

**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 NOS. 21240, 21241, 21242,**  
**21243, 21244, 21245, 21246, 21247**

Chevron U.S.A. Inc. ("Chevron") provides this Pre-Hearing Statement as required by the rules of the Division.

**APPEARANCES**

**APPLICANT**

Chevron U.S.A. Inc.

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### STATEMENT OF THE CASES

In **Case No. 21240** Applicant seeks an order pooling all uncommitted interests in the **Bone Spring** formation (Lower Avalon: Red Tank; Bone Spring East and TBS: WC-025 G-06 S213326D; Bone Spring) underlying a standard 640-acre, more or less, horizontal spacing unit comprised of the E/2 of Section 3 and E/2 of Section 10, Township 22 South, Range 33 East, Lea County, New Mexico, N.M.P.M. Applicant seeks to dedicate the above-referenced horizontal spacing unit to the following four proposed initial wells, all of which will be horizontally drilled from a common surface location in the SW/4SE/4 (Unit O) of Section 10. The bottom hole location of the **DL 10 3 Morag Fed Com 210H** well will be in the NW/4NE/4 (Unit B) and the bottom hole location of the **DL 10 3 Morag Fed Com 211H** well, the **DL 10 3 Morag Fed Com 212H** well and the **DL 10 3 Morag Fed Com 506H** well will be in the NE/4NE/4 (Unit A) of Section 3. The completed intervals of these wells will comply with statewide setbacks.

In **Case No. 21241** Applicant seeks an order pooling all uncommitted interests in the **Wolfcamp** formation (WCA: WC-025 G-10 S213328O) underlying a standard 640-acre, more or less, horizontal spacing unit comprised of the E/2 of Section 3 and E/2 of Section 10, Township 22 South, Range 33 East, Lea County, New Mexico, N.M.P.M. Applicant seeks to dedicate the above-referenced horizontal spacing unit to the following three proposed initial wells, all of which will be horizontally drilled from a common surface location in the SW/4SE/4 (Unit O) of Section 10. The bottom hole locations of the **DL 10 3 Morag Fed Com 610H** well and the **DL 10 3 Morag Fed Com 611H** will be in the NW/4NE/4 (Unit B) of Section 3, and the bottom hole location of the **DL 10 3 Morag Fed Com 612H** well will be in the NE/4NE/4 (Unit A) of Section 3. The completed intervals of all wells will comply with statewide setbacks.

In **Case No. 21242** Applicant seeks an order pooling all uncommitted interests in the **Bone Spring** formation (Lower Avalon: Red Tank; Bone Spring East and TBS: WC-025 G-06 S213326D; Bone Spring) underlying a standard 640-acre, more or less, horizontal spacing unit comprised of the E/2 of Section 15 and E/2 of Section 22, Township 22 South, Range 33 East, Lea County, New Mexico, N.M.P.M. Applicant seeks to dedicate the above-referenced horizontal spacing unit to the following four proposed initial wells, all of which will be horizontally drilled from a common

surface location in the SW/4SE/4 (Unit O) of Section 10. The bottom hole location of the **DL 15 22 Ogopogo Fed Com 222H** well will be in the SW/4SE/4 (Unit O) of Section 22. The bottom hole location of the **DL 15 22 Ogopogo Fed Com 223H** well, the **DL 15 22 Ogopogo Fed Com 224H** well and the **DL 15 22 Ogopogo Fed Com 512H** well will be in the SE/4SE/4 (Unit P) of Section 22. The completed intervals of these wells will comply with statewide setbacks.

In **Case No. 21243** Applicant seeks an order pooling all uncommitted interests in the **Wolfcamp** formation (WCA: WC-025 G-10 S213328O) underlying a standard 640-acre, more or less, horizontal spacing unit comprised of the E/2 of Section 15 and E/2 of Section 22, Township 22 South, Range 33 East, Lea County, New Mexico, N.M.P.M. Applicant seeks to dedicate the above-referenced horizontal spacing unit to the following three proposed initial wells, all of which will be horizontally drilled from a common surface location in the SW/4SE/4 (Unit O) of Section 10. The bottom hole location of the **DL 15 22 Ogopogo Fed Com 622H** well will be in the SW/4SE/4 of Section 22, and the bottom hole locations of the **DL 15 22 Ogopogo Fed Com 623H** well and the **DL 15 22 Ogopogo Fed Com 624H** well will be in the SE/4SE/4 (Unit P) of Section 22. The completed intervals of all wells will comply with statewide setbacks.

In **Case No. 21244** Applicant seeks an order (1) pooling all uncommitted interests in the **Bone Spring** formation (Lower Avalon: Red Tank; Bone Spring East and TBS: WC-025 G-06 S213326D; Bone Spring) underlying a standard 640-acre, more or less, horizontal spacing unit comprised of the W/2 of Section 3 and W/2 of Section 10, Township 22 South, Range 33 East, Lea County, New Mexico, N.M.P.M., and (2) approving a non-standard location for one of the initial wells, the **DL 10 3 Morag Fed Com 505H** well. Applicant seeks to dedicate the above-referenced horizontal spacing unit to the following five proposed initial wells:

- **DL 10 3 Kraken Fed Com 207H** well to be drilled from a surface hole location in the SE/4SW/4 (Unit N) of Section 10 to a bottom hole location in the NW/4NW/4 (Unit D) of Section 3.
- **DL 10 3 Kraken Fed Com 208H** well to be drilled from a surface hole location in the SE/4SW/4 (Unit N) of Section 10 to a bottom hole location in the NW/4NW/4 (Unit D) of Section 3.
- **DL 10 3 Kraken Fed Com 209H** well to be drilled from a surface location in the SE/4SW/4 (Unit N) of Section 10 to a bottom hole location in the NE/4NW/4 of Section 3.
- **DL 10 3 Kraken Fed Com 504H** well to be drilled from a surface location in the SW/4SE/4 (Unit O) of Section 10 to a bottom hole location in the NW/4NW/4 (Unit D) of Section 3.
- **DL 10 3 Morag Fed Com 505H** well to be drilled from a surface location in the SW/4SE/4 (Unit O) of Section 10 to a bottom hole location in the NE/4NW/4 of Section 3. The completed interval of this well will be at an unorthodox location 78 feet from the east boundary of the proposed spacing unit, thereby encroaching on the acreage to the east of the proposed spacing unit. The last take points of the completed interval to the north and south will be orthodox.

With the exception of the **DL 10 3 Morag Fed Com 505H** well the completed intervals of these wells will comply with statewide setbacks.

In **Case No. 21245** Applicant seeks an order pooling all uncommitted interests in the **Wolfcamp** formation (WCA: WC-025 G-10 S213328O) underlying a standard 640-acre, more or less, horizontal spacing unit comprised of the W/2 of Section 3 and W/2 of Section 10, Township 22 South, Range 33 East, Lea County, New Mexico, N.M.P.M. Applicant seeks to dedicate the above-referenced horizontal spacing unit to the following three proposed initial wells, all of which will be horizontally drilled from a common surface location in the SE/4SW/4 (Unit N) of Section 10. The bottom hole locations of the **DL 10 3 Kraken Fed Com 607H** well and the **DL 10 3 Kraken Fed Com 608H** will be in the NW/4NW/4 (Unit D) of Section 3, and the bottom hole location of the **DL 10 3 Kraken Fed Com 609H** well will be in the NE/4NW/4 (Unit C) of Section 3. The completed intervals of all wells will comply with statewide setbacks.

In **Case No. 21246** Applicant seeks an order (1) pooling all uncommitted interests in the **Bone Spring** formation (Lower Avalon: Red Tank; Bone Spring East and TBS: WC-025 G-06 S213326D; Bone Spring) underlying a standard 640-acre, more or less, horizontal spacing unit comprised of the W/2 of Section 15 and W/2 of Section 22, Township 22 South, Range 33 East, Lea County, New Mexico, N.M.P.M.; and (2) approving a non-standard location for one of the initial wells, the **DL 15 22 Ogopogo Fed Com 511H** well. Applicant seeks to dedicate the above-referenced horizontal spacing unit to the following five proposed initial wells:

- **DL 15 22 Narwhal Fed Com 219H** well to be drilled from a surface hole location in the SE/4SW/4 (Unit N) of Section 10 to a bottom hole location in the SW/4SW/4 (Unit M) of Section 22.
- **DL 15 22 Narwhal Fed Com 220H** well to be drilled from a surface hole location in the SE/4SW/4 (Unit N) of Section 10 to a bottom hole location in the SW/4SW/4 (Unit M) of Section 22.
- **DL 15 22 Narwhal Fed Com 221H** well to be drilled from a surface hole location in the SE/4SW/4 (Unit N) of Section 10 to a bottom hole location in the SE/4SW/4 (Unit N) of Section 22.
- **DL 15 22 Narwhal Fed Com 510H** well to be drilled from a surface hole location in the SW/4SE/4 (Unit O) of Section 10 to a bottom hole location in the SW/4SW/4 (Unit M) of Section 22.
- **DL 15 22 Ogopogo Fed Com 511H** well to be drilled from a surface hole location in the SW/4SE/4 (Unit O) of Section 10 to a bottom hole location in the SE/4SW/4 (Unit N) of Section 22. The completed interval of this well will be at an unorthodox location 78 feet from the east boundary of the proposed spacing unit, thereby encroaching on the acreage to the east of the proposed spacing unit. The last take points of the completed interval to the north and south will be orthodox

With the exception of the **DL 15 22 Ogopogo Fed Com 511H** well the completed intervals of these wells will comply with statewide setbacks.

In **Case No. 21247** Applicant seeks an order pooling all uncommitted interests in the **Wolfcamp** formation (WCA: WC-025 G-10 S213328O) underlying a standard 640-acre, more or less, horizontal spacing unit comprised of the W/2 of Section 15 and W/2 of Section 22, Township 22 South, Range 33 East, Lea County, New Mexico, N.M.P.M. Applicant seeks to dedicate the above-referenced horizontal spacing unit to the following three proposed initial wells, all of which will be horizontally drilled from a common surface location in the SE/4SW/4 (Unit N) of

Section 10, Township 22 South, Range 33 East, Lea County, New Mexico. The bottom hole locations of the **DL 15 22 Narwhal Fed Com 619H** well and the **DL 15 22 Narwhal Fed Com 620H** well will be in the SW/4SW/4 (Unit M) of Section 22, and the bottom hole location of the **DL 15 22 Narwhal Fed Com 621H** well will be in the SE/4SW/4 (Unit N) of Section 22. The completed intervals of all wells will comply with statewide setbacks.

Under the current rules of the Division all of the proposed spacing and proration units are standard horizontal spacing and proration units. The completed intervals for all of the proposed wells will be orthodox with the exception of the **DL 10 3 Morag Fed Com 505H** well in Case No. 21244 and the **DL 15 22 Ogoopogo Fed Com 511H** well in Case No. 21246.

### PROPOSED EVIDENCE

Chevron U.S.A. Inc.

WITNESS	ESTIMATED TIME	EXHIBITS
Shalyce Holmes Land	Approx. 45 minutes	approx. 8
Sarah Wright Geologist	Approx. 30 minutes	approx. 6
Gerardo Jimenez Petroleum Engineer	Approx. 20 minutes	approx. 8
Fred Verner Development Advisor	Approx. 15 minutes	approx. 1

EOG Resources, LLC

WITNESS	ESTIMATED TIME	EXHIBITS
Unknown		

Tap Rock Resources, LLC

Unknown

Stewarts, Helms, JAFT and Worrells

Unknown

## PROCEDURAL MATTERS

The referenced cases are currently on the docket for May 28, 2020; however, since these cases are contested and a motion for a special hearing date is pending before the Division, in lieu of hearing, a status conference has been scheduled on May 28, 2020 for the referenced cases of Chevron and Case Nos. 20724 and 20725 filed by Tap Rock Resources, Inc. At the status conference the parties anticipate a ruling on the pending motion for a special hearing date and the entry of a pre-hearing order or joint stipulation.

Respectfully submitted,

BEATTY & WOZNIAK, P.C.

By:       /s/ Candace Callahan      

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**CERTIFICATE OF SERVICE**

I hereby certify that a true and correct copy of the foregoing was served on counsel of record by electronic mail on May 21, 2020.

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\_\_\_\_/s/ Candace Callahan\_\_\_\_  
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