

July 19, 2005

HAND-DELIVERED

Mark E. Fesmire, P. E.
Director
Oil Conservation Division
New Mexico Department of Energy,
Minerals and Natural Resources
1220 South Saint Francis Drive
Santa Fe, New Mexico 87505

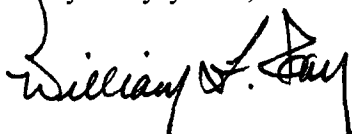
Case 13534

Re: Application of OXY USA WTP Limited Partnership for compulsory pooling, Lea County, New Mexico.

Dear Mr. Fesmire:

Enclosed in triplicate is the Application of OXY USA WTP Limited Partnership in the above-referenced case as well as a copy of the legal advertisement for this case. OXY USA WTP Limited Partnership requests that this matter be placed on the docket for the August 11, 2005 Examiner hearings.

Very truly yours,



William F. Carr

Enclosures

cc: Mr. Doug Hurlbut
OXY USA WTP Limited Partnership

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

IN THE MATTER OF THE APPLICATION OF OXY USA WTP LIMITED PARTNERSHIP
FOR COMPULSORY POOLING, EDDY COUNTY, NEW MEXICO.

CASE NO. 13534

APPLICATION

OXY USA WTP LIMITED PARTNERSHIP, ("OXY") through its undersigned attorneys, hereby makes application to the Oil Conservation Division pursuant to the provisions of NMSA 1978, § 70-2-17(C), for an order pooling all mineral interests from the surface to the base of the Morrow formation in the following described acreage in Section 15, Township 19 South, Range 27 East, NMPM: the E/2 to form a standard 320-acre spacing and proration unit for all formations developed on a 320-acre spacing within that vertical extent which includes but is not necessarily limited to the Angell Ranch Atoka-Morrow Gas Pool; and the NE/4 to form a standard spacing and proration unit for all formations developed on 160-acre spacing within that vertical extent. In support of its application, OXY states:

1. OXY is a working interest owner in the E/2 of said Section 15 and has the right to drill thereon.
2. OXY proposes to dedicate the above-referenced spacing or proration unit to its Fat Cactus Federal Well No. 1 to be drilled at a standard gas well location 660 feet from the North line and 1400 feet from the East line (Unit B) of said Section 15, to an approximate depth of 10,650 feet to test any and all formations from the surface to the base of the Morrow formation. A standard gas spacing and proration unit comprised of the E/2 of Section 15 will be dedicated to the well.
3. OXY has sought and been unable to obtain a voluntary agreement for the development of these lands from Pogo Producing Company, Post Office Box 10340, Midland, Texas 79702 (Attention: Terry Gant) a working interest owner in the subject spacing units.
4. Said pooling of interests will avoid the drilling of unnecessary wells, will prevent waste and will protect correlative rights.

5. In order to permit the OXY to obtain its just and fair share of the oil and gas underlying the subject lands, all mineral interests should be pooled, and OXY USA WTP Limited Partnership should be designated the operator of the well to be drilled.

WHEREFORE, OXY USA WTP Limited Partnership requests that this application be set for hearing before an Examiner of the Oil Conservation Division on August 11, 2005 and, after notice and hearing as required by law, the Division enter its order:

- A. pooling all mineral interests in the subject spacing and proration units,
- B. designating OXY USA WTP Limited Partnership operator of this unit and the well to be drilled thereon,
- C. authorizing OXY USA WTP Limited Partnership to recover its costs of drilling, equipping and completing the well,
- D. approving the actual operating charges and costs of supervision while drilling and after completion, together with a provision adjusting the rates pursuant to the COPAS accounting procedures, and
- E. imposing a penalty for the risk assumed by OXY USA WTP Limited Partnership in drilling and completing the well against any working interest owner who does not voluntarily participate in the drilling of the well.

Respectfully submitted,

HOLLAND & HART LLP

By: 

WILLIAM F. CARR
Post Office Box 2208
Santa Fe, New Mexico 87504
Telephone: (505) 988-4421

ATTORNEYS FOR OXY USA WTP LIMITED PARTNERSHIP

CASE 13534:

Application of OXY USA WTP Limited Partnership for compulsory pooling, Eddy County, New Mexico. Applicant in the above-styled cause seeks an order pooling all mineral interests in all formations from the surface to the base of the Morrow formation in the following described acreage in Section 15, Township 19 South, Range 27 East, NMPM: the E/2 to form a standard 320-acre spacing and proration unit for all formations developed on a 320-acre spacing within that vertical extent which includes but is not necessarily limited to the Angell Ranch Atoka-Morrow Gas Pool; and the NE/4 to form a standard spacing and proration unit for all formations developed on 160-acre spacing within that vertical extent. OXY proposes to dedicate the above-referenced spacing or proration unit to its Fat Cactus Federal Well No. 1 to be drilled at a standard gas well location 660 feet from the North line and 1400 feet from the East line (Unit B) of said Section 15, to an approximate depth of 10,650 feet to test any and all formations from the surface to the base of the Morrow formation. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of OXY USA WTP Limited Partnership as operator of the well and a charge for risk involved in drilling said well. Said area is located approximately 12 miles southwest of Artesia, New Mexico.



July 19, 2005

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

Pogo Production Company
Post Office Box 10340
Midland, Texas 79702

Attention: Terry Gant

Re: Application of OXY USA WTP Limited Partnership for compulsory pooling, Harding County, New Mexico. (Fat Cactus Federal Com Well No. 1)

Ladies and Gentlemen:

This letter is to advise you that OXY USA WTP Limited Partnership has filed the enclosed application with the New Mexico Oil Conservation Division seeking the compulsory pooling of the standard 320-acre spacing and proration unit comprised of the E/2 of Section 15, Township 19 North, Range 27 East, NMPM, Lea County, New Mexico. Said unit will be dedicated to OXY USA WTP Limited Partnership's proposed Fata Cactus Federal Well No. 1 which it proposes to drill at a standard gas well location 660 feet from the North line and 1400 feet from the East line of said Section 15 to test all formations from the surface to the base of the Morrow formation.

This application has been set for hearing before a Division Examiner on August 11, 2005, at the Oil Conservation Division's Santa Fe office located at 1220 South Saint Francis Drive, Santa Fe, New Mexico 87505. You are not required to attend this hearing, but as an owner of an interest that may be affected by this application, you may appear and present testimony. Failure to appear at that time and become a party of record will preclude you from challenging the matter at a later date.

Parties appearing in cases are required by Division Rule 1208.B to file a Pre-Hearing Statement with the Division at its Santa Fe Office four days in advance of a scheduled hearing, but in no event later than the Friday preceding the scheduled hearing. This statement must include: the names of the parties and their attorneys; a concise statement of the case; the names of all witnesses the party will call to testify at the hearing; the approximate time the party will need to present its case; and identification of any procedural matters that are to be resolved prior to the hearing.

Very truly yours,


William F. Carr

cc: Mr. Doug Hurlbut
OXY USA WTP Limited Partnership