



OXY USA INC.

Box 50250, Midland, TX 79710

December 13, 1993

Doyle Hartman  
3811 Turtle Creek Boulevard  
Suite 730  
Dallas, Texas 75219

RE: Myers Langlie-Mattix Unit  
Penrose "B" Unit  
State "N" Lease  
Lea County, New Mexico

Dear Mr. Hartman:

In response to your letters of June 9, 1993, June 17, 1993, December 7, 1993 and December 9, 1993, OXY has reviewed your offer and has determined an exchange of properties as you suggest in said letters is not desirable to OXY USA Inc. We are interested in the acquisition of your interest in the Myers Langlie-Mattix but have other plans for the State "N" Lease.

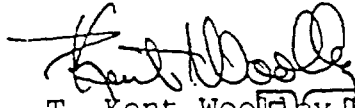
Other possibilities may exist for acquisition of your interest such as an exchange for other OXY properties or a cash purchase of your interest. OXY would be happy to consider such options, but is not interested in pursuing your exchange offer.

Please be aware that OXY has made no representations nor did it even suggest that a trade was pending with your company or that your offer to trade was acceptable, only that OXY would consider your proposal at an appropriate time. In any exchange or sale involving OXY, any documents presented to OXY would be subject to review by OXY's Legal Department thus OXY prefers to prepare documents to facilitate a more orderly closing process. This statement is not intended to indicate nor can it be fairly read as indicating consent to any proposal.

As indicated above, OXY would consider any other proposals you may have to acquire your interest in the Myers Langlie-Mattix Unit and possibly your interest in the Penrose "A" Unit, but not involving OXY's interest in the State "N" Lease.

Very truly yours,

OXY USA Inc.

  
T. Kent Woolley, DOYLE HARTMAN  
Senior Landman CL OPERATOR

TKW/bic  
cc: Allen Smith

DEC 14 1993



CC Doyle  
File  
8...94

OXY USA INC.

Box 50250, Midland, TX 79710

August 15, 1994

Working Interest Owners  
Myers Langlie Mattix Unit  
Lea County, New Mexico

Gentlemen:

Attached is the 1995 Operating and Capital Expenditure Budget for the above referenced property.

Should you have any questions or require additional information concerning this budget please contact either Mr. Chuck Pollard at (915) 685-5854 or Mr. Scott Gengler at (915) 685-5825.

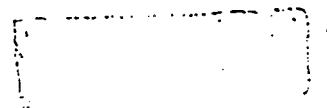
Sincerely yours,

A handwritten signature in cursive script, appearing to read "Tim A. Keys".

Tim A. Keys

TAK/sld

Attachment



AUG 17 1994

MYERS LANGLIE MATTIX UNIT  
1995 Operating and Capital  
Expenditure Budget

| OPERATING BUDGET  | \$M  |
|---|------|
| Operations  |      |
| Maintenance   |      |
| Compression & Gas Gathering<br>(includes gas purchases) |      |
| Salt Water Disposal                                     |      |
| Well Remedial - SWD                                     |      |
| Well Remedial - Oil, Gas & Service Wells                |      |
| Combined Fixed Rate (By Operating Agreement)            |      |
| Ad Valorem Taxes Plus Production Taxes                  |      |
| TOTAL   | 3500 |

| SECONDARY/TERTIARY RECOVERY CAPITAL BUDGET | \$M  |
|--|------|
| Producing Wells To Be Drilled              |      |
| Injection Wells To Be Drilled              |      |
| Injection Plant Work                       |      |
| Injection Distribution System              |      |
| Production Gathering System                |      |
| Electric Power Distribution System         |      |
| Equip or Re-equip Wells                    |      |
| Convert Wells to a New Status              |      |
| Miscellaneous Development                  |      |
| TOTAL                                      | 3860 |

ESTIMATED QUARTERLY CAPITAL BREAKDOWN

|             |      |             |  |
|-------------|------|-------------|--|
| 1ST QUARTER | 3000 | 3RD QUARTER |  |
| 2ND QUARTER | 860  | 4TH QUARTER |  |