

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

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

**CASE NO.** \_\_\_\_\_

**APPLICATION**

Chevron U.S.A. Inc. (“Chevron” or “Applicant”) (OGRID No. 4323), through its undersigned attorneys, hereby files this application with the Oil Conservation Division pursuant to the provisions of NMSA 1978, § 70-2-17, for an order pooling all uncommitted interests in the Bone Spring formation underlying a 280-acre, more or less, standard horizontal spacing unit comprised of the E/2E/2 of Section 4 and the E/2NE/4 and the NE/4SE/4 of Section 9, Township 24 South, Range 34 East, Lea County, New Mexico.

In support of this application, Chevron states:

1. Applicant is a working interest owner in the proposed horizontal spacing unit and has the right to drill thereon.
2. Applicant seeks to dedicate the above-referenced horizontal spacing unit to the following proposed wells:
  - a. The **ZN Yellowstone 4 9 Fed Com 412H** well, to be horizontally drilled from surface hole location of 415’ from the south line, and 890’ from the east line of Section 33, to bottom hole location located in the NE/4 SE/4 of Section 9.
3. The Applicant has sought and has been unable to obtain voluntary agreement for the development of these lands from all the interest owners in the subject spacing unit.
4. The pooling of interests in the proposed horizontal well spacing unit will avoid the drilling of unnecessary wells, will prevent waste, and will protect correlative rights.

5. In order to permit Applicant to obtain its just and fair share of the oil and gas underlying the subject lands, all uncommitted interests in this horizontal spacing unit should be pooled and Applicant should be designated the operator of the proposed horizontal wells and spacing unit.

WHEREFORE, Applicant requests that this application be set for hearing before an Examiner of the Oil Conservation Division on January 6, 2022, and, after notice and hearing as required by law, the Division enter an order:

- A. Pooling all uncommitted interests beginning at a depth of 9,249' to the base of the Bone Spring formation underlying the proposed horizontal spacing unit;
- B. Designating Applicant as the operator of the horizontal spacing unit and the wells to be drilled thereon;
- C. Authorizing Applicant to recover its costs of drilling, equipping and completing the wells;
- D. Approving the actual operating charges and costs of supervision while drilling and after completion, together with a provision adjusting the rates pursuant to the COPAS accounting procedures; and
- E. Imposing a 200% charge for the risk assumed by Applicant in drilling and completing the wells against any working interest owner who does not voluntarily participate in the drilling of wells.

Respectfully submitted,

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

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