

**STATE OF NEW MEXICO  
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT  
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" or "Applicant") (OGRID No. 4323), through its undersigned attorneys, hereby files this application with the Oil Conservation Division pursuant to the provisions of NMSA 1978, § 70-2-17, for an order pooling all uncommitted interests in a portion of the Bone Spring, from the top of the Bone Spring formation to the top of the Second Bone Spring Sandstone, 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. In support of its application, Chevron states:

1. Applicant is a working interest owner in the proposed horizontal spacing unit and has the right to drill thereon.
2. Applicant 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 SW/4 SE/4 (Unit O) of Section 23: **SND 14 23 Fed Com 222H** and **SND 14 23 Fed Com 223H** wells, both with a first take point in the SW/4 SE/4 (Unit O) of Section 23, and last take points in the NW/4 NE/4 (Unit B) of Section 14; and **SND 14 23 Fed Com #224H** well, 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.
3. An ownership depth severance exists in the Bone Spring within the proposed horizontal well spacing unit. Accordingly, Chevron seeks to pool only a portion of the Bone Spring, from the top of the Bone Spring formation, as seen at 8,364 feet measured depth beneath the surface,

to the stratigraphic equivalent of the top of the Second Bone Spring Sandstone, as seen a 10,049 feet measured depth beneath the surface, as shown in that certain Gamma Ray dated August 14th, 2018, in the Striker 2 SWD #001 (API # 30-015-44416), located in Section 23 East, Township 24 South, Range 31 East, Eddy County, New Mexico. Chevron will provide notice of this hearing to the vertical offset parties within the pool who are not subject to this pooling application.

4. Applicant has reached a voluntary agreement with all the working interest owners in this proposed unit but seeks a pooling order for certain non-cost-bearing interest owners, including overriding royalty interest owners and record title owners, who have yet to execute the necessary federal communitization agreement.

5. The pooling of interests will allow Applicant to obtain a just and fair share of the oil and gas underlying the subject lands, avoid the drilling of unnecessary wells, will prevent waste, and will protect correlative rights.

WHEREFORE, Applicant requests that this application be set for hearing before an Examiner of the Oil Conservation Division on August 7, 2025, and, after notice and hearing as required by law, the Division enter an order:

- A. Pooling certain overriding royalty interest owners and record title owners in the proposed horizontal well spacing unit; and
- B. Designating Applicant as operator of this spacing unit and the horizontal wells to be drilled thereon.

Respectfully submitted,

HOLLAND & HART LLP

By:   
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Michael H. Feldewert  
Adam G. Rankin  
Paula M. Vance  
Post Office Box 2208  
Santa Fe, NM 87504  
505-988-4421  
505-983-6043 Facsimile  
mfeldewert@hollandhart.com  
agrarkin@hollandhart.com  
pmvance@hollandhart.com

**ATTORNEYS FOR CHEVRON U.S.A. INC.**

CASE \_\_\_\_\_: **Application of Chevron U.S.A. Inc. for Compulsory Pooling, Eddy County, New Mexico.** Applicant in the above-styled cause seeks an order pooling all uncommitted interests in a portion of the Bone Spring, from the top of the Bone Spring formation to the top of the Second Bone Spring Sandstone, 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. Applicant 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 SW/4 SE/4 (Unit O) of Section 23: **SND 14 23 Fed Com 222H** and **SND 14 23 Fed Com 223H** wells, both with a first take point in the SW/4 SE/4 (Unit O) of Section 23, and last take points in the NW/4 NE/4 (Unit B) of Section 14; and **SND 14 23 Fed Com 224H** well, 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. Also to be considered will be designation of Applicant as operator. Said area is located approximately 21 miles southeast of Loving, New Mexico.