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

APPLICATION OF CHEVRON U.S.A. INC. FOR APPROVAL OF NON-STANDARD OIL SPACING UNITS AND COMMINGLING, OR ALTERNATIVELY FOR THE CONTRACTION OF THE WC-025 G-06 S263319P, BONE SPRING POOL AND THE SANDERS TANK; UPPER WOLFCAMP POOL, AND FOR THE CREATION OF NEW BONE SPRING AND UPPER WOLFCAMP POOLS, SPECIAL POOL RULES, AND COMMINGLING IN SECTION 29 AND IRREGULAR SECTION 32, TOWNSHIP 26 SOUTH, RANGE 33 EAST, N.M.P.M., LEA COUNTY, NEW MEXICO.

CASE NO. 16380

AFFIDAVIT OF CHRISTINE DEFRIEND

STATE OF NEW MEXICO)
) ss.
COUNTY OF BERNALILLO)

I, Christine DeFriend, being first duly sworn, upon oath, states the following based upon my own personal knowledge:

1. I am over eighteen (18) years of age and am otherwise competent to make this sworn statement.

2. I am employed as a Reservoir Engineer in the Permian Basin in Southeastern New Mexico for Chevron U.S.A. Inc. ("Chevron"), and I testified in the above-captioned cases on September 6, 2018.

3. In my position as a Reservoir Engineer, I review production data from wells and related well information that Chevron keeps as a matter of course in its company business records.

4. Chevron has determined by numerical simulation that six horizontal wells per section (three per half section) may be optimum in any of the potential target zones. The accuracy of the simulation has been improved through history-matching.

5. The simulation being used to optimize drilling indicates that four horizontal wells per section (per quarter quarter section equivalent) are not sufficient to effectively contact and recover potential reserves. The horizontal wells will be drilled at least one mile in length, will have rectangular drainage, and will be most logically and optimally configured as 320-acre (half-section) horizontal oil spacing units, each of which would be developed by drilling a maximum of three wells into any individual sand within the Bone Spring and Wolfcamp formations.

6. Fracture models show that fractures that the center wells of each half section) would otherwise drain portions of each adjacent quarter sections in each of the targets in the Bone Spring and Wolfcamp formations. As a result, the building blocks for the spacing units created within the proposed area need to be larger than 40 acres.

Christine DeFriend

SUBSCRIBED AND SWORN to before me this 20th day of November, 2018 by Christine DeFriend.

WENDELL MARK WOODARD
Notary Public, State of Texas
Comm. Expires 08-23-2022
Notary ID 125477526

Notary Public

My commission expires:_____