

**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 A  
NON-STANDARD SPACING AND PRORATION  
UNIT AND COMPULSORY POOLING,  
EDDY COUNTY, NEW MEXICO.**

CASE NO. 15009

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**APPLICATION**

OXY USA WTP LIMITED PARTNERSHIP (“OXY”) through its undersigned attorneys, hereby makes application to the Oil Conservation Division pursuant to the provisions of N.M. Stat. Ann. § 70-2-17, for an order (1) creating a non-standard 160-acre spacing and proration unit comprised of the S/2 S/2 of Section 5, Township 23 South, Range 28 East, NMPM, Eddy County, New Mexico; and (2) pooling the mineral estate in the Bone Spring formation, Undesignated Culebra Bluff, South Bone Spring Pool, underlying this acreage. In support of its application, OXY states:

1. OXY (OGRID No. 192463) is a working interest owner in the S/2 of Section 5 and has the right to drill thereon.
2. OXY proposes to dedicate the above-referenced spacing and proration unit as the project area for its **Swearingen A Fee Com 3H Well** (API No. 3001540071), which has been horizontally drilled from a surface location in the SE/4 SE/4 (Unit P) to a standard bottom hole location in the SW/4 SW/4 (Unit M) of Section 5. The completed interval for this well is within the 330-foot standard offset required by the Division’s rules.

3. OXY has sought and been unable to obtain voluntary agreement for the development of these lands from all of the royalty interest owners in the subject spacing unit.

4. The pooling of these interests will prevent waste and will protect correlative rights.

5. In order to permit OXY to obtain its just and fair share of the oil and gas underlying the subject lands, the mineral estate in this non-standard spacing unit should be pooled and OXY should be designated the operator of this proposed horizontal well and spacing unit.

WHEREFORE, OXY requests that this application be set for hearing before an Examiner of the Oil Conservation Division on June 27, 2013, and, after notice and hearing as required by law, the Division enter an order:

- A. Creating a non-standard spacing and proration unit in the Bone Spring formation comprised of the S/2 S/2 of Section 5, Township 23 South, Range 28 East, NMPM;
- B. Pooling the mineral estate in this non-standard spacing and proration unit;  
and
- C. Designating OXY operator of this non-standard spacing unit and the horizontal well to be drilled thereon.

Respectfully submitted,

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**ATTORNEYS FOR OXY USA WTP LIMITED  
PARTNERSHIP**

CASE 15009:

**Application of OXY USA WTP Limited Partnership for a non-standard spacing and proration unit and compulsory pooling, Eddy County, New Mexico.** Applicant in the above-styled cause seeks an order (1) creating a non-standard, 160-acre spacing and proration unit comprised of the S/2 S/2 of Section 5, Township 23 South, Range 28 East, NMPM, Eddy County, and (2) pooling the mineral estate in the Bone Spring formation (Culebra Bluff, Bone Spring South Pool) underlying this acreage. Said non-standard unit will be dedicated to applicant's **Swearingen A Fee Com 3H Well**, (API No. 3001540071) which has been horizontally drilled from a surface location in the SE/4 SE/4 (Unit P) to a standard bottom hole location in the SW/4 SW/4 (Unit M) of Section 5. The completed interval for this well is within the 330-foot standard offset required by the rules. Said area is located approximately two (2) miles North of Loving, New Mexico.