

**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**

<b>WITNESS Name and Expertise</b>	<b>ESTIMATED TIME</b>	<b>EXHIBITS</b>
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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**ATTORNEYS FOR CHEVRON USA INC.**

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