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. 11633

APPLICATION OF INTERCOAST OIL AND GAS COMPANY FOR COMPULSORY POOLING AND AN UNORTHODOX WELL LOCATION, EDDY COUNTY, NEW MEXICO.

MOTION TO DISMISS 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

InterCoast Oil

and Gas Company

P. O. Box 2208

Santa Fe, New Mexico 87504

(505) 988-4421

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INTERESTED PARTY

ATTORNEY

OXY USA INC. Box 50250 Midland, Texas 79710 Attn: Rick Foppiano (915) 68505913 W. Thomas Kellahin KELLAHIN AND KELLAHIN P.O. Box 2265 (505) 982-4285

STATEMENT OF CASE

INTERESTED PARTY

OXY USA INC. is the current operator of the oil and gas minerals underlying the N/2 of Section 16, T20S, R28E, Eddy County, New Mexico, and is an interested party in this matter whose interest cannot be affected by a pooling order in this case.

The Division lacks jurisdiction to enter a compulsory pooling order affecting OXY USA INC. because OXY USA INC. and InterCoast Oil and Gas Company have already had their respective interests in this spacing unit committed to a Joint Operating Agreement designating OXY USA INC. as the operator.

PROPOSED EVIDENCE

INTERESTED PARTY:

WITNESSES EST, TIME EXHIBITS

T. Kent Woolley (landman) 20-30 min. est. 4 exhibits

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PROCEDURAL MATTERS

Motion to dismiss case because this spacing unit is committed to a voluntary contractual agreement thereby precluding the Division from exercising jurisdiction all as set forth in the New Mexico compulsory pooling provision of Section 70-2-17(c) NMSA 1978.

KELLAHIN AND KELLAHIN

W. Thomas Kellahin

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