

**BEFORE THE OIL CONSERVATION COMMISSION  
EXAMINER HEARING OCTOBER 4, 2018**

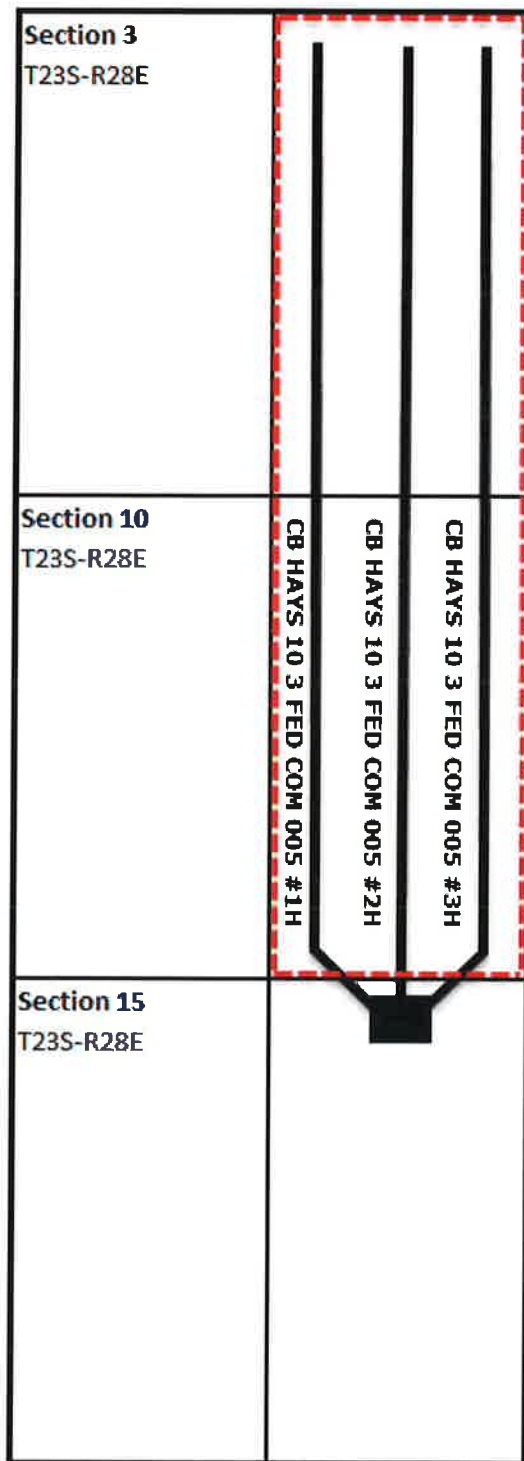
**CASE No. 16405**

*CB HAYS 10-3 FED COM*

*EDDY COUNTY, NEW MEXICO*



CB HAYS 10 3 FED COM 005 #1H, #2H, #3H  
T23S-R28E – Section 3, E/2  
T23S-R28E – Section 10, E/2  
Eddy County, NM



--- Spacing Unit

■ Pad Site

District I  
1625 N. French Dr., Hobbs, NM 88240  
Phone: (575) 393-6161 Fax: (575) 393-0720  
District II  
811 S. First St., Artesia, NM 88210  
Phone: (575) 748-1283 Fax: (575) 748-9720  
District III  
1000 Rio Brazos Road, Aztec, NM 87410  
Phone: (505) 334-6178 Fax: (505) 334-6170  
District IV  
1220 S. St. Francis Dr., Santa Fe, NM 87505  
Phone: (505) 476-3460 Fax: (505) 476-3462

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

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

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

<sup>1</sup> API Number	<sup>2</sup> Pool Code	<sup>3</sup> Pool Name PURPLE SAGE; WOLFCAMP (GAS)
<sup>4</sup> Property Code	<sup>5</sup> Property Name CB HAYS 10 3 FED COM 005	<sup>6</sup> Well Number 1H
<sup>7</sup> OGRID No.	<sup>8</sup> Operator Name CHEVRON U.S.A. INC.	<sup>9</sup> Elevation 2992'

<sup>10</sup> Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
B	15	23 SOUTH	28 EAST, N.M.P.M.		518'	NORTH	1380'	EAST	EDDY

<sup>11</sup> Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
B	3	23 SOUTH	28 EAST, N.M.P.M.		100'	NORTH	2178'	EAST	EDDY

<sup>12</sup> Dedicated Acres	<sup>13</sup> Joint or Infill	<sup>14</sup> Consolidation Code	<sup>15</sup> Order No.
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No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.

<p><sup>16</sup></p> <p><b>PROPOSED LAST TAKE POINT</b></p> <p>X= 580,373 NAD 27 Y= 487,838 LAT. 32.340913 LONG. 104.073093</p> <p>X= 621,556 NAD83 Y= 487,897 LAT. 32.341033 LONG. 104.073590</p> <p><b>PROPOSED MID POINT</b></p> <p>X= 580,301 NAD 27 Y= 482,821 LAT. 32.327124 LONG. 104.073368</p> <p>X= 621,483 NAD83 Y= 482,881 LAT. 32.327245 LONG. 104.073864</p> <p><b>PROPOSED FIRST TAKE POINT</b></p> <p>X= 580,362 NAD 27 Y= 477,880 LAT. 32.313539 LONG. 104.073207</p> <p>X= 621,545 NAD83 Y= 477,939 LAT. 32.313660 LONG. 104.073703</p>	<p><b>PROPOSED BOTTOM HOLE LOCATION</b></p> <p>X= 580,377 NAD 27 Y= 488,068 LAT. 32.341545 LONG. 104.073081</p> <p>X= 621,559 NAD83 Y= 488,127 LAT. 32.341666 LONG. 104.073577</p> <p><b>CORNER COORDINATES TABLE (NAD 27)</b></p> <p>A - Y=488148.82, X=577197.00 B - Y=488180.41, X=582556.49 C - Y=482771.59, X=577156.91 D - Y=482855.85, X=582478.30 E - Y=480202.81, X=582509.92 F - Y=477496.90, X=577205.98 G - Y=477585.85, X=582543.98 H - Y=472181.86, X=577232.84 I - Y=472266.72, X=582546.90</p> <p><b>CB HAYS 10 3 FED COM 005 1H WELL</b></p> <p>X= 581,164 NAD 27 Y= 477,045 LAT. 32.311239 LONG. 104.070619</p> <p>X= 622,347 NAD83 Y= 477,104 LAT. 32.311360 LONG. 104.071114</p> <p>ELEVATION +2992' NAVD 88</p>		<p><b><sup>17</sup> OPERATOR CERTIFICATION</b></p> <p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</p> <p><b>BEFORE THE OIL CONSERVATION DIVISION</b> Santa Fe, New Mexico <b>Exhibit No. 2</b> Submitted by: <b>Chevron NA Exp &amp; Prod Co</b> Hearing Date: <b>October 4, 2018</b></p> <p><b><sup>18</sup> SURVEYOR CERTIFICATION</b></p> <p>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.</p> <p>10/13/2017 Date of Survey</p> <p>Signature and Seal of Professional Surveyor: <b>ROBERT L. LASTRAPES</b> NEW MEXICO 23006 06/28/2018</p> <p>Certificate Number</p>
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1625 N. French Dr., Hobbs, NM 88240  
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Revised August 1, 2011  
Submit one copy to appropriate  
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☐ AMENDED REPORT

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

<sup>1</sup> API Number	<sup>2</sup> Pool Code	<sup>3</sup> Pool Name PURPLE SAGE; WOLFCAMP (GAS)
<sup>4</sup> Property Code	<sup>5</sup> Property Name CB HAYS 10 3 FED COM 005	
<sup>7</sup> OGRID No.	<sup>8</sup> Operator Name CHEVRON U.S.A. INC.	<sup>6</sup> Well Number 2H
		<sup>9</sup> Elevation 2992'

**<sup>10</sup> Surface Location**

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
A	15	23 SOUTH	28 EAST, N.M.P.M.		519'	NORTH	1330'	EAST	EDDY

**<sup>11</sup> Bottom Hole Location If Different From Surface**

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
A	3	23 SOUTH	28 EAST, N.M.P.M.		100'	NORTH	1254'	EAST	EDDY

<sup>12</sup> Dedicated Acres	<sup>13</sup> Joint or Infill	<sup>14</sup> Consolidation Code	<sup>15</sup> Order No.
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No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.

<p><b><sup>16</sup></b></p> <div style="border: 1px solid black; padding: 5px; margin-bottom: 10px;"> <b>PROPOSED LAST TAKE POINT</b>  X= 581,297 NAD 27  Y= 487,843  LAT. 32.340922  LONG. 104.070101  X= 622,480 NAD83  Y= 487,903  LAT. 32.341042  LONG. 104.070597 </div> <div style="border: 1px solid black; padding: 5px; margin-bottom: 10px;"> <b>PROPOSED MID POINT</b>  X= 581,224 NAD 27  Y= 482,836  LAT. 32.327158  LONG. 104.070377  X= 622,407 NAD83  Y= 482,896  LAT. 32.327279  LONG. 104.070873 </div> <div style="border: 1px solid black; padding: 5px; margin-bottom: 10px;"> <b>PROPOSED FIRST TAKE POINT</b>  X= 581,286 NAD 27  Y= 477,895  LAT. 32.313575  LONG. 104.070217  X= 622,469 NAD83  Y= 477,954  LAT. 32.313696  LONG. 104.070712 </div> <div style="border: 1px solid black; padding: 5px; margin-bottom: 10px;"> <b>PROPOSED BOTTOM HOLE LOCATION</b>  X= 581,301 NAD 27  Y= 488,073  LAT. 32.341554  LONG. 104.070088  X= 622,483 NAD83  Y= 488,133  LAT. 32.341674  LONG. 104.070584 </div> <p style="text-align: center;"><b>CORNER COORDINATES TABLE (NAD 27)</b></p> <p>A - Y=488148.82, X=577197.00  B - Y=488180.41, X=582556.49  C - Y=482771.59, X=577156.91  D - Y=482855.85, X=582478.30  E - Y=480202.81, X=582509.92  F - Y=477496.90, X=577205.98  G - Y=477585.85, X=582543.98  H - Y=472181.86, X=577232.84  I - Y=472266.72, X=582546.90</p> <div style="border: 1px solid black; padding: 5px;"> <b>CB HAYS 10 3 FED COM 005 2H WELL</b>  X= 581,214 NAD 27  Y= 477,044  LAT. 32.311238  LONG. 104.070457  X= 622,397 NAD83  Y= 477,104  LAT. 32.311358  LONG. 104.070952  ELEVATION +2992' NAVD 88 </div>		<p><b><sup>17</sup> OPERATOR CERTIFICATION</b>  <i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</i></p> <p>Signature _____ Date _____</p> <p>Printed Name _____</p> <p>E-mail Address _____</p> <p><b><sup>18</sup> SURVEYOR CERTIFICATION</b>  <i>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.</i></p> <p>10/13/2017  Date of Survey</p> <p>Signature and Seal of Professional Surveyor: </p> <p>Certificate Number _____</p>
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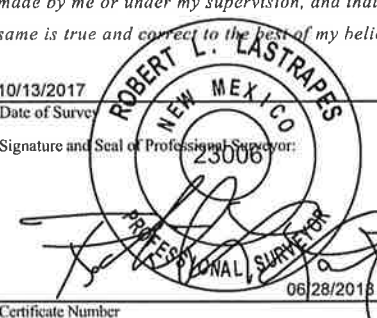
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A	3	23 SOUTH	28 EAST, N.M.P.M.		100'	NORTH	330'	EAST	EDDY

<sup>12</sup> Dedicated Acres	<sup>13</sup> Joint or Infill	<sup>14</sup> Consolidation Code	<sup>15</sup> Order No.
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<p><b>16</b></p> <p><b>PROPOSED LAST TAKE POINT</b></p> <p>X= 582,222 NAD 27 Y= 487,848 LAT. 32.340930 LONG. 104.067109</p> <p>X= 623,404 NAD83 Y= 487,908 LAT. 32.341051 LONG. 104.067605</p> <p><b>PROPOSED MID POINT</b></p> <p>X= 582,148 NAD 27 Y= 482,851 LAT. 32.327192 LONG. 104.067386</p> <p>X= 623,331 NAD83 Y= 482,910 LAT. 32.327313 LONG. 104.067881</p> <p><b>PROPOSED FIRST TAKE POINT</b></p> <p>X= 582,210 NAD 27 Y= 477,910 LAT. 32.313611 LONG. 104.067226</p> <p>X= 623,393 NAD83 Y= 477,970 LAT. 32.313732 LONG. 104.067721</p> <p><b>PROPOSED BOTTOM HOLE LOCATION</b></p> <p>X= 582,225 NAD 27 Y= 488,078 LAT. 32.341563 LONG. 104.067096</p> <p>X= 623,407 NAD83 Y= 488,138 LAT. 32.341683 LONG. 104.067592</p> <p><b>CORNER COORDINATES TABLE (NAD 27)</b></p> <p>A - Y=488148.82, X=577197.00 B - Y=488180.41, X=582556.49 C - Y=482771.59, X=577156.91 D - Y=482855.85, X=582478.30 E - Y=480202.81, X=582509.92 F - Y=477496.90, X=577205.98 G - Y=477585.85, X=582543.98 H - Y=472181.86, X=577232.84 I - Y=472266.72, X=582546.90</p> <p><b>CB HAYS 10 3 FED COM 005 3H WELL</b></p> <p>X= 581,264 NAD 27 Y= 477,044 LAT. 32.311237 LONG. 104.070295</p> <p>X= 622,447 NAD83 Y= 477,104 LAT. 32.311357 LONG. 104.070790</p> <p>ELEVATION +2992' NAVD 88</p>		<p><b>17 OPERATOR CERTIFICATION</b></p> <p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</p> <p>Signature _____ Date _____</p> <p>Printed Name _____</p> <p>E-mail Address _____</p> <p><b>18 SURVEYOR CERTIFICATION</b></p> <p>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.</p> <p>10/13/2017 Date of Survey</p> <p>Signature and Seal of Professional Surveyor: </p> <p>Certificate Number _____</p>	
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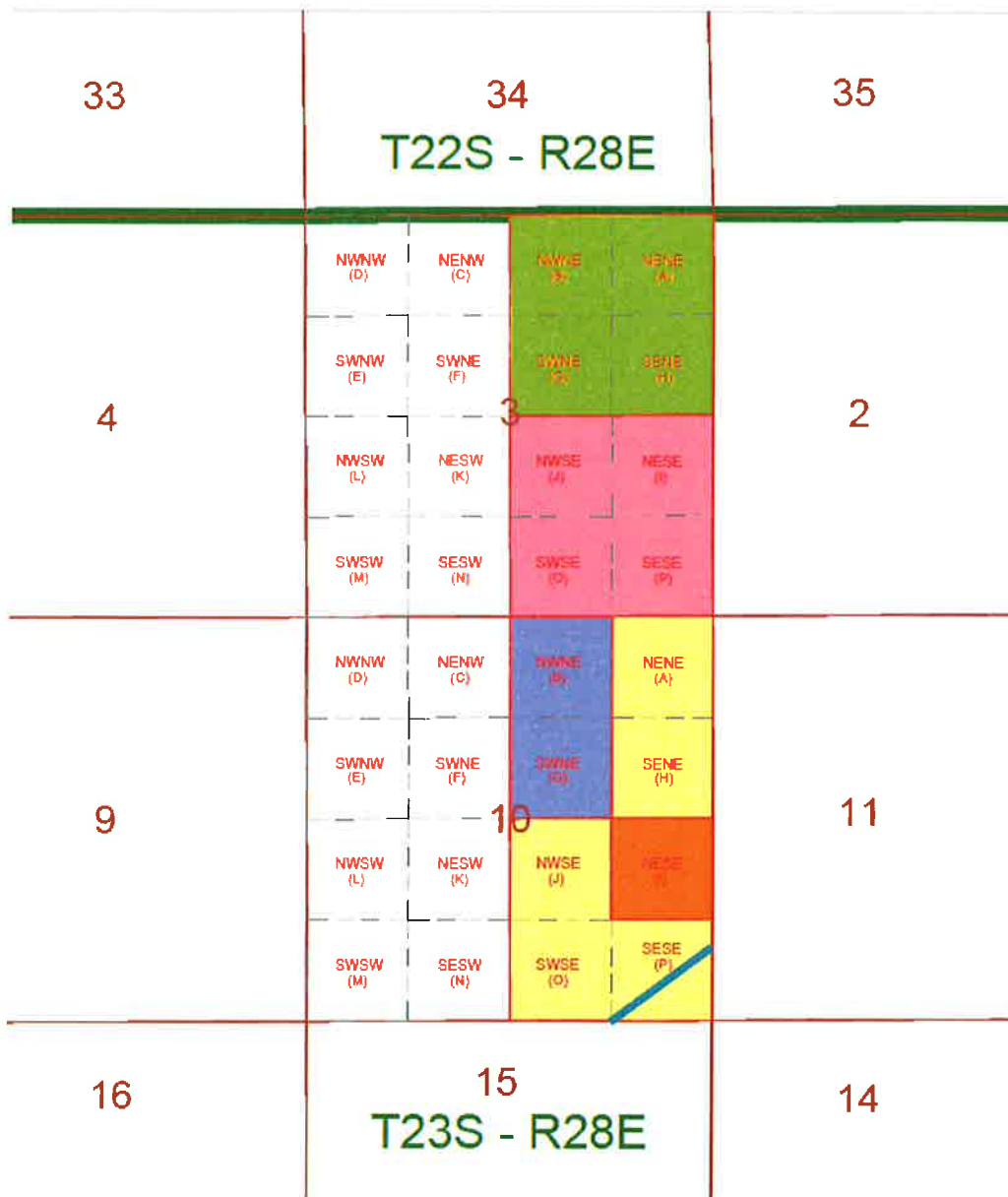
CB HAYS 10 3 FED COM 005 #1H, #2H, #3H  
T23S-R28E – Section 3, E/2  
T23S-R28E – Section 10, E/2  
Eddy County, NM



Eddy County, New Mexico  
VICINITY MAP

MAP LEGEND

- Tract 1
- Tract 2
- Tract 3
- Tract 4
- Tract 5
- Tract 6



CB HAYS 10 3 FED COM 005 #1H, #2H, #3H  
T23S-R28E – Section 3, E/2  
T23S-R28E – Section 10, E/2  
Eddy County, NM

UNIT RECAPITULATION

Working Interest Party	Gross Working Interest	Comments
Chevron Midcontinent, LP	21.88970715%	N/A
Chevron U.S.A. Inc.	49.28311209%	N/A
Magnum Hunter Production, Inc.*	24.94957550%	Awaiting Decision
Marathon Oil Permian, LLC*	2.62682722%	Engaged in trade negotiations
Norman L. Stevens, Jr. Irrevocable Trust*	0.50027380%	Signed AFE's, Awaiting JOA sig
Conrad E. Coffield*	0.18762606%	Unlocatable
Dark Energy, Inc.*	0.18762606%	Requested/Sent Purchase Offer
GNX Energies, Inc.*	0.18762606%	Requested/Sent Purchase Offer
Seeks Petroleum, Inc.*	0.18762606%	Requested/Sent Purchase Offer
<b>TOTAL</b>	<b>1.000000000</b>	

*\*Interests seeking to Compulsory Pool*

Overriding Royalty Interest Owners

Overriding Royalty Interest Party	Interest
CBR Oil Properties, LLC	0.00022512
Read & Stevens, Inc.	0.00095695
Lonesome Dove Petroleum Co.	0.01000672
Gates Properties, Ltd.	0.00250168
Dark Energy, Inc. (ORI)	0.00046907
GNX Energies, Inc. (ORI)	0.00046907
Quannah Exploration, LLC	0.00093813
<b>TOTAL</b>	<b>0.01556674</b>



**Irvin Gutierrez**  
Land Representative

**Chevron U.S.A. Inc.**  
1400 Smith Street  
Houston, Texas 77002  
Tel 713.372.4299  
irvin.gutierrez@chevron.com

**VIA CERTIFIED MAIL – RETURN RECEIPT REQUESTED**

July 30, 2018

Seeks Petroleum Inc.  
101 W Park Ave.  
Saint Mary's, KS 66536

**RE: Proposal To Drill  
CB HAYS 10 3 FED COM 005 #1H  
CB HAYS 10 3 FED COM 005 #2H  
CB HAYS 10 3 FED COM 005 #3H  
Section 3, Township 23 South, Range 28 East and  
Section 10, Township 23 South, Range 28 East, N.M.P.M.,  
Eddy County, New Mexico**

Dear Working Interest Owner:

Chevron U.S.A. Inc. ("Chevron") hereby proposes to drill the CB HAYS 10 3 FED COM 005 #1H well ("Well #1"), CB HAYS 10 3 FED COM 005 #2H well ("Well #2"), and CB HAYS 10 3 FED COM 005 #3H well ("Well #3") at a legal location in Section 3, Township 23 South, Range 28 East and Section 10, Township 23 South, Range 28 East, N.M.P.M., Eddy County, New Mexico. Chevron will develop this area by pad drilling.

The intended surface hole location for the wells are as follows: 518' FNL, 1380' FEL for Well #1, 519' FNL, 1330' FEL for Well #2, and 520' FNL, 1280' FEL for Well #3, all in Section 15, Township 23 South, Range 28 East. The intended bottom hole location are as follows: 100' FNL, 2178' FEL for Well #1, 100' FNL, 1254' FEL for Well #2, and 100' FNL, 330' FEL for Well #3, all in Section 3, Township 23 South, Range 28 East.

The wells are proposed to drill vertically to a depth of approximately 9,570' and horizontally in a southern direction within the Wolfcamp A formation to the referenced bottom hole location. Total measured depth of the wells is proposed to be approximately 20,311' from surface to terminus. Please note that compliance with topography, cultural, and/or environmental concerns, among others, may require modifications to Chevron's intended procedure and/or location.

**Enclosed are multiple documents for your review and execution.** First are detailed AFEs for each well, in duplicate, reflecting estimated costs associated with this proposal. If you intend to participate, please execute in the appropriate box on each AFE, for each individual well, and return to the undersigned within 30 days of receipt of this proposal. The AFEs represent an estimated cost and are subject to change once wells are drilled/completed and actual costs are incurred. Parties electing to participate are responsible for their proportionate share of actual costs.

Subsequent to this letter, a A.A.P.L. Form 610 – 1989 Model Form Operating Agreement will be sent to all parties.



Chevron currently shows the following working interest in the proposed contract area. Please note that this interest is subject to change pending further title verification:

**Seeks Petroleum Inc.**

**0.18762606%**

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

Sincerely,

A handwritten signature in black ink, appearing to read 'IRAH' with a stylized flourish at the end.

Irvin Gutierrez  
Land Representative  
*Enclosures*

Chevron U.S.A. Inc.			Appropriation Request		
SAP Code N/A	Well Type Development	Field Culebra Bluff	Block Section 15,10, and 3 T23S-R28E	Well Name CB Hays 10 3 FED COM 005 1H	
Lease Private/Federal	Objective Wolfcamp A	Date 10/31/2018	Estimated By TXJA	Duration (days) 32.82	
Est. Depth (ft MD) 20200	Drillship Patterson 257	Rig Rate (\$/day) 30,000	Business Unit MCBU	Joint Venture Yes	
Reason for Expenditure  Drill Wolfcamp A			Coordinates	x (ft)	y (ft)
			Mud Line	N/A	N/A
			Bottom Hole	N/A	N/A
Cost Category	Code	Sub-code	Amount (\$)		
Company Drilling Equipment	0000	0000	0		
Rig Work	7440	0001	671,174		
Company Labor	6601	0100	205,095		
Contract Project Supervision	7000	0300	35,276		
Fuel Diesel	7129	0100	126,010		
Utilities / Potable Water	7129	0300	3,282		
Casing (tangible)	7190	0021	873,600		
Well Equipment & Materials	7190	0100	0		
Wellheads (tangible)	7190	0110	47,000		
Materials, Parts, & Supply	7190	0500	7,500		
Surface Equipment Rentals	7230	0100	189,021		
Well Service Equipment Rentals	7230	0200	197,872		
Transportation Services, Land & Marine	7340	0300	62,000		
Transportation Air	7340	0500	0		
Solid Waste Disposal	7420	0300	164,020		
Drilling Fluids	7440	0004	115,500		
Directional Survey & Services	7440	0006	0		
Drill-Pipe Rental & Bits	7440	0007	136,360		
Coil Tubing	7440	0009	0		

Stimulation / Gravel Pack Material	7440	0010	0
Pumping Services	7440	0011	0
Perforating	7440	0014	0
Slickline Services	7440	0015	0
Coring	7440	0017	0
Testing	7440	0018	0
Logging Wireline	7440	0019	0
Logging While Drilling (LWD)	7440	0020	0
Logging Mud	7440	0021	16,858
Cementing	7440	0024	0
Fishing Services & Tools	7440	0025	0
Sitework / Locations	7450	0021	30,000
Mobilization	7450	0023	12,000
Tech Services, Affiliates, & 3rd Party	7450	0200	0
HES, Permits, & Fees	7510	0500	0
Communications Telephone	7615	0600	0
<b>Total</b>			<b>\$2,892,569</b>
<b>Participation &amp; Authorization</b>		<b>Share</b>	<b>Amount (\$)</b>
		0.00 %	
<b>Approved (Print Name)</b>		<b>Approved (Signature)</b>	
<b>Company Confidential</b>		<b>Date</b>	

Chevron U.S.A. Inc.			Appropriation Request		
SAP Code N/A	Well Type Development	Field Culebra Bluff	Block Section 15, 10, and 3 T23S-R28E	Well Name CB Hays 10 3 FED COM 005 1H	
Lease Private/Federal	Objective Wolfcamp A	Date 10/31/2018	Estimated By TXJA	Duration (days) 25.96	
Est. Depth (ft MD) 20200	Drillship Completions	Rig Rate (\$/day) 0	Business Unit MCBU	Joint Venture Yes	
Reason for Expenditure  Complete Wolfcamp A			Coordinates	x (ft)	y (ft)
			Mud Line	N/A	N/A
			Bottom Hole	N/A	N/A
Cost Category	Code	Sub-code	Amount (\$)		
Company Labor	6601	0100	109,969		
Contract Project Supervision	7000	0300	73,313		
Fuel - Diesel/Motor Fuels	7129	0100	0		
Utilities - Other & Potable Water	7129	0300	0		
Chemicals and Treating Agents	7140	0100	161,026		
Surface Lifting Equipment And Materials	7150	0100	0		
WCR - Well Pipe - Tubing Under 2" OD	7190	0020	0		
WCR - Well Pipe - Tubing 2" OD and Over	7190	0021	45,000		
WCR - Well Pipe Casing	7190	0022	0		
Well Equipment And Materials	7190	0100	45,000		
Wellheads	7190	0110	85,000		
Engineering Services (Not Drilling)	7190	0120	0		
Materials, Supply, Repair Parts	7190	0500	0		
Surface Equipment Rentals	7230	0100	466,430		
Well Service Equipment Rentals	7230	0200	96,672		
Marine Transportation - Allocated	7320	0200	0		
Other Land Transportation Services - Not Rail	7340	0300	0		
ATC - Air Transportation	7340	0400	0		
Solid Waste Disposal	7420	0300	0		
Waste Water Disposal	7420	0600	58,000		
WCR - Rig Daywork	7440	0001	14,320		
Drilling Fluids	7440	0004	1,070,836		
WCR - Directional Survey And Service Costs	7440	0006	0		
WCR - Drill String Rentals & Bits	7440	0007	40,000		
WCR - Coil Tubing	7440	0009	141,186		
Stim/Gravel Pack Service (Not Materials)	7440	0010	4,034,950		
WCR - Pumping Services	7440	0011	17,500		
WCR - Equipment Lost In Hole	7440	0013	0		
WCR - Perforating & Electric Line Services	7440	0014	409,478		
WCR - Slickline Services	7440	0015	0		
WCR - Coring	7440	0017	0		
WCR - Testing	7440	0018	0		
WCR - Logging Wireline	7440	0019	15,000		
WCR - LWD (Logging while Drilling)	7440	0020	0		
WCR - Logging Mud	7440	0021	0		
WCR - Cement & Cementing	7440	0024	0		
Fishing Services And Tools	7440	0025	0		

Communications - Telephone - CITC	7615	0600	0
Other Communications - 3rd Party	7620	0300	0
<b>Total</b>			<b>\$6883680</b>
<b>Participation &amp; Authorization</b>		<b>Share</b>	<b>Amount (\$)</b>
		0.00 %	
<b>Approved (Print Name)</b>		<b>Approved (Signature)</b>	
<b>[Enter Footer]</b>		<b>Date</b>	
Tech Services: CPTC, CRTC, PRC & 3rd Pty	7450	0200	0
HES Permit Costs & Fees	7510	0500	0
Spill Prevention	7510	0503	0
Other Professional Services & Fees	7559	0200	0
Communications - Radio	7615	0500	0

Chevron U.S.A. Inc.			Appropriation Request	
SAP Code N/A	Well Type Development	Field Culebra Bluff	Block Section 15, 10, and 3 T23S- R28E	Well Name CB Hays 10 3 FED COM 005 1H
Lease Private/Federal	Objective Wolfcamp A	Date 10/31/2018	Estimated By SYCA	Duration (days) 33.24
Est. Depth (ft MD) 20200	Drillship Facilities	Rig Rate (\$/day) 0	Business Unit MCBU	Joint Venture Yes
<b>Reason for Expenditure</b>		Coordinates	x (ft)	y (ft)
Facilities		Mud Line	N/A	N/A
		Bottom Hole	N/A	N/A
<b>Cost Category</b>		<b>Code</b>	<b>Sub-code</b>	<b>Amount (\$)</b>
Central Tank Battery				1,230,500
Compressor Station				167,633
General Infrastructure (Roads, IT, EDS)				153,367
Engineered Pit Standard (EPS) pond				0
Wellpad, wellhead hookup, & flowlines				588,500
<b>Total</b>				<b>2,140,000</b>
<b>Participation &amp; Authorization</b>			<b>Share</b>	<b>Amount (\$)</b>
Conrad E. Coffield			0.18762606%	4,015
<b>Approved (Print Name)</b>			<b>Approved (Signature)</b>	
<b>Company Confidential</b>			<b>Date</b>	

Chevron U.S.A. Inc.			Appropriation Request		
SAP Code N/A	Well Type Development	Field Culebra Bluff	Block Section 15,10, and 3 T23S-R28E	Well Name CB Hays 10 3 FED COM 005 2H	
Lease Private/Federal	Objective Wolfcamp A	Date 10/31/2018	Estimated By TXJA	Duration (days) 32.82	
Est. Depth (ft MD) 20200	Drillship Patterson 257	Rig Rate (\$/day) 30,000	Business Unit MCBU	Joint Venture Yes	
Reason for Expenditure  Drill Wolfcamp A			Coordinates	x (ft)	y (ft)
			Mud Line	N/A	N/A
			Bottom Hole	N/A	N/A
Cost Category	Code	Sub-code	Amount (\$)		
Company Drilling Equipment	0000	0000	0		
Rig Work	7440	0001	671,174		
Company Labor	6601	0100	205,095		
Contract Project Supervision	7000	0300	35,276		
Fuel Diesel	7129	0100	126,010		
Utilities / Potable Water	7129	0300	3,282		
Casing (tangible)	7190	0021	873,600		
Well Equipment & Materials	7190	0100	0		
Wellheads (tangible)	7190	0110	47,000		
Materials, Parts, & Supply	7190	0500	7,500		
Surface Equipment Rentals	7230	0100	189,021		
Well Service Equipment Rentals	7230	0200	197,872		
Transportation Services, Land & Marine	7340	0300	62,000		
Transportation Air	7340	0500	0		
Solid Waste Disposal	7420	0300	164,020		
Drilling Fluids	7440	0004	115,500		
Directional Survey & Services	7440	0006	0		
Drill-Pipe Rental & Bits	7440	0007	136,360		
Coil Tubing	7440	0009	0		
Stimulation / Gravel Pack Material	7440	0010	0		
Pumping Services	7440	0011	0		
Perforating	7440	0014	0		
Slickline Services	7440	0015	0		
Coring	7440	0017	0		
Testing	7440	0018	0		
Logging Wireline	7440	0019	0		
Logging While Drilling (LWD)	7440	0020	0		
Logging Mud	7440	0021	16,858		
Cementing	7440	0024	0		
Fishing Services & Tools	7440	0025	0		
Sitework / Locations	7450	0021	30,000		
Mobilization	7450	0023	12,000		

Tech Services, Affiliates, & 3rd Party	7450	0200	0
HES, Permits, & Fees	7510	0500	0
Communications Telephone	7615	0600	0
Total			\$2,892,569
Participation & Authorization		Share	Amount (\$)
		0.00 %	
Approved (Print Name)		Approved (Signature)	
Company Confidential		Date	



Chevron U.S.A. Inc.			Appropriation Request		
SAP Code N/A	Well Type Development	Field Culebra Bluff	Block Section 15,10, and 3 T23S-R28E	Well Name CB Hays 10 3 FED COM 005 2H	
Lease Private/Federal	Objective Wolfcamp A	Date 10/31/2018	Estimated By TXJA	Duration (days) 25.96	
Est. Depth (ft MD) 20200	Drillship Completions	Rig Rate (\$/day) 0	Business Unit MCBU	Joint Venture Yes	
Reason for Expenditure  Complete Wolfcamp A			Coordinates	x (ft)	y (ft)
			Mud Line	N/A	N/A
			Bottom Hole	N/A	N/A
Cost Category	Code	Sub-code	Amount (\$)		
Company Labor	6601	0100	109,969		
Contract Project Supervision	7000	0300	73,313		
Fuel - Diesel/Motor Fuels	7129	0100	0		
Utilities - Other & Potable Water	7129	0300	0		
Chemicals and Treating Agents	7140	0100	161,026		
Surface Lifting Equipment And Materials	7150	0100	0		
WCR - Well Pipe - Tubing Under 2" OD	7190	0020	0		
WCR - Well Pipe - Tubing 2" OD and Over	7190	0021	45,000		
WCR - Well Pipe Casing	7190	0022	0		
Well Equipment And Materials	7190	0100	45,000		
Wellheads	7190	0110	85,000		
Engineering Services (Not Drilling)	7190	0120	0		
Materials, Supply, Repair Parts	7190	0500	0		
Surface Equipment Rentals	7230	0100	466,430		
Well Service Equipment Rentals	7230	0200	96,672		
Marine Transportation - Allocated	7320	0200	0		
Other Land Transportation Services - Not Rail	7340	0300	0		
ATC - Air Transportation	7340	0400	0		
Solid Waste Disposal	7420	0300	0		
Waste Water Disposal	7420	0600	58,000		
WCR - Rig Daywork	7440	0001	14,320		
Drilling Fluids	7440	0004	1,070,836		
WCR - Directional Survey And Service Costs	7440	0006	0		
WCR - Drill String Rentals & Bits	7440	0007	40,000		
WCR - Coil Tubing	7440	0009	141,186		
Stim/Gravel Pack Service (Not Materials)	7440	0010	4,034,950		
WCR - Pumping Services	7440	0011	17,500		
WCR - Equipment Lost In Hole	7440	0013	0		
WCR - Perforating & Electric Line Services	7440	0014	409,478		
WCR - Slickline Services	7440	0015	0		
WCR - Coring	7440	0017	0		
WCR - Testing	7440	0018	0		
WCR - Logging Wireline	7440	0019	15,000		
WCR - LWD (Logging while Drilling)	7440	0020	0		
WCR - Logging Mud	7440	0021	0		
WCR - Cement & Cementing	7440	0024	0		
Fishing Services And Tools	7440	0025	0		

Communications - Telephone - CITC	7615	0600	0
Other Communications - 3rd Party	7620	0300	0
<b>Total</b>			<b>\$6883680</b>
<b>Participation &amp; Authorization</b>		<b>Share</b>	<b>Amount (\$)</b>
		0.00 %	
<b>Approved (Print Name)</b>		<b>Approved (Signature)</b>	
<b>[Enter Footer]</b>		<b>Date</b>	
Tech Services: CPTC, CRTC, PRC & 3rd Pty	7450	0200	0
HES Permit Costs & Fees	7510	0500	0
Spill Prevention	7510	0503	0
Other Professional Services & Fees	7559	0200	0
Communications - Radio	7615	0500	0

Chevron U.S.A. Inc.			Appropriation Request	
SAP Code N/A	Well Type Development	Field Culebra Bluff	Block Section 15, 10, and 3 T23S- R28E	Well Name CB Hays 10 3 FED COM 005 2H
Lease Private/Federal	Objective Wolfcamp A	Date 10/31/2018	Estimated By SYCA	Duration (days) 33.24
Est. Depth (ft MD) 20200	Drillship Facilities	Rig Rate (\$/day) 0	Business Unit MCBU	Joint Venture Yes
Reason for Expenditure		Coordinates	x (ft)	y (ft)
Facilities		Mud Line	N/A	N/A
		Bottom Hole	N/A	N/A
Cost Category		Code	Sub-code	Amount (\$)
Central Tank Battery				1,230,500
Compressor Station				167,633
General Infrastructure (Roads, IT, EDS)				153,367
Engineered Pit Standard (EPS) pond				0
Wellpad, wellhead hookup, & flowlines				588,500
Total				2,140,000
Participation & Authorization			Share	Amount (\$)
Conrad E. Coffield			0.18762606%	4,015
Approved (Print Name)			Approved (Signature)	
Company Confidential			Date	

Chevron U.S.A. Inc.			Appropriation Request		
SAP Code N/A	Well Type Development	Field Culebra Bluff	Block Section 15,10, and 3 T23S-R28E	Well Name CB Hays 10 3 FED COM 005 3H	
Lease Private/Federal	Objective Wolfcamp A	Date 10/31/2018	Estimated By TXJA	Duration (days) 32.82	
Est. Depth (ft MD) 20200	Drillship Patterson 257	Rig Rate (\$/day) 30,000	Business Unit MCBU	Joint Venture Yes	
Reason for Expenditure  Drill Wolfcamp A			Coordinates	x (ft)	y (ft)
			Mud Line	N/A	N/A
			Bottom Hole	N/A	N/A
Cost Category	Code	Sub-code	Amount (\$)		
Company Drilling Equipment	0000	0000	0		
Rig Work	7440	0001	671,174		
Company Labor	6601	0100	205,095		
Contract Project Supervision	7000	0300	35,276		
Fuel Diesel	7129	0100	126,010		
Utilities / Potable Water	7129	0300	3,282		
Casing (tangible)	7190	0021	873,600		
Well Equipment & Materials	7190	0100	0		
Wellheads (tangible)	7190	0110	47,000		
Materials, Parts, & Supply	7190	0500	7,500		
Surface Equipment Rentals	7230	0100	189,021		
Well Service Equipment Rentals	7230	0200	197,872		
Transportation Services, Land & Marine	7340	0300	62,000		
Transportation Air	7340	0500	0		
Solid Waste Disposal	7420	0300	164,020		
Drilling Fluids	7440	0004	115,500		
Directional Survey & Services	7440	0006	0		
Drill-Pipe Rental & Bits	7440	0007	136,360		
Coil Tubing	7440	0009	0		
Stimulation / Gravel Pack Material	7440	0010	0		
Pumping Services	7440	0011	0		
Perforating	7440	0014	0		
Slickline Services	7440	0015	0		
Coring	7440	0017	0		
Testing	7440	0018	0		
Logging Wireline	7440	0019	0		
Logging While Drilling (LWD)	7440	0020	0		
Logging Mud	7440	0021	16,858		
Cementing	7440	0024	0		

Tech Services, Affiliates, & 3rd Party	7450	0200	0
HES, Permits, & Fees	7510	0500	0
Communications Telephone	7615	0600	0
<b>Total</b>			<b>\$2,892,569</b>
<b>Participation &amp; Authorization</b>		<b>Share</b>	<b>Amount (\$)</b>
		0.00 %	
<b>Approved (Print Name)</b>		<b>Approved (Signature)</b>	
<b>Company Confidential</b>		<b>Date</b>	
Fishing Services & Tools	7440	0025	0
Sitework / Locations	7450	0021	30,000
Mobilization	7450	0023	12,000

Chevron U.S.A. Inc.			Appropriation Request		
SAP Code N/A	Well Type Development	Field Culebra Bluff	Block Section 15,10, and 3 T23S-R28E	Well Name CB Hays 10 3 FED COM 005 3H	
Lease Private/Federal	Objective Wolfcamp A	Date 10/31/2018	Estimated By TXJA	Duration (days) 25.96	
Est. Depth (ft MD) 20200	Drillship Completions	Rig Rate (\$/day) 0	Business Unit MCBU	Joint Venture Yes	
Reason for Expenditure  Complete Wolfcamp A			Coordinates	x (ft)	y (ft)
			Mud Line	N/A	N/A
			Bottom Hole	N/A	N/A
Cost Category	Code	Sub-code	Amount (\$)		
Company Labor	6601	0100	109,969		
Contract Project Supervision	7000	0300	73,313		
Fuel - Diesel/Motor Fuels	7129	0100	0		
Utilities - Other & Potable Water	7129	0300	0		
Chemicals and Treating Agents	7140	0100	161,026		
Surface Lifting Equipment And Materials	7150	0100	0		
WCR - Well Pipe - Tubing Under 2" OD	7190	0020	0		
WCR - Well Pipe - Tubing 2" OD and Over	7190	0021	45,000		
WCR - Well Pipe Casing	7190	0022	0		
Well Equipment And Materials	7190	0100	45,000		
Wellheads	7190	0110	85,000		
Engineering Services (Not Drilling)	7190	0120	0		
Materials, Supply, Repair Parts	7190	0500	0		
Surface Equipment Rentals	7230	0100	466,430		
Well Service Equipment Rentals	7230	0200	96,672		
Marine Transportation - Allocated	7320	0200	0		
Other Land Transportation Services - Not Rail	7340	0300	0		
ATC - Air Transportation	7340	0400	0		
Solid Waste Disposal	7420	0300	0		
Waste Water Disposal	7420	0600	58,000		
WCR - Rig Daywork	7440	0001	14,320		
Drilling Fluids	7440	0004	1,070,836		
WCR - Directional Survey And Service Costs	7440	0006	0		
WCR - Drill String Rentals & Bits	7440	0007	40,000		
WCR - Coil Tubing	7440	0009	141,186		
Stim/Gravel Pack Service (Not Materials)	7440	0010	4,034,950		
WCR - Pumping Services	7440	0011	17,500		
WCR - Equipment Lost In Hole	7440	0013	0		
WCR - Perforating & Electric Line Services	7440	0014	409,478		
WCR - Slickline Services	7440	0015	0		
WCR - Coring	7440	0017	0		
WCR - Testing	7440	0018	0		
WCR - Logging Wireline	7440	0019	15,000		
WCR - LWD (Logging while Drilling)	7440	0020	0		
WCR - Logging Mud	7440	0021	0		
WCR - Cement & Cementing	7440	0024	0		
Fishing Services And Tools	7440	0025	0		

Communications - Telephone - CITC	7615	0600	0
Other Communications - 3rd Party	7620	0300	0
<b>Total</b>			<b>\$6883680</b>
<b>Participation &amp; Authorization</b>		<b>Share</b>	<b>Amount (\$)</b>
		0.00 %	
<b>Approved (Print Name)</b>		<b>Approved (Signature)</b>	
<b>[Enter Footer]</b>		<b>Date</b>	
Tech Services: CPTC, CRTC, PRC & 3rd Pty	7450	0200	0
HES Permit Costs & Fees	7510	0500	0
Spill Prevention	7510	0503	0
Other Professional Services & Fees	7559	0200	0
Communications - Radio	7615	0500	0

Chevron U.S.A. Inc.			Appropriation Request	
SAP Code N/A	Well Type Development	Field Culebra Bluff	Block Section 15, 10, and 3 T23S- R28E	Well Name CB Hays 10 3 FED COM 005 3H
Lease Private/Federal	Objective Wolfcamp A	Date 10/31/2018	Estimated By SYCA	Duration (days) 33.24
Est. Depth (ft MD) 20200	Drillship Facilities	Rig Rate (\$/day) 0	Business Unit MCBU	Joint Venture Yes
<b>Reason for Expenditure</b>		Coordinates	x (ft)	y (ft)
Facilities		Mud Line	N/A	N/A
		Bottom Hole	N/A	N/A
<b>Cost Category</b>		<b>Code</b>	<b>Sub-code</b>	<b>Amount (\$)</b>
Central Tank Battery				1,230,500
Compressor Station				167,633
General Infrastructure (Roads, IT, EDS)				153,367
Engineered Pit Standard (EPS) pond				0
Wellpad, wellhead hookup, & flowlines				588,500
<b>Total</b>				<b>2,140,000</b>
<b>Participation &amp; Authorization</b>			<b>Share</b>	<b>Amount (\$)</b>
Conrad E. Coffield			0.18762606%	4,015
<b>Approved (Print Name)</b>			<b>Approved (Signature)</b>	
<b>Company Confidential</b>			<b>Date</b>	



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

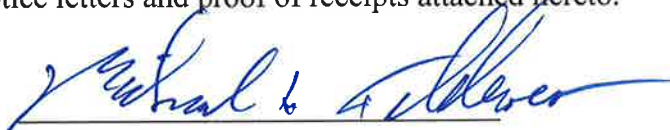
**APPLICATION OF CHEVRON U.S.A. INC.  
FOR A NON-STANDARD SPACING AND  
PRORATION UNIT AND COMULSOSRY  
POOLING, EDDY COUNTY, NEW MEXICO.**

**CASE NO. 16405**

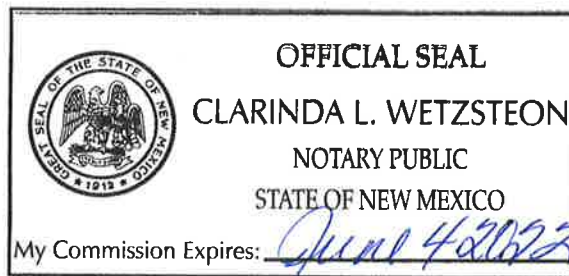
**AFFIDAVIT**

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

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

  
\_\_\_\_\_  
Michael H. Feldewert

SUBSCRIBED AND SWORN to before me this 3rd day of October 2018 by Michael H.  
Feldewert.



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

**BEFORE THE OIL CONSERVATION DIVISION**  
Santa Fe, New Mexico  
**Exhibit No. 5**  
Submitted by: **Chevron NA Exp & Prod Co**  
Hearing Date: October 4, 2018



September 14, 2017

**VIA CERTIFIED MAIL**  
**CERTIFIED RECEIPT REQUESTED**

**TO: ALL INTEREST OWNERS SUBJECT TO POOLING PROCEEDINGS**

**Re: Amended application of Chevron U.S.A. Inc. for a non-standard spacing and proration unit and compulsory pooling, Eddy County, New Mexico.**  
**CB Hays 10 3 Fed Com 005 1H Well**  
**CB Hays 10 3 Fed Com 005 2H Well**  
**CB Hays 10 3 Fed Com 005 3H Well**

Ladies & Gentlemen:

This letter is to advise you that Chevron U.S.A. Inc. has filed the enclosed amended application with the New Mexico Oil Conservation Division. This application will be set for hearing before a Division Examiner at 8:15 a.m. on October 4, 2018. The hearing will be held in Porter Hall in the Oil Conservation Division's Santa Fe Offices located at 1220 South Saint Francis Drive, Santa Fe, New Mexico 87505. You are not required to attend this hearing, but as an owner of an interest that may be affected by this application, you may appear and present testimony. Failure to appear at that time and become a party of record will preclude you from challenging the matter at a later date.

Parties appearing in cases are required by Division Rule 19.15.4.13.B to file a Pre-hearing Statement four days in advance of a scheduled hearing. This statement must be filed at the Division's Santa Fe office at the above specified address and should include: the names of the parties and their attorneys; a concise statement of the case; the names of all witnesses the party will call to testify at the hearing; the approximate time the party will need to present its case; and identification of any procedural matters that are to be resolved prior to the hearing.

If you have any questions about this matter please contact Irvin R. Gutierrez at (713) 372-4299 or [irvin.gutierrez@chevron.com](mailto:irvin.gutierrez@chevron.com).

Sincerely,

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



## Shipment Confirmation Acceptance Notice

### A. Mailer Action

**Note to Mailer:** The labels and volume associated to this form online, **must** match the labeled packages being presented to the USPS® employee with this form.

*Chevron CBtays 1, 2, 3 & Wells  
W14 OKRI 1: 2*

Shipment Date: 09/12/2018

Shipped From:

Name: HOLLAND & HART LLP

Address: 110 N GUADALUPE ST # 1

City: SANTA FE

State: NM ZIP+4® 87501

Type of Mail	Volume
Priority Mail Express®*	
Priority Mail®	0
First-Class Package Service®	
Returns	
International*	
Other	12
Total	12

\*Start time for products with service guarantees will begin when mail arrives at the local Post Office™ and items receive individual processing and acceptance scans.

### B. USPS Action

Note to RSS Clerk:

1. Home screen > Mailing/Shipping > More
2. Select Shipment Confirm
3. Scan or enter the barcode/label number from PS Form 5630
4. Confirm the volume count message by selecting Yes or No
5. Select Pay and End Visit to complete transaction

USPS EMPLOYEE: Please scan upon pickup or receipt of mail.  
Leave form with customer or in customer's mail receptacle.

USPS SCAN AT ACCEPTANCE



9275 0901 1935 6200 0010 2661 36



Firm Mailing Book For Accountable Mail

Name and Address of Sender Holland & Hart LLP 110 N Guadalupe St # 1 Santa Fe NM 87501		Check type of mail or service <input type="checkbox"/> Adult Signature Required <input type="checkbox"/> Adult Signature Restricted Delivery <input checked="" type="checkbox"/> Certified Mail <input type="checkbox"/> Certified Mail Restricted Delivery <input type="checkbox"/> Collect on Delivery (COD) <input type="checkbox"/> Insured Mail <input type="checkbox"/> Priority Mail		Affix Stamp Here (if issued as an international certificate of mailing or for additional copies of this receipt). Postmark with Date of Receipt.										
USPS Tracking/Article Number	Addressee (Name, Street, City, State, & ZIP Code™)	Postage	(Extra Service) Fee	Handling Charge - if Registered and over \$50,000 in value	Actual Value if Registered	Insured Value	Due Sender if COD	ASR Fee	ASRD Fee	RD Fee	RR Fee	SC Fee	SCRD Fee	SH Fee
1. 9214 8901 9403 8372 8320 41	CBR Oil Properties LLC PO BOX 1516 Roswell NM 86202	1.21	3.45								1.50			
2. 9214 8901 9403 8372 8320 58	Read & Stevens Inc PO BOX 1516 Roswell NM 86202	1.21	3.45								1.50			
3. 9214 8901 9403 8372 8320 65	Lonesome Dove Petroleum Co 6002 Shady Hollow San Antonio TX 78255	1.21	3.45								1.50			
4. 9214 8901 9403 8372 8320 72	Gates Properties Ltd PO BOX 81119 Midland TX 79708	1.21	3.45								1.50			
5. 9214 8901 9403 8372 8320 89	Dark Energy Inc 3000 N Garfield Suite 205 Midland TX 79705	1.21	3.45								1.50			
6. 9214 8901 9403 8372 8320 96	GNX Energies Inc 700 August Dr Midland TX 79705	1.21	3.45								1.50			
7. 9214 8901 9403 8372 8321 02	Quannah Exploration LLC PO BOX 494 Midland TX 79702	1.21	3.45								1.50			
8. 9214 8901 9403 8372 8321 19	Magnum Hunter Production Inc 600 N Marlenfield St Midland TX 79701	1.21	3.45								1.50			

Postmaster, Per (Name of receiving employee)

Total Number of Pieces Listed by Sender 12	Total Number of Pieces Received at Post Office
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## Firm Mailing Book For Accountable Mail

Name and Address of Sender	Check type of mail or service	Affix Stamp Here <i>(If issued as an international certificate of mailing or for additional copies of this receipt).</i> Postmark with Date of Receipt.												
Holland & Hart LLP 110 N Guadalupe St # 1 Santa Fe NM 87501	<input type="checkbox"/> Adult Signature Required <input type="checkbox"/> Priority Mail Express <input type="checkbox"/> Adult Signature Restricted Delivery <input type="checkbox"/> Registered Mail <input checked="" type="checkbox"/> Certified Mail <input type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> Certified Mail Restricted Delivery <input type="checkbox"/> Signature Confirmation <input type="checkbox"/> Collect on Delivery (COD) <input type="checkbox"/> Signature Confirmation Insured Mail <input type="checkbox"/> Insured Mail <input type="checkbox"/> Signature Confirmation Restricted Delivery <input type="checkbox"/> Priority Mail													
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10. 9214 8901 9403 8372 8321 33	Norman L Stevens PO BOX 1518 Hondo NM 88336	1.21	3.45								1.50			
11. 9214 8901 9403 8372 8321 40	Conrad Coffield PO BOX 8028 Santa Fe NM 87504	1.21	3.45								1.50			
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9214 8901 9403 83728321 26	Marathon Oil Permian LLC 5555 San Filepe St Houston TX 77056	Delivered Signature Received	No	
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9214 8901 9403 83728321 02	Quanah Exploration LLC PO BOX 494 Midland TX 79702	Delivered Signature Received	No	
9214 8901 9403 83728320 96	GNX Energies Inc 700 August Dr Midland TX 79705	Delivered Signature Received	No	
9214 8901 9403 83728320 89	Dark Energy Inc 3000 N Garfield Suite 205 Midland TX 79705	Delivered Signature Received	No	
9214 8901 9403 83728320 72	Gates Properties Ltd PO BOX 81119 Midland TX 79708	Delivered Signature Received	No	
9214 8901 9403 83728320 65	Lonesome Dove Petroleum Co 8002 Shady Hollow San Antonio TX 78255	Delivered Signature Received	No	
9214 8901 9403 83728320 58	Read & Stevens Inc PO BOX 1518 Roswell NM 88202	Delivered Signature Received	No	
9214 8901 9403 83728320 41	CBR Oil Properties LLC PO BOX 1518 Roswell NM 88202	Delivered Signature Received	No	

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Conrad Coffeld  
PO BOX 8028  
Santa Fe NM 87504

Date & Time	Event	Event Location
09/21/2018 13:07	AVAILABLE FOR PICKUP	SANTA FE,NM, 87501
09/21/2018 11:07	ARRIVAL AT UNIT	SANTA FE,NM, 87501
09/20/2018 00:24	PROCESSED THROUGH USPS FACILITY	ALBUQUERQUE,NM, 87101
09/19/2018 10:28	VACANT	SANTA FE,NM, 87501
09/17/2018 10:08	AVAILABLE FOR PICKUP	SANTA FE,NM, 87504
09/17/2018 10:07	ARRIVAL AT UNIT	SANTA FE,NM, 87501
09/15/2018 22:07	PROCESSED THROUGH USPS FACILITY	ALBUQUERQUE,NM, 87101
09/14/2018 20:51	DEPART USPS FACILITY	ALBUQUERQUE,NM, 87101
09/14/2018 20:50	PROCESSED THROUGH USPS FACILITY	ALBUQUERQUE,NM, 87101
09/14/2018 19:35	ORIGIN ACCEPTANCE	SANTA FE,NM, 87501
09/14/2018 16:48	SHIPMENT RECEIVED ACCEPTANCE PENDING	SANTA FE,NM, 87501
09/12/2018 17:43	PRE-SHIPMENT INFO SENT USPS AWAITS ITEM	SANTA FE,NM, 87501



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### Recipient

Norman L Stevens  
PO BOX 1518  
Hondo NM 88336

Date & Time	Event	Event Location
09/24/2018 12:17	AVAILABLE FOR PICKUP	HONDO,NM, 88336
09/22/2018 09:43	AVAILABLE FOR PICKUP	HONDO,NM, 88336
09/22/2018 05:09	REMINDER TO SCHEDULE REDELIVERY	HONDO,NM, 88336
09/17/2018 12:44	AVAILABLE FOR PICKUP	HONDO,NM, 88336
09/17/2018 12:43	ARRIVAL AT UNIT	HONDO,NM, 88336
09/16/2018 00:02	PROCESSED THROUGH USPS FACILITY	EL PASO,TX, 79910
09/15/2018 20:54	DEPART USPS FACILITY	EL PASO,TX, 79910
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09/14/2018 16:48	SHIPMENT RECEIVED ACCEPTANCE PENDING	SANTA FE,NM, 87501
09/12/2018 17:43		SANTA FE,NM, 87501

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SANTA FE NM 87504

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

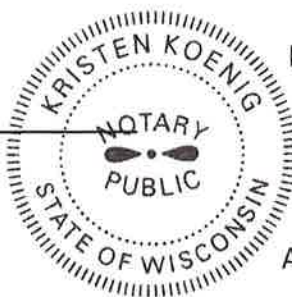
08/29/18

  
Legal Clerk

Subscribed and sworn before me this  
30th of August 2018.

  
State of WI, County of Brown  
NOTARY PUBLIC

3/20/2022  
My Commission Expires



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

The State of New Mexico through its Oil Conservation Division hereby gives notice pursuant to law and the Rules and Regulations of the Division of the following public hearing to be held at 8:15 A.M. on **September 20, 2018**, in the Oil Conservation Division Hearing Room at 1220 South St. Francis, Santa Fe, New Mexico, before an examiner duly appointed for the hearing. If you are an individual with a disability who is in need of a reader, amplifier, qualified sign language interpreter, or any other form of auxiliary aid or service to attend or participate in the hearing, please contact: Florene Davidson at 505-476-3458 or through the New Mexico Relay Network, 1-800-659-1779 by **September 10, 2018**. Public documents, including the agenda and minutes, can be provided in various accessible forms. Please contact Florene Davidson if a summary or other type of accessible form is needed.

**STATE OF NEW MEXICO TO:**  
All named parties and persons having any right, title, interest or claim in the following case and notice to the

**BEFORE THE OIL CONSERVATION DIVISION**

Santa Fe, New Mexico

**Exhibit No. 6**

Submitted by: **Chevron NA Exp & Prod Co**

Hearing Date: October 4, 2018

public.

(NOTE: All land descriptions herein refer to the New Mexico Principal Meridian whether or not so stated.)

**To: All offset owners, overriding royalty interest owners, and pooled parties, including: CBR Oil Properties, LLC; Read & Stevens, Inc.; Lonesome Dove Petroleum Co.; Gates Properties Ltd.; Dark Energy, Inc.; GNX Energies, Inc.; Quanah Exploration, LLC; Magnum Hunter Production, Inc.; Marathon Oil Permian, LLC; Norman L. Stevens, Jr. Revocable Trust UTA 9/14/1995; Conrad E. Coffield, his heirs and devisees; Seeks Petroleum, Inc.; RockCliff Operating New Mexico LLC; Santa Fe Operating Partners; RKI Exploration and Production LLC; Range Operating New Mexico LLC; Oxy USA Inc; Matador Production Company; EOG Resources Inc; Devon Energy Production Company; BTA Oil Producers LLC; BP American Production Company.**

**Case No. 16405:  
Application of Chevron U.S.A. Inc. for a non-standard spacing and proration unit and compulsory pooling, Eddy County, New Mexico.** Applicant in the above-styled cause seeks an order (1) creating, if necessary a non-standard, 640-acre spacing and proration unit comprised of the E/2 of Section 3, Township 23 South, Range 28 East, and the E/2 of Section 10, Township 23 South, Range 28 East, N.M.P.M., Eddy County, New Mexico; and (2) pooling all mineral

interests in the Wolfcamp formation underlying this acreage. Said non-standard unit is to be dedicated to applicant's three proposed wells: the **CB Hays 10 3 Fed Com 005 1H Well**, the proposed **CB Hays 10 3 Fed Com 005 2H Well**, and the proposed **CB Hays 10 3 Fed Com 005 3H Well**, which will be simultaneously drilled and completed. The three proposed horizontal wells will be pad drilled from a surface location in the NW/4 NE/4 (Unit B) of Section 15 to bottom hole locations in the NW/4 NE/4 (Unit B) of Section 22 for the **CB Hays 10 3 Fed Com 005 1H Well** and in the NE/4 NE/4 (Unit A) of Section 22 for the **CB Hays 10 3 Fed Com 005 2H Well** and the **CB Hays 10 3 Fed Com 005 3H Well**.

The completed interval for each well will be at a standard 330 foot offset pursuant to the Special Rules for the Purple Sage Wolfcamp Gas Pool (Pool Code 98220). Also to be considered will be the cost of drilling and completing said wells and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of Chevron U.S.A. Inc. as operator of the wells and a 200% charge for risk involved in drilling said well. Said area is located approximately 2 miles east of Loving, New Mexico.

*August 29, 2018*

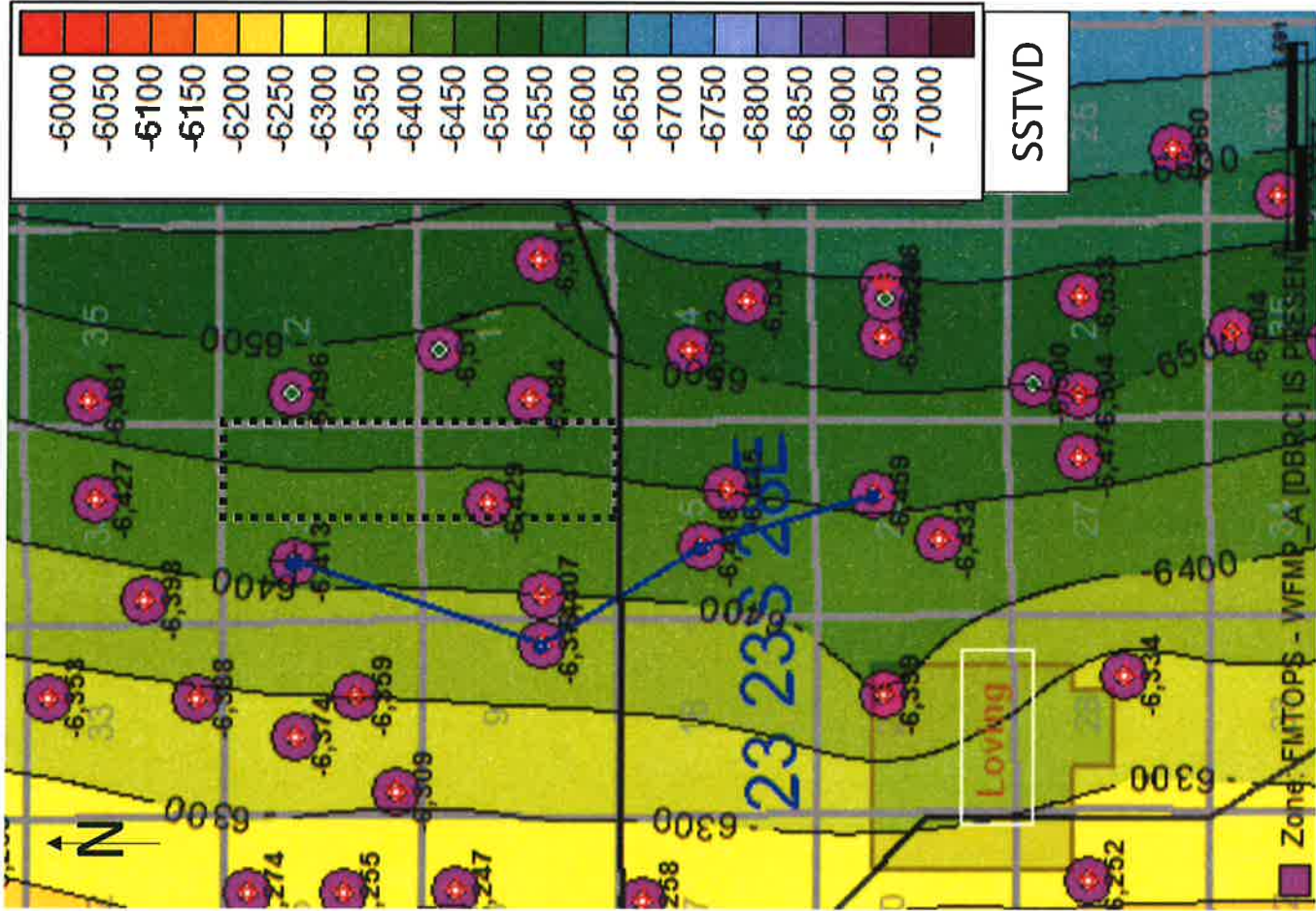
Top Wolfcamp A Structure (SSTVD)

Structure control point

CB HAYS 10 3 FED COM 005 SPACING UNIT

CB HAYS 10 3 FED COM 005

BEFORE THE OIL CONSERVATION DIVISION  
Santa Fe, New Mexico  
Exhibit No. 7  
Submitted by: Chevron NA Exp & Prod Co  
Hearing Date: October 4, 2018

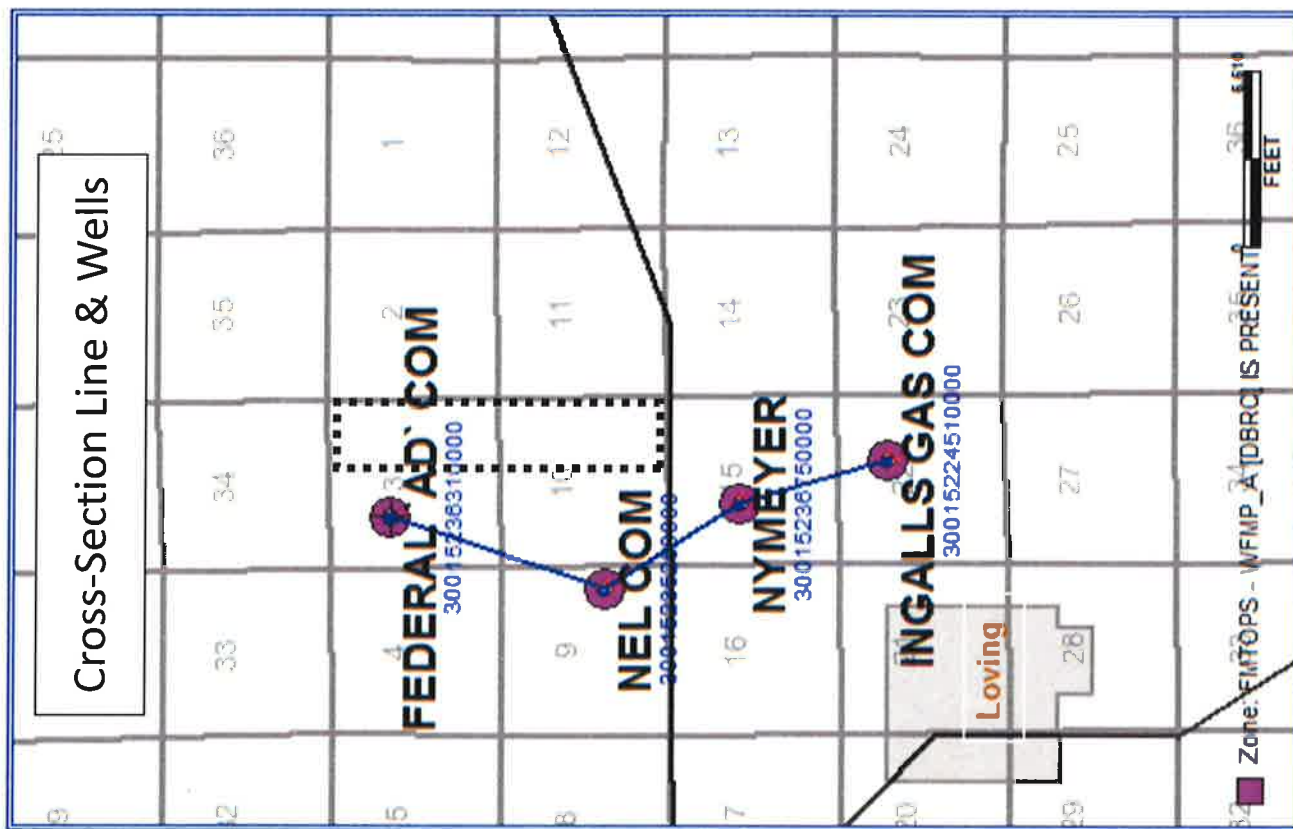




CB HAYS 10 3 FED COM 005 (1H, 2H, 3H)

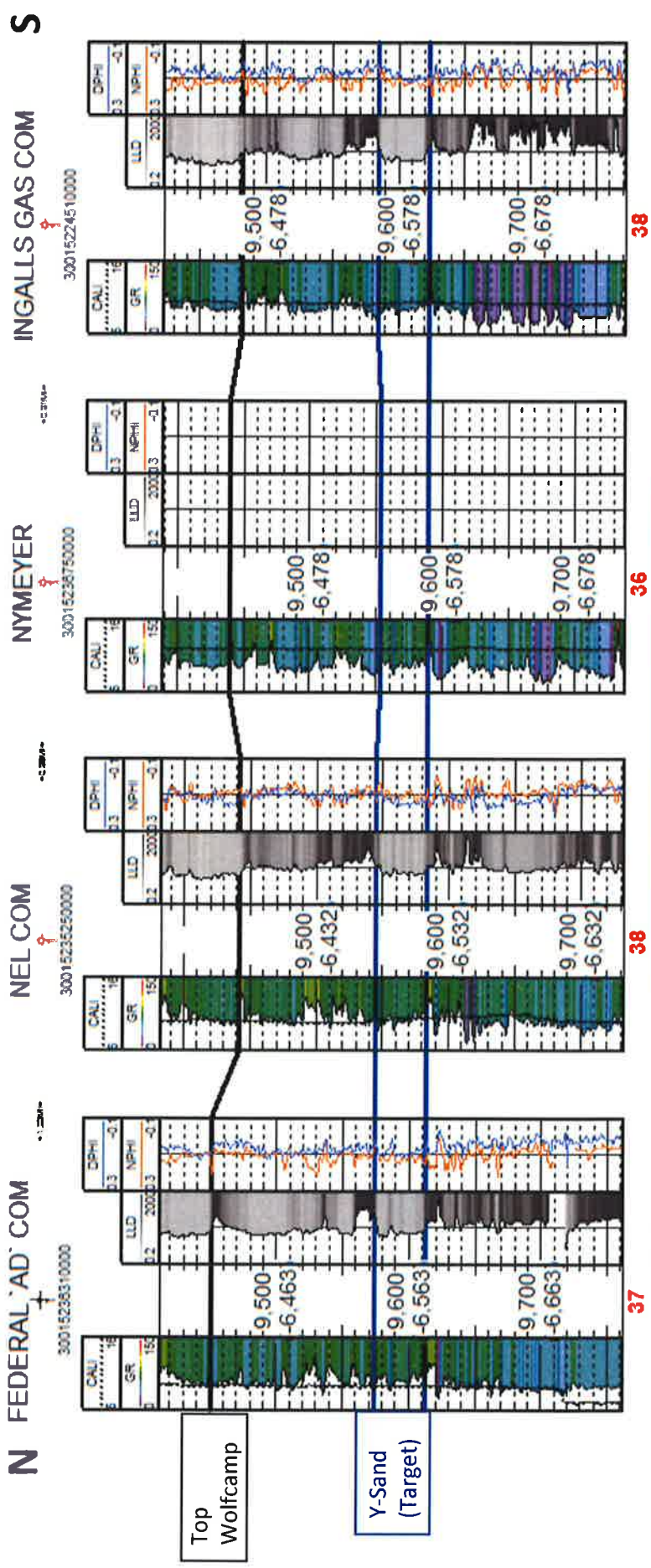
CB HAYS 10 3 FED COM 005 SPACING UNIT

Structure control point



## Stratigraphic Cross Section

- Cross-section is flattened on the base of the Y-Sand Target interval
- The target interval, Y-Sand, is defined by blue markers (top/base)
- Stratigraphic cross-section demonstrates the Y-sand target interval to be consistent in thickness across the proposed area, where average Y-sand thickness is 37'



Isopach thickness (TST feet)