

**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. 13908

**APPLICATION OF OXY USA WTP LIMITED
PARTNERSHIP FOR AUTHORIZATION TO
SIMULTANEOUSLY DEDICATE A STANDARD
SPACING AND PRORATION UNIT IN THE
WOLFCAMP FORMATION TO A
HORIZONTAL WELL AND TWO VERTICAL
WELLS, EDDY COUNTY, NEW MEXICO.**

2007 APR 19 PM 4:07

PRE-HEARING STATEMENT

This Pre-Hearing Statement is submitted by Holland & Hart LLP as required by the Oil Conservation Division.

APPEARANCES OF PARTIES

APPLICANT

OXY Permian
Attn: Elizabeth S. Bush-Ivie
Post Office Box 4294
Houston, TX 77210-4294
(713) 366-5303

ATTORNEY

William F. Carr, Esq.
Holland & Hart LLP
Post Office Box 2297
Santa Fe, New Mexico 87504-2208
(505) 988-4421

STATEMENT OF CASE

Applicant seeks authorization to dedicate a standard 320-acre spacing and proration unit comprised of the S/2 of Section 15, Township 20 South, Range 28 East, NMPM, Eddy

County, New Mexico in the Wolfcamp formation, North Burton Flat-Wolfcamp Gas Pool, to the following three wells:

1. The Government AC Com Well No. 1 (**API No. 30-015-21432**) drilled as a vertical well located 660 feet from the South Line and 1980 feet from the West Line of said Section 15;
2. The Government AA Com Well No. 2 (**API No. 30-015-33283**) that has been drilled as a dual lateral horizontal wellbore (directional well) from a surface location 190 feet from the North line and 350 feet from the West line of Section 23 to a bottom hole location 675 feet from the North Line and 261 feet from the East Line of Section 15 and a second lateral with a bottom hole location 678 feet from the South Line and 237 feet from the West line of Section 23; and
3. The Government AC Com Well No. 4 (**API No. 30-015-32655**) drilled as a vertical well located 660 feet from the South and East Lines of Section 15.

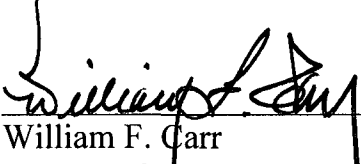
PROPOSED EVIDENCE

APPLICANT

WITNESSES (Name and Expertise)	ESTIMATED TIME	EXHIBITS
Elizabeth Bush-Ivie (Land)	Approx. 10 Minutes	Approx. 4
David Lofton (Reservoir Engineer)	Approx. 15 Minutes	Approx. 6

PROCEDURAL MATTERS

OXY USA WTP Limited Partnership has none at this time.



William F. Carr
Attorney for OXY USA WTP Limited Partnership