

**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. 16009

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

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STATEMENT OF THE CASE

OXY seeks an order (1) creating a 319.91-acre non-standard spacing and proration unit comprised of the W/2 W/2 of Section 1 and the W/2 W/2 of Section 12, Township 24 South, Range 30 East, NMPM, Eddy County, New Mexico; and (2) pooling all uncommitted 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 two proposed initial wells, to be drilled and simultaneously completed: the proposed **Nimitz MDP1 "12" Federal Com No. 1H Well** and the proposed **Nimitz MDP1 "12" Federal Com No. 2H Well**. The **Nimitz MDP1 "12" Federal Com No. 1H Well** will be horizontally drilled from a surface location in the SW/4 SW/4 (Unit M)

of Section 12 to a standard bottom hole location in the NW/4 NW/4 (Lot 4) of Section 1. The **Nimitz MDP1 "12" Federal Com No. 2H Well** will be horizontally drilled from a surface location in the NE/4 NW/4 of Section 13 (Unit C) to a standard bottom hole location in the NW/4 NW/4 (Lot 4) of Section 1. The completed interval for the each well will remain within the 330-foot standard offset required by statewide rules. 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
Stacy Rojas, Landman	Approx. 20 minutes	Approx. 15
Phylicia Saner, Geology	Approx. 15 minutes	Approx. 5

PROCEDURAL MATTERS

OXY asks Case Nos. 16009, 16010, 16011, and 16012 be consolidated for purposes of presenting testimony and evidence at hearing.

Respectfully submitted,

HOLLAND & HART LLP



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