

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

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

CASE NO. 23203

OXY'S PRE-HEARING STATEMENT

OXY USA Inc. ("Applicant" or "OXY"), the applicant in the above-referenced matter, submits this Pre-Hearing Statement pursuant to the rules of the Oil Conservation Division.

APPEARANCES

APPLICANT

OXY USA Inc.
("OXY")

ATTORNEY

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APPLICANT'S STATEMENT OF THE CASE

In this case, OXY seeks an order pooling all uncommitted interests in the Wolfcamp (oil) formation (WC-025 G-08 S223227D; Upper Wolfcamp [Pool code 98286]) underlying a standard 640-acre, more or less, horizontal spacing unit comprised of the W/2 of Sections 26 and 35, Township 22 South, Range 32 East, NMPM, Lea County, New Mexico. OXY seeks to dedicate the above-referenced horizontal spacing unit to the following proposed wells:

- the **Llama Mall 26 35 Fed Com #32H** and **Llama Mall 26 35 Fed Com #311H**, both to be horizontally drilled from a surface location in the NW/4 NW/4 (Unit D) of Section 26, to a bottom hole location in the SW/4 SW/4 (Unit M) of Section 35;
- the **Llama Mall 26 35 Fed Com #33H**, to be horizontally drilled from a surface location in the NW/4 NW/4 (Unit D) of Section 26, to a bottom hole location in the SE/4 SW/4 (Unit N) of Section 35; and
- the **Llama Mall 26 35 Fed Com #312H**, to be horizontally drilled from a surface location in the SW/4 SE/4 (Unit O) of Section 23, to a bottom hole location in the SE/4 SW/4 (Unit N) of Section 35.

The completed interval of the **Llama Mall 26 35 Fed Com #32H** is expected to remain within 330 feet of the adjoining quarter-quarter section (or equivalent) tracts to allow inclusion of these proximity tracts within the proposed horizontal spacing unit under 19.15.16.15.B(1)(b) NMAC.

The completed interval for the **Llama Mall 26 35 Fed Com #32H**, **#33H**, and **#311H** wells will comply with statewide setbacks for oil wells. The **Llama Mall 26 35 Fed Com #312H** will be at a non-standard location; therefore, OXY will apply separately by administrative application. OXY has sought and been unable to obtain voluntary agreement for the development of these lands from all interest owners in the subject acreage.

APPLICANT’S PROPOSED EVIDENCE

WITNESS Name and Expertise	ESTIMATED TIME	EXHIBITS
Amber Delach, Landman	Self-Affirmed Statement	Approx. 5
Daniel Burnett, Geologist	Self-Affirmed Statement	Approx. 5

PROCEDURAL MATTERS

OXY intends to present this case by self-affirmed statement at hearing if unopposed.

Respectfully submitted,

HOLLAND & HART LLP

By: 

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QUESTIONS

Action 161307

QUESTIONS

Operator: OXY USA INC P.O. Box 4294 Houston, TX 772104294	OGRID: 16696
	Action Number: 161307
	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>