

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

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

CASE NO. 16057

OXY'S PRE-HEARING STATEMENT

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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STATEMENT OF THE CASE

OXY seeks an order (1) creating a 480-acre non-standard spacing and proration unit comprised of the E/2 of Section 20 and the SE/4 of Section 17, Township 24 South, Range 29 East, NMPM, Eddy County, New Mexico; and (2) pooling all uncommitted interests in the Bone Spring formation underlying this acreage. OXY proposes to dedicate the above-referenced spacing and proration unit as the project area for three proposed initial wells to be drilled and simultaneously completed: the **Cedar Canyon "20" Federal Com 24H Well**, the **Cedar Canyon "20" Federal Com 25H Well**, and the **Cedar Canyon "20" Federal Com 26H Well**. These three proposed horizontal wells will be pad drilled from a surface location in the NW/4 NE/4 (Unit B) of Section

29, Township 24 South, Range 29 East, NMPM, to bottom hole locations in the NW/4 SE/4 (Unit J) and the NE/4 SE/4 (Unit I) of Section 17, Township 24 South, Range 29 East, NMPM. The completed intervals for the **Cedar Canyon "20" Federal Com 24H Well**, the **Cedar Canyon "20" Federal Com 25H Well**, and the **Cedar Canyon "20" Federal Com 26H Well** will be at unorthodox locations because they are closer to the northern boundary of the proposed spacing and proration unit than allowed by the statewide rules. Since these wells will be drilled and simultaneously completed, Oxy requests an extension of the 120-day period provided in the Division's standard pooling order to drill and complete a well.

APPLICANT'S PROPOSED EVIDENCE


WITNESS Name and Expertise	ESTIMATED TIME	EXHIBITS
Jeremy Murphrey, Landman	Approx. 20 minutes	Approx. 5
Tony Troutman, Geology	Approx. 15 minutes	Approx. 3

PROCEDURAL MATTERS

None at this time.

Respectfully submitted,

HOLLAND & HART LLP



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