

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

**APPLICATION OF TAP ROCK RESOURCES,
LLC FOR COMPULSORY POOLING,
EDDY COUNTY, NEW MEXICO.**

Case No. 16134

**PRE-HEARING STATEMENT OF
CHEVRON U.S.A. INC.**

Chevron U.S.A. Inc. ("Chevron") submits this Pre-Hearing Statement as required by the rules of the Oil Conservation Division.

APPEARANCES

PARTIES

Applicant Tap Rock Resources, LLC

Chevron U.S.A. Inc.

EOG Resources, Inc.

ATTORNEYS

James Bruce
Post Office Box 1056
Santa Fe, NM 87504
Phone: (505) 982-2043
jamesbruc@aol.com

Gary W. Larson
Hinkle Shanor LLP
P.O. Box 2068
Santa Fe, NM 87504-2068
Phone: (505) 982-4554
glarson@hinklelawfirm.com

Ernest Padilla
Padilla Law Firm, PA
1512 St. Francis Drive
Santa Fe, NM 87505
Phone: (505) 988-7577
epadillapl@qwestoffice.net

Douglas McLeod

Earl E. DeBrine, Jr.
Jennifer Bradfute
Modrall Sperling Roehl Harris & Sisk PA
Post Office Box 2168
Albuquerque, NM 87103-2168
Phone: (505) 848-1800
edebrine@modrall.com
jennifer.bradfute@modrall.com

STATEMENT OF THE CASE

Tap Rock Resources, LLC's ("Tap Rock's") application requests an order creating a 320-acre standard gas spacing and proration unit comprised of the E/2 of Section 14, Township 24, South, Range 31 East in Eddy County, and (ii) pooling all uncommitted interests in the Wolfcamp formation underlying the E/2 of Section 14. Tap Rock proposes to dedicate the spacing and proration unit to the Double Diamond 24S31E1414 Well No. 238H, a horizontal well with a surface location in Unit P and a bottom hole location in Unit A of Section 14. The completed interval of the well will be orthodox.

Chevron opposes Tap Rock's application because it has filed an application that involves the same acreage and the same formation that are the subject of Tap Rock's application in this case. Chevron's application seeks an order (i) approving a 480-acre, non-standard spacing and proration unit in the E/2 of Section 14 and the SE/4 of Section 11, Township 24 South, Range 31 East in Eddy County, and (ii) pooling all uncommitted mineral interests in the Wolfcamp formation underlying that acreage. The Division has docketed Chevron's competing application as Case No. 16133.

PROPOSED EVIDENCE

<u>WITNESS</u>	<u>ESTIMATED TIME</u>	<u>EXHIBITS</u>
Chris Cooper (Landman)	15 minutes	Approx. 5
Tim O'Toole (Geologist)	15 minutes	Approx. 3
Sean Cheben (Engineer)	15 minutes	Approx. 2

Chevron reserves the right to call a rebuttal witness(es) if appropriate.

PROCEDURAL MATTERS

Chevron is not aware of any procedural matters to be resolved prior to the hearing.

HINKLE SHANOR LLP



Gary W. Larson
P.O. Box 2068
Santa Fe, NM 87504-2068
Phone: (505) 982-4554
Facsimile: (505) 982-8623
glarson@hinklelawfirm.com

Counsel for Chevron U.S.A. Inc.

CERTIFICATE OF SERVICE

I hereby certify that on this 10th day of May, 2018 I served a true and correct copy of the foregoing *Pre-Hearing Statement of Chevron U.S.A. Inc.* via email to:

James Bruce
Post Office Box 1056
Santa Fe, NM 87504
505-982-2043
jamesbruc@aol.com

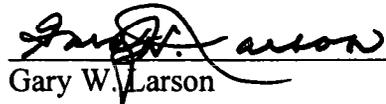
Counsel for Tap Rock Resources, LLC

Ernest Padilla
Padilla Law Firm, PA
1512 St. Francis Drive
Santa Fe, NM 87505
505-988-7577
epadillapl@qwestoffice.net

Counsel for EOG Resources, Inc.

Earl E. DeBrine, Jr.
Jennifer L. Bradfute
Modrall Sperling Roehl Harris & Sisk PA
Post Office Box 2168
Albuquerque, NM 87103-2168
505-848-1800
edebrine@modrall.com
jennifer.bradfute@modrall.com

Counsel for Douglas McLeod



Gary W. Larson