

**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. 24095 & 24096**

**CHEVRON'S CONSOLIDATED PRE-HEARING STATEMENT**

Chevron U.S.A. Inc. ("Chevron" or "Applicant"), the applicant in the above-referenced matter, 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 a portion of the Bone Spring formation (Cedar Canyon; Bone Spring; [11520]), from beneath the base of the First Bone Spring to the base of the Bone Spring formation as follows:

- In **Case No. 24095**, Chevron seeks to pool the uncommitted interests underlying a standard 640-acre, more or less, horizontal well spacing unit comprised of the E/2 of Section 5, Township 24 South, Range 29 East, and the E/2 of Section 32,

Township 23 South, Range 29 East, NMPM, Eddy County, New Mexico. Chevron seeks to initially dedicate the above-referenced horizontal well spacing unit to the following proposed wells, to be horizontally drilled from a common surface location in the NE/4 of Section 8, Township 24 South, Range 29 East:

- **CB SE 5 32 Federal Com 201H** and **CB SE 5 32 Federal Com 202H**, with first take points in the SW/4 SE/4 (Unit O) of Section 5 and last take points in the NW/4 NE/4 (Unit B) of Section 32; and
  - **CB SE 5 32 Federal Com 203H** and **CB SE 5 32 Federal Com 251H**, with first take points in the SE/4 SE/4 (Unit P) of Section 5 and last take points in the NE/4 NE/4 (Unit A) of Section 32.
- In **Case No. 24096**, Chevron seeks to pool the uncommitted interests underlying a standard 640-acre, more or less, horizontal well spacing unit comprised of Lots 3 and 4, S/2 NW/4 and SW/4 (W/2 equivalent) of Section 5, Township 24 South, Range 29 East, and the W/2 of Section 32, Township 23 South, Range 29 East, NMPM, Eddy County, New Mexico. Chevron seeks to initially dedicate the above-referenced horizontal well spacing unit to the proposed **CB SE 5 32 Federal Com 3 201H** and the **CB SE 5 32 Federal Com 3 202H** wells, to be horizontally drilled from a common surface location in the NW/4 of Section 8, Township 24 South, Range 29 East, with first take points, respectively, in the SW/4 SW/4 (Unit M) and the SE/4 SW/4 (Unit N) of Section 5 and last take points in the NW/4 NW/4 (Unit D) and the NE/4 NW/4 (Unit C) of Section 32.

The completed interval of the **CB SE 5 32 Federal Com 202H** and **CB SE 5 32 Federal Com 3 202H** are expected to remain within 330 feet of the adjoining quarter-quarter section (or equivalent) tracts to allow inclusion of these proximity tracts within each respective proposed horizontal spacing unit under 19.15.16.15.B(1)(b) NMAC.

An ownership depth severance exists in the Bone Spring formation within the proposed horizontal well spacing units. Accordingly, Chevron seeks to pool only a portion of the Bone Spring formation in each case, from beneath the base of the First Bone Spring to the base of the Bone Spring formation, the stratigraphic equivalent of 100 feet below the First Bone Spring formation, as seen at 4,566 feet subsea true vertical depth beneath the surface, to the stratigraphic equivalent of the top of the base of the Bone Spring formation, as seen at 6,811 feet subsea true vertical depth beneath the surface, as shown in that certain Gamma Ray well log in the Cochiti ‘32C’ State 1 (API # 30-015-31910), located in Section 32, Township 23 South, Range 29 East, Eddy County, New Mexico.

The completed interval for each of the wells will comply with statewide setbacks for oil wells. Chevron has sought and been unable to obtain voluntary agreement for the development of these lands from all working interest owners in the subject acreage.

**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. 5
Efren Mendez Jr, Geologist	Self-Affirmed Statement	Approx. 5

**PROCEDURAL MATTERS**

Chevron intends to present this case 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 297984

**QUESTIONS**

Operator: CHEVRON U S A INC 6301 Deauville Blvd Midland, TX 79706	OGRID: 4323
	Action Number: 297984
	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	Not answered.
Testimony time (in minutes)	Not answered.