

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. 25810

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

Chevron U.S.A. Inc. ("Chevron") submits this Pre-Hearing Statement for the above-referenced case 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. 25810, Chevron seeks an order from the Division pooling all uncommitted interests in a 638.84-acre, more or less, Wolfcamp horizontal spacing unit underlying all of Section 1, Township 24 South, range 32 East, NMPM, Lea County, New Mexico. The spacing unit will be dedicated to the following wells: **MR 1 Federal 612H** (API 30-025-55520) and **MR 1 Federal 613H** (API 30-025-55521) wells to be horizontally drilled with proposed first take points in the NW/4 NW/4 (Unit D) of Section 1, and proposed last take points in the SW/4 SW/4 (Unit M) of Section 1; **MR 1 Federal 614H** (API 30-025-55522) and **MR 1 Federal 615H** (API 30-025-55523) wells to be horizontally drilled with proposed first take points in the NE/4 NW/4 (Unit C) of Section 1, and proposed last take points in the SE/4 SW/4 (Unit N) of Section 1; **MR 1 Federal 616H** (API 30-025-55524), **MR 1 Federal 617H** (API 30-025-55525), and **MR 1 Federal 618H** (API 30-025-55526) wells to be horizontally drilled with proposed first take points in the NW/4

NE/4 (Unit B) of Section 1 and proposed last take points in the SW/4 SE/4 (Unit O) of Section 1; and **MR 1 Federal 619H** (API 30-025-55527) well to be horizontally drilled with a proposed first take point in the NE/4 NE/4 (Unit A) of Section 1, and a proposed last take point in the SE/4 SE/4 (Unit P) of Section 1. The producing area for the wells is expected to be orthodox. 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 25.5 miles east of Malaga, New Mexico.

PROPOSED EVIDENCE

APPLICANT:

WITNESS	ESTIMATED TIME	EXHIBITS
Landman: Douglas Crawford	Approx. 10 minutes	Approx. 8
Geologist: Darsel Wright	Approx. 10 minutes	Approx. 6

PROCEDURAL ISSUES

If there are no objections to this matter, Chevron intends to present this case by affidavit.

Respectfully submitted,

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

By:

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Oil Conservation Division
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QUESTIONS

Action 538840

QUESTIONS

Operator: CHEVRON U S A INC 6301 Deauville Blvd Midland, TX 79706	OGRID: 4323
	Action Number: 538840
	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)	<i>Not answered.</i>