

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

RECEIVED OCD  
2013 JUN 21 A 8:17

**IN THE MATTER OF THE HEARINGS  
CALLED BY THE OIL CONSERVATION  
DIVISION FOR THE PURPOSE OF  
CONSIDERING:**

**IN THE MATTER OF THE APPLICATION  
OF OXY USA INC. FOR A  
NON-STANDARD SPACING AND PRORATION  
UNIT AND COMPULSORY POOLING,  
EDDY COUNTY, NEW MEXICO.**

**CASE NO. 15006**

**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.  
PO BOX 4294  
Houston, TX 77210-4294

**ATTORNEY**

Dalva L. Moellenberg  
Germaine R. Chappelle  
Gallagher & Kennedy, PA  
1233 Paseo de Peralta  
Santa Fe, NM 87501-2758  
(505) 982-9523  
(505) 983-8160  
[germaine.chappelle@gknet.com](mailto:germaine.chappelle@gknet.com)

## **STATEMENT OF THE CASE**

OXY USA Inc. (OXY) seeks an order (1) creating a non-standard 160-acre spacing and proration unit comprised of the S/2 S/2 of Section 26, Township 23 South, Range 30 East, NMPM, Eddy County, New Mexico; and (2) pooling all mineral interests in the Lower Brushy Canyon formation underlying this acreage to form a 160-acre project area in this formation.

OXY proposes to dedicate the above-referenced spacing and proration unit as the project area for its proposed FNR 26 Federal #4H well (API Well No. 30-015-41012) to be horizontally drilled from a surface location, 690 feet from the South line and 373 feet from the West line to a bottom hole location 690 feet from the South line and 330 feet from the East line of Section 26. The completed interval for this well will be within the 330-foot standard offset required by the rules.

## **INTEREST-OWNER'S PROPOSED EVIDENCE**

<b>WITNESS Name and Expertise</b>	<b>ESTIMATED TIME</b>	<b>EXHIBITS</b>
Joseph F. Day, Reservoir Engineer	Approx. 10 minutes	Approx. 5
Richard J Erickson, Senior Geological Advisor	Approx. 15 minutes	Approx. 5
Bruce A. Gerrard, Engineer Advisor, Production Operations	Approx. 10 minutes	Approx. 5
Christopher J. Canon, Senior Land Negotiator	Approx. 15 minutes	Approx. 5

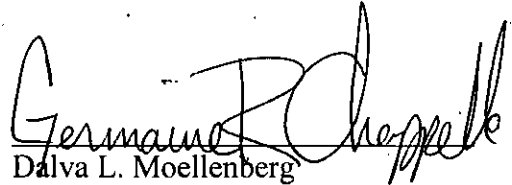
## **PROCEDURAL MATTERS**

Pursuant to communication with the BLM field office, OXY hereby clarifies the following: The proposed well is authorized by a federal lease and a permit to drill was approved by the BLM on 1/3/13. OXY has communicated with the Bureau of Land Management (BLM)

regarding this Application and BLM has conveyed that it neither opposes nor supports this Application.

Respectfully submitted,

GALLAGHER & KENNEDY, P.A.

A handwritten signature in black ink, appearing to read "Germaine R. Chappelle". The signature is stylized with a large initial "G" and a long, sweeping underline.

Dalva L. Moellenberg

Germaine R. Chappelle

1233 Paseo de Peralta

Santa Fe, NM 87501-2758

(505) 982-9523

(505) 983-8160

[germaine.chappelle@gknet.com](mailto:germaine.chappelle@gknet.com)