

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. 16014

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

Michael H. Feldewert
Adam G. Rankin
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 E/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 two proposed initial wells, to be drilled and simultaneously completed: the proposed **Nimitz MDP1 "13" Federal Com No. 2H Well** and the proposed **Nimitz MDP1 "13" Federal Com No. 3H Well**. Both wells will be horizontally drilled from a surface location in the SE/4 SE/4 (Unit P) of Section 12 to a standard bottom hole location in the SE/4 SE/4 (Unit P) 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. Since these wells will be drilled and simultaneously completed, OXY requests an extension of the 120-day period provided in the Division's standard pooling order to drill and complete a well.

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

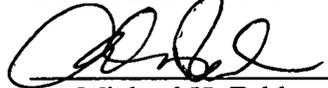
PROCEDURAL MATTERS

OXY asks Case Nos. 16013 and 16014 be consolidated for purposes of presenting

- testimony and evidence at hearing.

Respectfully submitted,

HOLLAND & HART LLP



Michael H. Feldewert
Adam G. Rankin
Post Office Box 2208
Santa Fe, New Mexico 87504-2208
(505) 988-4421
(505) 983-6043 Facsimile
Email: MFeldewert@hollandhart.com
Email: AGRankin@hollandhart.com

ATTORNEYS FOR OXY USA INC.