

**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. 11458

**RECEIVED**

APPLICATION OF OXY USA INC. FOR  
AN UNORTHODOX GAS WELL LOCATION,  
EDDY COUNTY, NEW MEXICO.

FEB 5 1996

Oil Conservation Division

**PRE-HEARING STATEMENT**

This pre-hearing statement is submitted by OXY USA INC. as required by the Oil Conservation Division.

**APPEARANCE OF PARTIES**

**APPLICANT**

**ATTORNEY**

Oxy USA Inc.  
P. O. Box 50250  
Midland, Texas 79710  
Attn: Richard E. Foppiano  
(915) 685-5913

W. Thomas Kellahin  
KELLAHIN AND KELLAHIN  
P.O. Box 2265  
Santa Fe, NM 87504  
(505) 982-4285

**STATEMENT OF CASE**

**APPLICANT**

Oxy proposes to drill its Oxy 33 Federal Well No. 1 at an unorthodox gas well location 660 feet FEL and 510 feet FSL of Section 33, T19S, R28E to test for production from the surface to the base of the Morrow formation including but not limited to the Old Millman Ranch-Bone Springs Associated Pool which provides for 40-acre oil and 80-acre gas spacing and proration units and the North Burton Flat-Wolfcamp Gas Pool, the Winchester-Morrow Gas Pool, the Winchester-Strawn Gas Pool and the Angell Ranch Atoka-Morrow Gas Pool which provide for 320 acre gas spacing and proration units.

The location is the optimum location at which to test for Bone Springs production within the spacing unit.

All of the potential gas productive formations below the top of the Wolfcamp are very risky and cannot be justified by drilling a separate well at a standard "deep gas" well location. However, that risk can be justified if this proposed Bone Springs well is drilled to those deeper formations.

The well will be located at a standard well location for any oil production and for gas production from the Bone Springs formation but will be at an unorthodox gas well location for any production below the top of the Wolfcamp formation.

**PROPOSED EVIDENCE**

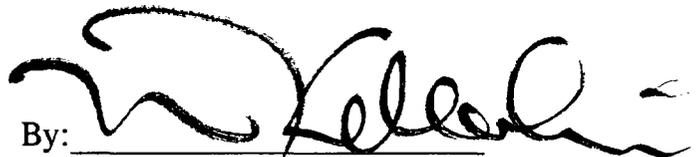
APPLICANT

WITNESSES	EST. TIME	EXHIBITS
Bob Doty (geologist)	30 Min	est. 4
Mike Kovarik (PE)	15 Min	est. 3
Richard E. Foppiano (PE)	10 Min	est. 3

**PROCEDURAL MATTERS**

None at this time.

KELLAHIN AND KELLAHIN



By: \_\_\_\_\_  
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