

**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

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

Attention: Raye Miller
(575) 736-3535

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

EST. TIME

EXHIBITS

Raye Miller

30 min.

Approx. 10

OPPONENT

WITNESSES

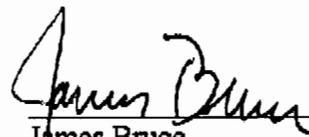
EST. TIME

EXHIBITS

PROCEDURAL MATTERS

The two cases should be consolidated for hearing.

Respectfully submitted,



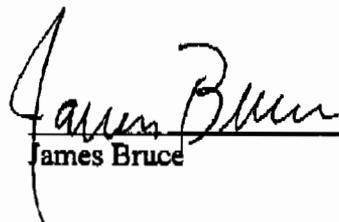
James Bruce
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Attorney for Regeneration Energy Corp.

CERTIFICATE OF SERVICE

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

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