

**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:**

**IN THE MATTER OF APPLICATION OF  
CHEVRON U.S.A., INC. FOR QUALIFICATION  
OF THE VACUUM GRAYBURG-SAN ANDRES  
UNIT PRESSURE MAINTENANCE PROJECT FOR  
THE RECOVERED OIL TAX RATE PURSUANT TO  
THE ENHANCED OIL RECOVERY ACT, LEA COUNTY,  
NEW MEXICO.**

RECEIVED  
2008 JUN 5 PM 3 28

*Case 14139*

**PRE-HEARING STATEMENT**

This Pre-Hearing Statement is submitted by Holland & Hart LLP as required by the Oil Conservation Division.

**APPEARANCES OF PARTIES**

**APPLICANT**

Chevron U.S. A. Inc.  
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**ATTORNEY**

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**STATEMENT OF CASE**

**APPLICANT**

**Pre-Hearing Statement**  
**NMOCD Case No. 14114**  
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Applicant seeks to qualify the Vacuum Grayburg-San Andres Unit Tertiary Recovery Project for the recovered oil tax rate pursuant to the "New Mexico Enhanced Oil Recovery Act" (Laws 1992, Chapter 38, Sections 1 through 5). The Vacuum Grayburg-San Andres Unit Tertiary Recovery Project encompasses portions of Section 35 of Township 17 South, Range 34 East and portions of Sections 1, 2, 11 and 12 of Township 18 South Range 34 East, N.M.P.M. Said unit is located approximately 22 miles northwest of Hobbs, New Mexico.

**PROPOSED EVIDENCE**

APPLICANT

WITNESSES

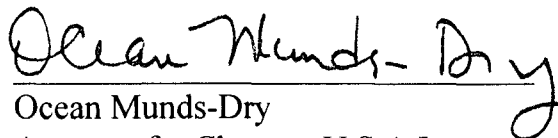
ESTIMATED TIME

EXHIBITS

By Affidavit

**PROCEDURAL MATTERS**

Pursuant to Division policy Chevron USA will present this case by Affidavit.

  
Ocean Munds-Dry  
Attorney for Chevron U.S.A Inc.