

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

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

CASE NO. 23562

CHEVRON'S PRE-HEARING STATEMENT

Chevron U.S.A. Inc. ("Chevron" or "Applicant"), the applicant in the above-referenced matter, submits this Pre-Hearing Statement pursuant to the rules of the Oil Conservation Division.

APPEARANCES

APPLICANT

Chevron U.S.A. Inc.
("Chevron")

ATTORNEY

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APPLICANT'S STATEMENT OF THE CASE

In **Case No. 23562**, Chevron seeks an order pooling all uncommitted interests in a portion of the Bone Spring formation (Cotton Draw; Bone Spring [13367]), from beneath the base of the First Bone Spring to the top of the Wolfcamp formation, underlying a standard 640-acre, more or less, horizontal well spacing unit comprised of the E/2 of Sections 14 and 23, Township 24 South, Range 31 East, NMPM, Eddy County, New Mexico. Chevron seeks to initially dedicate the above-referenced horizontal spacing unit to the proposed **SND 14 23 Fed Com #429H** and **SND 14 23**

Fed Com #430H wells, both to be horizontally drilled from a surface location in the NE/4 NE/4 (Unit A) of Section 14 to a bottom hole location in the SW/4 SE/4 (Unit O) of Section 23; and the **SND 14 23 Fed Com #431H** and **SND 14 23 Fed Com #432H** wells, both to be horizontally drilled from a surface location in the NE/4 NE/4 (Unit A) of Section 14 to a bottom hole location in the SE/4 SE/4 (Unit P) of Section 23.

The completed interval of the **SND 14 23 Fed Com #430H** is expected to remain within 330 feet of the adjoining quarter-quarter section (or equivalent) tracts to allow inclusion of these proximity tracts within the proposed horizontal spacing unit under 19.15.16.15.B(1)(b) NMAC.

An ownership depth severance exists in the Bone Spring formation within the proposed horizontal well spacing unit. Accordingly, Chevron seeks to pool only a portion of the Bone Spring formation, from beneath the base of the First Bone Spring to the top of the Wolfcamp formation, the stratigraphic equivalent of the top of the Second Bone Spring formation, as seen at 10,025 feet beneath the surface, to the stratigraphic equivalent of the top of the Wolfcamp formation, as seen at 11,713 feet beneath the surface, as shown in that certain Gamma Ray dated August 14th, 2018, in the Striker 2 SWD #001 (API # 30-015-44416), located in Section 23, Township 24 South, Range 31 East, Eddy County, New Mexico. Chevron has provided notice of this hearing to the vertical offset parties within the pool who are not subject to this pooling application.

The completed interval for each of the wells will meet the statewide setbacks for oil wells. Chevron has sought and been unable to obtain voluntary agreement for the development of these lands from all working interest owners in the subject acreage.

APPLICANT'S PROPOSED EVIDENCE

WITNESS Name and Expertise	ESTIMATED TIME	EXHIBITS
Corie Mathews, Landman	Self-Affirmed Statement	Approx. 6
Kat Hoffman, Geologist	Self-Affirmed Statement	Approx. 6

PROCEDURAL MATTERS

Chevron intends to present this case by self-affirmed statement if there is no opposition at the time of hearing.

Respectfully submitted,

HOLLAND & HART LLP

By: 

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State of New Mexico
Energy, Minerals and Natural Resources
Oil Conservation Division
1220 S. St Francis Dr.
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QUESTIONS

Action 220859

QUESTIONS

Operator: CHEVRON U S A INC 6301 Deauville Blvd Midland, TX 79706	OGRID: 4323
	Action Number: 220859
	Action Type: [HEAR] Prehearing Statement (PREHEARING)

QUESTIONS

Testimony	
Please assist us by provide the following information about your testimony.	
Number of witnesses	Not answered.
Testimony time (in minutes)	Not answered.