

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

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

OCT 25 2018 PM04:19

**CASE NO. 16478**

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FOR COMPULSORY POOLING,  
EDDY COUNTY, NEW MEXICO.**

**CASE NO. 16479**

**OXY'S CONSOLIDATED PRE-HEARING STATEMENT**

This consolidated pre-hearing statement is submitted by OXY USA Inc. ("OXY") as required by the Oil Conservation Division.

**APPEARANCES**

**APPLICANT**

OXY USA Inc.

**ATTORNEY**

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*Attorneys for OXY USA Inc.*

**STATEMENT OF THE CASE**

Under these consolidated applications, OXY seeks orders pooling all uncommitted interest owners in the Bone Spring formation underlying two 640-acre, more or less, standard horizontal

spacing units in Sections 6 and 7, Township 24 South, Range 29 East, NMPM, Eddy County, New Mexico:

(1) the 640-acre, more or less, horizontal spacing unit comprised of the W/2 of Section 6, and the W/2 of Section 7, Township 24 South, Range 29 East, NMPM, Eddy County, New Mexico. This spacing unit will be dedicated to five initial wells:

- The **Width CC 6-7 Federal Com No. 11H Well**, which will be drilled horizontally from a from a surface location in the NE/4NW/4 (Lot 3) of Section 6 to a standard bottom hole location in the SW/4SW/4 (Lot 4) of Section 7;
- The **Width CC 6-7 Federal Com No. 12H Well**, which will be drilled horizontally from a from a surface location in the NE/4NW/4 (Lot 3) of Section 6 to a standard bottom hole location in the SE/4SW/4 (Unit N) of Section 7;
- The **Length CC 6-7 Federal Com No. 21H Well**, which will be horizontally drilled from a surface location in the NW/4NW/4 (Lot 4) of Section 6 to bottom hole location in the SW/4SW/4 (Lot 4) of Section 7;
- The **Length CC 6-7 Federal Com No. 22H Well**, which will be horizontally drilled from a surface location in the NW/4NW/4 (Lot 4) of Section 6 to bottom hole location in the SW/4SW/4 (Lot 4) of Section 7;
- The **Length CC 6-7 Federal Com No. 23H Well**, which will be drilled horizontally from a from a surface location in the NE/4NW/4 (Lot 3) of Section 6 to a standard bottom hole location in the SE/4SW/4 (Unit N) of Section 7.

(2) the 640-acre, more or less, horizontal spacing unit comprised of the E/2 of Section 6, and the E/2 of Section 7, Township 24 South, Range 29 East, NMPM, Eddy County, New Mexico. This spacing unit will be dedicated to five initial wells:

- The **Width CC 6-7 Federal Com No. 13H Well**, which will be drilled horizontally from a from a surface location in the NE/4NW/4 (Lot 3) of Section 6 to a standard bottom hole location in the SW/4SE/4 (Unit O) of Section 7;
- The **Width CC 6-7 Federal Com No. 14H Well**, which will be drilled horizontally from a from a surface location in the NE/4NE/4 (Lot 1) of Section 6 to a standard bottom hole location in the SE/4SE/4 (Unit P) of Section 7;
- The **Length CC 6-7 Federal Com No. 24H Well**, which will be drilled horizontally from a from a surface location in the NE/4NW/4 (Lot 3) of Section 6 to a standard bottom hole location in the SW/4SE/4 (Unit O) of Section 7;
- The **Length CC 6-7 Federal Com No. 25H Well**, which will be horizontally drilled from a surface location in the NE/4NE/4 (Lot 1) of Section 6 to bottom hole location in the SW/4SE/4 (Unit O) of Section 7;

- The **Length CC 6-7 Federal Com No. 26H Well**, which will be drilled horizontally from a from a surface location in the NE/4NE/4 (Lot 1) of Section 6 to a standard bottom hole location in the SE/4SE/4 (Unit P) of Section 7.

Pursuant to NMAC 19.15.16.15(B)(1)(b), OXY will incorporate the entire W/2 of Sections 6 and 7 into a single standard horizontal spacing unit and the entire E/2 of Sections 6 and 7 into a single horizontal spacing unit. Incorporating the proximity tracts, the completed interval for each well will comply with Statewide setback requirements.

**APPLICANT'S PROPOSED EVIDENCE**

<b>WITNESS Name and Expertise</b>	<b>ESTIMATED TIME</b>	<b>EXHIBITS</b>
Jeremy Murphrey, Landman	Approx. 15 minutes	Approx. 7
Tony Troutman, Geologist	Approx. 15 minutes	Approx. 5

**PROCEDURAL MATTERS**

Oxy intends to consolidate these matters for hearing. If uncontested, OXY will present these cases by affidavit.

Respectfully submitted,

HOLLAND & HART LLP



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**ATTORNEYS FOR OXY USA INC.**