

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

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

APR 26 2018 PM03:40

CASE NO. 16112

CHEVRON'S PRE-HEARING STATEMENT

This pre-hearing statement is submitted by Chevron USA Inc. ("Chevron") as required by the Oil Conservation Division.

APPEARANCES

APPLICANT

Chevron USA Inc.
1400 Smith Street
Houston, Texas 77002

ATTORNEY

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STATEMENT OF THE CASE

Chevron seeks an order (1) creating a non-standard 640-acre spacing and proration unit comprised of the W/2 of Section 5, Township 24 South, Range 29 East, and the W/2 of Section 32, Township 23 South, Range 29 East, N.M.P.M., Eddy County, New Mexico; and (2) pooling all mineral interests in the Wolfcamp formation underlying this acreage. Chevron proposes to dedicate the above-referenced spacing and proration unit as the project area for three proposed

wells: the proposed **CB SE 5 32 Fed Com 003 #1H Well**, the proposed **CB SE 5 32 Fed Com 003 #2H Well**, and the proposed **CB SE 5 32 Fed Com 003 #3H Well**, which will be simultaneously drilled and completed. The three proposed horizontal wells will be pad drilled from a surface location in the SE/4 SW/4 (Unit N) of Section 5 to a bottom hole locations in the NW/4 NW/4 (Unit D) of Section 32 for the **CB SE 5 32 Fed Com 003 #1H Well** and the **CB SE 5 32 Fed Com 003 #2H Well** and in the NE/4 NW/4 (Unit C) of Section 32 for the **CB SE 5 32 Fed Com 003 #3H Well**.

The completed interval for each well will remain within the 330-foot offset required by the Special Rules for the Purple Sage Wolfcamp Gas Pool (Pool Code 98220).

APPLICANT'S PROPOSED EVIDENCE

WITNESS Name and Expertise	ESTIMATED TIME	EXHIBITS
Irvin Gutierrez Landman	Approx. 10 minutes	Approx 5.
Rachel Storniolo Geologist	Approx. 10 minutes	Approx 4.

PROCEDURAL MATTERS

None at this time.

Respectfully submitted,

HOLLAND & HART LLP



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