

STATE OF NEW MEXICO
DEPARTMENT OF ENERGY, MINERALS AND NATURAL RESOURCES
OIL CONSERVATION DIVISION

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APPLICATION OF OXY USA INC.
FOR A NON-STANDARD SPACING AND
PRORATION UNIT, AND COMPULSORY POOLING,
EDDY COUNTY, NEW MEXICO.

CASE NO. 15626

PRE-HEARING STATEMENT

This pre-hearing statement is submitted by OXY USA Inc. ("OXY") as required by the Oil Conservation Division.

APPEARANCES

APPLICANT

OXY USA Inc.

ATTORNEY

Michael H. Feldewert
Jordan L. Kessler
Holland & Hart LLP
Post Office Box 2208
Santa Fe, New Mexico 87504-2208
(505) 988-4421

STATEMENT OF THE CASE

OXY seeks an order (1) creating a 160-acre non-standard spacing and proration unit comprised of the N/2 N/2 of Section 21, Township 24 South, Range 29 East, NMPM, Eddy County, New Mexico; and (2) pooling all uncommitted interests in the Bone Spring formation underlying this acreage. OXY proposes to dedicate the above-referenced spacing and proration unit as the project area for its proposed **Cedar Canyon 21 Federal Com No. 21H Well**, which will be horizontally drilled from a surface location in the NE/4 NE/4 (Unit A) to a standard

bottom hole location in NW/4 NW/4 (Unit D) of Section 21. The completed interval for this well will comply with the 330-foot standard setbacks required by Division rules.

APPLICANT'S PROPOSED EVIDENCE

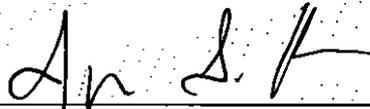
WITNESS Name and Expertise	ESTIMATED TIME	EXHIBITS
Jeremy Murphrey, Landman	Approx. 10 minutes	Approx. 5
Spencer Gunderson, Geologist	Approx. 10 minutes	Approx. 4

PROCEDURAL MATTERS

None at this time.

Respectfully submitted,

HOLLAND & HART LLP



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