

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

**APPLICATION OF OXY USA INC. FOR APPROVAL
OF A NON-STANDARD HORIZONTAL WELL
SPACING UNIT AND COMPULSORY POOLING,
LEA COUNTY, NEW MEXICO.**

CASE NO. 25482

OXY'S PRE-HEARING STATEMENT

OXY USA Inc. ("OXY" or "Applicant") (OGRID No. 16696), the applicant in the above-referenced matter, submits this Pre-Hearing Statement pursuant to the rules of the Oil Conservation Division.

APPEARANCES

APPLICANT

OXY USA Inc.

ATTORNEY

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APPLICANT'S STATEMENT OF THE CASE

In **Case 25482**, OXY seeks an order (a) approving a non-standard 655.31-acre, more or less, horizontal well spacing unit in the Upper Wolfcamp formation [WC-025 G-09 S213232A; UPR Wolfcamp (98313)] underlying irregular Section 6, Township 22 South, Range 32 East, NMPM, Lea County, New Mexico, and (b) pooling all uncommitted mineral owners in this acreage.

OXY is the designated operator under a Joint Operating Agreement covering the subject area and seeks approval of this non-standard horizontal well spacing unit to accommodate the proposed u-turn wells in this area of diverse ownership.

Approval of a non-standard spacing unit by the Division will also promote a corresponding Communitization Agreement for the federal leases within the subject area, thereby allowing commingling and the corresponding reduction of the necessary surface facilities.

OXY seeks to pool and initially dedicate this Wolfcamp spacing unit to the following proposed u-turn wells:

- **Party Trap Federal Com 31H**, to be horizontally drilled from a surface location in the NE/4 of irregular Section 6, with a first take point in the NW/4 NE/4 equivalent (Lot 2) of irregular Section 6 and a last take point in the NW/4 NW/4 equivalent (Lot 4) of irregular Section 6;
- **Party Trap Federal Com 32H**, to be horizontally drilled from a surface location in the NE/4 of irregular Section 6, with a first take point in the NE/4 NE/4 equivalent (Lot 1) of irregular Section 6 and a last take point in the NW/4 NW/4 equivalent (Lot 4) of irregular Section 6; and
- **Party Trap Federal Com 33H**, to be horizontally drilled from a surface location in the NE/4 of irregular Section 6, with a first take point in the NE/4 NE/4 equivalent (Lot 1) of irregular Section 6 and a last take point in the NE/4 NW/4 equivalent (Lot 3) of irregular Section 6.

The completed interval for the wells will meet the statewide setbacks for oil wells. OXY has sought and been unable to obtain voluntary agreement for the development of these lands from all working interest owners and unleased mineral interest owners in the subject acreage.

APPLICANT'S PROPOSED EVIDENCE

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

PROCEDURAL MATTERS

OXY intends to present this case by self-affirmed statement if there is no opposition at the time of hearing.

Respectfully submitted,

HOLLAND & HART LLP

By: 

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QUESTIONS

Action 490557

QUESTIONS

Operator: OXY USA INC P.O. Box 4294 Houston, TX 772104294	OGRID: 16696
	Action Number: 490557
	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.