

**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,
LEA COUNTY, NEW MEXICO.**

CASE NO. 15199

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 160-acre spacing and proration unit comprised of the E/2 W/2 of Section 14, Township 24 South, Range 34 East, NMPM, Lea County, New Mexico; and (2) pooling all mineral interests in the Bone Spring formation underlying this acreage. This non-standard spacing and proration unit will be the project area for the proposed **Gamma Ridge 14-24-34 5H Well**, which will be horizontally drilled from a surface location in the NE/4 NW/4 (Unit C) to a bottom hole location in SE/4 SW/4 (Unit N) of Section 14. The

completed interval for this well will remain within the 330-foot standard offset required by Division rules.

APPLICANT'S PROPOSED EVIDENCE

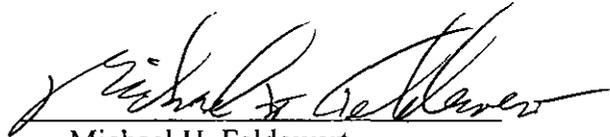
WITNESS Name and Expertise	ESTIMATED TIME	EXHIBITS
Cody Cole Petroleum Landman	Approx. 10 minutes	Approx. 5.
Fred Verner Petroleum Geologist	Approx. 10 minutes	Approx 5.

PROCEDURAL MATTERS

This case will be consolidated with Case No. 15200 for hearing.

Respectfully submitted,

HOLLAND & HART, LLP



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