

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

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

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

CASE NO. 15006

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.
PO BOX 4294
Houston, TX 77210-4294

ATTORNEY

Dalva L. Moellenberg
Germaine R. Chappelle
Gallagher & Kennedy, PA
1233 Paseo de Peralta
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STATEMENT OF THE CASE

OXY USA Inc. (OXY) seeks an order (1) creating a non-standard 160-acre spacing and proration unit comprised of the S/2 S/2 of Section 26, Township 23 South, Range 30 East, NMPM, Eddy County, New Mexico; and (2) pooling all mineral interests in the Lower Brushy Canyon formation underlying this acreage to form a 160-acre project area in this formation. OXY proposes to dedicate the above-referenced spacing and proration unit as the project area for its proposed FNR 26 Federal #4H well (API Well No. 30-015-41012) to be horizontally drilled from a surface location, 690 feet from the South line and 373 feet from the West line to a bottom hole location 690 feet from the South line and 330 feet from the East line of Section 26. The completed interval for this well will be within the 330-foot standard offset required by the rules.

INTEREST-OWNER'S PROPOSED EVIDENCE

WITNESS Name and Expertise	ESTIMATED TIME	EXHIBITS
Joseph F. Day, Reservoir Engineer	Approx. 10 minutes	Approx. 5
Richard J Erickson, Senior Geological Advisor	Approx. 15 minutes	Approx. 5
Bruce A. Gerrard, Engineer Advisor, Production Operations	Approx. 10 minutes	Approx. 5
Christopher J. Canon, Senior Land Negotiator	Approx. 15 minutes	Approx. 5

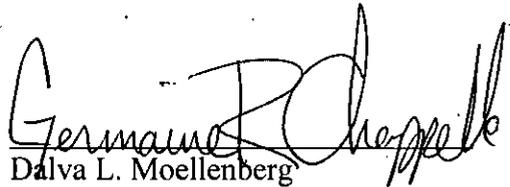
PROCEDURAL MATTERS

Pursuant to communication with the BLM field office, OXY hereby clarifies the following: The proposed well is authorized by a federal lease and a permit to drill was approved by the BLM on 1/3/13. OXY has communicated with the Bureau of Land Management (BLM)

regarding this Application and BLM has conveyed that it neither opposes nor supports this Application.

Respectfully submitted,

GALLAGHER & KENNEDY, P.A.

A handwritten signature in black ink that reads "Germaine R. Chappelle". The signature is written in a cursive style with a large initial "G" and "C".

Dalva L. Moellenberg

Germaine R. Chappelle

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