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

APPLICATION OF OXY USA WTP LIMITED PARTNERSHIP TO RE-OPEN CASE NO. 15776 TO AMEND THE INITIAL WELL UNDER THE TERMS OF COMPULSORY POOLING ORDER R-14467 EDDY COUNTY, NEW MEXICO.

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CASE NO. 15776 (re-opened)

APPLICATION

OXY USA WTP Limited Partnership, ("OXY") (OGRID No. 192463), through its undersigned attorneys, hereby makes application to the Oil Conservation Division to amend the initial well and add an additional initial well pursuant to the terms of Order R-20001. In support of this application, Centennial states:

- 1. Division Order R-14467, entered on October 5, 2017, created a 312.88-acre non-standard spacing and proration unit consisting of the N/2N/2 equivalent (Lot 1, N/2 NE/4, and NE/4NW/4) of Section 7 and the N/2N/2 of Section 8, Township 19 South, Range 29 East, NMPM, Eddy County, New Mexico. This order further pooled the uncommitted interests in the Bone Spring Formation (Turkey Track; Bone Spring Pool (Pool Code 60660)) in this spacing and proration unit (the "Unit") and dedicated the Unit to the **Turkey Track 8 7 State Well No. 21H** (API No. 30-015-44141), a horizontal well to be drilled from a surface location 1088 feet from the North line and 70 feet from the West line (Unit D) of Section 9 to a bottom hole location 380 feet from the North line and 180 feet from the West line (Lot 1) of Section 7.
- 2. A portion of the **Turkey Track 8 7 State Well No. 21H** was drilled but it is in the process of being plugged and abandoned. Because the **Turkey Track 8 7 State Well No. 21H Well** will be plugged and abandoned, it will no longer be an initial well under the pooling order.

- 3. OXY has elected to drill additional initial wells in the Bone Spring formation, targeting the Second and Third Bone Spring intervals. The spacing unit and the pool remain the same as designated under Order R-14467.
- 4. The spacing unit will be dedicated to two initial wells: the **Turkey Track 8/7 No. 201H** and the **Turkey Track 8/7 No. 31H**. Both wells will be drilled horizontally from a surface location in the NW/4NW/4 (Unit D) of Section 9 to a bottom hole location in the NW/4NW/4 (Lot 1) of Section 7.
- 5. The completed interval for each well will comply with the Statewide setback requirements for oil wells.

WHEREFORE, OXY USA WTP Limited Partnership requests that this application be set for hearing before an Examiner of the Oil Conservation Division on February 21, 2019, and after notice and hearing as required by law, the Division amend the initial wells dedicated to the spacing unit under the terms of existing Division Order R-14467.

Respectfully submitted,

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CASE 15776 (re-opened): Application of OXY USA WTP Limited Partnership to Re-Open Case No. 15776 To Amend the Initial Well Under The Terms Of Compulsory Pooling Order R-14467, Eddy County, New Mexico. Applicant in the above-styled cause seeks to amend Division Order R-14467 to amend the initial well and add an additional initial well to the spacing unit. The spacing unit is comprised of the N/2N/2 equivalent (Lot 1, N/2 NE/4, and NE/4NW/4) of Section 7 and the N/2N/2 of Section 8, Township 19 South, Range 29 East, NMPM, Eddy County, New Mexico and will be dedicated to two initial wells: the Turkey Track 8/7 No. 201H and the Turkey Track 8/7 No. 31H. Both wells will be drilled horizontally from a surface location in the NW/4NW/4 (Unit D) of Section 9 to a bottom hole location in the NW/4NW/4 (Lot 1) of Section 7. Both wells are at orthodox locations. Said area is located approximately 25 miles north of Malaga, New Mexico.