

**STATE OF NEW MEXICO
DEPARTMENT OF ENERGY, MINERALS AND NATURAL RESOURCES
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. 16007

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
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Holland & Hart LLP
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STATEMENT OF THE CASE

OXY seeks an order (1) creating a 640-acre non-standard spacing and proration unit comprised of the N/2 of Section 1 and the N/2 of Section 2, Township 25 South, Range 29 East, NMPM, Eddy County, New Mexico; and (2) pooling all uncommitted interests in the Wolfcamp formation underlying this acreage. OXY proposes to dedicate this non-standard spacing and proration unit as the project area for three proposed initial wells, to be drilled and simultaneously completed: The Corral Fly "02-01" State No. 31H Well, the Corral Fly "02-01" State No. 32H Well, and the Corral Fly "02-01" State No. 33H Well. The three proposed horizontal wells will

be pad drilled from a surface location in the NW/4 NW/4 (Lot 4) of Section 2. The **Corral Fly “02-01” State No. 31H Well** will have a standard bottom hole location in the NE/4 NE/4 (Lot 4) of Section 1. The **Corral Fly “02-01” State No. 32H Well** and the **Corral Fly “02-01” State No. 33H Well** will have standard bottom hole locations in the SE/4 NE/4 (Unit H) of Section 1. The completed interval for the each well will remain within the 330-foot standard offset required by the Special Rule for the Purple Sage Wolfcamp Gas Pool (Pool Code 98220). Since these wells will be drilled and simultaneously completed, Oxy requests an extension of the 120-day period provided in the Division’s standard pooling order to drill and complete a well.

APPLICANT’S PROPOSED EVIDENCE

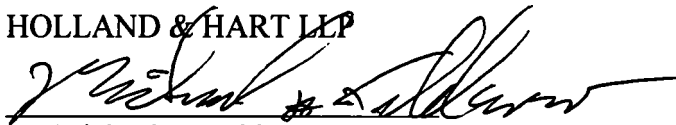
WITNESS Name and Expertise	ESTIMATED TIME	EXHIBITS
Jeremy Murphrey, Landman	Approx. 20 minutes	Approx. 15
Tony Troutman	Approx. 15 minutes	Approx. 5

PROCEDURAL MATTERS

Oxy asks that this matter be consolidated with Case No. 16008 for hearing.

Respectfully submitted,

HOLLAND & HART LLP



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