

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

MAY 10 2018 AM 11:36

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

CASE NO. 16152

CHEVRON'S PRE-HEARING STATEMENT

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

APPEARANCES

APPLICANT

Chevron U.S.A. 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 Sections 15 and 22, Township 23 South, Range 28 East, N.M.P.M., Eddy County, New Mexico; (2) pooling all mineral interests in the Wolfcamp formation underlying this acreage; and (3) providing an extension of the 120-day period to drill and complete a well in the proposed unit as provided by the Division's standard pooling order. Chevron proposes to dedicate

the above-referenced non-standard spacing and proration unit as the project area for three proposed initial wells: The **CB SO 15 22 004 1H Well**, the **CB SO 15 22 004 2H Well**, and the **CB SO 15 22 004 3H Well**. These proposed wells will be simultaneously drilled and completed from a common well pad located the NW/4 SW/4 (Unit D) of Section 15 to bottom hole locations in the SW/4 SW/4 (Unit M) and the SE/4 SW/4 (Unit N) of Section 22. 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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