

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

2013 OCT 24 P 1:49

**IN THE MATTER OF THE HEARING CALLED  
BY THE OIL CONSERVATION DIVISION FOR  
THE PURPOSE OF CONSIDERING:**

**APPLICATION OF REGENERATION ENERGY  
CORP. FOR A NON-STANDARD SPACING  
AND PRORATION UNIT AND COMPULSORY  
POOLING, LEA COUNTY, NEW MEXICO.**

**Case No. 15,043**

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

**Case No. 15,058**

**AMENDED PRE-HEARING STATEMENT**

This pre-hearing statement is submitted by Regeneration Energy Corp. ("Regeneration") as required by the Oil Conservation Division.

**APPEARANCES**

**APPLICANT** (Case 15043)  
Regeneration Energy Corp.  
P.O. Box 210  
Artesia, New Mexico 88211

Attention: Raye Miller  
(575) 736-3535

**APPLICANT'S ATTORNEY**  
James Bruce  
P.O. Box 1056  
Santa Fe, New Mexico 87504  
(505) 982-2043

**OPPONENT** (Case 15058)  
Chevron U.S.A. Inc.

**OPPONENT'S ATTORNEY**  
Michael Feldewert  
Holland & Hart LLP

**STATEMENT OF THE CASE**

**APPLICANT**

**Case 15043:** Regeneration seeks an order approving a non-standard 160-acre oil spacing and proration unit in the Bone Spring formation comprised of the E/2E/2 of Section 17, Township 24

South, Range 34 East, NMPM, Lea County, New Mexico, and pooling all mineral interests in the Bone Spring formation underlying the non-standard unit. The non-standard unit is to be dedicated to applicant's Madera 17 Fed. Well No. 1H, to be drilled horizontally from a surface location 330 feet from the north line and 380 feet from the east line, to a bottom hole location 330 feet from the south line and 380 feet from the east line, of Section 17. Also to be considered will be the cost of drilling and completing the well and the allocation of the cost thereof, as well as actual operating costs and charges for supervision, Regeneration as operator of the well, and a 200% charge for risk involved in drilling the well.

#### OPPONENT

Case 15058: Chevron U.S.A. Inc. has filed a counter-application to the application of Regeneration. For reasons to be discussed at the hearing, the application of Chevron U.S.A. Inc. must be denied.

#### **PROPOSED EVIDENCE**

##### APPLICANT

###### WITNESSES

Raye Miller

###### EST. TIME

30 min.

###### EXHIBITS

Approx. 10

##### OPPONENT

###### WITNESSES

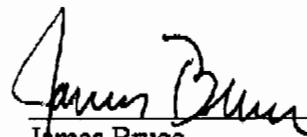
###### EST. TIME

###### EXHIBITS

#### **PROCEDURAL MATTERS**

The two cases should be consolidated for hearing.

Respectfully submitted,



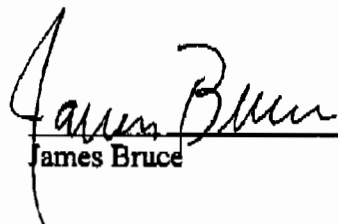
James Bruce  
Post Office Box 1056  
Santa Fe, New Mexico 87504  
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Attorney for Regeneration Energy Corp.

CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing pleading was served upon the following counsel of record this 24<sup>th</sup> day of October, 2013 by facsimile transmission:

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James Bruce