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

APPLICATION OF CHEVRON U.S.A. INC. TO AMEND ORDER R-20859 LEA COUNTY, NEW MEXICO

CASE NO. 21843

(formerly Case No. 20768)

APPLICATION OF CHEVRON U.S.A. INC. TO AMEND ORDER R-21409 LEA COUNTY, NEW MEXICO

CASE NO. 21844

(formerly Case No. 21240)

APPLICATION OF CHEVRON U.S.A. INC. TO AMEND ORDER R-21418 LEA COUNTY, NEW MEXICO

CASE NO. 21845

(formerly Case No. 21244)

APPLICATION OF CHEVRON U.S.A. INC. TO AMEND ORDER R-21465 LEA COUNTY, NEW MEXICO

CASE NO. 21846

(formerly Case No. 21242)

APPLICATION OF CHEVRON U.S.A. INC. TO AMEND ORDER R-21467 LEA COUNTY, NEW MEXICO

CASE NO. 21847

(formerly Case No. 21246

CHEVRON U.S.A. INC. EXHIBIT LIST

Exhibit A Affidavit of Kevin C. Stubbs (Land Representative) with Exhibit 1

A-1: Application and Proposed Ad for Case No. 21843

A-2: Order No. R-20859

A-3: Application and Proposed Ad for Case No. 21844

A-4: Order No. R-21409

A-5: Application and Proposed Ad for Case No. 21845

A-6: Order No. R-21418

A-7: Application and Proposed Ad for Case No. 21846

A-8: Order No. R-21465

A-9: Application and Proposed Ad for Case No. 21847

A-10: Order No. R-21467

Exhibit B Self-Affirmed Statement of Notice

B-1: Letters of Notice

B-1 (21843)

B-1 (21844)

B-1 (21845)

B-1 (21846)

B-1 (21847)

B-2: Certified Return Receipts and Summary of Returns

B-2 (21843)

B-2 (21844)

B-2 (21845)

B-2 (21846)

B-2 (21847)

B-3: Affidavits of Publication

B-3 (21843)

B-3 (21844)

B-3 (21845)

B-3 (21846)

B-3 (21847)

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

APPLICATION OF CHEVRON U.S.A. INC. TO AMEND ORDER R-20859, LEA COUNTY, NEW MEXICO

> CASE NO. 21843 (formerly Case No. 20768)

APPLICATION OF CHEVRON U.S.A. INC. TO AMEND ORDER R-21409, LEA COUNTY, NEW MEXICO

> CASE NO. 21844 (formerly Case No. 21240)

APPLICATION OF CHEVRON U.S.A. INC. TO AMEND ORDER R-21418, LEA COUNTY, NEW MEXICO

> CASE NO. 21845 (formerly Case No. 21244)

APPLICATION OF CHEVRON U.S.A. INC. TO AMEND ORDER R-21465, LEA COUNTY, NEW MEXICO

> CASE NO. 21846 (formerly Case No. 21242)

APPLICATION OF CHEVRON U.S.A. INC.
TO AMEND ORDER R-21467, LEA COUNTY, NEW MEXICO

CASE NO. 21847 (formerly Case No. 21246)

AFFIDAVIT OF KEVIN C. STUBBS

	STATE OF TEXAS	
	COUNTY OF HARRIS) ss.)
1	KEVIN C. STUBBS,	being duly sworn, deposes and states:
3	1. I am over the	age of 18, and I am a Land Representative for CHEVRON U.S.A
4	INC. ("Chevron").	

Case Nos. 21843, 21844, 21845, 21846 & 21847 Affidavit of Kevin C. Stubbs Page 1 of 7

5	2. My credentials as a petroleum landman have been accepted by the Division and
6	made a matter of record.
7	3. I submit the following information pursuant to NMAC 19.15.4.12.A.(1) and
8	NMAC 19.15.4.14.B in support of the above-referenced applications to re-open and amend the
9	respective orders in each application.
10	4. I am familiar with the applications filed by Chevron in each of the referenced cases
11	and the status of the development efforts for the pooled spacing units ("Dagger Lake Project" or
12	"Dagger Lake Group").
13	5. In the referenced cases Chevron requests amendment of the Division's Orders as
14	follows:
15 16 17 18 19 20 21 22 23 24 25 26 27 28	 a. Case No. 21843: Chevron seeks an order amending Order No. R-20859, issued on September 13, 2019, to retroactively extend the deadline for completing the initial wells for one year to February 1, 2022. Order No. R-20859 pooled all mineral interests in the Bone Spring formation in a horizontal spacing unit comprised of the E/2 of Section 9 and E/2 of Section 16, Township 22 South, Range 33 East, NMPM, Lea County, New Mexico, and requires that operator commence completion operations on at least one of the wells within one year after commencement of drilling operations unless the operator obtains an extension from the Division Director for good cause shown. The three initial wells, (1) the DL 9 16 Loch Ness Fed Com 16H well; (2) the DL 9 16 Loch Ness Fed Com 17H well; and (3) the DL 9 16 Loch Ness Fed Com 18H well, were commenced on February 1, 6 and 8, 2020, respectively, and successfully drilled to planned total depth. 1) In Case No. 21843, under Order No. R-20859 Chevron would have been
29 30	required to complete the Loch Ness wells by February 1, 6 and 8, 2021.
31 32 33	 Personnel displacement as a result of COVID-19 protocols contributed to the oversight of timely filing the application in Case No. 21843 to amend.
34 35 36	3) No harm has been caused to any party as a result of the oversight and no opposition to this application is anticipated by any working interest owner.
37 38	4) Chevron asks that the deadline to complete the Loch Ness wells under Order No. R-20859 be retroactively extended from February 1, 6 and 8, 2021 to

February 1, 2022 to allow Chevron sufficient time to drill the 18 other Dagger Lake Project wells and then simultaneously complete all 21 wells.

- b. Case No. 21844: Chevron seeks an order amending Order No. R-21409, issued on July 29, 2020, to extend the deadline to commence drilling the initial wells for two years to July 29, 2023. Order No. R-21409 pooled all mineral interests in the Bone Spring formation in a horizontal spacing unit comprised of the E/2 of Section 3 and E/2 of Section 10, Township 22 South, Range 33 East, NMPM, Lea County, New Mexico, and requires that operator commence drilling operations within one year after the date of the order unless the operator obtains an extension by amending the order for good cause shown. The initial wells to be drilled within the unit are: (1) the DL 10 3 Morag Fed Com 210H well; (2) the DL 10 3 Morag Fed Com 211H well; (3) the DL 10 3 Morag Fed Com 212H well; and (4) the DL 10 3 Morag Fed Com 506H well.
 - 1) Applicant's drilling schedule for development of its Dagger Lake well group places the four Bone Spring wells identified in Order No. 21409 behind the other 14 currently planned Bone Spring wells within its Dagger Lake project area.
 - 2) To accommodate the drilling and completion schedule for all of its 21 Dagger Lake Bone Spring wells, Chevron asks that the deadline to commence drilling the wells under Order No. R-21409 be extended for two years from July 29, 2021 to July 29, 2023.
- c. <u>Case No. 21845</u>: Chevron seeks an order amending Order No. R-21418, issued on August 7, 2020, to extend the deadline to commence drilling the initial wells for one year to August 7, 2022. Order No. R-21418 pooled all mineral interests in the Bone Spring formation in a horizontal spacing unit comprised of the W/2 of Section 3 and W/2 of Section 10, Township 22 South, Range 33 East, NMPM, Lea County, New Mexico, and requires that operator commence drilling operations within one year after the date of the order unless the operator obtains an extension by amending the order for good cause shown. The initial wells to be drilled within the unit are: (1) the DL 10 3 Kraken Fed Com 207H well; (2) the DL 10 3 Kraken Fed Com 208H well; (3) the DL 10 3 Kraken Fed Com 209H well; (4) the DL 10 3 Kraken Fed Com 504H well; and (5) DL 10 3 Morag Fed Com 505H well.

Chevron asks that the deadline to commence drilling the wells under Order No. R-21418 be extended for one year from August 7, 2021 to August 7, 2022.

d. <u>Case No. 21846</u>: Chevron seeks an order amending Order No. R-21465, issued on September 21, 2020, to extend the deadline to commence drilling the initial wells for one year to September 21, 2022. Order No. R-21465 pooled all mineral interests in the Bone Spring formation in a horizontal spacing unit comprised of the E/2 of Section 15 and E/2 of Section 22, Township 22 South, Range 33 East, NMPM, Lea County, New

Mexico, and requires that operator commence drilling operations within one year after the date of the order unless the operator obtains an extension by amending the order for good cause shown. The initial wells to be drilled within the unit are: (1) the DL 15 22 Ogopogo Fed Com 222H well; (2) the DL 15 22 Ogopogo Fed Com 223H well; (3) the DL 15 22 Ogopogo Fed Com 224H well; and (4) the DL 15 22 Ogopogo Fed Com 512H well.

Chevron asks that the deadline to commence drilling the wells under Order No. R-21465 be extended for one year from September 21, 2021 to September 21, 2022.

e. Case No. 21847: Chevron seeks an order amending Order No. R-21467, issued on September 21, 2020, to extend the deadline to commence drilling the initial wells for one year to September 21, 2022. Order No. R-21467 pooled all mineral interests in the Bone Spring formation in a horizontal spacing unit comprised of the W/2 of Section 15 and W/2 of Section 22, Township 22 South, Range 33 East, NMPM, Lea County, New Mexico, and requires that operator commence drilling operations within one year after the date of the order unless the operator obtains an extension by amending the order for good cause shown. The initial wells to be drilled within the unit are: (1) the DL 15 22 Narwhal Fed Com 219H well; (2) the DL 15 22 Narwhal Fed Com 220H well; (3) the DL 15 22 Narwhal Fed Com 221H well; (4) the DL 15 22 Narwhal Fed Com 510H well; and (5) DL 15 22 Ogopogo Fed Com 511H well.

Chevron asks that the deadline to commence drilling the wells under Order No. R-21467 be extended for one year from September 21, 2021 to September 21, 2022.

- 6. Each of the above identified pooling orders designates Chevron as the operator of the units and requires drilling of a dedicated well to commence within one year from the date of entry of the order.
- 7. There are 21 wells in Chevron's currently planned Bone Spring development for the Dagger Lake Group, which are the 21 wells identified in these five cases.
- 114 8. All 21 of the initial wells proposed for Chevron's Dagger Lake Group are intended 115 to be drilled and completed as part of a simultaneous drilling and completion project.
- 9. At the time of filing these applications on April 2, 2021, Chevron had received applications for permits to drill ("APDs") from the Bureau of Land Management ("BLM") for

only three of the 21 wells in Applicant's Dagger Lake Project. The APDs received were those for the Loch Ness wells in Case No. 21843 which were commenced in February, 2020 and thereafter drilled to planned total depth.

- 10. There is good cause for Applicant's requests for an extension of time to drill and complete in all five cases. The processing of Applicant's request for federal Applications to Drill ("APDs") for the wells in Case Nos. 21844, 21845, 21846 and 21847 yet to be drilled has been delayed due to the backlog at the BLM, which backlog existed prior to the new federal administration taking office and has intensified by recent actions by the U.S. Department of the Interior. On January 20, 2021, the U.S. Department of the Interior issued Secretarial Order 3395, which directly impacted Applicant's ability to obtain federal APDs. Moreover, although that secretarial order expired after 60 days, the Department of the Interior issued an internal directive on March 19, 2021, requiring that DOI bureaus (including BLM) continue to elevate permitting requests (and other actions) to the Assistant Secretary for Land and Minerals Management before taking final action.
- 11. In May and June, 2020 Chevron submitted six APDs for BLM approval for wells identified in Case Nos. 21845 and 21847. Approval of these APDs was not received until April, 2021, almost a year following submittal.
- 12. Similar delays in the approval of APDs for the remaining wells in Applicant's

 Dagger Lake Project are anticipated.
- 13. As a result of the delay by the BLM in the approval of requested APDs, Applicant

 has been unable to execute its plan to simultaneously drill and complete the wells in its Dagger

 Lake Project.

- 14. 140 Simultaneous drilling and completion of the Dagger Lake Project wells will provide 141 significant cost savings and reduce environmental impact of the project. 15. 142 There is additional good cause arising from the unfavorable economic environment 143 caused by the global COVID-19 pandemic, the related impact on CAPEX, and the need to resequence Applicant's drilling schedule. 144 16. 145 No opposition to any of these applications by any working interest owner is anticipated. 146 17. 147 Attached as Exhibit I are copies of the following revised APDs for wells identified 148 in Order No. R-21465, Case No. 21846: 149 a. DL 10 15 Ogopogo Fed Com 422H b. DL 10 15 Ogopogo Fed Com 423H 150 151 c. DL 10 15 Ogopogo Fed Com 424H 152 153 The only change in the attached APDs from those submitted at hearing on the original application 154 are very minor adjustments to the location of the wells. 155 18. I attest that the information provided herein is correct and complete to the best of my knowledge and belief. 156
- 157 Based on my knowledge of land matters, in my expert opinion, the granting of
- 158 Chevron's applications in these cases is in the interests of conservation, the prevention of waste

and protection of correlative rights.

KEVIN C. STUBBS

SUBSCRIBED AND SWORN to before me this 3 day of 4, 2021, by KEVIN C. STUBBS on behalf of Chevron U.S.A. Inc.

Notary Public

My Commission Expires: 03-04-2025

EXHIBIT I

<u>District I</u>. 1625 N. French Dr., Hobbs, NM 88240

Phone: (575) 393-6161 Fax: (575) 393-0720 <u>District II</u>

811 S. First St., Artesia, NM 88210 Phone: (575) 748-1283 Fax: (575) 748-9720 <u>District III</u>.

1000 Rio Brazos Road, Aztec, NM 87410 Phone: (505) 334-6178 Fax: (505) 334-6170 <u>District IV</u>

1220 S. St. Francis Dr., Santa Fe, NM 87505 Phone: (505) 476-3460 Fax: (505) 476-3462

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

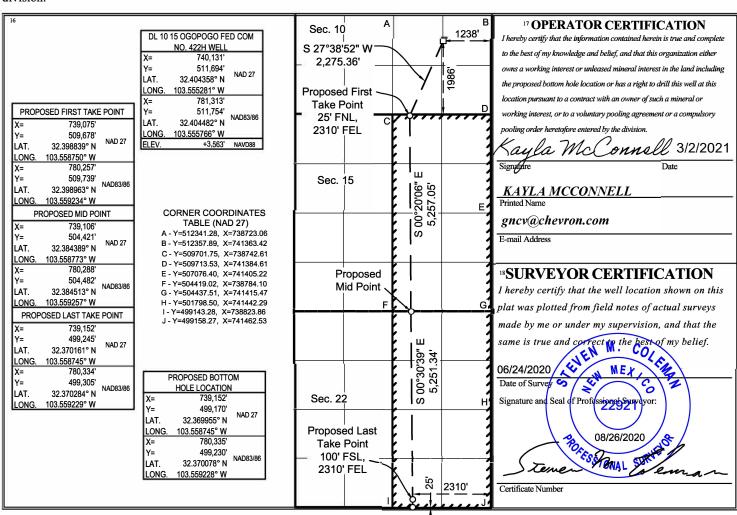
Form C-102
Revised August 1, 2011
Submit one copy to appropriate
District Office

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number		² Pool	Code	³ Pool Name							
			5	1687	RED TANK; BONE SPRING, EAST						
⁴ Property Code			⁵ Property Name					6 1	⁶ Well Number		
				DL 10 15 OGOPOGO FED COM					422H		
⁷ OGR	ID No.			8 Operator Name						⁹ Elevation	
4323			CHEVRON U.S.A. INC.					3563'			
¹⁰ Surface Location											
UL or lot no.	Section	n Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line		County	
1	10	22 SOUTH	33 EAST, N.M.P.M.		1986'	SOUTH	1238'	EA	ST	LEA	
¹¹ Bottom Hole Location If Different From Surface											
UL or lot no.	Sectio	n Township	Township Range		Feet from the	North/South line	Feet from the	East/\	West line	County	
0	O 22 22 SOUTH 33 EAST, N.M.P.M.			25'	SOUTH	2310'	EA	ST	LEA		
12 Dedicated A	cres 13 J	oint or Infill	14 Consolidation Code	¹⁵ Order No.							
640											

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.



District 1

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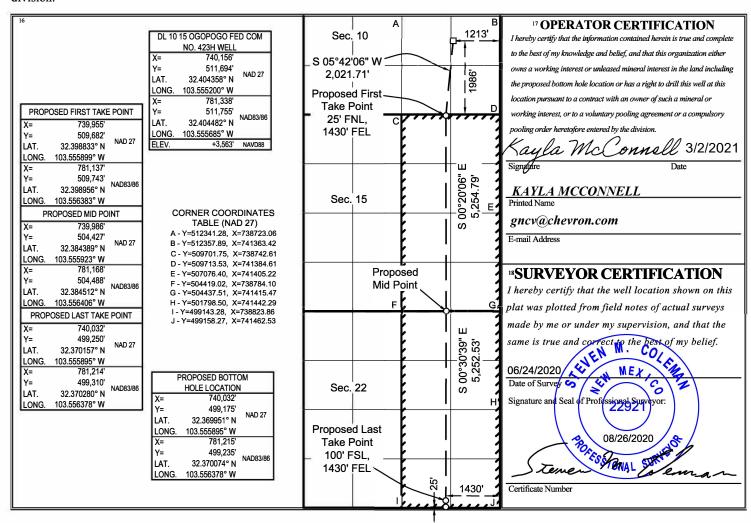
Form C-102 Revised August 1, 2011 Submit one copy to appropriate District Office

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WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number		² Poo	l Code	³ Pool Name							
				1687 RED TANK; BONE SPRING, EAST						Γ	
⁴ Property Code				⁵ Property Name						6 Well Number	
				DL 10 15 OGOPOGO FED COM					423H		
⁷ OGRID No.				8 Operator Name						⁹ Elevation	
				CHEVRON U.S.A. INC.						3563'	
¹⁰ Surface Location											
UL or lot no.	Sect	ion Township	wnship Range		Feet from the	North/South line	Feet from the	East/West line		County	
1	10	22 SOUTH	33 EAST, N.M.P.M	1.	1986'	SOUTH	1213'	EA	ST	LEA	
¹¹ Bottom Hole Location If Different From Surface											
UL or lot no.	Secti	ion Township	Township Range		Feet from the	North/South line	Feet from the	East/\	West line	County	
0	22	22 SOUTH	22 SOUTH 33 EAST, N.M.P.M.		25'	SOUTH	1430'	EA	ST	LEA	
12 Dedicated A	cres 13	Joint or Infill	¹⁴ Consolidation Code	15 Order No.							
640											

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.



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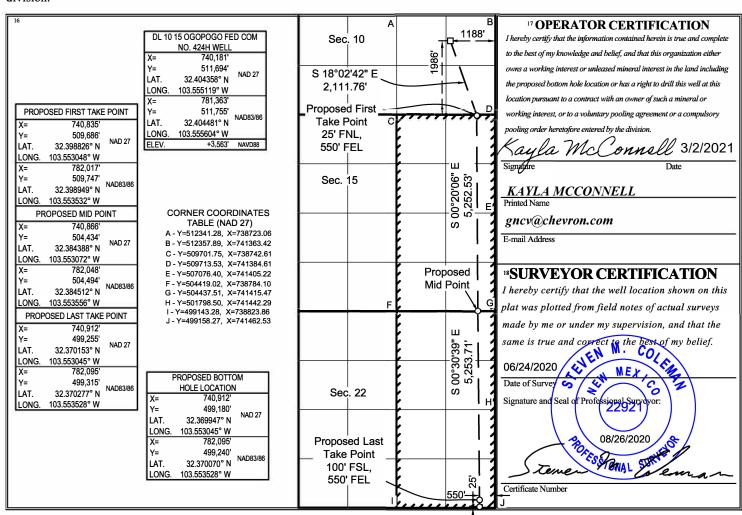
Form C-102 Revised August 1, 2011 Submit one copy to appropriate District Office

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number		² Pool	Code	³ Pool Name							
			5	1687 RED TANK; BONE SPRING, EAST						Γ	
⁴ Property Code				⁵ Property Name						6 Well Number	
				DL 10 15 OGOPOGO FED COM					424H		
⁷ OGRID No.				⁸ Operator Name						⁹ Elevation	
				CHEVR	ON U.S.A. IN	C.			3563'		
¹⁰ Surface Location											
UL or lot no.	Secti	on Township	wnship Range		Feet from the	North/South line	Feet from the	East/West line		County	
I	10	22 SOUTH	33 EAST, N.M.P.M		1986'	SOUTH	1188'	EA	ST	LEA	
¹¹ Bottom Hole Location If Different From Surface											
UL or lot no.	Section	on Township	Township Range		Feet from the	North/South line	Feet from the	East/V	West line	County	
P	P 22 22 SOUTH 33 EAST, N.M.P.M.			25'	SOUTH	550'	EA	ST	LEA		
12 Dedicated A	12 Dedicated Acres 13 Joi		14 Consolidation Code	15 Order No.							
640											

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.



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-20859, LEA COUNTY, NEW MEXICO.

CASE NO. 21843 ORDER NO. R-20859 (Re-Open)

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 Order No. R-20859 entered in Case No. 20768 to allow for an extension of time for completion of the initial wells under this Order. In support of its application, Chevron states:

- 1. Order No. R-20859 entered in Case No. 20768 is one of five orders relating to Chevron's Dagger Lake well group.
 - 2. The Division Hearing for Case No. 20768 was held on September 5, 2019.
- 3. The Division entered Order No. R-20859 in Case No. 20768 on September 13, 2019.
- 4. Division Order No. R-20859 created a standard 640-acre, more or less, horizontal spacing unit comprised of the E/2 of Section 9 and E/2 of Section 16, Township 22 South, Range 33 East, Lea County, New Mexico, N.M.P.M. ("the Unit") and designated Chevron as operator of the Unit.

- 5. Order No. R-20859 further pooled the uncommitted interests in the Bone Spring formation (Lower Avalon: Red Tank; Bone Spring East and TBS: WC-025 G-06 S213326D; Bone Spring) underlying the Unit and dedicated the Unit to the following proposed initial wells: (1) the DL 9 16 Loch Ness Fed Com 16H well; (2) the DL 9 16 Loch Ness Fed Com 17H well; and (3) the DL 9 16 Loch Ness Fed Com 18H well ("Loch Ness wells").
- 6. The drilling of the **DL 9 16 Loch Ness Fed Com 16H** well was commenced on February 1, 2020, the **DL 9 16 Loch Ness Fed Com 17H** well commenced on February 6, 2020 and the **DL 9 16 Loch Ness Fed Com 18H** well commenced on February 8, 2020. All Loch Ness wells were thereafter successfully drilled to planned Total Depth.
- 7. The Loch Ness wells were intended to be drilled and completed as part of a simultaneous drilling and completion project with other Dagger Lake group wells. By separate applications filed contemporaneously herewith, Chevron is also seeking to re-open and amend related Order Nos. R-21409, R-21465, R-21418 and R-21467 to allow Chevron additional time for drilling and completing the wells identified in those Orders ("Related DL Orders").
- 8. Applicant requests that Order No. R-20859 be re-opened and retroactively amended to allow Applicant additional time to complete the Loch Ness wells identified in the Order.
- 9. There is good cause for Applicant's request for an extension of time to drill. The processing of Applicant's request for federal APDs for the wells in this Application and in its Related DL Orders has been delayed due to BLM's backlog, which existed prior to the new federal administration taking office and has intensified by recent actions by the U.S. Department of the Interior. On January 20, 2021, the U.S. Department of the Interior issued Secretarial Order 3395, which directly impacted Applicant's ability to obtain federal APDs for wells to be drilled under the other DL Related Orders. Moreover, although that secretarial order expired after 60 days, the

Department of the Interior issued an internal directive on March 19, 2021, requiring that DOI bureaus (including BLM) continue to elevate permitting requests (and other actions) to the Assistant Secretary for Land and Minerals Management before taking final action.

- 10. There are 21 wells in Chevron's currently planned Bone Spring development for the Dagger Lake group.
- 11. To date, Applicant has received APDs from the BLM for only 3 of the 21 wells in Applicant's Dagger Lake Project, which are the APDs for the Loch Ness wells which have been drilled to planned total depth by Applicant under Order No. R-20859.
- 12. As a result of the delay by the BLM in the issuance of requested APDs, Applicant has been unable to execute its plan to simultaneously drill and complete the wells in its Dagger Lake project.
- 13. There is additional good cause arising from the unfavorable economic environment caused by the global COVID-19 pandemic, the related impact on CAPEX, and the need to resequence Applicant's drilling schedule.
- 14. Under Order No. R-20859 Chevron would have been required to complete the Loch Ness wells by February 1, 6 and 8, 2021.
- 15. Personnel displacement as a result of COVID-19 protocols contributed to the oversight of timely filing this application to amend.
 - 16. No harm has been caused to any party as a result of the oversight.
 - 17. No opposition to this application by any working interest owner is anticipated.
- 18. Chevron asks that the deadline to complete the Loch Ness wells under Order No. R-20859 be retroactively extended from February 1, 6 and 8, 2021 to February 1, 2022.

WHEREFORE, Chevron requests this application be set for hearing before an Examiner of the Oil Conservation Division on May 6, 2021, and after notice and hearing as required by law, the Division amend Order No. R-20859 to retroactively extend the time for Chevron to complete the Loch Ness wells to February 1, 2022.

Respectfully submitted,

BEATTY & WOZNIAK, P.C.

Candace Callahan

500 Don Gaspar Avenue

Santa Fe, New Mexico 87505

(505) 983-8545 or (505) 983-8765 (direct)

(800) 886-6566 (fax)

ccallahan@bwenergylaw.com

ATTORNEYS FOR CHEVRON U.S.A. INC.

(Re-Open) Application of Chevron U.S.A. Inc. to Amend Order No. R-20859, Lea County, New Mexico. Applicant in the above-styled cause seeks an order amending Order No. R-20859, issued on September 13, 2019, to retroactively extend the deadline for completing the initial wells for one year to February 1, 2022. Order No. R-20859 pooled all mineral interests in the Bone Spring formation in a horizontal spacing unit comprised of the E/2 of Section 9 and E/2 of Section 16, Township 22 South, Range 33 East, NMPM, Lea County, New Mexico, and requires that operator commence completion operations on at least one of the wells within one year after commencement of drilling operations unless the operator obtains an extension from the Division Director for good cause shown. The three initial wells, the DL 9 16 Loch Ness Fed Com 16H well, the DL 9 16 Loch Ness Fed Com 17H well and the DL 9 16 Loch Ness Fed Com 18H well, were commenced on February 1, 6 and 8, 2020, respectively, and successfully drilled to planned total depth. The unit is located approximately 21 miles northwest of Jal, New Mexico.

EXHIBIT A-2

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

IN THE MATTER OF THE HEARING CALLED BY THE OIL CONSERVATION DIVISION TO CONSIDER:

CASE NO. 20768 ORDER NO. R-20859

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

ORDER OF THE DIVISION

BY THE DIVISION:

This case came on for hearing at 8:15 a.m. on September 5, 2019, at Santa Fe, New Mexico, before Examiner William V. Jones.

NOW, on this 13th day of September 2019, the Division Director, having considered the testimony, the record and the recommendations of the Examiner,

FINDS THAT

- (1) Due public notice has been given and the Division has jurisdiction of this case and the subject matter.
- (2) Applicant seeks to compulsory pool all uncommitted oil and gas interests within a spacing unit, as that unit is described in the attached Exhibit "A".
- (3) Applicant seeks to dedicate the Proposed Well(s) detailed in Exhibit "A" to the Unit.
- (4) ConocoPhillips Company entered an appearance. No other party appeared or otherwise opposed the case.
- (5) Applicant appeared at the hearing through counsel and presented evidence to the effect that:
 - (a) All completed well locations are expected to be standard or Applicant will apply administratively for approval of location exceptions.

- (b) Notice by certified mail was provided to all uncommitted interest owners in the proposed Unit whose interests were evidenced by a conveyance instrument, either of record or known to Applicant when the Application was filed, and to heirs known to Applicant of deceased persons who appear as owners in such instrument.
- (c) Notice to certain affected parties was posted in a newspaper of general circulation in the county as provided in Rule 19.15.4.12.B NMAC.

The Division finds and concludes that

- (6) If the location of any of the Well(s) is unorthodox when the well is completed under the spacing rules then in effect and applicable to the well, the operator must obtain a non-standard location approval prior to producing the well.
- (7) Two or more separately owned tracts are embraced within the Unit, and/or there are royalty interests and/or undivided interests in oil and gas minerals in one or more tracts included in the Unit that are separately owned.
- (8) Applicant is owner of an oil and gas working interest within the Unit. Applicant has the right to drill and proposes to drill the Well(s) to a common source of supply within the Unit at the described depths and location(s). Applicant should be allowed a one year period to complete at least one of the Well(s) after commencing drilling of the Well(s).
 - (9) There are interest owners in the Unit that have not agreed to pool their interests.
- (10) To avoid the drilling of unnecessary wells, protect correlative rights, prevent waste and afford to the owner of each interest in the Unit the opportunity to recover or receive without unnecessary expense a just and fair share of hydrocarbons, this application should be approved by pooling all uncommitted interests, whatever they may be, in the oil and gas in the pooled depth interval within the Unit.
- (11) To ensure protection of correlative rights, any pooled working interest owner whose address is known, and who has elected to participate under the terms of this order should be notified before the Division grants any extension of the time provided herein for commencing drilling. Any such owner may file an application, with notice to the operator, requesting that the extension be denied.
- (12) Infill wells within the Unit should be subject to Division Rules 19.15.13.9 NMAC through 19.15.13.10 NMAC, and to the terms and conditions of this order.
- (13) Any pooled working interest owner who does not pay its share of estimated well costs of any well should have withheld from production from such well its share of reasonable well costs plus an additional reasonable charge [see Exhibit "A"] for the risk involved in drilling the Well(s).

IT IS THEREFORE ORDERED THAT

- (1) All uncommitted interests, whatever they may be, in the oil and gas within the spacing unit (or the portion thereof within the pooled vertical extent) described in Exhibit "A" are hereby pooled. Exhibit "A" hereto is incorporated herein by this reference and made a part of this order for all purposes.
 - (2) The Unit shall be dedicated to the proposed "Well(s)".
- (3) If any of the Well(s) is completed at an unorthodox location under applicable rules in effect at the time such well is completed, the operator shall provide notice and apply administratively for a location exception prior to producing the well.
- (4) The operator of the Unit shall commence drilling the Well(s) on or before the end of the month corresponding to the date of this order, in the year following the date of issuance of this order and shall thereafter continue drilling the Well(s) with due diligence to test the pooled formation or pooled vertical depths. The Well(s) shall be drilled approximately to the proposed true vertical and measured depths.
- (5) In the event the operator does not commence drilling at least one of the Well(s) on or before the date provided in the foregoing paragraph, the compulsory pooling provision of this order shall be of no effect, unless the operator obtains a written time extension from the Division Director pursuant to a written request stating its reasons for such extension and attaching satisfactory evidence.
- (6) In the event the operator does not commence completion operations on at least one of the Well(s) within one year after commencement of drilling operations pursuant to this order, then the compulsory pooling provisions of this order shall be of no effect unless operator obtains a written time extension from the Division Director pursuant to a written request stating its reasons for such extension and attaching satisfactory evidence.
- (7) The operator shall provide a copy of any request for extension of time to drill or complete any well filed with the Director pursuant to this order to each pooled working interest owner who has elected to participate in the drilling of any well that is the subject of the request. Such copy shall be sent at the same time the request is sent to the Director.
- (8) Upon final plugging and abandonment of the Well(s) and any other well drilled on the Unit pursuant to Division Rule 19.15.13.9 NMAC, the pooled unit created by this order shall terminate unless this order has been amended to authorize further operations.
- (9) Infill wells within the Unit shall be subject to Division Rule 19.15.13.9 NMAC and to the terms and conditions of this order.
- (10) After pooling, uncommitted working interest owners are referred to as pooled working interest owners. ("Pooled working interest owners" are owners of working interests in the

Unit, including unleased mineral interests, who are not parties to an operating agreement governing the Unit.) After the effective date of this order, the operator shall furnish the Division and each known pooled working interest owner in the Unit separate itemized schedules of estimated costs of drilling, completing and equipping each of the Well(s) ("well costs").

- (11) Within 30 days from the date the schedule of estimated well costs for any well is furnished, any pooled working interest owner shall have the right to elect to pay its share of estimated well costs to the operator in lieu of paying its share of reasonable well costs out of production as hereinafter provided. Payment shall be rendered within 30 days after expiration of the 30-day election period and any such owner who pays its share of estimated well costs as provided above for any well shall remain liable for operating costs but shall not be liable for risk charges to the extent computed based on costs of such well. Pooled working interest owners who do not elect to pay their share of estimated well costs, or who do not render timely payment to the operator, as provided in this paragraph shall thereafter be referred to as "non-consenting working interest owners."
- (12) The operator shall furnish the Division and each known pooled working interest owner (including non-consenting working interest owners) an itemized schedule of actual well costs of each well within 180 days following completion of the proposed well. If no objection to the actual well costs for any well is received by the Division, and the Division has not objected, within 45 days following receipt of the schedule for such well, the actual well costs shall be deemed to be the reasonable well costs. If there is an objection to actual well costs within the 45-day period, the Division will determine reasonable well costs for such well after public notice and hearing.
- (13) Within 60 days following determination of reasonable well costs for any well, any pooled working interest owner who has paid its share of estimated costs of such well in advance as provided above shall pay to the operator its share of the amount that reasonable well costs exceed estimated well costs and shall receive from the operator the amount, if any, that the estimated well costs it has paid for such well exceed its share of reasonable well costs.
- (14) The operator is hereby authorized to withhold the following costs and charges from each non-consenting working interest owner's share of production from each well:
 - (a) the proportionate share of reasonable well costs attributable to the non-consenting working interest owner; and
 - (b) as a charge for the risk involved in drilling the well, the percent (shown in Exhibit "A") of the above costs.
- (15) During the cost recovery period, the operator shall furnish to the Division and to each known non-consenting pooled working interest owner, annually, and within 90 days after payout occurs, a schedule of all revenues attributable to each proposed well, and all charges for supervision and operating costs charged against such revenues. Operating costs shall include all reasonable costs incurred for the maintenance and operation of the well, except for "well costs"

reported pursuant to prior ordering paragraphs, that are properly chargeable to the joint account pursuant to COPAS procedures. If no objection to the operating costs is received by the Division, and the Division has not objected, within 45 days following receipt of any schedule, the costs shall be deemed to be the reasonable operating costs. If there is an objection to the accuracy or reasonableness of operating costs reported within the 45-day period, the Division will determine reasonable operating costs after public notice and hearing.

- (16) The operator shall distribute the costs and charges withheld from production, proportionately, to the parties who advanced the well costs for such well.
- (17) Reasonable charges for supervision (combined fixed rates) are hereby fixed at the rates shown in Exhibit "A" per month, per well, while drilling and while producing, provided that these rates shall be adjusted annually pursuant to the COPAS form titled "Accounting Procedure-Joint Operations." The operator is authorized to withhold from production from each well the proportionate share of both the supervision charges and the actual expenditures required for operating of such well, not more than what are reasonable, attributable to pooled working interest owners.
- (18) Except as provided in the foregoing paragraphs, all proceeds from production from the Well(s) that are not disbursed for any reason shall be held for the account of the person or persons entitled thereto pursuant to the Oil and Gas Proceeds Payment Act (NMSA 1978 Sections 70-10-1 through 70-10-6, as amended). If not sooner disbursed, such proceeds shall be turned over to the appropriate authority as and when required by the Uniform Unclaimed Property Act (NMSA 1978 Sections 7-8A-1 through 7-8A-31, as amended).
- (19) Any unleased mineral interest shall be considered a seven-eighths (7/8) working interest and a one-eighth (1/8) royalty interest for allocating costs and charges under this order. Any costs that are to be paid out of production shall be withheld only from the working interests' share of production, and no costs or charges shall be withheld from production attributable to royalty interests.
- (20) Should all the parties to this compulsory pooling order reach voluntary agreement after entry of this order, this order shall thereafter be of no further effect.
- (21) The operator of the wells and Unit shall notify the Division in writing of the subsequent voluntary agreement of any party subject to the compulsory pooling provisions of this order.

(22) Jurisdiction of this case is retained for the entry of such further orders as the Division may deem necessary.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.



STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

ADRIENNE SANDOVAL Director

Exhibit "A"

Applicant:

Chevron U.S.A. Inc.

Operator:

Chevron U.S.A. Inc. (OGRID 4323)

Spacing Unit:

Horizontal Oil

Building Blocks:

quarter-quarter section equivalents

Unit Size:

640 acres (more or less)

Orientation of Unit:

North/South

Unit Description:

E/2 of Sections 9 and 16,

Township 22 South, Range 33 East, NMPM, Lea County, New Mexico

Pooling this Vertical Extent: Bone Spring Formation

Depth Severance? (Yes/No): No

Pool:

Red Tank; Bone Spring, East (Pool code 51687)

Pool Spacing Unit Size:

quarter-quarter sections

Rules Governing Well Setbacks: Latest Horizontal Rules Apply.

Proximity Tracts:

E/2 E/2 of both Sections 9 and 16 are being included

Proximity Defining Well:

Well No. 17H is to be located within 330 feet of the center

of the E/2 of both Sections 9 and 16.

Monthly charge for supervision: While drilling: \$7000 While producing: \$700 As the charge for risk, 200 percent of reasonable well costs.

Proposed Well(s):

DL 9 16 Loch Ness Federal Com Well No. 16H, API No. 30-025-Pending

SHL: 263 feet from the South line and 1372 feet from the East line, (Unit O) of Section 4, Township 22 South, Range 33 East, NMPM. BHL: 25 feet from the South line and 2310 feet from the East line, (Unit O) of Section 16, Township 22 South, Range 33 East, NMPM.

Completion Target: Lower Avalon at approx 9525 feet TVD and 20298 feet MD.

Well Orientation:

North to South

Completion Location expected to be: standard

DL 9 16 Loch Ness Federal Com Well No. 17H, API No. 30-025-Pending

SHL: 264 feet from the South line and 1322 feet from the East line, (Unit O) of Section 4, Township 22 South, Range 33 East, NMPM. BHL: 25 feet from the South line and 1430 feet from the East line, (Unit O) of Section 16, Township 22 South, Range 33 East, NMPM.

Completion Target: Lower Avalon at approx 9675 feet TVD and 20449 feet MD.

Well Orientation: North to South

Completion Location expected to be: standard

DL 9 16 Loch Ness Federal Com Well No. 18H, API No. 30-025-Pending

SHL: 264 feet from the South line and 1272 feet from the East line, (Unit P) of Section 4, Township 22 South, Range 33 East, NMPM. BHL: 25 feet from the South line and 550 feet from the East line, (Unit P) of Section 16, Township 22 South, Range 33 East, NMPM.

Completion Target: Lower Avalon at approx 9525 feet TVD and 20299 feet MD.

Well Orientation: North to South

Completion Location expected to be: standard

EXHIBIT A-3

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-21409, LEA COUNTY, NEW MEXICO.

CASE NO. <u>21844</u> ORDER NO. R-21409 (Re-Open)

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 Order No. R-21409 entered in Case No. 21240 to allow for an extension of time for drilling the proposed initial wells under this Order. In support of its application, Chevron states:

- 1. Order No. R-21409 entered in Case No. 21240 is one of five orders relating to Chevron's Dagger Lake well group.
 - 2. The Division Hearing for Case No. 21240 was held on July 7, 2020.
 - 3. The Division entered Order No. R-21409 in Case No. 21240 on July 29, 2020.
- 4. Division Order No. R-21409 created a standard 640-acre, more or less, horizontal spacing unit comprised of the E/2 of Section 3 and E/2 of Section 10, Township 22 South, Range 33 East, Lea County, New Mexico, N.M.P.M. ("the Unit") and designated Chevron as operator of the Unit.
- 5. Order No. R-21409 further pooled the uncommitted interests in the Bone Spring formation (Lower Avalon: Red Tank; Bone Spring East and TBS: WC-025 G-06 S213326D; Bone Spring) underlying the Unit and dedicated the Unit to the following proposed initial wells: (1) the

- DL 10 3 Morag Fed Com 210H well; (2) the DL 10 3 Morag Fed Com 211H well; (3) the DL 10 3 Morag Fed Com 212H well; and (4) the DL 10 3 Morag Fed Com 506H well.
- 6. Applicant plans to drill the wells encompassed in its Dagger Lake group as part of a simultaneous drilling and completion project. By separate applications, therefore, Chevron is also seeking to re-open and amend related Order Nos. R-20859, R-21465, R-21418, and R-21467 to allow Chevron additional time for drilling and completing the wells identified in those Orders ("Related DL Orders").
- 7. Applicant requests that Order No. R-21409 be re-opened and amended to allow Applicant additional time to commence drilling the wells identified in the Order.
- 8. There is good cause for Applicant's request for an extension of time to drill. The processing of Applicant's request for federal APDs for the wells in this Application and in its Related DL Orders has been delayed due to BLM's backlog, which existed prior to the new federal administration taking office and has intensified by recent actions by the U.S. Department of the Interior. On January 20, 2021, the U.S. Department of the Interior issued Secretarial Order 3395, which directly impacted Applicant's ability to obtain federal APDs for wells to be drilled under this Order and other DL Related Orders. Moreover, although that secretarial order expired after 60 days, the Department of the Interior issued an internal directive on March 19, 2021, requiring that DOI bureaus (including BLM) continue to elevate permitting requests (and other actions) to the Assistant Secretary for Land and Minerals Management before taking final action.
- 9. There are 21 wells in Chevron's currently planned Bone Spring development for the Dagger Lake group.
- 10. To date, Applicant has received APDs from the BLM for only 3 of the 21 wells in Applicant's Dagger Lake Project, which are the APDs for the three wells which have been drilled

to planned total depth by Applicant under Order No. R-20859. Contemporaneous with the filing of this Application, Applicant has filed an Application to Amend Order No. R-20859 to retroactively extend the deadline for completing the three initial wells drilled to planned total depth under that Order.

- 11. As a result of the delay by the BLM in the issuance of requested APDs, Applicant has been unable to execute its plan to simultaneously drill and complete the wells in its Dagger Lake project.
- 12. In each of its separate pending related Dagger Lake applications to amend the Related DL Orders Chevron is asking for an extension of one year.
- 13. Under Order No. R-21409 Chevron would be required to commence drilling by July 29, 2021.
 - 14. No opposition to this application by any working interest owner is anticipated.
- 15. Applicant's drilling schedule for development of its Dagger Lake well group places the four Bone Spring wells identified in Order No. 21409 behind the other currently planned Bone Spring wells within its Dagger Lake development area.
- 16. To accommodate the drilling and completion schedule for all of its 21 Dagger Lake Bone Spring wells, Chevron asks that the deadline to commence drilling the wells under Order No. R-21409 be extended for two years from July 29, 2021 to July 29, 2023.

WHEREFORE, Chevron requests this application be set for hearing before an Examiner of the Oil Conservation Division on May 6, 2021, and after notice and hearing as required by law,

the Division amend Order No. R-21409 to extend the time for Chevron to commence drilling the wells under the Order for two years, through July 29, 2023.

Respectfully submitted,

BEATTY & WOZNIAK, P.C.

Candace Callahan

500 Don Gaspar Avenue

Santa Fe, New Mexico 87505

(505) 983-8545 or (505) 983-8765 (direct)

(800) 886-6566 (fax)

ccallahan@bwenergylaw.com ATTORNEYS FOR CHEVRON U.S.A. INC.

(Re-Open) Application of Chevron U.S.A. Inc. to Amend Order No. R-21409, Lea County, New Mexico. Applicant in the above-styled cause seeks an order amending Order No. R-21409, issued on July 29, 2020, to extend the deadline to commence drilling the initial wells for two years to July 29, 2023. Order No. R-21409 pooled all mineral interests in the Bone Spring formation in a horizontal spacing unit comprised of the E/2 of Section 3 and E/2 of Section 10, Township 22 South, Range 33 East, NMPM, Lea County, New Mexico, and requires that operator commence drilling operations within one year after the date of the order unless the operator obtains an extension by amending the order for good cause shown. The initial wells to be drilled within the unit are: (1) the DL 10 3 Morag Fed Com 210H well; (2) the DL 10 3 Morag Fed Com 211H well; (3) the DL 10 3 Morag Fed Com 212H well; and (4) the DL 10 3 Morag Fed Com 506H well. The unit is located approximately 21 miles northwest of Jal, New Mexico.

EXHIBIT A-4

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

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

CASE NO. 21240 ORDER NO. R-21409

ORDER

The Director of the New Mexico Oil Conservation Division ("OCD"), having heard this matter through a Hearing Examiner on July 7, 2020, and after considering the testimony, evidence, and recommendation of the Hearing Examiner, issues the following Order.

FINDINGS OF FACT

- 1. ChevronU.S.A. Inc. ("Operator") submitted an application ("Application") to compulsory pool the uncommitted oil and gas interests within the spacing unit ("Unit") described in Exhibit A. The Unit is expected to be a standard horizontal spacing unit. 19.15.16.15(B) NMAC. Operator seeks to be designated the operator of the Unit.
- 2. Operator will dedicate the well(s) described in Exhibit A ("Well(s)") to the Unit.
- 3. Operator proposes the supervision and risk charges for the Well(s) described in Exhibit A.
- 4. Operator identified the owners of uncommitted interests in oil and gas minerals in the Unit and provided evidence that notice was given.
- 5. The Application was heard by the Hearing Examiner on the date specified above, during which Operator presented evidence through affidavits in support of the Application. No other party presented evidence at the hearing.

CONCLUSIONS OF LAW

- 6. OCD has jurisdiction to issue this Order pursuant to NMSA 1978, Section 70-2-17.
- 7. Operator is the owner of an oil and gas working interest within the Unit.
- 8. Operator satisfied the notice requirements for the Application and the hearing as required by 19.15.4.12 NMAC.
- 9. OCD satisfied the notice requirements for the hearing as required by 19.15.4.9 NMAC.

- 10. Operator has the right to drill the Well(s) to a common source of supply at the depth(s) and location(s) in the Unit described in Exhibit A.
- 11. The Unit contains separately owned uncommitted interests in oil and gas minerals.
- 12. Some of the owners of the uncommitted interests have not agreed to commit their interests to the Unit.
- 13. The pooling of uncommitted interests in the Unit will prevent waste and protect correlative rights, including the drilling of unnecessary wells.
- 14. This Order affords to the owner of an uncommitted interest the opportunity to produce his just and equitable share of the oil or gas in the pool.

ORDER

- 15. The uncommitted interests in the Unit are pooled as set forth in Exhibit A.
- 16. The Unit shall be dedicated to the Well(s) set forth in Exhibit A.
- 17. Operator is designated as operator of the Unit and the Well(s).
- 18. If the location of a well will be unorthodox under the spacing rules in effect at the time of completion, Operator shall obtain the OCD's approval for a non-standard location in accordance with 19.15.16.15(C) NMAC.
- 19. The Operator shall commence drilling the Well(s) within one year after the date of this Order, and complete each Well no later than one (1) year after the commencement of drilling the Well.
- 20. This Order shall terminate automatically if Operator fails to comply with Paragraph 19 unless Operator obtains an extension by amending this Order for good cause shown.
- 21. The infill well requirements in 19.15.13.9 NMAC through 19.15.13.12 NMAC shall be applicable.
- 22. Operator shall submit each owner of an uncommitted working interest in the pool ("Pooled Working Interest") an itemized schedule of estimated costs to drill, complete, and equip the well ("Estimated Well Costs").
- 23. No later than thirty (30) days after Operator submits the Estimated Well Costs, the owner of a Pooled Working Interest shall elect whether to pay its share of the Estimated Well Costs or its share of the actual costs to drill, complete and equip the well ("Actual Well Costs") out of production from the well. An owner of a Pooled

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

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

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

STATE OF NEW MEXICO OIL CONSERVATION DIVISION

ADRIENNE SANDOVAL DIRECTOR

AES/tgw

Date: 7/29/2020

Exhibit "A"

ALL INFORMATION IN THE APPLICATION MUST BI	E SUPPORTED BY SIGNED AFFIDAVITS
Case 21240	APPLICANT'S RESPONSE
Date: July 9, 2020	ALL DOMEST ONCE
Applicant	Chevron U.S.A. Inc.
Designated Operator & OGRID (affiliation if applicable)	4323
Applicant's Counsel: Case Title:	Beatty & Wozniak, P.C. (Candace Callahan & Jill Fulcher) Application of Chevron U.S.A. Inc. for Compulsory Pooling, Lea County, New Mexico
A STATE OF THE STA	
Entries of Appearance/Intervenors:	Ernie Padilla obo EOG Resources, Inc.; Sharon T. Shahsen & John F. Micintyre obo Tap Rock Resources, LLC; J. E. Gallegos & Michael J. Condon obo Stewarls, Helms, JAFT and Worrells, James Bruce obo Antelope Energy Company, LLC (NOTE: EOG Resources, Inc. Is the only part entering an appearance which owns an interest in the proposed spacing and proration unit)
Well Family Formation/Pool	Morag
Formation Name(s) or Vertical Extent:	Bone Spring formation
Primary Product (Oil or Gas):	Oil
Pooling this vertical extent:	Bone Spring formation
Pool Name and Pool Code:	Lower Avalon; Red Tank; Bone Spring East and TBS: WC-025 G-06 S213326D; Bone Spring
Well Location Setback Rules:	Standard Oil, 330' setback
Spacing Unit Size: Spacing Unit	640 acres, more or less
Spacing Unit Type (Horizontal/Vertical)	Horizontal
Size (Acres)	640 acres, more or less
Building Blacks:	40 acres (quarter-quarter section)
Orientation: Description: TRS/County	North-South E/2 of Section 3 and E/2 of Section 10, T22S, R33E, Lea Co.
Pro-2-19-19-19-19-19-19-19-19-19-19-19-19-19-	
Standard Horizontal Well Spacing Unit (Y/N), If No, describe	Yes
Other Situations Depth Severance: Y/N. If yes, description	No
Proximity Tracts: If yes, description	Yes: W/2E/2 of Sections 3 and 10, T22S, R33E, Lea Co.
Proximity Defining Well: if yes, description	DL 19 3 Morag Fed Com 211H
Applicant's Ownership in Each Tract Well(s)	Tract 1: 100%; Tract 3: 25%
	SHL 1060 FSL / 1686 FEL, Section 10, T22S, R33E BHL: 25 FNL / 2178 FEL, Section 3, T22S, R33E Well Orientation: North to South Completion location expected to be standard
Well #2	DL 10 3 Moreg Fed Com 211H SHL: 1060 FSL / 1640 FEL, Section 10, T22S, R33E BHL: 25 FNL / 1254 FEL, Section 3, T22S, R33E Well Orientation: North to South
Well #3	Completion location expected to be standard DL 10 3 Morag Fed Com 212H
	SHL: 1060 FSL / 1615 FEL, Section 10, T22S, R33E BHL: 25 FNL / 330 FEL, Section 3, T22S, R33E Well Orientation: North to South Completion location expected to be standard
Well #4	DL 10 3 Morag Fed Com 508H SHL: 960 FSL / 1640 FEL, Section 10, T22S, R33E BHL: 25 FNL / 714 FEL, Section 3, T22S, R33E Well Orientation: North to South
Horizontal Well #1 First and Last Take Points	Completion location expected to be standard Exhibit L-7 (C-102)
Horizontal Well #2 First and Last Take Points Horizontal Well #3 First and Last Take Points	Exhibit L-7 (C-102)
Honzontal Well #3 First and Last Take Points Horizontal Well #4 First and Last Take Points	Exhibit L-7 (C-102) Exhibit L-7 (C-102)
Completion Target Well #1, #2 and #3 (Formation, TVD and MD)	Lower Avalon at approx. 9,450' TVD and 19,450' MD
Completion Target Well #4 (Formation, TVD and MD)	3rd Bone Spring at approx. 12,015' TVD and 22,015' MD
AFE Capex and Operating Costs Drilling Supervision/Month \$	\$7,000; Exhibit L, Paragrah 23
Production Supervision/Month \$	\$700; Exhibit L, Paragraph 23
Justification for Supervision Costs	Exhibit L-4 and Exhibit L, Peragraph 23
Requested Risk Charge	200%; Exhibit L Paragraph 24
Notice of Hearing Proposed Notice of Hearing	Submitted with Application; See Online Case file
Proof of Mailed Notice of Hearing (20 days before hearing)	Exhibit L-2 (Attorney's Affidavit)
Proof of Published Notice of Hearing (10 days before hearing)	Exhibit L-3 (Certificate of Publication)
Ownership Determination Land Ownership Schematic of the Spacing Unit	Exhibit L-8
Tract List (including lease numbers and owners)	Exhibit L-8
Pooled Parties (including ownership type) Unlocatable Parties to be Pooled	Exhibit L-8 Exhibit L-8
Ownership Depth Severance (including percentage above & below)	Not applicable

Joinder	
Sample Copy of Proposal Letter	Exhibit L-4
List of Interest Owners (ie Exhibit A of JOA)	Exhibit L-8
Chronology of Contact with Non-Joined Working Interests	Exhibit L-5
Overhead Rates In Proposal Letter	Exhibit L-4
Cost Estimate to Drill and Complete	See AFE at Exhibit L-9
Cost Estimate to Equip Well	See AFE at Exhibit L-9
Cost Estimate for Production Facilities	See AFE at Exhibit L-9
Geology	
Summary (including special considerations)	Exhibit L, Paragraph 19
Spacing Unit Schematic	Exhibit G-1 and G-2
Gunbarrel/Lateral Trajectory Schematic	Exhibit G-1 and G-2
Well Orientation (with rationale)	Exhibit G, Paragraph 23
Target Formation - Avalon (Well # 1, 2 & 3)	Exhibits G-3 and G-4
Target Formation - Third Bone Spring (Well # 4)	Exhibits G-5 and G-6
HSU Cross Section - Avalon (Well # 1, 2 & 3)	Exhibits G-3 and G-4
HSU Cross Section - Third Bone Spring (Well # 4)	Exhibits G-5 and G-6
Depth Severance Discussion	Not applicable
Forms, Figures and Tables	
C-102	Exhibit L-7
Tracts	Exhibit L-8
Summary of Interests, Unit Recapitulation (Tracts)	Exhibit L-8
General Location Map (including basin)	Exhibit L-1
Well Bore Location Map	Exhibit L-7 (C-102s)
Structure Contour Map - Subsea Depth: Avalon Well # 1, 2 & 3	Exhibit G-9
Structure Contour Map - Subsea Depth: Third Bone Spring Well # 4	Exhibit G-10
Seismic Section Map - North to South	Exhibit G-7
Seismic Section Map - West to East	Exhibit G-8
Cross Section Location Map (including wells); Avalon Well # 1, 2 & 3	Exhibits G-3 and G-4
Cross Section Location Map (including wells):3rd Bone Spring Well # 4	Exhibits G-5 and G-6
Cross Section (including Landing Zone):	Exhibits G-3 and G-4
Cross Section (including Landing Zone)	Exhibits G-5 and G-6
Additional Information	
Special Provisions/Stipulations	Applicant requests an extension of the requirement to drill and complete the initial wel within 120-days to a requirement to drill and complete the initial well within two years from the date of the Division Order granting this application.
CERTIFICATION: I hereby certify that the information provided in this checklis	st is complete and accurate.
Printed Name (Attorney or Party Representative):	Candace Callahan
Signed Name (Attorney or Party Representative):	Ole—
Date:	July 29, 2020

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-21418, LEA COUNTY, NEW MEXICO.

CASE NO. <u>21845</u> ORDER NO. R-21418 (Re-Open)

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 Order No. R-21418 entered in Case No. 21244 to allow for an extension of time for drilling the proposed initial wells under this Order. In support of its application, Chevron states:

- 1. Order No. R-21418 entered in Case No. 21244 is one of five orders relating to Chevron's Dagger Lake well group.
 - 2. The Division Hearing for Case No. 21244 was held on July 9, 2020.
 - 3. The Division entered Order No. R-21418 in Case No. 21244 on August 7, 2020.
- 4. Division Order No. R-21418 created a standard 640-acre, more or less, horizontal spacing unit comprised of the W/2 of Section 3 and W/2 of Section 10, Township 22 South, Range 33 East, Lea County, New Mexico, N.M.P.M. ("the Unit") and designated Chevron as operator of the Unit.

- 5. Order No. R-21418 further pooled the uncommitted interests in the Bone Spring formation (Lower Avalon: Red Tank; Bone Spring East and TBS: WC-025 G-06 S213326D; Bone Spring) underlying the Unit and dedicated the Unit to the following proposed initial wells: (1) the DL 10 3 Kraken Fed Com 207H well; (2) the DL 10 3 Kraken Fed Com 208H well; (3) the DL 10 3 Kraken Fed Com 209H well; (4) the DL 10 3 Kraken Fed Com 504H well; and (5) DL 10 3 Morag Fed Com 505H well.
- 6. Applicant plans to drill the wells encompassed in its Dagger Lake group as part of a simultaneous drilling and completion project. By separate applications, therefore, Chevron is also seeking to re-open and amend related Order Nos. R-20859, R-21409, R-21465, and R-21467 to allow Chevron additional time for drilling and completing the wells identified in those Orders ("Related DL Orders").
- 7. Applicant requests that Order No. R-21418 be re-opened and amended to allow Applicant additional time to commence drilling the wells identified in the Order.
- 8. There is good cause for Applicant's request for an extension of time to drill. The processing of Applicant's request for federal APDs for the wells in this Application and in its Related DL Orders has been delayed due to BLM's backlog, which existed prior to the new federal administration taking office and has intensified by recent actions by the U.S. Department of the Interior. On January 20, 2021, the U.S. Department of the Interior issued Secretarial Order 3395, which directly impacted Applicant's ability to obtain federal APDs for wells to be drilled under this Order and other DL Related Orders. Moreover, although that secretarial order expired after 60 days, the Department of the Interior issued an internal directive on March 19, 2021, requiring that DOI bureaus (including BLM) continue to elevate permitting requests (and other actions) to the Assistant Secretary for Land and Minerals Management before taking final action.

- 9. There are 21 wells in Chevron's currently planned Bone Spring development for the Dagger Lake group.
- 10. To date, Applicant has received APDs from the BLM for only 3 of the 21 wells in Applicant's Dagger Lake Project, which are the APDs for the three wells which have been drilled to planned total depth by Applicant under Order No. R-20859. Contemporaneous with the filing of this Application, Applicant has filed an Application to Amend Order No. R-20859 to retroactively extend the deadline for completing the three initial wells drilled to planned total depth under that Order.
- 11. As a result of the delay by the BLM in the issuance of requested APDs, Applicant has been unable to execute its plan to simultaneously drill and complete the wells in its Dagger Lake project.
- 12. There is additional good cause arising from the unfavorable economic environment caused by the global COVID-19 pandemic, the related impact on CAPEX, and the need to resequence Applicant's drilling schedule.
- 13. Under Order No. R-21418 Chevron would be required to commence drilling by August 7, 2021.
 - 14. No opposition to this application by any working interest owner is anticipated.
- 15. Chevron asks that the deadline to commence drilling the wells under Order No. R-21418 be extended for one year from August 7, 2021 to August 7, 2022.

WHEREFORE, Chevron requests this application be set for hearing before an Examiner of the Oil Conservation Division on May 6, 2021, and after notice and hearing as required by law,

the Division amend Order No. R-21418 to extend the time for Chevron to commence drilling the wells under the Order for one year, through August 7, 2022.

Respectfully submitted,

BEATTY & WOZNIAK, P.C.

Candace Callahan

500 Don Gaspar Avenue

Santa Fe, New Mexico 87505

(505) 983-8545 or (505) 983-8765 (direct)

(800) 886-6566 (fax)

ccallahan@bwenergylaw.com ATTORNEYS FOR CHEVRON U.S.A. INC.

(Re-Open) Application of Chevron U.S.A. Inc. to Amend Order No. R-21418, Lea County, New Mexico. Applicant in the above-styled cause seeks an order amending Order No. R-21418, issued on August 7, 2020, to extend the deadline to commence drilling the initial wells for one year to August 7, 2022. Order No. R-21418 pooled all mineral interests in the Bone Spring formation in a horizontal spacing unit comprised of the W/2 of Section 3 and W/2 of Section 10, Township 22 South, Range 33 East, NMPM, Lea County, New Mexico, and requires that operator commence drilling operations within one year after the date of the order unless the operator obtains an extension by amending the order for good cause shown. The initial wells to be drilled within the unit are: (1) the DL 10 3 Kraken Fed Com 207H well; (2) the DL 10 3 Kraken Fed Com 208H well; (3) the DL 10 3 Kraken Fed Com 505H well. The unit is located approximately 21 miles northwest of Jal, New Mexico.

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

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

CASE NO. 21244 ORDER NO. R-21418

ORDER

The Director of the New Mexico Oil Conservation Division ("OCD"), having heard this matter through a Hearing Examiner on July 9, 2020, and after considering the testimony, evidence, and recommendation of the Hearing Examiner, issues the following Order.

FINDINGS OF FACT

- 1. Chevron U.S.A. Inc ("Operator") submitted an application ("Application") to compulsory pool the uncommitted oil and gas interests within the spacing unit ("Unit") described in Exhibit A. The Unit is expected to be a standard horizontal spacing unit. 19.15.16.15(B) NMAC. Operator seeks to be designated the operator of the Unit.
- 2. Operator will dedicate the well(s) described in Exhibit A ("Well(s)") to the Unit.
- 3. Operator proposes the supervision and risk charges for the Well(s) described in Exhibit A.
- 4. Operator identified the owners of uncommitted interests in oil and gas minerals in the Unit and provided evidence that notice was given.
- 5. The Application was heard by the Hearing Examiner on the date specified above, during which Operator presented evidence through affidavits in support of the Application. No other party presented evidence at the hearing.

CONCLUSIONS OF LAW

- 6. OCD has jurisdiction to issue this Order pursuant to NMSA 1978, Section 70-2-17.
- 7. Operator is the owner of an oil and gas working interest within the Unit.
- 8. Operator satisfied the notice requirements for the Application and the hearing as required by 19.15.4.12 NMAC.

- 9. OCD satisfied the notice requirements for the hearing as required by 19.15.4.9 NMAC.
- 10. Operator has the right to drill the Well(s) to a common source of supply at the depth(s) and location(s) in the Unit described in Exhibit A.
- 11. The Unit contains separately owned uncommitted interests in oil and gas minerals.
- 12. Some of the owners of the uncommitted interests have not agreed to commit their interests to the Unit.
- 13. The pooling of uncommitted interests in the Unit will prevent waste and protect correlative rights, including the drilling of unnecessary wells.
- 14. This Order affords to the owner of an uncommitted interest the opportunity to produce his just and equitable share of the oil or gas in the pool.

ORDER

- 15. The uncommitted interests in the Unit are pooled as set forth in Exhibit A.
- 16. The Unit shall be dedicated to the Well(s) set forth in Exhibit A.
- 17. Operator is designated as operator of the Unit and the Well(s).
- 18. If the location of a well will be unorthodox under the spacing rules in effect at the time of completion, Operator shall obtain the OCD's approval for a non-standard location in accordance with 19.15.16.15(C) NMAC.
- 19. The Operator shall commence drilling the Well(s) within one year after the date of this Order, and complete each Well no later than one (1) year after the commencement of drilling the Well.
- 20. This Order shall terminate automatically if Operator fails to comply with Paragraph 19 unless Operator obtains an extension by amending this Order for good cause shown.
- 21. The infill well requirements in 19.15.13.9 NMAC through 19.15.13.12 NMAC shall be applicable.
- 22. Operator shall submit each owner of an uncommitted working interest in the pool ("Pooled Working Interest") an itemized schedule of estimated costs to drill, complete, and equip the well ("Estimated Well Costs").
- 23. No later than thirty (30) days after Operator submits the Estimated Well Costs, the owner of a Pooled Working Interest shall elect whether to pay its share of the Estimated Well Costs or its share of the actual costs to drill, complete and equip the

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

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

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

STATE OF NEW MEXICO OIL CONSERVATION DIVISION

ADRIENNE SANDOVAL DIRECTOR

AES/jag

Date: 8/07/2020

Exhibit A

ALL INFORMATION IN THE APPLICATION MUST B	E SUPPORTED BY SIGNED AFFIDAVITS
21244	APPLICANT'S RESPONSE
Date: July 9, 2020	7
Applicant	Chevron U.S.A. Inc.
Designated Operator & OGRID (affiliation if applicable)	4323
Applicant's Counsel:	Beatty & Wozniak, P.C. (Candace Callahan & Jill Fulcher)
Case Title:	Application of Chevron U.S.A. Inc. for Compulsory Paoling, Lea County, New Mexico
Entries of Appearance/Intervenors:	Ernie Padilla obo EOG Resources, Inc.; Sharon T. Shaheen & John F. McIntyre obo Tap Rock Resources, LLC; J. E. Gallegos & Michael J. Condon obo Stewarts, Helms, JAFT ar Worrells, James Bruce obo Antelope Energy Company, LLC (NOTE: EOG Resources, Inc is the only party entering an appearance which owns an interest in the proposed spacing and proration unit)
Well Family Formation/Pool	Kraken and Morag
Formation/Pool Formation Name(s) or Vertical Extent;	Bone Spring formation
Primary Product (Oil or Gas):	Oil
Pooling this vertical extent:	Bone Spring formation
Pool Name and Pool Code;	Lower Avalon; Red Tank; Bone Spring East and TBS: WC-025 G-06 S213326D; Bone
A/a I	Spring
Nell Location Setback Rules: Spacing Unit Size:	Standard Oil, 330' setback 640 acres, more or less
Spacing Unit Size:	ALA MAIRA MAIR AL IESS.
Type (Horizontal/Vertical)	Horizontal
Size (Acres)	640 acres, more or less
Building Blocks:	40 acres (quarter-quarter section)
Orientation:	North-South
Description: TRS/County	W/2 of Section 3 and W/2 of Section 10, T22S, R33E, Lea Co.
Standard Horizontal Well Spacing Unit (Y/N), If No, describe	Yes
Other Situations	
Depth Severance: Y/N. If yes, description	No
Proximity Tracts: If yes, description Proximity Defining Well: if yes, description	Yes: E/2W/2 of Sections 3 and 10, T22S, R33E, Lea Co. DL 10 3 Kraken Fed Com 208H
Applicant's Ownership in Each Tract	Tract 1: 100%: Tract 3: 25%
Well(s)	1100 11 100 10, 1100 0. 20 10
Name & API (if assigned), surface and bottom hole location, footages, completion target.	
orientation, completion status (standard or non-standard)	
(Viell #1	DL 10 3 Kraken Fed Com 207H SHL 370 FSL / 1790 FWL, Section 10, T22S, R33E BHL: 25 FNL / 330 FWL, Section 3, T22S,R33E Well Orientation: North to South Completion location expected to be standard
V/eil #2	DL 10.3 Kraken Fed Com 208H SHL: 370 FSL / 1816 FWL, Section 10, T22S, R33E BHL: 26 FNL / 1254 FWL, Section 3, T22S, R33E Well Orientation: North to South Completion location expected to be standard
Vvell #3	DL 10 3 Kraken Fed Corn 209H SHL: 370 FSL / 1840 FWL, Section 10, T22S, R33E BHL: 25 FNL / 2178 FWL, Section 3, T22S, R33E Well Orientation: North to South Completion location expected to be standard
AVell #4	DL 10 3 Kraken Fed Com 504H SHL: 270 FSL / 1790 FEL, Section 10, T22S, R33E BHL: 25 FNL / 870 FVVL. Section 3, T22S, R33E Well Orientation: North to South Completion location expected to be standard
Aveil #5	DL 10 3 Moray Fed Corn 505H SHL: 980 FSL / 1715 FEL, Section 10, T22S, R33E BHL: 25 FNL / 2562 FEL, Section 3, T22S, R33E Well Orientation: North to South Completion location expected to be unorthodox
Honzontal Well #1 First and Last Take Points	Exhibit L-15 (C-102)
Horizontal Well #2 First and Last Take Points	Exhibit L-15 (C-102)
Horizontal Well #3 First and Last Take Points Horizontal Well #4 First and Last Take Points	Exhibit L-15 (C-102) Exhibit L-15 (C-102)
Horizontal Well #5 First and Last Take Points	Exhibit L-15 (C-102)
Completion Target Well #1, #2 and #3 (Formation, TVD and MD)	Lower Avalon at approx. 9,450' TVD and 19,450' MD
Completion Target Well #4 and #5 (Formation, TVD and MD)	3rd Bone Spring at approx. 12,015' TVD and 22,015' MD
AFE Capex and Operating Costs	
Drilling Supervision/Month S Production Supervision/Month S	\$7,000; Exhibit L, Paragrah 23 \$700; Exhibit L, Paragraph 23
Justification for Supervision Costs	Exhibit L-4 and Exhibit L. Paragraph 23
Annual Control of the	200%; Exhibit L Paragraph 24

Notice of Hearing	
Proposed Notice of Hearing	Submitted with Application; See Online Case file
Proof of Mailed Notice of Hearing (20 days before hearing)	Exhibit L-2 (Attorney's Affidavit)
Proof of Published Notice of Hearing (10 days before hearing)	Exhibit L-3 (Certificate of Publication)
Ownership Determination	Exhibit 2-5 (definicate of 1 abilitation)
Land Ownership Schematic of the Spacing Unit	Exhibit L-16
Tract List (including lease numbers and owners)	Exhibit L-16
Pooled Parties (including ownership type)	Exhibit L-16
Unlocatable Parties to be Pooled	Exhibit L-16
Ownership Depth Severance (including percentage above & below)	Not applicable
Joinder	
Sample Copy of Proposal Letter	Exhibit L-4
List of Interest Owners (ie Exhibit A of JOA)	Exhibit L-16
Chronology of Contact with Non-Joined Working Interests	Exhibit L-5
Overhead Rates in Proposal Letter	Exhibit L-4
Cost Estimate to Drill and Complete	See AFE at Exhibit L-17
Cost Estimate to Equip Well	See AFE at Exhibit L-17
Cost Estimate for Production Facilities	See AFE at Exhibit L-17
Geology	
Summary (including special considerations)	Exhibit L, Paragraph 21
Spacing Unit Schematic	Exhibit G-1 and G-2
Gunbarrel/Lateral Trajectory Schematic	Exhibit G-1 and G-2
Well Orientation (with rationale)	Exhibit G, Paragraph 23
Target Formation - Avalon (Well # 1, 2 & 3)	Exhibits G-3 and G-4
Target Formation - Third Bone Spring (Well # 4)	Exhibits G-5 and G-6
Target Formation - Third Bone Spring (Well # 5)	Exhibits G-5 and G-6
HSU Cross Section - Avalon (Well # 1, 2 & 3)	Exhibits G-3 and G-4
HSU Cross Section - Third Bone Spring (Well # 4)	Exhibits G-5 and G-6
HSU Cross Section - Third Bone Spring (Well # 5) Depth Severance Discussion	Exhibits G-5 and G-6 Not applicable
Forms, Figures and Tables	Not applicable
C-102	Exhibit L-15
Tracts	Exhibit L-16
Summary of Interests, Unit Recapitulation (Tracts)	Exhibit L-16
General Location Map (including basin)	Exhibit L-1
Well Bore Location Map	Exhibit L-15 (C-102s)
Structure Contour Map - Subsea Depth: Avalon Well # 1, 2 & 3	Exhibit G-9
Structure Contour Map - Subsea Depth: Third Bone Spring Well # 4 & 5	Exhibit G-10
Seismic Section Map - North to South	Exhibit G-7
Seismic Section Map - West to East	Exhibit G-8
Cross Section Location Map (including wells): Avalon Well # 1, 2 & 3	Exhibits G-3 and G-4
Cross Section Location Map (including wells):3rd Bone Spring Well # 4 & 5	Exhibits G-5 and G-6
Cross Section (including Landing Zone): Avalon Well #1, 2 & 3	Exhibits G-3 and G-4
Cross Section (including Landing Zone): 3rd Bone Spring Well # 4 & 5	Exhibits G-5 and G-6
Additional Information	
Special Provisions/Stipulations	Applicant requests an extension of the requirement to drill and complete the initial well within 120-days to a requirement to drill and complete the initial well within one year from the date of the Division Order granting this application.
CERTIFICATION: I hereby certify that the information provided in this checklist i	s complete and accurate.
Printed Name (Attorney or Party Representative):	Candace Callahan
Signed Name (Attorney or Party Representative):	(h)(
Date:	July 6, 2020

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-21465, LEA COUNTY, NEW MEXICO.

CASE NO. <u>21846</u> ORDER NO. R-21465 (Re-Open)

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 Order No. R-21465 entered in Case No. 21242 to allow for an extension of time for drilling the proposed initial wells under this Order. In support of its application, Chevron states:

- 1. Order No. R-21465 entered in Case No. 21242 is one of five orders relating to Chevron's Dagger Lake well group.
 - 2. The Division Hearing for Case No. 21242 was held on September 10, 2020.
- 3. The Division entered Order No. R-21465 in Case No. 21242 on September 21, 2020.
- 4. Division Order No. R-21465 created a standard 640-acre, more or less, horizontal spacing unit comprised of the E/2 of Section 15 and E/2 of Section 22, Township 22 South, Range 33 East, Lea County, New Mexico, N.M.P.M. ("the Unit") and designated Chevron as operator of the Unit.

- 5. Order No. R-21465 further pooled the uncommitted interests in the Bone Spring formation (Lower Avalon: Red Tank; Bone Spring East and TBS: WC-025 G-06 S213326D; Bone Spring) underlying the Unit and dedicated the Unit to the following proposed initial wells: (1) the DL 15 22 Ogopogo Fed Com 222H well; (2) the DL 15 22 Ogopogo Fed Com 223H well; (3) the DL 15 22 Ogopogo Fed Com 224H well; and (4) the DL 15 22 Ogopogo Fed Com 512H well.
- 6. Applicant plans to drill the wells encompassed in its Dagger Lake group as part of a simultaneous drilling and completion project. By separate applications, therefore, Chevron is also seeking to re-open and amend related Order Nos. R-20859, R-21409, R-21418, and R-21467 to allow Chevron additional time for drilling and completing the wells identified in those Orders.
- 7. Applicant requests that Order No. R-21465 be re-opened and amended to allow Applicant additional time to commence drilling the wells identified in the Order.
- 8. There is good cause for Applicant's request for an extension of time to drill. The processing of Applicant's request for federal APDs for the wells in this Application and in its Related DL Orders has been delayed due to BLM's backlog, which existed prior to the new federal administration taking office and has intensified by recent actions by the U.S. Department of the Interior. On January 20, 2021, the U.S. Department of the Interior issued Secretarial Order 3395, which directly impacted Applicant's ability to obtain federal APDs for wells to be drilled under this Order and other DL Related Orders. Moreover, although that secretarial order expired after 60 days, the Department of the Interior issued an internal directive on March 19, 2021, requiring that DOI bureaus (including BLM) continue to elevate permitting requests (and other actions) to the Assistant Secretary for Land and Minerals Management before taking final action.

- 9. There are 21 wells in Chevron's currently planned Bone Spring development for the Dagger Lake group.
- 10. To date, Applicant has received APDs from the BLM for only 3 of the 21 wells in Applicant's Dagger Lake Project, which are the APDs for the three wells which have been drilled to planned total depth by Applicant under Order No. R-20859. Contemporaneous with the filing of this Application, Applicant has filed an Application to Amend Order No. R-20859 to retroactively extend the deadline for completing the three initial wells drilled to planned total depth under that Order.
- 11. As a result of the delay by the BLM in the issuance of requested APDs, Applicant has been unable to execute its plan to simultaneously drill and complete the wells in its Dagger Lake project.
- 12. There is additional good cause arising from the unfavorable economic environment caused by the global COVID-19 pandemic, the related impact on CAPEX, and the need to resequence Applicant's drilling schedule.
- 13. Under Order No. R-21465 Chevron would be required to commence drilling by September 21, 2021.
 - 14. No opposition to this application by any working interest owner is anticipated.
- 15. Chevron asks that the deadline to commence drilling the wells under Order No. R-21465 be extended for one year from September 21, 2021 to September 21, 2022.

WHEREFORE, Chevron requests this application be set for hearing before an Examiner of the Oil Conservation Division on May 6, 2021, and after notice and hearing as required by law,

the Division amend Order No. R-21465 to extend the time for Chevron to commence drilling the wells under the Order for one year, through September 21, 2022.

Respectfully submitted,

BEATTY & WOZNIAK, P.C.

Candace Callahan

500 Don Gaspar Avenue

Santa Fe, New Mexico 87505

(505) 983-8545 or (505) 983-8765 (direct)

(800) 886-6566 (fax)

ccallahan@bwenergylaw.com ATTORNEYS FOR CHEVRON U.S.A. INC.

(Re-Open) Application of Chevron U.S.A. Inc. to Amend Order No. R-21465, Lea County, New Mexico. Applicant in the above-styled cause seeks an order amending Order No. R-21465, issued on September 21, 2020, to extend the deadline to commence drilling the initial wells for one year to September 21, 2022. Order No. R-21465 pooled all mineral interests in the Bone Spring formation in a horizontal spacing unit comprised of the E/2 of Section 15 and E/2 of Section 22, Township 22 South, Range 33 East, NMPM, Lea County, New Mexico, and requires that operator commence drilling operations within one year after the date of the order unless the operator obtains an extension by amending the order for good cause shown. The initial wells to be drilled within the unit are: (1) the DL 15 22 Ogopogo Fed Com 222H well; (2) the DL 15 22 Ogopogo Fed Com 223H well; (3) the DL 15 22 Ogopogo Fed Com 224H well; and (4) the DL 15 22 Ogopogo Fed Com 512H well. The unit is located approximately 21 miles northwest of Jal, New Mexico.

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

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

CASE NO. 21242 ORDER NO. R-21465

ORDER

The Director of the New Mexico Oil Conservation Division ("OCD"), having heard this matter through a Hearing Examiner on September 10, 2020, and after considering the testimony, evidence, and recommendation of the Hearing Examiner, issues the following Order.

FINDINGS OF FACT

- 1. Chevron U.S.A., Inc. ("Operator"), submitted an application ("Application") to compulsorily pool the uncommitted oil and gas interests within the spacing unit ("Unit") described in Exhibit A. The Unit is expected to be a standard horizontal spacing unit. 19.15.16.15(B) NMAC. Operator seeks to be designated the operator of the Unit.
- 2. Operator will dedicate the well(s) described in Exhibit A ("Well(s)") to the Unit.
- 3. Operator proposes the supervision and risk charges for the Well(s) described in Exhibit A.
- 4. Operator identified the owners of uncommitted interests in oil and gas minerals in the Unit and provided evidence that notice was given.
- 5. The Application was heard by the Hearing Examiner on the date specified above, during which Operator presented evidence through affidavits in support of the Application. No other party presented evidence at the hearing.

CONCLUSIONS OF LAW

- 6. OCD has jurisdiction to issue this Order pursuant to NMSA 1978, Section 70-2-17.
- 7. Operator is the owner of an oil and gas working interest within the Unit.
- 8. Operator satisfied the notice requirements for the Application and the hearing as required by 19.15.4.12 NMAC.

- 9. OCD satisfied the notice requirements for the hearing as required by 19.15.4.9 NMAC.
- 10. Operator has the right to drill the Well(s) to a common source of supply at the depth(s) and location(s) in the Unit described in Exhibit A.
- 11. The Unit contains separately owned uncommitted interests in oil and gas minerals.
- 12. Some of the owners of the uncommitted interests have not agreed to commit their interests to the Unit.
- 13. The pooling of uncommitted interests in the Unit will prevent waste and protect correlative rights, including the drilling of unnecessary wells.
- 14. This Order affords to the owner of an uncommitted interest the opportunity to produce his just and equitable share of the oil or gas in the pool.

ORDER

- 15. The uncommitted interests in the Unit are pooled as set forth in Exhibit A.
- 16. The Unit shall be dedicated to the Well(s) set forth in Exhibit A.
- 17. Operator is designated as operator of the Unit and the Well(s).
- 18. If the location of a well will be unorthodox under the spacing rules in effect at the time of completion, Operator shall obtain the OCD's approval for a non-standard location in accordance with 19.15.16.15(C) NMAC.
- 19. The Operator shall commence drilling the Well(s) within one year after the date of this Order, and complete each Well no later than one (1) year after the commencement of drilling the Well.
- 20. This Order shall terminate automatically if Operator fails to comply with Paragraph 19 unless Operator obtains an extension by amending this Order for good cause shown.
- 21. The infill well requirements in 19.15.13.9 NMAC through 19.15.13.12 NMAC shall be applicable.
- 22. Operator shall submit each owner of an uncommitted working interest in the pool ("Pooled Working Interest") an itemized schedule of estimated costs to drill, complete, and equip the well ("Estimated Well Costs").

- 23. No later than thirty (30) days after Operator submits the Estimated Well Costs, the owner of a Pooled Working Interest shall elect whether to pay its share of the Estimated Well Costs or its share of the actual costs to drill, complete and equip the well ("Actual Well Costs") out of production from the well. An owner of a Pooled Working Interest who elects to pay its share of the Estimated Well Costs shall render payment to Operator no later than thirty (30) days after the expiration of the election period, and shall be liable for operating costs, but not risk charges, for the well. An owner of a Pooled Working Interest who fails to pay its share of the Estimated Well Costs or who elects to pay its share of the Actual Well Costs out of production from the well shall be considered to be a "Non-Consenting Pooled Working Interest."
- 24. No later than one hundred eighty (180) days after Operator submits a Form C-105 for a well, Operator shall submit to each owner of a Pooled Working Interest an itemized schedule of the Actual Well Costs. The Actual Well Costs shall be considered to be the Reasonable Well Costs unless an owner of a Pooled Working Interest files a written objection no later than forty-five (45) days after receipt of the schedule. If an owner of a Pooled Working Interest files a timely written objection, OCD shall determine the Reasonable Well Costs after public notice and hearing.
- 25. No later than sixty (60) days after the expiration of the period to file a written objection to the Actual Well Costs or OCD's order determining the Reasonable Well Costs, whichever is later, each owner of a Pooled Working Interest who paid its share of the Estimated Well Costs shall pay to Operator its share of the Reasonable Well Costs that exceed the Estimated Well Costs, or Operator shall pay to each owner of a Pooled Working Interest who paid its share of the Estimated Well Costs its share of the Estimated Well Costs that exceed the Reasonable Well Costs.
- 26. The reasonable charges for supervision to drill and produce a well ("Supervision Charges") shall not exceed the rates specified in Exhibit A, provided however that the rates shall be adjusted annually pursuant to the COPAS form entitled "Accounting Procedure-Joint Operations."
- 27. No later than within ninety (90) days after Operator submits a Form C-105 for a well, Operator shall submit to each owner of a Pooled Working Interest an itemized schedule of the reasonable charges for operating and maintaining the well ("Operating Charges"), provided however that Operating Charges shall not include the Reasonable Well Costs or Supervision Charges. The Operating Charges shall be considered final unless an owner of a Pooled Working Interest files a written objection no later than forty-five (45) days after receipt of the schedule. If an owner of a Pooled Working Interest files a timely written objection, OCD shall determine the Operating Charges after public notice and hearing.

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

STATE OF NEW MEXICO OIL CONSERVATION DIVISION

ADRIENNE SANDOVA DIRECTOR AES/kms Date: 9/21/2020

Exhibit "A"

COMPULSORY POOLING APPLICATION CHECKLIST	
ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIC	AVITS
Case: 21242	APPLICANT'S RESPONSE
Date: August 6, 2020	
Applicant	Chevron U.S.A. Inc.
Designated Operator & OGRID (affiliation if applicable)	4323
Applicant's Counsel:	Beatty & Wozniak, P.C. (Candace Callahan & Jill Fulcher)
Case Title:	Application of Chevron U.S.A. Inc for Compulsory Pooling, Lea County, New Mexico
Entries of Appearance/interveners	Emie Padilla obo EOG Resources, Inc., Sharon T. Shaheen & John T. McIntyre obo Tap Rock Resource LLC., J. E. Gallegos & Michael J. Condon obo Stewarts, Helms, JAFT and Worrells; James Bruce obo
Well Family	Antelope Energy Company, LLC Dgopogo
Formation/Pool	rigopolio .
Formation Name(s) or Vertical Extent:	Bone Spring formation
Primary Product (Oil or Gas):	Oil
Pooling this vertical extent:	Bone Spring formation
Pool Name and Pool Code:	Red Tank; Bone Spring (Pool Code 5 1687) and Legg: Bone Spring (Pool Code 37870)
Well Location Setback Rules:	Standard Oil, 330' setback 640,00 acres, incre or less
Spacing Unit Size: Spacing Unit	840,00 acres, more or less
Type (Horizontal/Vertical)	Morizontal
Size (Acres)	640.00 acres more or less
Building Blocks:	40 acres (quarter-quarter section)
Orientation:	North-South
Description: TRS/County	E/2 of Section 15 and E/2 of Section 22, T225, R33E, Leo Co.
Standard Hortzontal Well Spacing Unit (Y/N), If No, describe	Yes
Other Situations	Mo
Depth Severance: Y/N. If yes, description Proximity Tracts: If yes, description	No Yes: W/2E/2 all Sections 15 and 22, T225, R33E
Proximity Practs: If yes, description Proximity Cefining Well: If yes, description	Dt. 15-22 Ogopogo Fod Com 223H
Applicant's Ownership in Each Tract	Tract 2: 100%, Tract 3: 100%
	[NOTE: Effective 08/01/2020, Chevron anticipates acquiring all of the interest of EOG Resources, Inc.
	Tract 1: 65% and Tract 4: 95.2%)
Well(s)	
Name & API (if assigned), surface and bottom hole location, footages, completion target, orientation,	
completion status (standard or non-standard)	
Well #1	DL 15-22 Ogopogo Fed Com #222H
	SHL: 1886' FSL / 1238' FEL, Section 10, T225, R33E
	BHL 25" FSI. / 2178" FEL, Section 22, T225, R33E
	Orientation: North to South
Well #2	Completion expected to be standard DL15 22 Ogopogo Fed Com #223H
Presi #2	SHL 1886' FSL / 1213' FEL, Section 10, T225, R33E
	BHL: 25° FSL / 1254° FEL, Section 22, T225, R33E
	Orientation: North to South
	Completion expected to be standard
Well #5	DI 15 22 Ogopogo Fed Com #224H
	SML 1886' FSL / 1188' FEL, Section 10, T225, R33E
	BHL 25° FSL / 330° FEL, Section 22, T225, R33E
	Orientation: North to South
Well 84	Completion expected to be standard DL15 22 Ogopogo Fed Com #512H
FFEII 444	SHL 1986' FSL / 1213' FEL, Section 10, T225, R33E
	BHL 25" FSL / 714" FEL, Section 22, T225, R33E
	Orientation: North to South
	Completion expected to be standard
Horizontal Well #1 First and Last Take Points	Exhibit L-7
Horizontal Well #2 First and Last Take Points	Exhibit 1-7
Horizontal Well #3 First and Last Take Points	Exhibit L-7
Horizontal Well #4 First and Last Take Points	Exhibit L-7
Completion Target Well #1, #2 and #3 (Formation, TVD and MD)	Red Tank: Bone Spring (Pool Code 51687) at approx. 9,450' TVD and 19,450' MD
Completion Target Well #4	Legg; Bone Spring (Pool Code 37870) at approx. 12,015' TVD and 22,015' MD
AFE Capex and Operating Costs	C2 000 SHORE Decreases 24
Drilling Supervision/Month 5 Production Supervision/Month 5	\$7,000, Exhibit L., Paragraph 24 \$700, Exhibit L., Paragraph 24
reduction Supervision/Month 5 Justification for Supervision Costs	Exhibit L.4 and Exhibit I., Paragraph 24
Requested Risk Charge	200%, Exhibit L, Paragraph 25
Notice of Hearing	All and the second seco
Proposed Notice of Hearing	Submitsed with Application: See Online Case file
Proof of Mailed Notice of Hearing (20 days before hearing)	Exhibit 1-2 (Attorney's Affidavit)
Proof of Published Notice of Hearing (10 days before hearing)	Exhibit L 3 (Certificate of Publication)
Ownership Determination	A STATE OF THE STA
and Ownership Schematic of the Spacing Unit	Exhibit L-8
Tract List (including lease numbers and owners)	Exhibit 1-8
Pooled Parties (including ownership typn) Unlocatable Parties to be Pooled	Exhibit L-8
Uniocatable Parties to be Pooled Ownership Depth Severance (including percentage above & below)	Not applicable
lainder	and the second of the second o
Sample Copy of Proposal Letter	Exhibit L-4
List of interest Owners (ie Exhibit A of JOA)	Exhibit L 8
Chronology of Contact with Non-Joined Working Interests	Exhibit L6
Overhead Rates in Proposal Letter	Exhibit (-4
Cost Estimate to Drill and Complete	See ATE at Exhibit 1-9
Cost Estimate to Equip Well	See AFE at Exhibit U-9
Cost Estimate for Production Facilities	See AFE at Exhibit L-9
Geology	Cubible Paramete 70
Summary (including special considerations)	Exhibit L. Paragraph 20 Exhibit G-1 and G-2
spacing Unit Schematic	

Well Orientation (with rationale).	Exhibit G, Paragraph 23
Target Formation - Red Tank: Sone Spring (Avalon) (Well # 1, 2 & 3)	Exhibit G 3 and G 4
Target Formation - Legg: Third Bone Spring (Well #4)	Exhibit G-5 and G-6
HSU Cross Section - Red Tank: Bone Spring (Avalon) (Well # 1, 2 & 3)	Exhibit G-3 and G-4
HSU Cross Section - Legg: Third Bone Spring (Well #4)	Exhibit G-5 and G-6
Depth Severance Discussion	Not applicable
Forms, Figures and Tables	
C 102	Exhibit L-7
Tracts	Exhibit U-8
Summary of Interests, Unit Recapitulation (Tracts)	Exhibit U-8
General Location Map (including basin)	Exhibit 1-1
Well Bore Location Map	Exhibit L-7 (C-102s)
Structure Contour Map - Subsea Depth - Red Tank: Bone Spring (Avalon) (Well # 1, 2 & 3)	Exhibit G-9
Structure Contour Map - Subsea Depth - Legg: Third Bone Spring (Well #4)	Exhibit G-10
Seismic Contour Map - North to South	Exhibit G-7
Seismic Contour Map - West to East	Exhibit G-8
Cross Section Location Map (including wells) - Red Tank: Bone Spring (Avalon) (Well # 1, 2 & 3)	Exhibit G-3 and G-4
Cross Section Location Map (including wells) - Legg. Third Bone Spring (Well #4)	Exhibit G 5 and G 6
Cross Section (including Landing Zone)	Exhibit G-3 and G-6
Cross Section (including Landing Zone)	Exhibit G-5 and G-6
Additional Information	
Special Provisions/Stipulations	Applicant requests an exterior of the requirement to drill and complete the initial well within 120-day to a requirement to drill and complete the initial well within 18 months from the date of the Division Order granting this application.
CERTIFICATION: I hereby certify that the information provided in this checklist is complete as	nd accurate.
Printed Name (Attorney or Party Representative):	Candace Callahan
Signed Name (Attorney or Party Representative):	Pol.
Date:	[July 30, 2020

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-21467, LEA COUNTY, NEW MEXICO.

CASE NO. <u>21847</u> ORDER NO. R-21467 (Re-Open)

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 Order No. R-21467 entered in Case No. 21246 to allow for an extension of time for drilling the proposed initial wells under this Order. In support of its application, Chevron states:

- 1. Order No. R-21467 entered in Case No. 21246 is one of five orders relating to Chevron's Dagger Lake well group.
 - 2. The Division Hearing for Case No. 21246 was held on September 10, 2020.
- 3. The Division entered Order No. R-21467 in Case No. 21246 on September 21, 2020.
- 4. Division Order No. R-21467 created a standard 640-acre, more or less, horizontal spacing unit comprised of the W/2 of Section 15 and W/2 of Section 22, Township 22 South, Range 33 East, Lea County, New Mexico, N.M.P.M. ("the Unit") and designated Chevron as operator of the Unit.

- 5. Order No. R-21467 further pooled the uncommitted interests in the Bone Spring formation (Lower Avalon: Red Tank; Bone Spring East and TBS: WC-025 G-06 S213326D; Bone Spring) underlying the Unit and dedicated the Unit to the following proposed initial wells: (1) the DL 15 22 Narwhal Fed Com 219H well; (2) the DL 15 22 Narwhal Fed Com 220H well; (3) the DL 15 22 Narwhal Fed Com 221H well; (4) the DL 15 22 Narwhal Fed Com 510H well; and (5) DL 15 22 Ogopogo Fed Com 511H well.
- 6. Applicant plans to drill the wells encompassed in its Dagger Lake group as part of a simultaneous drilling and completion project. By separate applications, therefore, Chevron is also seeking to re-open and amend related Order Nos. R-20859, R-21409, R-21465, and R-21418 to allow Chevron additional time for drilling and completing the wells identified in those Orders.
- 7. Applicant requests that Order No. R-21467 be re-opened and amended to allow Applicant additional time to commence drilling the wells identified in the Order.
- 8. There is good cause for Applicant's request for an extension of time to drill. The processing of Applicant's request for federal APDs for the wells in this Application and in its Related DL Orders has been delayed due to BLM's backlog, which existed prior to the new federal administration taking office and has intensified by recent actions by the U.S. Department of the Interior. On January 20, 2021, the U.S. Department of the Interior issued Secretarial Order 3395, which directly impacted Applicant's ability to obtain federal APDs for wells to be drilled under this Order and other DL Related Orders. Moreover, although that secretarial order expired after 60 days, the Department of the Interior issued an internal directive on March 19, 2021, requiring that DOI bureaus (including BLM) continue to elevate permitting requests (and other actions) to the Assistant Secretary for Land and Minerals Management before taking final action.

- 9. There are 21 wells in Chevron's currently planned Bone Spring development for the Dagger Lake group.
- 10. To date, Applicant has received APDs from the BLM for only 3 of the 21 wells in Applicant's Dagger Lake Project, which are the APDs for the three wells which have been drilled to planned total depth by Applicant under Order No. R-20859. Contemporaneous with the filing of this Application, Applicant has filed an Application to Amend Order No. R-20859 to retroactively extend the deadline for completing the three initial wells drilled to planned total depth under that Order.
- 11. As a result of the delay by the BLM in the issuance of requested APDs, Applicant has been unable to execute its plan to simultaneously drill and complete the wells in its Dagger Lake project.
- 12. There is additional good cause arising from the unfavorable economic environment caused by the global COVID-19 pandemic, the related impact on CAPEX, and the need to resequence Applicant's drilling schedule.
- 13. Under Order No. R-21467 Chevron would be required to commence drilling by September 21, 2021.
 - 14. No opposition to this application by any working interest owner is anticipated.
- 15. Chevron asks that the deadline to commence drilling the wells under Order No. R-21467 be extended for one year from September 21, 2021 to September 21, 2022.

WHEREFORE, Chevron requests this application be set for hearing before an Examiner of the Oil Conservation Division on May 6, 2021, and after notice and hearing as required by law,

the Division amend Order No. R-21467 to extend the time for Chevron to commence drilling the wells under the Order for one year, through September 21, 2022.

Respectfully submitted,

BEATTY & WOZNIAK, P.C.

Candace Callahan

500 Don Gaspar Avenue

Santa Fe, New Mexico 87505

(505) 983-8545 or (505) 983-8765 (direct)

(800) 886-6566 (fax)

ccallahan@bwenergylaw.com ATTORNEYS FOR CHEVRON U.S.A. INC.

(Re-Open) Application of Chevron U.S.A. Inc. to Amend Order No. R-21467, Lea County, New Mexico. Applicant in the above-styled cause seeks an order amending Order No. R-21467, issued on September 21, 2020, to extend the deadline to commence drilling the initial wells for one year to September 21, 2022. Order No. R-21467 pooled all mineral interests in the Bone Spring formation in a horizontal spacing unit comprised of the W/2 of Section 15 and W/2 of Section 22, Township 22 South, Range 33 East, NMPM, Lea County, New Mexico, and requires that operator commence drilling operations within one year after the date of the order unless the operator obtains an extension by amending the order for good cause shown. The initial wells to be drilled within the unit are: (1) the DL 15 22 Narwhal Fed Com 219H well; (2) the DL 15 22 Narwhal Fed Com 220H well; (3) the DL 15 22 Narwhal Fed Com 221H well; (4) the DL 15 22 Narwhal Fed Com 510H well; and (5) DL 15 22 Ogopogo Fed Com 511H well. The unit is located approximately 21 miles northwest of Jal, New Mexico.

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

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

CASE NO. 21246 ORDER NO. R-21467

ORDER

The Director of the New Mexico Oil Conservation Division ("OCD"), having heard this matter through a Hearing Examiner on September 10, 2020, and after considering the testimony, evidence, and recommendation of the Hearing Examiner, issues the following Order.

FINDINGS OF FACT

- 1. Chevron U.S.A., Inc. ("Operator"), submitted an application ("Application") to compulsorily pool the uncommitted oil and gas interests within the spacing unit ("Unit") described in Exhibit A. The Unit is expected to be a standard horizontal spacing unit. 19.15.16.15(B) NMAC. Operator seeks to be designated the operator of the Unit.
- 2. Operator will dedicate the well(s) described in Exhibit A ("Well(s)") to the Unit.
- 3. Operator proposes the supervision and risk charges for the Well(s) described in Exhibit A.
- 4. Operator identified the owners of uncommitted interests in oil and gas minerals in the Unit and provided evidence that notice was given.
- 5. The Application was heard by the Hearing Examiner on the date specified above, during which Operator presented evidence through affidavits in support of the Application. No other party presented evidence at the hearing.

CONCLUSIONS OF LAW

- 6. OCD has jurisdiction to issue this Order pursuant to NMSA 1978, Section 70-2-17.
- 7. Operator is the owner of an oil and gas working interest within the Unit.
- 8. Operator satisfied the notice requirements for the Application and the hearing as required by 19.15.4.12 NMAC.

- 9. OCD satisfied the notice requirements for the hearing as required by 19.15.4.9 NMAC.
- 10. Operator has the right to drill the Well(s) to a common source of supply at the depth(s) and location(s) in the Unit described in Exhibit A.
- 11. The Unit contains separately owned uncommitted interests in oil and gas minerals.
- 12. Some of the owners of the uncommitted interests have not agreed to commit their interests to the Unit.
- 13. The pooling of uncommitted interests in the Unit will prevent waste and protect correlative rights, including the drilling of unnecessary wells.
- 14. This Order affords to the owner of an uncommitted interest the opportunity to produce his just and equitable share of the oil or gas in the pool.

ORDER

- 15. The uncommitted interests in the Unit are pooled as set forth in Exhibit A.
- 16. The Unit shall be dedicated to the Well(s) set forth in Exhibit A.
- 17. Operator is designated as operator of the Unit and the Well(s).
- 18. If the location of a well will be unorthodox under the spacing rules in effect at the time of completion, Operator shall obtain the OCD's approval for a non-standard location in accordance with 19.15.16.15(C) NMAC.
- 19. The Operator shall commence drilling the Well(s) within one year after the date of this Order, and complete each Well no later than one (1) year after the commencement of drilling the Well.
- 20. This Order shall terminate automatically if Operator fails to comply with Paragraph 19 unless Operator obtains an extension by amending this Order for good cause shown.
- 21. The infill well requirements in 19.15.13.9 NMAC through 19.15.13.12 NMAC shall be applicable.
- 22. Operator shall submit each owner of an uncommitted working interest in the pool ("Pooled Working Interest") an itemized schedule of estimated costs to drill, complete, and equip the well ("Estimated Well Costs").

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- 25. No later than sixty (60) days after the expiration of the period to file a written objection to the Actual Well Costs or OCD's order determining the Reasonable Well Costs, whichever is later, each owner of a Pooled Working Interest who paid its share of the Estimated Well Costs shall pay to Operator its share of the Reasonable Well Costs that exceed the Estimated Well Costs, or Operator shall pay to each owner of a Pooled Working Interest who paid its share of the Estimated Well Costs its share of the Estimated Well Costs that exceed the Reasonable Well Costs.
- 26. The reasonable charges for supervision to drill and produce a well ("Supervision Charges") shall not exceed the rates specified in Exhibit A, provided however that the rates shall be adjusted annually pursuant to the COPAS form entitled "Accounting Procedure-Joint Operations."
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- 28. Operator may withhold the following costs and charges from the share of production due to each owner of a Pooled Working Interest who paid its share of the Estimated Well Costs: (a) the proportionate share of the Supervision Charges; and (b) the proportionate share of the Operating Charges.
- 29. Operator may withhold the following costs and charges from the share of production due to each owner of a Non-Consenting Pooled Working Interest: (a) the proportionate share of the Reasonable Well Costs; (b) the proportionate share of the Supervision and Operating Charges; and (c) the percentage of the Reasonable Well Costs specified as the charge for risk described in Exhibit A.
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- 31. Each year on the anniversary of this Order, and no later than ninety (90) days after each payout, Operator shall provide to each owner of a Non-Consenting Pooled Working Interest a schedule of the revenue attributable to a well and the Supervision and Operating Costs charged against that revenue.
- 32. Any cost or charge that is paid out of production shall be withheld only from the share due to an owner of a Pooled Working Interest. No cost or charge shall be withheld from the share due to an owner of a royalty interests. For the purpose of this Order, an unleased mineral interest shall consist of a seven-eighths (7/8) working interest and a one-eighth (1/8) royalty interest.
- 33. Except as provided above, Operator shall hold the revenue attributable to a well that is not disbursed for any reason for the account of the person(s) entitled to the revenue as provided in the Oil and Gas Proceeds Payment Act, NMSA 1978, Sections 70-10-1 *et seq.*, and relinquish such revenue as provided in the Uniform Unclaimed Property Act, NMSA 1978, Sections 7-8A-1 *et seq.*
- 34. The Unit shall terminate if (a) the owners of all Pooled Working Interests reach a voluntary agreement; or (b) the well(s) drilled on the Unit are plugged and abandoned in accordance with the applicable rules. Operator shall inform OCD no later than thirty (30) days after such occurrence.
- 35. OCD retains jurisdiction of this matter for the entry of such orders as may be deemed necessary.

STATE OF NEW MEXICO OIL CONSERVATION DIVISION

ADRIENNE SANDOVAL DIRECTOR

AES/kms

Date: _____9/21/2020

Exhibit "A"

	FIDAVITS
Case: 21246	APPLICANT'S RESPONSE
Date: August 6, 2020	
Applicant	Chevron U.S.A. Inc.
Designated Operator & OGRID (affiliation if applicable)	4323 Beatty & Wozniak, P.C. (Candace Callahan & Jill Fulcher)
Applicant's Counsel: Case Title:	Application of Chevron U.S.A. Inc for Compulsory Pooling, Lea County, New Mexclo
ntries of Appearance/Intervenors	Frnie Padilla obo EOG Resources, Inc.; Sharon T, Shaheen & John T. McIntyre obo Tap Rock
	Resources, LLC; J. E. Gallegos & Michael J. Condon obo Stewarts, Helms, JAFT and Worrells James Bruce obo Antelope Energy Company, LLC
Well Family	Narwhal and Ogopogo
ormation/Pool	
ormation Name(s) or Vertical Extent:	Bone Spring formation
rimary Product (Oil or Gas):	Oil
realing this versical extent: roof Name and Pool Code:	Bonn Spring formation Red Tank; Bone Spring (Pool Code 51687) and Legg, Bone Spring (Pool Code 37870)
Well Location Setback Rules:	Standard Oll, 330' setback
pacing Unit Size.	640,00 acres, more or less
pacing Unit	
ype (Horizont al/Vertical)	Horizontal
ize (Acres)	640.00 acres more or less
Aulding Glocks:	40 acres (quarter-quarter section)
Orientation:	North South
Poscription: TRS/County	W/2 of Section 15 and W/2 of Section 22, T225, R33E, Lea Co.
tandard Horizontal Well Spacing Unit (Y/N), If No. describe	Yes
pepth Severance, Y/N. If yes, description	No
roximity Tracts: If yes, description	Yes: E/2W/2 of Sections 15 and 22, T22S, R33E
Proximity Defining Well: if yes, description	DI 15 22 Narwhal Fed Com 220H
Applicant's Ownership in Each Tract	Tract 2: 100%; Tract 3: 50%
	(NOTE: Effective 08/01/2020, Cheyron anticipates acquiring all of the interest of EDG
	Resources, Inc. In Tract 1: 65%; Tract 3: 6.25% and Tract 4: 95:2%)
Nell(s)	
Name & API (if assigned), surface and bottom hole location, foctages, completion target, orientation,	
ompletion status (standard or non-standard)	
Nell #1	DL 15 22 Narwhal Fed Corn #219H
	SHL: 860' FSL / 1790' FWL, Section 10, T22S, R33E
	8 Pt.: 25° FSt. / 330° FWL, Section 27, 1225, R33E
	Orientation; North to South Completion expected to be standard
NoII #2	DL 15 22 Narwhal Fed Com#22011
T MI II L	SHL; 860' FSL / 1815' FWI , Section 10, T225, R33F
	8HL: 25' FSL / 1254" FWL, Section 22, T22S, R33E
	Orientation: North to South
	Completion expected to be standard
Nell #3	DL 15 22 Narwhal Fed Corn #221 H
	SHL: 860° FSL / 1840° FWL, Section 10, T22S, R33t
	BHL: 25' FSL / 2178' FWI, Section 22, T22S, R33F
	Orientation: North to South
Well #4	Completion expected to be standard OL 15 22 Narwhal Fed Com #510H
VEI TO	SHL: 960' FSL / 1790' FWL, Section 10, T225, R33E
	BHL: 25' FSL / 870' FWL, Section 22, T22S, R33E
	Orientation: North to South
	Completion expected to be standard
Well #5	DL 15 22 Ogopogo Fed Com #511H
	5HL: 1986' FSL / 1288' FEL, Section 10, T225, R33E
	BHL: 25' FSL / 2562' FWL, Section 22, T225, R331
	Orientation: North to South
to the second set of the second secon	Completion expected to be unorthodox
iorizontal Well #1 First and Last Take Points	Exhibit L-15
forizontal Well #2 First and Last Take Points	Exhibit L-15
orizontal Well #3 First and Last Take Points	Exhibit L-15
orizontal Well #4 Hrst and Last Take Points orizontal Well #5 Hrst and Last Take Points	Eshibit L-15 Eshibit L-15
	Red Tank: Sone Spring (Pool Code S1687) at approx. 9,450' TVD and 19,450' MD.
ompletion Target Well #1, #2 and #3 (Formation, TVD and MD) ompletion Target Well #4 and #5	Legg: Bone Spring (Pool Code 37870) at approx. 12,015' TVD and 19,450' MD
FE Capex and Operating Costs	CEBBL Date shring from cone states of approx. 12,015 140 and 22,015 MD
Prilling Supervision/Month S	S7,000, Exhibit L., Paragraph 24
reduction Supervision/Month \$	\$700, Exhibit L., Paragraph 24
ustification for Supervision Costs	Exhibit L-4 and Exhibit L, Paragraph 24
equested Risk Charge	200%; Exhibit L, Paragraph 25
lotice of Hearing	
roposed Notice of Hearing	Submitted with Application; See Online Case file
roof of Mailed Notice of Hearing (20 days before hearing)	Exhibit L-2 (Attorney's Affidavit)
roof of Published Notice of Hearing (10 days before hearing)	Exhibit L-3 (Certificate of Publication)
Ownership Determination	Existence (12)
and Ownership Schematic of the Spacing Unit ract List (including lease numbers and owners)	Exhibit U.15 Exhibit U.15
ract tist (including lease numbers and owners; fooled Parties (including ownership type)	Exhibit U15
Jolocatable Parties to be Pooled	Exhibit U16
Ownership Depth Severance (including percentage above & below)	Not applicable
oinder	
iample Copy of Proposal Letter	Exhibit C-4
Ist of interest Owners (le Exhibit A of IOA)	Exhibit 1-15
	Exhibit L-5

Overhead Rates In Proposal Letter	Exhibit L4
Cost Estimate to Drill and Complete	See AFF at Exhibit 1-17
Cost Estimate to Equip Well	See AFE at Exhibit L-17
Cost Estimate for Production Facilities	See AFE at Exhibit 1-17
Geology	
Summary (including special considerations)	Exhibit L, Paragraph 22
Spacing Unit Schematic	Exhibit G-1 and G-2
Gunbarrel/Lateral Trajectory Schematic	Exhibit G-1 and G-2
Well Orientation (with rationale)	Exhibit G, Paragraph 23
Target Formation - Red Tank: Sone Spring (Avalon) (Well # 1, 2 & 3)	Exhibit G-3 and G-4
Target Formation - Legg: Third Bone Spring (Well #4 and #5)	Exhibit G-5 and G-6
(SU Cross Section Red Tank: Bone Spring (Avalon) (Well # 1, 2 & 3)	Exhibit G-3 and G-4
HSU Cross Section - Legg; Third Bone Spring (Well #4 and #5)	Exhibit G-5 and G-6
Depth Severance Discussion	Not applicable
Forms, Figures and Tables	
C-192	Exhibit L-15
Tracts	Exhibit L16
Summary of Interests, Unit Recapitulation (Tracts)	Exhibit L-16
General Location Map (including basin)	Exhibit L-1
Well Bere Location Map	Exhibit L-15 (C-102s)
Structure Contour Map - Subsea Depth - Red Tank: Bone Spring (Avaion) (Well # 1, 2 & 3)	Exhibit G-9
Structure Contour Map - Subsea Depth - Legg; Third Bone Spring (Well #4 and #5):	Exhibit G-10
Seismic Contour Map - North to South	Exhibit G-7
Seismic Contour Map - West to East	Exhibit G-8
Cross Section Location Map (including wells) - Red Tank: Bone Spring (Avalon) (Well # 1, 2 & 3)	Exhibit G-3 and G-4
Cross Section Location Map (including wells) - Legg; Third Bone Spring (Well #4 and #5)	Exhibit G-5 and G-G
Cross Section (including Landing Zone) Red Tank: Bone Spring (Avalon) (Well # 1, 2 & 3)	Exhibit G 3 and G 4
Cross Section (including Landing Zone) - Legg; Third Bone Spring (Well #4 and #5)	Exhibit G-5 and G-6
Additional Information	
Special Provisions/Stimulations	Applicant requests an extenion of the requirement to drill and complete the initial well within 120-days to a requirement to drill and complete the initial well within 18 months from the date of the Division Order granting this application.
CERTIFICATION: I hereby certify that the information provided in this checklist is complete a	
Printed Name (Attorney or Party Representative):	Candace Callahan
Signed Name (Attorney or Party Representative):	(10)
	The state of the s

EXHIBIT B

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

APPLICATION OF CHEVRON U.S.A. INC	ζ.
TO AMEND ORDER R-20859	
LEA COUNTY, NEW MEXICO	

CASE NO. 21843

(formerly Case No. 20768)

APPLICATION OF CHEVRON U.S.A. INC. TO AMEND ORDER R-21409 LEA COUNTY, NEW MEXICO

CASE NO. 21844

(formerly Case No. 21240)

APPLICATION OF CHEVRON U.S.A. INC. TO AMEND ORDER R-21418 LEA COUNTY, NEW MEXICO

CASE NO. 21845

(formerly Case No. 21244)

APPLICATION OF CHEVRON U.S.A. INC. TO AMEND ORDER R-21465 LEA COUNTY, NEW MEXICO

CASE NO. 21846

(formerly Case No. 21242)

APPLICATION OF CHEVRON U.S.A. INC. TO AMEND ORDER R-21467 LEA COUNTY, NEW MEXICO

CASE NO. 21847

(formerly Case No. 21246

SELF-AFFIRMED STATEMENT OF NOTICE

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

Candace Callahan deposes and states:

- 1. I am over the age of 18, and have personal knowledge of the matters stated herein.
- 2. I am an attorney for Chevron U.S.A. Inc.

3. Chevron U.S.A. Inc. has conducted a good faith, diligent effort to find the names and

correct addresses of the interest owners entitled to receive notice of the applications filed herein.

4. Notice of the applications was provided to the interest owners, at their last known

addresses, by certified mail. Copies of the notice letters and certified return receipts are attached

hereto as Exhibits B-1 and B-2, respectively.

5. Applicant has complied with the notice provisions of the Division Rules.

6. I understand that this Self-Affirmed Statement will be used as written testimony in this

case. I affirm that my testimony in Paragraphs 1 through 5 above is true and correct and is made

under penalty of perjury under the laws of the State of New Mexico. My testimony is made as of

the date handwritten next to my signature below.

DATE: May 3, 2021

Candace Callahan

EXHIBIT B-1 (21843)

BEATTY & WOZNIAK, P.C.

ATTORNEYS AT LAW 500 DON GASPAR AVENUE SANTA FE, NEW MEXICO 87505 TELEPHONE (505) 983-8545 FACSIMILE (800) 886-6566 www.bwenergylaw.com

COLORADO

NEW MEXICO

NORTH DAKOTA

WYOMING

UTAH

CANDACE CALLAHAN.

DIRECT: (505) 983-8764

E-MAIL: CCALLAHAN@BWENERGYLAW.COM

April 13, 2021

VIA CERTIFIED MAIL-RETURN RECEIPT

To: ALL INTEREST OWNERS ON THE ATTACHED LIST

Re: NMOCD Case No. 21843 – Application of Chevron U.S.A. Inc. to Amend Order No. R-20859, Lea County, New Mexico – DL 9 16 Loch Ness Fed Com 16H, 17H and 18H (E/2 of Sections 9 and 16, T22S, R33E; Bone Spring formation)

Dear Interest Owner:

This letter is to advise you that Chevron U.S.A. Inc. has filed the enclosed application to amend Order No. 20859 with the New Mexico Oil Conservation Division, seeking to amend Order No. R-20859 as follows:

(Re-Open) Application of Chevron U.S.A. Inc. to Amend Order No. R-20859, Lea County, New Mexico. Applicant in the above-styled cause seeks an order amending Order No. R-20859, issued on September 13, 2019, to retroactively extend the deadline for completing the initial wells for one year to February 1, 2022. Order No. R-20859 pooled all mineral interests in the Bone Spring formation in a horizontal spacing unit comprised of the E/2 of Section 9 and E/2 of Section 16, Township 22 South, Range 33 East, NMPM, Lea County, New Mexico, and requires that operator commence completion operations on at least one of the wells within one year after commencement of drilling operations unless the operator obtains an extension from the Division Director for good cause shown. The three initial wells, the DL 9 16 Loch Ness Fed Com 16H well, the DL 9 16 Loch Ness Fed Com 17H well and the DL 9 16 Loch Ness Fed Com 18H well, were commenced on February 1, 6 and 8, 2020, respectively, and successfully drilled to planned total depth.

This matter is set for hearing before a Division Examiner at 8:15 a.m. on May 6, 2021. During the COVID-19 Public Health Emergency, state buildings are closed to the public and hearings will be conducted remotely. To participate in the electronic hearing, see the instructions posted on the OCD hearings website at http://www.emnrd.state.nm.us/OCD/hearings and scrolling down to "Hearing Notices" under "OCD Hearings." You are not required to attend this hearing, but as an interest owner in the well unit you may be affected by this application, and you may appear and present testimony. Failure to appear at that time and become a part of record will preclude you from challenging the matter at a later date.

All Interest Owners on the Attached List April 13, 2021 Page 2

A party appearing in a Division case is required by Division Rule 19.15.4.13:B to file a Pre-Hearing Statement at least four business days in advance of a scheduled hearing, 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. The statement should include: the names of the party and its attorney; 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 need to be resolved prior to the hearing. The Pre-Hearing Statement must also be provided to the undersigned and to the persons listed on Exhibit A.

If you have any questions about this matter, please contact either me or Kevin Stubbs at KevinStubbs@chevron.com.

Very truly yours,

Candace Callahan

Attorney for Chevron U.S.A. Inc.

Enclosures: as stated.

EXHIBIT A LIST OF OWNERS

WORKING INTEREST AND UNLEASED MINERAL INTEREST OWNERS

CONOCOPHILLIPS COMPANY 925 N. ELDRIDGE PARKWAY HOUSTON, TX 77079

MARATHON OIL PERMIAN, LLC 5555 SAN FELIPE STREET HOUSTON, TX 77056

OVERRIDING ROYALTY INTERESTS OWNERS

C. MARK WHEELER AND J'LYNN WHEELER 4929 RUSTIC TRL MIDLAND, TX 79704-1418

CROWNROCK MINERALS, L.P. 18 DESTA DR. MIDLAND, TX 79705

THE CORNERSTONE FAMILY TRUST PO BOX 17656 GOLDEN, CO 80402

YATES PETROLEUM 105 SOUTH 4TH ST. ARTESIA, NM 88210

ABO PETROLEUM 207 S 4TH STREET ARTESIA, NM 88210

MYCO INDUSTRIES, INC. PO BOX 840 ARTESIA, NM 88211 JAREED PARTNERS, LTD. PO BOX 51451 MIDLAND, TX 79710

PAUL R. BARWIS 1980 SPLIT MTN. CANYON LAKE, TX 78133

STRYKER ENERGY, LLC PO BOX 53448 HOUSTON, TX 77052

CHISOS MINERALS, LLC 1111 BAGBY ST. HOUSTON, TX 77002

EXHIBIT B-1 (21844)

BEATTY & WOZNIAK, P.C.

ATTORNEYS AT LAW 500 DON GASPAR AVENUE SANTA FE, NEW MEXICO 87505 TELEPHONE (505) 983-8545 FACSIMILE (800) 886-6566 www.bwenergylaw.com

COLORADO

NEW MEXICO

NORTH DAKOTA

WYOMING ———— UTAH

CANDACE CALLAHAN

DIRECT: (505) 983-8764

E-MAIL: CCALLAHAN@BWENERGYLAW.COM

April 13, 2021

VIA CERTIFIED MAIL-RETURN RECEIPT

To: ALL INTEREST OWNERS ON THE ATTACHED LIST

Re: NMOCD Case No. 21844 – Application of Chevron U.S.A., Inc. to Amend Order No. R-21409, Lea County, New Mexico – DL 10 3 Morag Fed Com 210H, 211H, 212H and 506H (E/2 of Sections 3 and 10, T22S, R33E; Bone Spring formation)

Dear Interest Owner:

This letter is to advise you that Chevron U.S.A., Inc. has filed the enclosed application to amend Order No. 21409 with the New Mexico Oil Conservation Division, seeking to amend Order No. R-21409 as follows:

(Re-Open) Application of Chevron U.S.A. Inc. to Amend Order No. R-21409, Lea County, New Mexico. Applicant in the above-styled cause seeks an order amending Order No. R-21409, issued on July 29, 2020, to extend the deadline to commence drilling the initial wells for two years to July 29, 2023. Order No. R-21409 pooled all mineral interests in the Bone Spring formation in a horizontal spacing unit comprised of the E/2 of Section 3 and E/2 of Section 10, Township 22 South, Range 33 East, NMPM, Lea County, New Mexico, and requires that operator commence drilling operations within one year after the date of the order unless the operator obtains an extension by amending the order for good cause shown. The initial wells to be drilled within the unit are: (1) the DL 10 3 Morag Fed Com 210H well; (2) the DL 10 3 Morag Fed Com 211H well; (3) the DL 10 3 Morag Fed Com 212H well; and (4) the DL 10 3 Morag Fed Com 506H well.

This matter is set for hearing before a Division Examiner at 8:15 a.m. on May 6, 2021. During the COVID-19 Public Health Emergency, state buildings are closed to the public and hearings will be conducted remotely. To participate in the electronic hearing, see the instructions posted on the OCD hearings website at http://www.emnrd.state.nm.us/OCD/hearings and scrolling down to "Hearing Notices" under "OCD Hearings." You are not required to attend this hearing, but as an interest owner in the well unit you may be affected by this application, and you may appear and present testimony. Failure to appear at that time and become a part of record will preclude you from challenging the matter at a later date.

A party appearing in a Division case is required by Division Rule 19.15.4.13:B to file a Pre-Hearing Statement at least four business days in advance of a scheduled hearing, 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. The statement should include: the names of the party and its attorney; a concise statement of

All Interest Owners on the Attached List April 13, 2021 Page 2

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 need to be resolved prior to the hearing. The Pre-Hearing Statement must also be provided to the undersigned and to the persons listed on Exhibit A.

If you have any questions about this matter, please contact either me or Kevin Stubbs at KevinStubbs@chevron.com.

Very truly yours,

Candace Callahan

Attorney for Chevron U.S.A., Inc.

Enclosures: as stated.

EXHIBIT A LIST OF OWNERS

WORKING INTEREST AND UNLEASED MINERAL INTEREST OWNERS

UTI ENERGY 16800 GREENSPOINT PARK,SUITE 225N HOUSTON, TX 77060

TAP ROCK RESOURCES LLC 602 PARK POINT DRIVE, SUITE 200 GOLDEN, CO 80401

BYPASS TRUST, CYNTHIA WILSON 7601 MIRADOR DRIVE AUSTIN, TX 78735

THE FAMILY TRUST U/W/O RICHARD KEVIN BARR 8027 CHALK KNOLL DRIVE AUSTIN, TX 78735

OVERRIDING ROYALTY INTERESTS OWNERS

CHISOS MINERALS, LLC 1111 BAGBY STREET, SUITE 2150 HOUSTON, TX 77060

PAUL R. BARWIS 2201 SOUTHAMPTON LANE MIDLAND, TX 79705

CROWNROCK MINERALS, L.P. P.O. BOX 51933 MIDLAND, TX 79710

THE CORNERSTONE FAMILY TRUST P.O. BOX 17656 GOLDEN, CO 80402

C. MARK WHEELER AND HIS WIFE, J'LYNN WHEELER P.O. BOX 248 ROUND ROCK, TX 78680

JAREED PARTNERS, LTD. 2407 BELLECHASE COURT MIDLAND, TX 79705

MADISON M. HINKLE P.O. BOX 2292 ROSWELL, NM 88202

ROLLA HINKLE P.O. BOX 2992 ROSWELL, NM 88202

MUSTANG OIL & GAS, LLC P.O. BOX 412 ROSWELL, NM 88202 NEW TEX OIL COMPANY 901 SOUTH CECIL STREET HOBBS, NM 88240

TAP ROCK MINERALS, LP 602 PARK POINT DRIVE, SUITE 200 GOLDEN, CO 80401

EXHIBIT B-1 (21845)

BEATTY & WOZNIAK, P.C.

ATTORNEYS AT LAW 500 DON GASPAR AVENUE SANTA FE, NEW MEXICO 87505 TELEPHONE (505) 983-8545 FACSIMILE (800) 886-6566 www.bwenergylaw.com

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CANDACE CALLAHAN

DIRECT: (505) 983-8764

E-MAIL: CCALLAHAN@BWENERGYLAW.COM

April 13, 2021

VIA CERTIFIED MAIL-RETURN RECEIPT

To: ALL INTEREST OWNERS ON THE ATTACHED LIST

Re: NMOCD Case No. 21845 – Application of Chevron U.S.A. Inc. to Amend Order No. R-21418, Lea County, New Mexico – DL 10 3 Kraken Fed Com 207H, 208H, 209H, 504H, and DL 10 3 Morag Fed Com 505H (W/2 of Sections 3 and 10, T22S, R33E; Bone Spring formation)

Dear Interest Owner:

This letter is to advise you that Chevron U.S.A. Inc. has filed the enclosed application to amend Order No. 21418 with the New Mexico Oil Conservation Division, seeking to amend Order No. R-21418 as follows:

(Re-Open) Application of Chevron U.S.A. Inc. to Amend Order No. R-21418, Lea County, New Mexico. Applicant in the above-styled cause seeks an order amending Order No. R-21418, issued on August 7, 2020, to extend the deadline to commence drilling the initial wells for one year to August 7, 2022. Order No. R-21418 pooled all mineral interests in the Bone Spring formation in a horizontal spacing unit comprised of the W/2 of Section 3 and W/2 of Section 10, Township 22 South, Range 33 East, NMPM, Lea County, New Mexico, and requires that operator commence drilling operations within one year after the date of the order unless the operator obtains an extension by amending the order for good cause shown. The initial wells to be drilled within the unit are: (1) the DL 10 3 Kraken Fed Com 207H well; (2) the DL 10 3 Kraken Fed Com 208H well; (3) the DL 10 3 Kraken Fed Com 209H well; (4) the DL 10 3 Kraken Fed Com 504H well; and (5) DL 10 3 Morag Fed Com 505H well.

This matter is set for hearing before a Division Examiner at 8:15 a.m. on May 6, 2021. During the COVID-19 Public Health Emergency, state buildings are closed to the public and hearings will be conducted remotely. To participate in the electronic hearing, see the instructions posted on the OCD hearings website at http://www.emnrd.state.nm.us/OCD/hearings and scrolling down to "Hearing Notices" under "OCD Hearings." You are not required to attend this hearing, but as an interest owner in the well unit you may be affected by this application, and you may appear and present testimony. Failure to appear at that time and become a part of record will preclude you from challenging the matter at a later date.

All Interest Owners on the Attached List April 13, 2021 Page 2

If on the attached list you are only identified as an Offset Owner, your interests were not pooled under this Order; however, as a lessee or unleased mineral interest owner in an offsetting tract or tracts affected by the non-standard well location, you are entitled to notice of this application.

A party appearing in a Division case is required by Division Rule 19.15.4.13:B to file a Pre-Hearing Statement at least four business days in advance of a scheduled hearing, 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. The statement should include: the names of the party and its attorney; 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 need to be resolved prior to the hearing. The Pre-Hearing Statement must also be provided to the undersigned and to the persons listed on Exhibit A.

If you have any questions about this matter, please contact either me or Kevin Stubbs at KevinStubbs@chevron.com.

Very truly yours,

Candace Callahan

Attorney for Chevron U.S.A. Inc.

Enclosures: as stated.

EXHIBIT A LIST OF OWNERS

WORKING INTEREST & UNLEASED MINERAL INTEREST OWNERS

UTI ENERGY 16800 GREENSPOINT PARK,SUITE 225N HOUSTON, TX 77060

TAP ROCK RESOURCES LLC 602 PARK POINT DRIVE, SUITE 200 GOLDEN, CO 80401

BYPASS TRUST, CYNTHIA WILSON 7601 MIRADOR DRIVE AUSTIN, TX 78735

THE FAMILY TRUST U/W/O RICHARD KEVIN BARR 8027 CHALK KNOLL DRIVE AUSTIN, TX 78735

OFFSET LESSEES OR OFFSET UNLEASED MINERAL INTEREST OWNERS

CHEVRON NORTH AMERICA EXPLORATION AND PRODUCTION 1400 SMITH HOUSTON, TX 77002

EOG RESOURCES 5509 CHAMPIONS DRIVE MIDLAND, TX 79706

UTI ENERGY 16800 GREENSPOINT PARK,SUITE 225N HOUSTON, TX 77060

TAP ROCK RESOURCES LLC 602 PARK POINT DRIVE, SUITE 200 GOLDEN, CO 80401

BYPASS TRUST, CYNTHIA WILSON 7601 MIRADOR DRIVE AUSTIN, TX 78735

THE FAMILY TRUST U/W/O RICHARD KEVIN BARR 8027 CHALK KNOLL DRIVE AUSTIN, TX 78735

OVERRIDING ROYALTY INTERESTS OWNERS

CHISOS MINERALS, LLC 1111 BAGBY STREET, STE 2150 HOUSTON, TX 77060

PAUL R. BARWIS 2201 SOUTHAMPTON LANE MIDLAND, TX 79705

CROWNROCK MINERALS, L.P. P.O. BOX 51933 MIDLAND, TX 79710

THE CORNERSTONE FAMILY TRUST P.O. BOX 17656 GOLDEN, CO 80402

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MADISON M. HINKLE P.O. BOX 2292 ROSWELL, NM 88202

ROLLA HINKLE P.O. BOX 2992 ROSWELL, NM 88202

MUSTANG OIL & GAS, LLC P.O. BOX 412 ROSWELL, NM 88202

NEW TEX OIL COMPANY 901 SOUTH CECIL STREET HOBBS, NM 88240

TAP ROCK MINERALS, LP 602 PARK POINT DRIVE, STE 200 GOLDEN, CO 80401

EXHIBIT B-1 (21846)

BEATTY & WOZNIAK, P.C.

ATTORNEYS AT LAW 500 DON GASPAR AVENUE SANTA FE, NEW MEXICO 87505 TELEPHONE (505) 983-8545 FACSIMILE (800) 886-6566 www.bwenergylaw.com

COLORADO

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NORTH DAKOTA

WYOMING

Utah

CANDACE CALLAHAN

DIRECT: (505) 983-8764

E-MAIL: CCALLAHAN@BWENERGYLAW.COM

April 13, 2021

VIA CERTIFIED MAIL-RETURN RECEIPT

To: ALL INTEREST OWNERS ON THE ATTACHED LIST

Re: NMOCD Case No. 21846 – Application of Chevron U.S.A. Inc. to Amend Order R-21645, Lea County, New Mexico – DL 15 22 Ogopogo Fed Com 222H, 223H, 224H and 512H

(E/2 of Sections 15 and 22, T22S, R33E; Bone Spring formation)

Dear Interest Owner:

This letter is to advise you that Chevron U.S.A. Inc. has filed the enclosed application to amend Order No. 21465 with the New Mexico Oil Conservation Division, seeking to amend Order No. R-21465 as follows:

(Re-Open) Application of Chevron U.S.A. Inc. to Amend Order No. R-21465, Lea County, New Mexico. Applicant in the above-styled cause seeks an order amending Order No. R-21465, issued on September 21, 2020, to extend the deadline to commence drilling the initial wells for one year to September 21, 2022. Order No. R-21465 pooled all mineral interests in the Bone Spring formation in a horizontal spacing unit comprised of the E/2 of Section 15 and E/2 of Section 22, Township 22 South, Range 33 East, NMPM, Lea County, New Mexico, and requires that operator commence drilling operations within one year after the date of the order unless the operator obtains an extension by amending the order for good cause shown. The initial wells to be drilled within the unit are: (1) the DL 15 22 Ogopogo Fed Com 222H well; (2) the DL 15 22 Ogopogo Fed Com 223H well; (3) the DL 15 22 Ogopogo Fed Com 224H well; and (4) the DL 15 22 Ogopogo Fed Com 512H well.

This matter is set for hearing before a Division Examiner at 8:15 a.m. on May 6, 2021. During the COVID-19 Public Health Emergency, state buildings are closed to the public and hearings will be conducted remotely. To participate in the electronic hearing, see the instructions posted on the OCD hearings website at http://www.emnrd.state.nm.us/OCD/hearings and scrolling down to "Hearing Notices" under "OCD Hearings." You are not required to attend this hearing, but as an

All Interest Owners on the Attached List April 13, 2021 Page 2

interest owner in the well unit you may be affected by this application, and you may appear and present testimony. Failure to appear at that time and become a part of record will preclude you from challenging the matter at a later date.

A party appearing in a Division case is required by Division Rule 19.15.4.13:B to file a Pre-Hearing Statement at least four business days in advance of a scheduled hearing, 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. The statement should include: the names of the party and its attorney; 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 need to be resolved prior to the hearing. The Pre-Hearing Statement must also be provided to the undersigned and to the persons listed on Exhibit A.

If you have any questions about this matter, please contact either me or Kevin Stubbs at KevinStubbs@chevron.com.

Very truly yours,

Candace Callahan

Attorney for Chevron U.S.A. Inc.

Enclosures: as stated.

EXHIBIT A LIST OF OWNERS

WORKING INTEREST AND UNLEASED MINERAL INTEREST OWNERS

JAMES R. HURT PO BOX 72 ODESSA, TX 79760

FREDDIE JEAN WHEELER 1000 CORDOVA PLACE, SUITE 454 SANTE FE, NM 87505

SHARBRO ENERGY LLC P.O. BOX 840

ARTESIA, NM 88211

E CECILE MARTIN 411 MEADOWLAKES DRIVE MARBLE FALLS, TX 78654-7138

TAP ROCK RESOURCES LLC GOLDEN, CO 80401

602 PARK POINT DRIVE, SUITE 200

THE FAMILY TRUST U/W/O RICHARD KEVIN BARR

8027 CHALK KNOLL DRIVE

AUSTIN, TX 78735

ANTELOPE ENERGY COMPANY, LLC 1801 BROADWAY, SUITE 1550

DENVER, CO 80202

UTI ENERGY CORP

16800 GREENSPOINT PARK, SUITE 225N

HOUSTON, TX 77060

BYPASS TRUST, CYNTHIA WILSON 7601 MIRADOR DRIVE, AUSTIN

AUSTIN, TX 78735

HURT PROPERTIES LP

PO BOX 1927

ABINGDON, VA 24212

MICHAEL L. STEWART 3714 MARK LANE MIDLAND, TX 79707

OVERRIDING ROYALTY INTERESTS OWNERS

ALAN JOCHIMSEN 4209 CARDINAL LANE MIDLAND, TX 79707

MONTY D. MCLANE P.O. BOX 9451 MIDLAND, TX 79707

STATES ROYALTY LIMITED PARTNERSHIP P.O. BOX 911

BRECKENRIDGE, TX 76424-0911

JKM ENERGY 26 EAST COMPRESS ROAD ARTESIA, NM 88210

MICHAEL L. STEWART 3714 MARK LANE MIDLAND, TX 79707

JAFT INVESTMENTS 4051 HACKBERRY COURT MIDLAND, TX 79707

MADISON M. HINKLE

P.O. BOX 2292

ROSWELL, NM 88202

ROLLA HINKLE P.O. BOX 2992 ROSWELL, NM 88202

MUSTANG OIL & GAS, LLC

P.O. BOX 412

ROSWELL, NM 88202

NEW TEX OIL COMPANY 901 SOUTH CECIL STREET

HOBBS, NM 88240

TAP ROCK MINERALS, LP

602 PARK POINT DRIVE, SUITE 200

GOLDEN, CO 80401

PEGASUS RESOURCES, LLC

P.O. BOX 470698

FORT WORTH, TEXAS 76147

MCMULLEN MINERALS, LLC P.O. BOX 470857 FORT WORTH, TEXAS 76147

CHAD BARBE P.O. BOX 2017 ROSWELL, NM 88202

BRILI, LLC 2135 SEDONA HILLS PARKWAY LAS CRUCES, NM 88011

HELMS OIL & GAS PO BOX 52808 MIDLAND, TX 79710

EXHIBIT B-1 (21847)

BEATTY & WOZNIAK, P.C.

ATTORNEYS AT LAW 500 DON GASPAR AVENUE SANTA FE, NEW MEXICO 87505 TELEPHONE (505) 983-8545 FACSIMILE (800) 886-6566 www.bwenergylaw.com

COLORADO NEW MEXICO NORTH DAKOTA

WYOMING

UTAH

CANDACE CALLAHAN

DIRECT: (505) 983-8764

E-MAIL: CCALLAHAN@BWENERGYLAW.COM

April 13, 2021

VIA CERTIFIED MAIL-RETURN RECEIPT

To: ALL INTEREST OWNERS ON THE ATTACHED LIST

Re: NMOCD Case No. 21847 – Application of Chevron U.S.A. Inc. to Amend Order No. R-21467, Lea County, New Mexico - DL 15 22 Narwhal Fed Com 219H, 220H, 221H, 510H and DL 15 22 Ogopogo Fed Com 511H (W/2 of Sections 15 and 22, T22S, R33E; Bone Spring formation)

Dear Interest Owner:

This letter is to advise you that Chevron U.S.A. Inc. has filed the enclosed application to amend Order No. 21467 with the New Mexico Oil Conservation Division, seeking to amend Order No. R-21467 as follows:

(Re-Open) Application of Chevron U.S.A. Inc. to Amend Order No. R-21467, Lea County, New Mexico. Applicant in the above-styled cause seeks an order amending Order No. R-21467, issued on September 21, 2020, to extend the deadline to commence drilling the initial wells for one year to September 21, 2022. Order No. R-21467 pooled all mineral interests in the Bone Spring formation in a horizontal spacing unit comprised of the W/2 of Section 15 and W/2 of Section 22, Township 22 South, Range 33 East, NMPM, Lea County, New Mexico, and requires that operator commence drilling operations within one year after the date of the order unless the operator obtains an extension by amending the order for good cause shown. The initial wells to be drilled within the unit are: (1) the DL 15 22 Narwhal Fed Com 219H well; (2) the DL 15 22 Narwhal Fed Com 220H well; (3) the DL 15 22 Narwhal Fed Com 221H well; (4) the DL 15 22 Narwhal Fed Com 510H well; and (5) DL 15 22 Ogopogo Fed Com 511H well.

This matter is set for hearing before a Division Examiner at 8:15 a.m. on May 6, 2021. During the COVID-19 Public Health Emergency, state buildings are closed to the public and hearings will be conducted remotely. To participate in the electronic hearing, see the instructions posted on the OCD hearings website at http://www.emnrd.state.nm.us/OCD/hearings and scrolling down to "Hearing Notices" under "OCD Hearings." You are not required to attend this hearing, but as an interest owner in the well unit you may be affected by this application, and you may appear and present testimony. Failure to appear at that time and become a part of record will preclude you from challenging the matter at a later date.

All Interest Owners on the Attached List April 13, 2021 Page 2

If on the attached list you are only identified as an Offset Owner, your interests were not pooled under this Order; however, as a lessee or unleased mineral interest owner in an offsetting tract or tracts affected by the non-standard well location, you are entitled to notice of this application.

A party appearing in a Division case is required by Division Rule 19.15.4.13:B to file a Pre-Hearing Statement at least four business days in advance of a scheduled hearing, 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. The statement should include: the names of the party and its attorney; 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 need to be resolved prior to the hearing. The Pre-Hearing Statement must also be provided to the undersigned and to the persons listed on Exhibit A.

If you have any questions about this matter, please contact either me or Kevin Stubbs at KevinStubbs@chevron.com.

Very truly yours,

Candace Callahan

Attorney for Chevron U.S.A. Inc.

Enclosures: as stated.

EXHIBIT A LIST OF OWNERS

WORKING INTEREST AND UNLEASED MINERAL INTEREST OWNERS

JAMES R. HURT THE FAMILY TRUST U/W/O RICHARD KEVIN

PO BOX 72 BAR

E CECILE MARTIN

ODESSA, TX 79760 8027 CHALK KNOLL DRIVE

AUSTIN, TX 78735 FREDDIE JEAN WHEELER

1000 CORDOVA PLACE, SUITE 454 ANTELOPE ENERGY COMPANY, LLC

SANTE FE, NM 87505 1801 BROADWAY, SUITE 1550

DENVER, CO 80202

SHARBRO ENERGY LLC
P.O. BOX 840
UTI ENERGY CORP

ARTESIA, NM 88211 16800 GREENSPOINT PARK, SUITE 225N

HOUSTON, TX 77060

411 MEADOWLAKES DRIVE BYPASS TRUST, CYNTHIA WILSON MARBLE FALLS, TX 78654-7138 7601 MIRADOR DRIVE, AUSTIN

AUSTIN, TX 78735 TAP ROCK RESOURCES LLC

602 PARK POINT DRIVE, SUITE 200 HURT PROPERTIES LP

GOLDEN, CO 80401 PO BOX 1927

ABINGDON, VA 24212

MICHAEL L. STEWART 3714 MARK LANE MIDLAND, TX 79707

OFFSET LESSEES OR OFFSET UNLEASED MINERAL INTEREST OWNERS

CHEVRON NORTH AMERICA SHARBRO ENERGY LLC EXPLORATION AND PRODUCTION P.O. BOX 840

1400 SMITH ARTESIA, NM 88211

HOUSTON, TX 77002

E CECILE MARTIN
EOG RESOURCES INC
5509 CHAMPIONS DRIVE
MIDLAND, TX 79706

E CECILE MARTIN
411 MEADOWLAKES DRIVE
MARBLE FALLS, TX 78654-7138

TAP ROCK RESOURCES LLC
PATRICK WORRELL
602 PARK POINT DRIVE, SUITE 200

4501 HACKBERRY COURT, GOLDEN, CO 80401 MIDLAND, TX 79707

JAMES R. HURT RICHARD KEVIN BARR
PO BOX 72 8027 CHALK KNOLL DRIVE

ODESSA, TX 79760 AUSTIN, TX 78735

FREDDIE JEAN WHEELER
ANTELOPE ENERGY COMPANY, LLC

1000 CORDOVA PLACE, SUITE 454 1801 BROADWAY, SUITE 1550

SANTE FE, NM 87505 DENVER, CO 80202

UTI ENERGY CORP 16800 GREENSPOINT PARK, SUITE 225N HOUSTON, TX 77060

BYPASS TRUST, CYNTHIA WILSON 7601 MIRADOR DRIVE, AUSTIN AUSTIN, TX 78735 HURT PROPERTIES LP PO BOX 1927 ABINGDON, VA 24212

MICHAEL L. STEWART 3714 MARK LANE MIDLAND, TX 79707

OVERRIDING ROYALTY INTERESTS OWNERS

ALAN JOCHIMSEN 4209 CARDINAL LANE MIDLAND, TX 79707

MONTY D. MCLANE P.O. BOX 9451 MIDLAND, TX 79707

STATES ROYALTY LIMITED PARTNERSHIP P.O. BOX 911 BRECKENRIDGE, TX 76424-0911

JKM ENERGY 26 EAST COMPRESS ROAD ARTESIA, NM 88210

MICHAEL L. STEWART 3714 MARK LANE MIDLAND, TX 79707

JAFT INVESTMENTS 4051 HACKBERRY COURT MIDLAND, TX 79707

MADISON M. HINKLE P.O. BOX 2292 ROSWELL, NM 88202

HELMS OIL & GAS PO BOX 52808 MIDLAND, TX 79710

ROLLA HINKLE P.O. BOX 2992 ROSWELL, NM 88202

MUSTANG OIL & GAS, LLC P.O. BOX 412 ROSWELL, NM 88202

NEW TEX OIL COMPANY 901 SOUTH CECIL STREET HOBBS, NM 88240

TAP ROCK MINERALS, LP 602 PARK POINT DRIVE, STE200 GOLDEN, CO 80401 PEGASUS RESOURCES, LLC P.O. BOX 470698 FORT WORTH, TEXAS 76147

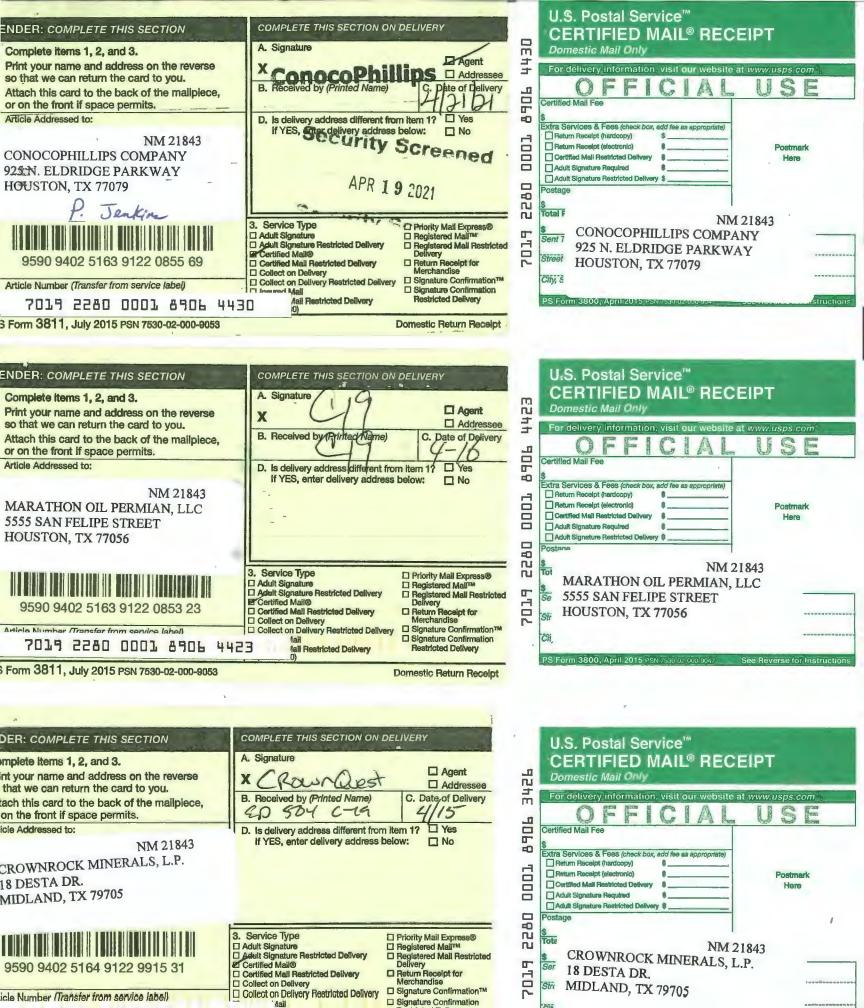
MCMULLEN MINERALS, LLC P.O. BOX 470857 FORT WORTH, TEXAS 76147

CHAD BARBE P.O. BOX 2017 ROSWELL, NM 88202

BRILI, LLC 2135 SEDONA HILLS PARKWAY LAS CRUCES, NM 88011

EXHIBIT B-2 (21843)

Owners	Address1	Address2	Ownership	Date RR received or returned/undelievered mail
ConocoPhillips Company	925 N Eldridge Parkway	Houston, Texas 77079	WI	4/21/2021
Marathon Oil Permian, LLC	5555 San Felipe Street	Houston, TX 77056	WI	4/16/2021
Chisos Minerals, LLC	1111 Bagby Street, Suite 2150	Houston, TX 77060	ORRI	4/20/2021
Paul R. Barwis	1980 Split Mtn.	Canyon Lake, TX 78133	ORRI	4/17/2021
Crownrock Minerals, L.P.	18 DESTA DR.	Midland, TX 79705	ORRI	4/15/2021
The Cornerstone Family Trust	P.O. Box 17656	Golden, CO 80402	ORRI	RR pending as of 4/30/2021
C. Mark Wheeler and his wife, J'Lynn Wheeler	4929 Rustic Trail	Midland, TX 79707	ORRI	RR pending as of 4/30/2021
Jareed Partners, Ltd.	PO Box 51451	Midland, TX 79710	ORRI	4/19/2021
Stryker Energy, LLC	PO Box 53448	Houston, TX 79710	ORRI	RR pending as of 4/30/2021
Yates Petroleum	105 South 4th St.	Artesia, NM 88210	ORRI	RR pending as of 4/30/2021
Myco Industries	PO Box 840	Artesia, NM 88211	ORRI	4/15/2021
ABO Petroleum	207 4th St.	Artesia, NM 88210	ORRI	RR pending as of 4/30/2021







Postmark

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Domestic Return Receipt

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

EXHIBIT B-2 (21844)

Owners	Address1	Address2	Ownership	Date RR received or returned/undelievered mail	
UTI ENERGY CORP	16800 Greenspoint Park, Suite 225N	Houston, TX 77060	WI	Returned - Unclaimed/Unable to Forward	
TAP ROCK RESOURCES LLC	602 Park Point Drive, Suite 200	Golden, CO 80401	WI	4/16/2021	
TAP ROCK Minerals, LP	602 Park Point Drive, Suite 200	Golden, CO 80401	WI	4/16/2021	
BYPASS TRUST, CYNTHIA WILSON	4601 Mirador Drive, Austin	Austin, TX 78735	WI	4/23/2021	
THE FAMILY TRUST U/W/O RICHARD KEVIN BARR			WI	4/22/2021	
Chisos Minerals, LLC	1111 Bagby Street, Suite 2150 Houston, TX 77060		ORRI	RR pending as of 4/30/2021	
Paul R. Barwis	2201 Southampton Lane	Midland, TX 79705	ORRI	Returned - Not deliverable as addressed	
Crownrock Minerals, L.P.	P.O. Box 51933	Midland, TX 79710	ORRI	4/16/2021	
The Cornerstone Family Trust	P.O. Box 17656		ORRI	RR pending as of 4/30/2021	
C. Mark Wheeler and his wife, J'Lynn Wheeler	. Mark Wheeler and his wife, J'Lynn Wheeler P.O. Box 248		ORRI	4/19/2021	
Jareed Partners, Ltd. 2407 Bellechase Court		Midland, TX 79705	ORRI	4/15/2021	
Madison M. Hinkle	P.O. Box 2992	Roswell, NM 88202	ORRI	4/15/2021	
	re-mailed 4/16/21 to PO Box 2292	Roswell, NM 88202	ORRI	4/20/2021	
Rolla Hinkle	P.O. Box 2992	Roswell, NM 88202	ORRI	4/15/2021	
	re-mailed 4/16/21 to PO Box 2292	Roswell, NM 88202	ORRI	4/20/2021	
Mustang Oil & Gas, LLC	P.O. Box 412	Roswell, NM 88202	ORRI	4/16/2021	
New Tex Oil Company	901 South Cecil Street	Hobbs, NM 88240	ORRI	Returned - Vacant/Unable to Forward	











SENDER: COMPLETE THIS SECTION

Print your name and address on the reverse

so that we can return the card to you. Attach this card to the back of the mailpiece

NM 21844

16800 GREENSPOINT PARK, STE 225N

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PS Form 3811, July 2015 PSN 7530-02-000-905

or on the front if space permits.

Complete items 1, 2, and 3.

1. Article Addressed to:

UTI ENERGY CORP

HOUSTON, TX 77060



NM 21844 UTI ENERGY CORP 16800 GREENSPOINT PARK, STE 225N HOUSTON, TX 77060

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3		Domestic Return Receipt

COMPLETE THIS SECTION ON DELIVERY

☐ Agent

☐ Addressee

U.S. Postal Service™ CERTIFIED MAIL® RECEIPT Domestic Mail Only 디 7 950 Certified Mail Fee Extra Services & Fees (check box, add fee as appropriate) + Return Receipt (hardcopy) Return Receipt (electronic) **Postmark** 0000 Certified Mail Restricted Delivery \$ _ Adult Signature Required \$ _ Here Adult Signature Restricted Delivery \$ ___ 2970 NM 21844 Total Posts **NEW TEX OIL COMPANY** 901 SOUTH CECIL STREET HOBBS, NM 88240 707 City, State, PS Form 3800, April 2015 PSN 7530-02-000-9047 See Reverse for Instructions

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NM 21844 NEW TEX OIL COMPANY 901 SOUTH CECIL STREET HOBBS, NM 88240

SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON	DELIVERY
Complete items 1, 2, and 3. Print your name and address on the reverse so that we can return the card to you.	A. Signature	☐ Agent ☐ Addressee
Attach this card to the back of the mailpiece, or on the front if space permits.	B. Received by (Printed Name)	C. Date of Delivery
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NM 21844
PAUL R. BARWIS
2201 SOUTHAMPTON LANE
MIDLAND, TX 79705

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EXHIBIT B-2 (21845)

Owners	Address1	Address2	Ownership	Date RR received or returned/undelievered mail
UTI ENERGY CORP	16800 Greenspoint Park, Suite 225N	Houston, TX 77060	WI/offset	Returned - Unclaimed/Unable to Forward
TAP ROCK RESOURCES LLC	602 Park Point Drive, Suite 200	Golden, CO 80401	WI/offset	4/16/2021
TAP ROCK Minerals, LP	602 Park Point Drive, Suite 200	Golden, CO 80401	WI	4/19/2021
BYPASS TRUST, CYNTHIA WILSON	4601 Mirador Drive, Austin	Austin, TX 78735	WI/offset	4/23/2021
THE FAMILY TRUST U/W/O RICHARD KEVIN BARR	8027 Chalk Knoll Drive	Austin, TX 78735	WI/offset	4/22/2021
Chevron North America Exploration and Production	1400 Smith	Houston, TX 77002	offset	4/20/2021
Chisos Minerals, LLC	1111 Bagby Street, Suite 2150	Houston, TX 77060	ORRI	4/23/2021
Paul R. Barwis	2201 Southampton Lane	Midland, TX 79705	ORRI	Returned - Not deliverable as addressed
Crownrock Minerals, L.P.	P.O. Box 51933	Midland, TX 79710	ORRI	RR pending as of 4/30/2021
The Cornerstone Family Trust	P.O. Box 17656	Golden, CO 80402	ORRI	RR pending as of 4/30/2021
C. Mark Wheeler and his wife, J'Lynn Wheeler	P.O. Box 248	Round Rock, TX 78680	ORRI	RR pending as of 4/30/2021
Jareed Partners, Ltd.	2407 Bellechase Court	Midland, TX 79705	ORRI	4/15/2021
Madison M. Hinkle	P.O. Box 2992	Roswell, NM 88202	ORRI	4/15/2021
	re-mailed 4/16/21 to PO Box 2292	Roswell, NM 88202	ORRI	4/20/2021
Rolla Hinkle	P.O. Box 2992	Roswell, NM 88202	ORRI	4/15/2021
	re-mailed 4/16/21 to PO Box 2292	Roswell, NM 88202	ORRI	4/20/2021
Mustang Oil & Gas, LLC	P.O. Box 412	Roswell, NM 88202	ORRI	4/16/2021
New Tex Oil Company	901 South Cecil Street	Hobbs, NM 88240	ORRI	Returned - Vacant/Unable to Forward









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	;	SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY
Ε	U.S. Postal Service" CERTIFIED MAIL® RECEIPT Domestic Mail Only	■ Complete Items 1, 2, and 3. ■ Print your name and address on the reverse so that we can return the card to you.	1 _ 3
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SECTION ON DELIVERY

Domestic Return Receipt





© US POSTAGE \$007.65°

ZIP 80202

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NM 21845 UTI ENERGY CORP 16800 GREENSPOINT PARK, STE 225N HOUSTON, TX 77060

 Complete items 1, 2, and 3. Print your name and address on the reverse so that we can return the card to you. Attach this card to the back of the mailpiece, 	A. Signature X
or on the front if space permits.	
1. Article Addressed to:	D. Is delivery address different from item 1? Yes
NM 21845 UTI ENERGY CORP 16800 GREENSPOINT PARK, STE 225N HOUSTON, TX 77060	If YES, enter delivery address below: No
9590 9402 5874 0038 7342 12 2. Article Number (Transfer from service label)	3. Service Type □ Adult Signature □ Adult Signature Restricted Delivery □ Certified Mall Restricted Delivery □ Collect on Delivery □ Collect on Delivery □ Collect on Delivery □ Signature Confirmation □ Signature Confirmation □ Signature Confirmation
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PS Form 3811, July 2015 PSN 7530-02-000-9053	Domestic Return Receipt



U.S. Postal Service™ **CERTIFIED MAIL® RECEIPT** 1194 4950 Certified Mail Fee Extra Services & Fees (check box, add fee as appropriate) Return Receipt (hardcopy) 0000 Return Receipt (electronic) Postmark Adult Signature Required Adult Signature Restricted Delivery \$ 7014 2470 \$ Total I NM 21845 NEW TEX OIL COMPANY Sent 7 901 SOUTH CECIL STREET HOBBS, NM 88240 City, S PS Form 3800, April 2015 PSN 7530-02-000-9047





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ZIP 80202

04/13/2021

Vacant 4.15-21

NM 21845 NEW TEX OIL COMPANY 901 SOUTH CECIL STREET HOBBS, NM 88240

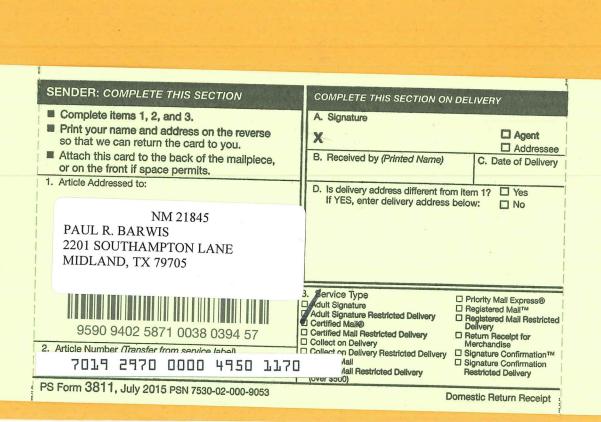
SCHOLA. COMPLETE THIS SECTION	COMM EETE THIS SECTION ON BEETEN
 Complete items 1, 2, and 3. Print your name and address on the reverse so that we can return the card to you. 	A. Signature X □ Agent □ Addressee
Attach this card to the back of the mailpiece, or on the front if space permits.	B. Received by (Printed Name) C. Date of Delivery
1. Article Addressed to:	D. Is delivery address different from item 1? Yes
NM 21845 NEW TEX OIL COMPANY 901 SOUTH CECIL STREET HOBBS, NM 88240	If YES, enter delivery address below: No
9590 9402 5871 0038 0394 33	J. Service Type ☐ duit Signature ☐ Adult Signature Restricted Delivery ☐ Certified Mail® ☐ Certified Mail® ☐ Certified Mail Restricted Delivery ☐ Collect on Delivery ☐ Collect on Delivery ☐ Collect on Delivery
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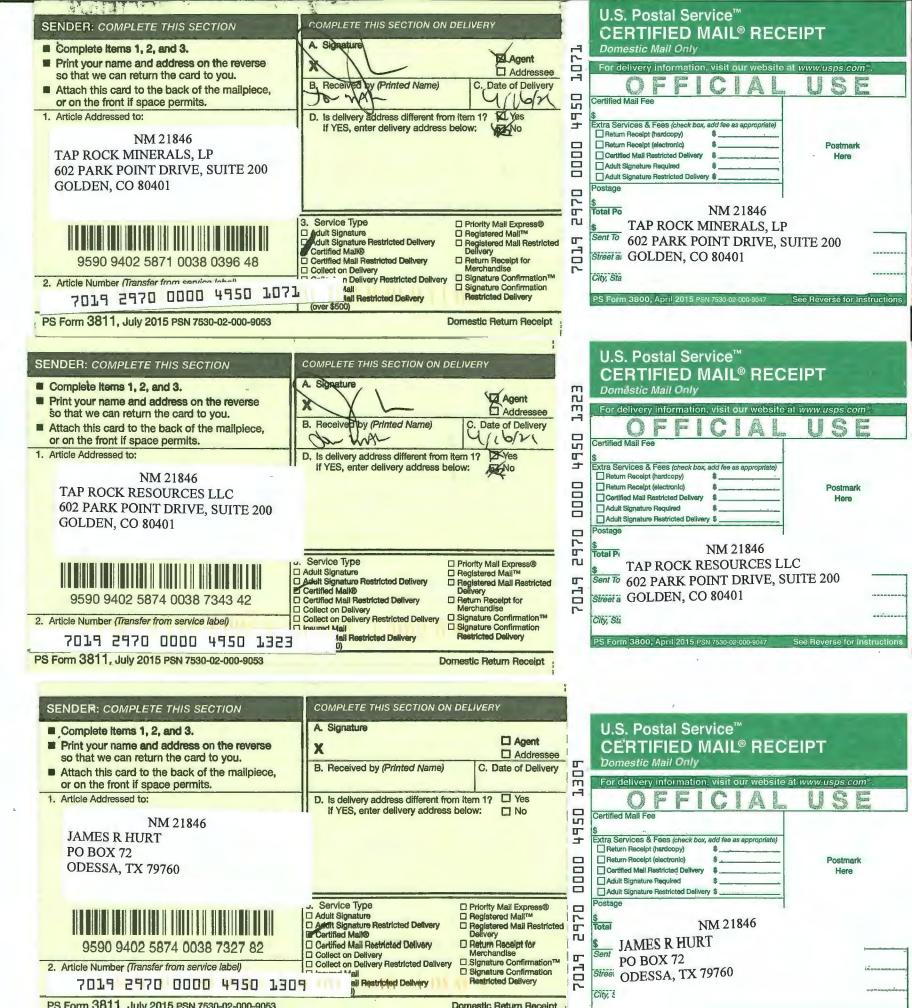
034A 0081801095

NM 21845 PAUL R. BARWIS 2201 SOUTHAMPTON LANE MIDLAND, TX 79705

EXHIBIT B-2 (21846)

Owners	Address1	Address2	Ownership	Date RR received or returned/undelievered mail
E CECILE MARTIN	411 Meadowlakes Drive	Marble Falls, TX 78654-7138	WI	4/23/2021
UTI ENERGY CORP	16800 Greenspoint Park, Suite 225N	Houston, TX 77060	WI	Returned - Unclaimed/Unable to Forward
TAP ROCK RESOURCES LLC	602 Park Point Drive, Suite 200	Golden, CO 80401	WI	4/16/2021
BYPASS TRUST, CYNTHIA WILSON	4601 Mirador Drive, Austin	Austin, TX 78735	WI	4/23/2021
JAMES R HURT	PO Box 72	Odessa, TX 79760	wı	RR rec'd - no date
THE FAMILY TRUST U/W/O RICHARD KEVIN BARR	8027 Chalk Knoll Drive	Austin, TX 78735	WI	4/22/2021
HURT PROPERTIES LP	PO Box 1927	Abingdon, VA 24212	WI	4/16/2021
FREDDIE JEAN WHEELER	1000 Cordova Place, Suite 454	Sante Fe, NM 87505	WI	4/16/2021
ANTELOPE ENERGY COMPANY, LLC	1801 Broadway, Suite 1550	Denver, CO 80202	WI	4/16/2021
MICHAEL L STEWART	3714 Mark Lane	Midland, TX 79707	WI	4/15/2021
SHARBRO ENERGY LLC	P.O. Box 840	Artesia, NM 88211	WI	4/15/2021
HeLMS Oil & Gas, LLC	P.O. Box 52808	Midland, TX 79710		4/15/2021
Alan Jochimsen	4209 Cardinal Lane	Midland, TX 79707	ORRI	4/15/2021
Monty D. McLane	P.O. Box 9451	Midland, TX 79707	ORRI	4/15/2021
States Royalty Limited Partnership	P.O. Box 911	Breckenridge, TX 76424-0911	ORRI	4/16/2021
JKM Energy	26 East Compress Road	Artesia, NM 88210	ORRI	4/15/2021
JAFT Investments	4051 Hackberry Court	Midland, TX 79707	ORRI	RR pending as of 4/30/2021
Madison M. Hinkle	P.O. Box 2992	Roswell, NM 88202	ORRI	4/15/2021
	re-mailed 4/16/21 to PO Box 2292	Roswell, NM 88202	ORRI	4/20/2021
Rolla Hinkle	P.O. Box 2992	Roswell, NM 88202	ORRI	4/15/2021
	re-mailed 4/16/21 to PO Box 2292	Roswell, NM 88202	ORRI	4/20/2021
Mustang Oil & Gas, LLC	P.O. Box 412	Roswell, NM 88202	ORRI	4/16/2021
New Tex Oil Company	901 South Cecil Street	Hobbs, NM 88240	ORRI	Returned - Vacant/Unable to Forward
Tap Rock Minerals, LP	602 Park Point Drive, Suite 200	Golden, CO 80401	ORRI	4/16/2021
Pegasus Resources, LLC	P.O. Box 470698	Fort Worth, Texas 76147	ORRI	4/19/2021
McMullen Minerals, LLC	P.O. Box 470857	Fort Worth, Texas 76147	ORRI	4/16/2021
Chad Barbe	P.O. Box 2017	Roswell, NM 88202	ORRI	4/16/2021
BriLi, LLC	2135 Sedona Hills Parkway	Las Cruces, NM 88011	ORRI	4/21/2021







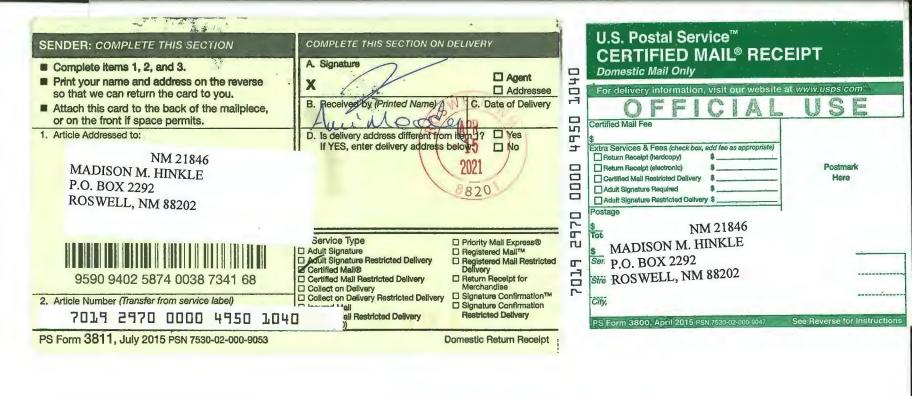












U.S. Postal Service™ **CERTIFIED MAIL® RECEIPT** Domestic Mail Only Certified Mail Fee Extra Services & Fees (check box, add fee as appropriate) Return Receipt (hardcopy) Return Receipt (electronic) **Postmark** Certified Mall Restricted Delivery Here Adult Signature Required Adult Signature Restricted Delivery \$ NM 21846 NEW TEX OIL COMPANY 901 SOUTH CECIL STREET HOBBS, NM 88240

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ZIP 80202

Vacant 4-15-21

NM 21846 NEW TEX OIL COMPANY 901 SOUTH CECIL STREET HOBBS, NM 88240

04/22/21

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

NM 21846 NEW TEX OIL COMPANY 901 SOUTH CECIL STREET **HOBBS, NM 88240**



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

7019 2970 0000 4950 1088

COMPLETE THIS SECTION ON DELIVERY A. Signature

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☐ Agent ☐ Addressee

B. Received by (Printed Name)

C. Date of Delivery

If YES, enter delivery address below: \[\subseteq No

Service Type

(Over 2200)

☐ Adult Signature

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☐ Collect on Delivery Collect on Delivery Restricted Delivery

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☐ Priority Mail Express® ☐ Registered Mail™

☐ Registered Mall Restricted Delivery ☐ Return Receipt for Merchandise

□ Signature Confirmation^{†M} ☐ Signature Confirmation Restricted Delivery

Domestic Return Receipt

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CERTIFIED MAIL® RECEIPT Domestic Mail Only	
For delivery information, visit our website at www.usps.com OFFICIAL USE Certified Mall Fee	
\$ Extra Services & Fees (check box, add fee as appropriate)	7019 2970 0000 4950 1255
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NM 21846 UTI ENERGY CORP 16800 GREENSPOINT PARK, STE 225N HOUSTON, TX 77060

SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY
Complete items 1, 2, and 3. Print your name and address on the reverse so that we can return the card to you. Attach this card to the back of the mailpiece, or on the front if space permits. Article Addressed to:	A. Signature X
NM 21846 UTI ENERGY CORP 16800 GREENSPOINT PARK, STE 2251 HOUSTON, TX 77060	
9590 9402 5874 0038 7343 28	Priority Mall Express® Adult Signature Restricted Delivery Certified Mall® Certified Mall Restricted Delivery Collect on Delivery Collect on Delivery Restricted Delivery Collect on Delivery Restricted Delivery Return Receipt for Merchandise Signature Confirmation™ Signature Confirmation Restricted Delivery Restricted Delivery
PS Form 3811, July 2015 PSN 7530-02-000-9053	Domestic Return Receipt

EXHIBIT B-2 (21847)

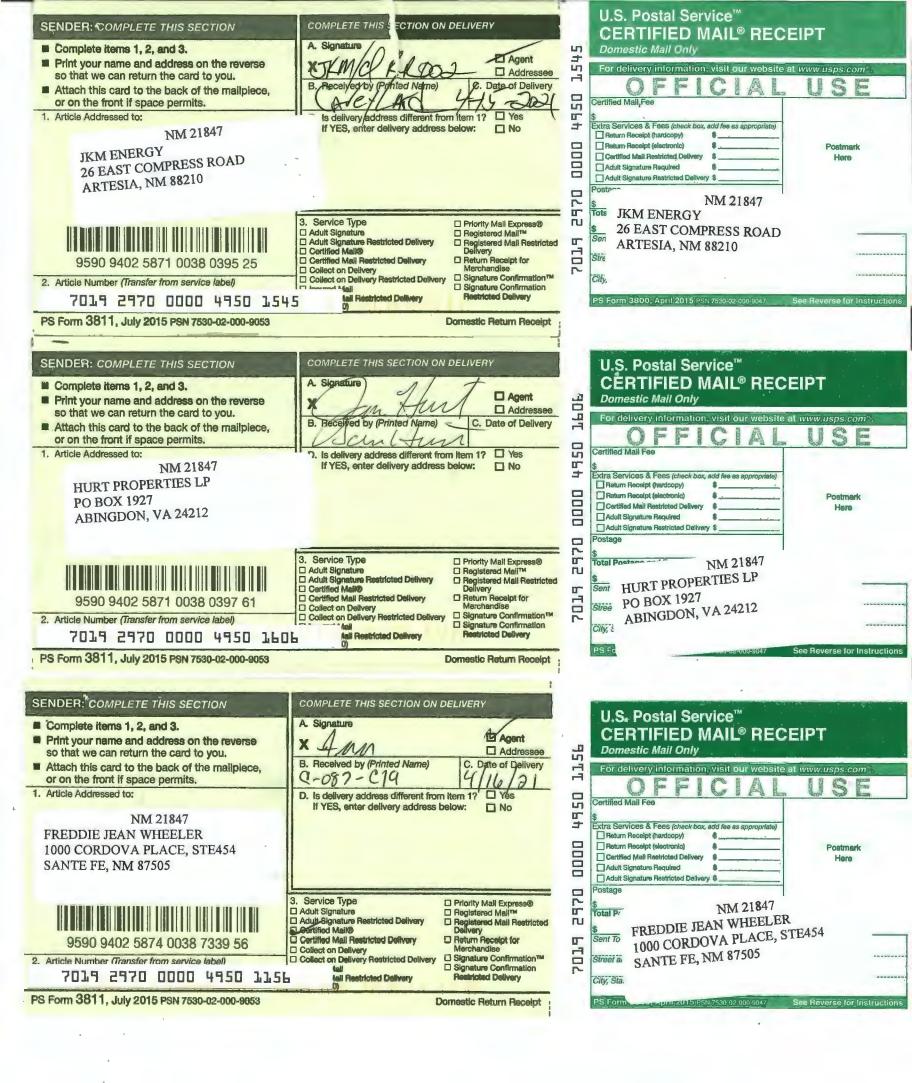
Owners	Address1	Address2	Ownership	Date RR received or returned/undelievered mail
EOG RESOURCES INC	5509 Champions Drive	Midland, TX 79706	WI/offset	4/15/2021
E CECILE MARTIN	411 Meadowlakes Drive	Marble Falls, TX 78654-7138	WI/offset	4/23/2021
UTI ENERGY CORP	16800 Greenspoint Park, Suite 225N	Houston, TX 77060	WI/offset	Returned - Unclaimed/Unable to Forward
PATRICK WORRELL	4501 Hackberry Court, Midland	TX 79707	WI/offset	RR pending as of 4/30/2021
TAP ROCK RESOURCES LLC	602 Park Point Drive, Suite 200	Golden, CO 80401	WI/offset	4/16/2021
TAP ROCK Minerals LLC	602 Park Point Drive, Suite 200	Golden, CO 80401	WI/offset	4/16/2021
BYPASS TRUST, CYNTHIA WILSON	4601 Mirador Drive, Austin	Austin, TX 78735	WI/offset	4/23/2021
JAMES R HURT	PO Box 72	Odessa, TX 79760	WI/offset	RR rec'd - no date
THE FAMILY TRUST U/W/O RICHARD KEVIN BARR	8027 Chalk Knoll Drive	Austin, TX 78735	WI/offset	4/22/2021
HURT PROPERTIES LP	PO Box 1927	Abingdon, VA 24212	WI/offset	4/16/2021
FREDDIE JEAN WHEELER	1000 Cordova Place, Suite 454	Sante Fe, NM 87505	WI/offset	4/16/2021
ANTELOPE ENERGY COMPANY, LLC	1801 Broadway, Suite 1550	Denver, CO 80202	WI/offset	4/16/2021
MICHAEL L STEWART	3714 Mark Lane	Midland, TX 79707	WI/offset	4/15/2021
SHARBRO ENERGY LLC	P.O. Box 840	Artesia, NM 88211	WI/offset	4/15/2021
HeLMS Oil & Gas, LLC	P.O. Box 52808	Midland, TX 79710 - added address 4/14,	/20 (See email)	4/15/2021
Chevron North America Exploration and Production	1400 Smith	Houston, TX 77002	offset	4/20/2021
Alan Jochimsen	4209 Cardinal Lane	Midland, TX 79707	ORRI	4/15/2021
Monty D. McLane	P.O. Box 9451	Midland, TX 79707	ORRI	4/15/2021
States Royalty Limited Partnership	P.O. Box 911	Breckenridge, TX 76424-0911	ORRI	4/16/2021
JKM Energy	26 East Compress Road	Artesia, NM 88210	ORRI	4/15/2021
Michael L. Stewart	3714 Mark Lane	Midland, TX 79707	ORRI	RR pending as of 4/30/2021
JAFT Investments	4051 Hackberry Court	Midland, TX 79707	ORRI	RR pending as of 4/30/2021
Madison M. Hinkle	P.O. Box 2992	Roswell, NM 88202	ORRI	4/15/2021
	re-mailed 4/16/21 to PO Box 2292	Roswell, NM 88202	ORRI	4/20/2021
Rolla Hinkle	P.O. Box 2992	Roswell, NM 88202	ORRI	4/15/2021
	re-mailed 4/16/21 to PO Box 2292	Roswell, NM 88202	ORRI	4/20/2021
Mustang Oil & Gas, LLC	P.O. Box 412	Roswell, NM 88202	ORRI	4/16/2021
New Tex Oil Company	901 South Cecil Street	Hobbs, NM 88240	ORRI	Returned - Vacant/Unable to Forward
Pegasus Resources, LLC	P.O. Box 470698	Fort Worth, Texas 76147	ORRI	4/19/2021
McMullen Minerals, LLC	P.O. Box 470857	Fort Worth, Texas 76147	ORRI	4/16/2021
Chad Barbe	P.O. Box 2017	Roswell, NM 88202	ORRI	RR pending as of 4/30/2021
BriLi, LLC	2135 Sedona Hills Parkway	Las Cruces, NM 88011	ORRI	RR pending as of 4/30/2021







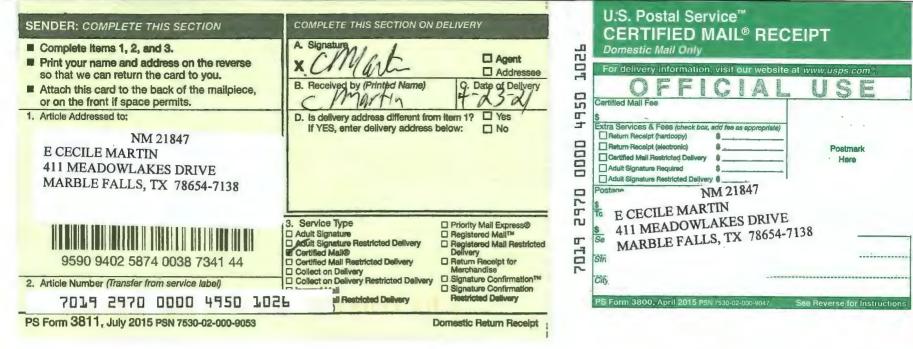












U.S. Postal Service™ **CERTIFIED MAIL® RECEIPT** Domestic Mail Only Certified Mail Fee Extra Services & Fees (check box, add fee as appropriate) Return Receipt (hardcopy) Return Receipt (electronic) **Postmark** Certified Mail Restricted Delivery Here Adult Signature Required Adult Signature Restricted Delivery \$ NM 21847 NEW TEX OIL COMPANY 901 SOUTH CECIL STREET HOBBS, NM 88240

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City, Sta





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First-Class ZIP 80202

04/13/2021

Vacant 4.15-21

NM 21847 NEW TEX OIL COMPANY 901 SOUTH CECIL STREET HOBBS, NM 88240

SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY
 Complete Items 1, 2, and 3. Print your name and address on the reverse so that we can return the card to you. Attach this card to the back of the mailpiece, or on the front if space permits. 	A. Signature X □ Agent □ Addressee B. Received by (Printed Name) □ C. Date of Delivery
NM 21847 NEW TEX OIL COMPANY 901 SOUTH CECIL STREET HOBBS, NM 88240	D. Is delivery address different from item 1?
9590 9402 5871 0038 0392 66 2. Article Number (Transfer from condex label) 7019 2970 0000 4959 845	3. Strvice Type ☐ Ault Signature ☐ dult Signature Restricted Delivery ☐ Certifled Mall Restricted Delivery ☐ Collect on Delivery ☐
PS Form 3811, July 2015 PSN 7530-02-000-9053	Domestic Return Rec

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RETURN TO SENDER
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SUS POSTAGE \$007.65

ZIP 80202

04/13/2021 034A 0081801095

NM 21847 UTI ENERGY CORP 16800 GREENSPOINT PARK, STE 225N HOUSTON, TX 77060

SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON	DELIVERY
 Complete items 1, 2, and 3. Print your name and address on the reverse so that we can return the card to you. Attach this card to the back of the mailpiece, or on the front if space permits. 	A. Signature X B. Received by (Printed Name)	Agent Addressee C. Date of Delivery
1. Article Addressed to: NM 21847 UTI ENERGY CORP 16800 GREENSPOINT PARK, STE 225N HOUSTON, TX 77060	D. Is delivery address different from If YES, enter delivery address in the second se	
9590 9402 5871 0038 0395 87 2. Article Number (Transfer from service label) 7019 2970 0000 4950 156	1 (Over sood)	□ Priority Mail Express® □ Registered Mail™ □ Registered Mail Restricted Delivery □ Return Receipt for Merchandise □ Signature Confirmation™ □ Signature Confirmation Restricted Delivery
PS Form 3811, July 2015 PSN 7530-02-000-9053	I	Domestic Return Receipt

NOTICE
TO: The following named parties and persons, their successors or assigns, and to any person having any right, title interest or claim in the following case:
Concoohillips Company, Marathon Oil Permian, LLC, Yates Petroleum Corporation, Abo Petroleum Corporation, Myco Industries, Inc., Chisos

Marathon Oil Permian, LLC, Yates Petroleum Corporation, Abo Petroleum Corporation, Myco Industries, Inc., Chisos Minerals, LLC, C. Mark Wheeler and Jynn Wheeler, Crownrock Minerals, L.P., The Cornerstone Family Trust, Jareed Partners, Ltd., Paul R. Barwis, Stryker Energy, LLC

CASE NO. 21843: (Re-Open) Application of Chevron U.S.
A. Inc. to Amend Order No.
R-20859, Lea County, New
Mexico. Applicant in the
above-styled cause seeks an above-styled cause seeks an order amending Order No. R-20859, issued on September 13, 2019, to retroactively extend the deadline for completing the initial wells for one year to February 1, 2022. Order No. R-20859 pooled all retroacts interests in the Bona expectal interests in the Bona control interests mineral interests in the Bone Spring formation in a horizon-tal spacing unit comprised of the E/2 of Section 9 and E/2 of Section 16, Township 22 South, Range 33 East, NMPM, Lea County, New Mexico, and requires that operator commence completion operations on at least one of the wells within one year after commencement of drilling opcommencement of drilling op-erations unless the operator obtains an extension from the Division Director for good cause shown. The three initial wells, the DL 9 16 Loch Ness Fed Com 16H well, the DL 9 16 Loch Ness Fed Com 17H well and the DL 9 16 Loch Ness Fed Com 18H well, were commenced on February 1, 6 and 8, 2020, respectively, and successfully drilled to planned successfully drilled to planned total depth. The Application is scheduled to be heard May 6, 2021. During the COVID-19
Public Health Emergency,
state buildings are closed to
the public and hearings will be
conducted remotely. To participate in the electronic hearing, see the instructions posted on the OCD hearings website at h ttp://www.emnrd.state.nm us/OCD/hearings and scrolling down to "Hearing Notices" under "OCD Hearings." You are not required to attend this hearing, but as an interest owner in the well unit you may be the total building the strength of the strengt be affected by this application, and you may appear and pres-ent testimony. Failure to ap-pear at that time and become a part of record will preclude a part of record will preclude you from challenging the matter at a later date. A party appearing in a Division case is required by Division Rule 19. 15.4.13:B to file a Pre-Hearing Statement at least four business days in advance of a scheduled hearing, 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 and livered to the undersigned and opposing counsel of record. The statement should include: the names of the party and its attorney; a concise statement

AFFIDAVIT OF PUBLICATION EXHIBIT B-3 (21843)

STATE OF NEW MEXICO

County of Bernalillo

SS

Elise Rodriguez, the undersigned, on oath states that she is an authorized Representative of The Albuquerque Journal, and that this newspaper is duly qualified to publish legal notices or advertisements within the meaning of Section 3, Chapter 167, Session Laws of 1937, and that payment therefore has been made of assessed as court cost; that the notice, copy of which hereto attached, was published in said paper in the regular daily edition, for 1 time(s) on the following date(s):

04/16/2021

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		before me, a		in and
PRICE	\$125.95			
Statement to	come at th	e end of month		
ACCOUNT N	UMBER	1097734		

Official Seal
Christina White
Notary Public
State of New Mexico
My Commission Expires:

ACCOUNT NUMBER

or 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 need to be resolved prior to the hearing. The attorney for applicant is Candace Callahan, 500 Don Gaspar Ave., Santa Fe, New Mexico 87505, (505) 983-8764. The unit is located approximately 21 miles northwest of Jal, New Mexico.

NOTICE
TO: The following named parties and persons, their successors or assigns, and to any person having any right, title interest or claim in the follow-

interest of claim in the following case:

UTI Energy, Tap Rock Minerals, LP, Bypass Trust, Cynthia
Wilson, The Family Trust U/,
W/O Richard Kevin Barr,
Chisos Minerals, LLC, Paul R. 3
Barwis, Crownrock Minerals, L.
P., The Cornerstone Family
Trust, C. Mark Wheeler And
His Wife, J'lynn Wheeler,
Jareed Partners, Ltd., Madison M. Hinkle, Rolla Hinkle,
Mustang Oil & Gas, LLC, New
Tex Oil Company

CASE NO. 21844: (Re-Open) Application of Chevron U.S. A. Inc. to Amend Order No. R-21409, Lea County, New Mexico. Applicant in the above-styled cause seeks an above-styled cause seeks an order amending Order No. R-21409, issued on July 29, 2020, to extend the deadline to commence drilling the initial wells for two years to July 29, 2023. Order No. R-21409 pooled all mineral interests in the Bone Spring formation in a horizontal spacing unit comhorizontal spacing unit com-prised of the E/2 of Section 3 and E/2 of Section 10, Township 22 South, Range 33 East, NMPM, Lea County, New Mexico, and requires that op-Mexico, and requires that operator commence drilling operations within one year after the date of the order unless the operator obtains an extension by amending the order for good cause shown. The initial wells to be drilled within the unit are: (1) the DL 10 3 Morag Fed Com 210H well; (2) the DL 10 3 Morag Fed Com 211H well; (3) the DL 10 3 Morag Fed Com 212H well; and (4) the DL 10 3 Morag Fed Com 506H well. The Application is scheduled to be heard May 6, 2021. During the heard May 6, 2021. During the COVID-19 Public Health Emergency, state buildings are closed to the public and hearings will be conducted re-motely. To participate in the electronic hearing, see the in-structions posted on the OCD structions posted on the OCD hearings website at http://www.emnrd.state.nm.us/OCD/hearings and scrolling down to "Hearing Notices" under "OCD Hearings." You are not required to attend this hearing, but as an interest owner in the well unit you may be affected by this application. be affected by this application, and you may appear and pres-ent testimony. Failure to ap-pear at that time and become pear at that time and become a part of record will preclude you from challenging the mat-ter at a later date. A party ap-pearing in a Division case is required by Division Rule 19. 15.4.13:B to file a Pre-Hearing Challength of the pure from the pure Statement at least four business days in advance of a scheduled hearing, but in no event later than 5:00 p.m. Mountain Time on the Thurswountain time on the Inurs-day preceding the scheduled hearing date, with a copy de-livered to the undersigned and opposing counsel of record. The statement should include: the names of the party and its attorney; a concise statement of the case: the pages of all of the case; the names of all witnesses the party will call to testify at the hearing; the ap-proximate time the party will

AFFIDAVIT OF PUBLICATION EXHIBIT B-3 (21844)

STATE OF NEW MEXICO

County of Bernalillo

SS

Elise Rodriguez, the undersigned, on oath states that she is an authorized Representative of The Albuquerque Journal, and that this newspaper is duly qualified to publish legal notices or advertisements within the meaning of Section 3, Chapter 167, Session Laws of 1937, and that payment therefore has been made of assessed as court cost; that the notice, copy of which hereto attached, was published in said paper in the regular daily edition, for $\underline{1}$ time(s) on the following date(s):

04/16/2021

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	ty of Bernal	before me, a		
PRICE	\$125.95			
Statement to	come at th	e end of month.		
ACCOUNT N	UMBER	1097734		

Official Seal
Christina White
Notary Public
State of New Mexico
My Commission Expires:

need to present its case; and identification of any procedural matters that need to be resolved prior to the hearing. The attorney for applicant is Candace Callahan, 500 Don Gaspar Ave., Santa Fe, New Mexico 87505, (505) 983-8764. The unit is located approximately 21 miles northwest of Jal, New Mexico.

NOTICE

TO: The following named parties and persons, their successors or assigns, and to any person having any right, title interest or claim in the following case: Chevron North America Exploration and Production, EOG Resources, UTI Energy, Tap Rock Resources LLC, Tap Rock Minerals, LP, Bypass Trust, Cynthia Wilson, The Family Trust U/W/O Richard Kevin Barr, Chisos Minerals, LLC, Paul R. Barwis, Crownrock Minerals, L.P., The Cornerstone Family Trust, C. Mark Wheeler And His Wife, J'lynn Wheeler, Jareed Partners, Ltd., Madison M. Hinkle, Rolla Hinkle, Mustang Oil & Gas, LLC, New Tex Oil Company

CASE NO. 21845: (Re-Open) Application of Chevron U.S. A. Inc. to Amend Order No. R-21418, Lea County, New Mexico. Applicant in the above-styled cause seeks an order amending Order No. R-21418, issued on August 7, 2020, to extend the deadline to commence drilling the initial wells for one year to August 7 2022. Order No. R-21418 pooled all mineral interests in the Bone Spring formation in a horizontal spacing unit com-prised of the W/2 of Section 3 and W/2 of Section 10, Townand w/z or Section 10, 10wh-ship 22 South, Range 33 East, NMPM, Lea County, New Mexico, and requires that op-erator commence drilling oper-ations within one year after the date of the order unless the operator obtains an extension by amending the order for good cause shown. The initial wells to be drilled within the wells to be drilled within the unit are: (1) the DL 10 3 Kraken Fed Com 207H well; (2) the DL 10 3 Kraken Fed Com 208H well; (3) the DL 10 3 Kraken Fed Com 209H well; (4) the DL 10 3 Kraken Fed Com 504H well; and (5) DL 10 3 Morag Fed Com 505H well. The Application is scheduled to be heard May 6. scheduled to be heard May 6, 2021. During the COVID-19 Public Health Emergency, state buildings are closed to the public and hearings will be conducted remotely. To participate in the electronic hearing, see the instructions posted on the OCD hearings website at h ttp://www.emnrd.state.nm. us/OCD/hearings and scrolling down to "Hearing Notices" un-der "OCD Hearings." You are not required to attend this hearing, but as an interest owner in the well unit you may be affected by this application, and you may appear and pres-ent testimony. Failure to ap-pear at that time and become a part of record will preclude you from challenging the mat-ter at a later date. A party appearing in a Division case is required by Division Rule 19. 15.4.13:B to file a Pre-Hearing Statement at least four business days in advance of a scheduled hearing, 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 and opposing counsel of record. The statement should include: the names of the party and its attorney; a concise statement of the case; the names of all

AFFIDAVIT OF PUBLICATION

STATE OF NEW MEXICO

County of Bernalillo

SS

Elise Rodriguez, the undersigned, on oath states that she is an authorized Representative of The Albuquerque Journal, and that this newspaper is duly qualified to publish legal notices or advertisements within the meaning of Section 3, Chapter 167, Session Laws of 1937, and that payment therefore has been made of assessed as court cost; that the notice, copy of which hereto attached, was published in said paper in the regular daily edition, for 1 time(s) on the following date(s):

04/16/2021

Sworn and subscribed before me, a Notary Public, in and for the County of Bernalillo and State of New Mexico this 16 day of April of 2021

PRICE \$128.89

Statement to come at the end of month.

ACCOUNT NUMBER 1097734

Official Seal
Christina White
Notary Public
State of New Mexico
My Commission Expires:

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 need to be resolved prior to the hearing. The attorney for applicant is Candace Callahan, 500 Don Gaspar Ave., Santa Fe, New Mexico 87505, (505) 983-8764. The unit is located approximately 21 miles northwest of Jal, New Mexico.

TO: The following named par-ties and persons, their successors or assigns, and to any person having any right, title interest or claim in the follow-

NOTICE

interest of claim in the following case:

James R. Hurt, Freddie Jean
Wheeler, Sharbro Energy
LLC, E. Cecile Martin, Tap
Rock Resources LLC, Tap
Rock Minerals, LP, The Family
Trust U/W/O Richard Kevin
Rarr Antelone Energy Com-Barr, Antelope Energy Company, LLC, UTI Energy Corp, Bypass Trust, Cynthia Wilson, Hurt Properties LP, Michael L. Stewart, HeLMS Oil & Gas, LLC, Alan Jochimsen, Monty D. Meland Control Powells (1988) LLC, Alan Jochimsen, Monty D. McLane, States Royalty Limited Partnership, JKM Energy, JAFT Investments, Madison M. Hinkle, Rolla Hinkle, Mustang Oil & Gas, LLC, New Tex Oil Company, Pegasus Resources, McMuilen Minerals, LLC, Chad Barbe, Brill, LLC

CASE NO. 21846: (Re-Open) Application of Chevron U.S. A. Inc. to Amend Order No. R-21465, Lea County, New Mexico. Applicant in the Mexico. Applicant in the above-styled cause seeks an order amending Order No. R-21465, issued on September 21, 2020, to extend the deadline to commence drilling the initial wells for one year to September 21, 2022. Order No. R-21465 pooled all miner-al interests in the Bone Spring formation in a horizontal spacing unit comprised of the E/2 of Section 15 and E/2 of Section 22, Township 22 South, Range 33 East, NMPM, Lea County, New Mexico, and requires that operator commence drilling operations with in one year after the date of the order unless the operator obtains an extension by obtains an extension by amending the order for good cause shown. The initial wells to be drilled within the unit are: (1) the DL 15 22 Ogopogo Fed Com 223H well; (2) the DL 15 22 Ogopogo Fed Com 223H well; (3) the DL 15 22 Ogopogo Fed Com 224H well; and (4) the DL 15 22 Ogopogo Fed Com 512H well. The Application is scheduled to be heard May 6, 2021 well. The Application is scheduled to be heard May 6, 2021.
During the COVID-19 Public Health Emergency, state buildings are closed to the public and hearings will be conducted remotely. To partic-ipate in the electronic hearing, see the instructions posted or see the instructions posted on the OCD hearings website at http://www.emnrd.state.nm. us/OCD/hearings and scrolling down to "Hearing Notices" under "OCD Hearings." You are not required to attend this hearing, but as an interest owner in the well unit you may be affected by this application. be affected by this application, and you may appear and pres-ent testimony. Failure to ap-pear at that time and become a part of record will preclude you from challenging the mat-ter at a later date. A party appearing in a Division case is required by Division Rule 19. 15.4.13:B to file a Pre-Hearing Statement at least four busi ness days in advance of a scheduled hearing, but in no event later than 5:00 p.m. Mountain Time on the Thursday preceding the scheduled hearing date, with a copy de-livered to the undersigned and opposing counsel of record. The statement should include:

AFFIDAVIT OF PUBLICATION

STATE OF NEW MEXICO

County of Bernalillo

SS

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04/16/2021

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Sworn and for the Count day of					n and
PRICE	\$134.02				
Statement to	come at the	end of mon	th.		
1000UNIT N	LIMBED	1097734	4		

Official Seal Christina White Notary Public State of New Mexico My Commission Expires:

ACCOUNT NUMBER

the names of the party and its attorney; a concise statement of the case; the names of all witnesses the party will call to testify at the hearing; the ap-proximate time the party will need to present its case; and need to present its case; and identification of any procedural matters that need to be resolved prior to the hearing. The attorney for applicant is Candace Callahan, 500 Don Gaspar Ave., Santa Fe, New Mexico 37505, (505) 983-8764. The unit is located approximately 21 miles northwest of Jai, New Mexico.

NOTICE

TO: The following named parties and persons, their successors or assigns, and to any person having any right, title interest or claim in the follow-

ing case:
EOG Resources Inc, Patrick
Worrell, James R. Hurt, Freddie Jean Wheeler, Sharbro
Energy LLC, E. Cecile Martin,
Tap Rock Resources LLC,
Tap Rock Minerals, LP, The
Family Trust U/W/O Richard
Kevin Barr, Antelope Energy
Corp, Bypass Trust, Cynthia
Wison, Hurt Properties LP,
Michael L. Stewart, Helms Oil
& Gas, Inc., Chevron North
America Exploration And Production, Alan Jochimsen,
Monty D. McLane, States Royalty Limited Partnership, JKM
Energy, JAFT Investments,
Madison M. Hinkle, Rolla
Hinkle, Mustang Oil & Gas,
LLC, New Tex Oil Company,
Pegasus
McMullen Minerals, LLC,
Chad Barbe, Brill, LLC

CASE NO. 21847: (Re-Open) Application of Chevron U.S. A. Inc. te Amend Order No. R-21467, Lea County, New Mexico. Applicant in the above-styled cause seeks an order amending Order No. R-21467, issued on September 21, 2020, to extend the deadline to commence drilling the initial wells for one year to September 21, 2022. Order No. R-21467 pooled all mineral interests in the Bone Spring formation in a horizontal space formation in a horizontal spacing unit comprised of the W/2 of Section 15 and W/2 of Section 22, Township 22 South, Range 33 East, NMPM, Lea County, New Mexico, and requires that operator compance drilling operations with mence drilling operations with-in one year after the date of the order unless the operator obtains an extension by amending the order for good cause shown. The initial wells to be drilled within the unit are: (1) the DL 15 22 Narwhal Fed Com 219H well; (3) the DL 15 22 Narwhal Fed Com 220H well; (4) the DL 15 22 Narwhal Fed Com 2211 well; (4) the DL 15 22 Narwhal Fed Com 510H well; and (5) DL 15 22 Ogopogo Fed Com 511H well. The Application is scheduled to be heard May 6, 2021. During the COVID-19 Public Health Emergency, state buildings are closed to the public and hearings will be conducted remotely. To participate in the electronic hearing, the order unless the operator ipate in the electronic hearing, see the instructions posted on the OCD hearings website at h ttp://www.emnrd.state.nm. ttp://www.emnrd.state.nm. us/OCD/hearings and scrolling down to "Hearing Notices" un-der "OCD Hearings." You are not required to attend this hearing, but as an interest owner in the well unit you may be affected by this application, and you may appear and pres-ent testimony. Failure to ap-pear at that time and become a part of record will preclude you from challenging the mat-ter at a later date. A party ap-pearing in a Division case is required by Division Rule 19. 15.4.13:B to file a Pre-Hearing Statement at least four busi-ness days in advance of a ness days in advance of a scheduled hearing, but in no event later than 5:00 p.m. Mountain Time on the Thurs-day preceding the scheduled hearing date, with a copy de-

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STATE OF NEW MEXICO

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04/16/2021

Sworn and subscribed before me, a Notary Public, in and for the County of Bernalillo and State of New Mexico this

16 day of April of 2021

PRICE \$138.43

Statement to come at the end of month.

Official Seal
Christina White
Notary Public
State of New Mexico
My Commission Expires:

ACCOUNT NUMBER

livered to the undersigned and opposing counsel of record. The statement should include: the names of the party and its attorney, 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 need to be resolved prior to the hearing. The attorney for applicant is Candace Callahan, 500 Don Gaspar Ave. Santa Fe, New Mexico 87505, (505) 983-8764. The unit is located approximately 21 miles northwest of Jal, New Mexico.