

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

**APPLICATIONS OF OXY USA INC.
FOR COMPULSORY POOLING,
LEA COUNTY, NEW MEXICO.**

CASE NOS. 23430-23431

OXY'S CONSOLIDATED PRE-HEARING STATEMENT

OXY USA Inc. ("OXY") (OGRID No. 16696) provides notice that has filed the attached **Revised OXY Exhibit A** in each case correctly reflecting that OXY is not requesting the application of a 200% risk charge or overhead rates against the pooled parties in either case because the pooled owners do not own a working interest subject to such charges; they own only a bare record title interest. OXY requests that the revised exhibits be admitted and accepted into the record and that the cases be taken under advisement.

Respectfully submitted,

HOLLAND & HART LLP

By: 

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ATTORNEYS FOR OXY USA INC.

CERTIFICATE OF SERVICE

I hereby certify that on April 20, 2023, I served a copy of the foregoing document to the following counsel of record via Electronic Mail to:

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Attorneys for Fasken Oil & Ranch



Adam G. Rankin

COMPULSORY POOLING APPLICATION CHECKLIST

ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS

Case: 23430	APPLICANT'S RESPONSE
Date	April 20, 2023
Applicant	OXY U.S.A. Inc.
Designated Operator & OGRID (affiliation if applicable)	OGRID No. 16696
Applicant's Counsel:	Holland & Hart LLP
Case Title:	APPLICATION OF OXY USA INC. FOR COMPULSORY POOLING, EDDY COUNTY, NEW MEXICO.
Entries of Appearance/Intervenors:	Fasken
Well Family	Regal Lager 31 19 Fed Com
Formation/Pool	
Formation Name(s) or Vertical Extent:	Wolfcamp formation
Primary Product (Oil or Gas):	Oil
Pooling this vertical extent:	Wolfcamp formation
Pool Name and Pool Code:	WC-025 G-09 S213232A; UPR Wolfcamp (98313)
Well Location Setback Rules:	Statewide
Spacing Unit	
Type (Horizontal/Vertical)	Horitzontal
Size (Acres)	960-acre, more or less
Building Blocks:	40-acre
Orientation:	South to North
Description: TRS/County	W/2 of Sections 19, 30, and 31 all in Township 21 South, Range 32 East (NMPM), Lea County New Mexico.
Standard Horizontal Well Spacing Unit (Y/N), If No, describe and is approval of non-standard unit requested in this application?	Yes
Other Situations	
Depth Severance: Y/N. If yes, description	No
Proximity Tracts: If yes, description	Yes; The completed interval of the Regal Lager 31 19 Fed Com 32H well is expected to remain within 330 feet of the offsetting quarter-quarter sections or equivalent tracts to include them in a standard horizontal well spacing unit.
Proximity Defining Well: if yes, description	Regal Lager 31 19 Fed Com 32H
Applicant's Ownership in Each Tract	Exhibit C-2
Well(s)	BEFORE THE OIL CONSERVATION DIVISION Santa Fe, New Mexico Revised Exhibit No. A Submitted by: OXY USA INC. Hearing Date: April 20, 2023 Case No. 23430

Name & API (if assigned), surface and bottom hole location, footages, completion target, orientation, completion status (standard or non-standard)	Add wells as needed
Well #1	Regal Lager 31 19 Fed Com 31H SHL: 304' FSL, 2599' FWL (Unit N), S31, R21S, T32E BHL: 20' FNL, 440' FWL (Lot 1), S19, R21S, T32E Completion Target: Wolfcamp formation Orientation: south to north Completion status is expected to be standard
Well #2	Regal Lager 31 19 Fed Com 32H SHL: 303' FSL, 2629' FWL (Unit N), S31, R21S, T32E BHL: 20' FNL, 1255' FWL (Lot 1), S21, R19S, T32E Completion Target: Wolfcamp formation Orientation: south to north Completion status is expected to be standard
Well #3	Regal Lager 31 19 Fed Com 33H SHL: 303' FSL, 2659' FWL (Unit N), S31, R21S, T32E BHL: 20' FNL, 2180' FWL (Lot 1), S19, R21S, T32E Completion Target: Wolfcamp formation Orientation: south to north Completion status is expected to be standard
Horizontal Well First and Last Take Points	Exhibit C-3
Completion Target (Formation, TVD and MD)	Exhibit C-3
AFE Capex and Operating Costs	
Drilling Supervision/Month \$	N/A
Production Supervision/Month \$	N/A
Justification for Supervision Costs	N/A
Requested Risk Charge	N/A
Notice of Hearing	
Proposed Notice of Hearing	Exhibit B
Proof of Mailed Notice of Hearing (20 days before hearing)	Exhibit E
Proof of Published Notice of Hearing (10 days before hearing)	Exhibit F
Ownership Determination	
Land Ownership Schematic of the Spacing Unit	Exhibit C-2
Tract List (including lease numbers and owners)	Exhibit C-2
If approval of Non-Standard Spacing Unit is requested, Tract List (including lease numbers and owners) of Tracts subject to notice requirements.	N/A
Pooled Parties (including ownership type)	Exhibit C-2

Unlocatable Parties to be Pooled	N/A
Ownership Depth Severance (including percentage above & below)	N/A
Joinder	
Sample Copy of Proposal Letter	Exhibit C-3
List of Interest Owners (ie Exhibit A of JOA)	Exhibit C-2
Chronology of Contact with Non-Joined Working Interests	Exhibit C-4
Overhead Rates In Proposal Letter	Exhibit C-3
Cost Estimate to Drill and Complete	Exhibit C-3
Cost Estimate to Equip Well	Exhibit C-3
Cost Estimate for Production Facilities	Exhibit C-3
Geology	
Summary (including special considerations)	Exhibit D
Spacing Unit Schematic	Exhibit D-1
Gunbarrel/Lateral Trajectory Schematic	N/A
Well Orientation (with rationale)	Exhibit D
Target Formation	Exhibit D-3
HSU Cross Section	Exhibit D-3
Depth Severance Discussion	N/A
Forms, Figures and Tables	
C-102	Exhibit C-1
Tracts	Exhibit C-2
Summary of Interests, Unit Recapitulation (Tracts)	Exhibit C-2
General Location Map (including basin)	Exhibit D-1
Well Bore Location Map	Exhibit D-1
Structure Contour Map - Subsea Depth	Exhibit D-2
Cross Section Location Map (including wells)	Exhibit D-3
Cross Section (including Landing Zone)	Exhibit D-3
Additional Information	
Special Provisions/Stipulations	N/A
CERTIFICATION: I hereby certify that the information provided in this checklist is complete and accurate.	
Printed Name (Attorney or Party Representative):	Adam G. Rankin
Signed Name (Attorney or Party Representative):	
Date:	18-Apr-23

COMPULSORY POOLING APPLICATION CHECKLIST

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Case: 23431	APPLICANT'S RESPONSE
Date	April 18, 2023
Applicant	OXY U.S.A. Inc.
Designated Operator & OGRID (affiliation if applicable)	OGRID No. 16696
Applicant's Counsel:	Holland & Hart LLP
Case Title:	APPLICATION OF OXY USA INC. FOR COMPULSORY POOLING, EDDY COUNTY, NEW MEXICO.
	<p>BEFORE THE OIL CONSERVATION DIVISION Santa Fe, New Mexico Revised Exhibit No. A Submitted by: OXY USA INC. Hearing Date: April 20, 2023 Case No. 23431</p>
Entries of Appearance/Intervenors:	Fasken
Well Family	Regal Lager 31 19 Fed Com
Formation/Pool	
Formation Name(s) or Vertical Extent:	Wolfcamp formation
Primary Product (Oil or Gas):	Oil
Pooling this vertical extent:	Wolfcamp formation
Pool Name and Pool Code:	WC-025 G-09 S213232A; UPR Wolfcamp (98313)
Well Location Setback Rules:	Statewide
Spacing Unit	
Type (Horizontal/Vertical)	Horitzontal
Size (Acres)	960-acre, more or less
Building Blocks:	40-acres
Orientation:	South to North
Description: TRS/County	E/2 of Sections 19, 30, and 31 all in Township 21 South, Range 32 East (NMPM), Lea County New Mexico.
Standard Horizontal Well Spacing Unit (Y/N), If No, describe and is approval of non-standard unit requested in this application?	Yes
Other Situations	
Depth Severance: Y/N. If yes, description	No
Proximity Tracts: If yes, description	Yes; The completed interval of the Regal Lager 31 19 Fed Com 35H well is expected to remain within 330 feet of the offsetting quarter-quarter sections or equivalent tracts to include them in a standard horizontal well spacing unit.
Proximity Defining Well: if yes, description	Regal Lager 31 19 Fed Com 35H
Applicant's Ownership in Each Tract	Exhibit C-2
Well(s)	

Name & API (if assigned), surface and bottom hole location, footages, completion target, orientation, completion status (standard or non-standard)	Add wells as needed
Well #1	Regal Lager 31 19 Fed Com 34H SHL: 889' FNL, 887' FEL (Lot 1), S6, T22S, R32E BHL: 20' FNL, 2180' FEL (Unit B), S19, T21S, R32E Completion Target: Wolfcamp formation Orientation: south to north Completion status is expected to be standard
Well #2	Regal Lager 31 19 Fed Com 35H SHL: 889' FNL, 858' FEL (Lot 1), S6, T22S, R32E BHL: 20' FNL, 1255' FEL (Unit A), S19, T21S, R32E Completion Target: Wolfcamp formation Orientation: south to north Completion status is expected to be standard
Well #3	Regal Lager 31 19 Fed Com 36H SHL: 889' FNL, 827' FEL (Lot 1), S6, T22S, R32E BHL: 20' FNL, 430' FEL (Unit A), S19, T21S, R32E Completion Target: Wolfcamp formation Orientation: south to north Completion status is expected to be standard
Horizontal Well First and Last Take Points	Exhibit C-3
Completion Target (Formation, TVD and MD)	Exhibit C-3
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Drilling Supervision/Month \$	N/A
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Printed Name (Attorney or Party Representative):	Adam G. Rankin
Signed Name (Attorney or Party Representative):	
Date:	18-Apr-23