

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

**APPLICATION OF CHEVRON U.S.A. INC.  
TO AMEND ORDER R-22769 TO ADD  
ADDITIONAL INITIAL WELLS AND FOR  
COMPULSORY POOLING,  
EDDY COUNTY, NEW MEXICO.**

**CASE NO. 25118**

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

**CASE NO. 25119**

**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**

In **Case No. 25118**, Chevron seeks to amend pooling Order R-22769 to pool the entire Bone Spring formation and add additional initial wells under the pooling order. Order R-22769 pooled all uncommitted interests in a portion of the Bone Spring formation (Cotton Draw; Bone

Spring [13367]), from beneath the base of the First Bone Spring to the top of the Wolfcamp formation, underlying a standard 640-acre, more or less, horizontal well spacing unit comprised of the E/2 of Sections 14 and 23, Township 24 South, Range 31 East, NMPM, Eddy County, New Mexico, and designated Chevron is the operator. Chevron seeks to a) pool the entire Bone Spring formation and b) include the following additional initial wells under Order R-22769: **SND 14 23 Fed Com #222H** and **SND 14 23 Fed Com #223H** wells, both to be horizontally drilled from a surface location in the SW/4 SE/4 (Unit O) of Section 23, a first take point in the SW/4 SE/4 (Unit O) of Section 23, and last take point in the NW/4 NE/4 (Unit B) of Section 14; and **SND 14 23 Fed Com #224H** and **SND 14 23 Fed Com #516H** wells, both to be horizontally drilled from a surface location in the SW/4 SE/4 (Unit O) of Section 23, a first take point in the SE/4 SE/4 (Unit P) of Section 23, and last take point in the NE/4 NE/4 (Unit A) of Section 14.

In **Case No. 25119**, Chevron seeks to pool the uncommitted interests in the Wolfcamp formation (Purple Sage, Wolfcamp (Gas) [98220]) underlying a standard 640-acre, more or less, horizontal well spacing unit comprised of the E/2 of Sections 14 and 23, Township 24 South, Range 31 East, NMPM, Eddy County, New Mexico, and initially dedicate the spacing unit to the proposed **SND 14 23 Fed Com #622H** well, to be horizontally drilled from a surface location in the SW/4 SE/4 (Unit O) of Section 23, with a first take point in the SW/4 SE/4 (Unit O) of Section 23, and last take point in the NW/4 NE/4 (Unit B) of Section 14; and **SND 14 23 Fed Com #623H** and **SND 14 23 Fed Com #624H** wells, to be horizontally drilled from a surface location in the SW/4 SE/4 (Unit O) of Section 23, with a first take point in the SE/4 SE/4 (Unit P) of Section 23, and last take point in the NE/4 NE/4 (Unit A) of Section 14.

The completed interval for each of the wells in Case No. 25118 will comply with statewide setbacks for oil wells and the wells in Case No. 25119 will comply with the special pool rules for

the Purple Sage Wolfcamp. In both cases, Applicant has reached voluntary agreement with the other working interest owners and, therefore, seeks to pool only non-cost-bearing interest owners, including overriding royalty interest owners and record title owners, who have yet to execute the necessary federal communitization agreements.

**APPLICANT’S PROPOSED EVIDENCE**

<b>WITNESS Name and Expertise</b>	<b>ESTIMATED TIME</b>	<b>EXHIBITS</b>
Douglas C. Crawford, Landman	Self-Affirmed Statement	Approx. 2
Leah Johnson, Geologist	Self-Affirmed Statement	Approx. 3

**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 429272

**QUESTIONS**

Operator: CHEVRON U S A INC 6301 Deauville Blvd Midland, TX 79706	OGRID: 4323
	Action Number: 429272
	Action Type: [HEAR] Prehearing Statement (PREHEARING)

**QUESTIONS**

<b>Testimony</b>	
<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>