

**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. 11168

APPLICATION OF OXY USA INC. FOR  
WATERFLOOD EXPANSION AND TO QUALIFY  
SAID EXPANSION FOR THE RECOVERED  
OIL TAX RATE, LEA COUNTY, NEW MEXICO.

**PRE-HEARING STATEMENT**

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

**APPEARANCE OF PARTIES**

**APPLICANT**

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

**ATTORNEY**

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

## STATEMENT OF CASE

### APPLICANT

Oxy USA Inc. ("OXY") is the current operator of the Myers Langlie-Mattix Unit ("Unit") which was approved by Division Order R-4660 issued November 16, 1973 and the Myers Langlie-Mattix Unit Waterflood Project ("Existing EOR Project") which was approved by Division Order R-4680 issued effective November 20, 1973.

At the time of unitization approval by the Division on November 16, 1973, the Unit encompassed 9923.68 acres. Waterflood operations were initiated during the 1970s on 80-acre five-spot injection patterns. Ultimate primary oil recovery from the Unit has been 9,000 MBBL. As of October 31, 1994, total oil production from the Unit was 15,200,000 barrels. The Unit is currently producing at 613 BOPD and 7032 BWPD from 93 active producers. Only 62 injectors are currently active. Approximately 688 MBBL of reserves remain under the current mode of operations.

OXY proposes to utilize changes in technology and the process to be used for displacement of oil for a Project Area consisting of 760 acres, more or wells, as approved by Division Order R-9955-A, issued April 29, 1994, for the OXY USA Inc.'s Skelly Penrose "B" Unit Waterflood Project.

OXY seeks approval to convert 16 producers to injection wells, to utilize plugged injection well (Unit Well No. 134) again for injection for the Waterflood Project and authorization for the necessary changes to convert the waterflood project from 80-acre five spot patterns to 20-acre infill with 40-acre 5-spot patterns. Under the proposed 40-acre five-spot patterns, ultimate secondary oil recovery is estimated at 1600 MBBL.

OXY seeks to expand this 760 acre portion of this Unit by means of a significant change in the process used for the displacement of crude oil by a 20-acre infill drilling, reworking, establishment of water injection and initiation of 40-acre, 5-spot patterns for the Unit. The estimated amount of recoverable oil attributable to a Positive Production Response from the Expanded Use of enhanced oil recovery technology for a portion of this existing EOR Project is 1,600,000 barrels of additional oil.

**PROPOSED EVIDENCE**


APPLICANT

WITNESSES	EST. TIME	EXHIBITS
Scott Gengler (P.E.)	45-60 Min.	14 exhibits

**PROCEDURAL MATTERS**

None applicable at this time.

KELLAHIN AND KELLAHIN

By: 

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