

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

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

**CASE NO. 22029**

**NOTICE OF FILING**

Chevron U.S.A. Inc. hereby submits additional Exhibit E (Pooling Checklist) in the above case which is the Pooling Checklist revised solely to include description of the proximity tract and proximity defining well.

Respectfully submitted,

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

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ATTORNEY FOR CHEVRON U.S.A. INC.

**CERTIFICATE OF SERVICE**

I hereby certify that a true and correct copy of the foregoing was served on counsel of record by electronic mail on October 21, 2021.

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*/s/ Candace Callahan*  
Candace Callahan

<b>COMPULSORY POOLING APPLICATION CHECKLIST (pdf)</b>	
<b>*All Information Submitted in the Application Shall be by Signed Affidavit</b>	
<b>Date: October 21, 2021</b>	<b>APPLICANT'S RESPONSE</b>
<b>Case # 22029</b>	
Applicant	CHEVRON U.S.A. INC.
Designated Operator & OGRID (Affiliation if applicable)	CHEVRON U.S.A. INC. OGRID 4323
Applicant's Counsel	Beatty & Wozniak PC., Candace Callahan
Case Title	Application of Chevron U.S.A. Inc. for Compulsory Pooling, Lea County, New Mexico
Entries of Appearance/Intervenors	ConocoPhillips Company
<b>Formation/Pool</b>	
Formation Name(s) or Vertical Extent	Bone Spring formation
Primary Product (Oil or Gas)	Oil
Pool Name (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
Pool Spacing Size or Building Block Size	40
<b>Spacing Unit to be Compulsory Pooled</b>	
Type (Horizontal/Vertical)	HZ
Spacing Unit Size (Acres)	640
Spacing Unit Orientation	N/S
Spacing Unit Description	E/2 Sec. 9 and E/2 Sec. 16, T. 22 S., R. 33 E.
<b>Other Situations</b>	
Is There a Depth Severance ?	None
Proximity Tracts	W/2 E/2 of Secs. 9 & 16, T 22 S, R 33 E
Proximity Defining Well	DL 9 16 Loch Ness Fed Com 17H
Does The Applicant Have Ownership in Each Tract ?	Exhibit A-4; No
<b>Well(s)</b>	
Name & API	DL 9 16 Loch Ness Fed Com 16H well (API no. 30-025-46647); DL 9 16 Loch Ness Fed Com 17H well (API no. 30-025-46648); DL 9 16 Loch Ness Fed Com 18H well (API no. 30-025-46649)
Well Surface/ Bottom Hole Locations (Footage/Unit/S.T.R.)	See Exhibit A-3, C-102s for the three wells
Horizontal Well First and last Take Points	See Exhibit A-3, C-102s for the three wells
Drill Orientation	North to South
Completion Target (Formation & TVD)	16H TVD=9,525'; 17H= TVD=9,675'; 18H=9,525'. See Exhibit A-6, listing TVD, MD for each proposed well
	<b>Below this line, Reference in Exhibit where information is located</b>
<b>AFE Capex and Operating Costs</b>	
Drilling Supervision/Month \$	\$7,000/Month; see Exhibit A-6 & 7, Letter and AFEs
Production Supervision/Month \$	\$700/Month; see Exhibit A-6 & A-7, Letter and AFEs
Justification for Supervision Costs	Exhibit A, A-6 & A-7, Letter and AFE
Requested Risk Charge	200%
<b>Notice of Hearing</b>	
Proposed Notice of Hearing (Submit with Application)	Exhibit B-1
Proof of Mailed Notice of Hearing (20 days before hearing)	Exhibit B-1
Proof of Published Notice of Hearing (10 days before hearing)	Exhibit B-2
<b>Ownership Determination</b>	
Land Ownership Schematic of the Spacing Unit	Exhibit A-4. Unit with Tracts and Acreages, P1
Tract Listing (including lease numbers and owners)	Exhibit A-4, Table of Interest Owners and Unit Recapitulation
Pooled Parties (including ownership type)	Exhibit A-4, Table of Interest Owners and Unit Recapitulation
Unlocatable Parties to be Pooled	Exhibit B-3, & A-4 Table of Interest Owners and Unit Recapitulation
Ownership Depth Severance (including % above & below)	None
Legal Instrument for Depth Severances by Tract	None

**EXHIBIT E**

<b>Joinder Efforts</b>	
Copy of Proposal Letter	Exhibit A-6, Letter and AFE
Copy of Joint Operating Agreement	
Chronology of Contact with Joined Parties	Exhibit A-7, Letter and AFE
Chronology of Contact with Non-Joined Parties	Exhibit A-7, Letter and AFE
Overhead Rates In Proposal Letter	
Cost Estimate to Drill and Complete	Exhibit A-6, Letter and AFE
Cost Estimate to Equip Well	Exhibit A-6, Letter and AFE
Cost Estimate for Production Facilities	Exhibit A-6, Letter and AFE
<b>Geology</b>	
Summary (including special considerations)	Exhibit C (see copy of transcript for initial Case No. 20768 incorporated by reference - testimony of Chevron's Development Geologist Kate Schwer found at pages 14 - 19)
Spacing Unit Schematic	Exhibit C (see copy of record for initial Case No. 20768 incorporated by reference)
Gunbarrel Schematic	Exhibit C (see copy of record for initial Case No. 20768 incorporated by reference)
Well Azimuth (with rationale)	Exhibit C (see copy of record for initial Case No. 20768 incorporated by reference)
Target Formation (with rationale)	Exhibit C (see copy of record for initial Case No. 20768 incorporated by reference)
HSU (with rationale with structure, porosity, and thickness)	Exhibit C (see copy of record for initial Case No. 20768 incorporated by reference)
Depth Severance Discussion	Exhibit C (see copy of record for initial Case No. 20768 incorporated by reference)
<b>Engineering</b>	
Summary (including special considerations)	
Well Azimuth and Stress Direction (with rationale)	
HSU (with rationale, including well length)	
Well Density (with rationale)	
Depth Severance (determination of stress barriers and depths)	
Drilling Plan	
Completion Plan	
Well Recovery	
Artificial Lift Method	
Surface Facilities Plan	
<b>List of Figures/Tables</b>	
C-102	See Exhibit A-3 C-102s for the three wells
Tracts	Exhibit A-4
Corresponding summary of Interests, Unit Recapiulation	Exhibit A-4. Unit with Tracts and Acreages
General Location Map in Basin	Exhibit A-2
Location Map with well bores,	Exhibit C
Structure Contour Map- Subsea Depth	Exhibit C
Cross Section Location Map showing wells used in Cross Section	Exhibit C
Cross Section showing LZ	Exhibit C
Appropriate Signed Affidavits	Exhibit A, Exhibit B
<b>Proposed Directional Survey with TVDs and MDs</b>	
	All three of the initial wells for the proposed unit were drilled under authority of Division Order R-20859, dated September 13, 2019, which expired under its terms. Chevron requests a new pooling order to allow Chevron to complete and produce all three wells. The AFE costs for drilling all three wells have been paid by the working interest owners according to their respective interests.
<b>Additional Information/Summary of the Case</b>	
<b>CERTIFICATION: I hereby certify that the information provided in this checklist is complete and accurate.</b>	
<b>Name (Attorney or Party Representative-printed):</b>	Candace Callahan
<b>Name (Attorney or Party Representative-signed):</b>	
<b>Date: 10/21/2021</b>	