

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

**APPLICATION OF CHEVRON U.S.A. INC.  
FOR A NON-STANDARD SPACING AND  
PRORATION UNIT AND COMPULSORY POOLING,  
EDDY COUNTY, NEW MEXICO.**

**CASE NO. 15895**

**CHEVRON'S PRE-HEARING STATEMENT**

This pre-hearing statement is submitted by Chevron USA Inc. ("Chevron") as required by the Oil Conservation Division.

**APPEARANCES**

**APPLICANT**

Chevron USA Inc.  
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**ATTORNEY**

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**STATEMENT OF THE CASE**

Chevron seeks an order 1) creating a non-standard 640-acre spacing and proration unit comprised of the E/2 of Section 5, Township 24 South, Range 29 East, and the E/2 of Section 32, Township 23 South, Range 29 East, N.M.P.M., Eddy County, New Mexico; and (2) pooling all mineral interests in the Wolfcamp formation underlying this acreage. Chevron proposes to dedicate the above-referenced spacing and proration unit as the project area for three proposed

wells: the proposed **CB SE 5 32 Fed Com #11H Well**, the proposed **CB SE 5 32 Fed Com #12H Well**, and the proposed **CB SE 5 32 Fed Com #13H Well**, which will be simultaneously drilled and completed. The three proposed horizontal wells will be pad drilled. The **CB SE 5 32 Fed Com #11H Well** and the **CB SE 5 32 Fed Com #12H Well** will be drilled from a surface location in the SW/4 SE/4 (Unit O) of Section 5 to a bottom hole location in NW/4 NE/4 (Unit B) of Section 32. The **CB SE 5 32 Fed Com #13H Well** will be drilled from a surface location in the SE/4 SE/4 (Unit P) of Section 5 to a bottom hole location in the NE/4 NE/4 of Section 32.

The completed interval for each well will remain within the 330-foot offset required by the Special Rules for the Purple Sage Wolfcamp Gas Pool (Pool Code 98220).

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

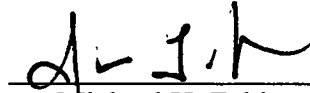
| <b>WITNESS<br/>Name and Expertise</b> | <b>ESTIMATED TIME</b> | <b>EXHIBITS</b> |
|---------------------------------------|-----------------------|-----------------|
| Chris Cooper<br>Landman               | Approx. 10 minutes    | Approx 5.       |
| Janae Singer<br>Geologist             | Approx. 10 minutes    | Approx 4.       |
| Fred Verner<br>Geologist              | Approx. 10 minutes    | Approx 3.       |
| Dan Kennedy<br>Project Manager        | Approx. 10 minutes    | Approx 3.       |

#### **PROCEDURAL MATTERS**

None at this time.

Respectfully submitted,

HOLLAND & HART LLP



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