

**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. 16010

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 319.99-acre non-standard spacing and proration unit comprised of the E/2 E/2 of Section 1 and the E/2 E/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. 6H Well and the proposed Nimitz MDP1 "12" Federal Com No. 7H Well. The Nimitz MDP1 "12" Federal Com No. 6H Well and the Nimitz MDP1 "12" Federal Com No. 7H Well will be pad drilled

horizontally from a surface location in the SE/4 SE/4 (Unit P) of Section 12 to a standard bottom hole location in the NE/4 NE/4 (Lot 1) of Section 1. The completed interval for the each well will remain within the 330-foot standard offsets required by the Statewide Rules set forth in 19.15.15 NMAC. 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

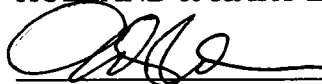
| WITNESS Name and Expertise | ESTIMATED TIME | EXHIBITS |
|---------------------------------------|-----------------------|-----------------|
| Stacy Rojas, Landman | Approx. 20 minutes | Approx. 15 |
| Phylcia Saner, Geology | Approx. 15 minutes | Approx. 5 |

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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