

**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:**

**NOMENCLATURE  
CASE NO. 12776  
ORDER NO. R-11723**

**APPLICATION OF OXY USA WTP LIMITED PARTNERSHIP FOR POOL  
CREATION, THE PROMULGATION OF SPECIAL POOL RULES, AND A  
DISCOVERY ALLOWABLE, EDDY COUNTY, NEW MEXICO.**

**ORDER OF THE DIVISION**

**BY THE DIVISION:**

This case came on for hearing at 8:15 a.m. on December 6, 2001, at Santa Fe, New Mexico, before Examiner Michael E. Stogner.

NOW, on this 6<sup>th</sup> day of February, 2002, the Division Director, having considered the testimony, the record, and the recommendations of the Examiner,

**FINDS THAT:**

(1) Due public notice has been given, and the Division has jurisdiction of this case and its subject matter.

(2) OXY USA WTP Limited Partnership ("OXY") is the owner and operator of the OXY Engelbert Well No. 1 (**API No. 30-015-31845**), which was drilled in July/August, 2001 to a total depth of 8,900 feet to test the deeper Morrow formation at a standard gas well location 1980 feet from the South line and 660 feet from the East line (Unit I) of Section 15, Township 18 South, Range 25 East, NMPM, Eddy County, New Mexico, within a standard 320-acre lay-down gas spacing unit for the West Atoka-Morrow Gas Pool comprising the S/2 of Section 15.

(3) OXY subsequently completed this well in the shallower Cisco interval of the Upper-Pennsylvanian formations with perforations from approximately 7174 feet to 7194 feet (less 16 feet to compensate for the kelly-bushing), where it tested at approximately 408 BOPD and 545 Mcf of gas per day.

(4) OXY seeks a determination that this well constitutes a "new oil discovery," and in accordance with Division Rule 509, seeks assignment of a discovery allowable for