

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

**APPLICATION OF OXY USA INC.
FOR COMPULSORY POOLING
LEA COUNTY, NEW MEXICO**

CASE NO. 23187

OXY'S PRE-HEARING STATEMENT

OXY USA Inc. ("Applicant"), OGRID No. 16696, submits the following Pre-hearing 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

In Case No. 23187, Applicant seeks an order pooling all uncommitted mineral interests in the Bone Spring formation [Red Tank, Bone Spring Pool (Pool Code 51683)] underlying a standard 480-acre, more or less, horizontal well spacing unit comprised of the W/2 W/2 of Sections 1 and 12, Township 22 South, Range 32 East, and the W/2 W/2 of Section 36, Township 21 South, Range 32 East, NMPM, Lea County, New Mexico. Applicant seeks to initially dedicate the above-referenced horizontal spacing unit to the following proposed well:

- **PAW SWAP 12-36 FED COM #21H** well to be drilled from a surface location in the NE/4 NW/4 (Unit C) of Section 13, Township 22 South, Range 32 East, NMPM, Lea County, to a bottom hole location in the NW/4 NW/4 (Unit D) of Section 36, Township 21 South, Range 32 East, NMPM, Lea County. A portion of the well location is within the potash development area.

This well is proposed to be drilled vertically to a depth of approximately 9,510' to the Bone Spring formation and laterally in a northerly direction within the formation to the referenced bottom hole location. The well will comply with the Division's statewide setback requirements.

APPLICANT'S PROPOSED EVIDENCE

WITNESS Name and Expertise	ESTIMATED TIME	EXHIBITS
Amber Delach, Land Negotiator	Affidavit	Approx. 4
Daniel Burnett, Geologist	Affidavit	Approx. 4

PROCEDURAL MATTERS

Applicant anticipates presenting this case by affidavit, if unopposed.

This matter is related to Case No. 22928, for which an Order, No. R-22399, was issued on November 22, 2022. That Order designates Applicant as the operator of the same spacing unit as proposed in this case No. 23187, dedicates a single well, the Paw Swap 12-36 Fed Com #11H to the spacing unit, and pools all uncommitted interests. In the application in this case No. 23187, OXY seeks to dedicate an additional well to the same spacing unit. Rather than issue a separate Order in case No. 23187, now that an Order has been issued in Case No. 22928, it would be appropriate to consolidate this case with Case No. 22928 and, if OXY's application in

this case is granted, to amend Order No. R-22399 to include the Paw Swap 12-36 Fed Com
#21Respectfully Submitted,

GALLAGHER & KENNEDY, P.A.

By: /s/ Dalva Moellenberg

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

Action 161221

QUESTIONS

Operator: OXY USA INC P.O. Box 4294 Houston, TX 772104294	OGRID: 16696
	Action Number: 161221
	Action Type: [HEAR] Prehearing Statement (PREHEARING)

QUESTIONS

Testimony	
<i>Please assist us by provide the following information about your testimony.</i>	
Number of witnesses	<i>Not answered.</i>
Testimony time (in minutes)	<i>Not answered.</i>