



2005 JUN 21

William F. Carr  
wcarr@hollandhart.com

June 21, 2005

**HAND DELIVERY**

*Case 13520*

Mark E. Fesmire, P. E.  
Director  
Oil Conservation Division  
New Mexico Department of Energy,  
Minerals and Natural Resources  
1220 South Saint Francis Drive  
Santa Fe, New Mexico 87505

Re: Application of OXY USA Inc. for compulsory pooling, Harding County, New Mexico.

Dear Mr. Fesmire:

Enclosed in triplicate is the Application of OXY USA Inc. in the above-referenced case as well as a copy of the legal advertisement for this case. OXY USA Inc. requests that this matter be placed on the docket for the July 14, 2005 Examiner hearings.

Very truly yours,

William F. Carr

Enclosures

cc: Mr. Rick Foppiano, P. E.  
OXY USA Inc.

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

IN THE MATTER OF THE APPLICATION  
OF OXY USA INC. FOR COMPULSORY  
POOLING, HARDING COUNTY, NEW MEXICO.

CASE NO. 19520

APPLICATION

OXY USA INC., ("OXY") through its undersigned attorneys, hereby makes application pursuant to the provisions of NMSA 1978, §70-2-17, for an order pooling all mineral interests in all formations from the surface to the top of the Precambrian Basement in the following described 640-acre spacing and proration unit comprised of all of Section 19, Township 19 North, Range 33 East, N.M.P.M., Harding County, New Mexico, which includes but is not necessarily limited to the Tubb formation (from the base of the Cimarron Anhydrite to the top of the Granite), in the Bravo Dome Carbon Dioxide Gas Pool. In support of its application, OXY states:

1. OXY is the operator of the Bravo Dome Carbon Dioxide Gas Unit and a working interest owner in said Section 19 and has the right to drill thereon.
2. OXY proposes to dedicate the above-referenced spacing or proration unit to its Bravo Dome Well No. 1933-191G to be drilled at a standard gas well location 1980 feet from the North line and 1718 feet from the East line (Unit G) of said Section 19, to an approximate depth of 2,600 feet to test any and all formations from the surface to the base of the Tubb formation. All of Section 19 will be dedicated to the well pursuant to the provisions of the Special Pool Rules and Regulations for the Bravo Dome 640-acre Area adopted by Division Order No. R-7556 dated June 19, 1984.
3. OXY has sought and been unable to obtain a voluntary agreement for the development of these lands from certain interest owners in the subject spacing unit who are identified on Exhibit A to this application.

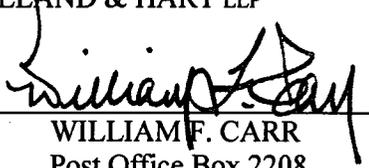
4. Said pooling of interests will avoid the drilling of unnecessary wells, will prevent waste and will protect correlative rights.

5. In order to permit the OXY to obtain its just and fair share of the oil and gas underlying the subject lands, all mineral interests should be pooled, and OXY USA Inc. should be designated the operator of the well to be drilled.

WHEREFORE, OXY USA Inc. requests that this application be set for hearing before an Examiner of the Oil Conservation Division on July 14, 2005 and, after notice and hearing as required by law, the Division enter its order:

- A. pooling all mineral interests in the subject spacing and proration units,
- B. designating OXY USA Inc. operator of this unit and the well to be drilled thereon,
- C. authorizing OXY USA Inc. to recover its costs of drilling, equipping and completing the well,
- D. approving the actual operating charges and costs of supervision while drilling and after completion, together with a provision adjusting the rates pursuant to the COPAS accounting procedures, and
- E. imposing a penalty for the risk assumed by OXY USA Inc. in drilling and completing the well against any working interest owner who does not voluntarily participate in the drilling of the well.

Respectfully submitted,  
HOLLAND & HART LLP

By: 

WILLIAM F. CARR  
Post Office Box 2208  
Santa Fe, New Mexico 87504  
Telephone: (505) 988-4421

ATTORNEYS FOR OXY USA INC.

**EXHIBIT A**

**APPLICATION OF  
OXY USA INC.  
FOR COMPULSORY POOLING  
SECTION 19, TOWNSHIP 19 NORTH, RANGE 33 EAST, N.M.P.M.  
HARDING COUNTY, NEW MEXICO.**

Walter P. Billau  
Post Office Box 608  
Dalhart, Texas 79002

Francis Thomas  
506 Olive  
Lamar, Colorado 81052

Grace L Bayles  
1442 South Clarkson  
Denver, Colorado 80210-2237

Lynn C. Billau  
5248 East Funston  
Wichita, Kansas 67218-4422

**CASE 13520: Application of OXY USA Inc. for compulsory pooling, Harding County, New Mexico.** Applicant in the above-styled cause seeks an order pooling all mineral interests in all formations from the surface to the top of the Precambrian Basement in the following described standard 640-acre spacing and proration unit comprised of all of Section 19, Township 19 North, Range 33 East, N.M.P.M., Harding County, New Mexico, which includes but is not necessarily limited to the Tubb formation (from the base of the Cimarron Anhydrite to the top of the Granite), in the Bravo Dome Carbon Dioxide Gas Pool. OXY proposes to dedicate the above-referenced spacing or proration unit to its Bravo Dome Well No. 1933-191G to be drilled at a standard gas well location 1980 feet from the North line and 1718 feet from the East line (Unit G) of said Section 19, to an approximate depth of 2,600 feet to test any and all formations from the surface to the base of the Tubb 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 Inc. as operator of the well and a charge for risk involved in drilling said well. Said area is located approximately 3 miles northwest of Rosebud, New Mexico.



June 23, 2005

**CERTIFIED MAIL**  
**RETURN RECEIPT REQUESTED**

**ALL AFFECTED INTEREST OWNERS:**

Re: Application of OXY USA Inc. for compulsory pooling, Harding County, New Mexico.

Ladies and Gentlemen:

This letter is to advise you that OXY USA Inc. has filed the enclosed application with the New Mexico Oil Conservation Division seeking the compulsory pooling of the standard 640-acre spacing and proration unit comprised of all of Section 19, Township 19 North, Range 33 East, NMPM, Harding County, New Mexico. Said unit will be dedicated to OXY USA Inc.'s proposed Bravo Dome Well No. 1933-191G which it proposes to drill at a standard gas well location 1980 feet from the North line and 1718 feet from the East line of said Section 19 to test all formations from the surface to the top of the Pecambrian Basement.

This application has been set for hearing before a Division Examiner on July 14, 2005, at the Oil Conservation Division's Santa Fe office located at 1220 South Saint Francis Drive, Santa Fe, New Mexico 87505. You are not required to attend this hearing, but as an owner of an interest that may be affected by this application, you may appear and present testimony. Failure to appear at that time and become a party of record will preclude you from challenging the matter at a later date.

Parties appearing in cases are required by Division Rule 1208.B to file a Pre-Hearing Statement with the Division at its Santa Fe Office four days in advance of a scheduled hearing, but in no event later than the Friday preceding the scheduled hearing. This statement must include: the names of the parties and their attorneys; a concise statement of the case; the names of all witnesses the party will call to testify at the hearing; the approximate time the party will need to present its case; and identification of any procedural matters that are to be resolved prior to the hearing.

Very truly yours,

A handwritten signature in black ink, appearing to read 'William F. Carr', written over a horizontal line.

William F. Carr

cc: Mr. Rick Foppiano, P. E.  
OXY USA Inc.