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

APPLICATION OF OXY USA INC. TO POOL ADDITIONAL INTEREST OWNERS UNDER THE TERMS OF ORDER NO. R-20734, EDDY COUNTY, NEW MEXICO.

CASE NO. ORDER NO. R-20734

APPLICATION

OXY USA Inc. ("OXY" or "Applicant") (OGRID No. 16696) through its undersigned attorneys, hereby files this application with the Oil Conservation Division to pool additional mineral interest owners under the terms of Order No. R-20734. In support of its application, OXY states:

- 1. Division Order No. R-20734, entered on July 31, 2019, created a 640-acre, more or less, standard horizontal spacing unit consisting of the E/2 of Sections 20 and 29, Township 24 South, Range 29 East, NMPM, Eddy County, New Mexico (the "Unit"), and designated Oxy as the operator of the Unit. Order No. R-20734 further pooled the uncommitted interests in the Bone Spring formation (Pierce Crossing; Bone Spring Pool (Pool Code 96473)) in the Unit and dedicated the Unit to the initial **Salt Flat CC "20-29" Federal Com No. 35H** to be horizontally drilled from a surface location in the SE/4 SE/4 (Unit P) of Section 17 to a bottom-hole location in the SE/4 SE/4 (Unit P) of Section 29.
- 3. Since the entry of Order No. R-20734, Oxy has determined that there are additional mineral interest owners in the Unit that require pooling because Oxy has been unable to obtain voluntary joinder.

- 4. The pooling of the additional mineral interest owners under the terms of Order No. R-20734will prevent waste, will protect correlative rights, and will promote administrative efficiency.
- 5. In order to permit Applicant to obtain its just and fair share of the oil and gas underlying the subject lands, the additional mineral interest owners should be pooled in the Unit pursuant to the terms of Order No. R-20734.

WHEREFORE, Applicant requests that this application be set for hearing before an Examiner of the Oil Conservation Division on March 5, 2020, and after notice and hearing as required by law, the Division pool the additional mineral interest owners pursuant to the terms of Order No. R-20734.

Respectfully submitted,

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