

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

APPLICATION OF OXY USA INC.
FOR COMPULSORY POOLING,
EDDY COUNTY, NEW MEXICO.

CASE NO. 20225

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, Esq.
Adam G. Rankin, Esq.
Jordan L. Kessler, Esq.
Julia Broggi, Esq.
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Attorneys for OXY USA Inc.

STATEMENT OF THE CASE

OXY seeks an order pooling all uncommitted interests in the Bone Spring formation within a proposed 800-acre, more or less, horizontal spacing unit comprised of the SE/4 of Section 18 and the E/2 of Sections 19 and 30, Township 23 South, Range 31 East, NMPM, Eddy County, New Mexico. This spacing unit will be dedicated to four proposed wells: the **Precious 30 18 Fed Com #4H**, the **Precious 30 18 Fed Com #5H**, the **Precious 30 18 Fed Com #6H**, and the **Precious 30 18 Fed Com # 9H**.

The **Precious 30 18 Fed Com #4H** will be horizontally drilled from a surface location in the NW/4 NE/4 (Unit B) of Section 31, Township 23 South, Range 31 East, to a standard bottom-hole location in the NW/4 SW/4 (Unit J) of Section 18, Township 23 South, Range 31 East. The **Precious 30 18 Fed Com #5H** will be horizontally drilled from a surface location in the NE/4 SE/4 (Unit A) of Section 31, Township 23 South, Range 31 East, to a standard bottom-hole location in the NE/4 SE/4 (Unit I) of Section 18, Township 23 South, Range 31 East. The **Precious 30 18 Fed Com #6H** will be horizontally drilled from a surface location in the NE/4 SE/4 (Unit A) of Section 31, Township 23 South, Range 31 East, to a standard bottom-hole location in the NE/4 SE/4 (Unit I) of Section 18, Township 23 South, Range 31 East. The **Precious 30 18 Fed Com #9H** will be horizontally drilled from a surface location in the NW/4 SE/4 (Unit B) of Section 31, Township 23 South, Range 31 East, to a standard bottom-hole location in the NW/4 SE/4 (Unit J) of Section 18, Township 23 South, Range 31 East.

Pursuant to NMAC 19.15.16.15(B)(1)(b), OXY will incorporate the W/2 SE/4 of Section 18 and the W/2 E/2 of Sections 19 and 30 into its horizontal spacing unit. Incorporating the proximity tracts, the completed interval for each well is at an orthodox well location pursuant to the Statewide rules for oil wells.

APPLICANT'S PROPOSED EVIDENCE

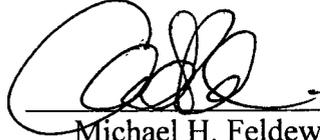
WITNESS Name and Expertise	ESTIMATED TIME	EXHIBITS
Matthew Cole, Landman	Via Affidavit	Approx. 5
Daniel Burnett, Geologist	Via Affidavit	Approx. 4

PROCEDURAL MATTERS

If this application is unopposed, OXY will present this case by affidavit.

Respectfully submitted,

HOLLAND & HART LLP

A handwritten signature in black ink, appearing to read 'M. Feldewert', is written over a horizontal line.

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