

**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. 15534

**APPLICATION OF OXY USA WTP LIMITED
PARTNERSHIP FOR COMPULSORY POOLING,
EDDY COUNTY, NEW MEXICO.**

2005 AUG 3 PM 2 36

WV 8/4/05

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 Inc.
Attn: Doug Hurlbutt
Post Office Box 50250
Midland, Texas 79710
(432) 685-5729

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 an order pooling all mineral interests in all formations from the surface to the base of the Morrow formation in the following described acreage in Section 15, Township 19 South, Range 27 East, NMPM: the E/2 to form a standard 320-acre spacing and proration unit for all formations developed on a 320-acre spacing within that vertical extent which includes but is not necessarily limited to the Angell

Ranch Atoka-Morrow Gas Pool; and the NE/4 to form a standard spacing and proration unit for all formations developed on 160-acre spacing within that vertical extent. OXY proposes to dedicate the above-referenced spacing or proration unit to its Fat Cactus Federal Well No. 1 to be drilled at a standard gas well location 660 feet from the North line and 1400 feet from the East line (Unit B) of said Section 15, to an approximate depth of 10,650 feet to test any and all formations from the surface to the base of the Morrow formation. 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 OXY USA WTP Limited Partnership as operator of the well and a charge for risk involved in drilling said well. Said area is located approximately 12 miles southwest of Artesia, New Mexico.

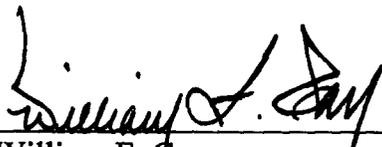
PROPOSED EVIDENCE

APPLICANT

WITNESSES (Name and Expertise)	ESTIMATED TIME	EXHIBITS
David Evans (Land)	Approx. 15 Minutes	Approx. 6

PROCEDURAL MATTERS

OXY USA Inc. has none at this time.



William F. Carr
Attorney for OXY USA Inc.

CERTIFICATE OF SERVICE

I certify that on August 3, 2005 I served a copy of the foregoing document to the following by

- U.S. Mail, postage prepaid
- Hand Delivery
- Fax
- Electronic Service by LexisNexis File & Serve

James Bruce, Esq.
Post Office Box 1056
Santa Fe, NM 87504-1056
(505) 982-2043
(505) 982-2151 (facsimile)

William F. Carr