

**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. _____

APPLICATION

Chevron U.S.A. Inc. (“Chevron” or “Applicant”) (OGRID No. 4323), through its undersigned attorneys, hereby files this application with the Oil Conservation Division pursuant to the provisions of N.M.S.A. 1978, § 70-2-17, for an order pooling all uncommitted interests in the Wolfcamp formation, underlying a standard 640-acre, more or less, horizontal spacing unit comprised of the W/2 of Sections 3 and 10 within Township 23 South, Range 28 East, NMPM, Eddy County, New Mexico. In support of its application, Chevron states:

1. Applicant is a working interest owner in the proposed horizontal spacing unit and has the right to drill thereon.
2. Applicant seeks to initially dedicate the above-referenced horizontal spacing unit to the proposed initial **CB Amilyn 10 3 Fed Com P13 401H, 402H and 403H** wells, which will be horizontally drilled from a common surface hole location in the NE/4 NW/4 (Unit C) of Section 15 to bottom hole locations in the NW/4 NW/4 (Unit D) and the NE/4 NW/4 (Unit C) of Section 3.
3. Applicant has sought and been unable to obtain voluntary agreement for the development of these lands from all the working interest owners in the subject spacing unit.

4. The pooling of interests will avoid the drilling of unnecessary wells, will prevent waste, and will protect correlative rights.

5. To allow Applicant to obtain its just and fair share of the oil and gas underlying the subject lands, all uncommitted interests in this horizontal spacing unit should be pooled and Applicant should be designated the operator of the proposed horizontal wells and spacing unit.

WHEREFORE, Applicant requests that this application be set for hearing before an Examiner of the Oil Conservation Division on February 2, 2023, and after notice and hearing as required by law, the Division enter an order:

- A. Pooling all uncommitted interests in the Wolfcamp formation underlying the proposed spacing unit;
- B. Approving the initial well in the horizontal wells spacing unit;
- C. Designating Applicant as operator of the horizontal spacing unit and the horizontal wells to be drilled thereon;
- D. Authorizing Applicant to recover its costs of drilling, equipping and completing the wells;
- E. Approving the actual operating charges and costs of supervision while drilling and after completion, together with a provision adjusting the rates pursuant to the COPAS accounting procedures; and
- F. Imposing a 200% charge for the risk assumed by Applicant in drilling and completing the wells against any working interest owner who does not voluntarily participate in the drilling of the wells.

Respectfully submitted,

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ATTORNEYS FOR CHEVRON U.S.A. INC.

CASE _____: **Application of Chevron Production Company for compulsory pooling, Eddy County, New Mexico.** Applicant in the above-styled cause seeks an order pooling all uncommitted interests in the Wolfcamp formation, underlying a standard 640-acre, more or less, horizontal spacing unit comprised of the W/2 of Sections 3 and 10 within Township 23 South, Range 28 East, NMPM, Eddy County, New Mexico. The above-referenced unit will be initially dedicated to the proposed **CB Amilyn 10 3 Fed Com P13 401H, 402H and 403H** wells, which will be horizontally drilled from a common surface hole location in the NE/4 NW/4 (Unit C) of Section 15 to bottom hole locations in the NW/4 NW/4 (Unit D) and the NE/4 NW/4 (Unit C) of Section 3. Also, to be considered will be the cost of drilling and completing the well, the allocation of the cost thereof, the operating costs and charges for supervision, the designation of applicant as operator, and a 200% charge for risk involved in drilling and completing the well. Said area is located approximately 2.5 miles northeast of Loving, New Mexico.