

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

**APPLICATIONS OF OXY USA INC.
FOR APPROVAL OF A 1,279.16-ACRE
NON-STANDARD HORIZONTAL
WELL SPACING UNIT AND
COMPULSORY POOLING, LEA
COUNTY, NEW MEXICO.**

CASE NOS. 23428 & 23429

OXY’S CONSOLIDATED 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.

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COG Operating LLC and Concho Oil & Gas, LLC

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APPLICANT'S STATEMENT OF CASE

In **Case No. 23428**, Applicant seeks an order (a) approving a 1,279.16-acre, more or less, non-standard horizontal well spacing unit in the Wolfcamp formation underlying Sections 4 and 9, Township 22 South, Range 32 East, NMPM, Lea County, New Mexico, and (b) pooling all uncommitted mineral owners in this acreage. This spacing unit will be initially dedicated to the following proposed wells:

- **Gold Log 4_9 Fed Com 32H, 33H, and 311H wells** to be drilled from a surface location in the NW/4 NW/4 (Unit D) of Section 4 to bottomhole locations in the SW/4 SW/4 (Unit M) and SE/4 SW/4 (Unit N) of Section 9;
- **Gold Log 4_9 Fed Com 34H, 35H, and 313H wells**, to be drilled from a surface location in the NW/4 NE/4 (Unit B) of Section 4 to bottomhole locations in the SW/4 SE/4 (Unit O) and SE/4 SE/4 (Unit P) of Section 9.

OXY seeks to minimize cost and surface disturbance by consolidating facilities and commingling production from existing and future wells in the proposed non-standard spacing unit. To allow the proposed wells to be dedicated to a Communitization Agreement, OXY requires approval of a corresponding non-standard horizontal well spacing unit in the Wolfcamp formation.

In **Case No. 23429**, Applicant seeks an order (a) approving a 1,279.16-acre, more or less, non-standard horizontal well spacing unit in the Bone Spring formation underlying Sections 4 and 9, Township 22 South, Range 32 East, NMPM, Lea County, New Mexico, and (b) pooling all uncommitted mineral owners in this acreage.

OXY seeks to minimize cost and surface disturbance by consolidating facilities and commingling production from existing and future wells in the proposed non-standard spacing unit. To allow the proposed wells to be dedicated to a Communitization Agreement, OXY

requires approval of a corresponding non-standard horizontal well spacing unit in the Bone Spring formation.

Applicant has sought and been unable to obtain voluntary agreement for the development of these lands from all working interest owners in the subject spacing unit. Approval of these applications will allow OXY to efficiently locate surface facilities, reduce surface disturbance, lower operating costs, facilitate effective well spacing, prevent waste, and protect correlative rights.

APPLICANT’S PROPOSED EVIDENCE

WITNESS Name and Expertise	ESTIMATED TIME	EXHIBITS
Amber Delach, Landman	Statement	Approx. 5
Daniel Burnett, Geologist	Statement	Approx. 4
Jeff Bullock, Engineer	Statement	Approx. 3

PROCEDURAL MATTERS

OXY anticipates presenting this case by self-affirmed statements if it remains unopposed.

Respectfully submitted,

HOLLAND & HART LLP

By: 

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CERTIFICATE OF SERVICE

I hereby certify that on March 30, 2023, I served a copy of the foregoing document to the following counsel of record via Electronic Mail to:

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State of New Mexico
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QUESTIONS

Action 202523

QUESTIONS

Operator: OXY USA INC P.O. Box 4294 Houston, TX 772104294	OGRID: 16696
	Action Number: 202523
	Action Type: [HEAR] Prehearing Statement (PREHEARING)

QUESTIONS

Testimony	
<i>Please assist us by provide the following information about your testimony.</i>	
Number of witnesses	Not answered.
Testimony time (in minutes)	Not answered.