

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

**APPLICATION OF OXY USA INC. FOR
ALTERNATIVE NON-STANDARD SPACING
AND PRORATION UNITS, APPROVAL OF A
NON-STANDARD PROJECT AREA AS
NEEDED AND COMPULSORY POOLING,
EDDY COUNTY, NEW MEXICO.**

JUN 21 2018 PM02:27

CASE NO. 16256

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 320-acre non-standard spacing and proration unit comprised of the W/2 W/2 of Section 27 and the W/2 W/2 of Section 34, Township 22 South, Range 32 East, NMPM, Lea County, New Mexico; and (2) pooling all uncommitted interests in the Red Tank Bone Spring (Pool No. 51683) underlying this acreage. OXY proposes to dedicate the above-referenced spacing and proration unit as the project area for its proposed Taco Cat "27-34" Federal Com No. 11H Well and Taco Cat "27-34" Federal Com No. 21H Well, which will

be horizontally drilled from surface locations in the NW/4 NW/4 (Unit D) of Section 27, Township 22 South, Range 32 East, NMPM, to bottom hole locations in the SW/4 SW/4 (Unit M) of Section 34, Township 22 South, Range 32 East, NMPM. The completed intervals for these wells will remain within the 330-foot standard offset required by the Statewide Rules set forth in 19.15.15 NMAC.

APPLICANT'S PROPOSED EVIDENCE

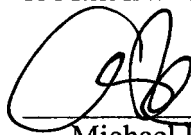
WITNESS Name and Expertise	ESTIMATED TIME	EXHIBITS
Courtney Carr, Landman	Approx. 20 minutes	Approx. 6
Cyrus Bina, Geology	Approx. 15 minutes	Approx. 5

PROCEDURAL MATTERS

OXY requests that Case Nos. 16256 and 16257 be consolidated only for hearing purposes.

Respectfully submitted,

HOLLAND & HART LLP



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