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:

RECEIV

APPLICATION OF OXY USA, INC. TO REOPEN CASE NO. 8352 FO CONTRACT THE WEST BRAVO DOME CARBON DIOXIDE GAS AREA TO EXCLUDE ACREAGE IN THE BRAVO DOME CARBON DIOXIDE GAS UNHO ADOPTION OF PERMANENT SPECIAL POOL RULES AND REGULATIOPNS FOR THE ACREAGE EXCLUDED FROM THE WEST BRAVO DOME CARBON DIOXIDE GAS AREA INCLUDING PROVISIONS FOR 160-ACRE SPACING UNITS, HARDING COUNTY, NEW MEXICO.

CASE NO. 8352 (REOPENED)

PRE-HEARING STATEMENT

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

APPEARANCES OF PARTIES

APPLICANT

ATTORNEY

OXY USA, INC. c/o Elizabeth Bush-Ivie

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

STATEMENT OF CASE

OXY USA, INC. seeks to Reopen Case No. 8352 (Order No. R-7737) which created the "West Bravo Dome Carbon Dioxide Gas Area" comprised of lands in both the West Bravo Dome Carbon Dioxide Unit and the Bravo Dome Carbon Dioxide Unit and adopted for this area Temporary Special Rules and Regulations that provide for 640-acre spacing units. OXY does not seek to change the boundaries of either the West Bravo Dome Unit or the Bravo Dome Unit. OXY seeks an order excluding from the "West Bravo Dome Carbon Dioxide Gas Area" the following lands that are not located in the West Bravo Dome Unit but, instead, are located in the Bravo Dome Unit:

Township 18 North, Range 30 East, NMPM

Sections 1 and 2: All

Section 3: E/2 E/2, SW/4 SE/4

Section 10: E/2 NE/4

Section 11: N/2 Sections 12 – 14: All

Section 23: E/2, E/2 W/2

Section 24: All

Section 25: E/2, E/2 W/2, W/2 NW/4,

NW/4 SW/4

Section 26: NE/4, E/2 NW/4, N/2 S/2

Section 36: All

Township 18 North, Range 31 East, NMPM

Sections 1 - 36: All

Township 19 North, Range 29 East, NMPM

Section 1: NE/4, E/2 NW/4

Township 19 North, Range 30 East, NMPM

Section 20: W/2 NE/4, S/2 SE/4

Sections 21 through 28: All

Section 29: NE/4

Section 32: NE/4 NE/4

Section 33: NW/4, W/2 NE/4, NE/4 NE/4,

NW/4 SE/4, NE/4 SW/4

Section 34: N/2, E/2 SE/4

Sections 35 and 36: All

Township 19 North, Range 31 East, NMPM

Sections 19 - 36: A

OXY USA, INC. also seeks the promulgation of Permanent Special Rules and Regulations for this portion of the Bravo Dome Unit that provide for 160-acre spacing units.

PROPOSED EVIDENCE

WITNESSES ESTIMATED TIME EXHIBITS

(Name and Expertise)

Elizabeth Bush-Ivie 20 Minutes Approx. 4

(Regulatory Engineer)

Edward V. Knight (Geologist)

30 Minutes

Approx. 50 power point slides

Al Guissani (Reservoir Engineer) 40 Minutes

Approx. 40 power point slides

PROCEDURAL MATTERS

None.

William F. Carr

Attorney for OXY USA, INC.