

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

**APPLICATION OF OXY USA INC. FOR  
APPROVAL OF THE PARTY BEES EXPLORATORY UNIT,  
EDDY & LEA COUNTIES, NEW MEXICO**

**CASE NO. 26017**

**PRE-HEARING STATEMENT**

**Concise Statement of Case:**

OXY USA Inc., (“Oxy”) filed an application for approval of the proposed voluntary federal and State exploratory unit with the Oil Conservation Division on February 24, 2026. The proposed Unit Area consist of approximately 8,768.77 acres of the following State and federal lands situated in Eddy & Lea Counties, New Mexico:

**Township 22 South, Range 32 East, NMPM, Lea County, New Mexico**

Section 6: Lots 1, 2, 3, 4, 5, 6, 7, SE/4 NW/4, S/2 NE/4, E/2 SW/4, SE/4

**Township 21 South, Range 31 East, NMPM, Eddy County, New Mexico**

Section 30: Lots 1, 2, 3, 4, E/2 W/2, N/2 SE/4, SW/4 SE/4

Section 31: Lots 1, 2, 3, 4, E/2 W/2, E/2

Section 32: All

Section 33: S/2

Section 34: S/2

Section 35: S/2

Section 36: S/2

**Township 22 South, Range 31 East, N.M.P.M., Eddy County, New Mexico**

Section 1: Lots 1, 2, 3, 4, S/2 N/2, S/2

Section 2: Lots 1, 2, 3, 4, S/2 N/2, S/2

Section 3: Lots 1, 2, 3, 4, S/2 N/2, S/2

Section 4: Lots 1, 2, 3, 4, S/2 N/2, S/2

Section 9: All

Section 10: All  
Section 11: All  
Section 14: All

Oxy is the designated operator under the proposed Unit Agreements and the unitized interval includes all depths 100 feet below the base of the Delaware formation. Oxy has met with the New Mexico State Land Office and the Bureau of Land Management and has received preliminary approval of the proposed unit. Oxy expects to obtain approval of the proposed Unit Agreements by a sufficient percentage of the working interest owners to provide effective control of unit operations. The Unit Agreements, and the unitized operation and management of the Unit Area, are in the best interests of conservation, the prevention of waste, and the protection of correlative rights.

**Witnesses:**

Oxy anticipates presenting its case by sworn written testimony. The two witnesses Oxy intends to present are Courtney Carr, landman, and Kathryn Velasquez, geologist. Oxy's exhibits will be submitted in advance of the hearing in accordance with OCD procedures.

**Estimated Time:**

This matter is expected to require minimal time and may be handled by affidavit.

**Procedural Matters:**

No procedural matters are identified that need to be resolved prior to the hearing. No protests have been filed, and the matter is not contested.

Respectfully submitted,

GALLAGHER & KENNEDY, PA

/s/ Dalva L. Moellenberg

Dalva L. Moellenberg

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**State of New Mexico**  
**Energy, Minerals and Natural Resources**  
**Oil Conservation Division**  
**1220 S. St Francis Dr.**  
**Santa Fe, NM 87505**

QUESTIONS

Action 564920

**QUESTIONS**

Operator: OXY USA INC P.O. Box 4294 Houston, TX 772104294	OGRID: 16696
	Action Number: 564920
	Action Type: [HEAR] Prehearing Statement (PREHEARING)

**QUESTIONS**

<b>Testimony</b>	
<i>Please assist us by provide the following information about your testimony.</i>	
Number of witnesses	2
Testimony time (in minutes)	30