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. 10260

APPLICATION OF CHEVRON U.S.A., INC., FOR AUTHORITY TO INSTITUTE A WATERFLOOD PROJECT FOR THE ARROWHEAD GRAYBURG UNIT, LEA COUNTY, NEW MEXICO

PRE-HEARING STATEMENT

This pre-hearing statement is submitted by CHEVRON U.S.A., INC. as required by the Oil Conservation Division.

APPEARANCE OF PARTIES

APPLICANT (name, address, phone and contact person)

ATTORNEY

Chevron U.S.A., Inc. P.O. Box 1150 Midland, TX 79702 Attn: Bryan Cotner (915) 687-7314

W. Thomas Kellahin KELLAHIN, KELLAHIN & AUBREY P.O. Box 2265 Santa Fe, New Mexico 87504 (505) 982-4285

OPPOSITION OR OTHER PARTY ATTORNEY (name, address, phone and contact person)

ARCO Oil & Gas Company

William F. Carr Campbell & Black, P.A. P.O. Box 2208 Santa Fe, New Mexico 87504 (505) 988-4421

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OIL CONSERVATION DIV. SANTA FE

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Carolyn Loveless Schlicher
Colin McMillan
David Petroleum Corp.
Lucinda Loveless
Nadine Prideaux Loveless
Smith
Ladd Petroleum Corp.

W. Perry Pearce Montgomery & Andrews, P.A. P.O. Box 2307 Santa Fe, New Mexico 87504 (505) 982-3873

STATEMENT OF CASE

APPLICANT

(Please make a concise statement of what is being sought with this application and the reasons therefore.)

Chevron U.S.A., Inc. seeks authority to institute a waterflood project on its proposed Arrowhead Grayburg (San Andres) Unit Area (Division Case No. 10259) located in portions of Townships 21 and 22 South, Ranges 36 and 37 East, by the injection of water into the unitized internal which includes the Grayburg and San Andres formations, more or less, through 50 certain wells to either be drilled, recompleted or converted from producing to water injection wells.

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.)

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PROPOSED EVIDENCE

APPLICANT

WITNESSES (name and expertise)	EST. TIME	EXHIBITS
Bryan Cotner (PE)	60 Min.	20
Don Lindsay (geologist)	20 Min.	8
Denise Beckham (landman)	20 Min.	14

OPPOSITION OR OTHER PARTY

WITNESSES EST. TIME EXHIBITS (name and expertise)

PROCEDURAL MATTERS

(Please identify any procedural matters which need to be resolved prior to the hearing)

KELLAHIN, KELLAHIN & AUBREY

W. Thomas Nellahin

P.O. Box 2265

Santa Fe, New Mexico 87504 (505) 982-4285

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:

APPLICATION OF CHEVRON U.S.A. INC. FOR A WATERFLOOD PROJECT, LEA COUNTY, NEW MEXICO.

CASE NO. 10260

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PRE-HEARING STATEMENT

OIL CONSERVATION DIV. SANTA FE

This Prehearing Statement is submitted by William F. Carr, as required by the Oil Conservation Division.

APPEARANCES OF PARTIES

APPLICANT	ATTORNEY	
Chevron U.S.A., Inc	W. Thomas Kellahin, Esq.	
	Kellahin, Kellahin & Aubrey	
	Post Office Box 2265	
	Santa Fe, New Mexico 87504	
	(505) 982-4285	
name, address, phone and		
contact person		
OPPOSITION OR OTHER PARTY	ATTORNEY	
ARCO Oil & Gas Company	William F. Carr	
Post Office Box 1610	Campbell & Black, P.A	
Midland, Texas 79702	Post Office Box 2208	
Attn: Kent Bickham	Santa Fe, New Mexico 87504	
(915) 688-5632	(505) 988-4421	
name, address, phone and		
contact person		

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STATEMENT OF CASE

APPLICANT

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.)

Pre-hearing Statement NMOCD Case No. 10260 Page 3

PROPOSED EVIDENCE

APPLICANT

WITNESSES (Name and expertise)

EST. TIME

EXHIBITS

OPPOSITION

WITNESSES (Name and expertise)

EST. TIME

EXHIBITS

None.

PROCEDURAL MATTERS

None.

Signature