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RECOGNIZED SPECIALIST IN THE AREA OF
NATURAL RESOURCES-OIL AND GAS LAW

JASON KELLAHIN (RETIRED 1991)

March 7, 2001

Hand Delivered

Ms. Lori Wrotenbery, Director
Oil Conservation Division
1202 South St. Francis Drive
Santa Fe, New Mexico 87504

**Re: OXY's Limousine Federal Com Well No. 1
W/2 Section 15, T20S, R25E
Application of OXY USA INC.
for compulsory pooling
Eddy County, New Mexico**

Case 12631

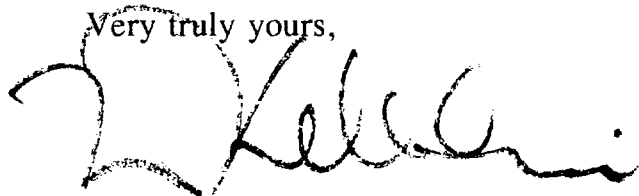
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OIL CONSERVATION DIV

Dear Ms. Wrotenbery:

On behalf of OXY USA WTP Limited Partnership, please find enclosed our referenced application which we request be set for hearing on the Examiner's docket now scheduled for April 5, 2001. Also enclosed is our proposed advertisement of this case for the NMOCD docket.

Very truly yours,



W. Thomas Kellahin

cc: OXY USA WTP Limited Partnership
Attn: Richard E. Foppiano
Doug Hurlbut

CASE 12631: Application of OXY USA WTP Limited Partnership, Eddy County, New Mexico. Applicant seeks an order pooling all mineral interests from the surface to the base of the Morrow formation underlying the W/2 of Section 15, T20S, R25E, NMPM, Eddy County, New Mexico to form a standard 320-acre spacing and proration unit for any and all formations and/or pools developed on 320-acre gas spacing within said vertical extent, which presently may include but is not necessarily limited to the Cemetery-Morrow Gas Pool, the Dagger Draw-Strawn Gas Pool, or the North Cemetery-Wolfcamp Gas Pool. The unit is to be dedicated to OXY's Limousine Federal Com Well No. 1 to be drilled and completed at a standard gas well location in Unit E of this section. Also to be considered will be the costs of drilling and completing this well and the allocation of the costs thereof as well as actual operating costs and charges for supervision, designation of the applicant as the operator of the well and a charge for risk involved in this well. This unit is located approximately 3 miles east of Seven Rivers, New Mexico.

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

IN THE MATTER OF THE APPLICATION
OF OXY USA WTP LIMITED PARTNERSHIP
FOR COMPULSORY POOLING
EDDY COUNTY, NEW MEXICO.

CASE NO. 12631

A P P L I C A T I O N

Comes now OXY USA WTP Limited Partnership, by its attorneys, Kellahin & Kellahin and, in accordance with NMSA 1978, Section 70-2-17(c), applies to the New Mexico Oil Conservation Division for an order pooling all mineral interests from the surface to the base of the Morrow formation underlying the underlying the W/2 of Section 15, T20S, R25E, NMPM, Eddy County, New Mexico to form a standard 320-acre spacing and proration unit for any and all formations and/or pools developed on 320-acre gas spacing within said vertical extent, which presently may include but is not necessarily limited to the Cemetery-Morrow Gas Pool, the Dagger Draw-Strawn Gas Pool, or the North Cemetery-Wolfcamp Gas Pool. The unit is to be dedicated to OXY's Limousine Federal Com Well No. 1 to be drilled and completed at a standard gas well location in Unit E of this section. Also to be considered will be the costs of drilling and completing this well and the allocation of the costs thereof as well as actual operating costs and charges for supervision, designation of the applicant as the operator of the well and a charge for risk involved in this well.

In support of its application, OXY USA INC., ("OXY") states:

1. OXY has a working interest ownership in the oil and gas minerals from the surface to the base of the Morrow formation underlying a portion of the W/2 of Section 15, T20S, R25E, NMPM, Eddy County, New Mexico.
2. OXY has proposed a well to be drilled at a standard gas well location in Unit E of this Section and the dedication of the well to an appropriate spacing unit.
3. Despite its good faith efforts, OXY has been unable to obtain a written voluntary agreement from those remaining working interest owners or unleased mineral owners listed on Exhibit "A."

4. Pursuant to Section 70-2-17(c) NMSA (1978) and in order to obtain its just and equitable share of potential production underlying this spacing unit, OXY needs an order of the Division pooling the identified and described mineral interests involved in order to protect correlative rights and prevent waste.

5. In accordance with the Division's notice requirements, a copy of this application has been sent to the parties whose interest is to be pooled as listed on Exhibit "A" notifying each of this case and of the applicant's request for a hearing of this matter before the Division on the next available Examiner's docket now scheduled for April 5, 2001.

WHEREFORE, OXY, as applicant, requests that this application be set for hearing on April 5, 2001 before the Division's duly appointed examiner, and that after notice and hearing as required by law, the Division enter its order pooling the mineral interests described in the appropriate spacing unit for the drilling of the this gas well location upon terms and conditions which include:

- (1) OXY USA WTP Limited Partnership be named operator;
- (2) Provisions for applicant and all working interest and unleased mineral owners to participate in the costs of drilling, completing, equipping and operating the well;
- (3) In the event a working interest or unleased mineral interest owner fails to elect to participate, then provision be made to recover out of production, the costs of the drilling, completing, equipping and operating the well, including a risk factor penalty of 200 %;
- (4) Provision for overhead rates per month drilling and per month operating and a provision providing for an adjustment method of the overhead rates as provided by COPAS;
- (5) For such other and further relief as may be proper.

RESPECTFULLY SUBMITTED:



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OXY Limousine Fed Com #1
Addressee List

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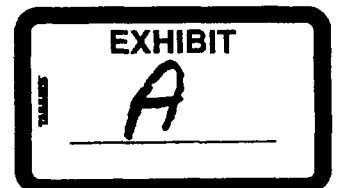
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Ross, deceased
Address Unknown

Heirs and devisees of Evelyn
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Heirs and devisees of Leola
Needham Watson deceased
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Ella June Harris
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