

**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:**

CASE NO. 12586

**APPLICATION OF CHEVRON U.S.A.
PRODUCTION COMPANY FOR AN
UNORTHODOX WELL LOCATION,
LEA COUNTY, NEW MEXICO.**

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OIL CONSERVATION DIV.

PRE-HEARING STATEMENT

This Prehearing Statement is submitted by Holland & Hart LLP and Campbell & Carr, as required by the Oil Conservation Division.

APPEARANCES OF PARTIES

APPLICANT

Chevron U.S.A. Production Company
Attn: Lloyd Trautman
Frank Cusimano, Esq.
P.O. Box 1150
Midland, Texas 79702
(915) 687-7152

ATTORNEY

William F. Carr, Esq.
Holland & Hart LLP and
Campbell & Carr
Post Office Box 2208
Santa Fe, New Mexico 87504
(505) 988-4421

OPPOSITION OR OTHER PARTY

Sapient Energy Corp.

ATTORNEY

W. Thomas Kellahin, Esq.
Post Office Box 2265
Santa Fe, New Mexico 87504-2265

STATEMENT OF CASE

APPLICANT

Applicant seeks authorization to recomplete its C. G. Matthews Well No. 12 (API No. 30-025-05953) in the Tubb formation, at an unorthodox gas well location 330 feet from the South line and 990 feet from the East line of Section 6, township 20 South, Range 37 East. The SE/4 of Section 6 is to be dedicated to the well to form a standard 160-acre gas spacing and proration unit for the West Monument-Tubb Gas Pool. This case was filed as an application for administrative approval. An objection to this application was received from Falcon Creek Resources, Inc. (now Sapient Energy Corp.), the offset operator to the South toward whom the well encroaches.

OPPOSITION OR 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.)

PROPOSED EVIDENCE

APPLICANT

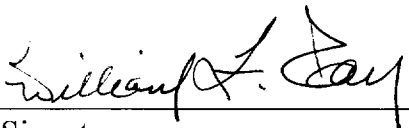
WITNESSES (Name and expertise)	EST. TIME	EXHIBITS
Lloyd Trautman (Landman)	15 minutes	Approximately 4
Tim Denny (Geologist)	10 minutes	Approximately 2

OPPOSITION

WITNESSES (Name and expertise)	EST. TIME	EXHIBITS
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PROCEDURAL MATTERS

None.

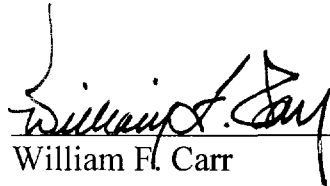


Signature

CERTIFICATE OF SERVICE

I hereby certify that on this 23rd day of January, 2001, I have caused to be hand-delivered a copy of our Pre-Hearing Statement in the above-captioned case to the following counsel of record:

W. Thomas Kellahin, Esq.
117 North Guadalupe Street
Santa Fe, New Mexico 87501



William F. Carr