

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

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

**CASE NO. 16008**

**OXY'S 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.

**ATTORNEY**

Michael H. Feldewert  
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**STATEMENT OF THE CASE**

OXY seeks an order (1) creating a 640-acre non-standard spacing and proration unit comprised of the S/2 of Section 1 and the S/2 of Section 2, Township 25 South, Range 29 East, NMPM, Eddy County, New Mexico; and (2) pooling all uncommitted interests in the Wolfcamp formation underlying this acreage. OXY proposes to dedicate this non-standard spacing and proration unit as the project area for two proposed initial wells, to be drilled and simultaneously completed: The Corral Fly "02-01" State No. 34H Well and the Corral Fly "02-01" State No. 35H Well. These two proposed horizontal wells will be pad drilled from a surface location in the SW/4 SW/4 (Unit M) of Section 2. The Corral Fly "02-01" State No. 34H Well will have a

standard bottom hole location in the NE/4 SE/4 (Unit I) of Section 1. The Corral Fly "02-01" State No. 35H Well will have a standard bottom hole location in the SE/4 SE/4 (Unit P) of Section 1. The completed interval for the each well will remain within the 330-foot standard offset required by the Special Rule for the Purple Sage Wolfcamp Gas Pool (Pool Code 98220).

### APPLICANT'S PROPOSED EVIDENCE

<b>WITNESS Name and Expertise</b>	<b>ESTIMATED TIME</b>	<b>EXHIBITS</b>
Jeremy Murphrey, Landman	Approx. 20 minutes	Approx. 15
Tony Troutman	Approx. 15 minutes	Approx. 5

### PROCEDURAL MATTERS

Oxy asks that this matter be consolidated with Case No. 16007 for hearing.

Respectfully submitted,

HOLLAND & HART LLP



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