# BEFORE THE OIL CONSERVATION DIVISION EXAMINER HEARING JUNE 11, 2020

CASE Nos. 21294-21295

CB BERU 23 14 FEE 06 301H WELL CB BERU 23 14 FEE 06 302H WELL

## EDDY COUNTY, NEW MEXICO



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

APPLICATIONS OF CHEVRON U.S.A. INC. FOR COMPULSORY POOLING, EDDY COUNTY, NEW MEXICO.

CASE NOS. 21294, 21295

#### **TABLE OF CONTENTS**

	TABLE OF CONTENTS
1. Chevron Exhibit A -	Pooling Application Checklists
2. Chevron Exhibit B –	Applications of Chevron USA Inc. for Compulsory Pooling, Eddy County, New Mexico
3. Chevron Exhibit C –	Affidavit of Kelly Rau, Land Representative
4. Chevron Exhibit C-1 –	Case No. 21294 C-102s
5. Chevron Exhibit C-2 –	Case No. 21295 C-102s
6. Chevron Exhibit C-3 –	Case Nos. 21294 & 21295 Tract Plat
7. Chevron Exhibit C-4 –	Case Nos. 21294 & 21295 Tract/Unit Recap
8. Chevron Exhibit C-5 –	Well Proposal/AFE
9. Chevron Exhibit C-6 –	Chronology of Contact with Uncommitted Interests
10. Chevron Exhibit D –	Affidavit of Karl Bloor, Geologist
11. Chevron Exhibit D-1 –	Karl Bloor Resume
12. Chevron Exhibit D-2 –	Project Locator Map
13. Chevron Exhibit D-3 –	Structure Map for Third Bone Spring
14. Chevron Exhibit D-4 –	Cross-Section Map
15. Chevron Exhibit D-5 –	Cross-Section
16. Chevron Exhibit E –	Notice Affidavit
17. Chevron Exhibit F –	Notice of Publication

## **COMPULSORY POOLING APPLICATION CHECKLIST (pdf)**

### ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS

Case: 21294	APPLICANT'S RESPONSE						
Date: June 11, 2020							
Applicant	Chevron U.S.A. Inc.						
Designated Operator & OGRID (affiliation if applicable)	Chevron U.S.A. Inc. (OGRID No. 4323)						
Applicant's Counsel:	Holland & Hart LLP						
Case Title:	APPLICATION OF CHEVRON U.S.A. INC. FOR COMPULSORY POOLING, EDDY COUNTY, NEW MEXICO						
Entries of Appearance/Intervenors:	N/A						
Well Family	CB BERU 23 14 FEE 06 wells						
Formation/Pool							
Formation Name(s) or Vertical Extent:	Bone Spring						
Primary Product (Oil or Gas):	Oil						
Pooling this vertical extent:	Bone Spring formation						
Pool Name and Pool Code:	Culebra Bluff; Bone Spring, South Pool (Pool Code 15011)						
Well Location Setback Rules:	Statewide Horizontal well rules						
Spacing Unit Size:	240 acres, more or less						
Spacing Unit							
Type (Horizontal/Vertical)	Horizontal						
Size (Acres)	240 acres, more or less						
Building Blocks:	quarter-quarter sections						
Orientation:	North/South						
Description: TRS/County	W/2 E/2 of Section 23 and the W/2 SE/4 of Section 14, Township 23 South, Range 28 East, NMPM, Eddy County, New Mexico						
Standard Horizontal Well Spacing Unit (Y/N), If No, describe	Yes						
Other Situations							
Depth Severance: Y/N. If yes, description	No						
Proximity Tracts: If yes, description	No						
Proximity Defining Well: if yes, description	N/A						
Applicant's Ownership in Each Tract	Exhibit C-4						
Well(s)							
Name & API (if assigned), surface and bottom hole location, footages, completion target, orientation, completion status (standard or non-standard)	BEFORE THE OIL CONSERVATION DIVISION Santa Fe, New Mexico Exhibit No. A Submitted by: Chevron U.S.A. Inc. Hearing Date: June 11, 2020						

Submitted by: Chevron U.S.A. Inc. Hearing Date: June 11, 2020

Case Nos. 21294-21295

Well #1	CB BERU 23 14 FEE 06 Well No. 301H, API No. 30-015-46926
	SHL:470 feet from the south line and 900 feet from the east line, SE/4 SE/4 (Unit P) of Section 23, Township 23 South, Range 28 East,
	NMPM.
	BHL:2615 feet from the South line and 1785 feet from the east line, SW/4 NE/4 (Unit G) of Section 14, Township 23 South, Range 28 East,
	NMPM.
	Completion Target: Bone Spring
	Well Orientation:South to North  Completion Location expected to be:standard
Horizontal Well First and Last Take Points	Exhibit C-1
Completion Target (Formation, TVD and MD)	Exhibit C-5
AFE Capex and Operating Costs	
Drilling Supervision/Month \$	\$8,000
Production Supervision/Month \$	\$800
Justification for Supervision Costs	Exhibit C, C-5
Requested Risk Charge	Exhibit C
Notice of Hearing	
Proposed Notice of Hearing	Exhibit B
Proof of Mailed Notice of Hearing (20 days before hearing)	Exhibit E
Proof of Published Notice of Hearing (10 days before hearing)	Exhibit F
Ownership Determination	
Land Ownership Schematic of the Spacing Unit	Exhibit C-3
Tract List (including lease numbers and owners)	Exhibit C-3
Pooled Parties (including ownership type)	Exhibit C-4
Unlocatable Parties to be Pooled	Exhibit C, C-4
Ownership Depth Severance (including percentage above & belo	None
Joinder	
Sample Copy of Proposal Letter	Exhibit C-5
List of Interest Owners (ie Exhibit A of JOA)	Exhibit C-4
Chronology of Contact with Non-Joined Working Interests	Exhibit C-6
Overhead Rates In Proposal Letter	Exhibit C-5
Cost Estimate to Drill and Complete	Exhibit C-5
Cost Estimate to Drill and Complete	LYHINIL C-2

Cost Estimate to Equip Well	Exhibit C-5
Cost Estimate for Production Facilities	Exhibit C-5
Geology	
Summary (including special considerations)	Exhibit D, D-2
Spacing Unit Schematic	Exhibit D, D-3
Gunbarrel/Lateral Trajectory Schematic	Exhibit D-2
Well Orientation (with rationale)	Exhibit D, D-2, D-3, D-4, D-5
Target Formation	Exhibit D, D-2, D-3, D-4, D-5
HSU Cross Section	Exhibit D, D-5, D-6
Depth Severance Discussion	N/A
Forms, Figures and Tables	
C-102	Exhibit C-1
Tracts	Exhibit C-3
Summary of Interests, Unit Recapitulation (Tracts)	Exhibit C-4
General Location Map (including basin)	Exhibit D-1
Well Bore Location Map	Exhibit D-2, D-3
Structure Contour Map - Subsea Depth	Exhibit D-2
Cross Section Location Map (including wells)	Exhibit D, D-4
Cross Section (including Landing Zone)	Exhibit D, D-5
Additional Information	
CERTIFICATION: I hereby certify that the information p	provided in this checklist is complete and accurate.
Doint d Name / Attanton D + D + D + D + D + D + D + D + D + D	
Printed Name (Attorney or Party Representative):	Kaitlyn A. Luck
Signed Name (Attorney or Party Representative):	Annalis I
Date:	9-Jun-20

## COMPULSORY POOLING APPLICATION CHECKLIST (pdf)

### ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS

Case: 21294	APPLICANT'S RESPONSE					
Date: June 11, 2020						
Applicant	Chevron U.S.A. Inc.					
Designated Operator & OGRID (affiliation if applicable)	Chevron U.S.A. Inc. (OGRID No. 4323)					
Applicant's Counsel:	Holland & Hart LLP					
Case Title:	APPLICATION OF CHEVRON U.S.A. INC. FOR COMPULSORY POOLING, EDDY COUNTY, NEW MEXICO					
Entries of Appearance/Intervenors:	N/A					
Well Family	CB BERU 23 14 FEE 06 well					
Formation/Pool						
Formation Name(s) or Vertical Extent:	Bone Spring					
Primary Product (Oil or Gas):	Oil					
Pooling this vertical extent:	Bone Spring formation					
Pool Name and Pool Code:	Culebra Bluff; Bone Spring, South Pool (Pool Code 15011)					
Well Location Setback Rules:	Statewide Horizontal well rules					
Spacing Unit Size:	240 acres, more or less					
Spacing Unit						
Type (Horizontal/Vertical)	Horizontal					
Size (Acres)	240 acres, more or less					
Building Blocks:	quarter-quarter sections					
Orientation:	North/South					
Description: TRS/County	E/2 E/2 of Section 23 and the E/2 SE/4 of Section 14, Township 23 South, Range 28 East, NMPM, Eddy County, New Mexico					
Standard Horizontal Well Spacing Unit (Y/N), If No, describe	Yes					
Other Situations						
Depth Severance: Y/N. If yes, description	No					
Proximity Tracts: If yes, description	No					
Proximity Defining Well: if yes, description	N/A					
Applicant's Ownership in Each Tract	Exhibit C-4					
Well(s)						
Name & API (if assigned), surface and bottom hole location, footages, completion target, orientation, completion status (standard or non-standard)						

	CB BERU 23 14 FEE 06 Well No. 302H, API No. 30-015-46927 SHL:470 feet from the south line and 850 feet from the east line, SE/4 SE/4 (Unit P) of Section 23, Township 23 South, Range 28 East, NMPM. BHL:2615 feet from the South line and 795 feet from the east line, SE/4 NE/4 (Unit H) of Section 14, Township 23 South, Range 28 East, NMPM.  Completion Target: Bone Spring Well Orientation:South to North Completion Location expected to be:standard  Exhibit C-2
Completion Target (Formation, TVD and MD)	Exhibit C-5
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Drilling Supervision/Month \$	\$8,000
Production Supervision/Month \$	\$800
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HSU Cross Section	Exhibit D, D-5, D-6
Depth Severance Discussion	N/A
Forms, Figures and Tables	
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Tracts	Exhibit C-3
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Structure Contour Map - Subsea Depth	Exhibit D-2
Cross Section Location Map (including wells)	Exhibit D, D-4
Cross Section (including Landing Zone)	Exhibit D, D-5
Additional Information	
CERTIFICATION: I hereby certify that the information p	provided in this checklist is complete and accurate.
Printed Name (Attorney or Party Representative):	Kaitlyn A. Luck
Signed Name (Attorney or Party Representative):	Sand Lill
Date:	9-Jun-20

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

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

CASE NO. 21294

APPLICATION

Chevron U.S.A. Inc. ("Chevron" or "Applicant") (OGRID No. 4323), through its

undersigned attorneys, hereby files this application with the Oil Conservation Division pursuant

to the provisions of N.M.S.A. 1978, § 70-2-17, for an order pooling all uncommitted interests in

the Bone Spring formation underlying a standard 240-acre horizontal spacing unit comprised of

the W/2 E/2 of Section 23 and the W/2 SE/4 of Section 14, Township 23 South, Range 28 East,

NMPM, Eddy County, New Mexico. In support of its application, Chevron states:

1. Applicant is a working interest owner in the proposed horizontal spacing

unit and has the right to drill thereon.

2. Applicant seeks to dedicate the above-referenced horizontal spacing unit to

the proposed initial CB BERU 23 14 FEE 06 #301H Well, to be horizontally drilled from

surface hole locations in the SE/4 SE/4 (Unit P) of Section 23 to bottom hole locations

in the SW/4 NE/4 (Unit G) of Section 14.

3. The completed interval of this well will comply with statewide setbacks for oil

wells.

4. Applicant has sought and been unable to obtain voluntary agreement for the

development of these lands from all the working interest owners in the subject spacing

unit.

BEFORE THE OIL CONSERVATION DIVISION

Santa Fe, New Mexico

- 5. The pooling of interests will avoid the drilling of unnecessary wells, will prevent waste, and will protect correlative rights.
- 6. In order to permit Applicant to obtain its just and fair share of the oil and gas underlying the subject lands, all uncommitted interests in this horizontal spacing unit should be pooled and Applicant should be designated the operator of the proposed horizontal wells and spacing unit.

WHEREFORE, Applicant requests that this application be set for hearing before an Examiner of the Oil Conservation Division on June 11, 2020, and, after notice and hearing as required by law, the Division enter an order:

- A. Pooling all uncommitted interests in the Bone Spring formation underlying the proposed spacing unit;
- B. Approving the initial wells in the horizontal well spacing unit;
- C. Designating Applicant as operator of the horizontal spacing unit and the horizontal wells to be drilled thereon;
- D. Authorizing Applicant to recover its costs of drilling, equipping and completing the well;
- E. Approving the actual operating charges and costs of supervision while drilling and after completion, together with a provision adjusting the rates pursuant to the COPAS accounting procedures; and
- F. Imposing a 200% charge for the risk assumed by Applicant in drilling and completing the well against any working interest owner who does not voluntarily participate in the drilling of the well.

#### Respectfully submitted,

**HOLLAND & HART LLP** 

y:\_\_\_\_\_

Michael H. Feldewert
Adam G. Rankin
Julia Broggi
Kaitlyn A. Luck
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ATTORNEYS FOR CHEVRON U.S.A. INC

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

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

CASE NO. 21295

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- 1. Applicant is a working interest owner in the proposed horizontal spacing unit and has the right to drill thereon.
- 2. Applicant seeks to dedicate the above-referenced horizontal spacing unit to the proposed initial CB BERU 23 14 FEE 06 #302H Well, to be horizontally drilled from surface hole locations in the SE/4 SE/4 (Unit P) of Section 23 to bottom hole locations in the SE/4 NE/4 (Unit H) of Section 14.
- 3. The completed interval of this well will comply with statewide setbacks for oil wells.
- 4. Applicant has sought and been unable to obtain voluntary agreement for the development of these lands from all the working interest owners in the subject spacing unit.

- 5. The pooling of interests will avoid the drilling of unnecessary wells, will prevent waste, and will protect correlative rights.
- 6. In order to permit Applicant to obtain its just and fair share of the oil and gas underlying the subject lands, all uncommitted interests in this horizontal spacing unit should be pooled and Applicant should be designated the operator of the proposed horizontal wells and spacing unit.

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- B. Approving the initial wells in the horizontal well spacing unit;
- C. Designating Applicant as operator of the horizontal spacing unit and the horizontal well to be drilled thereon;
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- E. Approving the actual operating charges and costs of supervision while drilling and after completion, together with a provision adjusting the rates pursuant to the COPAS accounting procedures; and
- F. Imposing a 200% charge for the risk assumed by Applicant in drilling and completing the well against any working interest owner who does not voluntarily participate in the drilling of the well.

#### Respectfully submitted,

**HOLLAND & HART LLP** 

Bv:

Michael H. Feldewert
Adam G. Rankin
Julia Broggi
Kaitlyn A. Luck
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ATTORNEYS FOR CHEVRON U.S.A. INC

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

APPLICATIONS OF CHEVRON U.S.A. INC. FOR COMPULSORY POOLING, EDDY COUNTY, NEW MEXICO.

CASE NOS. 21294, 21295

AFFIDAVIT OF KELLY RAU IN SUPPORT OF CASE NOS. 21294 & 21295

Kelly Rau, of lawful age and being first duly sworn, declares as follows:

My name is Kelly Rau. I work for Chevron USA Inc. ("Chevron") as a Land 1.

Representative.

2. I have previously testified before the New Mexico Oil Conservation Division as an

expert witness in petroleum land matters. My credentials in petroleum land matters have been

accepted by the Division and made a matter of record.

3. I am familiar with the applications filed by Chevron in these consolidated cases,

and I am familiar with the status of the lands in the subject areas.

4. None of the uncommitted parties in these consolidated cases has indicated

opposition to these pooling applications, and therefore I do not expect any opposition at the

hearing.

5. In <u>Case No. 21294</u>, Chevron is seeking an order pooling all uncommitted interests

in the Bone Spring formation underlying a standard 240-acre horizontal spacing unit comprised of

the W/2 E/2 of Section 23 and the W/2 SE/4 of Section 14, Township 23 South, Range 28 East,

NMPM, Eddy County, New Mexico.

6. Chevron seeks to dedicate this spacing unit to the initial CB BERU 23 14 FEE 06

#301H Well (API No. 30-015-46926), to be horizontally drilled from a surface hole location in

BEFORE THE OIL CONSERVATION DIVISION

the SE/4 SE/4 (Unit P) of Section 23 to bottom hole locations in the SW/4 NE/4 (Unit G) of Section 14.

- 7. **Chevron Exhibit C-1** is the Form C-102 for the proposed initial well and reflects that the well has been placed in the Culebra Bluff; Bone Spring, South Pool. The Pool Code is 15011.
- 8. The completed interval of this well will comply with statewide setbacks for oil wells.
- 9. There are no depth severances in the Bone Spring formation underlying the proposed spacing unit.
- 10. In <u>Case No. 21295</u>, Chevron is seeking an order pooling all uncommitted interests in the Bone Spring formation underlying a standard 240-acre horizontal spacing unit comprised of the E/2 E/2 of Section 23 and the E/2 SE/4 of Section 14, Township 23 South, Range 28 East, NMPM, Eddy County, New Mexico.
- 11. Chevron seeks to dedicate this spacing unit to the proposed initial initial CB BERU 23 14 FEE 06 #302H Well (API No. 30-015-46927), to be horizontally drilled from surface hole locations in the SE/4 SE/4 (Unit P) of Section 23 to bottom hole locations in the SE/4 NE/4 (Unit H) of Section 14.
- 12. **Chevron Exhibit C-2** is the Form C-102 for the proposed initial well and reflects that the well has been placed in the Culebra Bluff; Bone Spring, South Pool. The Pool Code is 15011.
- 13. The completed interval of this well will comply with statewide setbacks for oil wells.

- 14. There are no depth severances in the Bone Spring formation underlying the proposed spacing unit.
- 15. Chevron Exhibit C-3 contains a plat outlining the units being pooled and identifies the tracts of land comprising the proposed spacing units in Case Nos. 21294 and 21295. These proposed spacing units include fee lands.
- 16. Chevron has identified on **Exhibit C-4** the "uncommitted" working interest owners and unleased mineral interest owners that remain to be pooled in **Case Nos. 21294** and **21295**. Chevron is also seeking to pool the overriding royalty interest owners identified on **Exhibit C-4**.
- 17. Chevron sent well proposal letters, together with corresponding AFEs, to the working interest owners and unleased mineral interest owners in Case Nos. 21294 and 21295. The costs reflected in the AFEs are consistent with what other operators have incurred for drilling similar horizontal wells in the area. A copy of the well proposal letters, along with the AFE, is attached hereto as Chevron Exhibit C-5.
- 18. Chevron seeks approval of overhead and administrative costs at \$8,000/month while drilling and \$800/month while producing. These costs are consistent with what Chevron and other operators are charging in this area for these types of wells. Chevron respectfully requests that these administrative and overhead costs be incorporated into any order entered by the Division in Case Nos. 21294 and 21295.
- 19. Chevron has been able to locate contact information for all parties it seeks to pool and has undertaken good faith efforts to reach an agreement with the uncommitted interest owners.

  Chevron Exhibit C-6 contains a chronology of the contacts with the working interest owners and unleased mineral interest owners that Chevron seeks to pool. Chevron has made a good faith effort

to obtain voluntary joinder of the working interest owners and unleased mineral interests in the proposed wells.

- 20. If Chevron reaches an agreement with any of the proposed pool parties before the Division enters any order, I will let the Division know that Chevron is no longer seeking to pool that party.
- 21. I provided the law firm of Holland & Hart LLP a list of names and addresses for the uncommitted interest owners shown on Chevron Exhibit C-4. In compiling these addresses, Chevron conducted a diligent search of all public records in the county where the proposed wells are located and of phone directories, including computer searches. All parties were locatable.
- 22. Chevron Exhibits C-1 through C-6 were either prepared by me or compiled under my direction and supervision.

FURTHER AFFIANT SAYETH NOT.

KELLY RAU

STATE OF TEXAS	)
COUNTY OF HARRIS	)
SUBSCRIBED and SWORM	N to before me this 8 hn day of June 2020 by Kelly
Rau.	
	NOTARY PUBLIC
My Commission Expires:	KELLY AVERY My Notary ID # 6738077 Expires June 9, 2021

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. SI. 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

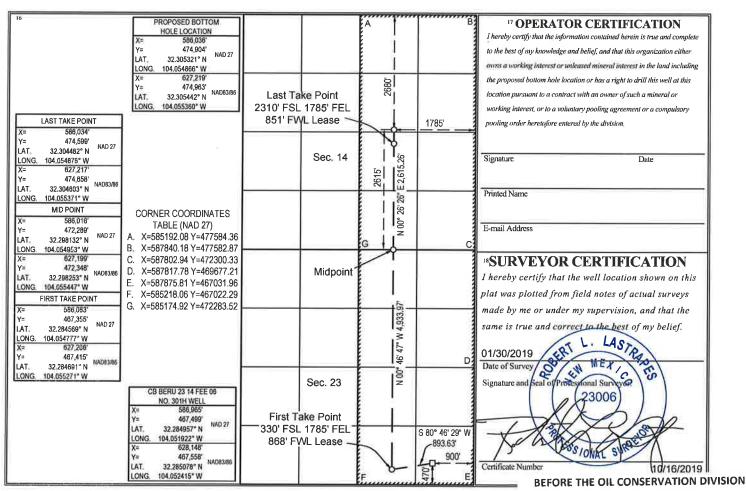
Form C-102 Revised August 1, 2011 Submit one copy to appropriate District Office

■ AMENDED REPORT

#### WELL LOCATION AND ACREAGE DEDICATION PLAT

	TAPI Nu	mber	<sup>2</sup> Pool (	<sup>2</sup> Pool Code <sup>3</sup> Pool Name						
			9822	20	PURPLE SAGE WOLFCAMP					
<sup>4</sup> Property Code <sup>5</sup> Property Name						<sup>6</sup> Well Number				
CB BERU 23 14 FEE 06						301H				
<sup>7</sup> OGR	ID No.			8 O	perator Name					<sup>9</sup> Elevation
				CHEVR	RON U.S.A. IN	IC.				2997'
□ 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	23	23 SOUTH	28 EAST, N.M.P.M.		470'	SOUTH	900'	EA	ST	EDDY
			" Bottom H	Iole Locat	ion If Diffe	erent From S	Surface	<i>.</i>		
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/V	Vest line	County
G	14	23 SOUTH	28 EAST, N.M.P.M.		2615'	SOUTH	1785'	EAS	ST	EDDY
12 Dedicated A	cres 13 Jo	nt or Infill	<sup>14</sup> Consolidation Code	Order No.				1		

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.



Santa Fe, New Mexico Exhibit No. C1

Submitted by: Chevron U.S.A. Inc. Hearing Date: June 11, 2020 Case Nos. 21294-21295 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

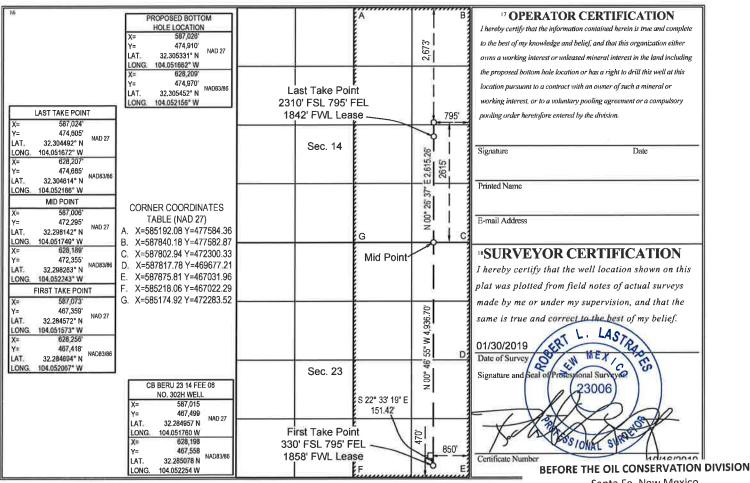
Form C-102 Revised August 1, 2011 Submit one copy to appropriate District Office

☐ AMENDED REPORT

#### WELL LOCATION AND ACREAGE DEDICATION PLAT

	<sup>l</sup> API	API Number <sup>2</sup> Pool Code				de	<sup>3</sup> Pool Name							
					982	220			PUI	RPLE SAGE W	OLFCAN	1P		
<sup>4</sup> Proper	ty Cod	e					5 P	roperty Name				6	Well Number	
							CB BEF	RU 23 14 FEE	06			302H		
<sup>7</sup> OGR	ID No.						8 O	perator Name					<sup>9</sup> Elevation	
							CHEVE	RON U.S.A. IN	C.				2996'	
<sup>10</sup> Surface Location														
UL or lot no.	Sec	ction	Township		Range		Lot Idn	Feet from the	North/South line	Feet from the	East/	West line	County	
P	23	;[	23 SOUTH	28 EAST, N.M.P.M.		ſ.		470'	SOUTH	850'	EA	ST	EDDY	
					11 Bottom	Ho	ole Locat	ion If Diffe	erent From S	Surface				
UL or lot no.	Sec	tion	Township	Fownship Range Lot Idn Feet from the North/South line Feet from the East/West line						County				
Н	14		23 SOUTH	28 E	AST, N.M.P.M	í		2615'	SOUTH	795'	EA	ST	EDDY	
12 Dedicated A	cres	3 Join	t or Infill	14 Conse	olidation Code	15 C	Order No.		,					

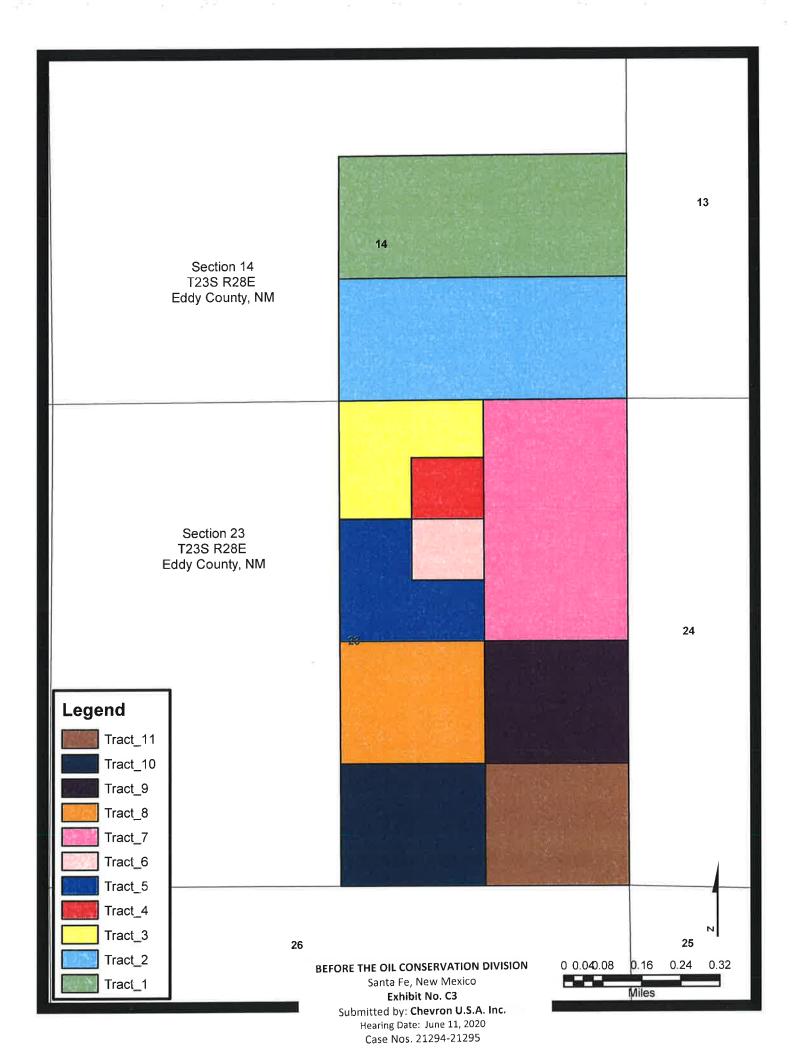
No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.



Santa Fe, New Mexico

Exhibit No. C2

Submitted by: Chevron U.S.A. Inc. Hearing Date: June 11, 2020 Case Nos. 21294-21295



#### Proposed Wolfcamp/Bone Spring Unit SE/4 of Section 14 and E/2 of Section 23, T23SR28E 480.000 acres

#### Wi, UMI and ORI have been updated to 3/20/2020

To.	т				40-
Owner D. F. J. D. F. J. D. F.	Address	UGWI	UNRI		Comments
Belinda Sue Williams aka Belinda Raines			0.00070602	_	
Bogle Oil, Inc.			0.00325521		
Cheryl Beck			0.00065104	_	
Concepcion C. Onsurez Revocable Trust			0.00416667	RI	
Crystal A. Howard			0.00195313		
Danielle Levine-Baum			0.00277778	RI	
Darrin M. Margulies Trust			0.00031250		
			0.00031250	RI	
David L. Margulies and Gloria S. Margulies Trust El Rojo, L.L.C.			0.00156250	RI	
Emil Berger Trust			0.00065104	RI	
Estate of Cella B. Milavec		THE RESERVE OF THE PERSON NAMED IN	0.00260417	RI	
Estate of Cella B. Milavec Estate of Lawrence P. Williams			0.00353009	RI	
GB Williams Properties, LLC			0.00237269	RI	
Greg Martinez			0.00237269	RI	
			0.00097656	RI	
Harvey R. Hicks, Jr.		0.00000000		RI	
Heather Holesapple Oil, Gas and Mineral Management			0.00032552	RI	
Howard Family Resources, LLC		0.00000000		RI	
Jack Austin Richardson		0.00000000		RI	
James Clay Williams		0.000000000		RI	
James W. Williams		0.000000000		RI	
Joan W. Clem		0.00000000		RI	
Joe A. Clem		0.00000000		RI	
John D. Stribling		0.00000000		RI	
John Draper Brantley, Jr.		0.00000000		RI	
John Michael & Marion Richardson		0.000000000		RI	
Johnny L. Reid, husband of, & Jackie L. Reid, as JTS		0.00000000		RI	
Judith Clem Hamilton		0.00000000	0.00065104	RI	
Julee Marguiles-Metz		0.000000000		RI	
Lanora Sue Williams Allomong		0.000000000	0.00070602	RI	
Leslie B. Einstein Trust		0.00000000		RI	
Linda Sue Williams Militello		0.00000000	0.00070602	RI	
Linville D. Williams		0.00000000	0.00237269	RI	
Lovella Kilman		0.00000000	0.00118634	RI	
Margaret L. Fate		0.00000000	0.00237269	RI	
Margaret Stribling		0.00000000	0.00013182	RI	
Mark D. Howard		0.00000000		RI	
Marsha Sue Kantor		0.000000000	0.00065104	RI	
Martha Joy Stribling		0.000000000		RI	
Melinda Thompson		0.000000000		RI	
Melissa McCarthy fka Melissa Breaux fka Lisa Williams		0.00000000		RI	
Merland, Inc.		0.000000000		RI	
MRC Permian Company		0.00000000	0.00232567	RI	
Pegasus Resources, LLC		0.00000000		RI	
Renee Ann Levine-Blonder		0.00000000		RI	
Richard Holesapple Revocable Trust		0.00000000	0.00016276	RI	
Robert Duncan Cain, Jr.		0.00000000		RI	
Ross Duncan Properties, LLC		0.00000000		RI	
Roy A. Howard		0.00000000		RI	
Salem Pecos Stribling		0.00000000		RI	
Sammy King Price		0.000000000	0.00416667	RI	
Shayna Levine-Hoffman		0.00000000		RI	
Solomon N. Grover Trust		0.00000000		RI	
Stennis Family Trust H		0.00000000	0.03125000	RI	
Stephen Frank Williams, Jr.		0.000000000		RI	
erry Lee Williams		0.000000000	0.00070602	RI	
ommy Lee Pierce		0.00000000	0.00416667	RI	
undra AD3, PL		0.00000000	0.00016276	RI	
Jrquidez Family Living Trust		0.00000000	0.00195313	RI	
/aldez Family 2006 Irrevocable Trust		0.00000000	0.00195313	RI	
Villiam M. Baker and Francine L. Baker Family Trust		0.00000000		RI	
Brady Lynn Raindl		0.00000000			
randi Blair Raindl		0.00000000	0.00005208	NPRI	
rent Mitchell Raindl		0.00000000	0.00005208	NPRI	
Cynthia Fay Lee		0.00000000			
ebra Kay Primera		0.00000000			
eorge McBeath Tracy		0.00000000			

Santa Fe, New Mexico
Exhibit No. C4

Submitted by: Chevron U.S.A. Inc. Hearing Date: June 11, 2020 Case Nos. 21294-21295

Chevron U.S.A., Inc.	Total		1.000000000	441	
Jolift Energy, LLC	P. O. Box 10702, Midland, TX 79702		0.09375000 0.66146804	WI	
Alpha Permian Resources, LLC	P. O. Box 10701, Midland, TX 79702		0.02875000	WI	
FLW Investments, LLC	1001 Fannin, Suite 2020, Houston, TX 77002		0.00416752	WI	
BK Exploration Corporation	10159 E. 11th Street, Suite 401, Tulsa, OK 74128		0.00015233	WI	
McMullen Minerals, LLC	P. O. Box 670857, Fort Worth, TX 76147	0.00333333	0.00333333	UMI	Unleased
William Robert Paape	1110 Kennan Rd., West Lake Hills, TX 78746		0.00082547	ORI	
Stroube Energy Corporation	17194 Preston Rd., No. 102, LB 249, Dallas, TX 75248	0.00000000	0.00001506	ORI	
Kerry Lynn Paape	6859 Riverbrook Trace, Columbus, GA 31904	0.00000000	0.00082547	ORI	
Glasgow Oil & Gas Company	P. O. Box 849, Prosper, TX 75078	0.00000000	0.00003013	ORI	
Chevron U.S.A., Inc. (ORI)		0.00000000	0.00236111	ORI	
CapRock Resources, LLC	P. O. Box 670581, Dallas, TX 75367-0581	0.00000000	0.00000753	ORI	
Thunder Moon Resources, LLC	P. O. Box 180573, Dallas, TX 75218	0.00000000	0.00000753	ORI	
Susie Belle Bindel		0.00000000	0.00020833	NPRI	
Robert Mitchell Raindl		0.00000000	0.00019097	NPRI	
Ricky D. Raindl		0.00000000	0.00034722	NPRI	
Morris E. Schertz		0.00000000	0.00104167	NPRI	
Mittie Beth Hayes		0.00000000	0.00020833	NPRI	
Marion Jane Gordon		0.000000000	0.00020833	NPRI	

#### Proposed Wolfcamp/Bone Spring Unit SE/4 of Section 14 and E/2 of Section 23, T23SR28E 480.000 acres

WI, UMI and ORI have been updated to 3/20/2020

#### Tract 1 - N/2 of SE/4 of Section 14

80.000/480.000 = 0.16666667

Owner	TRGWI	UGWI	TRNRI	UNRI	Typo	Comments
Joe A. Clem					RI	Comments
Joan W. Clem	0.00000000		0.00585938			
	0.00000000			0.00097656		
BX4, LLC	0.00000000			0.00065104		
El Rojo, L.L.C.	0.00000000		0.00390625		RI	
Judith Clem Hamilton	0.00000000		0.00390625		RI	
Bogle Oil, Inc.	0.00000000		0.01953125		RI	
Richard Holesapple Revocable Trust	0.00000000		0.00097655		RI	
Tundra AD3, PL	0.00000000		0.00097656		RI	
Heather Holesapple Oil, Gas and Mineral Management	0.00000000		0.00195313		RI	
David L. Margulies and Gloria S. Margulies Trust	0.00000000		0.00937500		RI	
Solomon N. Grover Trust	0.00000000	0.00000000	0.00937500	0.00156250	RI	
Renee Ann Levine-Blonder	0.00000000	0.00000000	0.00187500	0.00031250	RI	
Danielle Levine-Baum	0.00000000	0.00000000	0.00187500	0.00031250	RI	
Shayna Levine-Hoffman	0.00000000	0.00000000	0.00187500	0.00031250	RI	
Julee Marguiles-Metz	0.00000000	0.00000000	0.00187500	0.00031250	RI	
Darrin M. Margulies Trust	0.00000000	0.00000000	0.00187500	0.00031250	RI	
William M. Baker and Francine L. Baker Family Trust	0.00000000	0.00000000	0.01718750	0.00286458	RI	
Leslie B. Einstein Trust	0.00000000	0.00000000	0.01718750	0.00286458	RI	
Emil Berger Trust	0.00000000	0.00000000	0.01562500	0.00260417	RI	
MRC Permian Company	0.00000000	0.00000000	0.00683594	0.00113932	RI	
Ross Duncan Properties, LLC	0.00000000	0.00000000	0.00341796	0.00056966	RI	
John Michael & Marion Richardson	0.00000000		0.00073242		R≀	
Jack Austin Richardson	0.00000000		0.00073242		RI	
Marsha Sue Kantor	0.00000000	0.00000000	0.00390625	0.00065104	RI	
Valdez Family 2006 Irrevocable Trust	0.00000000	0.000000000	0.01171875	0.00195313	RI	
Urquidez Family Living Trust	0.00000000	0.00000000	0.01171875	0.00195313	RI	
Concepcion C. Onsurez Revocable Trust	0.00000000	0.00000000	0.01171875	0.00195313	RI	
Melinda Thompson	0.00000000	0.00000000	0.00585938	0.00097656	RI	
Greg Martinez	0.00000000		0.00585938		RI	
William Robert Paape	0.00000000		0.00126953		ORI	
Kerry Lynn Paape	0.00000000		0.00126953		ORI	
Glasgow Oil & Gas Company	0.00000000		0.00018078		ORI	
Stroube Energy Corporation	0.00000000		0.00009038		ORI	
Thunder Moon Resources, LLC	0.00000000		0.00004519		ORI	
CapRock Resources, LLC	0.00000000		0.00004519		ORI	
Chevron U.S.A., Inc.	1.00000000		0.80959940		WI	
	.10000000	2.10000001	5.50000070	5.70 100020	***	

Total <u>1.00000000</u> <u>0.16666667</u> <u>1.00000000</u> <u>0.16666667</u>

#### Tract 2 - S/2 of SE/4 of Section 14 All depths below base of Delaware formation

80.000/480.000 = 0.16666667

Owner	TRGWI	UGWI	TRNRI	UNRI	Type	Comments
Harvey R. Hicks, Jr.	0.00000000	0.00000000	0.02500000	0.00416667	RI	
Cheryl Beck	0.00000000	0.00000000	0.02500000	0.00416667	RI	
Tommy Lee Pierce	0.00000000	0.00000000	0.02500000	0.00416667	RI	
Sammy King Price	0.00000000	0.00000000	0.02500000	0.00416667	RI	
Howard Family Resources, LLC	0.00000000	0.00000000	0.05000000	0.00833333	RI	
Mark D. Howard	0.00000000	0.00000000	0.01666667	0.00277778	RI	
Roy A. Howard	0.00000000	0.00000000	0.01666667	0.00277778	RI	
Crystal A. Howard	0.00000000	0.00000000	0.01666666	0.00277778	RI	
Chevron U.S.A., Inc. (ORI)	0.00000000	0.00000000	0.01416667	0.00236111	ORI	
BK Exploration Corporation	0.00117133	0.00019522	0.00091400	0.00015233	WI	
Chevron U.S.A., Inc.	0.99882867	0.16647144	0.78491933	0.13081989	WI	

Total <u>1.00000000</u> <u>0.16666667</u> <u>1.00000000</u> <u>0.16666667</u>

#### Tract 3 - NW/4 of NE/4 less and except the SE/4 of NW/4 of NE/4 of Section 23

30.000/480.000 = 0.06250000

Owner	TRGWI	UGWI	TRNRI	UNRI	Type	Comments
Johnny L. Reid, husband of, & Jackie L. Reid, as JTS	0.00000000	0.00000000	0.18750000	0.01171875	RI	
William Robert Paape	0.00000000	0.00000000	0.00126953	0.00007935	ORI	
Kerry Lynn Paape	0.00000000	0.00000000	0.00126953	0.00007935	ORI	
Chevron U.S.A., Inc.	1.00000000	0.06250000	0.80996094	0.05062256	WI	

Total 0.06250000 1.00000000 0.06250000 1.00000000

#### Tract 4 - SE/4 of NW/4 of NE/4 of Section 23

10.000/480.000 = 0.02083333

Owner	TRGWI	UGWI	TRNRI	UNRI	Type	Comments
Johnny L. Reid, husband of, & Jackie L. Reid, as JTS	0.00000000	0.00000000	0.18750000	0.00390625	RI	
William Robert Paape	0.00000000	0.00000000	0.00126953	0.00002645	ORI	
Kerry Lynn Paape	0.00000000	0.000000000	0.00126953	0.00002645	ORI	
TLW Investments, LLC	0.02500000	0.00052083	0.02031250	0.00042318	WI	
Chevron U.S.A., Inc.	0.97500000	0.02031250	0.78964844	0.01645101	WI	
Total	1.00000000	0.02083333	1.00000000	0.02083333		

#### Tract 5 - SW/4 of NE/4 less and except the NE/4 of SW/4 of NE/4 of Section 23

30.000/480.000 = 0.06250000

Owner	TRGWI	UGWI	TRNRI	UNRI	Type	Comments
Johnny L. Reid, husband of, & Jackie L. Reid, as JTS	0.00000000	0.00000000	0.18750000	0.01171875	RI	
William Robert Paape	0.00000000	0.00000000	0.00126953	0.00007935	ORI	
Kerry Lynn Paape	0.00000000	0.00000000	0.00126953	0.00007935	ORI	
Chevron U.S.A., Inc.	1,00000000	0.06250000	0.80996094	0.05062256	WI	

<u>0.06250000</u> <u>1.00000000</u> <u>0.06250000</u> Total 1.00000000

#### Tract 6 - NE/4 of SW/4 of NE/4 of Section 23

10.000/480.000 = 0.02083333

	10100011000	0.0200000				
Owner	TRGWI	UGWI	TRNRI	UNRI	Type	Comments
Johnny L. Reid, husband of, & Jackie L. Reid, as JTS	0.00000000	0.00000000	0.18750000	0.00390625	RI	
William Robert Paape	0.00000000	0.00000000	0.00126953	0.00002645	ORI	
Kerry Lynn Paape	0.00000000	0.00000000	0.00126953	0.00002645	ORI	
TLW Investments, LLC	0.02500000	0.00052083	0.02031250	0.00042318	WI	
Chevron U.S.A., Inc.	0.97500000	0.02031250	0.78964844	0.01645101	WI	

Total 1.000000000 0.02083333 1.00000000 0.02083333

#### Tract 7 - E/2 of NE/4 of Section 23

80.000/480.000 = 0.16666667

Owner	TRGWI	UGWI	TRNRI	UNRI	Type	Comments
Stennis Family Trust H	0.00000000	0.00000000	0.18750000	0.03125000	RI	
Pegasus Resources, LLC	0.00000000	0.00000000	0.05750000	0.00958333	RI	
McMullen Minerals, LLC	0.02000000	0.00333333	0.02000000	0.00333333	UMI	Unleased
Alpha Permian Resources, LLC	0.23000000	0.03833333	0.17250000	0.02875000	WI	
Uplift Energy, LLC	0.75000000	0.12500000	0.56250000	0.09375000	WI	
Total	1.00000000	<u>0.16666667</u>	<u>1.00000000</u>	0.16666667		·

#### Tract 8 - NW/4 of SE/4 of Section 23

40.000/480.000 = 0.08333333

Owner	TRGWI	UGWI	TRNRI	UNRI	Туре	Comments
John Draper Brantley, Jr.	0.00000000	0.00000000	0.07604854	0.00633738	RI	
Merland, Inc.	0.00000000	0.00000000	0.07604854	0.00633738	RI	
Merland, Inc.	0.00000000	0.00000000	0.04749167	0.00395764	RI	
Debra Kay Primera	0.00000000	0.00000000	0.00208333	0.00017361	NPRI	
Ricky D. Raindl	0.00000000			0.00017361		
Robert Mitchell Raindl	0.00000000	0.00000000	0.00114583	0.00009549	NPRI	
Brent Mitchell Raindl	0.00000000	0.00000000	0.00031250	0.00002604	NPRI	
Brady Lynn Raindl	0.00000000	0.00000000	0.00031250	0.00002604	NPRI	
Brandi Blair Raindl	0.00000000	0.00000000	0.00031250	0.00002604	NPRI	
Morris E. Schertz	0.00000000			0.00052083		
Mittie Beth Hayes	0.00000000	0.00000000	0.00125000	0.00010417	NPRI	
Marion Jane Gordon	0.00000000	0.00000000	0.00125000	0.00010417	NPRI	
George McBeath Tracy	0.00000000	0.00000000	0.00125000	0.00010417	NPRI	

Susie Belle Bindel	0.00000000	0.00000000	0.00125000	0.00010417	NPRI	
Cynthia Fay Lee	0.00000000	0.00000000	0.00125000	0.00010417	NPRI	
William Robert Paape	0.00000000	0.00000000	0.00114425	0.00009535	ORI	
Kerry Lynn Paape	0.00000000	0.00000000	0.00114425	0.00009535	ORI	
Chevron U.S.A., Inc.	1.00000000	0.08333333	0.77937275	0.06494773	WI	

Total <u>1.00000000</u> <u>0.08333333 <u>1.00000000</u> <u>0.08333333</u></u>

#### Tract 9 - NE/4 of SE/4 of Section 23

40.000/480.000 = 0.08333333

Owner	TRGWI	UGWI	TRNRI	UNRI	Type	Comments
John Draper Brantley, Jr.	0.00000000	0.00000000	0.07604854	0.00633738	RI	
Merland, Inc.	0.00000000	0.00000000	0.07604854	0.00633738	Ri	
Merland, Inc.	0.00000000	0.00000000	0.04749167	0.00395764	Ri	
Debra Kay Primera	0.00000000	0.00000000	0.00208333	0.00017361	NPRI	
Ricky D. Raindl	0.00000000	0.00000000	0.00208334	0.00017361	NPRI	
Robert Mitchell Raindl	0.00000000	0.000000000	0.00114583	0.00009549	NPRI	
Brent Mitchell Raindl	0.00000000	0.00000000	0.00031250	0.00002604	NPRI	
Brady Lynn Raindl	0.00000000	0.00000000	0.00031250	0.00002604	NPRI	
Brandi Blair Raindl	0.00000000	0.000000000	0.00031250	0.00002604	NPRI	
Morris E. Schertz	0.00000000	0.00000000	0.00625000	0.00052083	NPRI	
Mittie Beth Hayes	0.00000000	0.000000000	0.00125000	0.00010417	NPRI	
Marion Jane Gordon	0.00000000	0.000000000	0.00125000	0.00010417	NPRI	
George McBeath Tracy	0.00000000	0.000000000	0.00125000	0.00010417	NPRI	
Susie Belle Bindel	0.00000000	0.00000000	0.00125000	0.00010417	NPRI	
Cynthia Fay Lee	0.00000000	0.00000000	0.00125000	0.00010417	NPRI	
William Robert Paape	0.00000000	0.00000000	0.00114425	0.00009535	ORI	
Kerry Lynn Paape	0.00000000	0.00000000	0.00114425	0.00009535	ORI	
TLW Investments, LLC	0.02500000	0.00208333	0.01954153	0.00162846	WI	
Chevron U.S.A., Inc.	0.97500000	0.08125000	0.75983122	0.06331927	WI	

Total <u>1.00000000</u> <u>0.08333333 1.00000000 0.08333333</u>

#### Tract 10 - SW/4 of SE/4 of Section 23

40.000/480.000 = 0.083333333

Owner	TRGWI	UGWI	TRNRI	UNRI	Туре	Comments
Linville D. Williams	0.00000000	0.00000000	0.01423611	0.00118634	RI	
GB Williams Properties, LLC	0.00000000	0.00000000	0.01423611	0.00118634	RI	
Stephen Frank Williams, Jr.	0.00000000	0.00000000	0.04548610	0.00379051	Ri	
Estate of Cella B. Milavec	0.00000000	0.00000000	0.02118056	0.00176505	RI	
James W. Williams	0.00000000	0.00000000	0.01423611	0.00118634	RI	
Estate of Lawrence P. Williams	0.00000000	0.00000000	0.01423611	0.00118634	RI	
Lovella Kilman	0.00000000	0.00000000	0.00711806	0.00059317	RI	
Melissa McCarthy fka Melissa Breaux fka Lisa Williams	0.00000000	0.00000000	0.00711806	0.00059317	RI	
Linda Sue Williams Militello	0.00000000	0.00000000	0.00423611	0.00035301	RI	
James Clay Williams	0.00000000	0.00000000	0.00423611	0.00035301	RI	
Terry Lee Williams	0.00000000	0.000000000	0.00423611	0.00035301	RI	
Belinda Sue Williams aka Belinda Raines	0.00000000	0.00000000	0.00423611	0.00035301	RI	
Lanora Sue Williams Allomong	0.00000000	0.00000000	0.00423611	0.00035301	RI	
MRC Permian Company	0.00000000	0.00000000	0.00711806	0.00059317	RI	
Martha Joy Stribling	0.00000000	0.000000000	0.00237268	0.00019772	Ri	
John D. Stribling	0.00000000	0.00000000	0.00237268	0.00019772	Rí	
Margaret Stribling	0.00000000	0.00000000	0.00079090	0.00006591	RI	
Robert Duncan Cain, Jr.	0.00000000	0.00000000	0.00079090	0.00006591	RI	
Salem Pecos Stribling	0.00000000	0.00000000	0.00079090	0.00006591	RI	
Margaret L. Fate	0.00000000	0.00000000	0.01423611	0.00118634	RI	
William Robert Paape	0.00000000	0.00000000	0.00126953	0.00010579	ORI	
Kerry Lynn Paape	0.00000000	0.00000000	0.00126953	0.00010579	ORI	
Chevron U.S.A., Inc.	1.00000000	0.08333333	0.80996094	0.06749675	WI	

Total <u>1.00000000</u> <u>0.08333333 <u>1.00000000</u> <u>0.083333333</u></u>

#### Tract 11 - SE/4 of SE/4 of Section 23

40.000/480.000 = 0.08333333

Owner	TRGWI	UGWI	TRNRI	UNRI	Type	Comments
Linville D. Williams	0.00000000	0.00000000	0.01423611	0.00118634	RI	
GB Williams Properties, LLC	0.00000000	0.00000000	0.01423611	0.00118634	RI	

T					_	
Stephen Frank Williams, Jr.	0.00000000		0.04548610		RI	
Estate of Cella B. Milavec	0.00000000	0.00000000	0.02118056	0.00176505	RI	
James W. Williams	0.00000000	0.00000000	0.01423611	0.00118634	RI	
Estate of Lawrence P. Williams	0.00000000	0.00000000	0.01423611	0.00118634	RI	
Lovella Kilman	0.00000000	0.00000000	0.00711806	0.00059317	RI	
Melissa McCarthy fka Melissa Breaux fka Lisa Williams	0.00000000	0.00000000	0.00711806	0.00059317	RI	
Linda Sue Williams Militello	0.00000000	0.00000000	0.00423611	0.00035301	RI	
James Clay Williams	0.00000000	0.00000000	0.00423611	0.00035301	RI	
Terry Lee Williams	0.00000000	0.00000000	0.00423611	0.00035301	RI	
Belinda Sue Williams aka Belinda Raines	0.00000000	0.00000000	0.00423611	0.00035301	RI	
Lanora Sue Williams Allomong	0.00000000	0.00000000	0.00423611	0.00035301	RI	
MRC Permian Company	0.00000000	0.00000000	0.00711806	0.00059317	RI	
Martha Joy Stribling	0.00000000	0.00000000	0.00237268	0.00019772	RI	
John D. Stribling	0.00000000	0.00000000	0.00237268	0.00019772	RI	
Margaret Stribling	0.00000000	0.00000000	0.00079090	0.00006591	RI	
Robert Duncan Cain, Jr.	0.00000000	0.00000000	0.00079090	0.00006591	RI	
Salem Pecos Stribling	0.00000000	0.00000000	0.00079090	0.00006591	RI	
Margaret L. Fate	0.00000000	0.00000000	0.01423611	0.00118634	RI	
William Robert Paape	0.00000000	0.00000000	0.00126953	0.00010579	ORI	
Kerry Lynn Paape	0.00000000	0.00000000	0.00126953	0.00010579	ORI	
TLW Investments, LLC	0.02500000	0.00208333	0.02031250	0.00169271	WI	
Chevron U.S.A., Inc.	0.97500000	0.08125000	0.78964844	0.06580404	WI	
W - 1	4.00000000					

Total <u>1.00000000</u> <u>0.08333333 1.00000000 0.08333333</u>



**Kelly Rau** Land Representative Chevron U.S.A. Inc. 1400 Smith Street Houston, Texas 77002 Tel 713.372.7411 Kelly.Rau@chevron.com

#### VIA CERTIFIED MAIL - RETURN RECEIPT REQUESTED

April 9, 2019

McMullen Minerals LLC P. O. Box 670857 Fort Worth, TX 76147

**RE:** Proposal to Drill

CB BERU 23 14 FEE 06 301H CB BERU 23 14 FEE 06 302H CB BERU 23 14 FEE 06 401H CB BERU 23 14 FEE 06 402H CB BERU 23 14 FEE 06 403H

Section 23, Township 23 South, Range 28 East and Section 14, 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 BERU 23 14 FEE 06 301H well ("Well #1"), CB BERU 23 14 FEE 06 302H well ("Well #2"), CB BERU 23 14 FEE 06 401H well ("Well #3 CB BERU 23 14 FEE 06 402H ("Well #4"), and the CB BERU 23 14 FEE 06 403H ("Well #5) at a legal location in Section 23, Township 23 South, Range 28 East and Section 14, 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: 470' FSL, 900 FEL for Well #1, 470' FSL, 850' FEL for Well #2, 470' FSL, 925' FEL for Well #3, 470' FSL, 875' FEL for Well #4, and 470' FSL, 825' FEL for Well #5, all in Section 23, Township 23 South, Range 28 East.

The intended bottom hole location are as follows: 2,615' FSL, 1,785' FEL for Well #1, 2,615' FSL, 785' FEL for Well #2, 2,615' FSL, 2,310' FEL for Well #3, 2,615' FSL, 1,260' FEL for Well #4, and 2,615' FSL, 330' FEL for Well #5, all in Section 14, Township 23 South, Range 28 East.

Well #1 is proposed to drill vertically to a depth of approximately 9,235' and horizontally in a southern direction within its targeted formation to the referenced bottom hole location. Total measured depth of the wells is proposed to be approximately 17,116' from surface to terminus.

Well #2 is proposed to drill vertically to a depth of approximately 9,254' and horizontally in a southern direction within its targeted formation to the referenced bottom hole location. Total measured depth of the wells is proposed to be approximately 17,061' from surface to terminus

Hearing Date: June 11, 2020 Case Nos. 21294-21295 Well #3 is proposed to drill vertically to a depth of approximately 9,557' and horizontally in a southern direction within its targeted formation to the referenced bottom hole location. Total measured depth of the wells is proposed to be approximately 17,521' from surface to terminus

Well #4 is proposed to drill vertically to a depth of approximately 9,576' and horizontally in a southern direction within its targeted formation to the referenced bottom hole location. Total measured depth of the wells is proposed to be approximately 17,309' from surface to terminus

Well 51 is proposed to drill vertically to a depth of approximately 9,595' and horizontally in a southern direction within its targeted formation to the referenced bottom hole location. Total measured depth of the wells is proposed to be approximately 17,451' 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.

Due to stay-at-home orders issued for Covid-19 in the State of Texas, please send an electronic copy of all executed documents to <u>Kelly.Rau@chevron.com</u> to ensure timely receipt.

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:

McMullen Minerals, LLC

0.00333333

Chevron will submit an application for a Compulsory Pooling Order with the New Mexico Oil Conservation Division within 30 days of your receipt of this letter. This will allow Chevron to move forward with planning and drilling the subject well(s) while allowing time to properly execute a JOA amongst the parties.

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,

Kelly Rau Land Representative

Enclosures

Chevron Nor	th American Exploration	
Well Names:		Field:
CB BERU 23 14 FEE 06 301H		Culebra Bluff
CB BERU 23 14 FEE 06 302H		
CB BERU 23 14 FEE 06 401H		
CB BERU 23 14 FEE 06 402H		
CB BERU 23 14 FEE 06 403H		
	Facilities AFE	
Cost Category	racilities AFE	Amount (¢)
Wellpad, Wellhead Hookup, & flowlines		Amount (\$)
		2,910,150
Total		2,910,150
Participation & Authorization	Share (%)	Amount (\$)
		0
Approved (Print Name)	Approved (Signate	ure)
	Date	

Chevron Norti	Appropriation Request			
County, State	Area	Duration	Well Names:	
Eddy, NM	Culebra Bluff	5.5		
			CB Beru 23 14 Fee 0	6 301H
			CB Beru 23 14 Fee 0	6 302H
	1		CB Beru 23 14 Fee 0	6 401H
			CB Beru 23 14 Fee 0	6 402H
			CB Beru 23 14 Fee 0	6 403H
	Rig	Mobilization for Pad 8		
Cost Category	y	Code	Sub-code	Amount (\$)
Company Labor		6601	0100	\$ 13,100
Contract Project Supervision		7000	0200	\$ 10,500
Fuel Diesel		7129	0100	\$ 23,000
Utilities / Potable Water		7129	0300	
Casing (tangible)		7190	0022	\$ -
Wellheads (tangible)		7190	0110	\$ -
Materials, Parts, & Supply		7190		\$ 4,500
Drilling Fluids		7190	1900	
Surface Equipment Rentals		7230	0100	\$ 18,400
Well Service Equipment Rent	als	7230	0200	\$ 20,000
Rig Rentals		7230	0800	\$
Transportation Services, Land & Marine		7340	0300	\$ 5,000
Rig Work		7440	0001	\$ 71,000
Solid Waste Disposal		7420	0300	
Mobilization / De-Mobilization	n	7440	0003	\$ 302,000
Directional Survey & Services	i	7440	0006	
Drill-Pipe Rental & Bits		7440	0007	
Coring		7440	0017	
Testing		7440	0018	
Logging Wireline		7440	0019	
Logging While Drilling (LWD)		7440	0020	
Logging Mud		7440	0021	
Cementing		7440	0024	
Sitework / Locations		7450	0021	\$ 27,000
			Total	\$ 500,000
Participation & Authorizatio	n		Share (%)	Amount (\$)
				\$0
Approved (Print Name)			Approved (Signatur	e)
			Date	

	Chevror	North American Exploration	on			
County, State	Field	Well Names:				
Eddy, NM	Delaware Basin	CB Beru 23 14 Fee 06 301H				
Area	Objective	Duration (days)				
Culebra Bluff	Third Bone Spring	25.00				
		Drilling AFE				
Cost Category Code			Sub-code	Amount (\$)		
Company Labor		6601	0100			
Contract Project Super	vision	7000	0200			
Fuel Diesel		7129	0100	\$ 115,000		
Utilities / Potable Wate	er	7129	0300	\$ 8,000		
Casing (tangible)		7190	0022	\$ 730,000		
Wellheads (tangible)		7190	0110			
Materials, Parts, & Sup	ply	7190	0500			
Drilling Fluids		7190	1900			
Surface Equipment Rer	ntals	7230	0100	\$ 180,000		
Well Service Equipmen		7230	0200	\$ 135,000		
Rig Rentals		7230	0800	\$ 5,000		
Transportation Service	s, Land & Marine	7340	0300	\$ 43,000		
Rig Work		7440	0001	\$ 525,000		
Mobilization / De-Mob	ilization	7440	0003	\$ =		
Solid Waste Disposal		7420	0300	\$ 90,000		
Directional Survey & Se	ervices	7440	0006	\$ 307,954		
Drill-Pipe Rental & Bits		7440	0007	\$ 79,000		
Coring		7440	0017	\$ #		
Testing		7440	0018	\$ -		
Logging Wireline		7440	0019	\$		
Logging While Drilling (	(LWD)	7440	0020	\$ =		
Logging Mud		7440	0021	\$ =		
Cementing		7440	0024	\$ 160,000		
Sitework / Locations		7450	0021	\$ 28,384		
			Total	\$ 2,931,000		
CHARLES TO AN AREA		11 7 21 - 1 , 1				
Participation & Authorization			Share (%)	Amount (\$)		
				\$0.00		
			140			
Approved (Print Name)			Approved (Signature)			
			Date			
			Date			

Chevron North American Exploration			Appropriat	Appropriation Request			
State		Duration (days)	Area	Well Names:			
NM		19.6	Culebra Bluff	CB BERU 23 14 FEE 06 3	CB BERU 23 14 FEE 06 301H		
		Co	mpletions AFE- Third	Bone Spring			
	Cos	t Category				Amount (\$)	
PERF Phase					\$	103,303	
MOVEON Pha	ise				\$	102,078	
FRACHYD Pha	se				\$	2,080,083	
MOVEOFF Ph	ase				\$	29,449	
RU Phase					\$	80,841	
CSGCLNOUT F	hase				\$	132,731	
RD Phase					\$	40,421	
Artificial Lift P	rep.				\$	75,000	
Artificial Lift					\$	240,000	
Water					\$	457,339	
				Tota	\$	3,341,245	
		والأرزان الماليان	THE PERSON NAMED IN COLUMN				
Participation & Authorization Share (%)			Amount (\$)				
						\$0.00	
Approved (Pr	int Na	me)		Approved (Signature)		1 10 1 1919	
				Date			

	Chevror	North American Exploration	on	أأداد كالرب بالرب			
County, State	Field	Well Names:					
Eddy, NM	Delaware Basin	CB Beru 23 14 Fee 06 30	CB Beru 23 14 Fee 06 302H				
Area	Objective	Duration (days)					
Culebra Bluff	Third Bone Spring	25.00					
		Drilling AFE					
Cost	Category	Code	Sub-code	Amount (\$)			
Company Labor		6601	0100				
Contract Project Supervi	sion	7000	0200				
Fuel Diesel		7129	0100				
Utilities / Potable Water		7129	0300	\$ 8,000			
Casing (tangible)		7190	0022				
Wellheads (tangible)		7190	0110				
Materials, Parts, & Supp	ly	7190	0500				
Drilling Fluids		7190	1900				
Surface Equipment Rent	als	7230	0100	\$ 180,000			
Well Service Equipment	Rentals	7230	0200	\$ 135,000			
Rig Rentals		7230	0800	\$ 5,000			
Transportation Services,	Land & Marine	7340	0300	\$ 43,000			
Rig Work		7440	0001	\$ 525,000			
Mobilization / De-Mobili	ization	7440	0003	\$ ~			
Solid Waste Disposal		7420	0300				
Directional Survey & Ser	vices	7440	0006				
Drill-Pipe Rental & Bits		7440	0007	\$ 79,000			
Coring		7440	0017	\$ -			
Testing		7440	0018	\$ =			
Logging Wireline		7440	0019	\$ -			
Logging While Drilling (L	WD)	7440	0020	\$ ==			
Logging Mud		7440	0021	\$ -			
Cementing		7440	0024	\$ 160,000			
Sitework / Locations		7450	0021	\$ 28,384			
			Total	\$ 2,931,000			
		Assessment of the state of the					
Participation & Authorization			Share (%)	Amount (\$)			
				\$0.00			
Approved (Print Name)		THE PERSON NAMED IN	Approved (Signature)				
			Date				

Chevron North American Exploration			Appropriat	Appropriation Request			
State		Duration (days)	Area	Well Names:			
NM		19.6	Culebra Bluff	CB BERU 23 14 FEE 06 3	CB BERU 23 14 FEE 06 302H		
		Co	mpletions AFE- Third	Bone Spring			
	Cos	t Category			F	lmount (\$)	
PERF Phase					\$	103,303	
MOVEON Pha	ise				\$	102,078	
FRACHYD Pha	se				\$	2,080,083	
MOVEOFF Ph	ase				\$	29,449	
RU Phase					\$	80,841	
CSGCLNOUT	hase				\$	132,731	
RD Phase					\$	40,421	
Artificial Lift F	rep.				\$	75,000	
Artificial Lift					\$	240,000	
Water					\$	457,339	
				Tota	1 \$	3,341,245	
			Fr L - co.				
Participation & Authorization			Share (%)	ļ ,	Amount (\$)		
						\$0.00	
Approved (Pr	int Na	me)	W. S. J. S.	Approved (Signature)		HALLE T	
				Date			

### Case No's: 21294, 21295, and 21296

Chronology of Contact with Non-Joined Working Interests & Unleased Mineral Owners

All Working Interest and Unleased Mineral Owners received ballot letter with AFEs for all six wells, which were sent by USPS tracked overnight mail on 4/10/2019.

- Alpha Permian Resources LLC
  - Had and continue to have ongoing email and phone conversations starting in April 2020
- Uplift Energy LLC
  - o Had email conversations in April 2020
- TLW Investments LLC
  - o Had email conversations in April 2020
- BK Exploration LLC
  - o Has email conversations in April 2020

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

APPLICATIONS OF CHEVRON U.S.A. INC. FOR COMPULSORY POOLING, EDDY COUNTY, NEW MEXICO.

**CASE NOS. 21294, 21295** 

### AFFIDAVIT OF KARL BLOOR IN SUPPORT OF CASE NOS. 21294 & 21295

Karl Bloor, of lawful age and being first duly sworn, declares as follows:

- 1. My name is Karl Bloor. I work for Chevron USA Inc. ("Chevron") as a Geologist.
- 2. I have not previously testified before the New Mexico Oil Conservation Division as an expert witness in petroleum geology matters. I graduated from San Diego State University with a B.S. in Geological Sciences in 2011, and from San Diego State University with a Master of Science in Geological Sciences in 2013. Since 2012, I have worked with Chevron as a Geologist, and I have worked in the Permian Basin since the beginning of the year. **Chevron Exhibit D-1** is a copy of my resume reflecting my education and experience in petroleum geology matters. I seek to have my credentials accepted by the Division as an expert petroleum geologist.
- 3. I am familiar with the applications filed by Chevron in these cases, and I have conducted a geologic study of the lands in the subject areas.
  - 4. In Case Nos. 21294 and 21295, Chevron is targeting the Bone Spring formation.
- 5. Chevron Exhibit D-2 is a project location map outlining the sections comprising the proposed spacing units in Case Nos. 21294 and 21295.
- 6. Chevron Exhibit D-3 is a subsea structure map that I prepared off the top of the Third Bone Spring Structure. Within Sections 14 and 23, there are red lines on the map that reflect the path of the proposed wellbores for the CB BERU 23 14 FEE 06 #301H Well and the CB

BEFORE THE OIL CONSERVATION DIVISION

Santa Fe, New Mexico
Exhibit No. D
Submitted by: Chevron U.S.A. Inc.

Hearing Date: June 11, 2020 Case Nos. 21294-21295 BERU 23 14 FEE 06 #302H Well. The contour interval is 50 feet. The structure map shows that the Third Bone Spring Structure is dipping gently to the East. The structure appears consistent in this section. I do not observe any faulting, pinchouts, or other geologic hazards to developing a horizontal well.

- 7. Chevron Exhibit D-4 is a map that shows the location of the three wells that were used to construct a cross-section from A to A'. I consider these wells to be representative of the geology of the area.
- 8. Chevron Exhibit D-5 is a stratigraphic cross section prepared by me for the three representative wells from A to A'. The exhibit shows logs for gamma ray and resistivity for the wells. The proposed target interval in the Third Bone Spring for the CB BERU 23 14 FEE 06 #301H Well and the CB BERU 23 14 FEE 06 #302H Well is labeled and depicted with a green arrow. The logs in the cross-section demonstrate that the targeted interval within the Bone Spring formation is consistent in thickness, across the entire spacing unit.
- 9. Based on my geologic study of the areas, I have not identified any geologic impediments to drilling horizontal wells in the area.
- 10. In my opinion, each tract comprising the proposed spacing units will be productive and contribute more-or-less equally to production from the wellbores.
- 11. In my opinion, the stand-up orientation of the proposed wells is the preferred orientation for horizontal well development in this area and is appropriate to efficiently and effectively develop the subject acreage.
- 12. In my opinion, the granting of Chevron's applications in these cases is in the best interest of conservation, the prevention of waste, and protection of correlative rights.

13. **Chevron Exhibits D-1 through D-5** were either prepared by me or compiled under my direction and supervision.

FURTHER AFFIANT SAYETH NOT.

KARL BLOOR

STATE OF TEXAS )	
COUNTY OF HARRIS )	
SUBSCRIBED and SWORN to	o before me this day of June 2020 by Karl
Bloor.	
	NOTARY POPUC
My Commission Expires:	TAHA AMIJI
10/14/202	My Notary ID # 128414633 Expires October 14, 2022

### Karl Bloor

Geologist, Chevron North America

10206 Peytons Grace Lane Cypress, TX 77433 Karl.Bloor@Chevron.com

**EXPERIENCE** 

### **Lead Development Geologist**

2020-present

### Mid-Continent, Chevron North America, Houston, TX

- Lead development geologist for Culebra Bluff (New Mexico Delaware Basin) development area
  - Generate well landing strategies for key development intervals
  - o Incorporate well log analysis, seismic interpretation, structural mapping, in-depth petrophysical analysis, and offset production data into landing recommendations
- Led geologic efforts to define/update regional extents of multiple Wolfcamp intervals
  - o Collaborated with reservoir engineers to understand geologic drivers for production
  - Led an effort to facilitate delivery of regional basin model maps

### **Exploration Geologist**

2017-2020

### Gulf of Mexico, Chevron North America, Houston, TX

- Focused on operated and non-operated deep water "near-field" tie-back prospects
  - o Incorporated seismic interpretation and attribute analysis with well log interpretation to generate new prospective intervals around existing fields
  - o Evaluated farm-in opportunities, made recommendations to participate/not participate
  - o Provided seismic proposals to management for review
- Lead exploration geologist for Esox discovery well
  - o Evaluated and generated exploration zones using seismic interpretation and well log analysis
  - o Successfully led subsurface marketing effort to sell down a portion of our working interest
  - o Monitored drilling, provided inputs to formation evaluation plan

### **Operations Geologist**

2013-2017

### Gulf of Mexico, Chevron North America, Houston, TX

- Planned and drilled deep water exploration and appraisal wells, primarily responsible for subsurface hazards and pore pressure prediction
  - Incorporated seismic interpretation and well log analysis to influence casing point selection
  - Responsible for daily monitoring of drilling activities, influencing mud-weight decisions, provided look-back documentation

### Earth Science Intern

**Summer 2012** 

### Mid-Continent, Chevron North America, Midland, TX

- Operational and production geology in the Permian Basin
  - Incorporated digital and paper logs to generate geologic framework of 3 conventional development areas
  - Generated recommendations for workovers and completions

### **EDUCATION & TRAINING**

## Extensive in-house and external Chevron subsurface geologic training MSc Degree, San Diego State University, San Diego, CA

2013-present June 2013

Thesis: Seismic Geomorphology of the Miocene Carbonate Platform, Browse Basin, NW Australia

### BSc Degree, San Diego State University, San Diego CA

June 2011

Thesis: Indications of a Geothermal Resource near Santa Fe, New Mexico

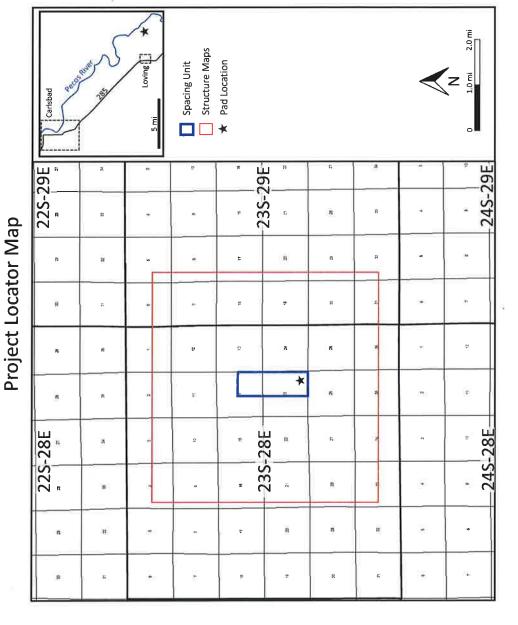
BEFORE THE OIL CONSERVATION DIVISION

Santa Fe, New Mexico

Exhibit No. D1

Submitted by: Chevron U.S.A. Inc. Hearing Date: June 11, 2020 Case Nos. 21294-21295

CB BERU 23 14 FEE 06
Project Locator Map

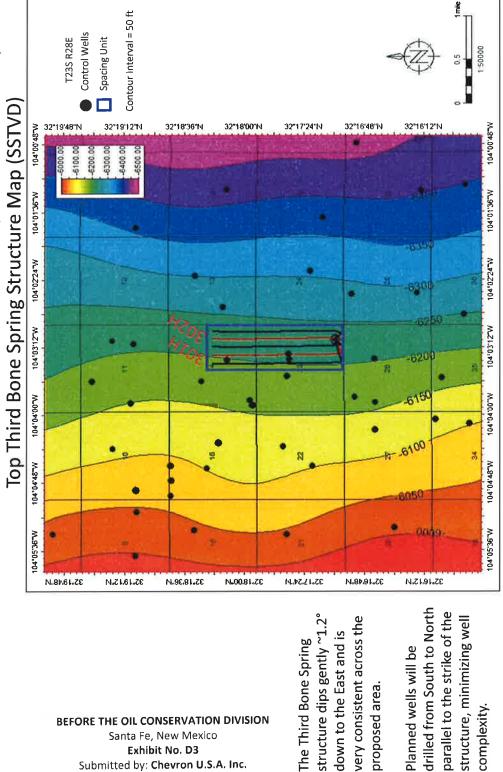


### BEFORE THE OIL CONSERVATION DIVISION

Santa Fe, New Mexico Exhibit No. D2

Submitted by: Chevron U.S.A. Inc. Hearing Date: June 11, 2020 Case Nos. 21294-21295

# CB BERU 23 14 FEE 06 (301H, 302H)



very consistent across the

proposed area.

Planned wells will be

structure dips gently ~1.2 down to the East and is

The Third Bone Spring

structure, minimizing well

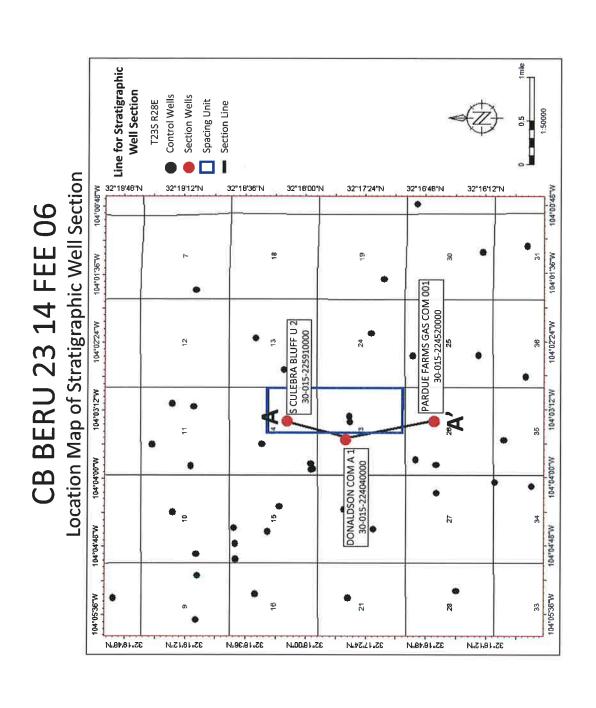
complexity

Santa Fe, New Mexico Exhibit No. D3

Submitted by: Chevron U.S.A. Inc. Hearing Date: June 11, 2020

Case Nos. 21294-21295

### BEFORE THE OIL CONSERVATION DIVISION



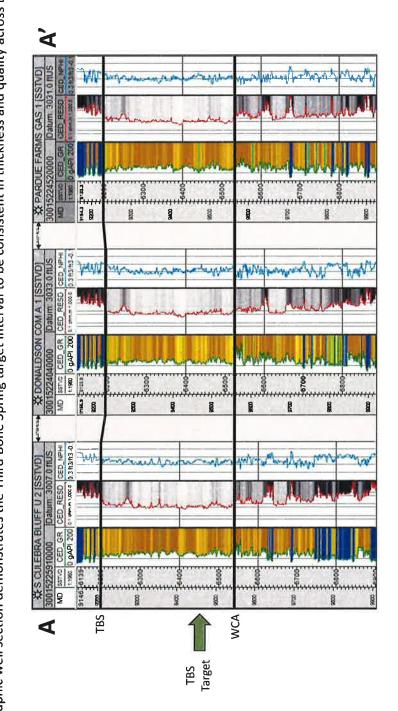
Santa Fe, New Mexico

Exhibit No. D4
Submitted by: Chevron U.S.A. Inc.

Hearing Date: June 11, 2020 Case Nos. 21294-21295

# CB BERU 23 14 FEE 06 (301H, 302H) Stratigraphic Well Section

- The well section is flattened on the top of the Wolfcamp A.
  - The target interval is defined by the green arrow.
- This stratigraphic well section demonstrates the Third Bone Spring target interval to be consistent in thickness and quality across the proposed area.



### BEFORE THE OIL CONSERVATION DIVISION

Santa Fe, New Mexico Exhibit No. D5

Submitted by: Chevron U.S.A. Inc. Hearing Date: June 11, 2020 Case Nos. 21294-21295

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

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

CASE NOS. 21294-21295

### **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 9th day of June, 2020 by Kaitlyn A. Luck.

My Commission Expires:

Nov. 12,2023

OFFICIAL SEAL
Carla Garcia
NOTARY PUBLIC - STATE OF NEW MEXICO
NOTARY PUBLIC - STATE OF NEW MEXICO



Kaitlyn A. Luck Associate Phone (505) 954-7286 kaluck@hollandhart.com

May 22, 2020

### <u>VIA CERTIFIED MAIL</u> CERTIFIED RECEIPT REQUESTED

TO: ALL INTEREST OWNERS SUBJECT TO POOLING PROCEEDINGS

Re: Application of Chevron U.S.A. Inc. for compulsory pooling,

**Eddy County, New Mexico.** 

CB BERU 23 14 FEE 06 #301H 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 June 11, 2020, and the status of the hearing can be monitored through the Division's website at <a href="http://www.emnrd.state.nm.us/ocd/">http://www.emnrd.state.nm.us/ocd/</a>. 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.

During the COVID-19 Pubic Health Emergency, state buildings are closed to the public and hearings will be conducted remotely. To participate in the electronic hearing, please see the instructions posted on the OCD Hearings website: http://www.emnrd.state.nm.us/OCD/announcements.html.

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 Kelly Rau, at 713-372-7411, or Kelly.Rau@chevron.com.

Sincerely,

Kaitlyn A. Luck

ATTORNEY FOR CHEVRON U.S.A. INC.



Kaitlyn A. Luck Associate Phone (505) 954-7286 kaluck@hollandhart.com

May 22, 2020

### <u>VIA CERTIFIED MAIL</u> CERTIFIED RECEIPT REQUESTED

TO: ALL INTEREST OWNERS SUBJECT TO POOLING PROCEEDINGS

Re: Application of Chevron U.S.A. Inc. for compulsory pooling,

**Eddy County, New Mexico.** 

CB BERU 23 14 FEE 06 #302H 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 June 11, 2020, and the status of the hearing can be monitored through the Division's website at <a href="http://www.emnrd.state.nm.us/ocd/">http://www.emnrd.state.nm.us/ocd/</a>. 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.

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If you have any questions about this matter, please contact Kelly Rau, at 713-372-7411, or Kelly.Rau@chevron.com.

Sincerely,

Kaitlyn A. Luck

ATTORNEY FOR CHEVRON U.S.A. INC.

TrackingNo	ToName	DeliveryAddress	City	State	Zip	USPS_Status
9414810898765060103569	9414810898765060103569 Thunder Moon Resources, LLC	PO Box 180573	Dallas	¥	75218-0573	75218-0573 Your item was delivered at 12:37 pm on May 29, 2020 in DALLAS, TX 75218.
9414810898765060103583 CapRock Resources, LLC	CapRock Resources, LLC	PO Box 670581	Dallas	¥	75367-0581	Your package will arrive later than expected, but is still on its way. It is currently 75367-0581 in transit to the next facility.
9414810898765060103590	9414810898765060103590 Glasgow Oil & Gas Company	PO Box 849	Prosper	<b>\</b>	75078-0849	75078-0849 Your item was delivered at 9:09 am on June 1, 2020 in PROSPER, TX 75078.
9414810898765060103606 Kerry Lynn Paape	Kerry Lynn Paape	6859 Riverbrook Trce	Columbus	g <sub>A</sub>	31904-3801	Your package will arrive later than expected, but is still on its way. It is currently 31904-3801 in transit to the next facility.
9414810898765060103620	9414810898765060103620 Stroube Energy Corporation	17194 Preston Rd Ste 102 Lb 249	Dallas	¥	75248-1227	Your item departed our USPS facility in ALBUQUERQUE, NM 87101 on June 8, 75248-1227 2020 at 10:18 pm. The item is currently in transit to the destination.
9414810898765060103637 William Robert Paape	William Robert Paape	1110 Kennan Rd	West Lake Hills	<b>٢</b>	78746-2724	Your item was delivered to an individual at the address at 6:03 pm on May 26, 78746-2724 2020 in AUSTIN, TX 78746.
9414810898765060103644 McMullen Minerals, LLC	McMullen Minerals, LLC	PO Box 670857	Fort Worth	녿	76147	Your item was delivered at 10:22 am on May 29, 2020 in FORT WORTH, TX 76107.
9414810898765060103651	9414810898765060103651 BK Exploration Corporation	10159 E 11th St	Tulsa	š	74128-3058	Your item was delivered to an individual at the address at 10:07 am on June 1, 74128-3058 2020 in TULSA, OK 74128.
9414810898765060103668 TLW Investments, LLC	TLW Investments, LLC	1001 Fannin St Ste 2020	Houston	ř	77002-6715	Your item was delivered to the front desk, reception area, or mail room at 12:06 77002-6715 pm on May 29, 2020 in HOUSTON, TX 77002.
9414810898765060103675	9414810898765060103675 Alpha Permian Resources, LLC	PO Box 10701	Midland	¥	79702-7701	79702-7701 Your item was delivered at 2:34 pm on June 2, 2020 in MIDLAND, TX 79701.
9414810898765060103682 Uplift Energy, LLC	Uplift Energy, LLC	PO Box 10702	Midland	¥	79702-7702	79702-7702 Your item was delivered at 2:34 pm on June 2, 2020 in MIDLAND, TX 79701.



## Affidavit of Publication Ad # 0004207157 This is not an invoice

**HOLLAND & HART** POBOX 2208

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:

05/27/2020

Legal Clerk

Subscribed and sworn before me this May 27, 2020:

State of WI, County of Brown

NOTARY PUBLIC

My commission expires

SHELLY HORA Notary Public

State of Wisconsin

Ad # 0004207157 PO #: 4207157 # of Affidavits1

This is not an invoice

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

The State of New Mexico, Energy Minerals and Natural Resources Department, Oil Conservation Division ("Division") hereby gives notice that the Division will hold public hearings before a hearing examiner on the following case. During the COVID-19 Public Health Emergency, state buildings are closed to the public and Division hearings will be conducted remotely. The remote electronic public hearing will be conducted remotely on the following case. The hearing will be conducted on Thursday, June 11, 2020, beginning at 8:15 a.m. To participate in the electronic hearing, see the instructions posted below. The docket may be viewed at http://www.ernnrd.state.nm.us/OCD/hearings.html or obtained from Marlene Salvidrez, at Marlene.Salvidrez@state.nm.us. Documents filed in the case may be viewed at http://ocdimage.emnrd.state.nm.us/imaging/CaseFileCriteria.aspx. If you are an individual with a disability who needs a reader, amplifier, qualified sign language Interpreter, or other form of auxiliary aid or service to attend or participate in a hearing, contact Marlene Salvidrez at Marlene, Salvidrez@state.nm.us, or the New Mexico Relay Network at 1-800-659-1779, no later than Monday, June 1, 2020.

Persons may view and participate in the hearings through the following link and as indicated below:

Meeting number: 968 329 152 Password: YQe6KZBe3n6 https://nmemnrd.webex.com/nmemnrd/j.php?MTID=mb3dd b90721ccc17207709b8c71dc2ac1

Join by video system
Dial 968329152@nmemnrd.webex.com
You can also dial 173.243,2.68 and enter your meeting number.

Join by phone +1-408-418-9388 United States Toll Access code: 968 329 152

> 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: Belinda Sue Williams aka Belinda Raines, her heirs and devisees; Bogle Oil, Inc.; BX4, LLC; Cheryl Beck, her heirs and devisees; Concepcion C. Onsurez Revocable Trust; Crystal A. Howard, her heirs and devisees; Danielle Levine-Baum, her heirs and devisees; Darrin M. Margulies Trust; David L. Margulies and Glorla S. Margulies Trust; El Rojo, L.L.C.; Emil Berger Trust; Estate of Cella B. Milavec, her heirs and devisees; Ba Williams Properties, LLC; Greg Martinez, his heirs and devisees; Harvey R. Hicks, Jr., his heirs and devisees; Harvey R. Hicks, Jr., his heirs and devisees; Heather Holesapple Oil, Gas and Mineral Management; Howard Family Resources, LLC; Jack Austin Richardson, his heirs and devisees; James W. Williams, his heirs and devisees; Joan W. Clem, her heirs and devisees; Joe A. Clem, his heirs and devisees; John D. Stribling, his heirs and devisees; John Draper Brantley, Jr., his heirs and devisees; John Michael & Marion Richardson, their heirs and devisees; Johnny L. Reid, husband of, & Jackie L. Reid, as JTS, their heirs and devisees; Marguiles-Metz, her heirs and devisees; Lovella Kilman, her heirs and devisees; Marguiles-Metz, her heirs and devisees; Lovella Kilman, her heirs and devisees; Margaret L. Fate, her heirs and devisees; Linville D. Williams Militello, her heirs and devisees; Margaret Stribling, her heirs and devisees; Margaret Stribling, her heirs and devisees; Margaret Stribling, her heirs and devisees; Merland, Inc.; MRC Permian Company; Pegasus Resources, LLC; Renee Ann Levine-Blonder, her heirs and devisees; Reishard Holesapple Revocable Trust; Robert Duncan Cain, Jr., his heirs and devisees; Salem Peccos Stribling, his/her heirs and devisees; Salem Peccos Stribling, his/her heirs and devisees; Salem Peccos Stribling, his/her heirs and devisees; Tommy Lee Pierce, his heirs and devisees; Tundra AD3, PL; Urquidez

ranny Living Trust; Valuez ranny 2000 irrevocable Trust; William M. Baker and Francine L. Baker Family Trust; Brady Lynn Raindl, his heirs and devisees; Brandl Blair Raindl, her heirs and devisees; Brent Mitchell Raindl, his heirs and devisees; Cynthia Fay Lee, her heirs and devisees; Debra Kay Primera, her heirs and devisees; George McBeath Tracy, his heirs and devisees; Marion Jane Gordon, her heirs and devisees; Morris E. Schertz, his heirs and devisees; Ricky D. Raindl, his heirs and devisees; Robert Mitchell Raindl, his heirs and devisees; Susie Belle Bindel, her heirs and devisees; Thunder Moon Resources, LLC; CapRock Resources, LLC; Glasgow Oil & Gas Company; Kerry Lynn Paape, her heirs and devisees; Stroube Energy Corporation; William Robert Paape, his heirs and devisees; McMullen Minerals, LLC; BK Exploration Corporation; TLW Investments, LLC; Alpha Permian Resources, LLC; and Uplift Energy, LLC.

Case No. 21294: Application of Chevron Production Company for compulsory pooling, Eddy County, New Mexico. Applicant in the above-styled cause seeks an order pooling all uncommitted interests in the Bone Spring formation underlying a standard 240-acre horizontal spacing unit comprised of the W/Z E/Z of Section 23 and the W/Z SE/A of Section 14, Township 23 South, Range 28 East, NMPM, Eddy County, New Mexico. The above-referenced unit will be dedicated to the proposed initial CB BERU 23 14 FEE 06 #301H Well, to be horizontally drilled from surface hole locations in the SE/A SE/A (Unit P) of Section 13. The completed intervals of this well will comply with statewide setbacks for oil wells. 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 3 miles southeast of Loving, New Mexico.

#4207157, Current Argus, May 27, 2020

### Affidavit of Publication Ad # 0004207169 This is not an invoice

**HOLLAND & HART POBOX 2208** 

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:

05/27/2020

Legal Clerk

Subscribed and sworn before me this May 27, 2020:

State of WI, County of Brown NOTARY PUBLIC

My commission expires

SHELLY HORA Notary Public State of Wisconsin

Ad # 0004207169 PO #: 4207169 # of Affidavits1

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Persons may view and participate in the hearings through the following link and as indicated below:

Meeting number: 968 329 152
Password: YQe6KZBe3n6
https://nmemnrd.webex.com/nmemnrd/j.php?MTID=mb3dd
b90721ccc17207709b8c71dc2ac1

Join by video system
Dial 968329152@nmemord.webex.com
You can also dial 173.243.2.68 and enter your meeting number.

Join by phone +1-408-418-9388 United States Toll Access code: 968 329 152

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William M. Baker and Francine L. Baker Family Trust; Brady Lynn Raindl, his heirs and devisees; Brandl Blalr Raindl, her heirs and devisees; Brandl Blalr Raindl, her heirs and devisees; Brent Mitchell Raindl, his heirs and devisees; Cynthia Fay Lee, her heirs and devisees; Debra Kay Primera, her heirs and devisees; George McBeath Tracy, his heirs and devisees; Marion Jane Gordon, her heirs and devisees; Mittie Beth Hayes, her heirs and devisees; Morris E. Schertz, his heirs and devisees; Ricky D. Raindl, his heirs and devisees; Susie Belle Bindel, her heirs and devisees; Thunder Moon Resources, LLC; CapRock Resources, LLC; Glasgow Oil & Gas Company; Kerry Lynn Paape, her heirs and devisees; Stroube Energy Corporation; William Robert Paape, his heirs and devisees; McMullen Minerals, LLC; BK Exploration Corporation; TLW Investments, LLC; Alpha Permian Resources, LLC; and Uplift Energy, LLC.

Case No. 21295: Application of Chevron Production Company for compulsory pooling, Eddy County, New Mexico. Applicant in the above-styled cause seeks an order pooling all uncommitted interests in the Bone Spring formation underlying a standard 240-acre horizontal spacing unit comprised of the E/2 E/2 of Section 23 and the E/2 SE/4 of Section 14, Township 23 South, Range 28 East, NMPM, Eddy County, New Mexico. The above-referenced unit will be dedicated to the proposed initial CB BERU 23 14 FEE 06 #302H Well, to be horizontally drilled from surface hole locations in the SE/4 SE/4 (Unit P) of Section 23 to bottom hole locations in the SE/4 NE/4 (Unit P) of Section 14. The completed intervals of this well will comply with statewide setbacks for oil wells. 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 3 miles southeast of Loving, New Mexico.

#4207169, Current Argus, May 27, 2020