

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

MAY 10 2018 AM 11:36

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

CASE NO. 16152

CHEVRON'S PRE-HEARING STATEMENT

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

APPEARANCES

APPLICANT

Chevron U.S.A. 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 W/2 of Sections 15 and 22, Township 23 South, Range 28 East, N.M.P.M., Eddy County, New Mexico; (2) pooling all mineral interests in the Wolfcamp formation underlying this acreage; and (3) providing an extension of the 120-day period to drill and complete a well in the proposed unit as provided by the Division's standard pooling order. Chevron proposes to dedicate

the above-referenced non-standard spacing and proration unit as the project area for three proposed initial wells: The **CB SO 15 22 004 1H Well**, the **CB SO 15 22 004 2H Well**, and the **CB SO 15 22 004 3H Well**. These proposed wells will be simultaneously drilled and completed from a common well pad located the NW/4 SW/4 (Unit D) of Section 15 to bottom hole locations in the SW/4 SW/4 (Unit M) and the SE/4 SW/4 (Unit N) of Section 22. 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 |
|---------------------------------------|-----------------------|-----------------|
| Irvin Gutierrez, Landman | Approx. 10 minutes | Approx 5. |
| Rachel Storniolo, Geologist | Approx. 10 minutes | Approx 4. |

PROCEDURAL MATTERS

None at this time.

Respectfully submitted,

HOLLAND & HART LLP



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