

**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. 25332

CHEVRON U.S.A. INC.' s PRE-HEARING STATEMENT

Chevron U.S.A. Inc. ("Chevron") submits this Pre-Hearing Statement for the above-referenced case pursuant to the rules of the Oil Conservation Division.

APPEARANCES

APPLICANT

Chevron U.S.A. Inc.

ATTORNEY

Deana M. Bennett
Earl E. DeBrine, Jr.
Yarithza Peña
MODRALL, SPERLING, ROEHL,
HARRIS & SISK, P.A.
P. O. Box 2168
Albuquerque, New Mexico 87103-2168
(505) 848-1800

OTHER PARTIES

None

ATTORNEY

STATEMENT OF CASE

APPLICANT:

In Case No. 25332, Chevron seeks an order from the Division pooling all uncommitted mineral interests within a 1920-acre, more or less, Wolfcamp horizontal spacing unit comprised of Sections 8, 17, and 20, Township 25 South, Range 27 East, NMPM, Eddy County, New Mexico, in the Purple Sage Wolfcamp Gas Pool (Code 98220). This spacing unit will be dedicated to the following wells: **Grey Goose 20 8 Federal Com 446H** and **Grey Goose 20 8 Federal Com 447H** wells to be horizontally drilled from proposed surface hole locations in the SE/4 SW/4 (Unit N) of Section 20, to proposed bottom hole locations in the NW/4 NW/4 (Unit D) of Section 8; **Grey Goose 20 8 Federal Com 448H** and **Grey Goose 20 8 Federal Com 449H** wells to be horizontally drilled from proposed surface hole locations in the SE/4 SW/4 (Unit N) of Section 20, to proposed bottom hole locations in the NE/4 NW/4 (Unit C) of Section 8; **Grey Goose 20 8 Federal Com 450H** and **Grey Goose 20 8 Federal Com 451H** wells to be horizontally drilled from proposed

surface hole locations in the SE/4 SE/4 (Unit P) of Section 20, to proposed bottom hole locations in the NW/4 NE/4 (Unit B) of Section 8; and **Grey Goose 20 8 Federal Com 452H** and **Grey Goose 20 8 Federal Com 453H** wells to be horizontally drilled from proposed surface hole locations in the SE/4 SE/4 (Unit P) of Section 20, to proposed bottom hole locations in the NE/4 NE/4 (Unit A) of Section 8. The wells will comply with the Division’s setback requirements for the Purple Sage Wolfcamp pool except that Chevron will apply administratively for non-standard location approval for certain of the wells to the extent necessary. Also to be considered will be the cost of drilling and completing said wells, the allocation of these costs as well as the actual operating costs and charges for supervision, designation of Chevron U.S.A. Inc. as operator of the wells, and a 200% charge for risk involved in drilling said wells. The unit is located approximately 10 miles southwest of Malaga, New Mexico.

PROPOSED EVIDENCE

APPLICANT:

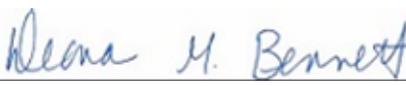
WITNESS	ESTIMATED TIME	EXHIBITS
Landman: Katie Halley	Approx. 10 minutes	Approx. 7
Geologist: Eric Surratt	Approx. 10 minutes	Approx. 5

PROCEDURAL ISSUES

If there are no objections to this matter, Chevron intends to present it by affidavit.

Respectfully submitted,

MODRALL, SPERLING, ROEHL, HARRIS
& SISK, P.A.

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State of New Mexico
Energy, Minerals and Natural Resources
Oil Conservation Division
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QUESTIONS

Action 457739

QUESTIONS

Operator: CHEVRON U S A INC 6301 Deauville Blvd Midland, TX 79706	OGRID: 4323
	Action Number: 457739
	Action Type: [HEAR] Prehearing Statement (PREHEARING)

QUESTIONS

Testimony	
<i>Please assist us by provide the following information about your testimony.</i>	
Number of witnesses	2
Testimony time (in minutes)	Not answered.