

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

**APPLICATION OF CHEVRON U.S.A. INC.
FOR A NON-STANDARD SPACING AND
PRORATION UNIT AND COMPULSORY POOLING,
EDDY COUNTY, NEW MEXICO.**

CASE NO. 15895

CHEVRON'S PRE-HEARING STATEMENT

This pre-hearing statement is submitted by Chevron USA Inc. ("Chevron") as required by the Oil Conservation Division.

APPEARANCES

APPLICANT

Chevron USA Inc.
1400 Smith Street
Houston, Texas 77002

ATTORNEY

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STATEMENT OF THE CASE

Chevron seeks an order 1) creating a non-standard 640-acre spacing and proration unit comprised of the E/2 of Section 5, Township 24 South, Range 29 East, and the E/2 of Section 32, Township 23 South, Range 29 East, N.M.P.M., Eddy County, New Mexico; and (2) pooling all mineral interests in the Wolfcamp formation underlying this acreage. Chevron proposes to dedicate the above-referenced spacing and proration unit as the project area for three proposed

wells: the proposed **CB SE 5 32 Fed Com #11H Well**, the proposed **CB SE 5 32 Fed Com #12H Well**, and the proposed **CB SE 5 32 Fed Com #13H Well**, which will be simultaneously drilled and completed. The three proposed horizontal wells will be pad drilled. The **CB SE 5 32 Fed Com #11H Well** and the **CB SE 5 32 Fed Com #12H Well** will be drilled from a surface location in the SW/4 SE/4 (Unit O) of Section 5 to a bottom hole location in NW/4 NE/4 (Unit B) of Section 32. The **CB SE 5 32 Fed Com #13H Well** will be drilled from a surface location in the SE/4 SE/4 (Unit P) of Section 5 to a bottom hole location in the NE/4 NE/4 of Section 32.

The completed interval for each well will remain within the 330-foot offset required by the Special Rules for the Purple Sage Wolfcamp Gas Pool (Pool Code 98220).

APPLICANT'S PROPOSED EVIDENCE

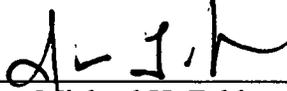
WITNESS Name and Expertise	ESTIMATED TIME	EXHIBITS
Chris Cooper Landman	Approx. 10 minutes	Approx 5.
Janae Singer Geologist	Approx. 10 minutes	Approx 4.
Fred Verner Geologist	Approx. 10 minutes	Approx 3.
Dan Kennedy Project Manager	Approx. 10 minutes	Approx 3.

PROCEDURAL MATTERS

None at this time.

Respectfully submitted,

HOLLAND & HART LLP



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