

**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. 25811**

**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. 25811, Chevron seeks an order from the Division pooling all uncommitted interests in a 638.84-acre, more or less, Bone Spring 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 507H** (API 30-025-55516) well to be horizontally drilled with a proposed first take point in the NW/4 NW/4 (Unit D) of Section 1, and a proposed last take point in the SW/4 SW/4 (Unit M) of Section 1; **MR 1 Federal 508H** (API 30-025-55517) well to be horizontally drilled with a proposed first take point in the NE/4 NW/4 (Unit C) of Section 1, and a proposed last take point in the SE/4 SW/4 (Unit N) of Section 1; **MR 1 Federal 509H** (API 30-025-55518) well with a proposed first take point in the NW/4 NE/4 (Unit B) of Section 1, and a proposed last take point in the SW/4 SE/4 (Unit O) of Section 1; and **MR 1 Federal 510H** (API 30-025-55519) 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 these cases 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.**  
**Santa Fe, NM 87505**

QUESTIONS

Action 538842

**QUESTIONS**

Operator:  CHEVRON U S A INC 6301 Deauville Blvd Midland, TX 79706	OGRID: 4323
	Action Number: 538842
	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>