M. Ragsdale*</i></b>	WI
<b><i>Michael L. Yates*</i></b>	WI
<b><i>GMT New Mexico Royalty Company LLC*</i></b>	ORRI
<b><i>McMullen Minerals II, LP (formerly Elliott-Hall Company Limited Partnership and Elliott Industries)*</i></b>	ORRI
<b><i>Pegasus Resources III, LLC (formerly Elliott-Hall Company Limited Partnership and Elliott Industries)*</i></b>	ORRI
<b><i>Endeavor Energy Resources, L.P.*</i></b>	RECORD TITLE OWNER
<b><i>Oxy USA WTP LP*</i></b>	RECORD TITLE OWNER
<b><i>Centennial Resource Production, LLC*</i></b>	RECORD TITLE OWNER

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

**APPLICATION OF CHEVRON U.S.A. INC.  
TO EXTEND THE DRILLING DEADLINE UNDER  
ORDER NO. R-22778, LEA COUNTY, NEW MEXICO.**

**CASE NO. 24597  
ORDER NO. R-22778**

**SELF-AFFIRMED STATEMENT OF  
PAULA M. VANCE**

1. I am attorney in fact and authorized representative of Chevron U.S.A. Inc. (“Chevron”), the Applicant herein. I have personal knowledge of the matter addressed herein and am competent to provide this self-affirmed statement.

2. The above-referenced application and notice of the hearing on this application was sent by certified mail to the locatable affected parties on the date set forth in the letter attached hereto.

3. The spreadsheet attached hereto contains the names of the parties to whom notice was provided.

4. The spreadsheet attached hereto contains the information provided by the United States Postal Service on the status of the delivery of this notice as of July 1, 2024.

5. I caused a notice to be published to the parties subject to this compulsory pooling proceeding. The affidavit of publication from the publication’s legal clerk with a copy of the notices of publication is attached herein.

6. I affirm under penalty of perjury under the laws of the State of New Mexico that the foregoing statements are true and correct. I understand that this self-affirmed statement will be used as written testimony in this case. This statement is made on the date next to my signature below.

**BEFORE THE OIL CONSERVATION DIVISION  
Santa Fe, New Mexico  
Exhibit No. D  
Submitted by: Chevron U.S.A. Inc.  
Hearing Date: July 11, 2024  
Case No. 24597**



\_\_\_\_\_  
Paula M. Vance

7/3/2024

\_\_\_\_\_  
Date



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

June 21, 2024

**VIA CERTIFIED MAIL**  
**CERTIFIED RECEIPT REQUESTED**

**TO: ALL INTEREST OWNERS SUBJECT TO POOLING PROCEEDINGS**

**Re: Application of Chevron U.S.A. Inc. to Amend Order No. R-22778, Lea County, New Mexico: ZN 27 22 Fed State Com #201H, #202H, and #203H wells**

Ladies & Gentlemen:

This letter is to advise you that Chevron U.S.A. Inc. has filed the enclosed application with the New Mexico Oil Conservation Division. A hearing has been requested before a Division Examiner on July 11, 2024, and the status of the hearing can be monitored through the Division’s website at <http://www.emnrd.state.nm.us/ocd/>.

It is anticipated that hearings will be held in a hybrid format with both in-person and virtual participation options. The meeting will be held in the Pecos Hall Hearing Room at the Wendall Chino Building, 1st Floor, 1220 South St. Francis Dr., Santa Fe, New Mexico. To participate virtually in the hearing, see the instructions posted on the OCD Hearings website: <https://www.emnrd.nm.gov/ocd/hearing-info/>.

You are not required to attend this hearing, but as an owner of an interest that may be affected by this application, you may appear and present testimony. Failure to appear at that time and become a party of record will preclude you from challenging the matter at a later date. Parties appearing in cases are required to file a Pre-hearing Statement four business days in advance of a scheduled hearing that complies with the provisions of NMAC 19.15.4.13.B.

If you have any questions about this matter, please contact Corie Mathews at (713)-372-0402 or Corie.Mathews@chevron.com.

Sincerely,

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

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

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

Chevron - Zion Extensions - Case nos. 24597-24601  
Postal Delivery Report

9414811898765467251365	Blanco Holdings I, Ltd	PO Box 36530	Houston	TX	77236-6530	Your item has been delivered and is available at a PO Box at 8:57 am on June 25, 2024 in HOUSTON, TX 77074.
9414811898765467251327	Tom M. Ragsdale	8500 Cypresswood Dr Ste 104	Spring	TX	77379-7106	Your package will arrive later than expected, but is still on its way. It is currently in transit to the next facility.
9414811898765467251303	Lisa R. Barr	1885 Antioch Rd	Franklin	GA	30217-3673	Your item was delivered to an individual at the address at 4:39 pm on June 29, 2024 in FRANKLIN, GA 30217.
9414811898765467251396	180 Petroleum Inc.	PO Box 1797	Manchaca	TX	78652-1797	Your item was picked up at the post office at 1:21 pm on June 25, 2024 in MANCHACA, TX 78652.
9414811898765467251341	Royal Oak Oil & Gas, LLC	11510 Montmarte Blvd	Houston	TX	77082-2764	Your item was delivered to an individual at the address at 1:50 pm on June 28, 2024 in HOUSTON, TX 77082.
9414811898765467251334	Michael L. Yates	2317 Routh St Apt A	Dallas	TX	75201-2014	Your item was forwarded to a different address at 12:02 pm on June 24, 2024 in DALLAS, TX. This was because of forwarding instructions or because the address or ZIP Code on the label was incorrect.
9414811898765467251372	Endeavor Energy Resources, L.P.	110 N Marienfeld St Ste 200	Midland	TX	79701-4412	Your item was delivered to an individual at the address at 4:38 pm on June 24, 2024 in MIDLAND, TX 79701.
9414811898765467251051	Centennial Resource Production, LLC	1001 17th St Ste 1800	Denver	CO	80202-2058	Your item was delivered to an individual at the address at 4:09 pm on June 24, 2024 in DENVER, CO 80202.

Chevron - Zion Extensions - Case nos. 24597-24601  
Postal Delivery Report

9414811898765467251068	GMT New Mexico Royalty Company LLC	1560 Broadway Ste 2000	Denver	CO	80202-5138	Your item arrived at our USPS facility in COLORADO SPRINGS CO DISTRIBUTION CENTER on June 28, 2024 at 1:12 am. The item is currently in transit to the destination.
9414811898765467251020	Occidental Oil & Gas Corporation	5 Greenway Plz Ste 110	Houston	TX	77046-0521	Your item has been delivered to an agent for final delivery in HOUSTON, TX 77046 on June 25, 2024 at 11:56 am.
9414811898765467251006	Elliott-Hall Company Limited Partnership	PO Box 1231	Ogden	UT	84402-1231	This is a reminder to pick up your item before July 8, 2024 or your item will be returned on July 9, 2024. Please pick up the item at the OGDEN, UT 84402 Post Office.
9414811898765467251099	Elliott Industries	PO Box 1355	Roswell	NM	88202-1355	Your item departed our USPS facility in OKLAHOMA CITY OK DISTRIBUTION CENTER on June 29, 2024 at 7:32 am. The item is currently in transit to the destination.

# Affidavit of Publication

STATE OF NEW MEXICO  
COUNTY OF LEA

I, Wade Cavitt, Owner of the Hobbs News-Sun, a newspaper published at Hobbs, New Mexico, solemnly swear that the clipping attached hereto was published in the regular and entire issue of said newspaper, and not a supplement thereof for a period of 1 issue(s).

Beginning with the issue dated  
June 28, 2024  
and ending with the issue dated  
June 28, 2024.



Owner

Sworn and subscribed to before me this  
28th day of June 2024.



Business Manager

My commission expires

January 29, 2027

(Seal) STATE OF NEW MEXICO  
NOTARY PUBLIC  
GUSSIE RUTH BLACK  
COMMISSION # 1087526  
COMMISSION EXPIRES 01/29/2027

This newspaper is duly qualified to publish legal notices or advertisements within the meaning of Section 3, Chapter 167, Laws of 1937 and payment of fees for said publication has been made.

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

NOTICE IS HEREBY GIVEN that on Thursday, July 11, 2024, beginning at 8:30 a.m., the Oil Conservation Division ("OCD") of the New Mexico Energy, Minerals and Natural Resources Department will hold public hearings, pursuant to 19.5.4 NMAC for the purpose of considering new applications listed in this notice. All interested persons are invited to appear. The hearings will be held before a hearing examiner and will be conducted in a hybrid fashion, both in-person and via MS Teams virtual meeting platform. To attend:

**In-person:**

Energy, Minerals and Natural Resources Department  
Wendell Chino Building – Pecos Hall  
1220 South St. Francis Drive, 1st Floor  
Santa Fe, NM 87505

**Virtually:**

MS Teams Link: Click here to be connected to the MS Teams meeting.

**Telephone:**

Dial in by phone: (505) 312-4308  
Phone conference ID: 729 232 854#

If you choose to attend remotely, please mute yourself upon entry.

The docket may be viewed at <https://www.emnrd.nm.gov/ocd/hearing-info/> or obtained from Freya Tschantz, at [Freya.Tschantz@emnrd.nm.gov](mailto:Freya.Tschantz@emnrd.nm.gov).

Documents filed in these cases may be viewed at <https://ocdimage.emnrd.nm.gov/Imaging/Default.aspx>

Presenting parties are required to submit a pre-hearing statement no later than the Thursday before the hearing.

The pre-hearing statement shall include: 1) a list of disputed facts and issues; 2) identification of witnesses and their qualifications; and 3) all exhibits and written testimony a party intends to enter into evidence at the hearing and a full narrative for each.

If you are an individual with a disability who needs a reader, amplifier, qualified sign language interpreter, or other form of auxiliary aid or service to attend or participate in a hearing, contact [Freya.Tschantz@emnrd.nm.gov](mailto:Freya.Tschantz@emnrd.nm.gov), or the New Mexico Relay Network at 1-800-659-1779, no later than 10 days prior to the hearing.

**STATE OF NEW MEXICO TO:**  
All named parties and persons  
having any right, title, interest  
or claim in the following case  
and notice to the public.

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

**To: All affected interest owners, including: Blanco Holdings I, Ltd; Tom M. Ragsdale, his heirs and devisees; Lisa R. Barr, her heirs and devisees; 180 Petroleum Inc.; Royal Oak Oil & Gas, LLC; Michael L. Yates, his heirs and devisees; Endeavor Energy Resources, L.P.; Centennial Resource Production, LLC; GMT New Mexico Royalty Company LLC; Occidental Oil & Gas Corporation; Pegasus Resources III, LLC; and McMullen Minerals II, LP.**

**Case No. 24597: Application of Chevron U.S.A. Inc. to Amend Order No. R-22778, Lea County, New Mexico.** Applicant in the above-styled cause seeks a year extension of time for drilling the wells under Order No. R-22778. The Unit is comprised of the E/2 of Sections 22 and 27, Township 23 South, Range 34 East, NMPM, Lea County, New Mexico. Order No. R-22778 pooled the uncommitted interests in the Upper Bone Spring formation and dedicated the Unit to the proposed initial **ZN 27 22 Fed State Com #201H** and **ZN 27 22 Fed State Com #202H**, both to be horizontally drilled from a surface location in the NE/4 NE/4 (Unit A) of Section 34, to a bottom hole location in the NW/4 NE/4 (Unit B) of Section 22; and the **ZN 27 22 Fed State Com #203H**, to be horizontally drilled from a surface location in the NE/4 NE/4 (Unit A) of Section 34, to a bottom hole location in the NE/4 NE/4 (Unit A) of Section 22. Said area is located 18.5 miles northwest of Jal, New Mexico.  
**#00291678**

HOLLAND & HART LLC  
110 N GUADALUPE ST., STE. 1  
SANTA FE, NM 87501

**BEFORE THE OIL CONSERVATION DIVISION**  
Santa Fe, New Mexico  
Exhibit No. E  
Submitted by: Chevron U.S.A. Inc.  
Hearing Date: July 11, 2024  
Case No. 24597