

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

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

CASE NOS. 24792 & 24793

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

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

ATTORNEY

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APPLICANT'S STATEMENT OF THE CASE

Under these consolidated cases, Chevron seeks orders pooling all uncommitted interests in the Bone Spring formation (Red Tank; Bone Spring, East [15687]) as follows:

- Under **Case No. 24792**, Chevron seeks to pool the uncommitted interests in a standard 480-acre, more or less, horizontal well spacing unit comprised of the W/2 of Section 33, Township 21 South, Range 33 East, and Lots 3 & 4 and the S/2 NW/4 (NW/4 equivalent) of irregular Section 4, Township 22 South, Range 33 East,

NMPM, Lea County, New Mexico, and initially dedicate this Bone Spring spacing unit to the proposed **DL 4 33 Federal 401H** and **DL 4 33 Federal 402H** wells, to be horizontally drilled from a common surface location in the SE/4 NW/4 (Unit F) of irregular Section 4, T22S-R33E, with first take points in the SW/4 NW/4 (Unit E) of irregular Section 4, T22S-R33E, and last take points in the NW/4 NW/4 (Unit D) of Section 33, T21S-R33E; and **DL 4 33 Federal 403H** well, to be horizontally drilled from a common surface location in the SE/4 NW/4 (Unit F) of irregular Section 4, T22S-R33E, with a first take point in the SE/4 NW/4 (Unit F) of irregular Section 4, T22S-R33E, and last take point in the NE/4 NW/4 (Unit C) of Section 33, T21S-R33E.

- Under **Case No. 24793**, Chevron seeks to pool the uncommitted interests in a standard 480-acre, more or less, horizontal well spacing unit comprised of the SW/4 of Section 4 and the W/2 of Section 9, Township 22 South, Range 33 East, NMPM, Lea County, New Mexico, and initially dedicate this Bone Spring spacing unit to the proposed **DL 4 9 Federal 413H** and **DL 4 9 Federal 414H** wells, to be horizontally drilled from a common surface location in the SE/4 NW/4 (Unit F) of Section 4, with first take points in the NW/4 SW/4 (Unit L) of Section 4 and last take points in the SW/4 SW/4 (Unit M) of Section 9; and **DL 4 9 Federal 415H** well, to be horizontally drilled from a surface location in the SE/4 NW/4 (Unit F) of Section 4, with a first take point in the NE/4 SW/4 (Unit K) of Section 4 and last take point in the SE/4 SW/4 (Unit N) of Section 9.

The completed interval of the **DL 4 33 Federal 402H** and **DL 4 9 Federal 414H** are expected to remain within 330 feet of the adjoining quarter-quarter section (or equivalent) tracts to allow

inclusion of these proximity tracts within the proposed horizontal spacing unit under 19.15.16.15.B(1)(b) NMAC.

The completed interval for each of the wells will comply with statewide setbacks for oil wells. Applicant owns 100 percent of the working interest in Case No. 24793 and has voluntary agreement from the other working interest owners in Case No. 24792 and, therefore, seeks to pool only non-cost-bearing interest owners, including overriding royalty interest owners, whose interests have not been pooled within the subject spacing unit.

APPLICANT’S PROPOSED EVIDENCE

WITNESS Name and Expertise	ESTIMATED TIME	EXHIBITS
Nicholas Angelle, Landman	Self-Affirmed Statement	Approx. 3
Jason Parizek, Geologist	Self-Affirmed Statement	Approx. 4

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

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State of New Mexico
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Oil Conservation Division
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QUESTIONS

Action 380946

QUESTIONS

Operator: CHEVRON U S A INC 6301 Deauville Blvd Midland, TX 79706	OGRID: 4323
	Action Number: 380946
	Action Type: [HEAR] Prehearing Statement (PREHEARING)

QUESTIONS

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