

BEFORE THE OIL CONSERVATION DIVISION
NEW MEXICO ENERGY, MINERALS AND
NATURAL RESOURCES DEPARTMENT

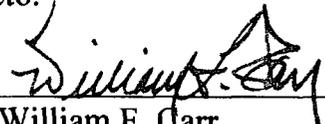
APPLICATION OF OXY USA WTP LIMITED
PARTNERSHIP FOR COMPULSORY POOLING,
LEA COUNTY, NEW MEXICO.

CASE NO. 13774

AFFIDAVIT

STATE OF NEW MEXICO)
) ss.
COUNTY OF SANTA FE)

William F. Carr, attorney in fact and authorized representative of OXY USA WTP Limited Partnership, the Applicant herein, states that notice of the above-referenced Application was mailed to the interested parties shown on Exhibit "A" attached hereto in accordance with Oil Conservation Division Rules, and that true and correct copies of the notice letter and proof of notice are attached hereto.

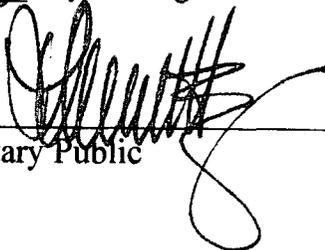


William F. Carr

SUBSCRIBED AND SWORN to before me this 18th day of August 2006.



OFFICIAL SEAL
LISAMARIE ORTIZ
NOTARY PUBLIC-STATE OF NEW MEXICO
My commission expires 01/14/07



Notary Public

My Commission Expires:

January 14, 2007

EXHIBIT A

**APPLICATION OF
OXY USA WTP LIMITED PARTNERSHIP.
FOR COMPULSORY POOLING
N/2 OF SECTION 29, TOWNSHIP 16 SOUTH, RANGE 32 EAST, N.M.P.M.
LEA COUNTY, NEW MEXICO.**

(OXY Bat Hawk State Com Well No. 1)

Pogo Producing Company
Attn :Mr. Terry Gant
P. O. Box 10340
Midland, Texas 79702

Latigo Petroleum Inc.
Attn :Mr. Terry Gant
P. O. Box 10340
Midland, Texas 79702

**U.S. Postal Service
CERTIFIED MAIL RECEIPT**
(Domestic Mail Only - No Insurance Coverage Provided)

OFFICIAL USE

Postage \$ 2.40
 Return Receipt Fee (Endorsement Required) 1.85
 Restricted Delivery Fee (Endorsement Required) 0.87
 Total Postage & Fees \$ 5.12



Sent To Latigo Petroleum Inc.
 Street, Apt. No., or PO Box No. Attn: Mr. Terry Gant
P. O. Box 10340
 City, State, ZIP+4 Midland, TX 79702

PS Form 3811-9999

**U.S. Postal Service
CERTIFIED MAIL RECEIPT**
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OFFICIAL USE

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 Total Postage & Fees \$ 5.12



Sent To Pogo Producing Company
 Street, Apt. No. or PO Box No. Attn: Mr. Terry Gant
P. O. Box 10340
 City, State, ZIP Midland, TX 79702

PS Form 3811-9999

SENDER: COMPLETE THIS SECTION

Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
 Print your name and address on the reverse so that we can return the card to you.
 Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Latigo Petroleum Inc.
Attn: Mr. Terry Gant
P. O. Box 10340
Midland, TX 79702

2. Article Number (Copy fro

700J JJ40 0002 9559 0004

PS Form 3811, July 1999

Domestic Return Receipt

102595-00-M-0952

COMPLETE THIS SECTION ON DELIVERY

A. Received by (Please Print Clearly) Bill B. Date of Delivery 8/2/99

C. Signature Bill

Agent
 Addressee

D. Is delivery different from item 1? Yes
 If YES, enter delivery address below: No

3. Service Type

Certified Mail Express Mail
 Registered Return Receipt for Merchandise
 Insured Mail C.O.D.

4. Restricted Delivery? (Extra Fee) Yes

SENDER: COMPLETE THIS SECTION

Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
 Print your name and address on the reverse so that we can return the card to you.
 Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Pogo Producing Company
Attn: Mr. Terry Gant
P. O. Box 10340
Midland, TX 79702

2. Article Number (Copy fro

700J JJ40 0002 9558 9992

PS Form 3811, July 1999

Domestic Return Receipt

102595-00-M-0952

COMPLETE THIS SECTION ON DELIVERY

A. Received by (Please Print Clearly) Bill B. Date of Delivery 8/2/99

C. Signature Bill

Agent
 Addressee

D. Is delivery different from item 1? Yes
 If YES, enter delivery address below: No

3. Service Type

Certified Mail Express Mail
 Registered Return Receipt for Merchandise
 Insured Mail C.O.D.

4. Restricted Delivery? (Extra Fee) Yes



August 17, 2006

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

ALL AFFECTED INTEREST OWNERS

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

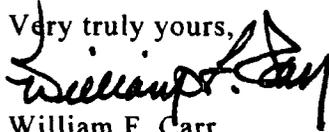
Ladies and Gentlemen:

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 compulsory pooling of certain spacing and proration units in the N/2 of Section 29, Township 16 South, Range 32 East, NMPM, Lea County, New Mexico. Said units will be dedicated to OXY USA WTP Limited Partnership's Bat Hawk State Com Well No. 1 to be drilled at a standard gas well location 1650 feet from the North line and 1980 feet from the West line (Unit F) of said Section 29 to an approximate depth of 13,000 feet to test all formations from the surface to the base of the Morrow formation.

This application has been set for hearing before a Division Examiner on September 14, 2006. 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 with the Oil Conservation Division's Santa Fe office located at 1220 South Saint Francis Drive, Santa Fe, New Mexico 87505, four days in advance of a scheduled hearing, but at least on the Thursday preceding the 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.

Very truly yours,



William F. Carr

ATTORNEY FOR OXY USA WTP LIMITED PARTNERSHIP

cc: Mr. David Evans

Holland & Hart LLP

Phone [505] 988-4421 Fax [505] 983-6043 www.hollandhart.com

110 North Guadalupe Suite 1 Santa Fe, NM 87501 Mailing Address P.O. Box 2208 Santa Fe, NM 87504-2208

Aspen Billings Boise Boulder Cheyenne Colorado Springs Denver Denver Tech Center Jackson Hole Salt Lake City Santa Fe Washington, D.C. ☺

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

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

CASE NO. _____

APPLICATION

OXY USA WTP Limited Partnership, ("OXY") through its undersigned attorneys, hereby makes application pursuant to the provisions of NMSA 1978, §70-2-17, for an order pooling all mineral interests in all formations from the surface to the base of the Morrow formation in the following described spacing and proration units located in the N/2 of Section 29, Township 16 South, Range 32 East, N.M.P.M., Lea County, New Mexico: the N/2 for all formations and/or pools developed on 320-acre spacing; the NW/4 for all formations and/or pools developed on 160-acre spacing, and the E/2 NW/4 for all formations and/pools developed on 80-acre spacing, and in support of its application states:

1. OXY USA WTP Limited Partnership is a working interest owner in the N/2 of said Section 29 and has the right to drill thereon.
2. OXY proposes to dedicate the above-referenced spacing or proration units to its Oxy Bat Hawk State Com Well No. 1 to be drilled as a wildcat well at a standard gas well location 1650 feet from the North line and 1980 feet from the West line (Unit F) of said Section 29, to an approximate depth of 13,000 feet to test any and all formations from the surface to the base of the Morrow formation.
3. OXY has sought and been unable to obtain a voluntary agreement for the development of these lands from certain interest owners in the subject spacing units who are identified on Exhibit A to this application.
4. Said pooling of interests will avoid the drilling of unnecessary wells, will prevent waste and will protect correlative rights.
5. 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 USA WTP Limited Partnership should be designated the operator of the well to be drilled.

WHEREFORE, OXY USA WTP Limited Partnership requests that this application be set for hearing before an Examiner of the Oil Conservation Division on September 14, 2006 and, after notice and hearing as required by law, the Division enter its order:

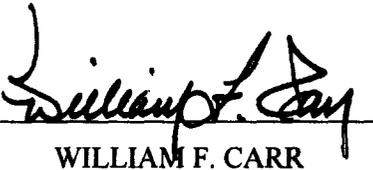
- A. pooling all mineral interests in the subject spacing and proration units,
- B. designating OXY USA WTP Limited Partnership operator of these units and the well

to be drilled thereon,

- C. authorizing OXY USA WTP Limited Partnership 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 penalty for the risk assumed by OXY USA WTP Limited Partnership in drilling and completing the well against any working interest owner who does not voluntarily participate in the drilling of 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

CASE _____: 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 from the surface to the base of the Morrow formation in the following described spacing and proration units located in the N/2 of Section 29, Township 16 South, Range 32 East, N.M.P.M., Lea County, New Mexico: the N/2 for all formations and/or pools developed on 320-acre spacing; the NW/4 for all formations and/or pools developed on 160-acre spacing, and the E/2 NW/4 for all formations and/pools developed on 80-acre spacing. OXY proposes to dedicate the above-referenced spacing or proration units to its Oxy Bat Hawk State Com Well No. 1 to be drilled at a standard gas well location 1650 feet from the North line and 1980 feet from the West line (Unit F) of said Section 29. 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 OXY USA WTP Limited Partnership as operator of the well and a charge for risk involved in drilling said well. Said area is located approximately 3 miles northwest Maljamar, New Mexico.

Affidavit of Publication

STATE OF NEW MEXICO)
) ss.
COUNTY OF LEA)

Joyce Clemens being first duly sworn on oath deposes and says that she is Advertising Director of **THE LOVINGTON LEADER**, a daily newspaper of general paid circulation published in the English language at Lovington, Lea County, New Mexico; that said newspaper has been so published in such county continuously and uninterrupted for a period in excess of Twenty-six (26) consecutive weeks next prior to the first publication of the notice hereto attached as hereinafter shown; and that said newspaper is in all things duly qualified to publish legal notices within the meaning of Chapter 167 of the 1937 Session Laws of the State of New Mexico.

The notice which is hereto attached, entitled Legal Notice was published in a regular and entire issue of **THE LOVINGTON LEADER** and not in any supplement thereof, for Monday, August 14, 2006 beginning with the issue of August 14, 2006 and ending with the issue of August 19, 2006.

And that the cost of publishing said notice is the sum of \$ 12.00 which sum has been (Paid) as Court Costs.

Subscribed and sworn to before me this 24th day of August, 2006.
Debbie Schilling
Debbie Schilling
Notary Public, Lea County, New Mexico
My Commission Expires June 22, 2010

LEGAL NOTICE NOTICE OF PUBLICATION STATE OF NEW MEXICO ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT OIL CONSERVATION DIVISION SANTA FE, NEW MEXICO

the well and a change for risk involved in drilling said well. Said area is located approximately 3 miles northwest of Maltahar, New Mexico. Given under the Seal of the State of New Mexico Oil Conservation Commission at Santa Fe, New Mexico on this 18th day of August 2006. STATE OF NEW MEXICO OIL CONSERVATION DIVISION Mark E. Fegredo, P.E., Director Published in the Lovington Leader August 19, 2006.

The State of New Mexico Oil Conservation Division hereby gives notice pursuant to law and the Rules and Regulations of the Division of the following public hearing to be held at 8:15 A.M. on September 14, 2006, in the Oil Conservation Division Hearing Room at 1220 South St. Francis, Santa Fe, New Mexico, before an examiner duly appointed for the hearing. If you are an individual with a disability who needs a qualified sign language interpreter or any other forms of auxiliary aid or service to attend or participate in the hearing, please contact: Florene Davidson at 505-476-3458 or through the New Mexico Relay Network, 1-800-688-1779 by September 4, 2006. Public documents including the agenda and minutes, can be provided in various accessible forms. Please contact Florene Davidson if a summary or other type of accessible form is needed.

STATE OF NEW MEXICO TO: All named parties and persons having any right, title, interest or claim in the following case and notice to the public. (NOTE: All land descriptions herein refer to the New Mexico Principal Meridian, whether or not so stated.) CASE 13774 Application of OXY USA WTP Limited Partnership for communitary pooling.