

**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. 10571

APPLICATION OF CHEVRON U.S.A. INC.,
FOR A HIGH ANGLE/HORIZONTAL
DIRECTIONAL DRILLING PILOT PROJECT,
SPECIAL OPERATING RULES, UNORTHODOX
OIL WELL LOCATION, NON-STANDARD OIL
PRORATION UNIT, AND SIMULTANEOUS DEDICATION,
LEA COUNTY, NEW MEXICO.

RECEIVED

OIL CONSERVATION DIVISION

PRE-HEARING STATEMENT

This prehearing statement is submitted by William F. Carr, as required by the Oil Conservation Division.

APPEARANCES OF PARTIES

APPLICANT

Chevron U.S.A. Inc. _____
c/o Alan Bohling _____
Post Office Box 1150 _____
Midland, Texas 79702 _____

(915) 687-7246 _____

name, address, phone and
contact person

ATTORNEY

William F. Carr _____
Campbell, Carr, Berge & Sheridan _____
Post Office Box 2208 _____
Santa Fe, New Mexico 87504 _____

(505) 988-4421 _____

OPPOSITION OR OTHER PARTY

name, address, phone and
contact person

ATTORNEY

() _____

STATEMENT OF CASE

APPLICANT

Chevron U.S.A. Inc., applicant in the above-styled cause, seeks to initiate a high angle/horizontal directional drilling pilot project in the South Brunson Drinkard-Abo Pool underlying the W/2 SE/4 of Section 30, Township 22 South, Range 38 East, thereby creating a non-standard 80-acre oil spacing and proration unit for said pool. Applicant proposes to recomplete its Drinkard (NCT-B) Well No. 5, located at a standard surface location 880 feet from the South line and 1980 feet from the East line (Unit O) of said Section 30, plug back from the Wantz-Granite Wash Pool, kick-off at approximately 6772 feet and drill in a north-northeasterly direction until an angle of approximately 90 degrees is achieved and continue drilling horizontally for approximately 400 feet. Applicant is proposing to establish a window for said project whereby the horizontal displacement of said well's producing interval will be confined to a rectangular area 880 feet from the South line, 1780 feet from the East line, 1280 feet from the South line, and 1980 feet from the East line of said Section 30. Further applicant seeks the adoption of special operating provisions within the project area including a special project oil allowable. Also to be included is the simultaneous dedication of the proposed well with the existing Drinkard (NCT-B) Well No. 3 located at a standard oil well location 660 feet from the South line and 1980 feet from the East line (Unit O) which currently has dedicated the SW/4 SE/4 of said Section 30.

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

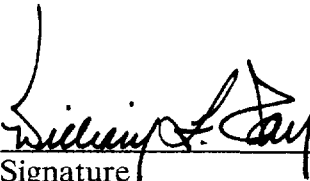
APPLICANT

WITNESSES (Name and expertise)	EST. TIME	EXHIBITS
Pat Harris, Geologist	20 Minutes	Approximately 5
Lloyd Trautman, Petroleum Engineer	15 Minutes	Approximately 4

OPPOSITION

WITNESSES (Name and expertise)	EST. TIME	EXHIBITS
-----------------------------------	-----------	----------

PROCEDURAL MATTERS



Signature

RECEIVED

0011 1992

OIL CONSERVATION DIVISION

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: The Application of
Chevron U.S.A. Inc.

CASE NO. 10571

PRE-HEARING STATEMENT

This prehearing statement is submitted by Ernest L. Padilla, Esq. as required by the Oil Conservation Division.

APPEARANCES OF PARTIES

APPLICANT

Chevron U.S.A. Inc.

ATTORNEY

William F. Carr
CAMPBELL, CARR, BERGE
& SHERIDAN, P.A.
Post Office Box 2208
Santa Fe, N.M. 87504
(505) 988-4421

OPPOSITION OR OTHER PARTY

John H. Hendrix Corporation
223 West Wall St. Suite 525
Midland, Texas 79701

ATTORNEY

Ernest L. Padilla
PADILLA & SNYDER
Post Office Box 2523
Santa Fe, N. M. 87504
(505) 988-7577

Pre-hearing Statement
NMOCD Case No. 10571
Page 2

STATEMENT OF CASE

APPLICANT

(Concise statement of what is being sought with this application and the reasons therefore.)

Application of Chevron U.S.A. Inc. for a High Angle/Horizontal Drilling Pilot Project, the Promulgation of Special Project Rules, an Unorthodox Well Location, a Nonstandard Proration Unit, and Simultaneous Dedication, Lea County, New Mexico.

OPPOSITION OR OTHER PARTY

(Concise statement of the basis for opposing this application or otherwise state the position of the party filing this statement.)

Appearance only at this time.

PROPOSED EVIDENCE

APPLICANT

WITNESSES
(Name and expertise)

EST. TIME

EXHIBITS

Unknown at this time.

OPPOSITION

WITNESSES
(Name and expertise)

EST. TIME

EXHIBITS

Appearance only at this time.

PROCEDURAL MATTERS

(Identify any procedural matters which
need to be resolved prior to the hearing.)

Entry of Appearance of Ernest L. Padilla, Esq.


Ernest L. Padilla

Hearing Date: October 15, 1992