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

APPLICATION OF CHEVRON U S A INC FOR APPROVAL OF THE POLVADERA UNIT, LEA COUNTY, NEW MEXICO

CASE NO 15677

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

ATTORNEY

Chevron USA Inc 1400 Smith Street Houston, Texas 77002 Michael H Feldewert Jordan L Kessler Holland & Hart, LLP Post Office Box 2208 Santa Fe, New Mexico 87504 2208 (505) 988-4421 (505) 983-6043 Facsimile

STATEMENT OF THE CASE

Chevron seeks an order approving its Polvadera Unit The proposed Unit Area for the Polvadera Unit consists of approximately 1 920 00 acres of Federal lands situated in Lea County

TOWNSHIP 26 SOUTH, RANGE 32 EAST, N M P M

Section 14 All Section 15 All Section 23 All

Chevron is the designated operator under the Unit Agreement and the only working interest owner in the proposed Unit Area. The unitized interval is the stratigraphic equivalent of the top

of the Bone Spring Formation encountered at a true vertical depth of 8 800 feet down to the stratigraphic equivalent of the base of the Bone Spring formation at a true vertical depth of 11,950 feet as encountered in the Salado Draw SWD 13-1 Well (API #30-025-42354), Section 13, Township 26 South, Range 32 East, N M P M, Lea County, New Mexico

APPLICANT'S PROPOSED EVIDENCE

WITNESS Name and Expertise	ESTIMATED TIME	EXHIBITS
Shalyce Holmes Landman	Approx 10 minutes	Approx 5
Cameron Griffin Geologist	Approx 10 minutes	Approx 3

PROCEDURAL MATTERS

None

Respectfully submitted

HOLLAND & HART LLP

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ATTORNEYS FOR CHEVRON USA INC