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

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

CASE NOS. 21113

CHEVRON'S PRE-HEARING STATEMENT

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

APPEARANCES

APPLICANT

ATTORNEY

Chevron U.S.A. Inc. 1400 Smith Street Houston, Texas 77002 Michael H. Feldewert Adam G. Rankin Julia Broggi Kaitlyn A. Luck Holland & Hart, LLP Post Office Box 2208

Santa Fe, New Mexico 87504-2208

(505) 988-4421

(505) 983-6043 Facsimile mfeldewert@hollandhart.com agrankin@hollandhart.com jbroggi@hollandhart.com kaluck@hollandhart.com

OTHER APPEARANCES

Kaiser-Francis Oil Company

Dana S. Hardy Dioscoro Blanco

HINKLE SHANOR LLP

P.O. Box 2068

Santa Fe, NM 87504 (505) 982-4554

(303) 982-4334

dhardy@hinklelawfirm.com dblanco@hinklawlawfirm.com

STATEMENT OF THE CASE

Chevron seeks an order pooling all uncommitted interests in the Wolfcamp formation (Purple Sage; Wolfcamp (Gas) Pool [98220]) underlying a standard 640-acre horizontal spacing unit comprised of the W/2 of Sections 25 and 36, Township 23 South, Range 28 East, NMPM, Eddy County, New Mexico. Chevron proposes to dedicate the above-referenced spacing unit to the following initial wells:

- (1) The CB CAL 25 36 State Com 08 #401H Well (API No. 30-015-46631)
 to be horizontally drilled from a surface hole location in the NW/4 NW/4
 (Unit D) of Section 25 to a bottom hole location in the SW/4 SW/4 (Unit M) of Section 36; and
- (2) The CB CAL 25 36 State Com 08 #402H Well (API No. 30-015-46632), and (3) the CB CAL 25 36 State Com 08 #403H Well (API No. 30-015-46633), both are to be horizontally drilled from surface hole locations in the NW/4 NW/4 (Unit D) of Section 25 to bottom hole locations in the SE/4 SW/4 (Unit N) of Section 36.

Pursuant to the Special Rules for the Purple Sage; Wolfcamp (Gas) Pool (Pool Code 98220), the completed interval for each of these proposed initial wells will comply with the 330-foot setback requirement.

APPLICANT'S PROPOSED EVIDENCE

WITNESS Name and Expertise Kelly Rau, Landman Jeremiah Moody, Geologist	Affidavit Affidavit	Approx. 5 Approx. 4
---	---------------------	---------------------

PROCEDURAL MATTERS

Chevron intends to present this case by affidavits if uncontested at the time of hearing.

Respectfully submitted,

HOLLAND & HART LLP

Michael H. Feldewert

Adam G. Rankin

Julia Broggi

Kaitlyn A. Luck

Post Office Box 2208

Santa Fe, New Mexico 87504-2208

(505) 988-4421

(505) 983-6043 Facsimile

mfeldewert@hollandhart.com

agrankin@hollandhart.com

jbroggi@hollandhart.com

kaluck@hollandhart.com

ATTORNEYS FOR CHEVRON U.S.A. INC.

CERTIFICATE OF SERVICE

I hereby certify that on February 27, 2020, I served a copy of the foregoing document to all counsel of record via Electronic Mail to:

Dana S. Hardy
Dioscoro Blanco
HINKLE SHANOR LLP
P.O. Box 2068
Santa Fe, NM 87504
dhardy@hinklelawfirm.com
dblanco@hinklawlawfirm.com

Attorney for Kaiser-Francis Oil Company

Kaitlyn A. Luck