

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

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

**CASE NO. 23322**

**OXY'S PRE-HEARING STATEMENT**

OXY USA Inc. ("Oxy") (OGRID No. 16696) submits the following Prehearing Statement pursuant to the rules of the Oil Conservation Division.

**APPEARANCES**

**APPLICANT**

OXY USA Inc.

**ATTORNEY**

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**APPLICANT'S STATEMENT OF CASE**

OXY seeks an order pooling all uncommitted mineral owners in the Wolfcamp formation underlying a standard 1,278.62-acre, more or less, horizontal well spacing unit comprised of Sections 3 and 10 all within Township 24 South, Range 29 East (NMPM), Eddy County New Mexico. OXY seeks to initially dedicate the above-referenced horizontal spacing unit to the following wells:

- the **Tails CC 10-3 Federal Com 31H, 32H, and 33H Wells** which have been drilled from a common surface location in the SE/4 SW/4 (Unit N) of Section 10 to bottomhole locations in the NE/4 NW/4 (Unit C) and the NW/4 NW/4 (Unit D) of Section 3;
- the **Tails CC 10-3 Federal Com 34H, 35H, and 36H Wells** which have been drilled from a common surface location in the SW/4 SE/4 (Unit O) of Section 10 to bottomhole locations in the NW/4 NE/4 (Unit B) and NE/4 NE/4 (Unit A) of Section 3; and
- the **Tails CC 10-3 Federal Com 38H and 312H Wells** which have been drilled from a common surface location in the NW/4 NE/4 (Unit B) of Section 15 to bottomhole locations in the NE/4 NW/4 (Unit C) and the NW/4 NE/4 (Unit B) of Section 3.

The completed interval of the **Tails CC 10-3 Federal Com 38H Well** is within 330 feet of the offsetting quarter-quarter sections or equivalent tracts to include them in a standard horizontal well spacing unit.

OXY has determined that record title owners must be pooled for purposes of obtaining a federal communitization agreement, thereby necessitating a pooling order. Applicant has sought and been unable to obtain voluntary agreement for the development of these lands from all owners in the subject spacing units. The pooling of interests will avoid the drilling of unnecessary wells, will prevent waste, and will protect correlative rights.

**APPLICANT’S PROPOSED EVIDENCE**

<b>WITNESS Name and Expertise</b>	<b>ESTIMATED TIME</b>	<b>EXHIBITS</b>
Peter Van Liew, Land Negotiator	Self-Affirmed Statement	Approx. 5
Seth Brazell, Geologist	Self-Affirmed Statement	Approx. 4

**PROCEDURAL MATTERS**

OXY anticipates presenting these consolidated cases by self-affirmed statement, if unopposed.

Respectfully submitted,

HOLLAND & HART LLP

By: 

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**State of New Mexico**  
**Energy, Minerals and Natural Resources**  
**Oil Conservation Division**  
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QUESTIONS

Action 180106

**QUESTIONS**

Operator: OXY USA INC P.O. Box 4294 Houston, TX 772104294	OGRID: 16696
	Action Number: 180106
	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>