

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

**APPLICATION OF CHEVRON U.S.A.
INC. FOR APPROVAL OF A NON-STANDARD UNIT
COMPULSORY POOLING,
AND, TO THE EXTENT NECESSARY,
APPROVAL OF AN OVERLAPPING SPACING UNIT,
LEA COUNTY, NEW MEXICO**

CASE NO. 26241

**APPLICATION OF CHEVRON U.S.A.
INC. FOR APPROVAL OF A NON-STANDARD UNIT
AND COMPULSORY POOLING,
LEA COUNTY, NEW MEXICO**

CASE NO. 26242

CHEVRON U.S.A. INC.'s PRE-HEARING STATEMENT

Chevron U.S.A. Inc. ("Chevron") submits this Pre-Hearing Statement for the above-referenced cases pursuant to the rules of the Oil Conservation Division.

APPEARANCES

APPLICANT

Chevron U.S.A. Inc.

ATTORNEY

Deana M. Bennett
Earl E. DeBrine, Jr.
MODRALL, SPERLING, ROEHL,
HARRIS & SISK, P.A.
P. O. Box 2168
Albuquerque, New Mexico 87103-2168
(505) 848-1800

OTHER PARTIES

None

ATTORNEY

STATEMENT OF CASE

APPLICANT:

In Case No. 26241, Chevron Application of Chevron U.S.A. Inc. for Approval of a Non-Standard Spacing Unit, Compulsory Pooling, and, to the Extent Necessary, Approval of an

Overlapping Spacing Unit, Lea County, New Mexico. Applicant seeks an order from the Division approving a non-standard 480-acre, more or less, Bone Spring horizontal spacing unit and pooling all uncommitted mineral interests in the E/2NW/4 of Section 33, the E/2W/2 of Section 28, and the E/2SW/4 and SE/4 of Section 21, Township 23 South, Range 34 East, NMPM, Lea County, New Mexico, in the Antelope Ridge; Bone Spring, SW pool (Pool Code 97621). This spacing unit will be dedicated to the **ZN 33 21 Fed Com 402H** well to be horizontally drilled at a proposed first take point in the SE/4 NW/4 (Unit F) of Section 33, to a proposed last take point in the NE/4 SW/4 (Unit K) of Section 21; and the **ZN 33 21 Fed Com 403H** “j-hook” well to be horizontally drilled at a proposed first take point in the SE/4 NW/4 (Unit F) of Section 33, to a proposed last take point in the SE4/SE/4 (Unit P) of Section 21. To the extent certain portions of the wells may be at non-standard locations, Chevron will apply for administrative approval of the non-standard locations. Applicant also seeks, to the extent necessary, approval of an overlapping spacing unit. This proposed unit will partially overlap with the following existing spacing unit: A 160-acre spacing unit dedicated to the Wildcat 21 LI Fed Com 1H well (API No. 30-025-41261) located in the N/2S/2 of Section 21, Township 23 South, Range 34 East and operated by Mewbourne Oil Company. Also to be considered will be the cost of drilling and completing said wells, the allocation of these costs as well as the actual operating costs and charges for supervision, designation of Chevron U.S.A. Inc. as operator of the wells, and a 200% charge for risk involved in drilling said wells. The unit is located approximately 19 miles northwest of Jal, New Mexico.

In Case No. 26242, Chevron seeks an order from the Division approving a non-standard 480-acre, more or less, Wolfcamp horizontal spacing unit and pooling all uncommitted mineral interests in the E/2NW/4 of Section 33, the E/2W/2 of Section 28, and the E/2SW/4 and SE/4 of Section 21, Township 23 South, Range 34 East, NMPM, Lea County, New Mexico, in the Antelope Ridge; Wolfcamp pool (Pool Code 2220). This spacing unit will be dedicated to the **ZN 33 21 Fed Com 602H** well to be horizontally drilled at a proposed first take point in the SE/4 NW/4 (Unit F) of Section 33, to a proposed last take point in the NE/4 SW/4 (Unit K) of Section 21; and the **ZN 33 21 Fed Com 603H** “j-hook” well to be horizontally drilled at a proposed first take point in the SE/4 NW/4 (Unit F) of Section 33, to a proposed last take point in the SE4/SE/4 (Unit P) of Section 21. To the extent certain portions of the wells may be at non-standard locations, Chevron will apply for administrative approval of the non-standard locations. Also to be considered will be the cost of drilling and completing said wells, the allocation of these costs as well as the actual operating costs and charges for supervision, designation of Chevron U.S.A. Inc. as operator of the wells, and a 200% charge for risk involved in drilling said wells. The unit is located approximately 19 miles northwest of Jal, New Mexico.

PROPOSED EVIDENCE

APPLICANT:

WITNESS	ESTIMATED TIME	EXHIBITS
Landman: Nicholas Angelle	Approx. 10 minutes	Approx. 9
Geologist: Colin MacRitchie	Approx. 10 minutes	Approx. 5

PROCEDURAL ISSUES

If there are no objections to these matters, Chevron intends to present them by affidavit.

Respectfully submitted,

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

By: 

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State of New Mexico
Energy, Minerals and Natural Resources
Oil Conservation Division
1220 S. St Francis Dr.
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QUESTIONS

Action 601263

QUESTIONS

Operator: CHEVRON U S A INC 6301 Deauville Blvd Midland, TX 79706	OGRID: 4323
	Action Number: 601263
	Action Type: [HEAR] Prehearing Statement (PREHEARING)

QUESTIONS

Testimony	
Please assist us by provide the following information about your testimony.	
Number of witnesses	2
Testimony time (in minutes)	Not answered.