



Jeff Gustavson
Vice President
MidContinent Business Unit

April 8, 2020

Railroad Commission of Texas
1701 N. Congress Avenue
Austin, Texas 78701

Via Email: RRCconference@rrc.texas.gov

Re: Docket No. OG-20-00003167; Motion on Verified Complaint of Pioneer Natural Resources U.S.A., Inc. and Parsley Energy Inc. regarding Conservation and Prevention of Waste of Crude Petroleum and Natural Gas in the State of Texas (the "Motion") pending before the Railroad Commission of Texas (the "Commission")

Dear Chairman Christian and Commissioners Craddick and Sitton:

I am writing behalf of Chevron and its 9,000 employees in the State of Texas to urge the Commission to deny the Motion and not enter any order, rule, or other relief setting market demand that would reduce allowables for May 2020 or any later time period. Chevron supports the comments being filed in this proceeding by the Texas Oil and Gas Association ("TxOGA"). As such, Chevron will not be providing any separate comments, live or written.

Chevron is one of the most active drillers and producers in Texas and one of the largest acreage owners in the Permian with 2.2 million acres in both Texas and New Mexico. For almost a hundred years, we have been exploring, producing and delivering energy in Texas, and the significance of the Permian to our company, to this state, our country and the world cannot be overstated.

Texas energy has been and will continue to be foundational to America, and this is due in part to the fair and predictable regulatory framework provided by the Railroad Commission. The U.S. energy industry is facing significant challenges today, but the demand destruction resulting from the global COVID-19 pandemic is not permanent. As our nation and the world come together to defeat this disease, people return to work, the economy regains footing, and shipping and travel resume, demand for refined products and therefore crude oil will rebound.

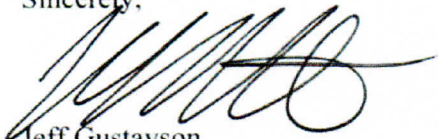
Chevron wants to operate in a fair competitive market and believes that the free market system will aptly regulate the price and supply of crude oil. One state's actions will not positively affect the global market supply, but it could negatively affect Texas' competitiveness in that market. As such, we appreciate governments, including the Commission, not taking any action that restricts the application of free market principles or the restriction of production.

The Permian is one of the most prolific and productive oil fields in the world, and its economics can compete in a more stable price environment, even at a relatively low price. The industry can and must manage through this cycle and emerge as even stronger stewards of Texas resources.

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Chevron appreciates the opportunity to provide its views to the Commission concerning this important subject. We encourage the Commission to deny the Motion and not enter any order, rule, or other relief setting market demand that would reduce allowables for May 2020 or any later time period.

Sincerely,

A handwritten signature in black ink, appearing to read 'J. Gustavson', with a stylized, flowing script.

Jeff Gustavson
Vice President, MidContinent Business Unit