

**BEFORE THE OIL CONSERVATION DIVISION  
EXAMINER HEARING MARCH 18, 2021**

**CASE NO. 21666**

*CB CAL 25 36 STATE COM 08 301H WELL  
CB CAL 25 36 STATE COM 08 303H WELL*

**EDDY COUNTY, NEW MEXICO**



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

**APPLICATION OF CHEVRON U.S.A.  
INC. TO AMEND ORDER NO. R-21229,  
EDDY COUNTY, NEW MEXICO.**

**CASE NO. 21666  
(ORDER NO. R-21229)**

**TABLE OF CONTENTS**

<b>Chevron Exhibit A –</b>	Application of Chevron USA Inc. to Amend Order No. R-21229, Eddy County, New Mexico.
<b>Chevron Exhibit B –</b>	Second Affidavit of Kelly Rau, Land Representative
<b>Chevron Exhibit C –</b>	Notice Affidavit
<b>Chevron Exhibit D –</b>	Notice of Publication

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

**APPLICATION OF CHEVRON U.S.A.  
INC. TO AMEND ORDER NO. R-21229,  
EDDY COUNTY, NEW MEXICO.**

CASE NO. 21666  
ORDER NO. R-21229

**APPLICATION**

Chevron U.S.A. Inc. (“Chevron” or “Applicant”) (OGRID No. 4323), through its undersigned attorneys, hereby files this application with the Oil Conservation Division to amend Division Order No. R-21229 (“Order”) to allow for an extension of time for completion of the CB CAL 25 36 State Com 08 #303H Well under the Order. In support of its application, Chevron states:

1. Order No. R-21229, entered on April 2, 2020, in Case No. 21124, created a standard 320-acre horizontal spacing unit comprised of the E/2 W/2 of Sections 25 and 36, Township 23 South, Range 28 East, NMPM, Eddy County, New Mexico (“Unit”), and designated Chevron as operator of the Unit.

2. The Order further pooled the uncommitted interests in the Bone Spring formation (Culebra Bluff; Bone Spring, South Pool [Pool code 15011]) in the Unit, and dedicated the Unit to the **CB CAL 25 36 State Com 08 #301H Well**, and the **CB CAL 25 36 State Com 08 #303H Well**.

3. Since the entry of the Order, Chevron’s development plans for this acreage have changed and Chevron no longer intends to drill the **CB CAL 25 36 State Com 08 #301H Well**.

BEFORE THE OIL CONSERVATION DIVISION  
Santa Fe, New Mexico  
Exhibit No. A  
Submitted by: Chevron U.S.A. Inc.  
Hearing Date: March 18, 2021  
Case No. 21666

4. Chevron commenced drilling the **CB CAL 25 36 State Com 08 #303H Well** on April 16, 2020.

5. Applicant requests that Order No. R-21229 be re-opened and amended to allow Applicant additional time to commence completion of the **CB CAL 25 36 State Com 08 #303H Well** under the Order.

6. Under the Order, Applicant would be required to complete the well no later than one (1) year after the commencement of drilling the well.

7. There is good cause for Applicant's request for an extension of time for the completion of the initial well, due to issues while drilling, thereby causing Chevron to delay its intended plans to complete the initial well under the Order.

8. Therefore, Chevron asks for the deadline to commence drilling the well be extended for a year, to April 16, 2022.

WHEREFORE, Applicant requests that this application be set for hearing before an Examiner of the Oil Conservation Division on March 4, 2021, and, after notice and hearing as required by law, the Division enter an order extending the time for Chevron to complete the **CB CAL 25 36 State Com 08 #303H Well** under the Order.

Respectfully submitted,

HOLLAND & HARTILL

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

Michael H. Feldewert  
Adam G. Rankin  
Julia Broggi  
Kaitlyn A. Luck  
Post Office Box 2208  
Santa Fe, New Mexico 87504-2208  
(505) 988-4421  
(505) 983-6043 Facsimile  
mfeldewert@hollandhart.com  
agrarkin@hollandhart.com  
jbroggi@hollandhart.com  
kaluck@hollandhart.com

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

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

**APPLICATION OF CHEVRON U.S.A.  
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EDDY COUNTY, NEW MEXICO.**

**CASE NO. 21666  
(ORDER NO. R-21229)**

**SECOND AFFIDAVIT OF KELLY RAU**

Kelly Rau, of lawful age and being first duly sworn, declares as follows:

1. My name is Kelly Rau. I work for Chevron USA Inc. ("Chevron") as a Land Representative.

2. I have previously testified before the New Mexico Oil Conservation Division as an expert witness in petroleum land matters. My credentials in petroleum land matters 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 the landman that submitted an affidavit in Case No. 21124 that resulted in the issuance of Division Order No. R-21229. I am familiar with the status of the lands in the subject area and the status of the development efforts of the subject spacing unit.

4. Division Order No. R-21229 ("Order"), entered on April 2, 2020, in Case No. 21124, created a standard 320-acre horizontal spacing unit comprised of the E/2 W/2 of Sections 25 and 36, Township 23 South, Range 28 East, NMPM, Eddy County, New Mexico ("Unit"), and designated Chevron as operator of the Unit. The Order further pooled the uncommitted interests in the Bone Spring formation (Culebra Bluff; Bone Spring, South Pool [Pool code 15011]) in the Unit.

**BEFORE THE OIL CONSERVATION DIVISION  
Santa Fe, New Mexico  
Exhibit No. B  
Submitted by: Chevron U.S.A. Inc.  
Hearing Date: March 18, 2021  
Case No. 21666**

5. The Order dedicated the Unit to the initial **CB CAL 25 36 State Com 08 #301H well** (API No. 30-015-46633), and the **CB CAL 25 36 State Com 08 #303H well** (API No. 30-015-46635).

6. The Order further required the completion of the initial well within one year after commencement of drilling.

7. In **Case No. 21666**, Chevron seeks to amend Division Order No. R-21229 to allow for an extension of time for completion of the **CB CAL 25 36 State Com 08 #303H well** under the Order.

8. Chevron commenced drilling the **CB CAL 25 36 State Com 08 #303H Well** on April 16, 2020.

9. Since that time, Chevron has been unable to complete the well because Chevron has been unable to get a completions crew to the location.

10. At this time, Chevron requests that Order No. R-21229 be re-opened and amended to allow Chevron additional time to commence completion of the **CB CAL 25 36 State Com 08 #303H Well** under the Order, for a year to **April 16, 2022**.


11. I provided the law firm of Holland & Hart LLP a list of names and addresses for the working interest owners that remain subject to the Order and instructed them to provide notice of this hearing to the pooled working interest owners.

12. FURTHER AFFIANT SAYETH NOT.

  
KELLY RAU

STATE OF TEXAS            )  
  )  
COUNTY OF HARRIS        )

SUBSCRIBED and SWORN to before me this 15<sup>th</sup> day of March 2021 by Kelly  
Rau

  
NOTARY PUBLIC

My Commission Expires:

02-12-2023





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

**APPLICATION OF CHEVRON U.S.A.  
INC. TO AMEND ORDER NO R-21229,  
EDDY COUNTY, NEW MEXICO.**

**CASE NO. 21666  
Order No. R-21229**

**AFFIDAVIT**

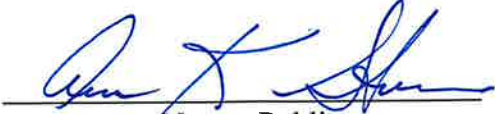
STATE OF NEW MEXICO    )  
  ) ss.  
COUNTY OF SANTA FE    )

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



\_\_\_\_\_  
Kaitlyn A. Luck


SUBSCRIBED AND SWORN to before me this 16th day of March, 2021 by Kaitlyn A. Luck.

  
\_\_\_\_\_  
Notary Public

My Commission Expires:

January 28, 2023

**BEFORE THE OIL CONSERVATION DIVISION**  
**Santa Fe, New Mexico**  
**Exhibit No. C**  
**Submitted by: Chevron U.S.A. Inc.**  
**Hearing Date: March 18, 2021**  
**Case No. 21666**

  
**OFFICIAL SEAL**  
**ANNA K. STORM**  
**NOTARY PUBLIC - STATE OF NEW MEXICO**  
My Commission Expires: January 28, 2023



**Michael H. Feldewert**  
Phone (505) 988-4421  
Fax (505) 983-6043  
mfeldewert@hollandhart.com

February 12, 2021

**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-21229,  
Eddy County, New Mexico.  
CB CAL 25 36 State Com 08 #301H, #303H 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.

**During the COVID-19 Public Health Emergency, state buildings are closed to the public and hearings will be conducted remotely. The hearing will be conducted on March 4, 2021, beginning at 8:15 a.m. To participate in the electronic hearing, see the instructions posted on the OCD Hearings website: <http://www.emnrd.state.nm.us/OCD/announcements.html>.**

You are not required to attend this hearing, but as an owner of an interest that may be affected by this application, you may appear and present testimony. Failure to appear at that time and become a party of record will preclude you from challenging the matter at a later date. Parties appearing in cases are required by Division Rule 19.15.4.13.B to file a Pre-hearing Statement four business days in advance of a scheduled hearing. This statement must be filed at the Division's Santa Fe office at the above specified address and should include: the names of the parties and their attorneys; a concise statement of the case; the names of all witnesses the party will call to testify at the hearing; the approximate time the party will need to present its case; and identification of any procedural matters that are to be resolved prior to the hearing.

If you have any questions about this matter, please contact Kelly Rau, at 713-372-7411, or Kelly.Rau@chevron.com.

Sincerely,

A handwritten signature in blue ink, appearing to read "Michael H. Feldewert".

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

Chevron CB Cal 303H  
Case No. 21666 Postal Delivery Report

TrackingNo	ToName	DeliveryAddress	City	State	Zip	USPS_Status
9414811898765894808156	Hillier Oil & Gas Ltd.	4620 Livingston Ave	Dallas	TX	75209-6024	Your item was returned to the sender at 12:03 pm on February 22, 2021 in DALLAS, TX 75209 because the forwarding order for this address is no longer valid.
9414811898765894808316	James A. Brown Family Trust Dated April 6, 2011	PO Box 928	Elk City	OK	73648-0928	Your item was delivered at 9:58 am on February 16, 2021 in ELK CITY, OK 73644.
9414811898765894808354	Browne Family Revocable LivingTrust U/A Dated August 7, 2013	3473 Kimberly Rd	Cameron Park	CA	95682-9036	Your item was delivered to an individual at the address at 12:45 pm on February 16, 2021 in SHINGLE SPRINGS, CA 95682.
9414811898765894808361	Watt Living Trust u/a dated January 16, 2009	128 Dyrell Way	Folsom	CA	95630-2368	Your item was delivered at 9:51 am on February 23, 2021 in SACRAMENTO, CA 95825.
9414811898765894808323	Charlotte E. Wells and Kaiulani L. Bumpus JT	900 Broken Feather Trl Trlr 219	Pflugerville	TX	78660-3515	This is a reminder to arrange for redelivery of your item or your item will be returned to sender.
9414811898765894808309	Tundra AD3, LP	2100 Ross Ave Ste 1870	Dallas	TX	75201-6773	Your package will arrive later than expected, but is still on its way. It is currently in transit to the next facility.
9414811898765894808392	Stanico Energy Corporation	PO Box 32467	Oklahoma City	OK	73123-0667	Your package will arrive later than expected, but is still on its way. It is currently in transit to the next facility.
9414811898765894808163	Highland Texas Eneregy Company	7557 Rambler Rd Ste 918	Dallas	TX	75231-2306	Your package will arrive later than expected, but is still on its way. It is currently in transit to the next facility.
9414811898765894808125	Kaiser Francis Oil Company	PO Box 21468	Tulsa	OK	74121-1468	Your package will arrive later than expected, but is still on its way. It is currently in transit to the next facility.
9414811898765894808101	B. Craig Duke	PO Box 10403	Midland	TX	79702-7403	Your item is being held at the MIDLAND, TX 79702 post office at 6:17 am on February 18, 2021. This is at the request of the customer.
9414811898765894808194	Rockwell Energy	PO Box 54584	Oklahoma City	OK	73154-1584	This is a reminder to arrange for redelivery of your item or your item will be returned to sender.
9414811898765894808149	Read & Stevens, Inc.	400 N Pennsylvania Ave	Roswell	NM	88201-4754	Your item was delivered to the front desk, reception area, or mail room at 11:01 am on February 16, 2021 in ROSWELL, NM 88201.
9414811898765894808187	Desert States Energy, Inc.	230 Southriver	Wimberley	TX	78676-5307	Your item has been delivered to an agent for final delivery in WIMBERLEY, TX 78676 on February 22, 2021 at 2:27 pm.
9414811898765894808132	OXY USA WTP Limited Partnership	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 February 22, 2021 at 12:01 pm.
9414811898765894808170	Marathon Oil Permian, LLC	5555 San Felipe St	Houston	TX	77056-2701	Your item was delivered to an individual at the address at 2:17 pm on February 22, 2021 in HOUSTON, TX 77056.

# Carlsbad Current Argus

PART OF THE USA TODAY NETWORK

## Affidavit of Publication

Ad # 0004602280

This is not an invoice

DAVID WASHINGTON

110 NORTH GUADALUPE, SUITE 1 P

SANTA FE, NM 87504

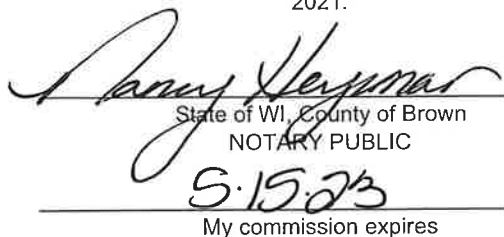
I, a legal clerk of the **Carlsbad Current Argus**, a newspaper published daily at the City of Carlsbad, in said county of Eddy, state of New Mexico and of general paid circulation in said county; that the same is a duly qualified newspaper under the laws of the State wherein legal notices and advertisements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

02/16/2021



Legal Clerk

Subscribed and sworn before me this February 16, 2021:



State of WI, County of Brown  
NOTARY PUBLIC  
5.15.23  
My commission expires

Ad # 0004602280  
PO #: CB CAL  
# of Affidavits 1

This is not an invoice

NANCY HEYRMAN  
Notary Public  
State of Wisconsin

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

The State of New Mexico, Energy Minerals and Natural Resources Department, Oil Conservation Division ("Division") hereby gives notice that the Division will hold public hearings before a hearing examiner on the following case. During the COVID-19 Public Health Emergency, state buildings are closed to the public and Division hearings will be conducted remotely. The public hearing for the following case will be electronic and conducted remotely. The hearing will be conducted on **Thursday, March 4, 2020, beginning at 8:15 a.m.** To participate in the electronic hearing, see the instructions posted below. The docket may be viewed at <http://www.emnrd.state.nm.us/OCD/hearings.html> or obtained from Marlene Salvidrez, at [Marlene.Salvidrez@state.nm.us](mailto:Marlene.Salvidrez@state.nm.us). Documents filed in the case may be viewed at <http://ocdimage.emnrd.state.nm.us/imaging/CaseFileCriteria.aspx>. 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 Marlene Salvidrez at [Marlene.Salvidrez@state.nm.us](mailto:Marlene.Salvidrez@state.nm.us), or the New Mexico Relay Network at 1-800-659-1779, no later than **February 24, 2020**.

Persons may view and participate in the hearings through the following link:

<https://nmemnrd.webex.com/nmemnrd/onstage/g.php?MTID=e763994e77d637822c931514e935e4679>  
Event number: 187 632 8177  
Event password: MphPR6mkH36

Join by video: 1876328177@nmemnrd.webex.com  
Numeric Password: 998341  
You can also dial 173.243.2.68 and enter your meeting number

Join by audio: 1-844-992-4726 United States Toll Free  
Access code: 187 632 8177.

**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 overriding royalty interest owners and pooled parties, including: Hillier Oil & Gas Ltd.; Highland (Texas) Energy Company; Kaiser Francis Oil Company; B. Craig Duke, his heirs and devisees; Rockwell Energy; Read & Stevens, Inc.; Desert States Energy, Inc.; OXY USA WTP Limited Partnership; Marathon Oil Permian, LLC; James A. Brown Family Trust Dated April 6, 2011; Browne Family Revocable Living Trust u/a dated August 7, 2013; Watt Living Trust u/a dated January 16, 2009; Charlotte E. Wells and Kaiulani L. Bumpus (JT), their heirs and devisees; Tundra AD3, LP; and Stanico Energy Corporation.

Case No. 21666: Application of Chevron Production Company to Amend Order No. R-21229, Eddy County, New Mexico. Applicant in the above-styled cause seeks to amend Order No. R-21229 to allow for a year extension of the time for completing the CB CAL 25 36 State Com 08 #303H Well. The Unit in this case is comprised of the E/2 W/2 of Sections 25 and 36, Township 23 South, Range 28 East, NMPM, Eddy County, New Mexico. Order No. R-21229 pooled the uncommitted interests in the Bone Spring formation and dedicated the Unit to: (1) the CB CAL 25 36 State Com 08 #301H Well, and (2) the CB CAL 25 36 State Com 08 #303H Well. Said area is located approximately 3 miles southeast of Loving, New Mexico.

February 16, 2021