



March 27, 2007

HAND DELIVERED

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

Case 13908

2007 MAR 27 PM 12 12

Re: Application of OXY USA WPT, 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.

Dear Mr. Fesmire:

Enclosed in triplicate is the Application of OXY USA WT, Limited Partnership, in the above-referenced case as well as a copy of the legal advertisement. OXY USA WTP, Limited Partnership requests that this matter be placed on the docket for the April 26, 2007 Examiner hearings.

Very truly yours,

William F. Carr

Enclosures

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

IN THE MATTER OF THE APPLICATION OF OXY USA WPT, 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.

CASE NO. 3908

APPLICATION

OXY USA WTP, Limited Partnership ("OXY"), through its undersigned attorneys, hereby makes application to the New Mexico Oil Conservation Division for an order authorizing the simultaneous dedication of a horizontal well (directional well) and two vertical wells on standard 320-acre spacing and proration units in the North Burton Flats-Wolfcamp Gas Pool, and in support of this application states:

1. OXY is the operator of a standard gas spacing unit comprised of the S/2 of Section 15, Township 20 South, Range 28 East, NMPM, Eddy County, New Mexico.
2. This spacing unit is dedicated to the Government AC Com Well No. 1 (API No. **30-015-21432**) located 660 feet from the South Line and 1980 feet from the West Line of said Section 15 and completed in the Wolfcamp formation, North Burton Flat-Wolfcamp Gas Pool.
3. The S/2 of Section 15 is also included in the project area for the Government AA Com Well No. 2 (API No. **30-015-33283**) that has been drilled as a dual lateral horizontal wellbore (directional well) in the North Burton Flat-Wolfcamp Gas Pool 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, both in Township 20 South, Range 28 East, NMPM, Eddy County New Mexico.

4. The two wells currently producing from the S/2 of Section 15 (the Government AC Com Well No. 1 and Government AA Com Well No. 2) are not effectively and efficiently draining the Wolfcamp reserves from this spacing unit.

5. OXY also is the operator of the Government AC Com Well No. 4 (**API No. 30-015-32655**), located 660 feet from the South and East Lines (Unit P) of Section 15, Township 20 South, Range 28 East, NMPM, Eddy County, New Mexico. This well was drilled to and has produced from the Morrow formation. Oxy now desires to recomplete this well to the Wolfcamp formation.

6. On recompletion of the Government AC Com Well No. 4 to the Wolfcamp formation, there will be three Wolfcamp wells on the spacing unit comprised of the S/2 of Said Section 15.

7. The simultaneous dedication of the S/2 of Section 15 to the following three wells will afford operators in the pool the opportunity to efficiently produce the Wolfcamp formation under this spacing unit thereby and protecting their correlative rights:

Government AC Com Well No. 1 (**API No. 30-015-21432**)

Government AA Com Well No. 2 (**API No. 30-015-33283**)

Government AC Com Well No. 4 (**API No. 30-015-32655**)

The correlative rights of no other owner in this reservoir will be adversely affected.

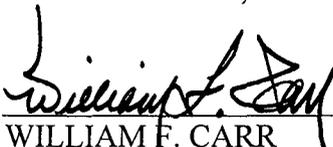
8. The approval of this application will result in the efficient recovery of hydrocarbons from the North Burton Flat-Wolfcamp Gas Pool thereby preventing waste and will otherwise be in the best interest of conservation.

9. Notice of this application has been provided to affected owners in accordance with the rules of the Division.

WHEREFORE, OXY USA WTP, Limited Partnership, requests that this application be set for hearing before an Examiner of the Oil Conservation Division on April 26, 2007, and, after notice and hearing as required by law, the Division enter its order granting this application.

Respectfully submitted,

HOLLAND & HART, LLP

By: 

WILLIAM F. CARR

Post Office Box 2208

Santa Fe, New Mexico 87504-2208

ATTORNEYS FOR OXY USA WTP,
LIMITED PARTNERSHIP

CASE 13908: **Application of OXY USA WPT, 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.** Applicant seeks authorization to dedicate a standard 320-acre spacing and proration unit comprised of the 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.

This acreage is located approximately 10 miles northeast of Carlsbad, New Mexico.