



SALTED LANDS COUNCIL



The Honorable Chair
Securities and Exchange Commission
100 F Street, NE
Washington, DC 20549

The Honorable Chair
Federal Trade Commission
600 Pennsylvania Avenue, NW
Washington, DC 20580

Board of Directors
Hess Corporation
1185 Avenue of the Americas
New York, NY 10036

Board of Directors
Chevron Corporation
6001 Bollinger Canyon Road
San Ramon, CA 94583

Board of Directors
ExxonMobil Corporation
5959 Las Colinas Blvd.
Irving, TX 75039

September 9, 2025

RE: Missing Disclosure in Chevron–Hess Merger (Delaware Chancery Case No. 2025-0793 – Police and Fire Retirement System of Detroit v. Hess Corporation)

Dear Commissioners and Members of the Boards:

We write to call your attention to serious omissions and unresolved concerns surrounding the \$53 billion acquisition of Hess Corporation by Chevron Corporation.

Based on the Complaint filed by the Police and Fire Retirement System of Detroit in Delaware Chancery Court Case No. 2025–0793, we understand that Chevron has acquired, or will soon acquire, Hess. While that Complaint raises critical issues concerning Hess’s failure to obtain the full market value of its business through transparent engagement with alternative suitors such as ExxonMobil, Hess’s activities in North Dakota present a potentially multi-billion exposure that appears not to have been disclosed at all.

Oil and gas developers often try to avoid paying for the externalities they create, chief among which are their obligations to clean up and remediate their well sites, including plugging orphan wells, once they complete their extractive operations.

The Chevron/Hess parties have failed to account for the costs of remediating Hess’s operating sites in North Dakota, which obligations are usually referred to as asset retirement obligations (AROs). Across North Dakota, stranded oilfields represent billions of dollars in unfunded remediation costs. Unless Hess’s AROs are addressed now, the Chevron-Hess transaction risks becoming yet another in a series of oil company deals that stick landowners and state governments with the costs of remediating the mess that the oil companies leave behind them. That is a formula for long-term ecological and economic harm.

Research by scientists, surface owners, and policy advisors such as Carbon Tracker, FracTracker Alliance and Rocky Mountain Law demonstrates that oil companies have historically tried to evade their AROs by transferring their troubled assets to thinly capitalized or even insolvent companies, disposing of those companies, and walking away from their AROs. Examples include:

- *Lexon Ins. Co. V. Chevron USA et al.*, Case No. 24-20347 (5th Cir.): Chevron transferred decommissioning obligations to a buyer of assets, Lindner Oil Co., which subsequently went into bankruptcy. Chevron has taken the position that it has no responsibility for any decommissioning costs.
- *McCormick et al. V. HRM Resources LLC et al.*, Case No. 1:24-CV-00823 (U. S. Dist. Ct., D. Colo.): In a scheme to shift cleanup obligations to the State of Colorado, oil and gas company HRM Resources, transferred some 200 orphaned oil and gas wells to Painted Pegasus Petroleum LLC, a smaller, thinly capitalized company, which shortly afterwards declared bankruptcy. According to the complaint filed by landowners, the transferee oil company intended to leave the wells unplugged.
- *McEvoy et al. V. Diversified Energy Co. PLC*, Case No. 5:22-cv- 00171 (U.S. Dist. Ct., N.D. W. Va.): Diversified Energy acquired 2600 inactive oil and gas wells from EQT Corp. in West Virginia, Ohio, Kentucky, Pennsylvania, Virginia and Tennessee. In their complaint, landowners alleged that Diversified Energy had abandoned more than 2000 unproductive wells that were leaking methane onto their land, and that EQT and Diversified Energy schemed to transfer \$600 million in assets to avoid cleanup liability.
- The actions of Anadarko Petroleum Corp. in *In Re ATP Oil & Gas Corp.*, Case No. 4:12-bk-36187 (Bkrcty. S.D. Tx 2013) show that oil companies become concerned about whether transferees of abandoned or orphaned well sites must remediate them only when the oil company itself may get stuck with that liability.

Gary Swick, an eminent environmental data, scientist, has estimated that the financial and ecological costs of Hess's legacy in North Dakota alone likely exceed \$2 billion. These obligations include impacts on:

1. Privately owned land, such as farms and ranches;
2. Township and county infrastructure, especially in McKenzie County; and
3. The State of North Dakota's soil, water, and agricultural productivity.

As we understand matters, these concerns were never disclosed to shareholders, nor were the risks mitigated by any assurance that funds would be set aside to fulfill Hess's AROs.

We respectfully urge the SEC and FTC to investigate whether:

- Hess's asset retirement liabilities were fully and fairly disclosed in merger filings,
- Fiduciary obligations to public shareholders have been met, and
- Environmental liabilities are being shifted onto taxpayers and landowners without compensation.

We further ask the Boards of Hess, Chevron, and ExxonMobil to respond publicly to the core question: Should \$2 billion—representing less than 4% of the sale price—be deposited into a restricted account at the Bank of North Dakota to ensure neither the State of North Dakota nor North Dakota landowners are left with unfunded reclamation liabilities?

To be clear, ExxonMobil is not a defendant in the Detroit Police & Fire Retirement System case mentioned above. However, its commendable change in corporate culture—evident in the phased, transparent closure of the Brent Oilfield in the North Sea and post-Exxon Valdez reforms—makes it a plausible and preferable successor to Hess' assets, should Chevron fail to meet its responsibilities.

We submit this letter as a matter of public and fiduciary importance, and we respectfully request acknowledgment of its receipt.

Sincerely,



Paul G. Neilan
Secretary/Treasurer
Salt Contaminated Land and Water Council

cc: Fintan Dooley
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