

HOLLAND & HART^{LLP}
ATTORNEYS AT LAW

DENVER • ASPEN
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CHEYENNE • JACKSON HOLE
SALT LAKE CITY • SANTA FE
WASHINGTON, D.C.

P.O. BOX 2208
SANTA FE, NEW MEXICO 87504-2208
110 NORTH GUADALUPE, SUITE 1
SANTA FE, NEW MEXICO 87501-6525

TELEPHONE (505) 988-4421
FACSIMILE (505) 983-6043

William F. Carr

wcarr@hollandhart.com

February 18, 2003

HAND-DELIVERED

Lori Wrotenbery, Director
Oil Conservation Division
New Mexico Energy, Minerals &
Natural Resources Department
1220 South St. Francis Drive
Santa Fe, New Mexico 87505

RECEIVED

FEB 18 2003

Oil Conservation Division

Case 13017

Re: Application of OXY USA WTP, Limited Partnership for compulsory pooling, Lea County, New Mexico.

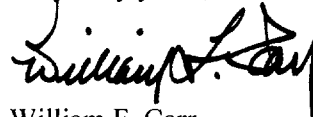
Dear Ms. Wrotenbery:

Enclosed in triplicate is an Application of OXY USA WTP Limited Partnership in the above-referenced case as well as a copy of a legal advertisement. OXY respectfully requests that this matter be placed on the docket for the March 13, 2003 Examiner hearings.

OXY anticipates no opposition to this application and therefore requests that no testimony be required to support the assessment of a 200% risk penalty against any interest not voluntarily committed to this well. As the Division is aware, (1) there is no provision in the Oil and Gas Act or the rules promulgated thereunder that requires this evidence, (2) a 200% risk charge is less than the standard charge authorized by virtually all Joint Operating Agreements, and (3) the Division's Compulsory Pooling Work Group is currently formulating a recommendation to formally eliminate the need for this type of testimony in most compulsory pooling cases. Granting this request will enable OXY to present its case without a technical presentation on the risk issue. This testimony would be costly and unnecessary and should not be required.

Your attention to this request is appreciated.

Very truly yours,



William F. Carr
Attorney for OXY USA WTP Limited
Partnership

Enclosures

cc: David K. Brooks, Esq.
Mr. Rick Foppiano

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

RECEIVED

FEB 18 2003

Oil Conservation Division

Case 13017

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

APPLICATION

OXY USA WTP Limited Partnership ("OXY"), through its undersigned attorneys, hereby makes application pursuant to the provisions of N.M.Stat.Ann.§70-2-17, (1978), for an order pooling all mineral interests in all formations in the following described spacing and proration units located in Section 8, Township 22 South, Range 38 East, NMPM, Lea County, New Mexico: the N/2 for all formations and/or pools developed on 320-acre spacing; the NE/4 for all formations and/or pools developed on 160-acre spacing which includes but is not limited to the Undesignated Tubb Oil and Gas Pool; and the SW/4 NE/4 for all formations and/or pools developed on 40-acre spacing which includes but is not necessarily limited to the Undesignated Wantz-Granite Wash Pool, Undesignated South Brunson Drinkard-Abo Pool, Undesignated Tubb Oil and Gas Pool, Undesignated Blinebry Oil and Gas Pool and Undesignated Paddock Pool, and in support of its application states:

1. OXY is a working interest owner in the N/2 of Section 8, Township 22 South, Range 38 East, NMPM, on which it proposes to drill its Brabant Well No. 1 at a

standard oil and gas well location 1980 feet from the North and East lines of the section to an approximate total depth of 10,500 feet to test any and all formations from the surface through the base of the Ellenberger formation.

2. OXY has sought and been unable to obtain a voluntary agreement for the development of this acreage from the owners of interest, including the owners of unleased mineral interests, in the N/2 of Section 8 identified on Exhibit A to this application to whom notice of this application will be provided in accordance with the rules of the Division.

3. Said pooling of interests will avoid the drilling of unnecessary wells, will prevent waste and will protect correlative rights.

4. In order to permit OXY to obtain its just and fair share of the oil and gas underlying the subject lands, all mineral interests should be pooled, and OXY should be designated the operator of the well.

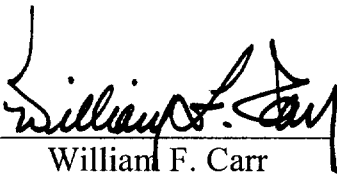
WHEREFORE, OXY USA WTP Limited Partnership requests that this application be set for hearing before an Examiner of the Oil Conservation Division on March 13, 2003, and, after notice and hearing as required by law, the Division enter its order:

- A. pooling all mineral interests in the subject spacing and proration units,
- B. designating OXY USA WTP Limited Partnership operator of the unit and the well to be drilled thereon,

- C. authorizing OXY to recover its costs of drilling, equipping and completing the well,
- D. approving the actual operating charges and costs of supervision while drilling and after completion, together with a provision adjusting the rates pursuant to the COPAS accounting procedures, and
- E. imposing a 200% penalty for the risk assumed by OXY in drilling and completing the well against any working interest owner and any unleased mineral interest owners who does not voluntarily participate in the well.

Respectfully submitted,

HOLLAND & HART LLP

By: 

William F. Carr
Post Office Box 2208
Santa Fe, New Mexico 87504
Telephone: (505) 988-4421

ATTORNEYS FOR OXY USA WTP LIMITED
PARTNERSHIP

EXHIBIT A

**APPLICATION OF OXY USA WTP LIMITED PARTNERSHIP
FOR COMPULSORY POOLING
LEA COUNTY, NEW MEXICO.**

NOTICE LIST

Lodene A. Garcia
2 Amanda Ct.
Napa, California 94559

Betty Akers
440 CR 232, Space 13
Durango, Colorado 81303

Estate of Alice Dragoo
10000 Miller Circle #13
Oklahoma City, Oklahoma 73132

Ira Dragoo
10000 Miller Circle #13
Oklahoma City, Oklahoma 73132

Drury Tankersley
900 Front Street
Soledad, California 93960

Kathleen Hayes Kavooras
9711 Wheatland Ave
Shadow Hills, California 91040

James S. Hayes, Jr.
Post Office Box 1473
Wainscott, New York 11975

Mary Sue Paddock
2319 West Avenue "L"
San Angelo, Texas 76901

Maecenas Minerals, L.L.P.
Post Office Box 176
Abilene, Texas 79604

Republic Royalty Company
3738 Oak Lawn Ave., Suite 300
Dallas, Texas 75219

The Fasken Foundation
500 W. Texas, Suite 1160
Midland, Texas 79701

Kendy L. Cirbo
1433 E. Glenhaven Drive
Phoenix, Arizona 85048

Jon L. Houston
1445 Bodwell Rd., Apt. 7
Manchester, New Hampshire 03109

Ralph W. Houston
121 Cordelia Drive
Myrtle Creek, Oregon 97457

Estate of William Edward Scarlett
12917 West 92nd Street
Lanexa, Kansas 66215

Elizabeth Scarlett
12917 West 92nd Street
Lanexa, Kansas 66215

Estate of George Price Scarlett
3310 Riviera W Drive
Kelseyville, California 95451

Siew Scarlett Beardsley
3310 Riviera W Drive
Kelseyville, California 95451

Warren Akers/sp
2465 Mustang Drive
Arroyo Grande, CA 93420

Janelle Crabtree/sp
440 CR 232, Space 13
Durango, CO 81303

Mary Lou Davis/sp
5337 E. Highway 79
Milano, TX 76556

Ruth Lorance/sp
3265 Frick Road
Houston, TX 77086

Ellen F. Barnes/sp
2516 Northwest 104th Street
Oklahoma City, Ok 73112

Lori Jean Houston/sp
2335 SW Landers
Roseburg, OR 97470

Brian Thomas Houston/sp
2335 SW Landers
Roseburg, OR 97470

CASE 13017:

Application of OXY USA WTP Limited Partnership for compulsory pooling, Lea County, New Mexico. Applicant in the above-styled cause seeks an order pooling all mineral interests in all formations in the following described spacing and proration units located in Section 8, Township 22 South, Range 38 East, NMPM, Lea County, New Mexico: the N/2 for all formations and/or pools developed on 320-acre spacing; the NE/4 for all formations and/or pools developed on 160-acre spacing which includes the Undesignated Tubb Oil and Gas Pool ; and the SW/4 NE/4 for all formations and/or pools developed on 40-acre spacing which includes but is not necessarily limited to the Undesignated Wantz-Granite Wash Pool, Undesignated South Brunson Drinkard-Abo Pool, Undesignated Tubb Oil and Gas Pool, Undesignated Blinebry Oil and Gas Pool and Undesignated Paddock Pool. Applicant proposes to dedicate the pooled units to its Brabant Well No. 1 to be drilled at a standard gas well location 1980 feet from the North and East lines of said Section 8. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well and a charge for risk involved in drilling said well. Said area is located approximately 6 miles southeast of Eunice, New Mexico.

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William F. Carr

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February 20, 2003

CERTIFIED MAIL -- RETURN RECEIPT REQUESTED

Case 13017

TO: AFFECTED INTEREST OWNERS:

Re: Application of OXY USA WTP Limited Partnership for compulsory pooling, Lea County, New Mexico

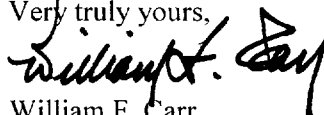
Ladies and Gentlemen:

This letter is to advise you that OXY USA WTP Limited Partnership has filed the enclosed application with the New Mexico Oil Conservation Division seeking the force pooling all mineral interests in all formations in certain spacing and proration units located in Section 8, Township 22 South, Range 38 East, NMPM, Lea County, New Mexico. OXY proposes to dedicate the referenced pooled unit to its Brabant Well No. 1 to be drilled at a standard oil well location 1980 feet from the North and East lines of said Section 8.

This application has been set for hearing before a Division Examiner on March 13, 2003. You are not required to attend this hearing, but as an owner of an interest that may be affected by this application, you may appear and present testimony. Failure to appear at that time and become a party of record will preclude you from challenging the matter at a later date.

Parties appearing in cases are required by Division Rule 1208.B to file a Pre-Hearing Statement at the Santa Fe Office of the Oil Conservation Division three days in advance of a scheduled hearing. This statement must include: the names of the parties and their attorneys; a concise statement of the case; the names of all witnesses the party will call to testify at the hearing; the approximate time the party will need to present its case; and identification of any procedural matters that are to be resolved prior to the hearing. Unless you declare in this Pre-Hearing Statement your intention to oppose the imposition of a 200% risk penalty against any interest not voluntarily committed to this spacing unit, OXY will request that this penalty be imposed by the order that results from this hearing without the presentation of evidence in support thereof.

Very truly yours,



William F. Carr
ATTORNEY FOR OXY USA WTP LIMITED
PARTNERSHIP

Enclosure