

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. 25892

CHEVRON U.S.A. INC.'s PRE-HEARING STATEMENT

Chevron U.S.A. Inc. ("Chevron") submits this Pre-Hearing Statement for the above-referenced case pursuant to the rules of the Oil Conservation Division.

APPEARANCES

APPLICANT

Chevron U.S.A. Inc.

ATTORNEY

Deana M. Bennett
Earl E. DeBrine, Jr.
MODRALL, SPERLING, ROEHL,
HARRIS & SISK, P.A.
P. O. Box 2168
Albuquerque, New Mexico 87103-2168
(505) 848-1800

OTHER PARTIES

None

ATTORNEY

STATEMENT OF CASE

APPLICANT:

In Case No. 25892, Chevron seeks an order from the Division pooling all uncommitted mineral interests within a 1280-acre, more or less, Wolfcamp horizontal spacing unit comprised of all of Sections 19 and 30, Township 25 South, Range 27 East, NMPM, Eddy County, New Mexico, in the Purple Sage Wolfcamp Gas Pool (Code 98220). This spacing unit will be dedicated to the following wells: **Screwball 30 19 Federal Com 454H** and **Screwball 30 19 Federal Com 455H** wells to be horizontally drilled at proposed first take points in the SW/4 SW/4 (Unit M) of Section 30, to proposed last take points in the NW/4 NW/4 (Unit D) of Section 19; **Screwball 30 19 Federal Com 456H** and **Screwball 30 19 Federal Com 457H** wells to be horizontally drilled at proposed first take points in the SE/4 SW/4 (Unit N) of Section 30, to proposed last take points in the NE/4 NW/4 (Unit C) of Section 19; **Screwball 30 19 Federal Com 458H** and **Screwball 30 19 Federal Com 459H** wells to be horizontally drilled at proposed first take points in the

SW/4 SE/4 (Unit O) of Section 30, to proposed last take points in the NW/4 NE/4 (Unit B) of Section 19; and **Screwball 30 19 Federal Com 460H** and **Screwball 30 19 Federal Com 461H** wells to be horizontally drilled at proposed first take points in the SE/4 SE/4 (Unit P) of Section 30, to proposed last take points in the NE/4 NE/4 (Unit A) of Section 19. The wells will comply with the Division's setback requirements for the Purple Sage Wolfcamp pool. The completed interval for the **Screwball 30 19 Federal Com #458H** well is expected to be less than 330 feet from the adjoining tracts thereby allowing for the inclusion of the proximity tracts within the proposed spacing unit under Rule 19.15.16.15(B)(1)(b) NMAC to the extent necessary. Also to be considered will be the cost of drilling and completing said wells, the allocation of these costs as well as the actual operating costs and charges for supervision, designation of Chevron U.S.A. Inc. as operator of the wells, and a 200% charge for risk involved in drilling said wells. The unit is located approximately 12.9 miles southwest of Malaga, New Mexico.

PROPOSED EVIDENCE

APPLICANT:

WITNESS	ESTIMATED TIME	EXHIBITS
Landman: Katie Halley	Approx. 10 minutes	Approx. 8
Geologist: Hunter Berch	Approx. 10 minutes	Approx. 6

PROCEDURAL ISSUES

If there are no objections to this matter, Chevron intends to present it by affidavit.

Respectfully submitted,

MODRALL, SPERLING, ROEHL, HARRIS
& SISK, P.A.

By:

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Oil Conservation Division
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QUESTIONS

Action 547994

QUESTIONS

Operator: CHEVRON U S A INC 6301 Deauville Blvd Midland, TX 79706	OGRID: 4323
	Action Number: 547994
	Action Type: [HEAR] Prehearing Statement (PREHEARING)

QUESTIONS**Testimony**

Please assist us by provide the following information about your testimony.

Number of witnesses	2
Testimony time (in minutes)	<i>Not answered.</i>