

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

**IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
DIVISION FOR THE PURPOSE OF
CONSIDERING:**

**CASE NO. 15781 (Re-Opened)
ORDER NO. R-14472-A**

**APPLICATION OF OXY USA WTP LIMITED PARTNERSHIP TO RE-OPEN
CASE NO. 15781 TO POOL RECORD TITLE OWNERS UNDER THE TERMS OF
COMPULSORY POOLING ORDER NO. R-14472, EDDY COUNTY, NEW
MEXICO**

ORDER OF THE DIVISION

BY THE DIVISION:

This case came on for hearing at 8:15 a.m. on December 21, 2017 before Examiner Scott A. Dawson.

NOW, on this 2nd day of February, 2018, the Division Director, having considered the testimony, the record and the recommendations of the Examiner;

FINDS THAT:

(1) Due public notice has been given, and the Division has jurisdiction of this case and of the subject matter.

(2) Cases No. 15780 and 15781 were consolidated at the hearing for the purpose of testimony; however, a separate order will be issued for each case.

(3) In original Order No. R-14472, issued in Case No. 15781 on October 5, 2017, the Division, pursuant to the application of OXY USA WTP Limited Partnership ("Applicant" or "OXY") approved a 320-acre non-standard oil spacing and proration unit and project area (the "Unit") for oil and gas production from the Bone Spring formation, Turkey Track; Bone Spring Pool (Pool code: 60660), comprising the S/2 S/2 of Section 9, and the S/2 S/2 of Section 10, all in Township 19 South, Range 29 East, NMPM, Eddy County, New Mexico, and pooled all uncommitted working interests in the Unit for the Bone Spring formation.

(4) The order provided for dedication of the Unit to Applicant's Turkey Track 9 10 State Com Well No. 24H (the "proposed well"; API No. 30-015-44156), a horizontal well to be drilled at a location described therein.

(5) The matter now before the Division is Applicant's motion to re-open this case and amend Order No. R-14472 to pool interests of owners of record title to State of New Mexico oil and gas leases ("the record title owners") who own no working, operating rights, or royalty interest in the Unit.

(6) Applicant appeared at the hearing through counsel and presented land evidence to the effect that the record title owners have failed or refused to sign a communitization agreement as required by the Commissioner of Public Lands, or are deceased, and probate on their estates has not been completed to enable their heirs to sign the communitization agreement.

(7) No other party appeared at the hearing, or otherwise opposed the granting of this application.

The Division concludes that:

(8) Order No. R-11472 should be amended to subject the interests of the record title owners to the compulsory pooling provisions thereof.

(9) The record title owners have not agreed to pool their interests.

(10) Since the record title owners own no working interests, unleased mineral interests or royalty interests in the Unit, Ordering Paragraphs (9) through (17) of Order No. R-11472 should not apply to them.

(11) However, this application should be approved by pooling all uncommitted interests of the record title owners, whatever they may be, in the oil and gas within the Unit.

IT IS THEREFORE ORDERED THAT:

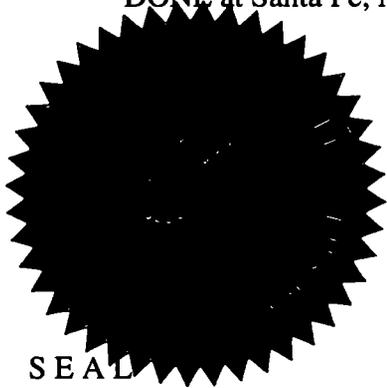
(1) Pursuant to the application of OXY USA WTP Limited Partnership, Order No. R-14472 is hereby amended to pool the interests of record title owners of State of New Mexico leases or their heirs ("record title owners"), within the unit in the Turkey Track; Bone Spring Pool (Pool code 60660), comprising the S/2 S/2 of Section 9, and the S/2 S/2 of Section 10, all in Township 19 South, Range 29 East, NMPM, Eddy County, New Mexico, to the same effect as if such owners had been parties to the original proceeding in this case.

(2) Because the record title owners, as such, own no working interests, unleased mineral interests or royalty interests in the Unit, Ordering Paragraphs (9) through (17) of Order No. R-14472 shall not apply to these parties.

(3) In all other respects, and as to all other parties, Order No. R-14471 shall remain in full force and effect.

(4) Jurisdiction of this case is retained for the entry of such further orders as the Division may deem necessary.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.



STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

HEATHER RILEY
Director