

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

**APPLICATION OF OXY USA INC.
FOR COMPULSORY POOLING,
EDDY COUNTY, NEW MEXICO.**

OCT 25 2018 PM04:21

CASE NO. 16465

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FOR COMPULSORY POOLING,
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OXY'S CONSOLIDATED PRE-HEARING STATEMENT

This consolidated 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, Esq.
Jordan L. Kessler, Esq.
Julia Broggi, Esq.
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Attorneys for OXY USA Inc.

STATEMENT OF THE CASE

Under these consolidated applications, OXY seeks orders pooling all uncommitted interest owners in the Bone Spring formation underlying two 800-acre, more or less, standard horizontal

spacing units in Sections 17, 20, and 29, Township 23 South, Range 31 East, NMPM, Eddy County, New Mexico:

(1) the 800-acre, more or less, horizontal spacing unit comprised of the SW/4 of Section 17, the W/2 of Section 20, and the W/2 of Section 29. This spacing unit will be dedicated to three initial wells: the proposed **Pure Gold MDP1 29-17 Federal Com No. 1H Well** and **Pure Gold MDP1 29-17 Federal Com No. 2H Well**, which will both be horizontally drilled from a surface location in the SW/4 SW/4 (Unit M) of Section 29 to bottom hole location in the NW/4SW/4 (Unit L) of Section 17, and the proposed **Pure Gold MDP1 29-17 Federal Com No. 3H Well** which will be horizontally drilled from a surface location in the SE/4SW/4 (Unit N) of Section 29 to bottom hole location in the NE/4SW/4 (Unit K) of Section 17.

(2) the 800-acre, more or less, horizontal spacing unit comprised of the SE/4 of Section 17, the E/2 of Section 20, and the E/2 of Section 29. This spacing unit will be dedicated to three initial wells: the proposed **Pure Gold MDP1 29-17 Federal Com No. 4H Well**, which will be horizontally drilled from a surface location in the SW/4 SE/4 (Unit N) of Section 29 to bottom hole location in the NW/4SE/4 (Unit J) of Section 17, and the **Pure Gold MDP1 29-17 Federal Com No. 5H Well** and **Pure Gold MDP1 29-17 Federal Com No. 6H Well**, which will both be horizontally drilled from a surface location in the SE/4 SE/4 (Unit P) of Section 29 to bottom hole location in the NE/4SE/4 (Unit I) of Section 17.

Pursuant to NMAC 19.15.16.15(B)(1)(b), OXY will incorporate the entire SW/4 of Section 17, the W/2 of Section 20, and the W/2 of Section 29 into a single horizontal spacing unit. Similarly, OXY will incorporate the entire SE/4 of Section 17, the E/2 of Section 20, and the E/2 of Section

29 into a single horizontal spacing unit. Incorporating the proximity tracts, the completed interval for each well will comply with Statewide setback requirements.

APPLICANT'S PROPOSED EVIDENCE

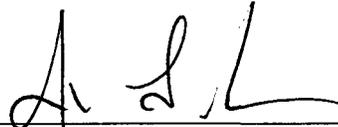
WITNESS Name and Expertise	ESTIMATED TIME	EXHIBITS
Matthew Cole, Landman	Approx. 15 minutes	Approx. 7
Tyler Evans, Geologist	Approx. 15 minutes	Approx. 5

PROCEDURAL MATTERS

Oxy intends to consolidate these matters for hearing. If uncontested, OXY will present these cases by affidavit.

Respectfully submitted,

HOLLAND & HART LLP



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