

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

**APPLICATION OF CHEVRON U.S.A.
INC. FOR COMPULSORY POOLING,
LEA COUNTY, NEW MEXICO.**

CASE NO. 24492



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

**APPLICATION OF CHEVRON U.S.A.
INC. FOR COMPULSORY POOLING,
LEA COUNTY, NEW MEXICO.**

CASE NO. 24492

TABLE OF CONTENTS

Exhibit A: Compulsory Pooling Checklist

- Exhibit A.1: Application
- Exhibit A.2: Affidavit of Katie Halley Land Professional
- Exhibit A.3: C-102s
- Exhibit A.4: Lease Tract Map/Summary of Interests
- Exhibit A.5: Unit recapitulation
- Exhibit A.6: Sample well proposal letter and AFEs
- Exhibit A.7: Summary of Contacts

Exhibit B: Self-Affirmed Statement of Kimberle Davis, Geologist

- Exhibit B.1: Locator Map
- Exhibit B.2: First Bone Spring Structure Map and Cross-reference Well Locator
- Exhibit B.3: First Bone Spring Stratigraphic Cross Section
- Exhibit B.4: Gun Barrel Diagram
- Exhibit B.5: First Bone Spring Gross Isopach
- Exhibit B.6: Second Bone Spring Structure Map and Cross-reference Well Locator
- Exhibit B.7: Second Bone Spring Stratigraphic Cross Section
- Exhibit B.8: Second Bone Spring Gross Isopach

Exhibit C: Self-Affirmed Statement of Deana Bennett

- Exhibit C.1: Sample Notice Letter
- Exhibit C.2: Mailing List of Parties
- Exhibit C.3: Certified Mailing Tracking List
- Exhibit C.4: Affidavit of Publication for May 24, 2024

COMPULSORY POOLING APPLICATION CHECKLIST

ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS

Case: 24492	APPLICANT'S RESPONSE
Date: June 6, 2024	
Applicant	Chevron U.S.A. Inc.
Designated Operator & OGRID (affiliation if applicable)	Chevron U.S.A. Inc. (4323)
Applicant's Counsel:	Modrall Sperling
Case Title:	APPLICATION OF CHEVRON U.S.A. INC. FOR COMPULSORY POOLING, LEA COUNTY, NEW MEXICO
Entries of Appearance/Intervenors:	ConocoPhillips/Mewbourne/Kaiser Francis
Well Family	SD 15 22 Federal Com P404
Formation/Pool	
Formation Name(s) or Vertical Extent:	First Bone Spring to the top of the depth severance, i.e., 11,667 feet.
Primary Product (Oil or Gas):	Oil
Pooling this vertical extent:	The top of the First Bone Spring formation (being the stratigraphic equivalent of 9,590 feet) to the top of the Wolfcamp Formation, as such formations are described on the Gamma Ray Neutron/Density log for the Maelstrom SWD 001 well at API# 30-025-45127, less and except the interval located between 11,667 feet to 12,356 feet, again as described on the Gamma Ray Neutron/Density log for the Maelstrom SWD 001 well at API# 30-025-45127.
Pool Name and Pool Code (Only if NSP is requested):	NA
Well Location Setback Rules (Only if NSP is Requested):	NA
Spacing Unit	
Type (Horizontal/Vertical)	Horizontal
Size (Acres)	640
Building Blocks:	40
Orientation:	North-South
Description: TRS/County	E/2 of Sections 15 and 22, Township 26 South, Range 32 East, N.M.P.M., Lea County, New Mexico
Standard Horizontal Well Spacing Unit (Y/N), If No, describe and is approval of non-standard unit requested in this application?	Standard Spacing Unit
Other Situations	
Depth Severance: Y/N. If yes, description	Y: There is a depth severance below the Second Bone Spring. See Exhibit A.2, Paragraph 18.
Proximity Tracts: If yes, description	The completed interval for the SD 15 22 Federal Com P404 405H well is expected to be approximately 1430' from the East line, which is less than 330' feet from the E/2E/2 tracts.
Proximity Defining Well: if yes, description	SD 15 22 Federal Com P404 405H
Applicant's Ownership in Each Tract	See Exhibit A.4/A.5
Well(s)	

Exhibit A (revised)

Name & API (if assigned), surface and bottom hole location, footages, completion target, orientation, completion status (standard or non-standard)	Add wells as needed
Well #1: SD 15 22 Federal Com P404 303H (API Pending)	SHL: 377' FNL & 1795' FEL, Section 15, T-26-S R-32-E FTP: 100' FNL & 1650' FEL, Section 15, T-26-S R-32-E LTP: 100' FSL & 1650' FEL, Section 22, T-26-S R-32-E Orientation: North/South Completion Target: Bone Spring Completion Status: Standard
Well #2: SD 15 22 Federal Com P404 304H (API Pending)	SHL: 377' FNL & 1735' FEL, Section 15, T-26-S R-32-E FTP: 100' FNL & 330' FEL, Section 15, T-26-S R-32-E LTP: 100' FSL & 330' FEL, Section 22, T-26-S R-32-E Orientation: North/South Completion Target: Bone Spring Completion Status: Standard
Well #3: SD 15 22 Federal Com P404 404 (API Pending)	SHL: 377' FNL & 1815' FEL, Section 15, T-26-S R-32-E FTP: 100' FNL & 2310' FEL, Section 15, T-26-S R-32-E LTP: 100' FSL & 2310' FEL, Section 22, T-26-S R-32-E Orientation: North/South Completion Target: Bone Spring Completion Status: Standard
Well #3: SD 15 22 Federal Com P404 405H (API Pending)	SHL: 377' FNL & 1775' FEL, Section 15, T-26-S R-32-E FTP: 100' FNL & 1430' FEL, Section 15, T-26-S R-32-E LTP: 100' FSL & 1430' FEL, Section 22, T-26-S R-32-E Orientation: North/South Completion Target: Bone Spring Completion Status: Standard
Well #3: SD 15 22 Federal Com P404 406H (API Pending)	SHL: 377' FNL & 1755' FEL, Section 15, T-26-S R-32-E FTP: 100' FNL & 550' FEL, Section 15, T-26-S R-32-E LTP: 100' FSL & 550' FEL, Section 22, T-26-S R-32-E Orientation: North/South Completion Target: Bone Spring Completion Status: Standard
Horizontal Well First and Last Take Points	See C-102s--Exhibit A.3
Completion Target (Formation, TVD and MD)	See Proposal Letter and AFEs--Exhibit A.6.
AFE Capex and Operating Costs	
Drilling Supervision/Month \$	\$14,380
Production Supervision/Month \$	\$1,320
Justification for Supervision Costs	Exhibit A.2, Paragraph 25
Requested Risk Charge	200%
Notice of Hearing	
Proposed Notice of Hearing	Exhibit A.1
Proof of Mailed Notice of Hearing (20 days before hearing)	Exhibit C.2 & C.3

Proof of Published Notice of Hearing (10 days before hearing)	Exhibit C.4
Ownership Determination	
Land Ownership Schematic of the Spacing Unit	Exhibit A.4
Tract List (including lease numbers and owners)	Exhibit A.4
If approval of Non-Standard Spacing Unit is requested, Tract List (including lease numbers and owners) of Tracts subject to	A.5
Pooled Parties (including ownership type)	A.5
Unlocatable Parties to be Pooled	N/A
Ownership Depth Severance (including percentage above & below)	See Exhibit A.2, Paragraph 18.
Joinder	
Sample Copy of Proposal Letter	Exhibit A.6
List of Interest Owners (ie Exhibit A of JOA)	Exhibit A.4/A.5
Chronology of Contact with Non-Joined Working Interests	Exhibit A.7
Overhead Rates In Proposal Letter	Exhibit A.6
Cost Estimate to Drill and Complete	Exhibit A.6
Cost Estimate to Equip Well	Exhibit A.6
Cost Estimate for Production Facilities	Exhibit A.6
Geology	
Summary (including special considerations)	Exhibit B
Spacing Unit Schematic	Exhibit B.4
Gunbarrel/Lateral Trajectory Schematic	Exhibit B.4
Well Orientation (with rationale)	Exhibit B, Paragraph 15
Target Formation	Exhibit B.2-B.8
HSU Cross Section	Exhibit B.3; Exhibit B.7
Depth Severance Discussion	See Exhibit A.2, Paragraph 18.
Forms, Figures and Tables	
C-102	Exhibit A-3
Tracts	Exhibit A.4/A.5
Summary of Interests, Unit Recapitulation (Tracts)	Exhibit A.4/A.5
General Location Map (including basin)	Exhibit B.1
Well Bore Location Map	Exhibit B.2;Exhibit B.6
Structure Contour Map - Subsea Depth	Exhibit B.2;Exhibit B.6
Cross Section Location Map (including wells)	Exhibit B.2;Exhibit B.6
Cross Section (including Landing Zone)	Exhibit B.3;Exhibit B.7
Additional Information	
Special Provisions/Stipulations	
CERTIFICATION: I hereby certify that the information provided in this checklist is complete and accurate.	
Printed Name (Attorney or Party Representative):	Deana M. Bennett
Signed Name (Attorney or Party Representative):	
Date:	6/6/2024

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

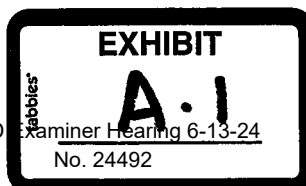
**APPLICATION OF CHEVRON U.S.A.
INC. FOR COMPULSORY POOLING,
LEA COUNTY, NEW MEXICO.**

CASE NO. 24492

APPLICATION

Chevron U.S.A. Inc. ("Chevron") (OGRID No. 4323), through its undersigned attorneys, hereby files this application with the Oil Conservation Division pursuant to the provisions of NMSA 1978, § 70-2-17, for an order pooling all uncommitted interests in the Bone Spring formation underlying a 640-acre, more or less, standard horizontal spacing unit comprised of the E/2 of Sections 15 and 22, Township 26 South, Range 32 East, N.M.P.M., Lea County, New Mexico. In support of this application, Chevron states:

1. Chevron is a working interest owner in the proposed horizontal spacing unit and has the right to drill thereon.
2. Chevron seeks to dedicate the E/2 of Sections 15 and 22, Township 26 South, Range 32 East, N.M.P.M., Lea County, New Mexico to form a 640-acre, more or less, Bone Spring horizontal spacing unit.
3. Chevron plans to drill the following proposed wells to a depth sufficient to test the Bone Spring formation:
 - **SD 15 22 Federal Com P404 303H; SD 15 22 Federal Com P404 404H; SD 15 22 Federal Com P404 405H wells** to be drilled from a surface location in NW/4 NE/4 of Section 15 (Unit B) to a bottom hole location in SW/4 SE/4 of Section 22 (Unit O); and
 - **SD 15 22 Federal Com P404 304H and SD 15 22 Federal Com P404 406H wells** to be drilled from a surface location in NW/4 NE/4 of Section 15 (Unit B) to a bottom hole location in SE/4SE/4 of Section 22 (Unit P).



OCD Examiner Hearing 6-13-24

No. 24492

4. The wells will be horizontally drilled, and the producing areas for the wells are expected to be orthodox.

5. The completed interval for the **SD 15 22 Federal Com P404 405H** well is expected to be less than 330 feet from the adjoining tracts, thereby allowing for the inclusion of the proximity tracts within the proposed spacing unit under Rule 19.15.16.15(B)(1)(b) NMAC.

6. Chevron sought, but has been unable to obtain, a voluntary agreement from all interest owners in the Bone Spring formation underlying the proposed spacing unit to participate in the drilling of the wells or to otherwise commit their interests to the wells.

7. The pooling of interests in the proposed horizontal well spacing unit will avoid the drilling of unnecessary wells, will prevent waste, and will protect correlative rights.

WHEREFORE, Chevron requests that this application be set for hearing before an Examiner of the Oil Conservation Division on June 13, 2024, and, after notice and hearing as required by law, the Division enter an order:

A. Pooling all uncommitted interests in the Bone Spring formation underlying a horizontal spacing unit comprised of the E/2 of Sections 15 and 22, Township 26 South, Range 32 East, N.M.P.M., Lea County, New Mexico;

B. Designating Chevron as the operator of the horizontal spacing unit and the wells to be drilled thereon;

C. Authorizing Chevron to recover its costs of drilling, equipping and completing the wells;

D. Approving actual operating charges and costs charged for supervision, together with a provision adjusting the rates pursuant to the COPAS accounting procedure; and

E. Imposing a 200% charge for the risk assumed by Chevron in drilling and completing the wells against any working interest owner who does not voluntarily participate in the drilling of wells.

Respectfully submitted,

MODRALL, SPERLING, ROEHL, HARRIS
& SISK, P.A.

By: /s/ Earl E. DeBrine, Jr.

Earl E. DeBrine, Jr.

Deana M. Bennett

Yarithza Peña

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Albuquerque, New Mexico 87103-2168

Telephone: 505.848.1800

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Attorneys for Chevron U.S.A. Inc.

CASE NO. 24492 : Application of Chevron U.S.A. Inc. for compulsory pooling, Lea County, New Mexico. Chevron U.S.A. Inc. seeks an order from the Division pooling all uncommitted mineral interest owners within a 640-acre Bone Spring horizontal spacing unit underlying the E/2 of Sections 15 and 22, Township 26 South, Range 32 East, N.M.P.M., Lea County, New Mexico. Chevron plans to drill the following proposed wells to a depth sufficient to test the Bone Spring formation: **SD 15 22 Federal Com P404 303H; SD 15 22 Federal Com P404 404H; SD 15 22 Federal Com P404 405H wells** to be drilled from a surface location in NW/4 NE/4 of Section 15 (Unit B) to a bottom hole location in SW/4 SE/4 of Section 22 (Unit O); and **SD 15 22 Federal Com P404 304H and SD 15 22 Federal Com P404 406H wells** to be drilled from a surface location in NW/4 NE/4 of Section 15 (Unit B) to a bottom hole location in SE/4SE/4 of Section 22 (Unit P). The completed interval for the SD 15 22 Federal Com P404 405H well is expected to be less than 330 feet from the adjoining tracts, thereby allowing for the inclusion of the proximity tracts within the proposed spacing unit. Also to be considered will be the cost of drilling and completing the 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, a 200% charge for the risk involved in drilling and completing the wells. Said area is located approximately 25 miles west of Jal, New Mexico.

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

APPLICATION OF CHEVRON U.S.A.
INC. FOR COMPULSORY POOLING,
LEA COUNTY, NEW MEXICO.

CASE NO. 24492

STATE OF TEXAS)
) ss.
COUNTY OF HARRIS)

AFFIDAVIT OF KATIE HALLEY

Katie Halley hereby states and declares as follows:

1. I am over the age of 18, I am a land professional for Chevron U.S.A. Inc., and I have personal knowledge of the matters stated herein.
2. I have previously testified before the Oil Conservation Division ("Division") and my credentials as an expert petroleum landman were accepted as a matter of record.
3. My area of responsibility at Chevron includes the area of Lea County in New Mexico.
4. I am familiar with the application Chevron filed in this case, which is included in the exhibit packet as Exhibit A-1.
5. I am familiar with the status of the lands that are subject to the application.
6. I submit the following information pursuant to NMAC 19.15.4.12.A(1) in support of the above referenced compulsory pooling application.
7. The purpose of the application is to force pool all uncommitted interests into the horizontal spacing unit described below, and in the wells to be drilled in the unit.



OCD Examined Hearing 6-15-24

No. 24492

8. No opposition is expected because the interest owners being pooled have been contacted regarding the proposed wells, but have failed or refused to voluntarily commit their interests in the wells.

9. In this case, Chevron seeks an order from the Division pooling all uncommitted interests in the Bone Spring formation underlying a 640-acre, more or less, standard horizontal spacing unit comprised of the E/2 of Sections 15 and 22, Township 26 South, Range 32 East, N.M.P.M., Lea County, New Mexico.

10. The spacing unit will be dedicated to the following wells:

- **SD 15 22 Federal Com P404 303H; SD 15 22 Federal Com P404 404H; SD 15 22 Federal Com P404 405H wells** to be drilled from a surface location in NW/4 NE/4 of Section 15 (Unit B) to a bottom hole location in SW/4 SE/4 of Section 22 (Unit O); and
- **SD 15 22 Federal Com P404 304H and SD 15 22 Federal Com P404 406H wells** to be drilled from a surface location in NW/4 NE/4 of Section 15 (Unit B) to a bottom hole location in SE/4SE/4 of Section 22 (Unit P).

11. The wells will be horizontally drilled, and the producing areas for the wells are expected to be orthodox.

12. Attached as **Exhibit A.3** are the proposed C-102s for the wells.

13. The C-102s identify the proposed surface hole location, the first take point, and the bottom hole location. The C-102s also identifies the pool and pool code.

14. The wells will develop the WC-025 G-08 S253235G;LOWER BONE SPRING pool, pool code 97903.

15. This pool is an oil pool with 40-acre building blocks.

16. This pool is governed by the state-wide horizontal well rules.

17. The completed interval for the **SD 15 22 Federal Com P404 405H** well is expected to be less than 330 feet from the adjoining tracts, thereby allowing for the inclusion of the proximity tracts within the proposed spacing unit.

18. There is a depth severance within the spacing unit below the Second Bone Spring, which was created by an assignment in which the assignor retained certain depths. It is described as the interval located between 11,667' to 12,356' as described on the Gamma Ray Neutron/Density log for the Maelstrom SWD 001 well at API# 30-025-45127. Chevron is seeking to pool from the top of the First Bone Spring (being the stratigraphic equivalent of 9,590 feet) as such formation is described on the Gamma Ray Neutron/Density log for the Maelstrom SWD 001 well at API# 30-025-45127 to the top of the depth severance. Chevron does not intend to drill or produce from the depths subject to the depth severance, being that portion of the Third Bone Spring and the Wolfcamp between 11,667' and 12,356'.

19. **Exhibit A.4** is a plat of tracts, including tract ownership and applicable lease numbers.

20. **Exhibit A.5** includes a unit recapitulation of the interest owners and percentage ownership, as well as a list of pooled parties.

21. I have conducted a diligent search of the public records in the county where the well is located, and conducted phone directory and computer searches to locate contact information for parties entitled to notification, and mailed the working interest owners well proposals, including the Authorizations for Expenditure (AFE's).

22. In my opinion, Chevron has made a good faith effort to obtain voluntary joinder of the uncommitted mineral interest owners in the proposed wells.

23. **Exhibit A.6** contains a sample well proposal letter and AFE's.

24. The estimated cost of the well set forth therein is fair and reasonable, and is comparable to the costs of other wells of similar depths and length drilled in this area of New Mexico.

25. Chevron requests overhead and administrative rates of \$14,380 month for drilling the well and \$1320 month for the producing well. These rates are fair, and comparable to the rates charged by other operators for wells of this type in this area of Southeastern, New Mexico. Chevron requests that these rates be adjusted periodically as provided in the COPAS Accounting Procedure.

26. Chevron requests the maximum cost plus 200% risk charge be assessed against non-consenting working interest owners.

27. **Exhibit A-7** contains a summary of my contacts with the working interest owners.

28. The parties Chevron is seeking to pool were notified of this hearing. Chevron seeks to pool overriding royalty interest owners, and they were also provided notice of this hearing.

29. In my opinion, the granting of this application is in the interests of conservation and the prevention of waste.

30. The attachments to this affidavit were prepared by me, or compiled from company business records, or were prepared at my direction.

[Signature page follows]

Pursuant to Rule 1-011 NMRA, I declare and affirm under penalty of perjury under the laws of the State of New Mexico that the foregoing statements are true and correct to the best of my knowledge and belief.

Dated: June 5, 2024



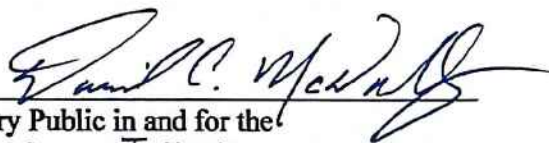
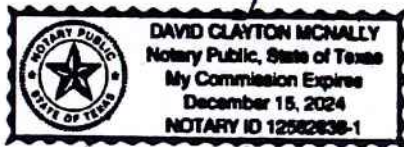
Katie Halley

State of Texas

County of Montgomery

This record was acknowledged before me on June 5th, 2024, by Katie Halley.

[Stamp]



Notary Public in and for the State of Texas
Commission Number: 12582838-1

My Commission Expires: 12/15/2024

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 **WC-025 G-08 S253235G;**

¹ API Number 30-025-52848	² Pool Code XXXXXX 97903	³ Pool Name LWR BONE SPRIN JENNINGS, UPPER BONE SPRING SHALE
⁴ Property Code 335847	⁵ Property Name SD 15 22 FED COM P404	
⁷ OGRID No. 4323	⁸ Operator Name CHEVRON U.S.A. INC.	⁶ Well Number 303H
		⁹ Elevation 3194'

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
B	15	26 SOUTH	32 EAST, N.M.P.M.		377'	NORTH	1795'	EAST	LEA

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
O	22	26 SOUTH	32 EAST, N.M.P.M.		25'	SOUTH	1650'	EAST	LEA

¹² Dedicated Acres 640	¹³ Joint or Infill 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.

¹⁶ SD 15 22 FED COM P404 303H WELL X= 708,785' Y= 382,252' LAT. 32.049133° N LONG. 103.659468° W NAD 27 X= 749,972' Y= 382,309' LAT. 32.049258° N LONG. 103.659939° W NAD83/2011	PROPOSED BOTTOM HOLE LOCATION X= 708,900' Y= 371,956' LAT. 32.020830° N LONG. 103.659046° W NAD 27 X= 750,168' Y= 372,013' LAT. 32.020955° N LONG. 103.659515° W NAD83/2011		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>Cindy Herrera-Murillo</u> Date: <u>09/20/2022</u>		
			PROPOSED FIRST TAKE POINT X= 708,930' Y= 382,530' LAT. 32.049897° N LONG. 103.659995° W NAD 27 X= 750,117' Y= 382,587' LAT. 32.050021° N LONG. 103.659466° W NAD83/2011	PROPOSED LAST TAKE POINT X= 708,960' Y= 372,031' LAT. 32.021036° N LONG. 103.659046° W NAD 27 X= 750,167' Y= 372,089' LAT. 32.021161° N LONG. 103.659515° W NAD83/2011	Printed Name: <u>Cindy Herrera-Murillo</u> E-mail Address: <u>eeof@chevron.com</u>
			PROPOSED MID POINT X= 708,944' Y= 377,282' LAT. 32.035470° N LONG. 103.659055° W NAD 27 X= 750,132' Y= 377,339' LAT. 32.035595° N LONG. 103.659524° W NAD83/2011		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>03/31/2022</u> Signature and Seal of Professional Surveyor: <u>ROBERT L. LASTRAPES</u> 23006 06/09/2022
			CORNER COORDINATES TABLE (NAD 27) A - X=705250.43, Y=382599.25 B - X=707915.08, Y=382621.59 C - X=709247.41, Y=382632.76 D - X=710579.74, Y=382643.92 E - X=705266.50, Y=377249.95 F - X=707930.44, Y=377273.21 G - X=709262.41, Y=377284.84 H - X=710594.39, Y=377296.47 I - X=705308.66, Y=371899.94 J - X=707969.55, Y=371922.73 K - X=709300.00, Y=371934.13 L - X=710630.44, Y=371945.53		

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

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT **WC-025 G-08 S253235G;**

¹ API Number 30-025-52849		² Pool Code 97903 97903		³ Pool Name JENNINGS UPPER BONE SPRING SHALE LWR BONE SPRIN	
⁴ Property Code 335847		⁵ Property Name SD 15 22 FED COM P404			⁶ Well Number 304H
⁷ OGRID No. 4323		⁸ Operator Name CHEVRON U.S.A. INC.			⁹ Elevation 3194'

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
B	15	26 SOUTH	32 EAST, N.M.P.M.		377'	NORTH	1735'	EAST	LEA

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
P	22	26 SOUTH	32 EAST, N.M.P.M.		25'	SOUTH	330'	EAST	LEA

¹² Dedicated Acres 640	¹³ Joint or Infill 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.

¹⁶ SD 15 22 FED COM P404 304H WELL X= 708.845' Y= 382.252' LAT. 32.049133° N LONG. 103.659274° W NAD 27 X= 750.032' Y= 382.309' LAT. 32.049258° N LONG. 103.659745° W NAD83/2011	PROPOSED BOTTOM HOLE LOCATION X= 710.300' Y= 371.968' LAT. 32.020838° N LONG. 103.654787° W NAD 27 X= 751.488' Y= 372.025' LAT. 32.020963° N LONG. 103.655256° W NAD83/2011		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>Cindy Herrera-Murillo</i> 09/20/2022 Signature Date Cindy Herrera-Murillo Printed Name eeof@chevron.com E-mail Address	
	PROPOSED FIRST TAKE POINT X= 710.250' Y= 382.541' LAT. 32.049904° N LONG. 103.654735° W NAD 27 X= 751.437' Y= 382.598' LAT. 32.050029° N LONG. 103.655206° W NAD83/2011		PROPOSED LAST TAKE POINT X= 710.300' Y= 371.993' LAT. 32.020907° N LONG. 103.654787° W NAD 27 X= 751.488' Y= 372.050' LAT. 32.021032° N LONG. 103.655256° W NAD83/2011	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. 03/31/2022 Date of Survey <i>Robert L. Lastrapes</i> Signature and Seal of Professional Surveyor 23006 06/09/2022 Certificate Number
	PROPOSED MID POINT X= 710.264' Y= 377.294' LAT. 32.035479° N LONG. 103.654795° W NAD 27 X= 751.452' Y= 377.351' LAT. 32.035604° N LONG. 103.655265° W NAD83/2011			
	CORNER COORDINATES TABLE (NAD 27) A - X=705250.43, Y=382599.25 B - X=707915.08, Y=382621.59 C - X=709247.41, Y=382632.76 D - X=710579.74, Y=382643.92 E - X=705266.50, Y=377249.95 F - X=707930.44, Y=377273.21 G - X=709262.41, Y=377284.84 H - X=710594.39, Y=377296.47 I - X=705308.66, Y=371899.94 J - X=707969.55, Y=371922.73 K - X=709300.00, Y=371934.13 L - X=710630.44, Y=371945.53			

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 **WC-025 G-08**

¹ API Number 30-025-52850		² Pool Code 97903 07678 XXXXX		³ Pool Name S253235G; LWR BONE JENNINGS LWR BONE SPRING XXXXXXXXXXXX SPRING	
⁴ Property Code 335847		⁵ Property Name SD 15 22 FED COM P404		⁶ Well Number 404H	
⁷ GRID No. 4323		⁸ Operator Name CHEVRON U.S.A. INC.		⁹ Elevation 3193'	

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
B	15	26 SOUTH	32 EAST, N.M.P.M.		377'	NORTH	1815'	EAST	LEA

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
O	22	26 SOUTH	32 EAST, N.M.P.M.		25'	SOUTH	2310'	EAST	LEA

¹² Dedicated Acres 640	¹³ Joint or Infill 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.

¹⁶ SD 15 22 FED COM P404 404H WELL X= 708.765' Y= 382.251' LAT. 32.049133° N LONG. 103.659532° W NAD 27 X= 749.952' Y= 382.309' LAT. 32.049258° N LONG. 103.660003° W NAD83/2011	PROPOSED BOTTOM HOLE LOCATION X= 708.320' Y= 371.951' LAT. 32.020826° N LONG. 103.661175° W NAD 27 X= 749.508' Y= 372.008' LAT. 32.020951° N LONG. 103.661645° W NAD83/2011		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>Cindy Herrera-Murillo</i> 09/20/2022 Signature Date Cindy Herrera-Murillo Printed Name eeof@chevron.com E-mail Address	
	PROPOSED FIRST TAKE POINT X= 708.270' Y= 382.525' LAT. 32.049693° N LONG. 103.661125° W NAD 27 X= 749.457' Y= 382.582' LAT. 32.050018° N LONG. 103.661596° W NAD83/2011		PROPOSED LAST TAKE POINT X= 708.320' Y= 372.026' LAT. 32.021032° N LONG. 103.661176° W NAD 27 X= 749.507' Y= 372.083' LAT. 32.021157° N LONG. 103.661645° W NAD83/2011	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. 03/31/2022 Date of Survey <i>Robert L. Lastrapes</i> Signature and Seal of Professional Surveyor 23006 06/09/2022 Certificate Number
	PROPOSED MID POINT X= 708.284' Y= 377.276' LAT. 32.035466° N LONG. 103.661184° W NAD 27 X= 749.472' Y= 377.333' LAT. 32.035591° N LONG. 103.661654° W NAD83/2011			
	CORNER COORDINATES TABLE (NAD 27) A - X=705250.43, Y=382599.25 B - X=707915.08, Y=382621.59 C - X=709247.41, Y=382632.76 D - X=710579.74, Y=382643.92 E - X=705266.50, Y=377249.95 F - X=707930.44, Y=377273.21 G - X=709262.41, Y=377284.84 H - X=710594.39, Y=377296.47 I - X=705308.66, Y=371899.94 J - X=707969.55, Y=371922.73 K - X=709300.00, Y=371934.13 L - X=710630.44, Y=371945.53			

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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

WC-025 G-08
S253235G, LWR BONE
SPRING SHALE

¹ API Number 30-025-52851	² Pool Code 97903 97903	³ Pool Name XXXXXXXXXXXXXXXXXXXX S253235G, LWR BONE
⁴ Property Code 335847	⁵ Property Name SD 15 22 FED COM P404	⁶ Well Number 405H
⁷ OGRID No. 4323	⁸ Operator Name CHEVRON U.S.A. INC.	⁹ Elevation 3193'

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
B	15	26 SOUTH	32 EAST, N.M.P.M.		377'	NORTH	1775'	EAST	LEA

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
O	22	26 SOUTH	32 EAST, N.M.P.M.		25'	SOUTH	1430'	EAST	LEA

¹² Dedicated Acres 640	¹³ Joint or Infill DEFINING	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> <table border="1"> <tr> <th>SD 15 22 FED COM P404 405H WELL</th> <th>PROPOSED BOTTOM HOLE LOCATION</th> </tr> <tr> <td>X= 708.805' Y= 382.252' LAT. 32.049133° N LONG. 103.659403° W</td> <td>X= 709.200' Y= 371.958' LAT. 32.020831° N LONG. 103.658336° W</td> </tr> <tr> <td>X= 749.892' Y= 382.309' LAT. 32.049258° N LONG. 103.659874° W</td> <td>X= 750.388' Y= 372.015' LAT. 32.020956° N LONG. 103.658806° W</td> </tr> </table> <table border="1"> <tr> <th>PROPOSED FIRST TAKE POINT</th> <th>PROPOSED LAST TAKE POINT</th> </tr> <tr> <td>X= 709.150' Y= 382.532' LAT. 32.049698° N LONG. 103.658285° W</td> <td>X= 709.200' Y= 372.033' LAT. 32.021037° N LONG. 103.658336° W</td> </tr> <tr> <td>X= 750.337' Y= 382.589' LAT. 32.050023° N LONG. 103.658756° W</td> <td>X= 750.387' Y= 372.090' LAT. 32.021163° N LONG. 103.658806° W</td> </tr> </table> <table border="1"> <tr> <th>PROPOSED MID POINT</th> </tr> <tr> <td>X= 709.164' Y= 377.284' LAT. 32.035472° N LONG. 103.658345° W</td> </tr> <tr> <td>X= 750.352' Y= 377.341' LAT. 32.035597° N LONG. 103.658815° W</td> </tr> </table> <p>CORNER COORDINATES TABLE (NAD 27)</p> <p>A - X=705250.43, Y=382599.25 B - X=707915.08, Y=382621.59 C - X=709247.41, Y=382632.76 D - X=710579.74, Y=382643.92 E - X=705266.50, Y=377249.95 F - X=707930.44, Y=377273.21 G - X=709262.41, Y=377284.84 H - X=710594.39, Y=377296.47 I - X=705308.66, Y=371899.94 J - X=707969.55, Y=371922.73 K - X=709300.00, Y=371934.13 L - X=710630.44, Y=371945.53</p>	SD 15 22 FED COM P404 405H WELL	PROPOSED BOTTOM HOLE LOCATION	X= 708.805' Y= 382.252' LAT. 32.049133° N LONG. 103.659403° W	X= 709.200' Y= 371.958' LAT. 32.020831° N LONG. 103.658336° W	X= 749.892' Y= 382.309' LAT. 32.049258° N LONG. 103.659874° W	X= 750.388' Y= 372.015' LAT. 32.020956° N LONG. 103.658806° W	PROPOSED FIRST TAKE POINT	PROPOSED LAST TAKE POINT	X= 709.150' Y= 382.532' LAT. 32.049698° N LONG. 103.658285° W	X= 709.200' Y= 372.033' LAT. 32.021037° N LONG. 103.658336° W	X= 750.337' Y= 382.589' LAT. 32.050023° N LONG. 103.658756° W	X= 750.387' Y= 372.090' LAT. 32.021163° N LONG. 103.658806° W	PROPOSED MID POINT	X= 709.164' Y= 377.284' LAT. 32.035472° N LONG. 103.658345° W	X= 750.352' Y= 377.341' LAT. 32.035597° N LONG. 103.658815° W	<p>N 50°53'11" E 444.25' 377' Proposed First Take Point 100' FNL, 1,430' FEL 15 S 00°09'26" E 5,247.97' Proposed Mid-Point 22 S 00°23'10" E 5,325.83' Proposed Last Take Point 100' FSL, 1,430' FEL 25' 1430'</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>Cindy Herrera-Murillo 09/20/2022 Signature Date</p> <p>Cindy Herrera-Murillo Printed Name</p> <p>eeof@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>03/31/2022 Date of Survey</p> <p>ROBERT L. LASTRAPES NEW MEXICO 23006 06/09/2022 Signature and Seal of Professional Surveyor</p> <p>Certificate Number</p>
	SD 15 22 FED COM P404 405H WELL	PROPOSED BOTTOM HOLE LOCATION															
	X= 708.805' Y= 382.252' LAT. 32.049133° N LONG. 103.659403° W	X= 709.200' Y= 371.958' LAT. 32.020831° N LONG. 103.658336° W															
	X= 749.892' Y= 382.309' LAT. 32.049258° N LONG. 103.659874° W	X= 750.388' Y= 372.015' LAT. 32.020956° N LONG. 103.658806° W															
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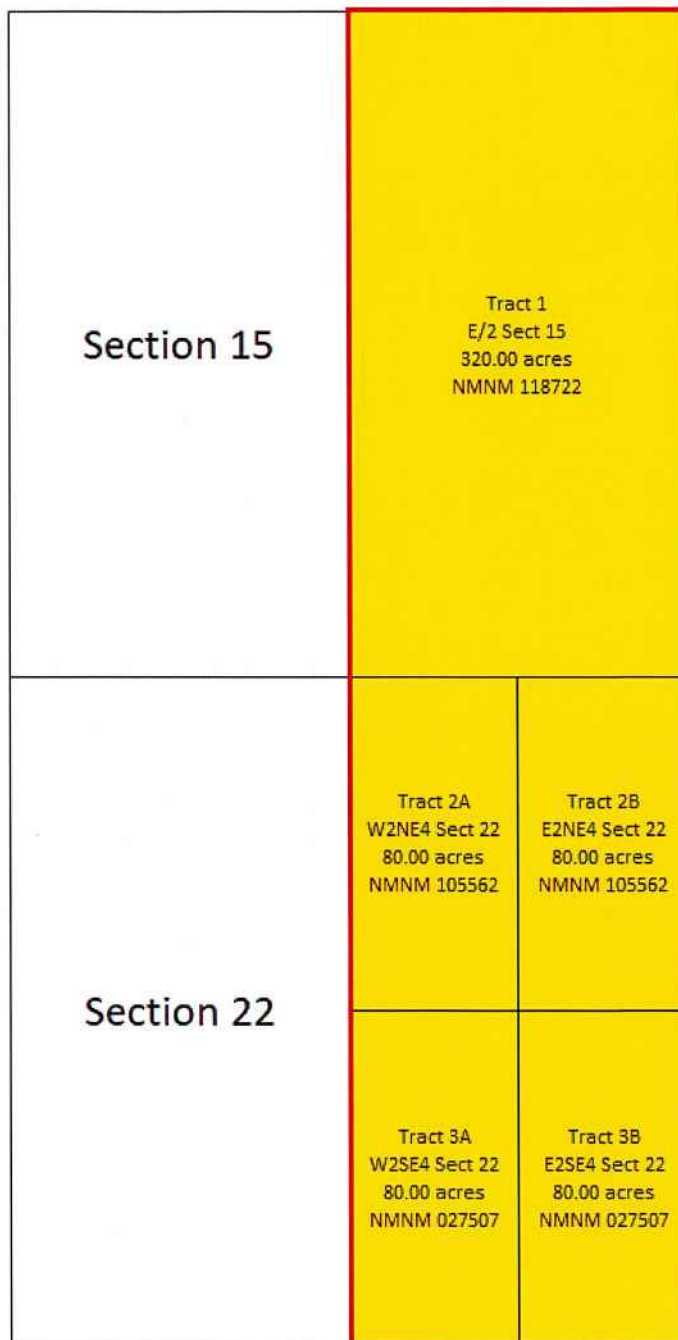
CHEVRON CASE NO. 24492
SD 15 22 Federal Com P404 303H, 304H, 404H, 405H, 406H
T26S-R32E – E/2 Sections 18 & 19
Lea County, New Mexico

WORKING INTEREST OWNERSHIP – TRACT MAP

Legend



Federal Leasehold



Seeking to compulsory pool working & overriding royalty interest in Tracts 1, 2, 3



WORKING INTEREST OWNERSHIP

Tract 1: E/2 of Section 15, T-26-S, R-32-E, from the top of the First Bone Spring to the base of the Bone Spring formation

Lease: Federal Oil and Gas Lease NMNM 118722

Chevron U.S.A. Inc.	100.000000%
Total	100.000000%

Tract 2A: W/2 NE/4 of Section 22, T-26-S, R-32-E, from the top of the First Bone Spring to the base of the Bone Spring formation, less and except any depths between 11,667 feet and 12,356 feet

Lease: Federal Oil and Gas Lease NMNM 105562

Chevron U.S.A. Inc.	68.9285720%
ConocoPhillips Company	21.4285710%
Northern Oil and Gas, Inc.	5.3571430%
GBK Investments, LLC	4.2857140%
Total	100.000000%

Tract 2B: E/2 NE/4 of Section 22, T-26-S, R-32-E, from the top of the First Bone Spring to the base of the Bone Spring formation, less and except any depths between 11,667 feet and 12,356 feet

Lease: Federal Oil and Gas Lease NMNM 105562

Chevron U.S.A. Inc.	68.9285720%
ConocoPhillips Company	21.4285710%
Northern Oil and Gas, Inc.	5.3571430%
GBK Investments, LLC	4.2857140%
Total	100.000000%

Tract 3A: W/2 SE/4 of Section 22, T-26-S, R-32-E, from the top of the First Bone Spring to the base of the Bone Spring formation, less and except any depths between 11,667 feet and 12,356 feet

Lease: Federal Oil and Gas Lease NMNM 027507

Chevron U.S.A. Inc.	65.7142310%
ConocoPhillips Company	28.5714830%
GBK Investments, LLC	5.7142860%
Total	100.000000%

Tract 3B: E/2 SE/4 of Section 22, T-26-S, R-32-E, from the top of the First Bone Spring to the base of the Bone Spring formation, less and except any depths between 11,667 feet and 12,356 feet

Lease: Federal Oil and Gas Lease NMNM 027507

Chevron U.S.A. Inc.	64.2857140%
ConocoPhillips Company	30.0000000%
GBK Investments, LLC	5.7142860%
Total	100.000000%

UNIT RECAPITULATION

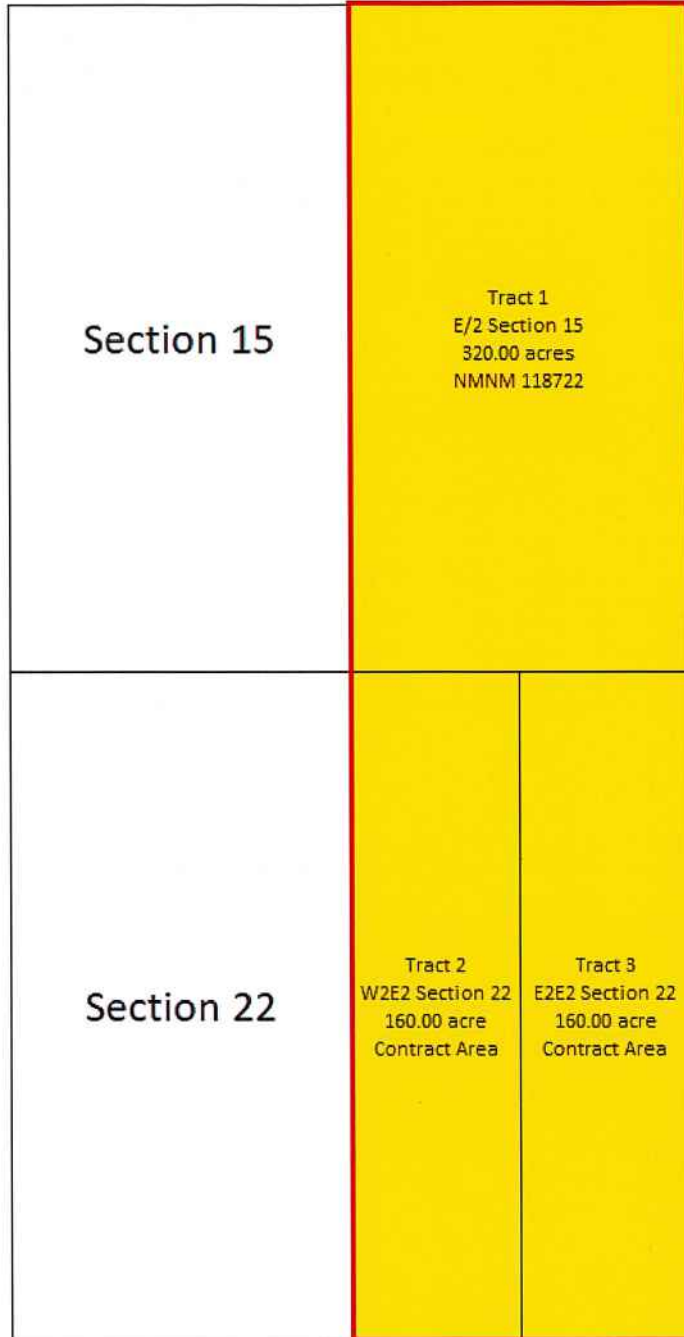
Unit Description: E/2 Section 15 & 22, T-26-S, R-32-E, from the top of the First Bone Spring to the base of the Bone Spring formation, less and except any depths between 11,667 feet and 12,356 feet

Working Interest Owners:

Chevron U.S.A. Inc.	83.4821361%
ConocoPhillips Company	12.6785781%
Northern Oil and Gas, Inc.	1.3392858%
GBK Investments, LLC	2.5000000%
Total	100.000000%

CONTRACTUAL RIGHTS OWNERSHIP – TRACT MAP

Legend



Seeking to compulsory pool working & overriding royalty interest in Tracts 1, 2, 3

CONTRACTUAL RIGHTS OWNERSHIP

Tract 1: E/2 of Section 15, T-26-S, R-32-E, from the top of the First Bone Spring to the base of the Bone Spring formation, less and except any depths between 11,667 feet and 12,356 feet

Lease: Federal Oil and Gas Lease NMNM 118722

Chevron U.S.A. Inc.	100.000000%
<hr/> Total	<hr/> 100.000000%

Tract 2: W/2 E/2 of Section 22, T-26-S, R-32-E, from the top of the First Bone Spring to the base of the Bone Spring formation, less and except any depths between 11,667 feet and 12,356 feet

Lease: Federal Oil and Gas Lease NMNM 105562

Chevron U.S.A. Inc.	54.9642858%
ConocoPhillips Company	35.7142857%
Northern Oil and Gas, Inc.	5.1785714%
GBK Investments, LLC	4.1428572%
<hr/> Total	<hr/> 100.000000%

Tract 3: E/2 E/2 of Section 22, T-26-S, R-32-E, from the top of the First Bone Spring to the base of the Bone Spring formation, less and except any depths between 11,667 feet and 12,356 feet

Lease: Federal Oil and Gas Lease NMNM 105562

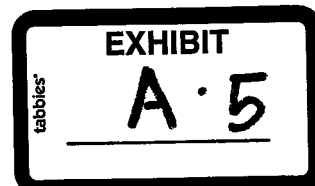
Chevron U.S.A. Inc.	54.9642860%
ConocoPhillips Company	35.7142860%
Northern Oil and Gas, Inc.	5.1785710%
GBK Investments, LLC	4.1428570%
<hr/> Total	<hr/> 100.000000%

UNIT RECAPITULATION (CONTRACTUAL RIGHTS)

Unit Description: E/2 Section 15 & 22, T-26-S, R-32-E, from the top of the First Bone Spring to the base of the Bone Spring formation, less and except any depths between 11,667 feet and 12,356 feet

Working Interest Owners:

Chevron U.S.A. Inc.	77.4821430%
ConocoPhillips Company	17.8571429%
Northern Oil and Gas, Inc.	2.5892856%
GBK Investments, LLC	2.0714285%
<hr/>	
Total	100.000000%



OVERRIDING ROYALTY INTEREST OWNERS TO BE POOLED

Great Western Drilling Ltd.
ConocoPhillips Company
Santa Elena minerals IV, L.P.
Chevron U.S.A. Inc.
Kaiser-Francis Charitable Income Trust U
Colgate Opportunistic Investments I, LLC
McCombs Energy, Ltd.
Colgate Energy Management, LLC



Katie Halley

Land Representative, MCBU Land Department

April 2, 2024

Via Certified Mail – Return Receipt Requested

Attn: Reece Cooke, Joint Venture
 ConocoPhillips Company
 600 W. Illinois Avenue
 Midland, TX 79701

RE: Well Proposals
 SD 15 22 Fed Com P404 303H
 SD 15 22 Fed Com P404 304H
 SD 15 22 Fed Com P404 404H
 SD 15 22 Fed Com P404 405H
 SD 15 22 Fed Com P404 406H
 E/2 Section 15 and 22, Township 26 South, Range 32 East
 Lea County, New Mexico

Dear Working Interest Owner:

Chevron U.S.A. Inc. ("Chevron") hereby proposes to drill the following horizontal wells located in the East Half (E/2) of Section 15 and 22, Township 26 South, Range 32 East, Lea County, New Mexico. Chevron proposes to drill all wells from the same pad located in Unit B (NW/4 NE/4) of Section 15.

Well Name	Surface Hole Location	Bottom Hole Location	First Take Point	Last Take Point	Total Measured Depth/Vertical Depth	Formation/Bench
SD 15 22 Fed Com P404 303H	377' FNL & 1795' FEL Section 15 T26S-R32E	25' FSL & 1650' FEL Section 22 T26S-R32E	100' FNL & 1650' FEL Section 15 T26S-R32E	100' FSL & 1650' FEL Section 22 T26S-R32E	MD: 20,215' TVD: 9,802'	First Bone Spring
SD 15 22 Fed Com P404 304H	377' FNL & 1735' FEL Section 15 T26S-R32E	25' FSL & 330' FEL Section 22 T26S-R32E	100' FNL & 330' FEL Section 15 T26S-R32E	100' FSL & 330' FEL Section 22 T26S-R32E	MD: 20,411' TVD: 9,832'	First Bone Spring
SD 15 22 Fed Com P404 404H	377' FNL & 1815' FEL Section 15 T26S-R32E	25' FSL & 2310' FEL Section 22 T26S-R32E	100' FNL & 2310' FEL Section 15 T26S-R32E	100' FSL & 2310' FEL Section 22 T26S-R32E	MD: 20,752' TVD: 10,322'	Second Bone Spring Upper
SD 15 22 Fed Com P404 405H	377' FNL & 1775' FEL Section 15 T26S-R32E	25' FSL & 1430' FEL Section 22 T26S-R32E	100' FNL & 1430' FEL Section 15 T26S-R32E	100' FSL & 1430' FEL Section 22 T26S-R32E	MD: 21,057' TVD: 10,620'	Second Bone Spring Upper
SD 15 22 Fed Com P404 406H	377' FNL & 1755' FEL Section 15 T26S-R32E	25' FSL & 550' FEL Section 22 T26S-R32E	100' FNL & 550' FEL Section 15 T26S-R32E	100' FSL & 550' FEL Section 22 T26S-R32E	MD: 20,875' TVD: 10,362'	Second Bone Spring Upper

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

Mid-Continent Business Unit
 Americas Exploration & Production
 a division of Chevron U.S.A. Inc.
 OGD Examiner Hearing 6-13-24
 Tel 432 687 7772 • 432 231 2081
 khalley@chevron.com



Enclosed for your review are detailed Authority for Expenditure (“AFE”) for each well reflecting estimated costs to drill, complete and equip the well(s) associated with this proposal. **If you intend to participate, please execute, and indicate participation in the appropriate box on this letter and return to the undersigned within 30 days of receipt of this proposal.** The AFEs represent an estimated cost and are subject to change once wells are drilled/completed and actual costs are incurred. Parties electing to participate are responsible for their proportionate share of actual costs.

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

- Overhead Rates: \$14,380 Drilling / \$1,320 Production
- Non-Consent Penalties: 100% / 300% / 300%
- Expenditure Limit: \$125,000

If any Working Interest Parties elect not to participate in the drilling of subject well(s) or do not respond, Chevron will submit an application for a Compulsory Pooling Order with the New Mexico Oil Conservation Division after 30 days of receipt of this letter. This will allow Chevron to move forward with planning and drilling the subject well(s) while allowing time to properly execute a JOA amongst the parties.

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

Sincerely,



Katie Halley
Land Representative

Enclosures

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

WORKING INTEREST OWNER: 17.8571429%

Please elect one of the following:

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

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

Company / Individual: _____

By: _____

Name: _____

Title: _____

Date: _____

Chevron U.S.A. Inc. - Operator					
County, State Lea, NM	Field Delaware Basin	Well Name: SD 15 22 Fed Com P404 406H			
Area Salado Draw	Objective Second Bone Spring Upper	Estimated Duration (days) 16.5 days (Drilling) / 7.6 (Completion)			
API Pending	SHL Location Sec 15 T26S R32E 377' FNL; 1755' FEL	BHL Location Sec 22 T26S R32E 25' FSL; 550' FEL	Depth MD: 20,875 Feet TVD: 10,362 Feet		
Drilling					
Cost Category		Code	Sub-code	Int/Tan	Amount (\$)
Rig Daywork	Rig Daywork	7440	0001	Int	\$ 653,187
Rig Daywork	Rig Daywork	7440	0001	Int	\$ 17,491
Company Labor	Company Labor	6601	0100	Int	\$ 124,371
Contract Labor	Contract Labor	7000	0200	Int	\$ 26,518
Fuel & Utilities	Fuel & Utilities	7129	0100	Int	\$ 116,758
Fuel & Utilities	Fuel & Utilities	7129	0300	Int	\$ 9,076
Drilling & Completion Fluids	Drilling & Completion Fluids	7190	1900	Int	\$ 238,550
Materials, Supplies, & Parts	Materials, Supplies, & Parts	7190	0500	Int	\$ 33,706
Transportation	Transportation	7340	0300	Int	\$ 166,615
Directional Survey	Directional Survey	7440	0006	Int	\$ 385,505
Drill String & Drill Bits	Drill String & Drill Bits	7440	0007	Int	\$ 214,347
Equipment Rentals	Equipment Rentals	7230	0100	Int	\$ 225,353
Well Services	Well Services	7230	0200	Int	\$ 177,918
Solid Waste Disposal	Solid Waste Disposal	7420	0300	Int	\$ 86,416
Logging - Mud	Logging - Mud	7440	0021	Int	\$ 15,621
Casing	Casing	7190	0022	Tan	\$ 1,013,513
Wellheads & Trees	Wellheads & Trees	7190	0110	Tan	\$ 37,363
Cement & Cementing	Cement & Cementing	7440	0024	Int	\$ 204,670
Sitework / Roads / Location	Sitework / Roads / Location	7450	0021	Int	\$ 15,523
Completions					
Rigs	Workover Rigs			Int	\$ 18,000
Rigs	Snubbing Rigs			Int	\$ 89,370
100	Company Labor			Int	\$ 45,577
Industrial Services	Safety Services			Int	\$ 47,542
Fuel	Fuel			Int	\$ 245,899
Water	Frac Water			Tan	\$ 503,880
Well Construction Services	Pressure Control Equipment			Int	\$ 245,899
Well Construction Services	Downhole Rental Tools - Drill String and BHA			Int	\$ 173,174
Well Construction Commodities	Drill Bits and Reamers			Int	\$ 86,237
Well Construction Services	Pressure Pumping - Stimulation and Sand Control			Tan	\$ 717,887
Well Construction Services	Pressure Pumping - Stimulation and Sand Control			Int	\$ 781,635
Well Construction Services	D and C Misc Surface Rentals and Services			Int	\$ 168,934
Well Construction Services	Coiled Tubing			Int	\$ 130,590
Well Construction Services	D and C Waste Management			Int	\$ -
Well Construction Services	Wireline - Cased Hole			Int	\$ 64,516
Well Construction Services	Wireline - Cased Hole			Int	\$ 192,837
Well Construction Commodities	OCTG			Tan	\$ 430,000
Well Construction Services	Completions Equipment and Installation Services			Int	\$ 27,000
Well Construction Commodities	Surface Wellheads and Production Trees			Tan	\$ 41,461
Oilfield O and M Services	Oilfield Site Prep and Maintenance Services			Int	\$ 1,125
700	Capitalized G&A			Int	

Facilities			
Wellpad, Wellhead Hookup, Flowlines & Electrical		Tan	\$ 560,481
		Int	\$ 840,722
Total			\$ 9,175,266
Participation & Authorization		Share (%)	Amount (\$)
Chevron U.S.A. Inc.		77.4821430%	\$7,109,193
ConocoPhillips Company		17.8571429%	\$1,638,440
GBK Investments, L.L.C.		2.0714285%	\$190,059
Northern Oil and Gas, Inc.		2.5892856%	\$237,574
Approved by (Print Name)		Approved by (Signature)	
Entity (Print Name)		Date	

Chevron U.S.A. Inc. - Operator					
County, State	Field	Well Name:			
Lea, NM	Delaware Basin	SD 15 22 Fed Com P404 405H			
Area	Objective	Estimated Duration (days)			
Salado Draw	Second Bone Spring Upper	16.5 days (Drilling) / 7.6 (Completion)			
API	SHL Location	BHL Location	Depth		
Pending	Sec 15 T26S R32E 377' FNL; 1775' FEL	Sec 22 T26S R32E 25' FSL; 1430' FEL	MD:	21,057 Feet	
			TVD:	10,620 Feet	
Drilling					
Cost Category		Code	Sub-code	Int/Tan	Amount (\$)
Rig Daywork	Rig Daywork	7440	0001	Int	\$ 653,187
Rig Daywork	Rig Daywork	7440	0001	Int	\$ 17,491
Company Labor	Company Labor	6601	0100	Int	\$ 124,371
Contract Labor	Contract Labor	7000	0200	Int	\$ 26,518
Fuel & Utilities	Fuel & Utilities	7129	0100	Int	\$ 116,758
Fuel & Utilities	Fuel & Utilities	7129	0300	Int	\$ 9,076
Drilling & Completion Fluids	Drilling & Completion Fluids	7190	1900	Int	\$ 238,550
Materials, Supplies, & Parts	Materials, Supplies, & Parts	7190	0500	Int	\$ 33,706
Transportation	Transportation	7340	0300	Int	\$ 166,615
Directional Survey	Directional Survey	7440	0006	Int	\$ 385,505
Drill String & Drill Bits	Drill String & Drill Bits	7440	0007	Int	\$ 214,347
Equipment Rentals	Equipment Rentals	7230	0100	Int	\$ 225,353
Well Services	Well Services	7230	0200	Int	\$ 177,918
Solid Waste Disposal	Solid Waste Disposal	7420	0300	Int	\$ 86,416
Logging - Mud	Logging - Mud	7440	0021	Int	\$ 15,621
Casing	Casing	7190	0022	Tan	\$ 1,013,513
Wellheads & Trees	Wellheads & Trees	7190	0110	Tan	\$ 37,363
Cement & Cementing	Cement & Cementing	7440	0024	Int	\$ 204,670
Sitework / Roads / Location	Sitework / Roads / Location	7450	0021	Int	\$ 15,523
Completions					
Rigs	Workover Rigs			Int	\$ 18,000
Rigs	Snubbing Rigs			Int	\$ 89,370
100	Company Labor			Int	\$ 45,577
Industrial Services	Safety Services			Int	\$ 47,542
Fuel	Fuel			Int	\$ 245,899
Water	Frac Water			Tan	\$ 503,880
Well Construction Services	Pressure Control Equipment			Int	\$ 245,899
Well Construction Services	Downhole Rental Tools - Drill String and BHA			Int	\$ 173,174
Well Construction Commodities	Drill Bits and Reamers			Int	\$ 86,237
Well Construction Services	Pressure Pumping - Stimulation and Sand Control			Tan	\$ 717,887
Well Construction Services	Pressure Pumping - Stimulation and Sand Control			Int	\$ 781,635
Well Construction Services	D and C Misc Surface Rentals and Services			Int	\$ 168,934
Well Construction Services	Coiled Tubing			Int	\$ 130,590
Well Construction Services	D and C Waste Management			Int	\$ -
Well Construction Services	Wireline - Cased Hole			Int	\$ 64,516
Well Construction Services	Wireline - Cased Hole			Int	\$ 192,837
Well Construction Commodities	OCTG			Tan	\$ 430,000
Well Construction Services	Completions Equipment and Installation Services			Int	\$ 27,000
Well Construction Commodities	Surface Wellheads and Production Trees			Tan	\$ 41,461
Oilfield O and M Services	Oilfield Site Prep and Maintenance Services			Int	\$ 1,125
700	Capitalized G&A			Int	

Facilities			
Wellpad, Wellhead Hookup, Flowlines & Electrical		Tan	\$ 560,481
		Int	\$ 840,722
Total			\$ 9,175,266
Participation & Authorization		Share (%)	Amount (\$)
Chevron U.S.A. Inc.		77.4821430%	\$7,109,193
ConocoPhillips Company		17.8571429%	\$1,638,440
GBK Investments, L.L.C.		2.0714285%	\$190,059
Northern Oil and Gas, Inc.		2.5892856%	\$237,574
Approved by (Print Name)		Approved by (Signature)	
Entity (Print Name)		Date	

Chevron U.S.A. Inc. - Operator					
County, State Lea, NM	Field Delaware Basin	Well Name: SD 15 22 Fed Com P404 404H			
Area Salado Draw	Objective Second Bone Spring Upper	Estimated Duration (days) 16.5 days (Drilling) / 7.6 (Completion)			
API Pending	SHL Location Sec 15 T26S R32E 377' FNL; 1815' FEL	BHL Location Sec 22 T26S R32E 25' FSL; 2310' FEL	Depth MD: 20,752 Feet TVD: 10,322 Feet		
Drilling					
Cost Category		Code	Sub-code	Int/Tan	Amount (\$)
Rig Daywork	Rig Daywork	7440	0001	Int	\$ 653,187
Rig Daywork	Rig Daywork	7440	0001	Int	\$ 17,491
Company Labor	Company Labor	6601	0100	Int	\$ 124,371
Contract Labor	Contract Labor	7000	0200	Int	\$ 26,518
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Materials, Supplies, & Parts	Materials, Supplies, & Parts	7190	0500	Int	\$ 33,706
Transportation	Transportation	7340	0300	Int	\$ 166,615
Directional Survey	Directional Survey	7440	0006	Int	\$ 385,505
Drill String & Drill Bits	Drill String & Drill Bits	7440	0007	Int	\$ 214,347
Equipment Rentals	Equipment Rentals	7230	0100	Int	\$ 225,353
Well Services	Well Services	7230	0200	Int	\$ 177,918
Solid Waste Disposal	Solid Waste Disposal	7420	0300	Int	\$ 86,416
Logging - Mud	Logging - Mud	7440	0021	Int	\$ 15,621
Casing	Casing	7190	0022	Tan	\$ 1,013,513
Wellheads & Trees	Wellheads & Trees	7190	0110	Tan	\$ 37,363
Cement & Cementing	Cement & Cementing	7440	0024	Int	\$ 204,670
Sitework / Roads / Location	Sitework / Roads / Location	7450	0021	Int	\$ 15,523
Completions					
Rigs	Workover Rigs			Int	\$ 18,000
Rigs	Snubbing Rigs			Int	\$ 89,370
100	Company Labor			Int	\$ 45,577
Industrial Services	Safety Services			Int	\$ 47,542
Fuel	Fuel			Int	\$ 245,899
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Well Construction Services	D and C Misc Surface Rentals and Services			Int	\$ 168,934
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Well Construction Services	D and C Waste Management			Int	\$ -
Well Construction Services	Wireline - Cased Hole			Int	\$ 64,516
Well Construction Services	Wireline - Cased Hole			Int	\$ 192,837
Well Construction Commodities	OCTG			Tan	\$ 430,000
Well Construction Services	Completions Equipment and Installation Services			Int	\$ 27,000
Well Construction Commodities	Surface Wellheads and Production Trees			Tan	\$ 41,461
Oilfield O and M Services	Oilfield Site Prep and Maintenance Services			Int	\$ 1,125
700	Capitalized G&A			Int	

Facilities			
Wellpad, Wellhead Hookup, Flowlines & Electrical		Tan	\$ 560,481
		Int	\$ 840,722
Total			\$ 9,175,266
Participation & Authorization		Share (%)	Amount (\$)
Chevron U.S.A. Inc.		77.4821430%	\$7,109,193
ConocoPhillips Company		17.8571429%	\$1,638,440
GBK Investments, L.L.C.		2.0714285%	\$190,059
Northern Oil and Gas, Inc.		2.5892856%	\$237,574
Approved by (Print Name)		Approved by (Signature)	
Entity (Print Name)		Date	

Chevron U.S.A. Inc. - Operator					
County, State Lea, NM	Field Delaware Basin	Well Name: SD 15 22 Fed Com P404 304H			
Area Salado Draw	Objective First Bone Spring	Estimated Duration (days) 16.5 days (Drilling) / 7.6 (Completion)			
API Pending	SHL Location Sec 15 T26S R32E 377' FNL; 1735' FEL	BHL Location Sec 22 T26S R32E 25' FSL; 330' FEL	Depth MD: 20,411 Feet TVD: 9,832 Feet		
Drilling					
Cost Category		Code	Sub-code	Int/Tan	Amount (\$)
Rig Daywork	Rig Daywork	7440	0001	Int	\$ 653,187
Rig Daywork	Rig Daywork	7440	0001	Int	\$ 17,491
Company Labor	Company Labor	6601	0100	Int	\$ 124,371
Contract Labor	Contract Labor	7000	0200	Int	\$ 26,518
Fuel & Utilities	Fuel & Utilities	7129	0100	Int	\$ 116,758
Fuel & Utilities	Fuel & Utilities	7129	0300	Int	\$ 9,076
Drilling & Completion Fluids	Drilling & Completion Fluids	7190	1900	Int	\$ 238,550
Materials, Supplies, & Parts	Materials, Supplies, & Parts	7190	0500	Int	\$ 33,706
Transportation	Transportation	7340	0300	Int	\$ 166,615
Directional Survey	Directional Survey	7440	0006	Int	\$ 385,505
Drill String & Drill Bits	Drill String & Drill Bits	7440	0007	Int	\$ 214,347
Equipment Rentals	Equipment Rentals	7230	0100	Int	\$ 225,353
Well Services	Well Services	7230	0200	Int	\$ 177,918
Solid Waste Disposal	Solid Waste Disposal	7420	0300	Int	\$ 86,416
Logging - Mud	Logging - Mud	7440	0021	Int	\$ 15,621
Casing	Casing	7190	0022	Tan	\$ 1,013,513
Wellheads & Trees	Wellheads & Trees	7190	0110	Tan	\$ 37,363
Cement & Cementing	Cement & Cementing	7440	0024	Int	\$ 204,670
Sitework / Roads / Location	Sitework / Roads / Location	7450	0021	Int	\$ 15,523
Completions					
Rigs	Workover Rigs			Int	\$ 18,000
Rigs	Snubbing Rigs			Int	\$ 89,370
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Industrial Services	Safety Services			Int	\$ 47,542
Fuel	Fuel			Int	\$ 245,899
Water	Frac Water			Tan	\$ 503,880
Well Construction Services	Pressure Control Equipment			Int	\$ 245,899
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Well Construction Services	Coiled Tubing			Int	\$ 130,590
Well Construction Services	D and C Waste Management			Int	\$ -
Well Construction Services	Wireline - Cased Hole			Int	\$ 64,516
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Well Construction Commodities	OCTG			Tan	\$ 430,000
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Well Construction Commodities	Surface Wellheads and Production Trees			Tan	\$ 41,461
Oilfield O and M Services	Oilfield Site Prep and Maintenance Services			Int	\$ 1,125
700	Capitalized G&A			Int	

Facilities			
Wellpad, Wellhead Hookup, Flowlines & Electrical		Tan	\$ 560,481
		Int	\$ 840,722
Total			\$ 9,175,266
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Chevron U.S.A. Inc.		77.4821430%	\$7,109,193
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GBK Investments, L.L.C.		2.0714285%	\$190,059
Northern Oil and Gas, Inc.		2.5892856%	\$237,574
Approved by (Print Name)		Approved by (Signature)	
Entity (Print Name)		Date	

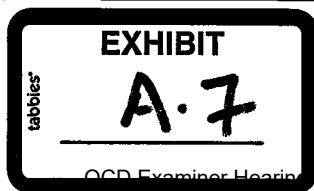
Chevron U.S.A. Inc. - Operator					
County, State	Field	Well Name:			
Lea, NM	Delaware Basin	SD 15 22 Fed Com P404 303H			
Area	Objective	Estimated Duration (days)			
Salado Draw	First Bone Spring	16.5 days (Drilling) / 7.6 (Completion)			
API	SHL Location	BHL Location	Depth		
Pending	Sec 15 T26S R32E 377' FNL; 1795' FEL	Sec 22 T26S R32E 25' FSL; 1650' FEL	MD:	20,215 Feet	
			TVD:	9,802 Feet	
Drilling					
Cost Category		Code	Sub-code	Int/Tan	Amount (\$)
Rig Daywork	Rig Daywork	7440	0001	Int	\$ 653,187
Rig Daywork	Rig Daywork	7440	0001	Int	\$ 17,491
Company Labor	Company Labor	6601	0100	Int	\$ 124,371
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Wellheads & Trees	Wellheads & Trees	7190	0110	Tan	\$ 37,363
Cement & Cementing	Cement & Cementing	7440	0024	Int	\$ 204,670
Sitework / Roads / Location	Sitework / Roads / Location	7450	0021	Int	\$ 15,523
Completions					
Rigs	Workover Rigs			Int	\$ 18,000
Rigs	Snubbing Rigs			Int	\$ 89,370
100	Company Labor			Int	\$ 45,577
Industrial Services	Safety Services			Int	\$ 47,542
Fuel	Fuel			Int	\$ 245,899
Water	Frac Water			Tan	\$ 503,880
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Well Construction Commodities	Drill Bits and Reamers			Int	\$ 86,237
Well Construction Services	Pressure Pumping - Stimulation and Sand Control			Tan	\$ 717,887
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Well Construction Services	Coiled Tubing			Int	\$ 130,590
Well Construction Services	D and C Waste Management			Int	\$ -
Well Construction Services	Wireline - Cased Hole			Int	\$ 64,516
Well Construction Services	Wireline - Cased Hole			Int	\$ 192,837
Well Construction Commodities	OCTG			Tan	\$ 430,000
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Well Construction Commodities	Surface Wellheads and Production Trees			Tan	\$ 41,461
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700	Capitalized G&A			Int	

Facilities			
Wellpad, Wellhead Hookup, Flowlines & Electrical		Tan	\$ 560,481
		Int	\$ 840,722
Total			\$ 9,175,266
Participation & Authorization		Share (%)	Amount (\$)
Chevron U.S.A. Inc.		77.4821430%	\$7,109,193
ConocoPhillips Company		17.8571429%	\$1,638,440
GBK Investments, L.L.C.		2.0714285%	\$190,059
Northern Oil and Gas, Inc.		2.5892856%	\$237,574
Approved by (Print Name)		Approved by (Signature)	
Entity (Print Name)		Date	

Summary of Contacts

- Chevron searched public records, phone directory, and various different types of internet searches.
- Chevron sent well proposal letters to the working interest owners on or around April 2, 2024.
- Chevron proposed general terms of a Joint Operating Agreements (JOA) within the well proposal letters sent to working interest owners.
- Chevron had multiple communications with the uncommitted working interest owners, which I have outlined in the chart below.
- Chevron filed the application to force pool working interest owners who had not entered in to an agreement.
- Chevron’s counsel sent notices of the force pooling applications to the addresses of record for the uncommitted interest owners and also for overriding royalty interest owners.
- Chevron also published notice in a newspaper of general circulation in the county where the wells will be located.

Summary of Contacts with Working Interest Owners to Be Pooled				
Name	Unit % Interest	Date Proposal Letter Sent	Proposal Letter Received	Follow Up
Northern Oil and Gas	2.5892856%	April 2, 2024	April 8, 2024	April 24, 2024 – NOG email with questions April 25, 2024 – Chevron responded with additional information May 3, 2024 – Chevron request update on status; NOG responded reviewing documents May 28, 2024 – Chevron request update on status; NOG document with attorney; Chevron provided updated spud dates May 30, 2024 – NOG provided feedback, Chevron reviewing
ConocoPhillips	17.8571429%	April 2, 2024	April 8, 2024	April 8, 2024 – COG email with questions April 15, 2024 – Chevron responded with additional information May 3, 2024 – Chevron request update on status



OCD Examiner Hearing 6-13-24

No. 24492

				May 6, 2024 – COG responded reviewing documents May 28, 2024 – Chevron request update on status June 4, 2024 – Chevron request update on status; COG responds that it will return comments by end of week.
GBK Investments	2.0714285%	April 2, 2024	April 8, 2024	April 9, 2024 – GBK email with questions April 12, 2024 – Chevron responded with additional information April 25, 2024 – GBK sends over comments on proposed agreements and asks for feedback April 29, 2024 – Chevron confirms receipt and is reviewing May 28 2024 – GBK asks for status update June 3, 2024 – GBK asks for status update; Chevron responds we are waiting on comments from last party, then will respond to all parties with redlines on agreement

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

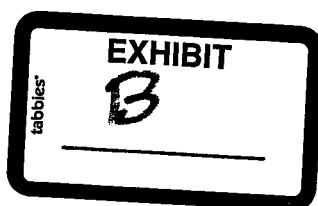
APPLICATION OF CHEVRON U.S.A.
INC. FOR COMPULSORY POOLING,
LEA COUNTY, NEW MEXICO.

CASE NO. 24492

SELF-AFFIRMED DECLARATION OF KIMBERLE DAVIS

Kimberle Davis hereby states and declares as follows:

1. I am over the age of 18, I am a geologist for Chevron U.S.A. Inc. (“Chevron”), and have personal knowledge of the matters stated herein.
2. I have previously testified before the Oil Conservation Division (“Division”) and my credentials as an expert petroleum geologist were accepted as a matter of record.
3. My area of responsibility at Chevron includes the area of Lea County in New Mexico.
4. I am familiar with the application Chevron filed in this case.
5. **Exhibit B-1** is a locator map showing the approximate location of the proposed unit.
6. **Exhibit B-2** is structure map of the First Bone Spring. The proposed spacing unit is identified by a white box. The First Bone Spring wells are the red lines labeled “303H” and “304H” respectively. The contour interval used this exhibit is 50 feet. **Exhibit B-2** also identifies two wells in the vicinity of the proposed wells, shown by a line of cross-section running from A to A’.



OCD Examiner Hearing 6-13-24

No. 24492

7. **Exhibit B-3** is a stratigraphic cross section hung on the top of First Bone Spring. The well logs on the cross-section give a representative sample of the First Bone Spring formation in the area. The target zone is identified by “FBU” as the producing interval.
8. **Exhibit B-4** is a gun barrel diagram showing Chevron’s development plan.
9. **Exhibit B-5** is a gross isopach map. The First Bone Spring wells are the red lines labeled “303H” and “304H” respectively.
10. **Exhibit B-6** is structure map of the Second Bone Spring Upper. The proposed spacing unit is identified by a white box. The Second Bone Spring Upper wells are the red lines labeled “404H” and “405H” and “406H” respectively. The contour interval used this exhibit is 50 feet. **Exhibit B-6** also identifies two wells in the vicinity of the proposed wells, shown by a line of cross-section running from A to A’.
11. **Exhibit B-7** is a stratigraphic cross section hung on the top of the Second Bone Spring Upper. The well logs on the cross-section give a representative sample of the Second Bone Spring Upper formation in the area. The target zones are identified by “SBU_TGT2” and “SBU_TGT1” as the producing interval.
12. **Exhibit B-4** is a gun barrel showing Chevron’s development plan.
13. **Exhibit B-8** is a gross isopach map. The Second Bone Spring Upper wells are the red lines labeled “404H” and “405H” and “406H” respectively.
14. I conclude from the maps that:
 - a. The horizontal spacing unit is justified from a geologic standpoint.
 - b. There are no structural impediments or faulting that will interfere with horizontal development.

c. Each quarter quarter section in the proposed unit will contribute more or less equally to production.

15. The preferred well orientation in this area is North-South. This is because the S_{Hmax} is at approximately 85 degrees.

16. In my opinion, the granting of Chevron's application is in the interests of conservation and the prevention of waste.

17. The attachments to my declaration were prepared by me or compiled under my direction or supervision.

[Signature page follows]

Pursuant to Rule 1-011 NMRA, I declare and affirm under penalty of perjury under the laws of the State of New Mexico that the foregoing statements are true and correct to the best of my knowledge and belief.

Dated: June 5, 2024



Kimberle Davis

Exhibit B – 1: Location of Development Area



Exhibit B – 2: First Bone Upper (FBU) Structure Map

FBU formation is dipping to the East; planned wells will be drilled from North to South and in the proposed area the depth range initiates at -6550 ft TVDSS and finishes at approximately -6610 ft TVDSS.

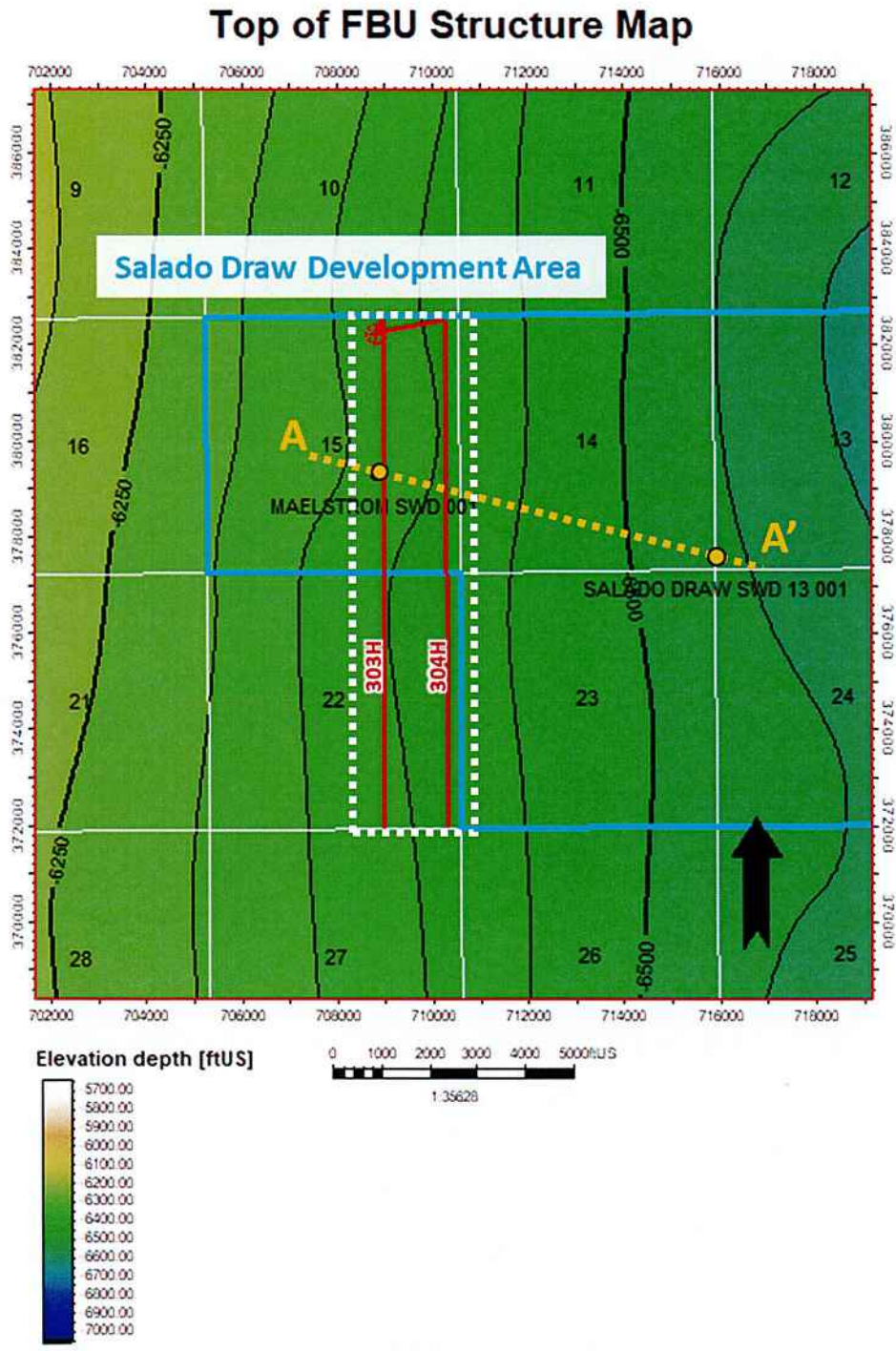


EXHIBIT
B.2

Exhibit B – 3: Stratigraphic Cross-Section

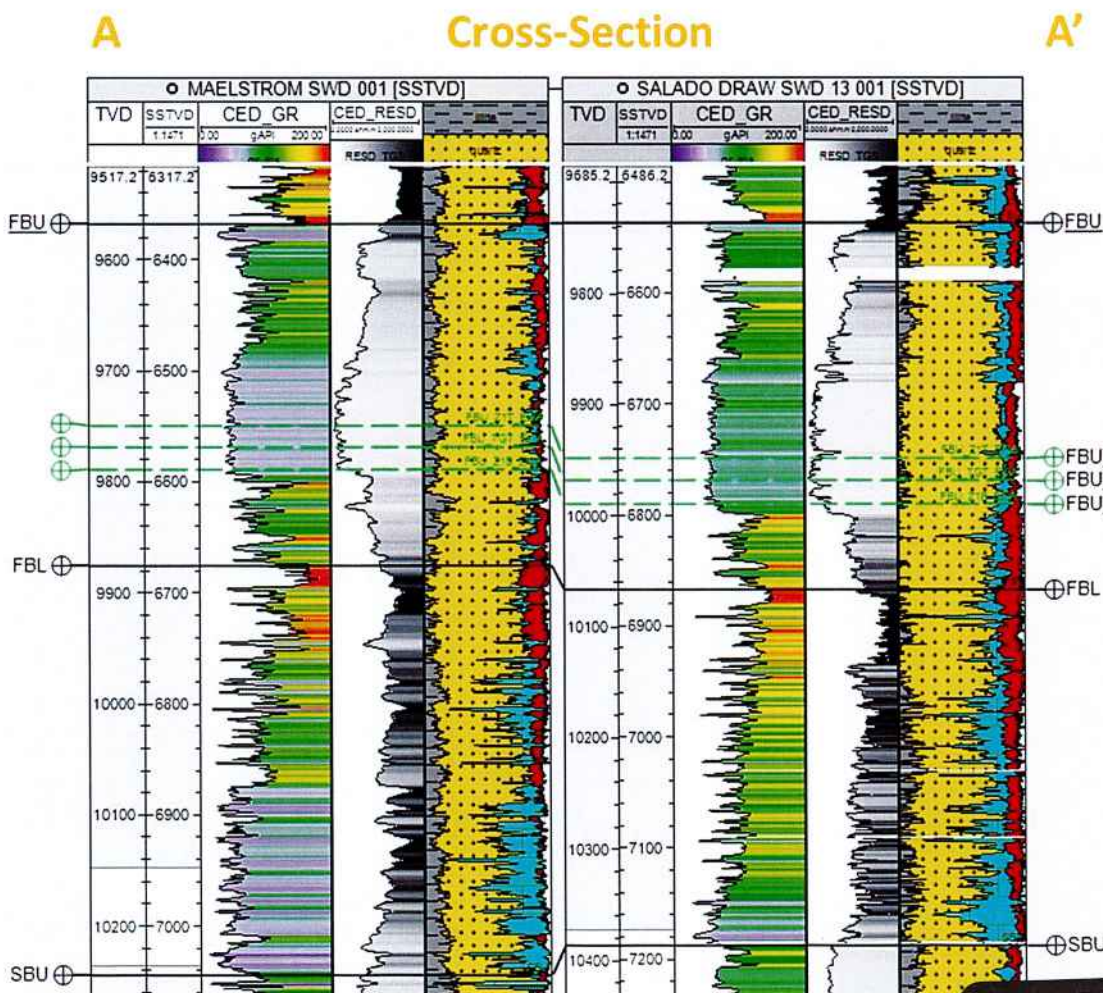
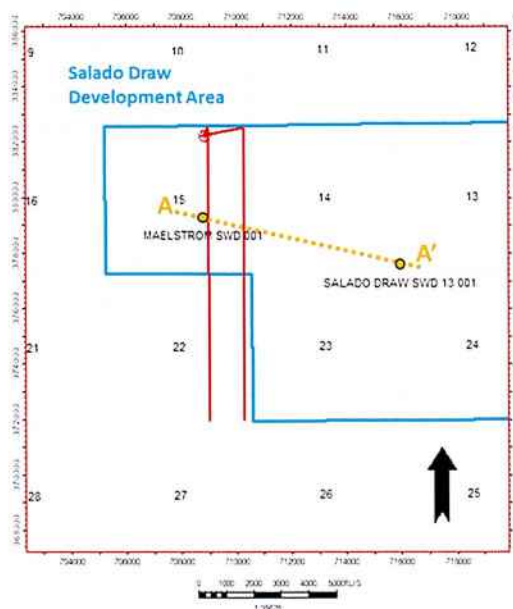


EXHIBIT
B.3

Exhibit B – 4: Gun Barrel Diagram

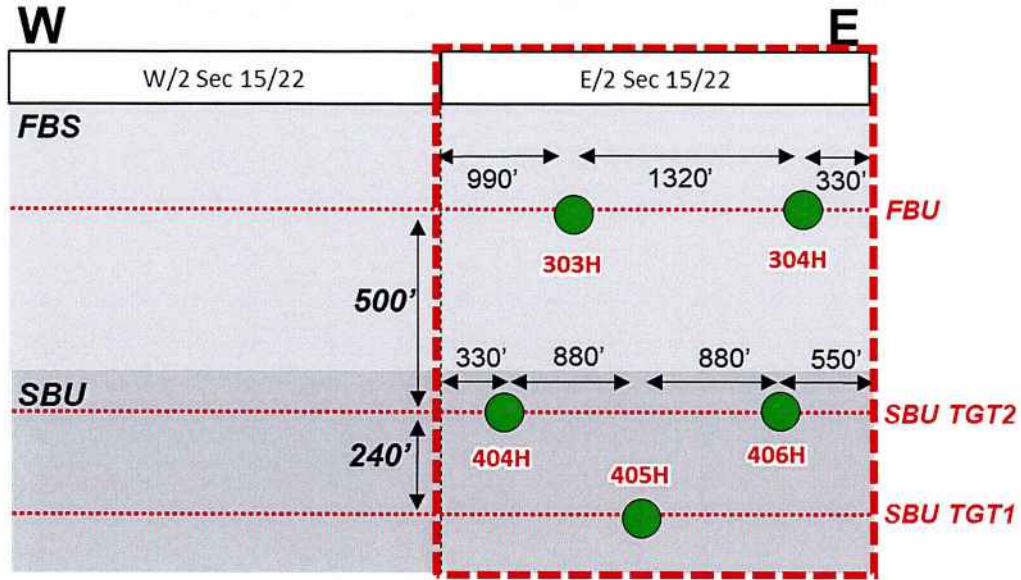


EXHIBIT
tabbles
B. 4

Exhibit B – 5: First Bone Upper (FBU) Isopach Map

FBU planned wells will be drilled from North to South and in the proposed area the thickness range is approximately 300 - 330 ft.

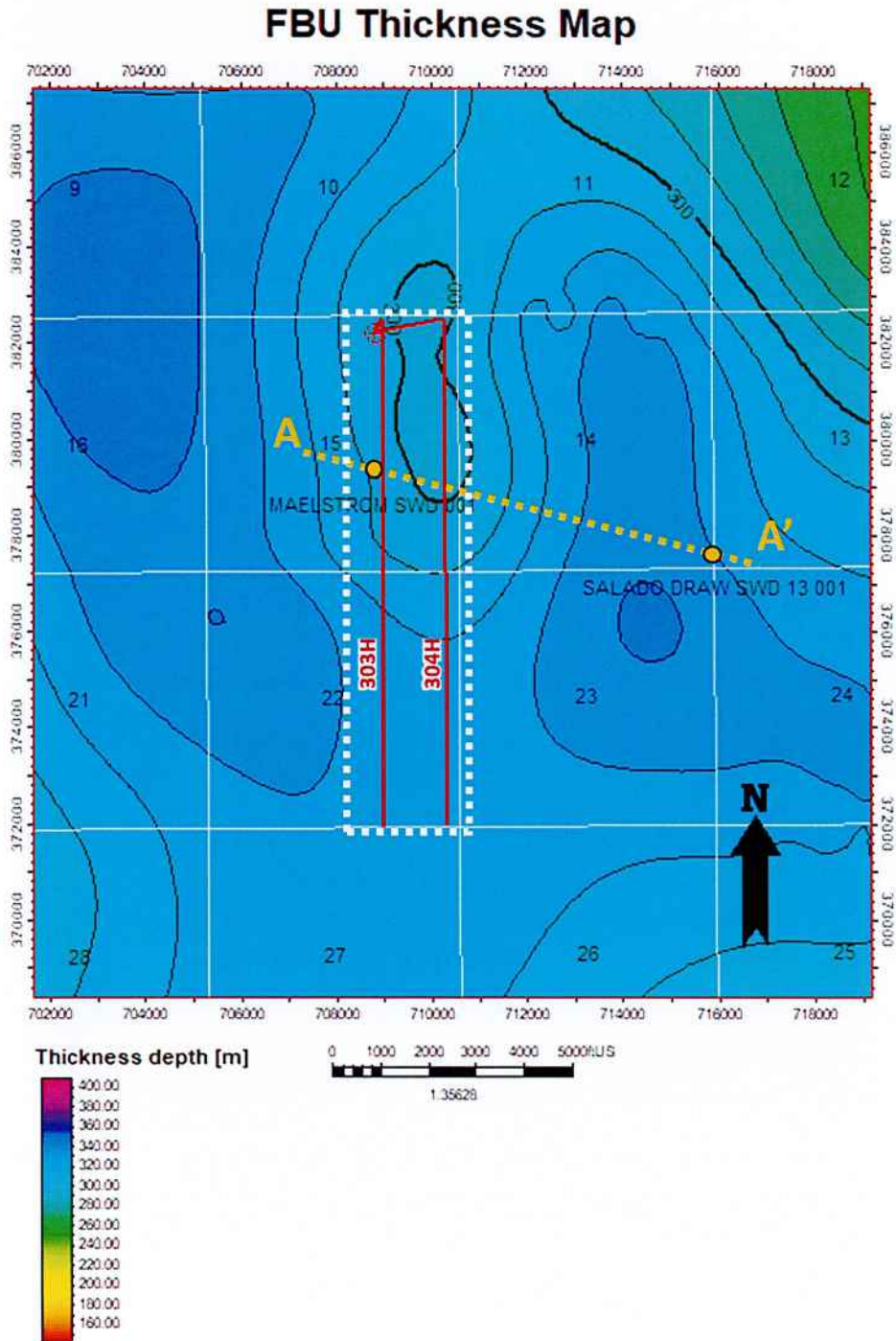


Exhibit B – 6: Second Bone Upper (SBU) Structure Map

SBU formation is dipping to the East; planned wells will be drilled from North to South and in the proposed area the depth range initiates at -7070 ft TVDSS and finishes at approximately -7400 ft TVDSS.

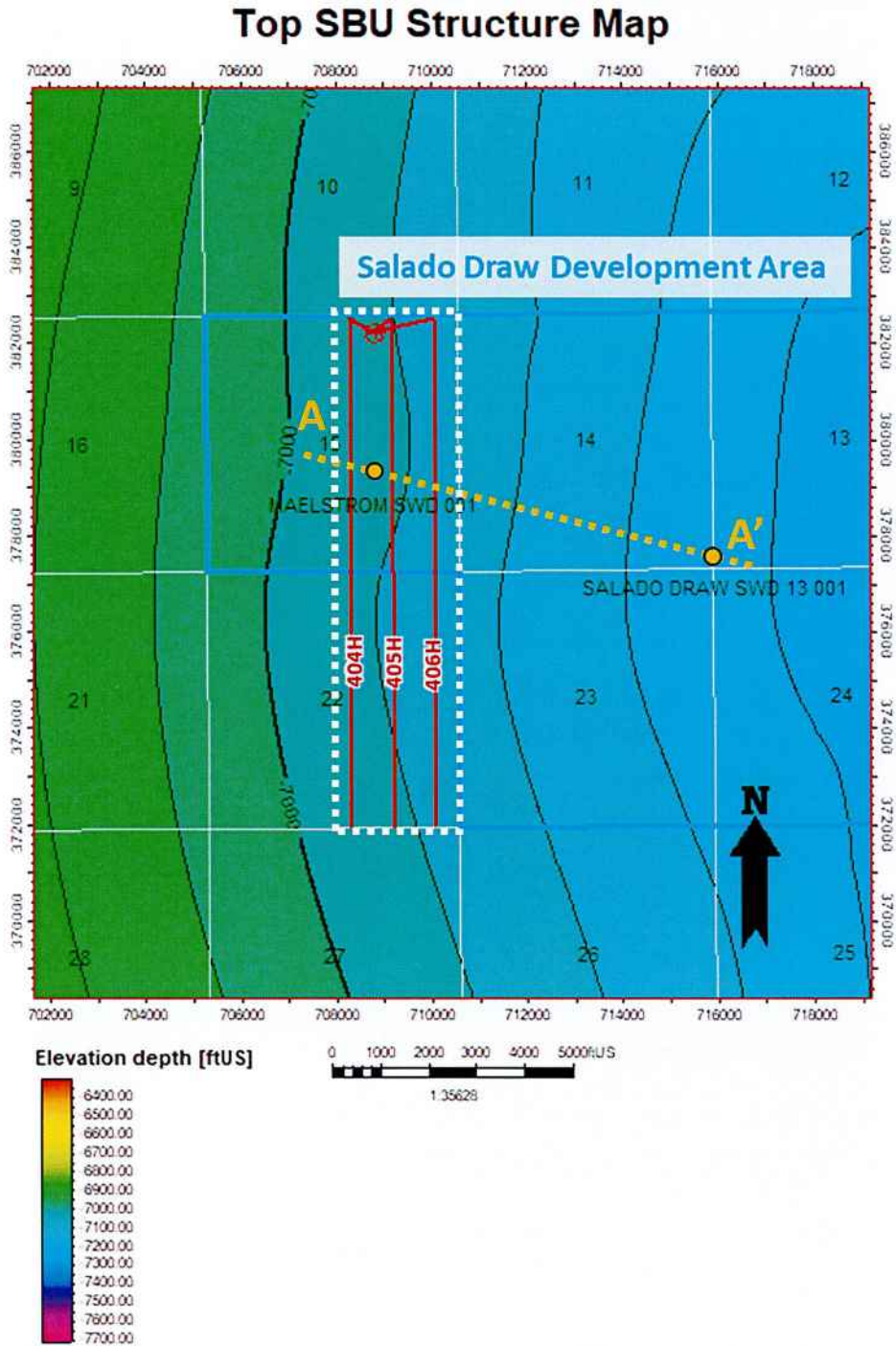


Exhibit B – 7: Stratigraphic Cross-Section

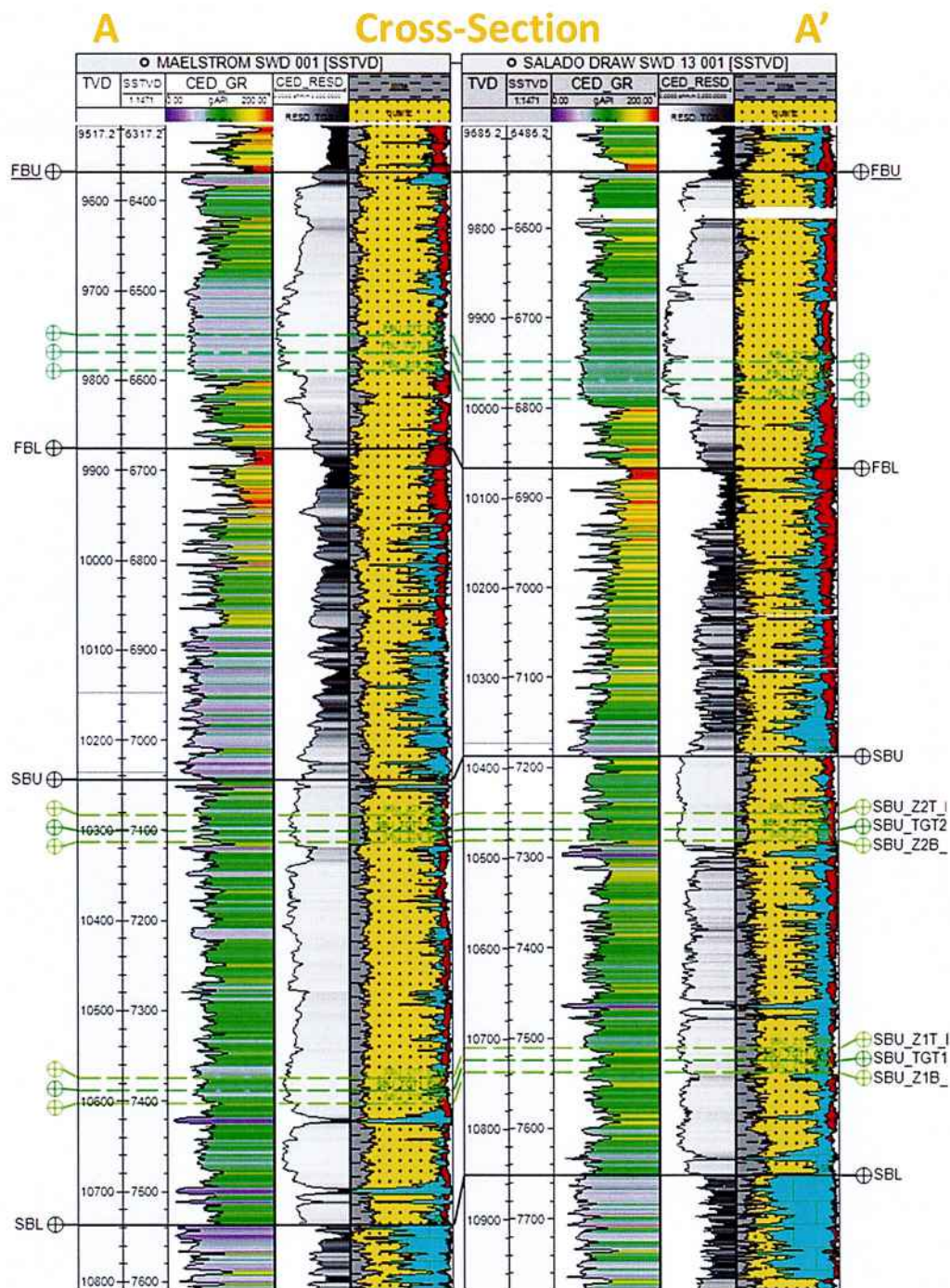


Exhibit B – 8: Second Bone Upper (SBU) Isopach Map

SBU planned wells will be drilled from North to South and in the proposed area the thickness range is approximately 420 - 510 ft.

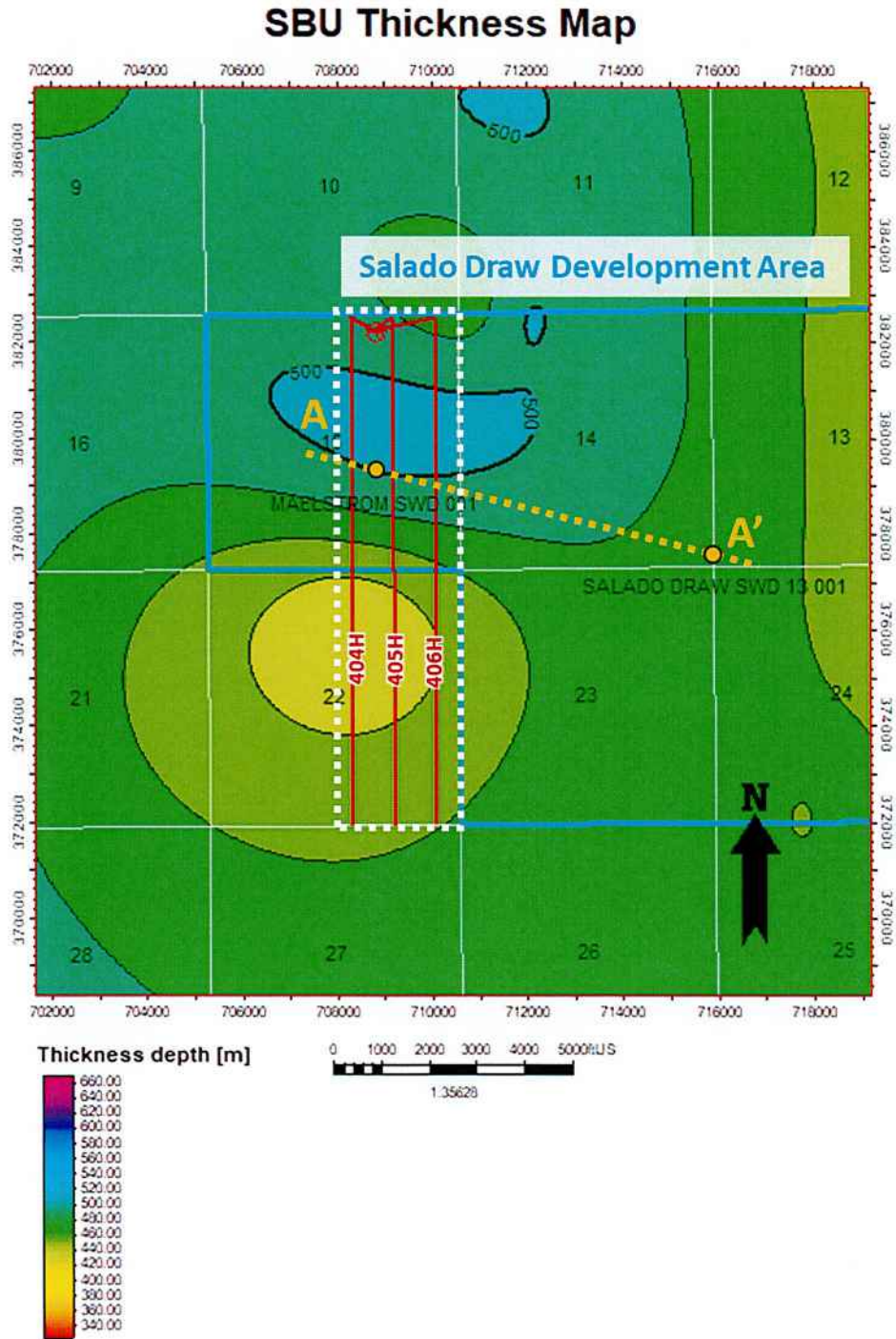


EXHIBIT
tabbles
B.8

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

APPLICATION OF CHEVRON U.S.A.
FOR COMPULSORY POOLING,
LEA COUNTY, NEW MEXICO

CASE NO. 24492

SELF-AFFIRMED DECLARATION OF DEANA M. BENNETT

Deana M. Bennett, attorney in fact and authorized representative of Chevron U.S.A. Inc., the Applicant herein, declares as follows:

1) The above-referenced Application was provided under notice letter, dated May 21, 2024, attached hereto, labeled Exhibit C.1.

2) Exhibit C.2 is the mailing list, which show the notice letters were delivered to the USPS for mailing May 21, 2024.

3) Exhibit C.3 is the certified mailing tracking information, which is automatically compiled by CertifiedPro, the software Modrall uses to track the mailings. This spreadsheet shows the names and addresses of the parties to whom notice was sent and the status of the mailing.

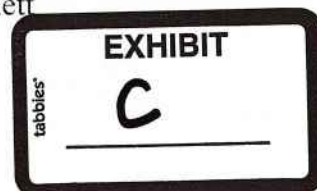
4) Exhibit C.4 is the Affidavit of Publication from the Hobbs News Sun, confirming that notice of the June 13, 2024 hearing was published on May 24, 2024.

5) I attest under penalty of perjury under the laws of the State of New Mexico that the information provided herein is correct and complete to the best of my knowledge and belief.

Dated: June 6, 2024

Deana M Bennett

Deana M. Bennett





MODRALL SPERLING

L A W Y E R S

May 21, 2024

Deana M. Bennett
505.848.1834
dmb@modrall.com

VIA CERTIFIED MAIL
RETURN RECEIPT REQUESTED

**Re: APPLICATION OF CHEVRON U.S.A. INC. FOR
COMPULSORY POOLING, LEA COUNTY, NEW MEXICO**

CASE NO. 24492

TO: AFFECTED PARTIES

This letter is to advise you that Chevron U.S.A. Inc. ("Chevron") has filed the enclosed application.

In Case No. 24492, Chevron U.S.A. Inc. seeks an order from the Division pooling all uncommitted mineral interest owners within a 640-acre Bone Spring horizontal spacing unit underlying the E/2 of Sections 15 and 22, Township 26 South, Range 32 East, N.M.P.M., Lea County, New Mexico. Chevron plans to drill the following proposed wells to a depth sufficient to test the Bone Spring formation: **SD 15 22 Federal Com P404 303H; SD 15 22 Federal Com P404 404H; SD 15 22 Federal Com P404 405H** wells to be drilled from a surface location in NW/4 NE/4 of Section 15 (Unit B) to a bottom hole location in SW/4 SE/4 of Section 22 (Unit O); and **SD 15 22 Federal Com P404 304H and SD 15 22 Federal Com P404 406H** wells to be drilled from a surface location in NW/4 NE/4 of Section 15 (Unit B) to a bottom hole location in SE/4SE/4 of Section 22 (Unit P). The completed interval for the SD 15 22 Federal Com P404 405H well is expected to be less than 330 feet from the adjoining tracts, thereby allowing for the inclusion of the proximity tracts within the proposed spacing unit. Also to be considered will be the cost of drilling and completing the 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, a 200% charge for the risk involved in drilling and completing the wells. Said area is located approximately 25 miles west of Jal, New Mexico.

The hearing is set for June 13, 2024 beginning at 8:30 a.m. The hearing will be conducted in a hybrid fashion, both in-person at the Energy, Minerals, Natural Resources Department, Wendell Chino

Modrall Sperling
Roehl Harris & Sisk P.A.

500 Fourth Street NW
Suite 1000
Albuquerque,
New Mexico 87102

PO Box 2168
Albuquerque,
New Mexico 87103-2168

Tel: 505.848.1800
www.modrall.com



Page 2

Building, Pecos Hall, 1220 South St. Francis Drive, 1st Floor, Santa Fe, NM 87505 and via the WebEx virtual meeting platform. To participate in the electronic hearing, see the instructions posted on the docket for the hearing date: <https://www.emnrd.nm.gov/ocd/hearing-info/>.

As a party who may be affected by this application, we are notifying you of your right to appear at the hearing and participate in this case, including the right to present evidence either in support of or in opposition to the application. Failure to appear at the hearing may preclude you from any involvement in this case at a later date.

You are further notified that if you desire to appear in this case, then you are requested to file a Pre-Hearing Statement with the Division at least four business days in advance of a scheduled hearing before the Division or the Commission, but in no event later than 5:00 p.m. mountain time, on the Thursday preceding the scheduled hearing date, with a copy delivered to the undersigned.

Sincerely,



Deana M. Bennett

Attorney for Applicant

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

APPLICATION OF CHEVRON U.S.A.
INC. FOR COMPULSORY POOLING,
LEA COUNTY, NEW MEXICO.

CASE NO. 24492

APPLICATION

Chevron U.S.A. Inc. (“Chevron”) (OGRID No. 4323), through its undersigned attorneys, hereby files this application with the Oil Conservation Division pursuant to the provisions of NMSA 1978, § 70-2-17, for an order pooling all uncommitted interests in the Bone Spring formation underlying a 640-acre, more or less, standard horizontal spacing unit comprised of the E/2 of Sections 15 and 22, Township 26 South, Range 32 East, N.M.P.M., Lea County, New Mexico. In support of this application, Chevron states:

1. Chevron is a working interest owner in the proposed horizontal spacing unit and has the right to drill thereon.
2. Chevron seeks to dedicate the E/2 of Sections 15 and 22, Township 26 South, Range 32 East, N.M.P.M., Lea County, New Mexico to form a 640-acre, more or less, Bone Spring horizontal spacing unit.
3. Chevron plans to drill the following proposed wells to a depth sufficient to test the Bone Spring formation:
 - **SD 15 22 Federal Com P404 303H; SD 15 22 Federal Com P404 404H; SD 15 22 Federal Com P404 405H wells** to be drilled from a surface location in NW/4 NE/4 of Section 15 (Unit B) to a bottom hole location in SW/4 SE/4 of Section 22 (Unit O); and
 - **SD 15 22 Federal Com P404 304H and SD 15 22 Federal Com P404 406H wells** to be drilled from a surface location in NW/4 NE/4 of Section 15 (Unit B) to a bottom hole location in SE/4SE/4 of Section 22 (Unit P).

4. The wells will be horizontally drilled, and the producing areas for the wells are expected to be orthodox.

5. The completed interval for the **SD 15 22 Federal Com P404 405H** well is expected to be less than 330 feet from the adjoining tracts, thereby allowing for the inclusion of the proximity tracts within the proposed spacing unit under Rule 19.15.16.15(B)(1)(b) NMAC.

6. Chevron sought, but has been unable to obtain, a voluntary agreement from all interest owners in the Bone Spring formation underlying the proposed spacing unit to participate in the drilling of the wells or to otherwise commit their interests to the wells.

7. The pooling of interests in the proposed horizontal well spacing unit will avoid the drilling of unnecessary wells, will prevent waste, and will protect correlative rights.

WHEREFORE, Chevron requests that this application be set for hearing before an Examiner of the Oil Conservation Division on June 13, 2024, and, after notice and hearing as required by law, the Division enter an order:

A. Pooling all uncommitted interests in the Bone Spring formation underlying a horizontal spacing unit comprised of the E/2 of Sections 15 and 22, Township 26 South, Range 32 East, N.M.P.M., Lea County, New Mexico;

B. Designating Chevron as the operator of the horizontal spacing unit and the wells to be drilled thereon;

C. Authorizing Chevron to recover its costs of drilling, equipping and completing the wells;

D. Approving actual operating charges and costs charged for supervision, together with a provision adjusting the rates pursuant to the COPAS accounting procedure; and

E. Imposing a 200% charge for the risk assumed by Chevron in drilling and completing the wells against any working interest owner who does not voluntarily participate in the drilling of wells.

Respectfully submitted,

MODRALL, SPERLING, ROEHL, HARRIS
& SISK, P.A.

By: /s/ Earl E. DeBrine, Jr.

Earl E. DeBrine, Jr.

Deana M. Bennett

Yarithza Peña

Post Office Box 2168

500 Fourth Street NW, Suite 1000

Albuquerque, New Mexico 87103-2168

Telephone: 505.848.1800

edebrine@modrall.com

deana.bennett@modrall.com

yarithza.pena@modrall.com

Attorneys for Chevron U.S.A. Inc.

CASE NO. 24492 : Application of Chevron U.S.A. Inc. for compulsory pooling, Lea County, New Mexico. Chevron U.S.A. Inc. seeks an order from the Division pooling all uncommitted mineral interest owners within a 640-acre Bone Spring horizontal spacing unit underlying the E/2 of Sections 15 and 22, Township 26 South, Range 32 East, N.M.P.M., Lea County, New Mexico. Chevron plans to drill the following proposed wells to a depth sufficient to test the Bone Spring formation: **SD 15 22 Federal Com P404 303H; SD 15 22 Federal Com P404 404H; SD 15 22 Federal Com P404 405H wells** to be drilled from a surface location in NW/4 NE/4 of Section 15 (Unit B) to a bottom hole location in SW/4 SE/4 of Section 22 (Unit O); and **SD 15 22 Federal Com P404 304H and SD 15 22 Federal Com P404 406H wells** to be drilled from a surface location in NW/4 NE/4 of Section 15 (Unit B) to a bottom hole location in SE/4SE/4 of Section 22 (Unit P). The completed interval for the SD 15 22 Federal Com P404 405H well is expected to be less than 330 feet from the adjoining tracts, thereby allowing for the inclusion of the proximity tracts within the proposed spacing unit. Also to be considered will be the cost of drilling and completing the 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, a 200% charge for the risk involved in drilling and completing the wells. Said area is located approximately 25 miles west of Jal, New Mexico.

CASE NO. 24492: Notice to all affected parties, as well as heirs and devisees of: United States of America; ConocoPhillips Company; GBK Investments, L.L.C.; Northern Oil and Gas, Inc.; Great Western Drilling Ltd.; Santa Elena Minerals IV, L.P.; Kaiser-Francis Charitable Income Trust U; Colgate Opportunistic Investments I, LLC; McCombs Energy, Ltd.; Colgate Energy Management, LLC; Mewbourne Oil Company; Mewbourne Energy Partners 11-A, L.P.; Mewbourne Energy Partners 13-A, L.P.; CWM 2000-B, Ltd; CWM 2000-B II, Ltd; Mewbourne Development Corporation; 3MG Corporation of the Application of Chevron U.S.A. Inc. for compulsory pooling, Lea County, New Mexico. The State of New Mexico through its Oil Conservation Division hereby gives notice that the Division will conduct a public hearing at 8:15 a.m. on **June 13, 2024** to consider this application. The hearing will be conducted in a hybrid fashion, both in-person at the Energy, Minerals, Natural Resources Department, Wendell Chino Building, Pecos Hall, 1220 South St. Francis Drive, 1st Floor, Santa Fe, NM 87505 and via the WebEx virtual meeting platform. To participate in the electronic hearing, see the instructions posted on the docket for the hearing date: <https://www.emnrd.nm.gov/ocd/hearing-info/>. Chevron U.S.A. Inc. seeks an order from the Division pooling all uncommitted mineral interest owners within a 640-acre Bone Spring horizontal spacing unit underlying the E/2 of Sections 15 and 22, Township 26 South, Range 32 East, N.M.P.M., Lea County, New Mexico. Chevron plans to drill the following proposed wells to a depth sufficient to test the Bone Spring formation: **SD 15 22 Federal Com P404 303H; SD 15 22 Federal Com P404 404H; SD 15 22 Federal Com P404 405H wells** to be drilled from a surface location in NW/4 NE/4 of Section 15 (Unit B) to a bottom hole location in SW/4 SE/4 of Section 22 (Unit O); and **SD 15 22 Federal Com P404 304H and SD 15 22 Federal Com P404 406H wells** to be drilled from a surface location in NW/4 NE/4 of Section 15 (Unit B) to a bottom hole location in SE/4SE/4 of Section 22 (Unit P). The completed interval for the SD 15 22 Federal Com P404 405H well is expected to be less than 330 feet from the adjoining tracts, thereby allowing for the inclusion of the proximity tracts within the proposed spacing unit. Also to be considered will be the cost of drilling and completing the 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, a 200% charge for the risk involved in drilling and completing the wells. Said area is located approximately 25 miles west of Jal, New Mexico.

PS Form 3877

Firm Mailing Book ID: 266443

Karlene Schuman
Modrall Spering Rochl Harris & Sisk P.A.
500 Fourth Street, Suite 1000
Albuquerque NM 87102

Type of Mailing: CERTIFIED MAIL
05/21/2024

Line	USPS Article Number	Name, Street, City, State, Zip	Postage	Service Fee	RR Fee	Rest.Del.Fee	Reference Contents
1	9314 8699 0430 0121 4108 12	United States of America 301 Dinosaur Trail Santa Fe NM 87508	\$1.63	\$4.40	\$2.32	\$0.00	83420.0050 SD15. Notice
2	9314 8699 0430 0121 4108 29	ConocoPhillips Company 600 N. Dairy Ashford Houston TX 77079	\$1.63	\$4.40	\$2.32	\$0.00	83420.0050 SD15. Notice
3	9314 8699 0430 0121 4108 36	GBK Investments, L.L.C. PO Box 21468 Tulsa OK 74121	\$1.63	\$4.40	\$2.32	\$0.00	83420.0050 SD15. Notice
4	9314 8699 0430 0121 4108 43	Northern Oil and Gas, Inc. 4350 Baker Road, Suite 400 Minnetonka MN 55343	\$1.63	\$4.40	\$2.32	\$0.00	83420.0050 SD15. Notice
5	9314 8699 0430 0121 4108 50	Great Western Drilling Ltd. PO Box 1659 Midland TX 79702	\$1.63	\$4.40	\$2.32	\$0.00	83420.0050 SD15. Notice
6	9314 8699 0430 0121 4108 67	Santa Elena Minerals IV, L.P. PO Box 2063 Midland TX 79702.	\$1.63	\$4.40	\$2.32	\$0.00	83420.0050 SD15. Notice
7	9314 8699 0430 0121 4108 74	Kaiser-Francis Charitable Income Trust U PO Box 21468 Tulsa OK 74121	\$1.63	\$4.40	\$2.32	\$0.00	83420.0050 SD15. Notice
8	9314 8699 0430 0121 4108 81	Colgate Opportunistic Investments I, LLC 300 N. Marrenfeld Street, Suite 1000 Midland TX 79701	\$1.63	\$4.40	\$2.32	\$0.00	83420.0050 SD15. Notice
9	9314 8699 0430 0121 4108 98	McCombs Energy, Ltd. 755 East Mulberry Ave., Suite 600 San Antonio TX 78212	\$1.63	\$4.40	\$2.32	\$0.00	83420.0050 SD15. Notice
10	9314 8699 0430 0121 4109 04	Colgate Energy Management, LLC 300 N. Marrenfeld Street, Suite 1000 Midland TX 79701	\$1.63	\$4.40	\$2.32	\$0.00	83420.0050 SD15. Notice
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12	9314 8699 0430 0121 4109 28	Mewbourne Energy Partners 11-A, L.P. PO Box 7698 Tyler TX 75711	\$1.63	\$4.40	\$2.32	\$0.00	83420.0050 SD15. Notice
13	9314 8699 0430 0121 4109 35	Mewbourne Energy Partners 13-A, L.P. PO Box 7698 Tyler TX 75711	\$1.63	\$4.40	\$2.32	\$0.00	83420.0050 SD15. Notice
14	9314 8699 0430 0121 4109 42	CWM 2000-B, Ltd. PO Box 7698 Tyler TX 75711	\$1.63	\$4.40	\$2.32	\$0.00	83420.0050 SD15. Notice
15	9314 8699 0430 0121 4109 59	CWM 2000-B II, Ltd. PO Box 7698 Tyler TX 75711	\$1.63	\$4.40	\$2.32	\$0.00	83420.0050 SD15. Notice



Karlenc Schuman
Modrall Sperling Roehl Harris & Sisk P.A.
500 Fourth Street, Suite 1000
Albuquerque NM 87102

PS Form 3877

Type of Mailing: CERTIFIED MAIL
05/21/2024

Firm Mailing Book ID: 266443

Line	USPS Article Number	Name, Street, City, State, Zip	Postage	Service Fee	RR Fee	Rest. Del. Fee	Reference Contents
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17	9314 8699 0430 0121 4109 73	3MG Corporation PO Box 7698 Tyler TX 75711	\$1.63	\$4.40	\$2.32	\$0.00	83420.0050 SD15. Notice
Totals:			\$27.71	\$74.80	\$39.44	\$0.00	
Grand Total:						\$141.95	

List Number of Pieces Received by Sender: 17
Total Number of Pieces Received at Post Office: 17
Postmaster: Name of receiving employee: [Signature]



OCD Examiner Hearing 6-13-24

No. 24492



Transaction Report Details - CertifiedPro.net
Firm Mail Book ID= 266443
Generated: 6/4/2024 10:10:17 AM

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Affidavit of Publication

STATE OF NEW MEXICO
COUNTY OF LEA


I, Daniel Russell, Publisher 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
May 24, 2024
and ending with the issue dated
May 24, 2024.



Publisher

Sworn and subscribed to before me this
24th day of May 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.

LEGAL LEGAL

LEGAL NOTICE
May 24, 2024

CASE NO. 24492: Notice to all affected parties, as well as heirs and devisees of: United States of America; ConocoPhillips Company; GBK Investments, L.L.C.; Northern Oil and Gas, Inc.; Great Western Drilling Ltd.; Santa Elena Minerals IV, L.P.; Kaiser-Franco Charitable Income Trust U; Colgate Opportunistic Investments I, LLC; McCombs Energy, Ltd.; Colgate Energy Management, LLC; Mewbourne Oil Company; Mewbourne Energy Partners 11-A, L.P.; Mewbourne Energy Partners 13-A, L.P.; CWM 2000-B, Ltd; CWM 2000-B II, Ltd; Mewbourne Development Corporation; 3MG Corporation of the Application of Chevron U.S.A. Inc. for compulsory pooling, Lea County, New Mexico. The State of New Mexico through its Oil Conservation Division hereby gives notice that the Division will conduct a public hearing at 8:30 a.m. on June 13, 2024 to consider this application. The hearing will be conducted in a hybrid fashion, both in-person at the Energy, Minerals, Natural Resources Department, Wendell Chino Building, Pecos Hall, 1220 South St. Francis Drive, 1st Floor, Santa Fe, NM 87505 and via the WebEx virtual meeting platform. To participate in the electronic hearing, see the instructions posted on the docket for the hearing date: <https://www.emnrd.nm.gov/ocd/hearing-info/>. Chevron U.S.A. Inc. seeks an order from the Division pooling all uncommitted mineral interest owners within a 640-acre Bone Spring horizontal spacing unit underlying the E/2 of Sections 15 and 22, Township 26 South, Range 32 East, N.M.P.M., Lea County, New Mexico. Chevron plans to drill the following proposed wells to a depth sufficient to test the Bone Spring formation: SD 15 22 Federal Com P404 303H; SD 15 22 Federal Com P404 404H; SD 15 22 Federal Com P404 405H wells to be drilled from a surface location in NW/4 NE/4 of Section 15 (Unit B) to a bottom hole location in SW/4 SE/4 of Section 22 (Unit O); and SD 15 22 Federal Com P404 304H and SD 15 22 Federal Com P404 406H wells to be drilled from a surface location in NW/4 NE/4 of Section 15 (Unit B) to a bottom hole location in SE/4SE/4 of Section 22 (Unit P). The completed interval for the SD 15 22 Federal Com P404 405H well is expected to be less than 330 feet from the adjoining tracts, thereby allowing for the inclusion of the proximity tracts within the proposed spacing unit. Also to be considered will be the cost of drilling and completing the 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, a 200% charge for the risk involved in drilling and completing the wells. Said area is located approximately 25 miles west of Jal, New Mexico.
#00290627

01104570

00290627

DOLORES SERNA
MODRALL, SPERLING, ROEHL, HARRIS &
P. O. BOX 2168
ALBUQUERQUE, NM 87103-2168

EXHIBIT
C 4

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

**APPLICATION OF CHEVRON U.S.A.
INC. FOR COMPULSORY POOLING,
LEA COUNTY, NEW MEXICO.**

CASE NO. 24492

NOTICE OF SECOND REVISED EXHIBIT PACKET

Chevron U.S.A. Inc. (“Chevron”) hereby provides notice that it is submitting a revised exhibit packet in the above captioned case, pursuant to discussions with the Technical Examiner at the June 13, 2024 hearing. The revisions are as follows:

- Compulsory Pooling Checklist (Exhibit A)—Chevron has updated the entries of appearance to reflect Mewbourne and Kaiser-Francis’ entry of appearance, updated the cell labeled “Formation/Vertical Extent” and updated the cell labeled “Pooling this Vertical Extent” to clarify the vertical extent Chevron is seeking to pool and to clarify the depth severance;
- Affidavit of Katie Halley (Exhibit A.2): Revised Paragraph 18 to clarify the depth severance and the vertical extent Chevron is seeking to pool.

Respectfully submitted,

MODRALL, SPERLING, ROEHL, HARRIS
& SISK, P.A.

By: /s/ Deana M. Bennett

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CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing was served on counsel of record by electronic mail on July 15, 2024.

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