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

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

CASE NOS. 23939 & 23940

CHEVRON'S CONSOLIDATED PRE-HEARING STATEMENT

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

APPEARANCES

APPLICANT

ATTORNEY

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

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APPLICANT'S STATEMENT OF THE CASE

Under these consolidated cases, Chevron seeks orders pooling all uncommitted interests in the Wolfcamp formation (Purple Sage; Wolfcamp (gas) [98220]), underlying the referenced acreage all in Township 26 South, Range 27 East, NMPM, Eddy County, New Mexico, as follows:

• Under Case No. 23939, Chevron seeks to pool the uncommitted interests in a standard 640-acre, more or less, horizontal well spacing unit comprised of the E/2 of Sections 16 and 21, and initially dedicate this Wolfcamp spacing unit to the

proposed FEW 16 21 Federal Com 426H, FEW 16 21 Federal Com 427H, FEW 16 21 Federal Com 428H, and FEW 16 21 Federal Com 429H wells, to be horizontally drilled from a common surface location in the SE/4 SE/4 (Unit P) of Section 9, with first take points in the NW/4 NE/4 (Unit B) and NE/4 NE/4 (Unit A) of said Section 16 and last take points in the SW/4 SE/4 (Unit O) and SE/4 SE/4 (Unit P) of said Section 21.

• Under Case No. 23940, Chevron seeks to pool a standard 640-acre, more or less, horizontal well spacing unit comprised of the W/2 of Sections 16 and 21, and initially dedicate this Wolfcamp spacing unit to the proposed Rye One 16 21 Federal Com 422H, Rye One 16 21 Federal Com 423H, Rye One 16 21 Federal Com 425H wells, to be horizontally drilled from a common surface location in the SW/4 SW/4 (Unit M) of Section 9, with first take points in the NW/4 NW/4 (Unit D) and the NE/4 NW/4 (Unit C) of said Section 16 and last take points in the SW/4 SW/4 (Unit M) and SE/4 SW/4 (Unit N) of said Section 21.

The completed interval for each of the wells will comply with the Purple Sage Special Pool rules for gas wells. Applicant owns 100 percent of the working interests in the proposed spacing unit and, therefore, seeks to pool only non-cost-bearing interest owners, including overriding royalty interest owners and bare record title owners, whose interests have not been pooled within the subject spacing unit.

APPLICANT'S PROPOSED EVIDENCE

WITNESS Name and Expertise	ESTIMATED TIME	EXHIBITS
Gregg Pazer, Landman	Self-Affirmed Statement	Approx. 3

Eric Surratt, Geologist

Self-Affirmed Statement

Approx. 6

PROCEDURAL MATTERS

Chevron requests that these matters be consolidated for hearing and intends to present these cases 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. **Santa Fe, NM 87505**

QUESTIONS

Action 279742

QUESTIONS

Operator:	OGRID:
CHEVRON U S A INC	4323
6301 Deauville Blvd	Action Number:
Midland, TX 79706	279742
	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.	