

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

**APPLICATION OF OXY USA INC.  
FOR A NON-STANDARD SPACING AND  
PRORATION UNIT, AND COMPULSORY POOLING,  
EDDY COUNTY, NEW MEXICO.**

MAR 29 2018 PM03:11

**CASE NO. 16059**

**OXY'S PRE-HEARING STATEMENT**

This pre-hearing statement is submitted by OXY USA Inc. ("OXY") as required by the Oil Conservation Division.

**APPEARANCES**

**APPLICANT**

OXY USA Inc.

**ATTORNEY**

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**STATEMENT OF THE CASE**

OXY seeks an order (1) creating a 320-acre non-standard spacing and proration unit comprised of the E/2 W/2 of Sections 26 and 35, Township 24 South, Range 29 East, NMPM, Eddy County, New Mexico; and (2) pooling all uncommitted interests in the Bone Spring formation underlying this acreage. OXY proposes to dedicate the above-referenced spacing and proration unit as the project area for two proposed initial well, to be drilled and simultaneously completed: The **Corral Fly "35-26" Federal Com 22H Well** and the **Corral Fly "35-26" Federal Com 23H Well**. These two proposed horizontal wells will be pad drilled from a surface location

in Lot 4 (NW/4 NW/4 equivalent) of Section 2, Township 25 South, Range 29 East, NMPM, to bottom hole locations in the NE/4 NW/4 (Unit C) of Section 26, Township 24 South, Range 29 East, NMPM. The completed interval for the **Corral Fly “35-26” Federal Com 22H Well** will be at an unorthodox location while the completed interval for the **Corral Fly “35-26” Federal Com 23H Well** will comply with the Division’s setback requirements for the Pierce Crossing; Bone Spring, East Pool (Pool Code 96473).

**APPLICANT’S PROPOSED EVIDENCE**

<b>WITNESS Name and Expertise</b>	<b>ESTIMATED TIME</b>	<b>EXHIBITS</b>
Jeremy Murphrey, Landman	Approx. 20 minutes	Approx. 6
Tony Troutman, Geology	Approx. 15 minutes	Approx. 5

**PROCEDURAL MATTERS**

OXY requests that Case Nos. 16058 and 16059 be consolidated only for hearing purposes.

Respectfully submitted,

HOLLAND & HART LLP



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