

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

MAY 10 2018 AM 11:37

APPLICATION OF OXY USA INC.
FOR A NON-STANDARD SPACING AND
PRORATION UNIT, AND COMPULSORY POOLING,
EDDY COUNTY, NEW MEXICO.

CASE NO. 16013 (Re-opened)

OXY'S PRE-HEARING STATEMENT FOR THE
APPLICATION TO REOPEN CASE NO. 16013

This pre-hearing statement is submitted by OXY USA Inc. ("OXY") as required by the Oil Conservation Division.

APPEARANCES

APPLICANT

OXY USA Inc.

ATTORNEY

Michael H. Feldewert
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Holland & Hart LLP
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STATEMENT OF THE CASE

On March 8, 2018, OXY presented a landperson, a geologist and nine exhibits in support of the initial application in Case No. 16013 seeking an order (1) creating a 160-acre non-standard spacing and proration unit comprised of the W/2 E/2 of Section 13, Township 24 South, Range 30 East, NMPM, Eddy County, New Mexico; and (2) pooling all uncommitted interests in the Bone Spring formation underlying this acreage. Under its initial application, OXY proposed to dedicate the above-referenced spacing and proration unit as the project area for its proposed **Nimitz MDP1**

“13” Federal Com No. 1H Well, which was to be horizontally drilled from a surface location in the NE/4 NW/4 (Unit C) to a standard bottom hole location in SW/4 SE/4 (Unit O) of Section 13.

Since the March 8th hearing, OXY has decided to not drill the proposed Nimitz MDP1 “13” Federal Com No. 1H Well. Instead, OXT intends to dedicate the proposed non-standard spacing and proration unit to its proposed Nimitz MDP1 “13” Federal Com No. 2H Well. This replacement well will be drilled from a surface location in the SE/4 SE/4 (Unit P) of Section 12 to a bottom hole location in the SW/4 SE/4 (Unit O) of Section 13, Township 24 South, Range 30 East, NMPM, Eddy County, New Mexico. The completed interval for this well will remain within the 330-foot standard offset required by the Statewide Rules set forth in 19.15.15 NMAC.

APPLICANT’S PROPOSED EVIDENCE

WITNESS Name and Expertise	ESTIMATED TIME	EXHIBITS
India Isbell, Landman	Approx. 10 minutes	Approx. 15

PROCEDURAL MATTERS

The geologic evidence supporting the proposed non-standard spacing and proration unit was presented at the March 8, 2018 hearing.

Respectfully submitted,

HOLLAND & HART LLP

A handwritten signature in black ink, appearing to read "Michael H. Feldewert", written over a horizontal line.

Michael H. Feldewert

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