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

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

name, address, phone and

contact person

RECEIVED

AUG 1 5 1995

APPLICATION OF CHEVRON U.S.A. INC. FOR DIRECTIONAL DRILLING, AN UNORTHODOX BOTTOM-HOLE OIL WELL LOCATION, AND A NON-STANDARD OIL PRORATION UNIT, LEA COUNTY, NEW MEXICO.

Oil Conservation Division

No. 11367

PRE-HEARING STATEMENT

This Pre-Hearing Statement is submitted by Campbell, Carr & Berge, P.A., as required by the Oil Conservation Division.

APPEARANCES OF PARTIES

APPLICANT ATTORNEY Chevron U.S.A. Inc. William F. Carr, Esq. Campbell, Carr & Berge, P.A. c/o Reed Gilmore Post Office Box 2208 Post Office Box 1150 Midland, TX 79702 Santa Fe, New Mexico 87504 (713) 871-3663 (505) 988-4421 name, address, phone and contact person **OTHER PARTY ATTORNEY**

Pre-hearing Statement NMOCD Case No. 11367 Page 2

STATEMENT OF CASE

APPLICANT

(Please make a concise statement of what is being sought with this application and the reasons therefore.)

Chevron U.S.A. Inc., applicant in the above-styled cause, seeks to establish a non-standard 80-acre oil spacing and proration unit in the Shipp-Strawn Pool comprising the SW/4 NE/4 and NW/4 SE/4 of Section 2, Township 17 South, Range 37 East. This unit is to be dedicated to the existing Lea"YL" State Well No. 2, located at an unorthodox surface oil well location (approved by Division Order No. R-9325) 2230 feet from the South line and 2310 feet from the East line (Unit J) of said Section 2, which the applicant proposes to directionally drill in a manner as to bottom in the Strawn formation within a 50-foot radius of a point that is considered to be unorthodox 2600 feet from the North line and 1700 feet from the East line (Unit G) of said Section 2.

OTHER PARTY

(Please make a concise statement of the basis for opposing this application or otherwise state the position of the party filing this statement.)

Pre-hearing Statement NMOCD Case No. 11367 Page 3

PROPOSED EVIDENCE

APPLICANT

WITNESSES

EST. TIME

EXHIBITS

(Name and expertise)

Dave Rittersbacher, Geologist

10 Min.

Approximately 6

OTHER PARTY

WITNESSES (Name and expertise)

EST. TIME

EXHIBITS

PROCEDURAL MATTERS

(Please identify any procedural matters which need to be resolved prior to hearing)

Sionature