

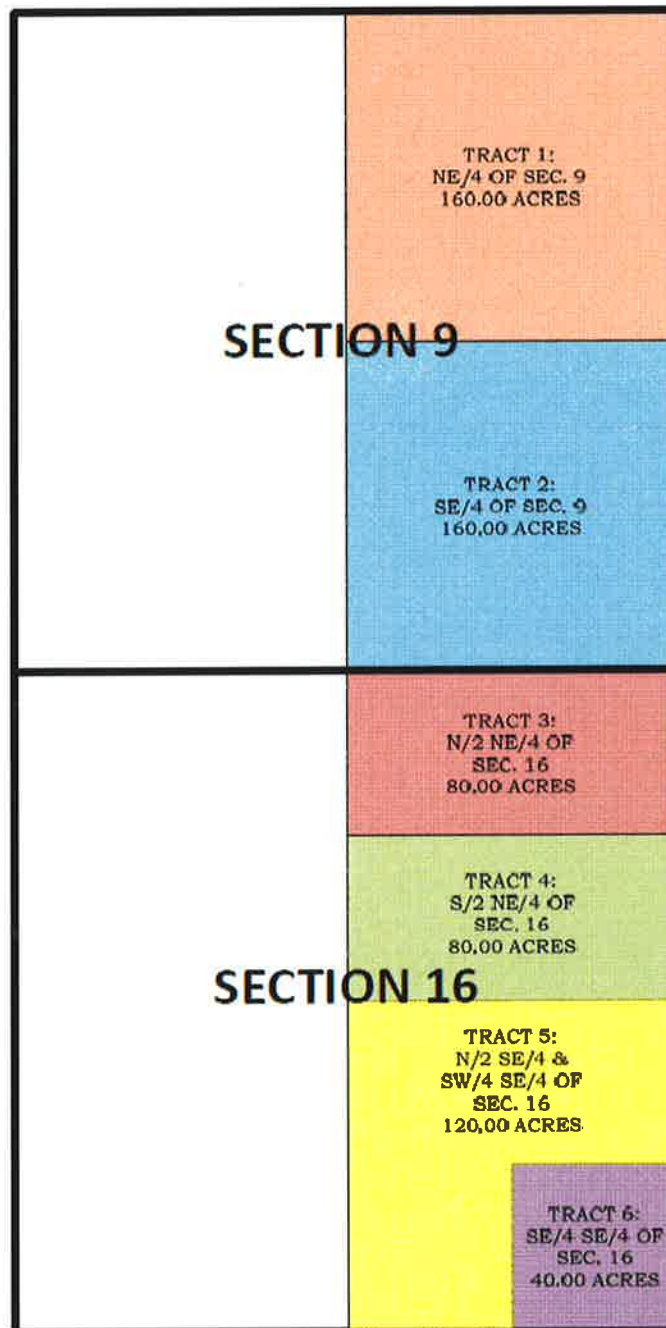


human energy®

Dagger Lake Loch Ness Sections 9 & 16, T22S, R33E, Lea County, NM

**Case No. 20768
Before the Oil Conservation Division
Examiner Hearing September 05, 2019**

DL 9 16 Loch Ness Fed Com P1 #16H, #17H, #18H
T22S-R33E – Section 9, E/2
T22S-R33E – Section 16, E/2
Lea County, NM



Seeking to compulsory pool interests in Tracts 1, 3, 4, 5 & 6

BEFORE THE OIL CONSERVATION DIVISION

Santa Fe, New Mexico

Exhibit No. 1

Submitted by: **Chevron U.S.A. Inc.**

Hearing Date: September 05, 2019

Case No. 20768

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

¹ API Number	² Pool Code	³ Pool Name
⁴ Property Code	⁵ Property Name DL 9 16 LOCH NESS FED COM P1	⁶ Well Number 16H
⁷ OGRID No. 4323	⁸ Operator Name CHEVRON U.S.A. INC.	⁹ Elevation 3634'

¹⁰ Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
O	4	22 SOUTH	33 EAST, N.M.P.M.		263'	SOUTH	1372'	EAST	LEA

¹¹ 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
O	16	22 SOUTH	33 EAST, N.M.P.M.		25'	SOUTH	2310'	EAST	LEA

¹² Dedicated Acres 640	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ 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.

¹⁶ PROPOSED FIRST TAKE POINT X= 733,751 Y= 514,851 LAT. 32.413162 N LONG. 103.575878 W NAD 27 X= 774,934 Y= 514,912 LAT. 32.413285 N LONG. 103.576363 W NAD83/86 PROPOSED MID POINT X= 733,793 Y= 509,674 LAT. 32.398932 N LONG. 103.575862 W NAD 27 X= 774,975 Y= 509,735 LAT. 32.399055 N LONG. 103.576347 W NAD83/86 PROPOSED LAST TAKE POINT X= 733,834 Y= 504,495 LAT. 32.384696 N LONG. 103.575847 W NAD 27 X= 775,017 Y= 504,556 LAT. 32.384820 N LONG. 103.576331 W NAD83/86	DL 9 16 LOCH NESS FED COM P1 16H WELL X= 734,687 Y= 515,220 LAT. 32.414159 N LONG. 103.572837 W NAD 27 X= 775,869 Y= 515,281 LAT. 32.414282 N LONG. 103.573323 W NAD83/86 ELEV. +3634' NAVD88		¹⁷ OPERATOR CERTIFICATION 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. Signature: Date: 4/22/2019 Printed Name: Laura Becerra E-mail Address: LBecerra@Chevron.com
	¹⁸ SURVEYOR CERTIFICATION 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. Date of Survey: 04/22/2019 Signature and Seal of Professional Surveyor: Certificate Number: 22021		
	BEFORE THE OIL CONSERVATION DIVISION Santa Fe, New Mexico Exhibit No. 2 Submitted by: Chevron U.S.A. Inc. Hearing Date: September 05, 2019 Case No. 20768		

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WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number	² Pool Code	³ Pool Name
⁴ Property Code	⁵ Property Name DL 9 16 LOCH NESS FED COM P1	⁶ Well Number 17H
⁷ OGRID No.	⁸ Operator Name CHEVRON U.S.A. INC.	⁹ Elevation 3634'

¹⁰ Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
O	4	22 SOUTH	33 EAST, N.M.P.M.		264'	SOUTH	1322'	EAST	LEA

¹¹ 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
O	16	22 SOUTH	33 EAST, N.M.P.M.		25'	SOUTH	1430'	EAST	LEA

¹² Dedicated Acres	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ 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.

¹⁶ PROPOSED FIRST TAKE POINT X= 734,631 Y= 514,856 LAT. 32.413160 N LONG. 103.573026 W NAD 27 X= 775,814 Y= 514,917 LAT. 32.413283 N LONG. 103.573511 W NAD83/86 PROPOSED MID POINT X= 734,673 Y= 509,679 LAT. 32.398927 N LONG. 103.573011 W NAD 27 X= 775,855 Y= 509,739 LAT. 32.399051 N LONG. 103.573495 W NAD83/86 PROPOSED LAST TAKE POINT X= 734,714 Y= 504,499 LAT. 32.384691 N LONG. 103.572996 W NAD 27 X= 775,897 Y= 504,560 LAT. 32.384814 N LONG. 103.573480 W NAD83/86	DL 9 16 LOCH NESS FED COM P1 17H WELL X= 734,737 Y= 515,221 LAT. 32.414160 N LONG. 103.572675 W NAD 27 X= 775,919 Y= 515,282 LAT. 32.414283 N LONG. 103.573161 W ELEV. +3634' NAVD89 NAD83/86 CORNER COORDINATES TABLE (NAD 27) A - Y=517604.12, X=736041.63 B - Y=514948.69, X=733418.21 C - Y=514965.47, X=736060.36 D - Y=512324.66, X=736081.66 E - Y=509672.38, X=733453.10 F - Y=509685.81, X=736102.72 G - Y=504393.66, X=733496.88 H - Y=504406.30, X=736144.86 PROPOSED BOTTOM HOLE LOCATION X= 734,715 Y= 504,424 LAT. 32.384485 N LONG. 103.572996 W NAD 27 X= 775,897 Y= 504,485 LAT. 32.384608 N LONG. 103.573480 W NAD83/86		¹⁷ OPERATOR CERTIFICATION 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. Signature _____ Date _____ Printed Name _____ E-mail Address _____
			¹⁸ SURVEYOR CERTIFICATION 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. Date of Survey _____ Signature and Seal of Professional Surveyor: Certificate Number _____

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WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number		² Pool Code		³ Pool Name	
⁴ Property Code		⁵ Property Name DL 9 16 LOCH NESS FED COM P1			⁶ Well Number 18H
⁷ OGRID No. 4323		⁸ Operator Name CHEVRON U.S.A. INC.			⁹ Elevation 3633'

¹⁰ Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
P	4	22 SOUTH	33 EAST, N.M.P.M.		264'	SOUTH	1272'	EAST	LEA

¹¹ 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
P	16	22 SOUTH	33 EAST, N.M.P.M.		25'	SOUTH	550'	EAST	LEA

¹² Dedicated Acres 640	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
--------------------------------------	-------------------------------	----------------------------------	-------------------------

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.

¹⁶ PROPOSED FIRST TAKE POINT X= 735,511 Y= 514,862 LAT. 32.413158 N LONG. 103.570175 W NAD 27 X= 776,694 Y= 514,923 LAT. 32.413282 N LONG. 103.570660 W NAD83/86 PROPOSED MID POINT X= 735,553 Y= 509,683 LAT. 32.398922 N LONG. 103.570180 W NAD 27 X= 776,735 Y= 509,744 LAT. 32.399046 N LONG. 103.570644 W NAD83/86 PROPOSED LAST TAKE POINT X= 735,594 Y= 504,504 LAT. 32.384685 N LONG. 103.570146 W NAD 27 X= 776,777 Y= 504,564 LAT. 32.384808 N LONG. 103.570630 W NAD83/86	DL 9 16 LOCH NESS FED COM P1 18H WELL X= 734,787 Y= 515,221 LAT. 32.414160 N LONG. 103.572513 W NAD 27 X= 775,969 Y= 515,282 LAT. 32.414284 N LONG. 103.572999 W NAD83/86 ELEV. +3633' NAVD88	Sec. 4 S 63°36'38" E 808.61' Proposed First Take Point 100' FNL, 550' FEL Sec. 9 Proposed Mid Point Sec. 16 Proposed Last Take Point 100' FSL, 550' FEL	¹⁷ OPERATOR CERTIFICATION 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. Signature:  Date: 4/22/2019 Printed Name: Laura Becerra E-mail Address: LBecerra@Chevron.com	
	CORNER COORDINATES TABLE (NAD 27) A - Y=517604.12, X=736041.63 B - Y=514948.69, X=733418.21 C - Y=514965.47, X=736060.36 D - Y=512324.66, X=736081.66 E - Y=509672.38, X=733453.10 F - Y=509685.81, X=736102.72 G - Y=504393.66, X=733496.88 H - Y=504406.30, X=736144.86		¹⁸ SURVEYOR CERTIFICATION 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. Date of Survey: 04/22/2019 Signature and Seal of Professional Surveyor:  Certificate Number:	
	PROPOSED BOTTOM HOLE LOCATION X= 735,595 Y= 504,429 LAT. 32.384479 N LONG. 103.570145 W NAD 27 X= 776,777 Y= 504,489 LAT. 32.384602 N LONG. 103.570630 W NAD83/86			

DL 9 16 Loch Ness Fed Com P1 #16H, #17H, #18H
T22S-R33E – Section 9, E/2
T22S-R33E – Section 16, E/2
Lea County, NM

Tract 1: NE/4 of Section 9, Township 22 South, Range 33 East

Chevron U.S.A. Inc.	97.50%
Marathon Oil Permian, LLC	2.50%
Total	100.00%

Tract 2: SE/4 of Section 9, Township 22 South, Range 33 East

Chevron U.S.A. Inc.	100.00%
Total	100.00%

Tract 3: N/2 NE/4 of Section 16, Township 22 South, Range 33 East

ConocoPhillips Company	100.00%
Total	100.00%

Tract 4: S/2 NE/4 of Section 16, Township 22 South, Range 33 East

EOG Resources, Inc.	100.00%
Total	100.00%

Tract 5: N/2 SE/4 & SW/4 SE/4 of Section 16, Township 22 South, Range 33 East

ConocoPhillips Company	100.00%
Total	100.00%

Tract 6: SE/4 SE/4 of Section 16, Township 22 South, Range 33 East

EOG Resources, Inc.	100.00%
Total	100.00%

DL 9 16 Loch Ness Fed Com P1 #16H, #17H, #18H
T22S-R33E – Section 9, E/2
T22S-R33E – Section 16, E/2
Lea County, NM

UNIT RECAPITULATION

Section 9: E/2

Section 16: E/2

Township 22 South, Range 33 East

Chevron U.S.A. Inc.	49.375%
Marathon Oil Permian, LLC	0.625%
ConocoPhillips Company	31.250%
EOG Resources, Inc.	18.750%
Total:	100.00%

Interests seeking to Compulsory Pool

Pooled Parties for DL 9 16 Loch Ness Fed Com P1 16H, 17H & 18H

Compulsory Pooled Party(ies)

EOG Resources, Inc.	P.O. Box 4362, Houston, Texas 77210-4362
ConocoPhillips Company	925 N Eldridge Parkway, Houston, Texas 77079
Marathon Oil Permian, LLC	5555 San Felipe Street, Houston, Texas 77056

Record Title/Lessee/Operating Rights Owners Only

Bullhead Energy LLC	P.O. Box 3445, Midland, Texas 79702-3445
Devon Energy Production Company, L.P.	20 N Broadway, Oklahoma City, Oklahoma 73102-9874
Advance Energy Partners Hat Mesa LLC	11490 Westheimer Road, Suite 950, Houston, Texas 77077-6841

Overriding Royalty Interest Owners

Chisos Minerals, LLC	1111 Bagby St, Houston, Texas 77002
C. Mark Wheeler and wife, J'Lynn Wheeler	4929 Rustic Trl, Midland, TX 79707-1418
Crownrock Minerals, L.P.	18 Desta Dr, Midland, TX 79705
The Cornerstone Family Trust	P.O. Box 17656, Golden, Colorado 80402
Jareed Partners, Ltd.	P.O. Box 51451, Midland, TX 79710
Paul R. Barwis	1980 Split Mtn, Canyon Lake, Texas 78133
Bureau of Land Management	301 Dinosaur Trail, Sante Fe, New Mexico 87508
New Mexico State Land Office	310 Old Santa Fe Trail, Santa Fe, NM 87501
Stryker Energy, LLC	P.O. Box 53448, Houston, Texas 77052



Shalyce Holmes
Land Representative

Mid-Continent Business Unit
North American Exploration and
Production Co.,
a division of Chevron U.S.A. Inc.
1400 Smith Street, Room 41102
Houston, Texas 77002
Tel 713-372-6051
Fax 866.819.1448
SLHolmes@chevron.com

VIA CERTIFIED MAIL – RETURN RECEIPT REQUESTED

July 11, 2019

RE: Participation Proposal
DL 9 16 Loch Ness Fed Com #16H
DL 9 16 Loch Ness Fed Com #17H
DL 9 16 Loch Ness Fed Com #18H
Township 22 South, Range 33 East
Section 9: E/2
Section 16: E/2
Lea County, New Mexico

Dear Interest Owner:

Chevron U.S.A. Inc. ("Chevron") hereby proposes to drill the DL 9 16 Loch Ness Fed Com #16H well ("Well #1"), DL 9 16 Loch Ness Fed Com #17H well ("Well #2"), and DL 9 16 Loch Ness Fed Com #18H well ("Well #3") all Bone Spring – Lower Avalon wells, and all within the E/2 of Sections 9 and 16, Township 22 South, Range 33 East, N.M.P.M., Lea County, New Mexico. Chevron will develop this area by pad drilling.

The intended SHL, BHL, TVD, MD and Cost for the wells are as follows:

Well 1:

SHL: 263' FSL & 1372' FEL Sec. 4
BHL: 25' FSL & 2310' FEL Sec. 16
TVD: 9,525'
MD: 20,298'

Well 2:

SHL: 264' FSL & 1322' FEL Sec. 4
BHL: 25' FSL & 1430' FEL Sec. 16
TVD: 9,675'
MD: 20,449'

Well 3:

SHL: 264' FSL & 1272' FEL Sec. 4
BHL: 25' FSL & 550' FEL Sec. 16
TVD: 9,525'
MD: 20,299'

Please note that compliance with topography, cultural, and/or environmental concerns, among others, may require modifications to Chevron's intended procedure and/or location. The AFE's enclosed

BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. 4
Submitted by: **Chevron U.S.A. Inc.**
Hearing Date: September 05, 2019
Case No. 20768

July 11, 2019

represent an estimate of the costs that will be incurred to drill, complete and equip the wells, but those electing to participate in the wells are responsible for their proportionate share of the actual costs incurred.

Your interest under the proposed contract areas, being the E/2 of Sections 9 & 16 is as follows (subject to change and title verification):

- Marathon Oil Permian, LLC – 1.25%

If your election is to participate in the drilling, completion and equipping of the wells, please sign and return the enclosed AFEs within 30 days of receipt of this proposal.

Please note that Chevron is open to discuss possible trades, assignments, etc. of your 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 'Shalyce Holmes', written over a faint circular stamp.

Shalyce Holmes
Land Representative

Enclosures

**Facilities and Central Tank Battery --
Detail of Cost Estimate**

FIELD:	Dagger Lake
WELL NAME:	DL 9 16 Loch Ness Fed State Com P1 16H

Description	\$USD
Battery Total:	4,945,000
Contract & Chevron Project Supervision	188,428
Contract Labor - Reg/Roustabout	526,075
FCR - Instruments & Electrical	294,833
Tanks, Liner, Catwalks	282,721
Pipe, Valves, Manifolds, Meters & Fittings	958,978
FCR - Pressure Vessels	1,666,075
Rotating Equipment	704,385
Sales Tax	323,505
Compressor Station Total:	4,615,500
Contract & Chevron Project Supervision	158,199
Contract Labor - Reg/Roustabout	1,617,635
FCR - Instruments & Electrical	218,907
Tanks, Liner, Catwalks	82,345
Pipe, Valves, Manifolds, Meters & Fittings	936,261
FCR - Pressure Vessels	689,522
Rotating Equipment	357,738
Flare	252,946
Sales Tax	301,949
Outside Battery Limits Total:	4,328,980
Fabrication & As-built drawings	2,221
Electric Distribution System	405,778
ITC/Communication	473,204
Land & Lease Costs	62,116
Company Project Supervision	37,478
Contract Project Supervision	29,149
Utilities - Other/Water	53,630
Site Work/Roads/Location	1,633,261
Pipe, Valves, & Fittings	82,243
Pipe - Line (Size 2" and over)	1,149,972
FCR - Instruments & Electrical	116,724
Sales Tax	283,204
TOTAL COST	13,889,480

per well cost: \$ 4,629,827

Participation & Authorization
Marathon Oil Permian LLC
Approved (Print Name)

Share
0.0125
Amount
\$ 57,872.83
Approved (Signature)

Date

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Chevron North American Exploration			Appropriation Request	
County, State Lea County, NM	Well Type Development	Field Delaware Basin	Well Name DL 9 16 Loch Ness Fed State Com P1 16H	
Area Dagger Lake	Objective Lower Avalon	Date 7/10/2019	Project Engineer R. Milligan	Duration (days) 27.50
			Business Unit MCBU	Joint Venture Yes
Reason for Expenditure Drilling AFE			Comments	
Cost Category		Code	Sub-code	Amount (\$)
Company Labor		6601	0100	\$ 112,687
Contract Project Supervision		7000	0200	\$ 26,791
Fuel Diesel		7129	0100	\$ 122,947
Utilities / Potable Water		7129	0300	\$ 8,956
Casing (tangible)		7190	0022	\$ 877,783
Wellheads (tangible)		7190	0110	\$ 32,165
Materials, Parts, & Supply		7190	0500	\$ 35,178
Drilling Fluids		7190	1900	\$ 374,510
Surface Equipment Rentals		7230	0100	\$ 294,099
Well Service Equipment Rentals		7230	0200	\$ 134,673
Rig Rentals		7230	0800	\$ 8,983
Transportation Services, Land & Marine		7340	0300	\$ 49,597
Rig Work		7440	0001	\$ 510,485
Mobilization / De-Mobilization		7440	0003	\$ -
Solid Waste Disposal		7420	0300	\$ 130,393
Directional Survey & Services		7440	0006	\$ 263,308
Drill-Pipe Rental & Bits		7440	0007	\$ 122,928
Coring		7440	0017	\$ -
Testing		7440	0018	\$ -
Logging Wireline		7440	0019	\$ -
Logging While Drilling (LWD)		7440	0020	\$ -
Logging Mud		7440	0021	\$ 16,685
Cementing		7440	0024	\$ 248,673
Sitework / Locations		7450	0021	\$ 14,192
			Total	\$ 3,385,031
Participation & Authorization			Share (%)	Amount (\$)
Marathon Oil Permian LLC			1.2500%	\$42,312.89
			1.2500%	
Approved (Print Name)			Approved (Signature)	
			Date	

Chevron North American Exploration			Appropriation Request	
State	Well Type	Field	Well Name	
New Mexico	Development	Dagger Lake	DL 9 16 Loch Ness Fed State Com P1 16H	
Area	Objective	Date	Project Engineer	Well Duration (days)
Dagger Lake	Lower Avalon	7/10/2019	R. Milligan	15.87
			Business Unit	Joint Venture
			MCBU	Yes
Reason for Expenditure			Comments	
Completions AFE				
Cost Category	Code	Sub-code	Amount (\$)	
Company Labor	6601	0100	\$ 92,453	
Contract Labor	7000	0200	\$ 97,164	
Fuel & Utilities	7129	0100	\$ 376,804	
Artificial Lift Equipment & Materials	7150	0100	\$ 22,671	
Tubing	7190	0021	\$ 57,188	
Sub-Surface Well Equipment & Materials	7190	0100	\$ 91,354	
Wellheads & Trees	7190	0110	\$ 19,117	
Drilling & Completion Fluids	7190	1900	\$ 738,312	
Equipment Rentals	7230	0100	\$ 743,980	
Materials, Supplies, & Parts	7190	0500	\$ -	
Transportation	7340	0300	\$ 27,595	
Waste Water Disposal	7420	0600	\$ -	
Rig Daywork	7440	0001	\$ 4,941	
Drill String & Drill Bits	7440	0007	\$ 57,819	
Coil Tubing	7440	0009	\$ 264,127	
Stimulation / Gravel Pack	7440	0010	\$ 2,092,312	
Stimulation / Gravel Pack	7440	0010	\$ 625,182	
Perforating & Electric Line Services	7440	0014	\$ 343,384	
Logging – Wireline	7440	0019	\$ 13,666	
Sitework / Roads / Location	7450	0021	\$ -	
Capitalized G&A	9410	0700	\$ -	
			Total	\$ 5,668,069
Participation & Authorization			Share (%)	Amount (\$)
Marathon Oil Permian LLC			1.2500%	\$70,850.87
			1.2500%	
Approved (Print Name)			Approved (Signature)	
			Date	

**Facilities and Central Tank Battery --
Detail of Cost Estimate**

FIELD:	Dagger Lake
WELL NAME:	DL 9 16 Loch Ness Fed State Com P1 17H

Description	\$USD
Battery Total:	4,945,000
Contract & Chevron Project Supervision	188,428
Contract Labor - Reg/Roustabout	526,075
FCR - Instruments & Electrical	294,833
Tanks, Liner, Catwalks	282,721
Pipe, Valves, Manifolds, Meters & Fittings	958,978
FCR - Pressure Vessels	1,666,075
Rotating Equipment	704,385
Sales Tax	323,505
Compressor Station Total:	4,615,500
Contract & Chevron Project Supervision	158,199
Contract Labor - Reg/Roustabout	1,617,635
FCR - Instruments & Electrical	218,907
Tanks, Liner, Catwalks	82,345
Pipe, Valves, Manifolds, Meters & Fittings	936,261
FCR - Pressure Vessels	689,522
Rotating Equipment	357,738
Flare	252,946
Sales Tax	301,949
Outside Battery Limits Total:	4,328,980
Fabrication & As-built drawings	2,221
Electric Distribution System	405,778
ITC/Communication	473,204
Land & Lease Costs	62,116
Company Project Supervision	37,478
Contract Project Supervision	29,149
Utilities - Other/Water	53,630
Site Work/Roads/Location	1,633,261
Pipe, Valves, & Fittings	82,243
Pipe - Line (Size 2" and over)	1,149,972
FCR - Instruments & Electrical	116,724
Sales Tax	283,204
TOTAL COST	13,889,480

per well cost: \$ 4,629,827

Participation & Authorization
Marathon Oil Permian LLC
Approved (Print Name)

Share
0.0125
Amount
\$ 57,872.83
Approved (Signature)

Date

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Chevron North American Exploration			Appropriation Request	
County, State Lea County, NM	Well Type Development	Field Delaware Basin	Well Name DL 9 16 Loch Ness Fed State Com P1 17H	
Area Dagger Lake	Objective Lower Avalon	Date 7/10/2019	Project Engineer R. Milligan	Duration (days) 27.50
			Business Unit MCBU	Joint Venture Yes
Reason for Expenditure			Comments	
Drilling AFE				
Cost Category	Code	Sub-code	Amount (\$)	
Company Labor	6601	0100	\$	112,687
Contract Project Supervision	7000	0200	\$	26,791
Fuel Diesel	7129	0100	\$	122,947
Utilities / Potable Water	7129	0300	\$	8,956
Casing (tangible)	7190	0022	\$	877,783
Wellheads (tangible)	7190	0110	\$	32,165
Materials, Parts, & Supply	7190	0500	\$	35,178
Drilling Fluids	7190	1900	\$	374,510
Surface Equipment Rentals	7230	0100	\$	294,099
Well Service Equipment Rentals	7230	0200	\$	134,673
Rig Rentals	7230	0800	\$	8,983
Transportation Services, Land & Marine	7340	0300	\$	49,597
Rig Work	7440	0001	\$	510,485
Mobilization / De-Mobilization	7440	0003	\$	-
Solid Waste Disposal	7420	0300	\$	130,393
Directional Survey & Services	7440	0006	\$	263,308
Drill-Pipe Rental & Bits	7440	0007	\$	122,928
Coring	7440	0017	\$	-
Testing	7440	0018	\$	-
Logging Wireline	7440	0019	\$	-
Logging While Drilling (LWD)	7440	0020	\$	-
Logging Mud	7440	0021	\$	16,685
Cementing	7440	0024	\$	248,673
Sitework / Locations	7450	0021	\$	14,192
			Total	\$ 3,385,031
Participation & Authorization		Share (%)	Amount (\$)	
Marathon Oil Permian LLC		1.2500%	\$42,312.89	
		1.2500%		
Approved (Print Name)		Approved (Signature)		
		Date		

Chevron North American Exploration			Appropriation Request	
State	Well Type	Field	Well Name	
New Mexico	Development	Dagger Lake	DL 9 16 Loch Ness Fed State Com P1 17H	
Area	Objective	Date	Project Engineer	Well Duration (days)
Dagger Lake	Lower Avalon	7/10/2019	R. Milligan	15.87
			Business Unit	Joint Venture
			MCBU	Yes
Reason for Expenditure			Comments	
Completions AFE				
Cost Category	Code	Sub-code	Amount (\$)	
Company Labor	6601	0100	\$ 92,453	
Contract Labor	7000	0200	\$ 97,164	
Fuel & Utilities	7129	0100	\$ 376,804	
Artificial Lift Equipment & Materials	7150	0100	\$ 22,671	
Tubing	7190	0021	\$ 57,188	
Sub-Surface Well Equipment & Materials	7190	0100	\$ 91,354	
Wellheads & Trees	7190	0110	\$ 19,117	
Drilling & Completion Fluids	7190	1900	\$ 738,312	
Equipment Rentals	7230	0100	\$ 743,980	
Materials, Supplies, & Parts	7190	0500	\$ -	
Transportation	7340	0300	\$ 27,595	
Waste Water Disposal	7420	0600	\$ -	
Rig Daywork	7440	0001	\$ 4,941	
Drill String & Drill Bits	7440	0007	\$ 57,819	
Coil Tubing	7440	0009	\$ 264,127	
Stimulation / Gravel Pack	7440	0010	\$ 2,092,312	
Stimulation / Gravel Pack	7440	0010	\$ 625,182	
Perforating & Electric Line Services	7440	0014	\$ 343,384	
Logging – Wireline	7440	0019	\$ 13,666	
Sitework / Roads / Location	7450	0021	\$ -	
Capitalized G&A	9410	0700	\$ -	
			Total	\$ 5,668,069
Participation & Authorization		Share (%)	Amount (\$)	
Marathon Oil Permian LLC		1.2500%	\$70,850.87	
		1.2500%		
Approved (Print Name)		Approved (Signature)		
		Date		

**Facilities and Central Tank Battery --
Detail of Cost Estimate**

FIELD:	Dagger Lake
WELL NAME:	DL 9 16 Loch Ness Fed State Com P1 18H

Description	\$USD
Battery Total:	4,945,000
Contract & Chevron Project Supervision	188,428
Contract Labor - Reg/Roustabout	526,075
FCR - Instruments & Electrical	294,833
Tanks, Liner, Catwalks	282,721
Pipe, Valves, Manifolds, Meters & Fittings	958,978
FCR - Pressure Vessels	1,666,075
Rotating Equipment	704,385
Sales Tax	323,505
Compressor Station Total:	4,615,500
Contract & Chevron Project Supervision	158,199
Contract Labor - Reg/Roustabout	1,617,635
FCR - Instruments & Electrical	218,907
Tanks, Liner, Catwalks	82,345
Pipe, Valves, Manifolds, Meters & Fittings	936,261
FCR - Pressure Vessels	689,522
Rotating Equipment	357,738
Flare	252,946
Sales Tax	301,949
Outside Battery Limits Total:	4,328,980
Fabrication & As-built drawings	2,221
Electric Distribution System	405,778
ITC/Communication	473,204
Land & Lease Costs	62,116
Company Project Supervision	37,478
Contract Project Supervision	29,149
Utilities - Other/Water	53,630
Site Work/Roads/Location	1,633,261
Pipe, Valves, & Fittings	82,243
Pipe - Line (Size 2" and over)	1,149,972
FCR - Instruments & Electrical	116,724
Sales Tax	283,204
TOTAL COST	13,889,480

per well cost: \$ 4,629,827

Participation & Authorization
Marathon Oil Permian LLC
Approved (Print Name)

Share
0.0125
Amount
\$ 57,872.83
Approved (Signature)

Date

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Chevron North American Exploration			Appropriation Request	
County, State Lea County, NM	Well Type Development	Field Delaware Basin	Well Name DL 9 16 Loch Ness Fed State Com P1 18H	
Area Dagger Lake	Objective Lower Avalon	Date 7/10/2019	Project Engineer R. Milligan	Duration (days) 27.50
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Rig Rentals	7230	0800	\$	8,983
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Testing	7440	0018	\$	-
Logging Wireline	7440	0019	\$	-
Logging While Drilling (LWD)	7440	0020	\$	-
Logging Mud	7440	0021	\$	16,685
Cementing	7440	0024	\$	248,673
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			Total	\$ 3,385,031
Participation & Authorization		Share (%)	Amount (\$)	
Marathon Oil Permian LLC		1.2500%	\$42,312.89	
		1.2500%		
Approved (Print Name)		Approved (Signature)		
		Date		

Chevron North American Exploration			Appropriation Request	
State New Mexico	Well Type Development	Field Dagger Lake	Well Name DL 9 16 Loch Ness Fed State Com P1 18H	
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Reason for Expenditure			Comments	
Completions AFE				
Cost Category	Code	Sub-code	Amount (\$)	
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Contract Labor	7000	0200	\$ 97,164	
Fuel & Utilities	7129	0100	\$ 376,804	
Artificial Lift Equipment & Materials	7150	0100	\$ 22,671	
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Wellheads & Trees	7190	0110	\$ 19,117	
Drilling & Completion Fluids	7190	1900	\$ 738,312	
Equipment Rentals	7230	0100	\$ 743,980	
Materials, Supplies, & Parts	7190	0500	\$ -	
Transportation	7340	0300	\$ 27,595	
Waste Water Disposal	7420	0600	\$ -	
Rig Daywork	7440	0001	\$ 4,941	
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Stimulation / Gravel Pack	7440	0010	\$ 2,092,312	
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Perforating & Electric Line Services	7440	0014	\$ 343,384	
Logging – Wireline	7440	0019	\$ 13,666	
Sitework / Roads / Location	7450	0021	\$ -	
Capitalized G&A	9410	0700	\$ -	
			Total	\$ 5,668,069
Participation & Authorization			Share (%)	Amount (\$)
Marathon Oil Permian LLC			1.2500%	\$70,850.87
			1.2500%	
Approved (Print Name)			Approved (Signature)	
			Date	

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. 20768

AFFIDAVIT

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

Kaitlyn A. Luck, 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
Applications have been provided under the notice letters and proof of receipts attached hereto.

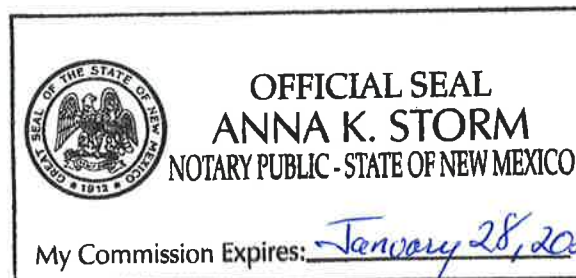

Kaitlyn A. Luck

SUBSCRIBED AND SWORN to before me this 4th day of September, 2019 by Kaitlyn
A. Luck.


Notary Public

My Commission Expires:

January 28, 2023



BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. 5
Submitted by: **Chevron U.S.A. Inc.**
Hearing Date: September 05, 2019
Case No. 20768

HOLLAND & HART LLP



Michael H. Feldewert
Recognized Specialist in the
Area of Natural Resources –
Oil and Gas Law – New Mexico Board of
Legal Specification
mfeldewert@hollandhart.com

August 16, 2019

VIA CERTIFIED MAIL
CERTIFIED RECEIPT REQUESTED

TO: ALL INTEREST OWNERS SUBJECT TO POOLING PROCEEDINGS

**Re: Application of Chevron U.S.A. Inc. for compulsory pooling,
Lea County, New Mexico.
DL 9 16 Loch Ness Fed Com P1 #16H, 17H, 18H Well**

Ladies & Gentlemen:

This letter is to advise you that Chevron U.S.A. Inc. has filed the enclosed application with the New Mexico Oil Conservation Division. A hearing has been requested before a Division Examiner on September 5, 2019 and the status of the hearing can be monitored through the Division's website at <http://www.emnrd.state.nm.us/ocd/>. Division hearings will commence at 8:15 a.m. in Porter Hall at 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 business 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 Shalyce Holmes, at 713-372-6051 or SLHolmes@chevron.com.

Sincerely,

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

Postal Delivery Report
Chevron - Loch Ness 16H-18H
Case No. 20768

TrackingNo	ToName	DeliveryAddress	City	State	Zip	USPS_Status
94148108987 65041516760	EOG Resources, Inc.	PO Box 4362	Houston	TX	77210-4362	Your item was delivered at 4:23 am on August 20, 2019 in HOUSTON, TX 77210.
94148108987 65041516883	The Cornerstone Family Trust	PO Box 17656	Golden	CO	80402-6027	Your item was delivered at 12:15 pm on August 23, 2019 in GOLDEN, CO 80401.
94148108987 65041516890	Jareed Partners, Ltd.	PO Box 51451	Midland	TX	79710-1451	Your package will arrive later than expected, but is still on its way. It is currently in transit to the next facility.
94148108987 65041516906	Bureau of Land Management	301 Dinosaur Trl	Santa Fe	NM	87508-1560	We attempted to deliver your package at 10:53 am on August 17, 2019 in SANTA FE, NM 87508 but could not access the delivery location. We will redeliver on the next business day.
94148108987 65041516920	New Mexico State Land Office	310 Old Santa Fe Trl	Santa Fe	NM	87501-2708	Your item was delivered at 11:08 am on August 19, 2019 in SANTA FE, NM 87501.
94148108987 65041516937	Stryker Energy, LLC	PO Box 53448	Houston	TX	77052-3448	Your item was delivered at 11:14 am on August 19, 2019 in HOUSTON, TX 77002.
94148108987 65041516944	Paul R Barwis	1980 Split Mtn	Canyon Lake	TX	78133-5987	Your item was delivered at 1:05 pm on August 21, 2019 in CANYON LAKE, TX 78133.
94148108987 65041516777	ConocoPhillips Company	925 N Eldridge Pkwy	Houston Texas	TX	77079-2703	Your item was delivered at 9:42 am on August 19, 2019 in HOUSTON, TX 77079.
94148108987 65041516784	Marathon Oil Permian, LLC	5555 San Felipe St	Houston	TX	77056-2701	Your item was delivered to the front desk, reception area, or mail room at 1:26 pm on August 19, 2019 in HOUSTON, TX 77056.
94148108987 65041516791	Bullhead Energy LLC	PO Box 3445	Midland	TX	79702-3445	Your item was delivered at 11:31 am on August 21, 2019 in MIDLAND, TX 79701.
94148108987 65041516807	Devon Energy Production Company, L.P.	20 N Broadway	Oklahoma City	OK	73102-9213	Your item was delivered at 8:05 am on August 19, 2019 in OKLAHOMA CITY, OK 73102.
94148108987 65041516821	Advance Energy Partners Hat Mesa LLC	11490 Westheimer Rd Ste 950	Houston	TX	77077-6841	Your item was delivered at 2:26 pm on August 20, 2019 in HOUSTON, TX 77077.
94148108987 65041516838	Chisos Minerals, LLC	1111 Bagby St	Houston	TX	77002-2551	Your item was delivered to an individual at the address at 2:22 pm on August 19, 2019 in HOUSTON, TX 77002.
94148108987 65041516852	C. Mark Wheeler and wife, J'Lynn Wheeler	4929 Rustic Trl	Midland	TX	79707-1418	Your item was delivered at 10:37 am on August 20, 2019 in MIDLAND, TX 79705.
94148108987 65041516876	Crownrock Minerals, L.P.	18 Desta Dr	Midland	TX	79705-4507	Your item was delivered to the front desk, reception area, or mail room at 10:08 am on August 19, 2019 in MIDLAND, TX 79705.

Postal Delivery Report
Chevron - Loch Ness 16H-18H
Case No. 20768

TrackingNo	ToName	DeliveryAddress	City	State	Zip	USPS_Status
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Affidavit of Publication

STATE OF NEW MEXICO
COUNTY OF LEA

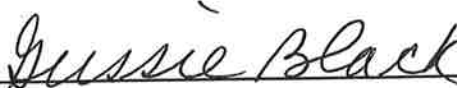
I, Daniel Russell, Publisher of the Hobbs News-Sun, a newspaper published at Hobbs, New Mexico, solemnly swear that the clipping attached hereto was published in the regular and entire issue of said newspaper, and not a supplement thereof for a period of 1 issue(s).

Beginning with the issue dated
August 18, 2019
and ending with the issue dated
August 18, 2019.



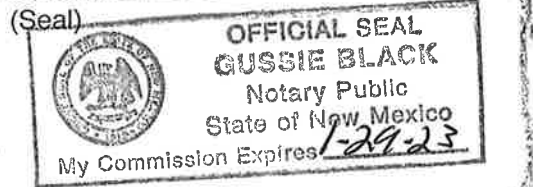
Publisher

Sworn and subscribed to before me this
18th day of August 2019.



Business Manager

My commission expires
January 29, 2023



This newspaper is duly qualified to publish legal notices or advertisements within the meaning of Section 3, Chapter 167, Laws of 1937 and payment of fees for said

LEGAL

LEGAL

LEGAL NOTICE
AUGUST 18, 2019

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 5, 2019, in the Oil Conservation Division Hearing Room at 1220 South St. Francis, Santa Fe, New Mexico, before an examiner duly appoint 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 August 26, 2019. 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 public.

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

To: All overriding royalty interest owners and pooled parties, including: EOG Resources, Inc.; ConocoPhillips Company; Marathon Oil Permian, LLC; Bullhead Energy LLC; Devon Energy Production Company, L.P.; Advance Energy Partners Hat Mesa LLC; Chisos Minerals, LLC; C. Mark Wheeler and wife, J'Lynn Wheeler, their heirs and devisees; Crownrock Minerals, L.P.; The Cornerstone Family Trust; Jared Partners, Ltd.; Paul R. Barwis, his heirs and devisees; Bureau of Land Management; New Mexico State Land Office; Stryker Energy, LLC.

Case No. 20768: Application of Chevron Production Company for compulsory pooling, Lea County, New Mexico. Applicant in the above-styled cause seeks an order pooling all uncommitted interests in the Bone Spring formation underlying a standard 640-acre horizontal spacing unit comprised of the E/2 of Sections 9 and 16, Township 22 South, Range 33 East, NMPM, Lea County, New Mexico. The above-referenced unit will be dedicated to the following proposed wells:

- The DL 9 16 Loch Ness Fed Com P1 #16H Well and the DL 9 16 Loch Ness Fed Com P1 #17H Well to be horizontally drilled from surface hole locations in the SW/4 SE/4 (Unit O) of Section 4 to bottom hole locations in the SE/4 SE/4 (Unit P) of Section 22; and
- The DL 9 16 Loch Ness Fed Com P1 #18H Well to be horizontally drilled from a surface hole location in the SE/4 SE/4 (Unit P) of Section 4 to a bottom hole location in the SE/4 SE/4 (Unit P) of Section 16. The completed interval for the proposed DL 9 16 Loch Ness Fed Com P1 #17H Well will be within 330 feet of the quarter-quarter line separating the W/2 E/2 from the E/2 E/2 of Sections 9 and 16 to allow inclusion of this acreage into a standard 640-acre horizontal spacing unit. Also, to be considered will be the cost of drilling and completing the wells, the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of applicant as operator, and a 200% charge for risk involved in drilling and completing the well. Said area is located approximately 24 miles east of Loving, New Mexico.

#34582

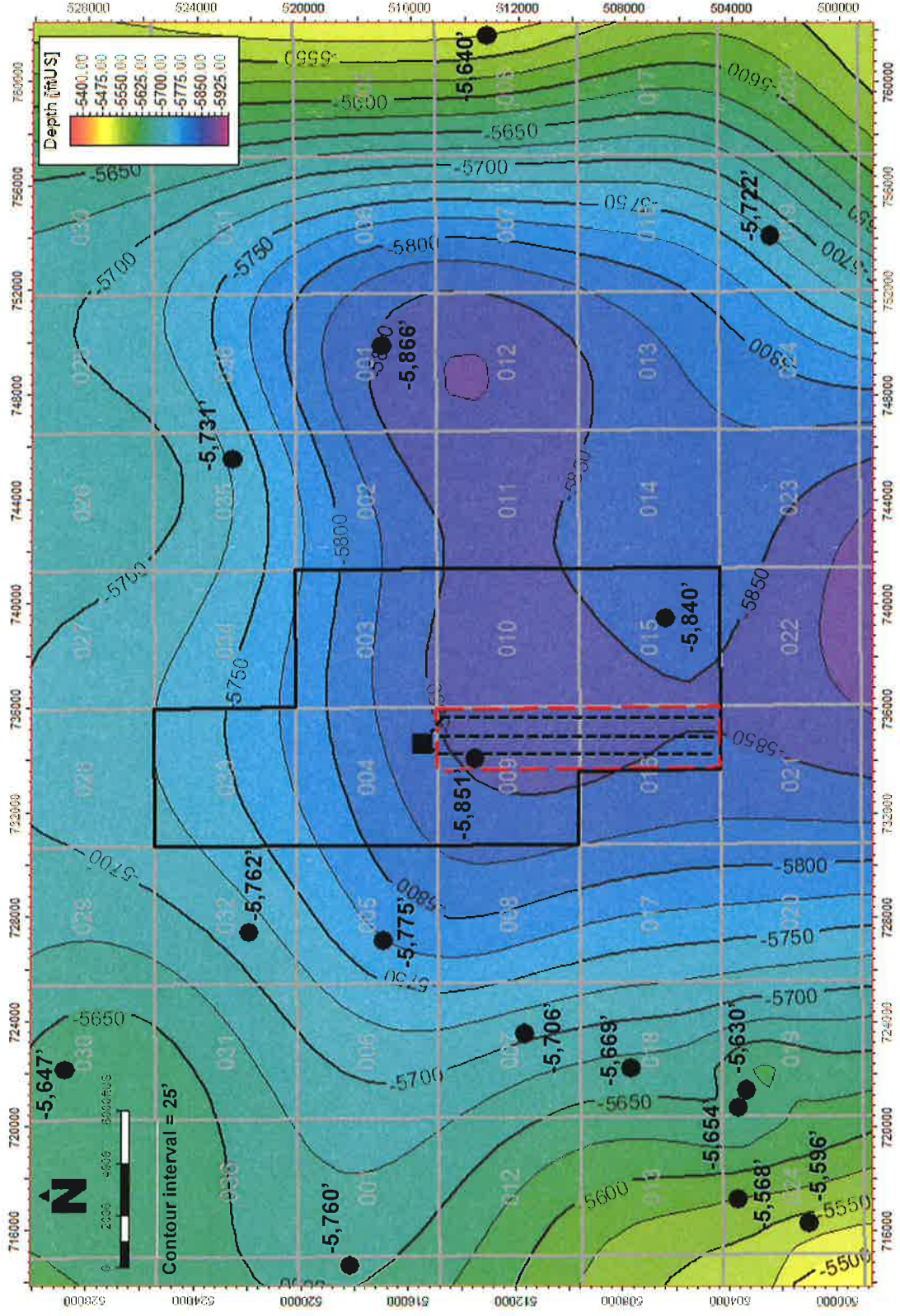
67100754

00232257

HOLLAND & HART LLC
PO BOX 2208
SANTA FE, NM 87504-2208

Top Lower Avalon Structure Map (SSSTD)

DL Loch Ness Pad, Sections 9 & 16, T22S, R33E, Lea, NM



- Lower Avalon deposited in a depositional low in Dagger Lake area.
- Over the Loch Ness spacing unit (outlined in red), the Lower Avalon dips $\sim 0.8^\circ$ to the east-southeast.
- No structural complications or impediments to production.
- Wells shown are the control points.

BEFORE THE OIL CONSERVATION DIVISION

Santa Fe, New Mexico

Exhibit No. 6

Submitted by: Chevron U.S.A. Inc.

Hearing Date: September 05, 2019

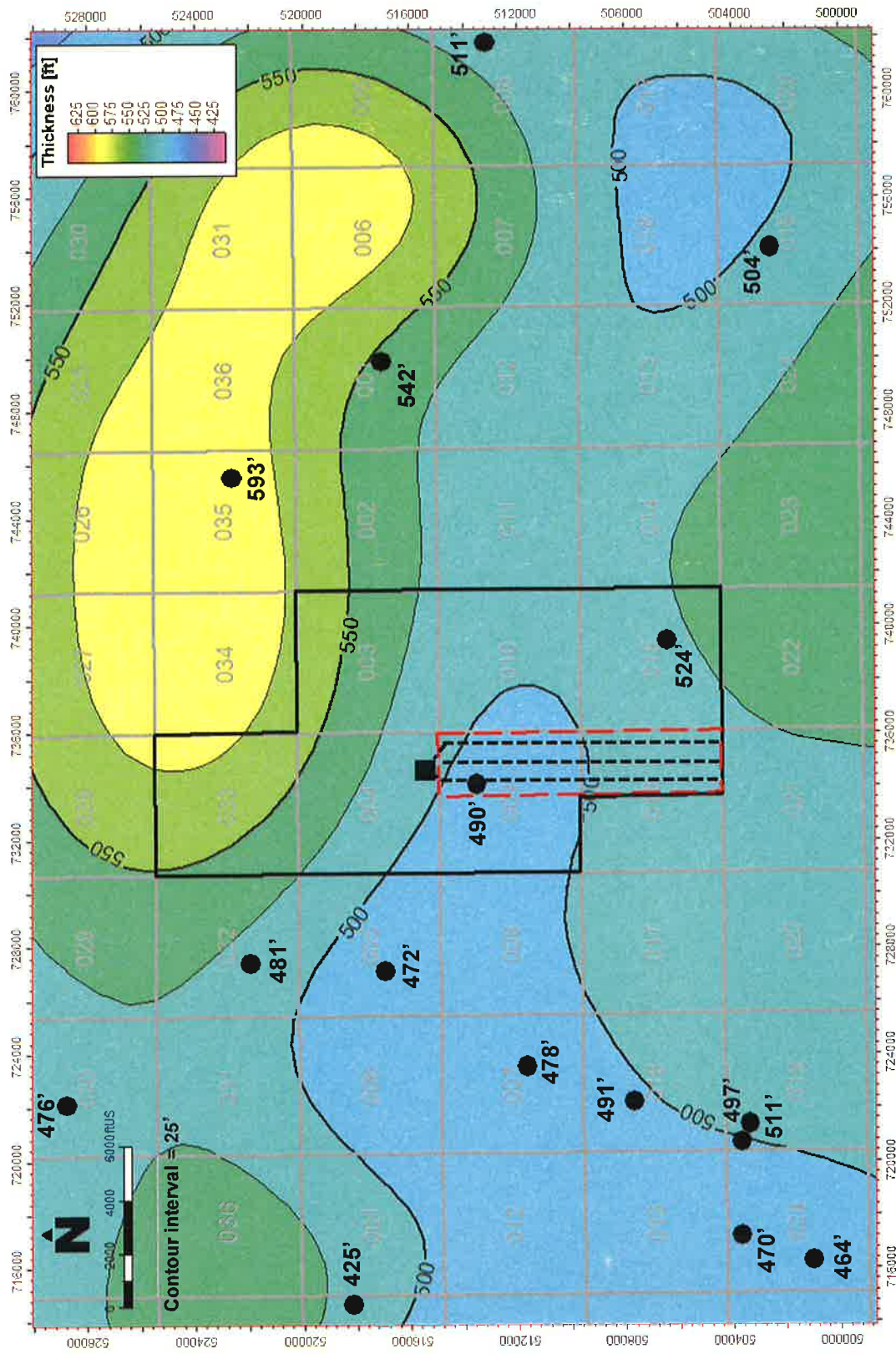
Case No. 20768



Gross Isopach Thickness of the Lower Avalon

DL Loch Ness Pad, Sections 9 & 16, T22S, R33E, Lea, NM

- Thickness in the Lower Avalon ranges from 495' to 510' in Sec. 9 & 16.
- No stratigraphic complexities or impediments to production.



BEFORE THE OIL CONSERVATION DIVISION

Santa Fe, New Mexico

Exhibit No. 7

Submitted by: Chevron U.S.A. Inc.

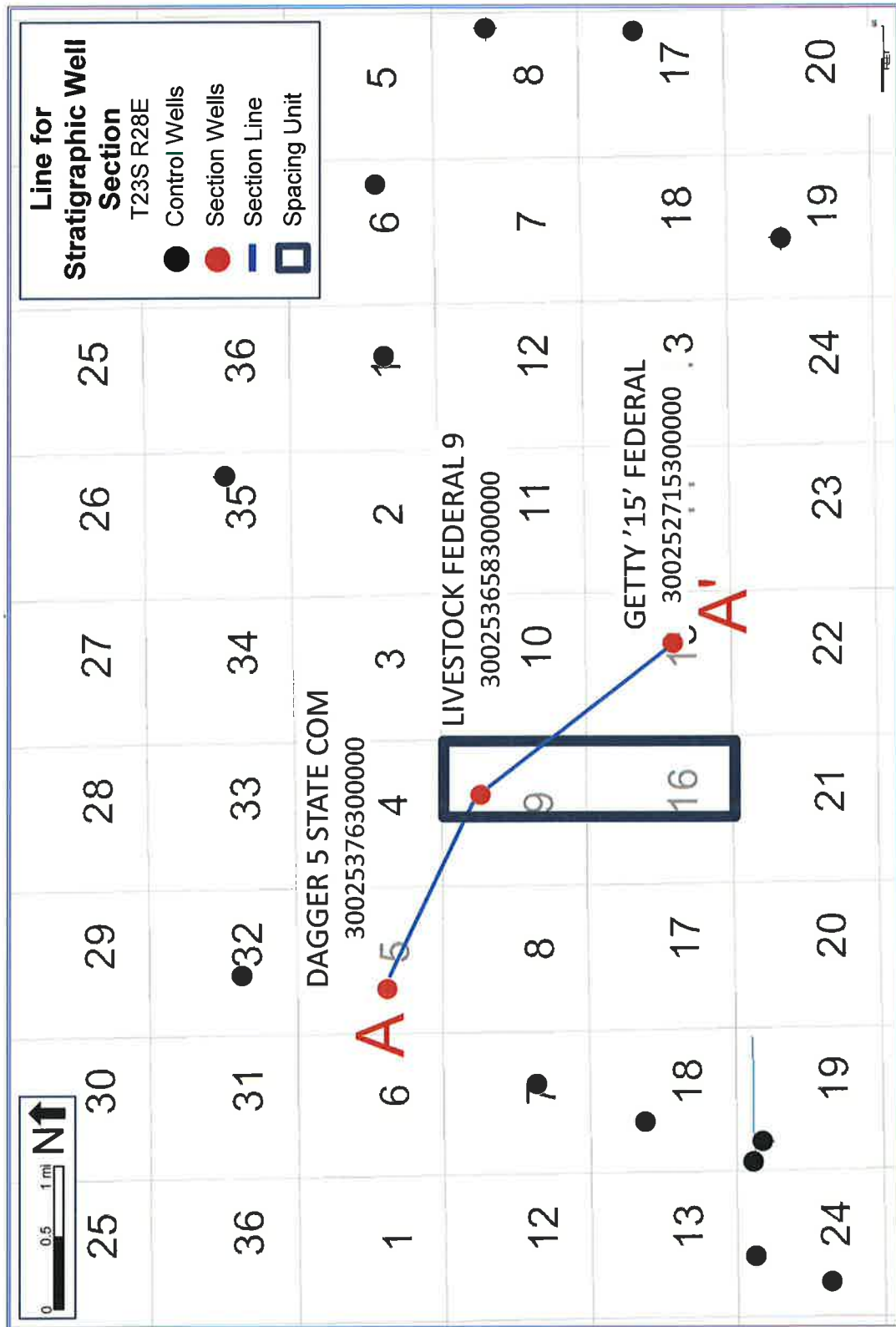
Hearing Date: September 05, 2019

Case No. 20768



Cross Section Location Map

DL Loch Ness Pad, Sections 9 & 16, T22S, R33E, Lea, NM



BEFORE THE OIL CONSERVATION DIVISION

Santa Fe, New Mexico

Exhibit No. 8

Submitted by: Chevron U.S.A. Inc.

Hearing Date: September 05, 2019

Case No. 20768

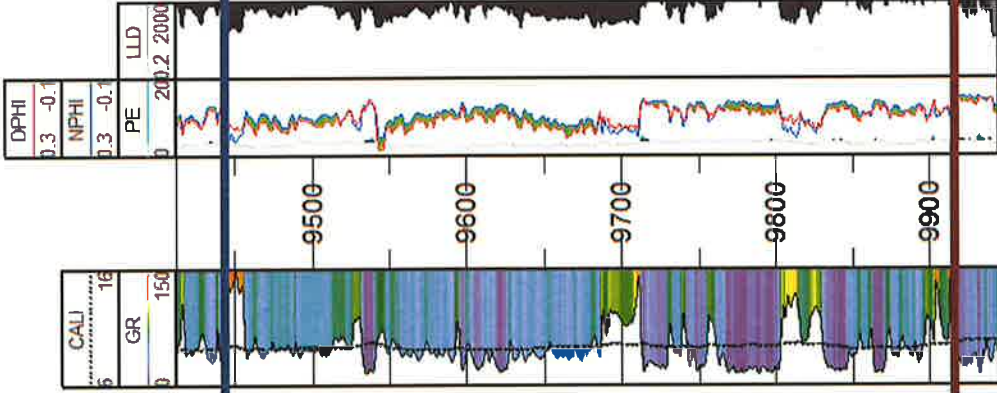
Cross Section of Lower Avalon

DAGGER 5 STATE COIM
30025376300000
3,667

LIVESTOCK FEDERAL 9
30025365830000
3,640

GETTY 15 FEDERAL
30025271530000
3,572

A



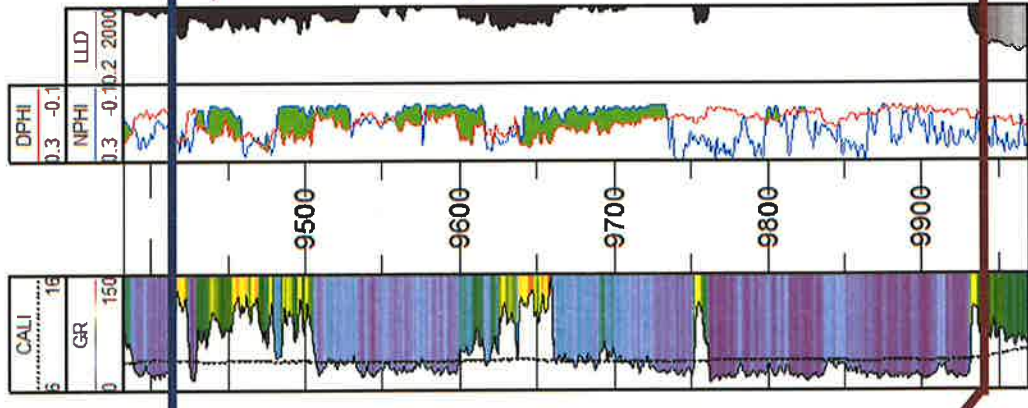
Lower Avalon

Lower Avalon
Target 2

Lower Avalon
Target 1

First Bone Spring

A'



Flattened on Lower
Avalon top.

DL LOCH NESS 16H
DL LOCH NESS 18H

DL LOCH NESS 17H

Lower Avalon targets
are noted by the green
stars; the targets are
generally consistent in
thickness and lithology
across the proposed
area.

BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico

Exhibit No. 9

Submitted by: Chevron U.S.A. Inc.

Hearing Date: September 05, 2019

Case No. 20768

