

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

**APPLICATIONS OF OXY USA INC. FOR APPROVAL
OF AN OVERLAPPING HORIZONTAL WELL
SPACING UNIT AND COMPULSORY POOLING,
EDDY COUNTY, NEW MEXICO.**

CASE NOS. 25103-25108

OXY'S CONSOLIDATED PRE-HEARING STATEMENT

OXY USA Inc. ("Oxy" or "Applicant") submits this consolidated Pre-Hearing Statement pursuant to the rules of the Oil Conservation Division.

APPEARANCES

APPLICANT

OXY USA Inc.
("Oxy")

ATTORNEY

Michael H. Feldewert
Adam G. Rankin
Paula M. Vance
Holland & Hart LLP
Post Office Box 2208
Santa Fe, New Mexico 87504-2208
(505) 988-4421
(505) 983-6043 Facsimile

OTHER

COG Operating, LLC
("COG") / Marathon Oil Permian LLC
("Marathon")

Elizabeth Ryan
Keri L. Hatley
1048 Paseo de Peralta
Santa Fe, New Mexico 87501
(505) 780-8000
beth.ryan@conocophillips.com
keri.hatley@conocophillips.com

3R Operating LLC
("3R")

Dana S. Hardy
Jaclyn M. McLean
Timothy B. Rode
HARDY MCLEAN LLC
125 Lincoln Ave., Suite 223
Santa Fe, NM 87505
(505) 230-4410
dhardy@hardymclean.com
jmclean@hardymclean.com
trode@hardymclean.com

APPLICANT'S STATEMENT OF THE CASE

Under these consolidated cases, Oxy seeks orders pooling portions of the Bone Spring (Pierce Crossing; Bone Spring, South [96671]) for the referenced acreage, all in Township 24 South, Range 29 East, NMPM, Eddy County, New Mexico, as follows:

- Under **Case No. 25103**, Oxy seeks to pool the uncommitted interests in the First Bone Spring formation, from the top of the First Bone Spring formation to the base of the First Bone Spring formation, underlying a standard 317.34-acre, more or less, overlapping horizontal well spacing unit comprised of Lots 1-4 (W/2 W/2 equivalent) of irregular Sections 19 and 30, and dedicate the unit to the proposed **SORO CC 19_30 Fed Com 11H** well, to be horizontally drilled from a surface location in the SE/4 SW/4 (Unit N) of irregular Section 30, with a first take point in Lot 4 (SW/4 SW/4 equivalent) of irregular Section 30, and last take point in Lot 1 (NW/4 NW/4 equivalent) of irregular Section 19;
- Under **Case No. 25104**, Oxy seeks to pool the uncommitted interests in the First Bone Spring formation, from the top of the First Bone Spring formation to the base of the First Bone Spring formation, underlying a standard 320-acre, more or less, overlapping horizontal well spacing unit comprised of the E/2 W/2 of irregular Sections 19 and 30, and dedicate the unit to the proposed **SORO CC 19_30 Fed Com 12H** well, to be

- horizontally drilled from a surface location in the SE/4 SW/4 (Unit N) of irregular Section 30, with a first take point in the SE/4 SW/4 (Unit N) of irregular Section 30, and last take point in the NE/4 NW/4 (Unit C) of irregular Section 19;
- Under **Case No. 25105**, Oxy seeks to pool the uncommitted interests in the First Bone Spring formation, from the top of the First Bone Spring formation to the base of the First Bone Spring formation, underlying a standard 640-acre, more or less, overlapping horizontal well spacing unit comprised of the E/2 of irregular Sections 19 and 30, and dedicate the unit to the proposed **S SORO CC 19_30 Fed Com 13H** well, to be horizontally drilled from a surface location in the NE/4 NE/4 (Unit A) of irregular Section 19, with a first take point in the NW/4 NE/4 (Unit B) of irregular Section 19, and last take point in the SW/4 SE/4 (Unit O) of irregular Section 30; and **SORO CC 19_30 Fed Com 14H** well, to be horizontally drilled from a surface location in the NE/4 NE/4 (Unit A) of irregular Section 19, with a first take point in the NE/4 NE/4 (Unit A) of irregular Section 19, and last take point in the SE/4 SE/4 (Unit P) of irregular Section 30.
 - Under **Case No. 25106**, Oxy seeks to pool the uncommitted interests in the Third Bone Spring formation, from the top of the Third Bone Spring formation to the base of the Third Bone Spring formation, underlying a standard 317.34-acre, more or less, overlapping horizontal well spacing unit comprised of Lots 1-4 (W/2 W/2 equivalent) of irregular Sections 19 and 30, and dedicate the unit to the proposed **S SORO CC 19_30 Fed Com 71H** and **SORO CC 19_30 Fed Com 72H** wells, to be horizontally drilled from a surface location in the SE/4 SW/4 (Unit N) of irregular Section 30, with

- a first take point in Lot 4 (SW/4 SW/4 equivalent) of irregular Section 30, and last take point in Lot 1 (NW/4 NW/4 equivalent) of irregular Section 19;
- Under **Case No. 25107**, Oxy seeks to pool the uncommitted interests in the Third Bone Spring formation, from the top of the Third Spring formation to the base of the Third Bone Spring formation, underlying a standard 320-acre, more or less, overlapping horizontal well spacing unit comprised of E/2 W/2 of irregular Sections 19 and 30, and dedicate the unit to the proposed **SORO CC 19_30 Fed Com 73H** well, to be horizontally drilled from a surface location in the SE/4 SW/4 (Unit N) of irregular Section 30, with a first take point in the SE/4 SW/4 (Unit N) of irregular Section 30, and last take point in the NE/4 NW/4 (Unit C) of irregular Section 19; and
 - Under **Case No. 25108**, Oxy seeks to pool the uncommitted interests in the Third Bone Spring formation, from the top of the Third Bone Spring formation to the base of the Third Bone Spring formation, underlying a standard 640-acre, more or less, overlapping horizontal well spacing unit comprised of the E/2 of irregular Sections 19 and 30, and dedicate the unit to the proposed **SORO CC 19_30 Fed Com 74H**, to be horizontally drilled from a surface location in the SE/4 NE/4 (Unit H) of irregular Section 19, with a first take point in the NW/4 NE/4 (Unit B) of irregular Section 19, and last take point in the SW/4 SE/4 (Unit O) of irregular Section 30; and **SORO CC 19_30 Fed Com 75H** and **SORO CC 19_30 Fed Com 76H** wells, both to be horizontally drilled from a surface location in the NE/4 NE/4 (Unit A) of irregular Section 19, with a first take point in the NE/4 NE/4 (Unit A) of irregular Section 19, and last take point in the SE/4 SE/4 (Unit P) of irregular Section 30.

The proposed horizontal well spacing units will overlap the following existing and proposed spacing units in the Bone Spring formation:

- 160-acre spacing unit comprised of the N/2 NE/4, NE/4 NW/4 and Lot 1 (N/2 N/2 equivalent) of irregular Section 30 dedicated to the Rock Ridge Red Com BSS 4H (API: 30-015-45730) well currently operated by 3R Operating, LLC;
- 160-acre spacing unit comprised of the S/2 NE/4, SE/4 NW/4 and Lot 2 (S/2 N/2 equivalent) of irregular Section 30 dedicated to the Rock Ridge Red Com BSS 3H (API: 30-015-39543) and Rock Ridge Red Com BSS 8H (API: 30-015-45874) wells currently operated by 3R Operating, LLC;
- 320-acre spacing unit comprised of the NW/4, E/2 NW/4, and Lots 1-2 (N/2 equivalent) of irregular Section 30 dedicated to the Rock Ridge Federal BSS 7H (API: 30-015-45731) well currently operated by 3R Operating, LLC;
- 160-acre spacing unit comprised of the N/2 SE/4, NE/4 SW/4 and Lot 3 (N/2 S/2 equivalent) of irregular Section 30 dedicated to the Malaga 30 LI Fed Com 1H (API: 30-015-42193) well currently operated by Mewbourne Oil Company;
- 160-acre spacing unit comprised of the S/2 SE/4, SE/4 SW/4 and Lot 4 (S/2 S/2 equivalent) of irregular Section 30 dedicated to the Malaga 30 MP Fed Com 1H (API: 30-015-41461) well currently operated by Mewbourne Oil Company; and
- 160-acre spacing unit comprised of the E/2 W/2 of irregular Section 19 dedicated to the Rustler Bluff 19 24 29 Fed 3H (API: 30-015-42593) well currently operated by SMC Oil & Gas, Inc.

The completed intervals of the **SORO CC 19_30 Fed Com 14H** and **SORO CC 19_30 Fed Com 75H** wells are expected to remain within 330 feet of the adjoining quarter-quarter section (or equivalent) tracts to allow inclusion of these proximity tracts within the proposed horizontal well spacing units under 19.15.16.15.B(1)(b) NMAC.

The completed interval for the wells will comply with statewide setbacks for oil wells. Oxy has sought but been unable to obtain voluntary agreement for the development of these lands from all interest owners in the subject spacing units.

APPLICANT'S PROPOSED EVIDENCE

WITNESS Name and Expertise	ESTIMATED TIME	EXHIBITS
Alissa Payne, Landman	Self-Affirmed Statement	Approx. 5
Seth Brazell, Geologist	Self-Affirmed Statement	Approx. 4

PROCEDURAL MATTERS

Oxy requests that these matters be consolidated for hearing and intends to present these cases by self-affirmed statement if there is no opposition at the time of hearing.

Respectfully submitted,

HOLLAND & HART LLP

By: 

Michael H. Feldewert
Adam G. Rankin
Paula M. Vance
Post Office Box 2208
Santa Fe, NM 87504
505-988-4421
505-983-6043 Facsimile
mfeldewert@hollandhart.com
agrankin@hollandhart.com
pmvance@hollandhart.com

ATTORNEYS FOR OXY USA INC.

CERTIFICATE OF SERVICE

I hereby certify that on April 3, 2025, I served a copy of the foregoing document to the following counsel of record via Electronic Mail to:

Elizabeth Ryan
Keri L. Hatley
1048 Paseo de Peralta
Santa Fe, New Mexico 87501
(505) 780-8000
beth.ryan@conocophillips.com
keri.hatley@conocophillips.com

Attorneys for COG Operating, LLC / Marathon Oil Company

Dana S. Hardy
Jaclyn M. McLean
Timothy B. Rode
HARDY MCLEAN LLC
125 Lincoln Ave., Suite 223
Santa Fe, NM 87505
(505) 230-4410
dhardy@hardymclean.com
jmclean@hardymclean.com
trode@hardymclean.com

Attorneys for 3R Operating, LLC



Paula M. Vance

Sante Fe Main Office
Phone: (505) 476-3441

General Information
Phone: (505) 629-6116

Online Phone Directory
<https://www.emnrd.nm.gov/ocd/contact-us>

State of New Mexico
Energy, Minerals and Natural Resources
Oil Conservation Division
1220 S. St Francis Dr.
Santa Fe, NM 87505

QUESTIONS

Action 448649

QUESTIONS

Operator: OXY USA INC P.O. Box 4294 Houston, TX 772104294	OGRID: 16696
	Action Number: 448649
	Action Type: [HEAR] Prehearing Statement (PREHEARING)

QUESTIONS

Testimony	
Please assist us by provide the following information about your testimony.	
Number of witnesses	Not answered.
Testimony time (in minutes)	Not answered.