

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

**APPLICATION OF CHEVRON U.S.A. INC.
FOR APPROVAL OF NON-STANDARD OIL
SPACING UNITS AND COMMINGLING,
OR ALTERNATIVELY FOR THE CONTRACTION
OF THE WC-025 G-06 S263319P, BONE SPRING
POOL AND THE SANDERS TANK; UPPER
WOLFCAMP POOL, AND FOR THE CREATION
OF NEW BONE SPRING AND UPPER WOLFCAMP
POOLS, SPECIAL POOL RULES, AND
COMMINGLING IN SECTION 29 AND
IRREGULAR SECTION 32, TOWNSHIP 26 SOUTH,
RANGE 33 EAST, N.M.P.M., LEA COUNTY,
NEW MEXICO.**

CASE NO. 16380

CHEVRON'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.
6301 Deauville Blvd.
Midland, TX 79706

ATTORNEY

Jennifer L. Bradfute
MODRALL, SPERLING, ROEHL,
HARRIS & SISK, P.A.
P. O. Box 2168
Albuquerque, New Mexico 87103-2168
(505) 848-1800

STATEMENT OF CASE

APPLICANT:

Applicant seeks an order from the Division: (1) creating a 949.56 acre, more or less, oil spacing unit in the Bone Spring formation, in Section 29 and irregular Section 32, Township 26 South, Range 33 East, N.M.P.M., Lea County, New Mexico; (2) creating a 949.56, more or less, oil spacing unit in the upper Wolfcamp formation, in Section 29 and irregular Section 32, Township 26 South, Range 33 East, N.M.P.M., Lea County, New Mexico; and (3) approving the commingling of production. Alternatively, Chevron seeks an order (1) contracting the WC-025 G-06 S263319P, Bone Spring pool (Pool Code 97955) and the Sanders Tank; Upper Wolfcamp Pool (Pool Code 98097) in Section 29 and irregular Section 32, Township 26 South, Range 33 East, N.M.P.M., Lea County, New Mexico; (2) creating a new pool which covers the Bone Spring formation from within Section 29 and Section 32; (3) creating a new pool which covers the Upper Wolfcamp formation within Section 29 and Section 32; (3) establishing a spacing based on 160-acre tracts for oil wells completed within these newly formed pools; and (4) approval of commingling of production from the Bone Spring and Upper Wolfcamp pools created. The relief requested is for the development of the following wells:

- Salado Draw 29 26 33 Fed Com 5H;
- Salado Draw 29 26 33 Federal Com 1H;
- Salado Draw 29 26 33 Federal Com 2H;
- Salado Draw 29 26 33 Federal Com 3H;
- Salado Draw 29 26 33 Federal Com 4H;
- Salado Draw 29 26 33 Federal Com 6H;
- Salado Draw 29 26 33 Federal Com 7H;
- Salado Draw 29 26 33 Federal Com 8H;
- Mooses Tooth 29 26 33 Federal Com 1H;
- SD EA 29 32 Fed Com P8 9H;
- SD EA 29 32 Fed Com P8 10H;
- SD EA 29 32 Fed Com P8 11H;
- SD EA 29 32 Fed Com P8 12H;
- SD EA 29 32 Fed Com P10 19H;
- SD EA 29 32 Fed Com P10 17H;
- SD EA 29 32 Fed Com P10 18H;
- SD EA 29 32 Fed Com P10 20H;
- SD EA 29 32 Fed Com P11 13H;
- SD EA 29 32 Fed Com P11 14H;
- SD EA 29 32 Fed Com P11 15H; and
- SD EA 29 32 Fed Com P11 16H.


PROPOSED EVIDENCE

APPLICANT:

<u>WITNESS</u>	<u>ESTIMATED TIME</u>	<u>EXHIBITS</u>
Shalyce Holmes – Landman	Approx. 15	Approx. 8
Kate Schwehr – Geologist	Approx. 15	Approx. 6
Christine DeFriend – Reservoir Engineer	Approx. 15	Approx. 2
Megan Fung - Engineer	Approx. 15	

Respectfully submitted,

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

By: 
Jennifer L. Bradfute
Post Office Box 2168
Bank of America Centre
500 Fourth Street NW, Suite 1000
Albuquerque, New Mexico 87103-2168
Telephone: 505.848.1800