

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

**APPLICATION OF CHEVRON U.S.A. INC.  
TO REOPEN CASE NO. 24185 (ORDER NO.  
R-23684 (E.G.L. RESOURCES, INC.) AND  
CASE NO. 24886 (ORDER NO. R-23685  
PBEX, LLC) TO REQUIRE SUBMISSION  
OF PROPER STATEMENTS OF WELL  
COSTS BY OPERATOR AND RECOGNIZE  
THE CONSENTING STATUS OF CHEVRON**

**CASE NO. 25878**

**CHEVRON U.S.A. INC.'S MOTION TO COMPEL  
PBEX, LLC AND E.G.L. RESOURCES, INC. TO RESPOND  
TO REQUEST NO. 6 OF THE SUBPOENA DUCES TECUM AND TO  
DEFER THE TIME FOR CHEVRON'S RESPONSE TO THE MOTION TO DISMISS**

Chevron U.S.A. Inc. ("Chevron"), pursuant to Rule 19.15.4.16(A) NMAC and NMSA 1978, § 70-2-9, hereby moves the Division for an order compelling PBEX, LLC ("PBEX") and E.G.L. Resources, Inc. ("EGL") (collectively PBEX/EGL") to provide documents responsive to Request No. 6 of Chevron's Subpoena Duces Tecum ("Chevron Subpoena"), as ordered by the Division in its Order Granting In-Part Motion to Stay Subpoena Duces Tecum, issued on January 16, 2026 ("Order"). Chevron further requests that the Division defer the time for Chevron to respond to PBEX/EGL's Motion to Dismiss until 7 days after PBEX/EGL produces all responsive documents ordered by the Division or until 7 days after the Division rules on this Motion to Compel.

**INTRODUCTION AND BACKGROUND**

The Division's Order is clear—it requires PBEX/EGL to respond to items 1, 2, 3, 5 and 6 of Chevron's Subpoena. With respect to item 6, which requests "Correspondence with the other working interest owners regarding any election to participate in the cost of drilling, completing and equipping the wells," PBEX/EGL did not provide *any* correspondence with the other working

interest owners, but instead referred back to the responses to Requests Nos. 1 through 4. PBEX/EGL's reason for not providing correspondence with other working interest owners is PBEX/EGL's contention that it was only required to provide information specific to Chevron. *See* PBEX, LLC and E.G.L. Resources, Inc.'s Response to Subpoena Duces Tecum ("Response") at 3. As discussed below, PBEX/EGL's reading of the Division's Order renders Request No. 6 meaningless and reads the relief the Division granted in the Order out of the Order entirely.

**I. PBEX/EGL's INTERPRETATION OF THE DIVISION'S ORDER DEPRIVES CHEVRON OF CRITICAL INFORMATION NEEDED TO RESPOND TO THE MOTION TO DISMISS AND RENDERS THE ORDERING OF DOCUMENTS RESPONSIVE TO ITEM NO. 6 MEANINGLESS.**

In its response to Chevron's Subpoena, PBEX/EGL contend that the Division's Order governs its obligations by limiting all productions—including those responsive to Request No. 6—solely to documents "specific to Chevron." *See* Response at 1-3. For Request No. 6, which requests "[c]orrespondence with the other working interest owners regarding any election to participate in the cost of drilling, completing and equipping the wells," PBEX/EGL did not produce any such correspondence but instead referred only to their responses to Requests 1-4, all of which are concerned with Chevron-specific documents or correspondence or can be limited to Chevron specific information without rendering the request meaningless. *See* Response at 3; Chevron Subpoena at 2. This demonstrates an interpretation that any responsive production for Request No. 6 is limited to correspondence involving Chevron, rather than producing actual correspondence between PBEX/EGL and other working interest owners as Request No. 6 clearly contemplates.

Request No. 6 is unique among the Subpoena's requests. Unlike Requests 1 through 5, which primarily ask for documents about, sent to, or involving Chevron or that can be responded to with documents related to Chevron, Request No. 6 is specifically directed at correspondence

between PBEX/EGL and “the other working interest owners,” not correspondence with Chevron itself. The plain meaning of this request makes it clear that Chevron is seeking insight into PBEX/EGL’s communications with entities other than Chevron—information especially relevant to determining how participation elections were communicated and handled among all working interest owners. *See* Chevron Subpoena at 3. It is essential to the issue of Chevron’s standing to see how PBEX/EGL treated all the pooled and non-pooled working interest owners.

Chevron and the Division are entitled to know if PBEX/EGL treated all pooled and non-pooled working interest owners equally, sent wells costs statements with differing language, provided them with an opportunity to sign a JOA if requested or allowed them to pay their proportionate share of costs at different time periods. PBEX/EGL has been delegated the extraordinary police power of the State compelling Chevron to involuntarily contribute its oil and gas properties to a development by a stranger who is taking the position that Chevron was required to pay an indeterminable share of wells costs within 30 days of receiving a statement of wells costs for a different suite of wells than those authorized by the Division, that was sent not from the operator authorized by the Division, but another entity acting on behalf of a non-operator which made no mention of any requirement to pay wells costs, failed to provide Chevron’s share of such costs, and refused to provide a JOA to Chevron, all of which is relevant to assessing whether Chevron possesses standing to challenge PBEX/EGL’s deficient statement of well costs and its treatment of Chevron as a nonconsenting pooled working interest owner under the Division’s orders.

Applying the Chevron-specific limitation from the Order in such a way that it limits production to only correspondence involving Chevron nullifies the purpose of Request No. 6. Because Request No. 6, by its clear text, does not seek Chevron-specific correspondence but rather

communications with other working interest owners, limiting production only to documents “about Chevron” results in the production of nothing for this request and defying the Division’s Order. *See* Order at 2. Thus, under PBEX/EGL’s interpretation, the Division’s requirement that these parties produce “all documents responsive to Item...6” is rendered meaningless. *See* Order at 2. There are effectively no documents that “relate specifically to Chevron” under the terms of Request No. 6 because its very subject does not include Chevron.

This contrasts with Requests 1–5, where a Chevron-specific limitation is contextually sensible because those requests directly reference Chevron or documents exchanged with or about Chevron, or for which documents related to Chevron could be produced. *See* Subpoena at 2. For Request No. 6, the Chevron-specific limitation cannot be sensibly applied, because the only responsive documents would, by definition, exclude Chevron. *Id.* PBEX/EGL’s approach amounts to a blanket refusal to produce the only category of documents that Request No. 6 seeks, defying the Division’s Order to produce the information necessary for Chevron to prepare its response on the standing issue.

The Division’s order must be interpreted, if at all possible, to give effect to each and every request that it expressly orders to be produced. To interpret the phrase “as they relate specifically to Chevron U.S.A. Inc.” as a universal limitation—irrespective of the subject matter of each request—reads Request No. 6 out of existence since no “Chevron-specific” correspondence with other working interest owners regarding their elections would exist. This reading produces surplusage and disregards the Division’s balanced attempt to allow discovery of essential standing-related evidence, of which Request No. 6 was an intentional part.

## CONCLUSION

PBEX/EGL's categorical limitation of production for Request No. 6 to only Chevron-specific documents not only ignores the plain language of the Subpoena, but also renders the Division's explicit direction for production of Request No. 6 a nullity. The only way to give Request No. 6 meaning, as ordered, is to require PBEX/EGL to produce all correspondence with the other working interest owners regarding any election to participate in the relevant well costs, as the Subpoena and the Division's Order intended. Chevron also requests that the Division defer the time for Chevron to respond to PBEX/EGL's Motion to Dismiss until 7 days after PBEX/EGL produces all responsive documents ordered by the Division or until 7 days after the Division rules on this Motion to Compel.

Respectfully submitted,

MODRALL, SPERLING, ROEHL, HARRIS  
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CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing was served on the following counsel by electronic mail on January 27, 2026:

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