

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

**APPLICATION OF OXY USA INC. FOR  
ALTERNATIVE NON-STANDARD SPACING  
AND PRORATION UNITS, APPROVAL OF A  
NON-STANDARD PROJECT AREA AS  
NEEDED AND COMPULSORY POOLING,  
EDDY COUNTY, NEW MEXICO.**

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**CASE NO. 16058**

**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 320-acre non-standard spacing and proration unit comprised of the W/2 W/2 of Section 35 and the W/2 W/2 of 26, Township 25 South, Range 29 East, NMPM, Eddy County, New Mexico; and (2) pooling all uncommitted interests in the Bone Spring formation underlying this acreage. *In the alternative*, Oxy seeks and order (1) creating a 280-acre non-standard spacing and proration unit comprised of the W/2 W/2 of Section 35 and the W/2 SW/4 and the SW/4 NW/4 of Section 26, Township 25 South, Range 29 East, NMPM, Eddy

County, New Mexico; (2) approval of a non-standard project area comprised of this acreage; and (3) pooling all uncommitted interests in the Bone Spring formation underlying this acreage. OXY proposes to dedicate the above-referenced alternative spacing and proration units as the project area for the proposed **Corral Fly “35-26” Federal Com 21H Well** to be drilled from a surface location in the Lot 4 (NW/4 NW/4 equivalent) of Section 2 to *either* a bottom hole location in the NW/4 NW/4 (Unit) D of Section 26 or, *in the alternative*, the SW/4 NW/4 (Unit E) of Section 26. The completed interval for this well will remain within the 330-foot standard setback required by the Pierce Crossing Bone Spring, East Pool (Pool Code 96473).

#### **APPLICANT’S PROPOSED EVIDENCE**

<b>WITNESS Name and Expertise</b>	<b>ESTIMATED TIME</b>	<b>EXHIBITS</b>
Jeremy Murphrey, Landman	Approx. 20 minutes	Approx. 6
Tony Troutman, Geology	Approx. 15 minutes	Approx. 5

**PROCEDURAL MATTERS**

OXY requests that Case Nos. 16058 and 16059 be consolidated only for hearing purposes.

Respectfully submitted,

HOLLAND & HART LLP

A handwritten signature in black ink, appearing to be 'MF', is written over a horizontal line.

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**ATTORNEYS FOR OXY USA INC.**