

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

**IN THE MATTER OF THE APPLICATIONS OF
OXY USA INC. FOR APPROVAL OF A
NON-STANDARD HORIZONTAL WELL SPACING
UNIT AND COMPULSORY POOLING, EDDY
COUNTY, NEW MEXICO.**

CASE NOS. 26009 & 26010

**ORDER ON UNOPPOSED JOINT MOTION FOR
CONTINUANCE AND TO AMEND PREHEARING ORDER**

THIS MATTER comes before the Oil Conservation Division ("Division") on the Unopposed Joint Motion for Continuance and to Amend Prehearing Order (the "Motion") filed by Applicant Oxy USA Inc. ("Oxy") and Chevron U.S.A. Inc. ("Chevron") (collectively, the "Parties") on June 5, 2026. The Parties jointly request that the contested hearing currently scheduled for July 7–8, 2026 be continued to August 18, 2026. The Division, having considered the Motion and the record in these proceedings, hereby GRANTS IN PART AND DENIES IN PART the Motion as set forth below.

Background

These cases were filed by Oxy on February 24, 2026. A single status conference was held on April 16, 2026, at which the Parties agreed that a contested hearing date of July 7, 2026 was necessary to resolve issues in dispute. These cases have now been pending for approximately four months.

On June 5, 2026, the Parties filed the instant Motion seeking a continuance of the July 7, 2026 hearing to August 18, 2026—an additional six weeks. In support of their request, the Parties state that: (1) they are engaged in ongoing negotiations; (2) Chevron did not transmit its competing development proposal letter to Oxy until June 3, 2026, approximately six weeks after the April 16 status conference; (3) Oxy requires time to review Chevron's proposal and coordinate; and (4) Chevron's counsel has international travel plans from mid-July through July 24, 2026.

Discussion

The Division is not persuaded that a continuance to August 18, 2026 is warranted. While the Division acknowledges that some additional time may be appropriate to allow the Parties to review Chevron's proposal and advance negotiations, the grounds advanced in the Motion do not justify a six-week extension.

First, the Motion is unsupported by any evidentiary showing. No affidavit, declaration, or other evidentiary submission has been filed establishing the complexity of Chevron's proposal, the anticipated scope of the negotiations, or the amount of time reasonably required to complete review and negotiation. Bare assertions of counsel, without supporting evidence, provide an insufficient basis on which to continue a matter of this age.

Second, the Division finds that Chevron's delay in transmitting its competing development proposal is not a compelling basis for the requested continuance. At the April 16, 2026 status

conference, Chevron's counsel represented that a proposal letter would require four to six weeks to prepare. The Parties nevertheless agreed to a July 7, 2026 hearing date—only approximately eleven weeks after the status conference—without apparently accounting for the time between Chevron's anticipated proposal transmission and the hearing date. The Division declines to reward scheduling improvidence by accommodating a six-week extension. Chevron has been on notice of Oxy's application since the cases were initiated; the delay in preparing and transmitting a competing proposal is a matter within Chevron's control.

Third, while the Division is mindful of counsel's scheduling obligations, international travel plans are a matter foreseeable in advance and do not override the public interest in the timely resolution of Division proceedings. These cases have been pending since February 2026 and the Division has an obligation to ensure they are resolved in a reasonably expeditious manner.

Nonetheless, the Division recognizes that some additional time is warranted to allow the Parties to review Chevron's proposal and conduct meaningful negotiations. The Division will grant a limited continuance of three weeks, resetting the contested hearing to July 28, 2026. This additional time provides the Parties a reasonable opportunity to negotiate, accommodates counsel's return from international travel by July 24, 2026, and is consistent with the overall age and status of these proceedings.

Order

IT IS THEREFORE ORDERED that the Unopposed Joint Motion for Continuance and to Amend Prehearing Order is GRANTED IN PART AND DENIED IN PART.

IT IS FURTHER ORDERED that the contested hearing in Case Nos. 26009 and 26010 previously scheduled for July 7–8, 2026 is hereby continued and reset to July 28, 2026 at 8:30 a.m., continuing as necessary to July 29, 2026.

IT IS FURTHER ORDERED that the Prehearing Order entered in this matter is amended to reflect the new hearing date of July 28, 2026, and all associated deadlines shall be adjusted accordingly.

IT IS FURTHER ORDERED that no further continuances will be granted absent a showing of extraordinary and unforeseeable circumstances supported by competent evidence.

Hearing Officer
New Mexico Oil Conservation Division
Energy, Minerals and Natural Resources Department