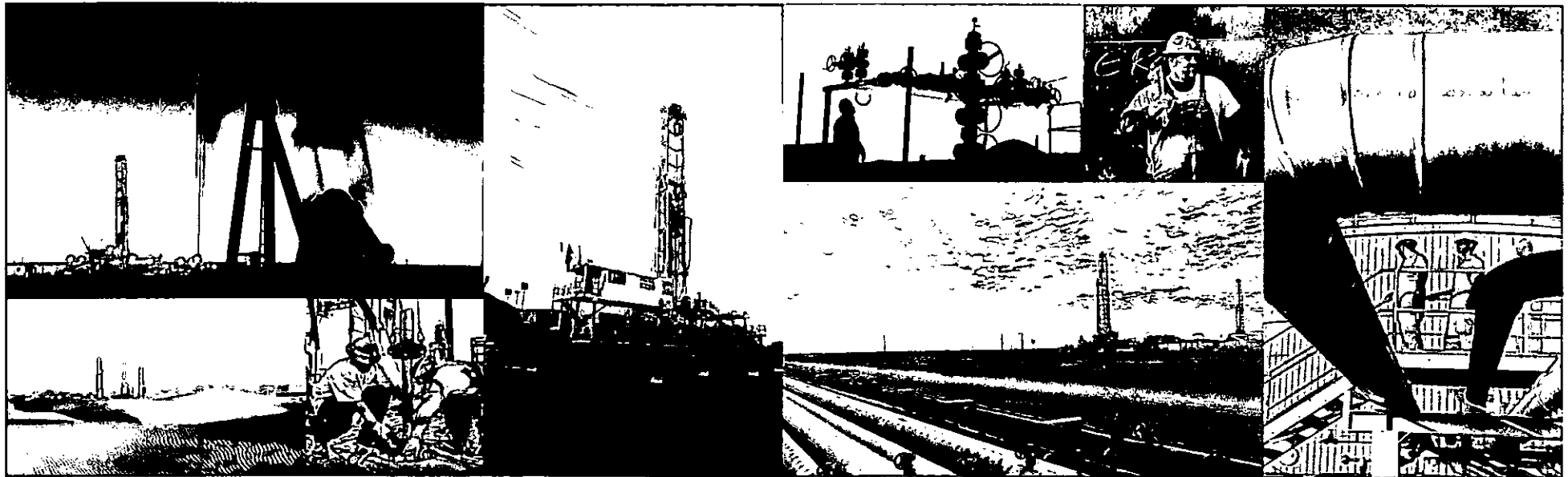


**Before the Oil Conservation Commission
Santa Fe, New Mexico
Case No. 15103
March 13, 2014**

EXHIBITS SUBMITTED BY OCCIDENTAL PERMIAN LTD.



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

APPLICATION OF OCCIDENTAL PERMIAN LTD, TO AMEND ORDER R-6199-B TO EXPAND THE NORTH HOBBS GRAYBURG-SAN ANDRES UNIT PHASE I TERTIARY RECOVERY PROJECT, TO MODIFY CERTAIN OPERATING REQUIREMENTS, AND TO CERTIFY THIS EXPANSION FOR THE RECOVERED OIL TAX RATE PURSUANT TO THE NEW MEXICO ENHANCED OIL RECOVERY ACT, LEA COUNTY, NEW MEXICO.

CASE NO. 15103

APPLICANT'S PRE-HEARING STATEMENT

This pre-hearing statement is submitted by Occidental Permian, Ltd. ("Oxy"), as required by NMAC 19.15.4.13.B.

APPEARANCES

APPLICANT

Occidental Permian, Ltd.

ATTORNEY

Michael H. Feldewert
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STATEMENT OF THE CASE

Occidental Permian Ltd ("Oxy") seeks to amend Division Order R-6199-B governing its carbon dioxide gas tertiary recovery injection project within its North Hobbs Grayburg San Andres Unit ("North Hobbs Unit") as follows:

- (a) to expand the approved geographic area for the carbon dioxide gas tertiary recovery injection project to include the following acreage:

TOWNSHIP 18 SOUTH, RANGE 37 EAST, NMPM

Section 13: W/2, SE/4
Section 14: All
Section 23: All
Section 24: All
Section 25: All
Section 26: E/2NE/4, NW/4NE/4
Section 36: E/2, E/2NW/4

TOWNSHIP 18 SOUTH, RANGE 38 EAST, NMPM

Section 17: S/2NW/4, SW/4
Section 18: NE/4 and S/2
Section 19: All
Section 20: All
Section 21: SW/4, W/2SE/4, SE/4SE/4
Section 28: All
Section 29: All
Section 30: All
Section 31: All
Section 32: All
Section 33: W/2, NE/4, W/2SE/4, and NE/4SE/4

- (b) to expand the injection authority to include new wells in the quarter-quarter sections identified on Exhibit A to the Application and the existing producing or temporarily abandoned wells identified on Exhibit B to the Application;
- (c) to confirm that the well limitation for quarter-quarter sections set forth in NMAC 19.15.15.9(A) does not apply to active tertiary recovery projects, such as the North Hobbs Unit project;
- (d) to grant an exception to NMAC 19.15.15.13(A) (unorthodox well locations) to allow wells to be closer than 10 feet to a quarter-quarter section line or subdivision inner boundary within the North Hobbs Unit area;
- (e) to grant an exception to the notice requirements set forth in NMAC 19.15.26.8.C and 19.15.26.8.F to allow for administrative approval of additional injection wells in the expanded North Hobbs Unit area without notice and hearing;
- (f) to provide that for any injection well covered by this application that does not commence injection within 5 years after approval of this request, Oxy may submit within a period no more than twelve months and no less than sixty days before injection operations commence in the well either (i) a statement certifying that there have been no substantive changes to the information furnished in support of this application concerning the status or construction of any well that penetrates the injection interval within the one half (1/2) mile area of review around the injection well; or (ii) a statement describing any substantive changes;

- (g) to eliminate the existing limiting gas-oil ratio of 6,000 cubic feet of gas per barrel of oil and to provide that no limiting gas-oil ratio or oil allowable applies to this expanded enhanced oil recovery project;
- (h) to modify the packer setting depth required by R-6199-B Ordering Paragraph (3) to allow for the packer to be set anywhere above the uppermost injection perforations or casing shoe, provided the packer is set below the top of the Grayburg Formation;
- (i) to provide a five-year frequency for mechanical integrity tests for temporarily abandoned wells equipped with real-time pressure monitoring devices pursuant to NMAC 19.15.25.13.E; and
- (j) to certify the approved expansion of the tertiary recovery project for the recovered oil tax rate pursuant to the New Mexico Enhanced Oil Recovery Act (Laws 1992, Chapter 38, Section 1 through 5).

APPLICANT'S PROPOSED EVIDENCE

Jared Brockman, Production Engineer and Project Manager	Approx. 1 hour	Approx. 10 slides and/or exhibits
Randy Stillwell, Petroleum Geologist	Approx. 30 minutes	Approx. 10 slides
Scott Hodges, Operations Manager	Approx. 30 minutes	Approx. 15 slides
Kelley Montgomery, Production Engineer with expertise in regulatory compliance	Approx. 1 hour	Approx. 20 slides and C-108 Form
Pat Sparks, Landman	Approx. 20 minutes	Approx. 5 exhibits

PROCEDURAL MATTERS

Oxy requests that the Commission take administrative notice of the record from Case No. 14981, which resulted in Order R-4934-F (entered by the Commission on July 18, 2013) approving the injection of CO₂, produced water and produced gases into the South Hobbs Project Area. It is anticipated the record from this matter will address some of the questions or concerns

the Commissioners may have with respect to this application to amend Order R-6199-B governing the North Hobbs Unit.

Respectfully submitted,

HOLLAND & HART, LLP

A handwritten signature in black ink, appearing to read "Michael H. Feldewert", written over a horizontal line.

Michael H. Feldewert

Adam G. Rankin

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