

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

**APPLICATIONS OF OXY USA INC. FOR  
APPROVAL OF AN OVERLAPPING  
HORIZONTAL WELL SPACING UNIT AND  
COMPULSORY POOLING, EDDY COUNTY,  
NEW MEXICO.**

**CASE NOS. 24404-24406**

**OXY'S CONSOLIDATED PRE-HEARING STATEMENT**

OXY USA Inc. ("Oxy" or "Applicant"), the applicant in the above-referenced matters, submits this Consolidated Pre-Hearing Statement pursuant to the rules of the Oil Conservation Division.

**APPEARANCES**

**APPLICANT**

OXY USA Inc.  
("Oxy")

**ATTORNEY**

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**APPLICANT'S STATEMENT OF CASE**

Under these consolidated cases, Oxy seeks orders pooling all uncommitted interests in the Bone Spring formation (BILBREY BASIN; BONE SPRING) underlying the referenced acreage, all in Township 22 South, Range 31 East, as follows:

In Case No. 24404, Oxy seeks an order pooling all uncommitted interests underlying a standard 320-acre, more or less, overlapping horizontal well spacing unit in the Bone Spring formation underlying the E/2 W/2 of Sections 12 and 13. Oxy seeks to initially dedicate this

overlapping horizontal well spacing unit to the proposed **Top Spot 12\_13 Fed 22H** and **Top Spot 12\_13 Fed 23H** wells, both to be horizontally drilled from a surface location in the SE/4 SW/4 (Unit N) of Section 13, with a first take point in the SE/4 SW/4 (Unit N) of Section 13, and the last take point in the NE/4 NW/4 (Unit C) of Section 12.

In **Case No. 24405**, Oxy seeks an order pooling all uncommitted interests underlying a standard 320-acre, more or less, overlapping horizontal well spacing unit in the Bone Spring formation underlying the W/2 E/2 of Sections 12 and 13. Oxy seeks to initially dedicate this overlapping horizontal well spacing unit to the proposed **Top Spot 12\_13 Fed Com 24H**, to be horizontally drilled from a surface location in the SE/4 SE/4 (Unit P) of Section 13, with a first take point in the SW/4 SE/4 (Unit O) of Section 13, and the last take point in the NW/4 NE/4 (Unit B) of Section 12; and the **Top Spot 12\_13 Fed Com 25H** to be horizontally drilled from a surface location in the SW/4 SE/4 (Unit O) of Section 13, with a first take point in the SW/4 SE/4 (Unit O) of Section 13, and the last take point in the NW/4 NE/4 (Unit B) of Section 12.

In **Case No. 24406**, Oxy seeks an order pooling all uncommitted interests underlying a standard 320-acre, more or less, overlapping horizontal well spacing unit in the Bone Spring formation underlying the E/2 E/2 of Sections 12 and 13. Oxy seeks to initially dedicate this overlapping horizontal well spacing unit to the proposed **Top Spot 12\_13 Fed Com 26H** to be horizontally drilled from a surface location in the SW/4 SE/4 (Unit O) of Section 13, with a first take point in the SE/4 SE/4 (Unit P) of Section 13, and the last take point in the NE/4 NE/4 (Unit A) of Section 12; and the **Top Spot 12\_13 Fed Com 33H** to be horizontally drilled from a surface location in the SE/4 SE/4 (Unit P) of Section 13, with a first take point in the SE/4 SE/4 (Unit P) of Section 13, and the last take point in the NE/4 NE/4 (Unit A) of Section 12.

These horizontal well spacing units will overlap the following existing Bone Spring spacing unit:

- 320-acre horizontal well spacing unit comprised of the S/2 S/2 of Section 12, dedicated to OXY’s Federal 12 #14H (API: 30-015-40821).

The completed interval for each of the wells will comply with statewide setbacks for oil wells. Oxy has sought and been unable to obtain voluntary agreement for the development of these lands from all interest owners in the subject acreage.

**APPLICANT’S PROPOSED EVIDENCE**

<b>WITNESS Name and Expertise</b>	<b>ESTIMATED TIME</b>	<b>EXHIBITS</b>
Courtney Carr, Land Negotiator	Self-Affirmed Statement	Approx. 5
Jared Rountree, Geologist	Self-Affirmed Statement	Approx. 4

**PROCEDURAL MATTERS**

OXY requests that these matters be consolidated for hearing and intends to present these cases by self-affirmed statement if there is no opposition at the time of hearing.

Respectfully submitted,

HOLLAND & HART LLP

By:   
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**State of New Mexico**  
**Energy, Minerals and Natural Resources**  
**Oil Conservation Division**  
**1220 S. St Francis Dr.**  
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QUESTIONS

Action 342590

**QUESTIONS**

Operator: OXY USA INC P.O. Box 4294 Houston, TX 772104294	OGRID: 16696
	Action Number: 342590
	Action Type: [HEAR] Prehearing Statement (PREHEARING)

**QUESTIONS**

<b>Testimony</b>	
<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>