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

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

CASE NO. 16013

OXY'S 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

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STATEMENT OF THE CASE

OXY seeks an order (1) creating a 160-acre non-standard spacing and proration unit comprised of the W/2 E/2 of Section 13, Township 24 South, Range 30 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 **Nimitz MDP1 "13" Federal Com No. 1H Well**, which will be horizontally drilled from a surface location in the NE/4 NW/4 (Unit C) to a standard bottom hole location in SW/4 SE/4 (Unit O) of Section 13. The completed interval for this well will

remain within the 330-foot standard offset required by the Statewide Rules set forth in 19.15.15 NMAC.

APPLICANT'S PROPOSED EVIDENCE

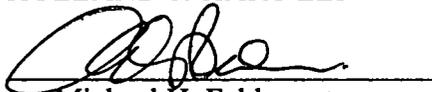
WITNESS Name and Expertise	ESTIMATED TIME	EXHIBITS
Stacy Rojas, Landman	Approx. 20 minutes	Approx. 15
Phylcia Saner, Geology	Approx. 15 minutes	Approx. 5

PROCEDURAL MATTERS

OXY asks Case Nos. 16013 and 16014 be consolidated for purposes of presenting testimony and evidence at hearing.

Respectfully submitted,

HOLLAND & HART LLP



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