

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

**APPLICATION OF CHEVRON U.S.A.
INC. FOR COMPULSORY POOLING,
LEA COUNTY, NEW MEXICO.**

CASE NO. 20768

CHEVRON'S PRE-HEARING STATEMENT

This pre-hearing statement is submitted by Chevron U.S.A. Inc. ("Chevron"), applicant in the above-referenced case, as required by the Oil Conservation Division.

APPEARANCES

APPLICANT

Chevron U.S.A. Inc.
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ATTORNEY

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STATEMENT OF THE CASE

Chevron seeks an order pooling all uncommitted interests in the Bone Spring formation (Pool name; Pool code) underlying a standard 640-acre horizontal spacing unit comprised of the E/2 of Sections 9 and 16, Township 22 South, Range 33 East, NMPM, Lea County, New Mexico. Chevron proposes to dedicate the above-referenced spacing unit to three initial wells:

- The **DL 9 16 Loch Ness Fed Com P1 #16H Well** and the **DL 9 16 Loch Ness Fed Com P1 #17H Well** to be horizontally drilled from surface hole locations in the SW/4 SE/4 (Unit O) of Section 4 to bottom hole locations in the SE/4 SE/4 (Unit P) of Section 22; and

- The **DL 9 16 Loch Ness Fed Com P1 #18H Well** to be horizontally drilled from a surface hole location in the SE/4 SE/4 (Unit P) of Section 4 to a bottom hole location in the SE/4 SE/4 (Unit P) of Section 16.

The completed interval for the proposed **DL 9 16 Loch Ness Fed Com P1 #17H Well** will be within 330 feet of the quarter-quarter line separating the W/2 E/2 from the E/2 E/2 of Sections 9 and 16 to allow inclusion of this acreage into a standard 640-acre horizontal spacing unit.

APPLICANT'S PROPOSED EVIDENCE

WITNESS Name and Expertise	ESTIMATED TIME	EXHIBITS
Shalyce Holmes, Landman	Approx. 15 minutes	Approx. 5
Kate Schwehr, Geologist	Approx. 10 minutes	Approx. 4

PROCEDURAL MATTERS

None at this time.

Respectfully submitted,

HOLLAND & HART LLP



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