

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

**APPLICATION OF OXY USA INC. FOR APPROVAL OF A 1280-ACRE NON-STANDARD HORIZONTAL WELL SPACING UNIT AND COMPULSORY POOLING, LEA COUNTY, NEW MEXICO.**

**CASE NO. 23116**

**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.

**APPEARANCES**

**APPLICANT**

OXY USA Inc.

**ATTORNEY**

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**APPLICANT'S STATEMENT OF CASE**

Applicant seeks an order (a) approving a 1,280-acre non-standard horizontal well spacing unit in the Wolfcamp formation underlying Sections 5 and 8, Township 24 South, Range 35 East, NMPM, Lea County, New Mexico, and (b) pooling all uncommitted mineral owners in this acreage. This spacing unit will be initially dedicated to the following proposed wells:

- **Maltese 5\_8 Fed Com 31H, Maltese 5\_8 Fed Com 35H and Maltese 5\_8 Fed Com 36H** to be drilled from a common surface location in the NE/4 NW/4 (Unit C) of Section

5 to bottomhole locations in the SW/4 SW/4 (Unit M) and SE/4 SW/4 (Unit N) of Section 8.

- **Maltese 5\_8 Fed Com 37H, Maltese 5\_8 Fed Com 33H and Maltese 5\_8 Fed Com 38H** to be drilled from a common surface location in the NE/4 NE/4 (Unit A) of Section 5 to bottomhole location in the SW/4 SE/4 (Unit O) and SE/4 SE/4 (Unit P) of Section 8.

Oxy seeks to minimize cost and surface disturbance by consolidating facilities and commingling production from existing and future wells in the proposed non-standard spacing unit. To allow the proposed wells to be dedicated to a federal Communitization Agreement, Oxy requires approval of a corresponding non-standard horizontal well spacing unit in the Wolfcamp formation. Applicant has sought and been unable to obtain voluntary agreement for the development of these lands from all working interest owners in the subject spacing unit. Approval of this application will allow Oxy to efficiently locate surface facilities, reduce surface disturbance, lower operating costs, facilitate effective well spacing, prevent waste, and protect correlative rights.

**APPLICANT’S PROPOSED EVIDENCE**

<b>WITNESS Name and Expertise</b>	<b>ESTIMATED TIME</b>	<b>EXHIBITS</b>
Matthew Cole, Landman	Statement	Approx. 5
Shilpika Podali, Geologist	Statement	Approx. 4
Jeff Bullock, Engineer	Statement	Approx. 3

**PROCEDURAL MATTERS**

OXY anticipates presenting this case by self-affirmed statements if it remains unopposed.

Respectfully submitted,

HOLLAND & HART LLP

By: 

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**State of New Mexico**  
**Energy, Minerals and Natural Resources**  
**Oil Conservation Division**  
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QUESTIONS

Action 154439

**QUESTIONS**

Operator: OXY USA INC P.O. Box 4294 Houston, TX 772104294	OGRID: 16696
	Action Number: 154439
	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	Not answered.
Testimony time (in minutes)	Not answered.