

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

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

CASE NO. 13813

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 October 2006.



Notary Public

My Commission Expires:

March 28, 2008

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

OFFICIAL USE

WFO	Postage	\$ 1.87
0x4	Restricted Delivery Fee	2.40
Flame	Return Receipt Fee	1.85
44506 0005	(Endorsement Required)	
	Restricted Delivery Fee	
	(Endorsement Required)	
	Total Postage & Fees	\$ 5.12



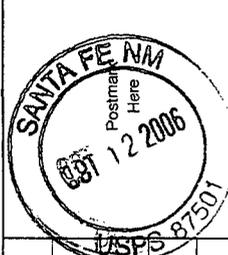
Sent To **Chevron U.S.A. Inc.**
 Street, Apt. No. **Attn: Mr. Steve Emery**
 or PO Box No. **11111 South Wilcrest**
 City, State, ZIP: **Houston, Texas 77009**
 PS Form 3800

7242 8558 2000 0002 9558 7424

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

OFFICIAL USE

WFO	Postage	\$ 1.87
0x4	Restricted Delivery Fee	2.40
Flame	Return Receipt Fee	1.85
44506 0005	(Endorsement Required)	
	Restricted Delivery Fee	
	(Endorsement Required)	
	Total Postage & Fees	\$ 5.12



Sent To **Chevron U.S.A. Inc.**
 Street, Apt. No. **Attn: Mr. Steve Emery**
 or PO Box No. **Post Office Box 36366**
 City, State, ZIP: **Houston, Texas 77236**
 PS Form 3800

7242 8558 2000 0002 9558 7431

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:
Chevron U.S.A. Inc.
Attn: Mr. Steve Emery
11111 South Wilcrest
Houston, Texas 77009

2. Article Number (Copy for 7001 1140 0002 9558 7424)

PS Form 3811, July 1999
 Domestic Return Receipt

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:
Chevron U.S.A. Inc.
Attn: Mr. Steve Emery
Post Office Box 36366
Houston, Texas 77236

2. Article Number (Copy from 7001 1140 0002 9558 7431)

PS Form 3811, July 1999
 Domestic Return Receipt

COMPLETE THIS SECTION ON DELIVERY

A. Received by (Please Print Clearly) _____ B. Date of Delivery _____

C. Signature _____ Agent Addressee

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

3. Service Type Certified Mail Express Mail Yes No
 Registered Return Receipt for Merchandise
 Insured Mail C.O.D.

4. Restricted Delivery? (Extra Fee) Yes No

COMPLETE THIS SECTION ON DELIVERY

A. Received by (Please Print Clearly) _____ B. Date of Delivery _____

C. Signature *Mr. Steve Emery* Agent Addressee

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



3. Service Type Certified Mail Express Mail Yes No
 Registered Return Receipt for Merchandise
 Insured Mail C.O.D.

4. Restricted Delivery? (Extra Fee) Yes No

PS Form 3811, July 1999
 Domestic Return Receipt

7242 8558 2000 0002 9558 7431

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

OFFICIAL USE

WFE OXY	Postage	\$ 1.87
44906.0005	Certified Fee	2.40
	Return Receipt Fee (Endorsement Required)	1.85
	Restricted Delivery Fee (Endorsement Required)	5.12
	Total Postage & Fees	\$ 11.24

Sent To ConocoPhillips Company
Street, Apt. No. or PO Box No Attn: Mr. G. D. Fuzzell
P. O. Box 2197
City, State, ZIP Houston, TX 77252-2197
PS Form 3800

SANTA FE NM
Postmark Here
OCT 16 2006
88210

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

OFFICIAL USE

WFE OXY	Postage	\$ 1.78
44906.0005	Certified Fee	2.40
	Return Receipt Fee (Endorsement Required)	1.75
	Restricted Delivery Fee (Endorsement Required)	5.12
	Total Postage & Fees	\$ 11.05

Sent To Marbob Energy Corporation
Street, Apt. No. or PO Box No Attn: Mr. Raye Miller
P. O. Box 227
City, State, ZIP Artesia, NM 88211
PS Form 3800

SANTA FE NM
Postmark Here
OCT 16 2006
88210

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:

ConocoPhillips Company
Attn: Mr. G. D. Fuzzell
P. O. Box 2197
Houston, TX 77252-2197

2. Article Number (Copy from *service label*)
7001 1140 0002 9558 7448
Domestic Return Receipt
PS Form 3811, July 1999

COMPLETE THIS SECTION ON DELIVERY

A. Received by (Please Print Clearly) **F. R.** B. Date of Delivery
C. Signature **[Signature]**
 Agent
 Addressee

D. Is delivery address different from item 1? Yes
If YES, enter delivery address below: No
OCT 17 2006

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

4. Restricted Delivery? (Extra Fee) Yes

102595-00-M-0952

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:

Marbob Energy Corporation
Attn: Mr. Raye Miller
P. O. Box 227
Artesia, NM 88211

2. Article Number (Copy from *s*)
7001 1140 0002 9558 7455
Domestic Return Receipt
PS Form 3811, July 1999

COMPLETE THIS SECTION ON DELIVERY

A. Received by (Please Print Clearly) **[Signature]** B. Date of Delivery
C. Signature **[Signature]**
 Agent
 Addressee

D. Is delivery address different from item 1? Yes
If YES, enter delivery address below: No
OCT 16 2006
88210

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

4. Restricted Delivery? (Extra Fee) Yes

102595-00-M-0952

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

OFFICIAL USE

66FC 007 Postage \$ 1.57
 4456 0005 Certified Fee 2.00
 Return Receipt Fee (Endorsement Required) 1.00
 Restricted Delivery Fee (Endorsement Required) 5.17
 Total Postage & Fees \$ 9.74



Sent To Pitch Energy Corporation
 Attn: Mr. Raye Miller
 Street, Apt. No., or PO Box No. P. O. Box 304
 City, State, ZIP, Artesia, NM 88211

PS Form 3800

2942 8556 2000 1140 0002 9558 7462

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:

Pitch Energy Corporation
 Attn: Mr. Raye Miller
 P. O. Box 304
 Artesia, NM 88211

2. Article Number (Copy) 7001 1140 0002 9558 7462

PS Form 3811, July 1999 Domestic Return Receipt

COMPLETE THIS SECTION ON DELIVERY

A. Received by (Please Print Clearly) B. Date of Delivery
 RAYE MILLER
 C. Signature
 D. Is delivery address different from item 1? Yes No
 If Yes, enter delivery address below:



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

4. Restricted Delivery? (Extra Fee) Yes

102595-00-M-0952

EXHIBIT A

**APPLICATION OF
OXY USA WTP LIMITED PARTNERSHIP.
FOR COMPULSORY POOLING
S/2 OF SECTION 9, TOWNSHIP 17 SOUTH, RANGE 29 EAST, N.M.P.M.
Eddy COUNTY, NEW MEXICO.**

Chevron U.S.A. Inc.
Attn :Mr Steve Emery
1111 South Wilcrest
Houston, Texas 77009

Chevron U.S.A. Inc.
Post Office Box 36366
Houston, Texas 77236
Mr. Steve Emery

ConocoPhillips Company
PO BOX 2197
Houston, TX 77252-2197
Attention Mr. Gregory D. Fuzzell

Marbob Energy Corporation
P.O. Box 227
Artesia, New Mexico 88211
Attention: Mr. Raye Miller

Pitch Energy Corporation
P.O. Box 304
Artesia, New Mexico
Attention: Mr. Raye Miller



October 10, 2006

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

TO AFFECTED INTEREST OWNERS:

Re: Application of OXY USA WTP Limited Partnership for compulsory pooling, Eddy 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 all mineral interests from the surface to the base of the Morrow formation in certain spacing and proration units located in the S/2 of Section 9, Township 17 South, Range 29 East, N.M.P.M., Eddy County, New Mexico. OXY proposes to dedicate these pooled units to its Oxy Flameskimmer State Well No. 1 to be drilled at a standard gas well location 1650 feet from the South line and 1980 feet from the West line (Unit K) of said Section 9 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 November 9, 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

cc: David Evans

**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 COMPULSORY
POOLING, EDDY 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 S/2 of Section 9, Township 17 South, Range 29 East, N.M.P.M., Eddy County, New Mexico: the S/2 for all formations and/or pools developed on 320-acre spacing which includes but is not necessarily limited to the Undesignated South Empire-Morrow Gas Pool and the Undesignated North Grayburg-Atoka Gas Pool; and the SW/4 for all formations and/or pools developed on 160-acre spacing and support of its application states:

1. OXY USA WTP Limited Partnership is a working interest owner in the S/2 of said Section 9 and has the right to drill thereon.

2. OXY proposes to dedicate the above-referenced spacing or proration units to its Oxy Flameskimmer State Well No. 1 to be drilled at a standard gas well location 1650 feet from the South line and 1980 feet from the West line (Unit K) of said Section 9, to an approximate depth of 11,000 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.

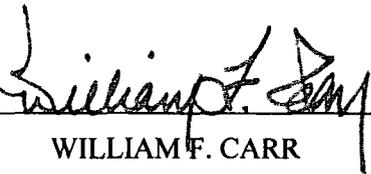
WHEREFORE, OXY WTP Limited Partnership requests that this application be set for hearing before an Examiner of the Oil Conservation Division on November 9, 2006 and, after notice and hearing as required by law, the Division enter its order:

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, Eddy 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 S/2 of Section 9, Township 17 South, Range 29 East, N.M.P.M., Eddy County, New Mexico: the S/2 for all formations and/or pools developed on 320-acre spacing which includes but is not necessarily limited to the Undesignated South Empire-Morrow Gas Pool and the Undesignated North Grayburg-Atoka Gas Pool; and the SW/4 for all formations and/or pools developed on 160-acre spacing. OXY proposes to dedicate the above-referenced spacing or proration units to its Oxy Flameskimmer State Well No. 1 to be drilled at a standard gas well location 1650 feet from the South line and 1980 feet from the West line (Unit K) of said Section 9. 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 5 miles west of Loco Hill, New Mexico.

Affidavit of Publication

NO. 19455

STATE OF NEW MEXICO

County of Eddy:

Gary D. Scott being duly

sworn, says: That he is the Publisher of The

Artesia Daily Press, a daily newspaper of general circulation, published in English at Artesia, said county and county and state, and that the here to attached

Legal Notice

was published in a regular and entire issue of the said Artesia Daily Press, a daily newspaper duly qualified for that purpose within the meaning of Chapter 167 of the 1937 Session Laws of the state of New Mexico for 1 Consecutiv week/days on the same

day as follows:

First Publication October 15 2006

Second Publication _____

Third Publication _____

Fourth Publication _____

Subscribed and sworn to before me this

16th Day October 2006

Barbara Ann Bours
Notary Public, Eddy County, New Mexico

My Commission expires September 23, 2007

Copy of Pul

LEGAL NOTICE

the Division of the following public hearing to be held at 8:15 A.M. on November 9, 2006, in the Oil Conservation Division Hearing Room at 1220 South St. Francis, Santa Fe, New Mexico, before an examiner duly appoint for the hearing. If you are an individual with a disability who is in need of a reader, amplifier, qualified sign language interpreter, or any other form 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, 1-800-659-1779 by October 30, 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:

named parties and persons having any right, title, interest or claim in the following cases and notice to the public.

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

The State of New Mexico through its Oil Conservation Division hereby gives notice pursuant to law and the Rules and Regulations of

(NOTE: All ratio descriptions herein refer to the New Mexico Principal Meridian whether or not so stated.)

CASE 13813:

Application of OXY USA WTP Limited Partnership for compulsory pooling, Eddy 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 S/2 of Section 9, Township 17 South, Range 29 East, N.M.P.M., Eddy County, New Mexico: the S/2 for all formations and/or pools developed on 320-acre spacing which includes but is not necessarily limited to the Undesignated South Empire-Morrow Gas Pool and the Undesignated North Grayburg-Atoka Gas Pool; and the SW/4 for all formations and/or pools developed on 160-acre spacing. OXY proposes to dedicate the above-referenced spacing or proration units to its Oxy Flameskimmer State Well No. 1 to be drilled at a standard gas well location 1650 feet from the South line and 1980 feet from the West line (Unit K) of said Section 9. 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 5 miles west of Loco Hill, New Mexico.

Given under the Seal of the State of New Mexico Oil Conservation Commission at Santa Fe, New Mexico on this 12th day of October 2006.

STATE OF NEW MEXICO OIL CONSERVATION DIVISION
Mark E. Fesmire, P.E.,
Director

Published in the Artesia Daily Press, Artesia, N.M. October 15, 2006.
Legal 19455

CASE _____: Application of OXY USA WTP Limited Partnership for compulsory pooling, Eddy 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 S/2 of Section 9, Township 17 South, Range 29 East, N.M.P.M., Eddy County, New Mexico: the S/2 for all formations and/or pools developed on 320-acre spacing which includes but is not necessarily limited to the Undesignated South Empire-Morrow Gas Pool and the Undesignated North Grayburg-Atoka Gas Pool; and the SW/4 for all formations and/or pools developed on 160-acre spacing. OXY proposes to dedicate the above-referenced spacing or proration units to its Oxy Flameskimmer State Well No. 1 to be drilled at a standard gas well location 1650 feet from the South line and 1980 feet from the West line (Unit K) of said Section 9. 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 5 miles west of Loco Hill, New Mexico.