

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

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**IN THE MATTER OF THE HEARING CALLED
BY THE OIL CONSERVATION DIVISION FOR
THE PURPOSE OF CONSIDERING:**

**APPLICATION OF FORTY ACRES ENERGY, LLC
FOR STATUTORY UNITIZATION, LEA COUNTY,
NEW MEXICO.**

Case No. 15792

**APPLICATION OF FORTY ACRES ENERGY, LLC
FOR APPROVAL OF A SECONDARY RECOVERY
PROJECT AND TO QUALIFY THE PROJECT FOR
THE RECOVERED OIL TAX RATE, LEA COUNTY,
NEW MEXICO.**


Case No. 15793

RESPONSE IN OPPOSITION TO MOTION TO CONTINUE

Applicant Forty Acres Energy, LLC ("Forty Acres") submits this response to the Motion to Continue filed by OXY USA Inc. ("Oxy") and Conoco Phillips Company ("COP").

1. This matter is set for hearing on August 17th.
2. Contrary to the assertions in the motion, Applicant has been in touch with Oxy and COP. Attached hereto as Exhibit A is a letter sent to Oxy in January regarding a working interest owners meeting to discuss unitization (a similar letter was sent to COP). At that meeting, held on February 21st, unitization and the proposed tract participation, was fully discussed.
3. In addition, Applicant's landman had subsequent discussions with employees of both Oxy and COP. Finally, the unit agreement and unit operating agreement were sent to both parties in June. They have had sufficient time to review and comment on the agreements.
4. Applicant requests that the motion be denied.

Respectfully submitted,


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Santa Fe, New Mexico 87504
(505) 982-2043

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Attorney for Forty Acres Energy, LLC


CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing pleading was served upon the following counsel of record this 15th day of August, 2017 by e-mail:

J. Scott Hall
shall@montand.com

Jordan L. Kessler
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Michael Feldewert
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James Bruce

January 11, 2016

Oxy USA, Inc.
5 Greenway Plaza, Suite 110
Houston, TX 77046-0521

Ladies and Gentlemen:

RE: West Eumont Unit
Lea County, New Mexico

You are invited to participate in a working interest owners meeting to discuss the formation of the West Eumont (waterflood) Unit, Lea County, New Mexico. The meeting is scheduled for February 21st, 2017, 2:00PM-3:30PM at the Petroleum Club of Midland, 501 W. Wall St., Midland Texas, 79701.

Included herewith, please find our proposed Unit Agreement and Exhibits and proposed Unit Operating Agreement and Exhibits.

We have attempted to reasonably ascertain the leasehold ownership of the tracts in the unit and your tracts and tract participation factors are displayed on the addendum at the bottom of this letter. All owners in the area recognize that due to the age of these properties it is possible that the owner list and tract participation are subject to adjustment as additional ownership details become available to us.

To insure we have appropriate space, please RSVP your name, company name and approximate number of attendees (and their names if possible) by February 1, 2017 to the undersigned at cfling@primaryfuels.com, and address any questions to the undersigned either by telephone or email.

Very truly yours,
Forty Acres Energy, LLC
Primary Fuels, LLC

Chris Fling

Addendum

Oxy USA, Inc.

According to the public records, it appears your company owns an interest in unit tracts 30, 33, 38, 39, 64 with a total tract participation in the unit of .00896929.

EXHIBIT

A