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June 3, 2005

HAND DELIVERED

Case 13512

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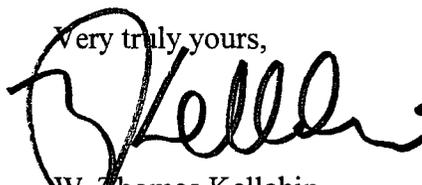
Mr. Mark E. Fesmire, Director
Oil Conservation Division
1220 South Saint Francis Drive
Santa Fe, New Mexico 87505

Re: OPL Horsetail "15" Federal Com. Well No. 1
(Unit G) **API # 30-025-pending**
Dedication: N/2 of Section 15, T18S, R27E
Application of Occidental Permian Limited Partnership
for compulsory pooling,
Eddy County, New Mexico

Dear Mr. Fesmire:

On behalf of Occidental Permian Limited Partnership ("OPL"), please find enclosed our referenced application which we request be set for hearing on the Examiner's docket now scheduled for June 30, 2005. Also enclosed is our proposed advertisement of this case for the NMOCD docket.

Very truly yours,



W. Thomas Kellahin

cc: Occidental Permian Limited Partnership
Attn: Doug Hurlbut

CASE 13512: Application of Occidental Permian Limited Partnership for compulsory pooling, Lea County, New Mexico. Applicant seeks an order pooling all mineral interests from the top of the Wolfcamp formation to the base of the Morrow formation underlying in the following described acreage in Section 15, T18S, R27E, NMPM, Eddy County, New Mexico: the W/2 to form a standard 320-acre gas spacing and proration unit for any production for any and all formations/pools developed on 320-acre spacing within that vertical extent, including but not limited to the Red Lake Atoka-Morrow Gas Pool. This unit is to be dedicated to its OPL Horsetail "15" Federal Com Well No. 1 (**API #30-025-pending**) to be drilled at a standard well location in Unit G of this section. Also to be considered will be the costs of the drilling and completing this well and the allocation of the costs thereof as well as actual operating costs and charges for supervision, designation of the applicant as the operator of the well and, pursuant to Commission Order R-11992, a risk charge of 200% for the risk involved in this well. This unit is located approximately 10-miles Southeast of Artesia, New Mexico.

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

**IN THE MATTER OF THE APPLICATION
OF OCCIDENTAL PERMIAN LIMITED PARTNERSHIP
FOR COMPULSORY POOLING,
EDDY COUNTY, NEW MEXICO.**

CASE NO. *13512*

APPLICATION

Occidental Permian Limited Partnership ("OPL") by its attorneys, Kellahin & Kellahin, and in accordance with Section 70-2-17.C NMSA (1978) seeks an order pooling all mineral interests from the top of the Wolfcamp formation to the base of the Morrow formation underlying in the following described acreage in Section 15, T18S, R27E, NMPM, Eddy County, New Mexico: the W/2 to form a standard 320-acre gas spacing and proration unit for any production for any and all formations/pools developed on 320-acre spacing within that vertical extent, including but not limited to the Red Lake Atoka-Morrow Gas Pool. This unit is to be dedicated to its OPL Horsetail "15" Federal Com Well No. 1 (**API #30-025-pending**) to be drilled at a standard well location in Unit G of this section. Also to be considered will be the costs of the drilling and completing this well and the allocation of the costs thereof as well as actual operating costs and charges for supervision, designation of the applicant as the operator of the well and, pursuant to Commission Order R-11992, a risk charge of 200% for the risk involved in this well.

In support of its application OLP states:

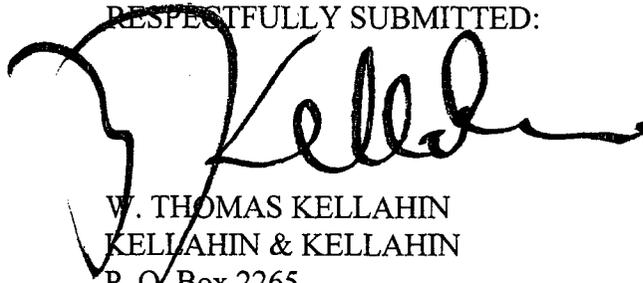
- (1) OPL is a working interest ownership in the oil and gas minerals underlying the NE/4, N/2NW/4 and SW/4NW/4 of Section 15, T18S, R27E, NMPM, Eddy County, New Mexico.

- (2) On March 30, 2005, OPL sent to all the working interest owners including Anadarko Petroleum Corporation its written well proposal, including an AFE, for its Horsetail "15" Federal Com Well No. 1 to be drilled at a standard well location in Unit G of Section 3, T18S, R34E, Lea County, New Mexico and dedicated to a standard 320-acre gas spacing unit consisting of the N/2 of this section.
- (3) On May 31, 2005, OPL filed its application for permit to drill ("APD") with the Bureau of Land Management.
- (4) Despite reasonable efforts, OPL has been unable to reach a voluntary agreement with Anadarko Petroleum Corporation
- (5) Pursuant to Commission Order R-11992, effective August 15, 2003, OPL requests that the 200% risk charge be applied.
- (6) This spacing unit is within 1 mile of the Red Lake Atoka-Morrow Gas Pool and subject, among other things, to Division Rule 104 providing for standard 320-acre spacing unit.
- (7) Pursuant to Section 70-2-17.C NMSA (1978) and in order to obtain its just and equitable share of potential production underlying this spacing unit, OPL needs an order of the Division pooling the identified and described mineral interests involved in order to protect correlative rights and prevent waste.
- (8) In accordance with the Division's notice requirements, a copy of this application has been sent to the parties whose interest is to be pooled as listed on Exhibit "A" notifying each of this case and of the applicant's request for a hearing of this matter before the Division on the next available Examiner's docket now scheduled for June 30, 2005.

WHEREFORE, OPL, as applicant, requests that this application be set for hearing on June 30, 2005 before the Division's duly appointed examiner, and that after notice and hearing as required by law, the Division enter its order pooling the mineral interest described in the appropriate spacing unit for this well at a standard well location upon terms and conditions which include:

- (1) Occidental Permian Limited Partnership be named operator.
- (2) Provisions for applicant and all working interest owners to participate in the costs of drilling, completing, equipping and operating the well;
- (3) In the event a mineral interest or working interest owner fails to elect to participate, then provision be made to recover out of production, the costs of the drilling, completing, equipping and operating the well, including a risk factor penalty of 200%.
- (4) Provision for overhead rates per month drilling and per month operating and a provision providing for an adjustment method of the overhead rates as provided by COPAS;
- (5) For such other and further relief as may be proper.

RESPECTFULLY SUBMITTED:



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EXHIBIT "A"

By Federal Express to:

Anadarko Petroleum Corporation
1201 Lake Robbins Drive
The Woodlands, Texas 77380-1160
Attn: James O'Malley
832-636-3038