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

APPLICATION OF OXY USA INC. TO POOL AN ADDITIONAL WORKING INTEREST OWNERS UNDER THE TERMS OF ORDER NO. R-21020, EDDY COUNTY, NEW MEXICO

APPLICATION OF OXY USA INC. TO POOL AN ADDITIONAL WORKING INTEREST OWNERS UNDER THE TERMS OF ORDER NO. R-21021, EDDY COUNTY, NEW MEXICO

> CASE NOS. 21088 & 21089 (ORDER NOS. R-21020 & R-21021)

OXY'S PRE-HEARING STATEMENT

OXY USA Inc. ("Oxy") (OGRID No. 16696) submits the following Prehearing Statement pursuant to the rules of the Oil Conservation Division.

<u>APPEARANCES</u>

<u>APPLICANT</u>

ATTORNEY

OXY USA Inc.

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APPLICANT'S STATEMENT OF CASE

In Case No. 21088, Division Order No. R-21020, entered on January 15, 2020, created a 640-acre, more or less, standard horizontal spacing unit consisting of the W/2 equivalent of Section 8 and the W/2 of Section 17, Township 24 South, Range 29 East, NMPM, Eddy County, New Mexico (the "Unit"), and designated Oxy as the operator of the Unit. Order No. R-21020 further pooled the uncommitted interests in the Bone Spring formation (Pierce Crossing; Bone Spring Pool (Pool Code 50371)) in the Unit and dedicated the Unit to the initial Oxbow CC 17-8 Fed Com #33H Well to be horizontally drilled from a surface location in the SW/4 SW/4 (Unit M) of Section 17 to a bottom-hole location in the NE/4 NW/4 (Unit C) of Section 8.

Since the entry of Order No. R-21020, Oxy has determined that there is an additional working interest owner in the Unit that requires pooling because Oxy has been unable to obtain voluntary joinder. Oxy seeks to pool the additional working interest owner pursuant to the terms of Order No. R-21020.

In Case No. 21089, Division Order No. R-21021, entered on January 15, 2020, created a 640-acre, more or less, standard horizontal spacing unit consisting of the W/2 equivalent of Section 8 and the W/2 of Section 17, Township 24 South, Range 29 East, NMPM, Eddy County, New Mexico (the "Unit"), and designated Oxy as the operator of the Unit. Order No. R-21021 further pooled the uncommitted interests in the Wolfcamp formation (Purple Sage; Wolfcamp Pool (Pool Code 98220)) in the Unit and dedicated the Unit to the following initial wells:

• The Oxbow CC 17-8 Fed Com #31H Well and the Oxbow CC 17-8 Fed Com #32H Well, to be horizontally drilled from surface locations in the SW/4 SW/4 (Unit M) of Section 17 to bottom-hole locations in the NW/4 NW/4 (Unit D) of Section 8.

• The Oxbow CC 17-8 Fed Com #37H Well to be horizontally drilled from a surface location in the SE/4 SW/4 (Unit N) of Section 17 to a bottom-hole location in the NE/4 NW/4 (Unit C) of Section 8.

Since the entry of Order No. R-21021, Oxy has determined that there is an additional working interest owner in the Unit that requires pooling because Oxy has been unable to obtain voluntary joinder. Oxy seeks to pool the additional working interest owner pursuant to the terms of Order No. R-21021.

APPLICANT'S PROPOSED EVIDENCE

WITNESS
Name and Expertise

ESTIMATED TIME

EXHIBITS

Peter R. Van Liew – Land Negotiator

Affidavit

Approx. 4

PROCEDURAL MATTERS

Oxy requests that Case Nos. 21088 and 21089 be consolidated for purposes of hearing.

Oxy anticipates presenting these consolidated cases by affidavit, if unopposed.

Respectfully submitted,

HOLLAND & HART LLP

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