

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

**APPLICATION OF CHEVRON MIDCONTINENT, L.P.
TO AMEND ORDER R-13949 TO APPROVE A 120-ACRE
NON-STANDARD SPACING UNIT AND NON-STANDARD
PROJECT AREA, LEA COUNTY, NEW MEXICO.**

CASE NO. 15236 (re-opened)

CHEVRON'S PRE-HEARING STATEMENT

This pre-hearing statement is submitted by Chevron Midcontinent, L.P. ("Chevron") as required by the Oil Conservation Division.

APPEARANCES

APPLICANT

Chevron Midcontinent, L.P.
1400 Smith Street
Houston, Texas 77002

ATTORNEY

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STATEMENT OF THE CASE

Chevron seeks to amend Division Order R-13949 to approve a 120-acre non-standard spacing and proration unit and non-standard project area comprised of the SW/4 NW/4 and the W/2 SW/4 of Section 11, Township 24 South, Range 34 East, N.M.P.M., Lea County, New Mexico. Order R-13949, entered on January 20, 2015, approved within the Bone Spring formation a non-standard spacing and proration unit comprised of the W/2 W/2 of Section 11, Township 24 South, Range 34 East, pooled the uncommitted interests within this unit, and

dedicated this acreage to Chevron's Antelope Ridge 11-24-34 Federal Well No. 3H (30-025-42318). Chevron commenced drilling this well pursuant to the Division's order but encountered unanticipated drilling problems, which required Chevron to place the bottom hole location 1274 feet from the North line and 991 feet from the West line. This prevented Chevron from completing the well in the NW/4 NW/4 (Unit D) of Section 11.

APPLICANT'S PROPOSED EVIDENCE

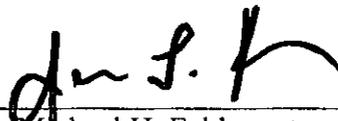
WITNESS Name and Expertise	ESTIMATED TIME	EXHIBITS
Chidubem Allinor Drilling Engineer	Approx. 10 minutes	Approx 1.

PROCEDURAL MATTERS

This case will be presented by affidavit.

Respectfully submitted,

HOLLAND & HART, LLP



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