

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

**APPLICATION OF OXY USA INC. FOR
APPROVAL OF 1,280-ACRE NON-
STANDARD SPACING UNITS IN THE
BONE SPRING & WOLFCAMP
FORMATIONS COMPRISED OF
ACREAGE SUBJECT TO A PROPOSED
COMMUNITIZATION AGREEMENT,
LEA COUNTY, NEW MEXICO.**

CASE NO. 21908

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

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OTHER PARTIES

COG Operating LLC

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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 1,280-acre, more or less, non-standard spacing units to match the corresponding proposed Communitization Agreement for the acreage underlying Sections 27 and 34, Township 22 South, Range 32 East, NMPM, Lea County, New Mexico.

There is a single pool within the Bone Spring formation underlying the proposed non-standard spacing unit: The Red Tank; Bone Spring Pool (Pool Code 51683), and Oxy intends to drill or has drilled the following wells within the pool:

- **Taco Cat “27_34” Federal Com #011H well (30-025-44933)**
- **Taco Cat “27_34” Federal Com #021H well (30-025-44934)**
- **Taco Cat “27_34” Federal Com #024H well (30-025-44949)**
- **Taco Cat “27_34” Federal Com #025H well (30-025-44934)**
- **Taco Cat “27_34” Federal Com #026H well (30-025-44935)**
- **Taco Cat “27_34” Federal Com #032H well (30-025-44925)**
- **Taco Cat “27_34” Federal Com #034H well (30-025-44936)**

There is a single pool within the Wolfcamp formation underlying the proposed non-standard spacing unit: The WC-025 G-08 S223227D; Upper Wolfcamp Pool (Pool Code 98286) is, and Oxy intends to drill or has drilled the following wells within the pool:

- **Taco Cat “27_34” Federal Com #031H well (30-025-44935)**
- **Taco Cat “27_34” Federal Com #033H well (30-025-44926)**
- **Taco Cat “27_34” Federal Com #035H well (30-025-44937)**

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

APPLICANT'S PROPOSED EVIDENCE

WITNESS Name and Expertise	ESTIMATED TIME	EXHIBITS
Amber Delach, Landman	Affidavit	Approx. 6
Michael J. Harty, Geologist	Affidavit	Approx. 4

PROCEDURAL MATTERS

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

Respectfully submitted,

HOLLAND & HART LLP



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ATTORNEYS FOR OXY USA INC.

CERTIFICATE OF SERVICE

I hereby certify that on May 26, 2021, I served a copy of the foregoing document to the following counsel of record via Electronic Mail to:

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A handwritten signature in blue ink, appearing to read "Kaitlyn A. Luck", is written over a horizontal line.

Kaitlyn A. Luck