

**STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
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. 15571

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

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STATEMENT OF THE CASE

OXY seeks an order (1) creating a 200-acre non-standard spacing and proration unit comprised of the E/2 E/2 of Section 15 and the NE/4 NE/4 of Section 22, Township 24 South, Range 29 East, NMPM, Eddy County, New Mexico; and (2) pooling all mineral 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 22-15 Fed Com No. 34H Well**, which will be horizontally drilled from a surface location in the NE/4 NE/4 (Unit

A) of Section 22 to a standard bottom hole location in NE/4 NE/4 (Unit A) of Section 15. The completed interval for this well will comply with the 330-foot standard setbacks required by Division rules.

APPLICANT'S PROPOSED EVIDENCE

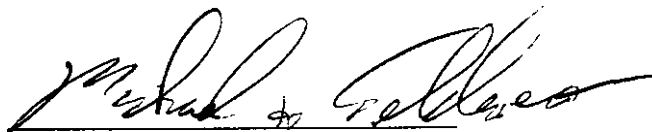
WITNESS Name and Expertise	ESTIMATED TIME	EXHIBITS
Jeremy Murphrey, Landman	Approx. 10 minutes	Approx. 5
Spencer Gunderson, Geologist	Approx. 10 minutes	Approx. 4

PROCEDURAL MATTERS

None at this time.

Respectfully submitted,

HOLLAND & HART LLP



Michael H. Feldewert
Jordan L. Kessler
Post Office Box 2208
Santa Fe, New Mexico 87504-2208
(505) 988-4421
(505) 983-6043 Facsimile
MFeldewert@hollandhart.com
JLKessler@hollandhart.com

ATTORNEYS FOR OXY USA INC.