

**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. 25510**

**CHEVRON'S PRE-HEARING STATEMENT**

Chevron U.S.A. Inc. ("Chevron" or "Applicant"), through its undersigned counsel, submits this Pre-Hearing Statement pursuant to the rules of the Oil Conservation Division.

**APPEARANCES**

**APPLICANT**

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

**ATTORNEY**

Michael H. Feldewert  
Adam G. Rankin  
Paula M. Vance  
Holland & Hart, LLP  
Post Office Box 2208  
Santa Fe, New Mexico 87504-2208  
(505) 988-4421  
(505) 983-6043 Facsimile

**APPLICANT'S STATEMENT OF THE CASE**

In **Case No. 25510**, Chevron seeks an order pooling all uncommitted interests in a portion of the Bone Spring, from the top of the Bone Spring formation to the top of the Second Bone Spring Sandstone, 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 well spacing unit to the following proposed wells to be horizontally drilled from a common surface location in the SW/4 SE/4 (Unit O) of Section 23: **SND 14 23 Fed Com 222H** and **SND 14 23 Fed Com 223H** wells, both with a first take point in the SW/4 SE/4 (Unit O) of Section 23, and

last take points in the NW/4 NE/4 (Unit B) of Section 14; and **SND 14 23 Fed Com 224H** well, with a first take point in the SE/4 SE/4 (Unit P) of Section 23, and last take point in the NE/4 NE/4 (Unit A) of Section 14.

The completed interval of the **SND 14 23 Fed Com 223H** 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 within the proposed horizontal well spacing unit. Accordingly, Chevron seeks to pool only a portion of the Bone Spring, from the top of the Bone Spring formation, as seen at 8,364 feet measured depth beneath the surface, to the stratigraphic equivalent of the top of the Second Bone Spring Sandstone, as seen at 10,049 feet measured depth 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 East, Township 24 South, Range 31 East, Eddy County, New Mexico. Chevron 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 comply with statewide setbacks for oil wells. Applicant has reached voluntary agreement with the other working interest owners and, therefore, seeks to pool only non-cost-bearing interest owners, including overriding royalty interest owners and record title owners, who have yet to execute the necessary federal communitization agreements.

#### **APPLICANT'S PROPOSED EVIDENCE**

<b>WITNESS Name and Expertise</b>	<b>ESTIMATED TIME</b>	<b>EXHIBITS</b>
Douglas C. Crawford, Landman	Self-Affirmed Statement	Approx. 2
Andrew Roark, Geologist	Self-Affirmed Statement	Approx. 5

**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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Michael H. Feldewert  
Adam G. Rankin  
Paula M. Vance  
Post Office Box 2208  
Santa Fe, NM 87504  
505-988-4421  
505-983-6043 Facsimile  
mfeldewert@hollandhart.com  
agrarkin@hollandhart.com  
pmvance@hollandhart.com

**ATTORNEYS FOR CHEVRON U.S.A. INC.**

Sante Fe Main Office  
Phone: (505) 476-3441

General Information  
Phone: (505) 629-6116

Online Phone Directory  
<https://www.emnrd.nm.gov/ocd/contact-us>

State of New Mexico  
Energy, Minerals and Natural Resources  
Oil Conservation Division  
1220 S. St Francis Dr.  
Santa Fe, NM 87505

QUESTIONS

Action 490841

QUESTIONS

Operator:  CHEVRON U S A INC 6301 Deauville Blvd Midland, TX 79706	OGRID:  4323
	Action Number:  490841
	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.