

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

**APPLICATION OF OXY USA, INC.
FOR COMPULSORY POOLING,
LEA COUNTY, NEW MEXICO.**

CASE NO. _____

APPLICATION

OXY USA, Inc. ("OXY" or "Applicant") (OGRID No. 16696), through its undersigned attorneys, hereby files this application with the Oil Conservation Division pursuant to the provisions of NMSA 1978, § 70-2-17, for an order pooling all uncommitted record title owners in the Bone Spring formation underlying a standard 1,002.32-acre, more or less, horizontal well spacing unit comprised of Lots 1-4 and the E/2 W/2 (W/2 equivalent) of irregular Sections 19, 30 and 31, Township 21 South, Range 32 East, NMPM, Lea County, New Mexico. In support of its application, OXY states:

1. Applicant is a working interest owner in the proposed horizontal spacing unit and has the right to drill thereon.
2. Applicant seeks to initially dedicate the above-referenced horizontal spacing unit to the proposed **Regal Lager 31_19 Federal Com 1H** (API No. 30-025-54950) and **Regal Lager 31_19 Federal Com 21H** (API No. 30-025-54423), both to be horizontally drilled from surface locations in the SE/4 SW/4 (Unit N) of irregular Section 31, with first take points in Lot 4 (SW/4 SW/4 equivalent) of irregular Section 31 and last take points in Lot 1 (NW/4 NW/4 equivalent) of irregular Section 19; and the **Regal Lager 31_19 Federal Com 2H** (API No. 30-025-54825) and **Regal Lager 31_19 Federal Com 22H** (API No. 30-025-54424), both to be horizontally drilled from surface locations in the SE/4 SW/4 (Unit N) of irregular Section 31, with first take points in

the SE/4 SW/4 (Unit N) of irregular Section 31 and last take points in the NE/4 NW/4 (Unit C) of Section 19.

3. The completed interval of the **Regal Lager 31_19 Federal Com 1H** is 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 spacing unit under 19.15.16.15.B(1)(b) NMAC.

4. Applicant has sought and been unable to obtain the signatory approval on the federal communization agreement from all the record title owners.

5. The pooling of the final record title owner will allow Applicant to obtain a just and fair share of the oil and gas underlying the subject lands, avoid the drilling of unnecessary wells, will prevent waste, and will protect correlative rights.

WHEREFORE, Applicant requests that this application be set for hearing before an Examiner of the Oil Conservation Division on September 11, 2025, and, after notice and hearing as required by law, the Division enter an order:

- A. Pooling all uncommitted record title owners in the horizontal spacing unit; and
- B. Designating Applicant as operator of this spacing unit and the horizontal well to be drilled thereon.

Respectfully submitted,

HOLLAND & HART LLP

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ATTORNEYS FOR OXY USA, INC.

CASE _____: **Application of OXY USA, Inc. for Compulsory Pooling, Lea County, New Mexico.** Applicant in the above-styled cause seeks an order pooling all uncommitted record title owners in the Bone Spring formation a standard 1,002.32-acre, more or less, horizontal well spacing unit comprised of Lots 1-4 and the E/2 W/2 (W/2 equivalent) of irregular Sections 19, 30 and 31, Township 21 South, Range 32 East, NMPM, Lea County, New Mexico. Said unit will be initially dedicated to the **Regal Lager 31_19 Federal Com 1H** (API No. 30-025-54950) and **Regal Lager 31_19 Federal Com 21H** (API No. 30-025-54423), both to be horizontally drilled from surface locations in the SE/4 SW/4 (Unit N) of irregular Section 31, with first take points in Lot 4 (SW/4 SW/4 equivalent) of irregular Section 31 and last take points in Lot 1 (NW/4 NW/4 equivalent) of irregular Section 19; and the **Regal Lager 31_19 Federal Com 2H** (API No. 30-025-54825) and **Regal Lager 31_19 Federal Com 22H** (API No. 30-025-54424), both to be horizontally drilled from surface locations in the SE/4 SW/4 (Unit N) of irregular Section 31, with first take points in the SE/4 SW/4 (Unit N) of irregular Section 31 and last take points in the NE/4 NW/4 (Unit C) of Section 19. The completed interval of the **Regal Lager 31_19 Federal Com 1H** is 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 spacing unit under 19.15.16.15.B(1)(b) NMAC. Also to be considered will be designation of Applicant as operator. Said area is located approximately 29 miles northeast of Malaga, New Mexico.