

CACTUS ENERGY, INC.

P.O. Box 2412 • Midland, Texas 79702

Office (915) 684-5824 • FAX (915) 686-7109

January 25, 2001

OXY USA WTP Limited Partnership
P.O. Box 50250
Midland, Texas 79710

Attn: Don McClung

RE: Trombone Fed Com #1 Well
S/2 of Section 2, T-18-S, R-25-E,
N.M.P.M, Eddy County, New Mexico

Dear Mr. McClung:

Regarding the lost owners in the S/2S/2 of Section 2, T-18-S, R-25-E, Eddy County, New Mexico, we have located Carl Lewis Folkner, Jr. and have negotiated and mailed lease to him.

Billy James VanWinkle remains lost. Enclosed is a summary of our efforts to locate Mr. VanWinkle. It is my opinion that he should be included in the force pooling proceedings along with Kemp Lumber Company.

Please let me know if I can be of any further assistance regarding this matter.

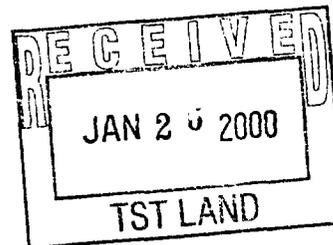
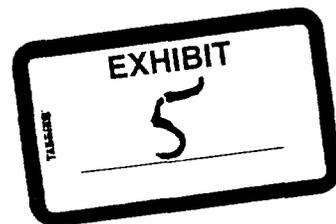
Sincerely,

CACTUS ENERGY, INC.



Richard H. Coats
President

enc.



From the desk of:

Wendell W. Iverson, Jr., CPL

MEMO

Date: 1/12/01

Subject:

Billy James VanWinkle

Lost Owner

Owner of 1/720 (being .2222 acre) mineral interest in S/2 S/2 Section 2, T18S, R25E, Eddy County, New Mexico. Mr. Van Winkle acquired title to this interest by Distribution Deed, dated 6/30/87, from Estate of Bessie A. VanWinkle to Billy James VanWinkle, etal. Recorded in book 1, page 17 of the Eddy County Records in Eddy County, New Mexico. Since that time nothing appears of record in Eddy County, New Mexico.

7/1/99 – Mailed letter and lease to James VanWinkle in Carlsbad. It was determined that this person was not related to Billy James Van Winkle in our title.

10/00 – Contacted other VanWinkle family members to try and locate Billy James VanWinkle. None of the family members new of his whereabouts other than to say that he last lived in Carlsbad, New Mexico.

1/01 – Conducted a internet search for Billy James VanWinkle for the state of New Mexico. There is a James VanWinkle in Roswell, New Mexico and Billy James VanWinkle in Carlsbad, New Mexico, but these are not the VanWinkle we are looking for.