

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

**APPLICATION OF OXY USA INC. FOR  
APPROVAL OF 1,277.08-ACRE NON-  
STANDARD SPACING UNITS IN THE  
BONE SPRING & WOLFCAMP  
FORMATIONS COMPRISED OF  
ACREAGE SUBJECT TO A PROPOSED  
COMMUNITIZATION AGREEMENT,  
EDDY COUNTY, NEW MEXICO.**

**CASE NO. 21873**

**OXY'S PRE-HEARING STATEMENT**

OXY USA Inc. ("Oxy") (OGRID No. 16696) submits this Pre-Hearing Statement, pursuant to the rules of the Oil Conservation Division.

**APPEARANCES**

**APPLICANT**

OXY USA Inc.

**ATTORNEY**

Michael H. Feldewert  
Adam G. Rankin  
Julia Broggi  
Kaitlyn A. Luck  
Holland & Hart LLP  
Post Office Box 2208  
Santa Fe, New Mexico 87504  
(505) 988-4421  
(505) 983-6043 Facsimile

**APPLICANT'S STATEMENT OF CASES**

Oxy is the designated operator under a Joint Operating Agreement covering federal and fee leases in the Bone Spring and Wolfcamp formations and filed this case seeking approval of 1,277.08-acre non-standard spacing units to match the corresponding proposed Communitization Agreement for the acreage underlying Sections 4 and 9, Township 24 South, Range 29 East,

NMPM, Eddy County, New Mexico. At this time, Oxy no longer seeks approval of a non-standard spacing unit in the Wolfcamp formation as originally applied for in Case No. 21873.

There is a single pool within the Bone Spring formation underlying the proposed non-standard spacing unit: The Pierce Crossing; Bone Spring, East Pool (Pool Code 96473). Within the proposed non-standard spacing unit, Oxy intends to drill or has drilled the following wells within the Pierce Crossing; Bone Spring, East Pool (Pool Code 96473):

- **Heads CC 9\_4 Federal Com #22H well (30-015-47335)**
- **Heads CC 9\_4 Federal Com #23H well (30-015-47334)**
- **Heads CC 9\_4 Federal Com #24H well (30-015-47337)**
- **Heads CC 9\_4 Federal Com #25H well (30-015-47338)**
- **Heads CC 9\_4 Federal Com #26H well (30-015-47192)**

Oxy's drilling program for this area will develop the Bone Spring formation underlying each of the 40-acre tracts comprising the proposed non-standard project area. Oxy seeks to minimize surface disturbance by consolidating facilities and commingling production from existing and future wells in the proposed non-standard spacing unit.

**APPLICANT'S PROPOSED EVIDENCE**

<b>WITNESS Name and Expertise</b>	<b>ESTIMATED TIME</b>	<b>EXHIBITS</b>
Peter Van Liew, Landman	Affidavit	Approx. 6
Tony Troutman, Geologist	Affidavit	Approx. 4

**PROCEDURAL MATTERS**

If uncontested, Oxy will present this case by affidavit at hearing.

Respectfully submitted,

HOLLAND & HART LLP



---

Michael H. Feldewert  
Adam G. Rankin  
Julia Broggi  
Kaitlyn A. Luck  
Post Office Box 2208  
Santa Fe, New Mexico 87504-2208  
(505) 988-4421  
(505) 983-6043 Facsimile  
mfeldewert@hollandhart.com  
agrarkin@hollandhart.com  
jbroggi@hollandhart.com  
kaluck@hollandhart.com

**ATTORNEYS FOR OXY USA INC.**