

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

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IN THE MATTER OF THE HEARING CALLED BY
THE OIL CONSERVATION DIVISION FOR THE
PURPOSE OF CONSIDERING:

APPLICATION OF RELIANT EXPLORATION & PRODUCTION LLC FOR
CANCELLATION OF TWO PERMITS TO DRILL OR IN THE ALTERNATIVE FOR
COMPULSORY POOLING, HARDING COUNTY, NEW MEXICO.

CASE NO. 14412

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

Reliant Exploration & Production LLC

ATTORNEY

Earl E. DeBrine, Jr.
Modrall, Sperling, Roehl, Harris & Sisk P.A.
Post Office Box 2168
Albuquerque, New Mexico 87103-2168
Facsimile No. (505) 848-1891

W. Thomas Kellahin
Kellahin & Kellahin
706 Gonzales Road
Santa Fe, New Mexico 87501-8744
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OPPONENT

OXY USA, INC.
c/o Mark Hodge

ATTORNEY

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

STATEMENT OF CASE

APPLICANT:

Applicant seeks an order cancelling two permits to drill issued Oxy USA, Inc. for the following carbon dioxide wells in township 20 North, Range 31 East NMPM in Harding County, New Mexico: or alternatively, an order pooling two 640-acre spacing units comprised of all of Sections 2 and 11, Township 18 North, Range 31 East, NMPM, Harding County, New Mexico.

OPPONENT:

OXY USA, INC. opposes the application. OXY filed applications to drill the Bravo Dome Unit Wells No. 021 and 111 and, by mistake, proposed to dedicate to these wells 160-acre spacing and proration units instead of 640-acre units. The Oil Conservation Division approved these APD's. and the wells were drilled to total depth in 2007. OXY has shut in the wells pending resolution of these spacing issues. Reliant owns mineral interests in the sections in which each of the subject wells is located. OXY has provided a Joint Operating Agreement to Reliant for its consideration. Although there have been extensive negotiations between the parties, no agreement has been reached for the development of these lands. Oxy seeks denial of this application because the relief sought does not resolve the problems with these wells and believes the parties should resolve this matter by agreement.

PROPOSED EVIDENCE

OPPONENT:

WITNESSES (Name and Expertise)	ESTIMATED TIME	EXHIBITS
Mark Hodges Landman	30 Minutes	Approx. 10

PROCEDURAL MATTERS

OXY has requested that the case be continued to the February 4, 2010 hearing docket.



 William F. Carr
 Attorney for OXY USA, INC.

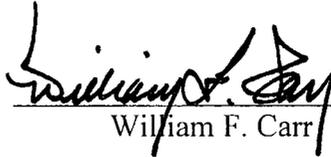
CERTIFICATE OF SERVICE

I certify that on December ~~9~~^{10th}, 2009 I served a copy of the foregoing document to the following by

U.S. Mail, postage prepaid
Hand Delivery
Fax

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