

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

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

Case No. \_\_\_\_\_

**APPLICATION**

Chevron U.S.A. Inc. (“Chevron”), OGRID No. 4323, through its undersigned attorneys, hereby files this Application with the Oil Conservation Division (“Division”) pursuant to the provisions of NMSA 1978, § 70-2-17, for an order pooling all uncommitted mineral interests in the Wolfcamp formation underlying a standard 640-acre, more or less, spacing and proration unit comprised of the W/2 of Sections 14 and 23, Township 24 South, Range 31 East, NMPM, Eddy County, New Mexico.

In support of its Application, Chevron states the following:

1. Chevron is a working interest owner in the proposed horizontal spacing and proration unit (“HSU”) and has a right to drill a well thereon.
2. Chevron seeks to dedicate three initial gas wells to the HSU: the **SND 14-23 Fed Com 619H Well**, the **SND 14-23 Fed Com 620H Well**, and the **SND 14-23 Fed Com 621H Well**, to be drilled to a sufficient depth to test the Wolfcamp formation.
3. Chevron proposes the **SND 14-23 Fed Com 619H Well** to be horizontally drilled from a surface location in SW/4 SW/4 (Unit M) of Section 23 to a bottom hole location in the NW/4 NW/4 (Unit D) of Section 14.

4. Chevron proposes the **SND 14-23 Fed Com 620H Well** to be horizontally drilled from a surface location in SW/4 SW/4 (Unit M) of Section 23 to a bottom hole location in the NW/4 NW/4 (Unit D) of Section 14.

5. Chevron proposes the **SND 14-23 Fed Com 621H Well** to be horizontally drilled from a surface location in SW/4 SW/4 (Unit M) of Section 23 to a bottom hole location in the NE/4 NW/4 (Unit C) of Section 14.

6. The wells will have nonstandard locations as the first and last take points do not comply with setback requirements under the Division's Special Rules for the Purple Sage; Wolfcamp (Gas) Pool established in Order No. R-14262.

7. Chevron will apply for administrative approval for the nonstandard locations of the wells.

8. Since production of the wells will be managed by a single well pad, Chevron will apply administratively for approval of surface commingling to the extent necessary.

9. Review of Division records show there are no units overlapping the proposed HSU in the Wolfcamp.

10. Chevron has sought in good faith, but has been unable to obtain, voluntary agreement from all interest owners to participate in the drilling of the wells or in the commitment of their interests to the wells for their development within the proposed HSU.

11. The pooling of all interests in the Wolfcamp formation within the proposed HSU will avoid the drilling of unnecessary wells, prevent waste, and protect correlative rights.

12. In order to provide for its just and fair share of the oil and gas underlying the subject lands, Chevron requests that all uncommitted interests in this HSU be pooled and that Chevron be designated the operator of the proposed horizontal wells and HSU.

WHEREFORE, Chevron requests that this Application be set for hearing before an Examiner of the Oil Conservation Division on August 8, 2024, and after notice and hearing as required by law, the Division enter an order:

A. Pooling all uncommitted mineral interests in the Wolfcamp formation underlying a standard 640-acre, more or less, horizontal spacing unit comprising the W/2 of Sections 14 and 23, Township 24 South, Range 31 East, NMPM, Eddy County, New Mexico;

B. Approving the **SND 14-23 Fed Com 619H Well**, the **SND 14-23 Fed Com 620H Well**, and the **SND 14-23 Fed Com 621H Well** as the wells in the HSU;

C. Designating Chevron as operator of this HSU and the horizontal wells to be drilled thereon;

D. Authorizing Chevron to recover its costs of drilling, equipping and completing these wells;

E. Approving actual operating charges and costs of supervision, to the maximum extent allowable, while drilling and after completion, together with a provision adjusting the rates pursuant to the COPAS accounting procedures;

F. Setting a 200% charge for the risk assumed by Chevron in drilling and completing the wells in the event a working interest owner elects not to participate in the wells;

Respectfully submitted,

ABADIE & SCHILL, PC

*/s/ Darin C. Savage*

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Darin C. Savage

Andrew D. Schill  
William E. Zimsky  
214 McKenzie Street  
Santa Fe, New Mexico 87501

Telephone: 970.385.4401  
Facsimile: 970.385.4901  
darin@abadieschill.com  
andrew@abadieschill.com  
bill@abadieschill.com

**Attorneys for Chevron U.S.A. Inc.**

***Application of Chevron U.S.A. Inc. for Compulsory Pooling, Eddy County, New Mexico.*** Applicant in the above-styled cause seeks an order from the Division pooling all uncommitted mineral interests in the Wolfcamp formation underlying a standard 640-acre, more or less, spacing and proration unit comprised of the W/2 of Sections 14 and 23, Township 24 South, Range 31 East, NMPM, Eddy County, New Mexico. Said horizontal spacing unit is to be dedicated to three gas wells: the **SND 14-23 Fed Com 619H Well** proposed to be horizontally drilled from a surface location in the SW/4 SW/4 (Unit M) of Section 23 to a bottom hole location in the NW/4 NW/4 (Unit D) of Section 14; the **SND 14-23 Fed Com 620H Well** proposed to be horizontally drilled from a surface location in the SW/4 SW/4 (Unit M) of Section 23 to a bottom hole location in the NW/4 NW/4 (Unit D) of Section 14, and the **SND 14-23 Fed Com 621H Well** proposed to be horizontally drilled from a surface location in the SW/4 SW/4 (Unit M) of Section 23 to a bottom hole location in the NE/4 NW/4 (Unit C) of Section 14. The wells will have nonstandard locations as the first and last take points do not comply with setback requirements under the Division's Special Rules for the Purple Sage; Wolfcamp (Gas) Pool as established in Order No. R-14262. Applicant will apply for administrative approval for the nonstandard locations of the wells. Applicant will apply administratively for surface commingling to the extent necessary. Also to be considered will be the cost of drilling and completing the wells and the allocation of the costs thereof; actual operating costs and charges for supervision; the designation of the Applicant as Operator of the wells and unit; and a 200% charge for the risk involved in drilling and completing the wells. The wells and lands are located approximately 15 miles North of the New Mexico state line, and approximately 20 miles East of Loving, New Mexico.