

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

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MAR 1 2004

Oil Conservation Division
1220 S. St. Francis Drive
Santa Fe, NM 87505

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

CASE NO. 13226

**APPLICATION OF OXY USA WTP LIMITED
PARTNERSHIP FOR RESCISSION OF THE
APPROVAL OF AN APPLICATION FOR PERMIT
TO DRILL AND FOR COMPULSORY POOLING,
EDDY COUNTY, NEW MEXICO.**

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 USA WTP Limited Partnership
Attn: Richard E. Foppiano, P.E.
Post Office Box 4294
Houston, Texas 77210-4294
(281) 552-1303

ATTORNEY

William F. Carr, Esq.
Holland & Hart LLP
Post Office Box 2208
Santa Fe, New Mexico 87504
(505) 988.4421

STATEMENT OF CASE

APPLICANT

Applicant in the above-styled cause seeks rescission of the Division's prior approval of an Application for Permit to Drill covering the W/2 of Section 15, Township 22 South,

Range 27 East, NMPM, Eddy County, New Mexico and an order pooling all mineral interests in the W/2 of said Section 15 in all formations and/or pools in developed on 320-acre spacing and proration units which includes but is not necessarily limited to the Undesignated South Carlsbad-Morrow Gas Pool. Applicant proposes to dedicate the pooled units to its Redemption Well No. 1 to be drilled at a standard gas well location 660 feet from the South and West lines of said Section 15. 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 applicant as operator of the well and a charge for risk involved in drilling said well. Said area is located approximately 2 miles east of Carlsbad, New Mexico.

PROPOSED EVIDENCE

APPLICANT

WITNESSES (Name and Expertise)	ESTIMATED TIME	EXHIBITS
Doug Hurlbutt (Landman)	Approx. 15 Minutes	Approx. 4
Robert L. Doty (Geologist)	Approx. 20 Minutes	Approx. 10
Rick Foppiano (Regulatory)	Approx. __ Minutes	Approx. __
_____ (Engineer)	Approx. __ Minutes	Approx. __

PROCEDURAL MATTERS

OXY USA WTP Limited Partnership has filed a Motion seeking a Stay of a Drilling Permit.



William F. Carr

Attorney for OXY USA WTP Limited Partnership

CERTIFICATE OF SERVICE

I hereby certify that on this 1st day of March 2004, I have caused to be fax-delivered a copy of our Entry of Appearance in the above-captioned case to the following named parties:

James Bruce, Esq.
P. O. Box 1056
Santa Fe, NM 87504-1056
Facsimile No. 982-2151



William F. Carr
Attorney for OXY USA WTP Limited
Partnership

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:

APPLICATION OF OXY USA WTP LIMITED
PARTNERSHIP FOR RESCISSION OF THE
APPROVAL OF AN APPLICATION FOR PERMIT
TO DRILL, AND FOR COMPULSORY POOLING,
EDDY COUNTY, NEW MEXICO.

Case No. 13,226

PRE-HEARING STATEMENT

This pre-hearing statement is submitted by Tom Brown, Inc. as required by the Oil Conservation Division.

APPEARANCES

APPLICANT
OXY USA WTP Limited Partnership

APPLICANT'S ATTORNEY
William F. Carr

OPPONENT
Tom Brown, Inc.
P.O. Box 2608
Midland, Texas 79702

OPPONENT'S ATTORNEY
James Bruce
Post Office Box 1056
Santa Fe, New Mexico 87504
(505) 982-2043

Attention: Brent Robertson
(432) 688-9640

STATEMENT OF THE CASE

APPLICANT
This case involves Section 15, Township 22 South, Range 27 East, NMPM, and the formation of a 320-acre gas spacing and proration unit for certain formations and/or pools developed on 320-acres within that vertical extent.

Applicant seeks an order canceling an APD legally issued to Tom Brown, Inc. for a well unit covering the S $\frac{1}{2}$ of Section 15, so that applicant may form a well unit covering the W $\frac{1}{2}$ of Section 15.

OPPONENT
Tom Brown, Inc. owns 100% of the working interest in the S $\frac{1}{2}$ of Section 15 as to all formations below the base of the Wolfcamp formation. Therefore, it has the right to drill a well in the S $\frac{1}{2}$ of Section 15 to test the Morrow formation. Pursuant to plans developed in 2003, Tom Brown, Inc. applied for and received an APD covering the S $\frac{1}{2}$ of Section 15 for a Morrow test well. Tom Brown, Inc. has commenced building location and intends to drill its well.

As a result, absent any other compelling evidence, the application of OXY USA WTP Limited Partnership must be denied.

PROPOSED EVIDENCE

APPLICANT

<u>WITNESSES</u>	<u>EST. TIME</u>	<u>EXHIBITS</u>
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OPPONENT

<u>WITNESSES</u>	<u>EST. TIME</u>	<u>EXHIBITS</u>
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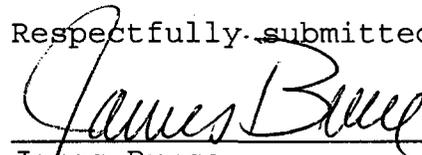
Brent Robertson (landman)	30 min.	Approx. 6
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_____ (geologist)	10 min.	Approx. 3
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PROCEDURAL MATTERS

OXY USA WTP Limited Partnership has filed a motion for stay of the APD issued to Tom Brown, Inc.

Respectfully submitted,



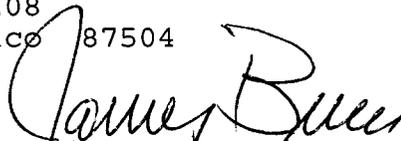
James Bruce
Post Office Box 1056
Santa Fe, New Mexico 87504
(505) 982-2043

Attorney for Tom Brown, Inc.

CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing pleading was served upon the following counsel of record by hand delivery this 21st day of February, 2004:

William F. Carr
Holland & Hart LLP
Post Office Box 2208
Santa Fe, New Mexico 87504



James Bruce