

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

**APPLICATIONS OF OXY USA INC.
FOR COMPULSORY POOLING,
EDDY COUNTY, NEW MEXICO.**

CASE NOS. 23202 & 23360

OXY'S CONSOLIDATED 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

In Case No. 23202, OXY seeks an order pooling all uncommitted interests in the Wolfcamp formation underlying a standard 639.88-acre, more or less, horizontal well spacing unit comprised of the E/2 of Sections 6 and 7 all within Township 24 South, Range 29 East (NMPM), Eddy County New Mexico. OXY seeks to initially dedicate the above-referenced horizontal spacing unit to the following wells:

- **Height CC 6 7 Federal Com Well No. 34H (API No. 30-015-45562)**, which has been drilled from a surface location in the NE/4 NW/4 (Unit C) of Section 6 to a bottom hole location in the SW/4 SE/4 (Unit O) of Section 7;
- **Height CC 6 7 Federal Com Well No. 35H (API No. 30-015-45563)**, which has been drilled from a surface location in the NE/4 NE/4 (Unit A) of Section 6 to a bottom hole location in the SW/4 SE/4 (Unit O) of Section 7; and
- **Height CC 6 7 Federal Com Well No. 36H (API No. 30-015-45564)**, which has been drilled from a surface location in the NE/4 NE/4 (Unit A) of Section 6 to a bottom hole location in the SE/4 SE/4 (Unit P) of Section 7.

The completed intervals for the wells comply with setback requirements under the special rules for the Purple Sage Wolfcamp Pool.

Applicant previously pooled this acreage under Order No. R-20318. Subsequently, OXY believed that all interest owners had voluntarily committed their interests to the spacing unit and requested the Division rescind the order. OXY has since determined that additional record title owners must be pooled for purposes of obtaining a federal communitization agreement, thereby necessitating a new pooling order.

In **Case No. 23360**, OXY seeks an order pooling all uncommitted interests in the Bone Spring formation underlying a standard 639.88-acre, more or less, horizontal well spacing unit comprised of the E/2 of Sections 6 and 7 all within Township 24 South, Range 29 East (NMPM), Eddy County, New Mexico. OXY seeks to initially dedicate the above-referenced horizontal spacing unit to the following wells which have been drilled thereon:

- **Width CC 6 7 Federal Com Well No. 14H (API No. 30-015-45573)**, which has been drilled from a common surface location in the NE/4 NE/4 (Unit A) of Section 6 to bottom hole locations in the SW/4 SE/4 (Unit P) of Section 7;
- **Width CC 6 7 Federal Com Well No. 15H (API No. 30-015-45576)**, which has been drilled from a surface location in the NE/4 NE/4 (Unit A) of Section 6 to a bottom hole location in the SW/4 SE/4 (Unit O) of Section 7;
- **Length CC 6 7 Federal Com Well No. 24H (API No. 30-015-45552)**, which has been drilled from a surface location in the NE/4 NW/4 (Unit C) of Section 6 to a bottom hole location in the SW/4 SE/4 (Unit O) of Section 7;
- **Length CC 6 7 Federal Com Well No. 25H (API No. 30-015-45566)**, which has been drilled from a common surface location in the NE/4 NE/4 (Unit A) of Section 6 to bottom hole locations in the SW/4 SE/4 (Unit P) of Section 7;
- **Length CC 6 7 Federal Com Well No. 26H (API No. 30-015-45567)**, which has been drilled from a surface location in the NE/4 NE/4 (Unit A) of Section 6 to a bottom hole location in the SE/4 SE/4 (Unit P) of Section 7; and
- **Height CC 6 7 Federal Com Well No. 312H (API No. 30-015-45572)**, which has been drilled from a surface location in the NE/4 NW/4 (Unit C) of Section 6 to a bottom hole location in the SW/4 SE/4 (Unit O) of Section 7.

The completed interval of the **Length CC 6 7 Federal Com Well No. 25H** well is within 330 feet of the offsetting quarter-quarter sections or equivalent tracts to include them in a standard horizontal well spacing unit.

Applicant previously pooled this acreage under Order No. R-20320. Subsequently, OXY believed that all interest owners had voluntarily committed their interests to the spacing unit and

requested the Division rescind the order. OXY has since determined that additional record title owners must be pooled for purposes of obtaining a federal communitization agreement, thereby necessitating a new pooling order.

Applicant has sought and been unable to obtain voluntary agreement for the development of these lands from all owners in the subject spacing units. The pooling of interests will avoid the drilling of unnecessary wells, will prevent waste, and will protect correlative rights.

APPLICANT’S PROPOSED EVIDENCE


WITNESS Name and Expertise	ESTIMATED TIME	EXHIBITS
Peter Van Liew, Land Negotiator	Self-Affirmed Statement	Approx. 5
Seth Brazell, Geologist	Self-Affirmed Statement	Approx. 4

PROCEDURAL MATTERS

OXY requests that these cases be consolidated for purposes of hearing. OXY anticipates presenting these consolidated cases by self-affirmed statement, if unopposed.

Respectfully submitted,

HOLLAND & HART LLP

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

Action 189535

QUESTIONS

Operator: OXY USA INC P.O. Box 4294 Houston, TX 772104294	OGRID: 16696
	Action Number: 189535
	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>