



Douglas Hurlbut, CPL
Contract Landman

OXY USA WTP LP
Box 50250, Midland, TX 79710

Phone (915) 685-5729
Fax (915) 685-5742

January 15, 2001

TO: WORKING INTEREST OWNERS
(Addressee List Attached)

Certified Return Receipt Requested

RE: Proposed Morrow Test
OXY Limousine Fed Com #1
W/2 Section 15, T-20-S, R-25-E
Eddy County, New Mexico

Gentlemen:

OXY USA WTP Limited Partnership proposes the drilling of the referenced well at a location of 1780' FNL and 660' FWL of Section 15, T-20-S, R-25-E, NMPM, Eddy County, New Mexico, to test the Morrow formation at a depth of 9,800'. This test well will be governed by the terms and conditions of an AAPL Form 610 – Model Form Operating Agreement – 1982, to be sent out at a later date and will cover the W/2 of Section 15, T20S, R25E, NMPM.

We invite each owner to (a) participate in the drilling of the proposed well, (b) farm out its working interest, or (c) lease its mineral interest for \$75/acre, 3/16 royalty and a three year paid-up term. Should you elect to participate, please return an executed AFE to Tim Keys at the captioned address or FAX to him at 915-685-5742.

Please let me know what you would like to do at your earliest convenience.

Yours truly,
OXY USA WTP Limited Partnership

Douglas W. Hurlbut, CPL
Contract Landman

BEFORE THE
OIL CONSERVATION DIVISION
Case No. 12631 Exhibit No. 3
Submitted By:
OXY USA, Inc.
Hearing Date: April 5, 2001

OXY Limousine Fed Com #1
Addressee List

OXY USA WTP LP

P.O. Box 50250
Midland, TX 79710
Telephone: 915-685-5906
FAX: 915-685-5742

McCombs Energy, LLC

Attn: Mr. Larry Wyont
5599 San Felipe, Suite 1200
Houston, TX 77056-2794
Telephone: 713-621-0033
FAX: 713-621-1670

signed AFE
signed card

Harvey E. Yates Company
Attn: Vernon D. Dyer
P.O. Box 1933
Roswell, NM 88202-1933

signed card
signed AFE

Hanley Petroleum Inc.

Attn: Eric K. Hanson
415 W. Wall Street, Ste. 1500
Midland, TX 79701

signed AFE
signed card

Liberty Energy Corporation

Attn: Dan Rioux
175 Berkely Street
Boston, MA 02117

signed AFE
signed card

Hawkins Exploration Inc.

Attn: Mark T. Hawkins
550 W. Texas, Ste. 625
Midland, TX 79707

signed AFE
signed card

Sheldon L. Smith

P.O. Box 3544
Midland, TX 79702-3544

signed AFE
signed card

Bonray Inc.

Attn: Philip Day
P.O. Box 20750
Oklahoma City, OK 73156-0750

signed AFE
signed card

Nearburg Petroleum Partnership

3300 North "A" Street
Midland, TX 79705

Leased
signed card

✓ Bryon Mann
619 N. Baywood Ave
San Jose, CA 95128

Letter returned

✓ Walter Parker, III
Route 1, Box 194
Fairfield, CA

signed
card

Jonathan Harris Martin

C/o Michael Manfredi
Morgan, Stanley, Dean Witter
2375 E. Camelback Road, Ste 600
Phoenix, AZ 85016-4713

signed
card

✓ Tommy Harris, Jr. aka
Thomas Anthony Harris, Jr.
4910 Capitola Road
Capitola, CA 95010

Letter returned

✓ Marilyn Harris

7138 Clardon
San Jose, CA 95129

Letter returned

Eva D. Donaldson, aka
Eva Fanning Donaldson, deceased
4150 Merritt Blvd
La Mesa, CA 91941

signed card

✓ Ruth E. Hinman

716 Amwell Road
Neshanic, NJ 08853-3316

Letter returned

✓ Georgia e. Kotlinski

P.O. Box 351
Elsinore, CA 92330

Letter returned

✓ Larry Edward Fanning

1008 N. Guadalupe
Carlsbad, NM 88220

signed
card

✓ J. E. Doud Jr.

4535 Baton Rouge Dr.
Nashville, TN 37076

signed
card

✓ Georgia Needham

Route 1, Box 108
Lake Arthur, NM 88253

signed
card

M. LaVerne Drew

P.O. Drawer 269
Springer, AZ 85938

Letter returned

OXY Limousine Fed Com #1
Addressee List

Flora M. Needham
700 North 10th, Apt 63-H
Artesia, NM 88210

Letter returned

Heirs & Devises Martin
Douglas Hardcastle, deceased
Rt. 8, Box 342
Lake Charles, LA 70605

Letter returned

Robin Hall
P.O. Box 562
Ruidoso, NM 88346

*Leased
signed card*

Robert Richard Green
2815 Kismet Lane
Houston, TX 77043

signed card

Billy Joe Green
1242 W. 78th Terrace
Hialeah, FL 33011

signed Card

Ben Richard Green
1104 South Virginia
Roswell, NM 88201

Letter returned



**OXY USA INC.
AUTHORITY FOR EXPENDITURE**

Region: 14

AFE NO:

Lease/Plant Name: OXY LIMOUSINE FEDERAL NO. 1	
Description: DRILL AND EQUIP	
Partnership/Funding: 2000 PLANNED CAPITAL	
Location: 1780'FNL & 660' FWL, SEC.15, T20S, R25E, EDDY COUNTY, NM	
Field: CEMETARY MORROW	Region AFE No: 17006
Operator Name: OXY USA INC.	Production Foreman No: 1420
Oper AFE No:	Lease/Plant CC No:
State/County No: 30015	Co/Div No: 20177
Capital Proj No:	Budget Appr No: 000200

Remarks:

It is proposed to drill and equip the OXY LIMOUSINE FEDERAL NO. 1 as a Morrow producer in the CEMETARY MORROW Field, Eddy County, New Mexico. Your approval is requested.

Geologic interpretation has identified the proposed location to be in a Morrow producing trend.

Estimated Cost Detail

		Labor	
		Incidentals:	Total:
Gross Cost		186485	724685
Oxy Net Cost@ 71.87500% WI		134036	520867

CONCURRENCES

Asset Team Leader	Business Team Leader	Operations Team Leader	Engineering	Geology	Land	Acctg Team Lead
OXY APPROVAL: _____				DATE: _____		
W.I. OWNER APPROVAL: _____				DATE: _____		
COMPANY: _____						

Prepared By: Gary Womack

Date: 01-Nov-00

Phone number: (915) 685-5772

Requested By: I.E.C.A.I.E.
 Prepared By: G. WOMACK

OXY USA INC.
 DETAILED WELL ESTIMATE

LEASE - WELL NO. OXY LIMOUSIN FEDERAL NO. 1 DATE: 01-Nov-00
 LOCATION 1780' FNL & 660' FWL DEPTH: 9,800
 S 15 T 20-S R 25-E COUNTY Eddy STATE New Mexico AFE NO.

DESCRIPTION	GRADE	\$/FT	QUAN.	W	ESTIMATE PRODUCER	BEFORE CSG PT	AFTER CSG PT
TANGIBLES							
Casing							
Surface	13-3/8", 48#, H-40 ST&C	A	15.91	350	6,364	6,364	
Intermediate	8-5/8", 32#, K-55 ST&C	A	10.53	1375	14,479	14,479	
Production	4-1/2", 11.6#, N-80 LT&C	A	6.05	9800	59,290		59,290
Wellhead Connections							
Tubing	2-3/8", 4.7#, N-80		2.79	8800	24,552	4,000	8,000
Sucker Rods							
Bottom Hole Pump							
Engine or Motor							
Pumping Unit							
Electrical Equipment							
Line Pipe & Fittings							
Packer and Accessories							
TANK BATTERY							
Stock Tanks 2 500 bbl							
Separator, Heater Treater, Dehydrator							
Meter Run & Housing							
Labor & Transportation							
Total Tangibles					186,485	24,843	161,642
INTANGIBLES							
Contract Drilling Labor							
Rotary Day Work							
Service Rig Work @ \$1800/day							
Subsurface Casing Equipment							
D.S.T., Electric, Radioactivity Logs, etc.							
Acidizing, Fracing							
Perforating							
Misc. Company & Contract Labor							
Road Building, Location							
Cement & Cementing Services							
Cement Squeeze Jobs							
Drilling Mud, Chemicals							
Diamond Coring & Analyses, Bits, Reamers							
Mud Logging Unit							
Rental of Miscellaneous Equipment							
Contract Hauling							
Water, Fuel							
Miscellaneous Incidentals							
Archaeological Services							
Total Intangibles					538,200	439,200	99,000
Total Estimated Cost - 100%					724,685	464,043	260,642

Sheldon L. Smith
Petroleum Landman

P.O. Box 3544
 Midland, Texas 79702-3544

Office: (915) 687-5952
 Fax: (915) 684-7860
 Mobil: (915) 661-8669
 Toll Free: (888) 842-9652

January 15, 2001

Mr. Doug Hurlbut
 OXY USA Inc.
 P.O. Box 50250
 Midland, TX 79710

Re: Unleased Mineral Owners T-20-S, R-25-E, NMPM
 Section 15: N/2SW/4; SW/4SW/4
 Eddy County, NM

Dear Mr. Hurlbut:

Following is an itemization of unleased mineral owners in the captioned tract, their respective last known addresses, and a synopsis of my efforts to locate and lease them.

	NAME & ADDRESS	INTEREST & NET ACRES	PROCEDURES TO LOCATE/LEASE
a	Nearburg Petroleum Partnership (Nearburg Exploration Co., LLC) 3300 North "A" Street Midland, Texas 79705	1/54; 2.2222	No Contact
b	Bryon Mann, ssp 619 North Baywood Avenue San Jose, CA 95128 (81')	1/54; 2.2222	<ul style="list-style-type: none"> •Family interview •Internet phone search •Probate search - Eddy Co., NM
c	Walter Parker, III Route 1, Box 194 Fairfield, CA (81')	1/54; 2.2222	<ul style="list-style-type: none"> •Family interview •Internet phone search •Probate search - Eddy Co., NM
d	Johnithin Harris Martin C/O Michael Manfredi Morgan, Stanley, Dean Witter 2375 E. Camelback Road, Suite 600 Phoenix, AZ 85016-4713 (00')	1/54; 2.2222	<ul style="list-style-type: none"> •Oil & Gas Lease was tendered on July 18, 2000. Mr. Harris has cashed his bonus check, but has yet to return the executed Lease. Mr. Manfredi informed me on 01-12-01 that Mr. Harris "disappeared" about three (3) months ago with no forwarding address or phone #.

NAME & ADDRESS

**INTEREST &
NET ACRES**

**PROCEDURES TO
LOCATE/LEASE**

e	Tommy Harris, Jr. aka Thomas Anthony Harris, Jr., ssp 4910 Capitola Road Capitola, CA 95010 (88')	1/54; 2.2222	<ul style="list-style-type: none"> • Certified Letter sent to last known address • Family interview • Internet phone search • Probate search – Eddy Co., NM
f	Marilyn Harris aka Marilynn Harris, single 7138 Clardndon San Jose, CA 95129 (88')	1/54; 2.2222	<ul style="list-style-type: none"> • Certified Letter sent to last known address • Family interview • Internet phone search • Probate search – Eddy Co., NM
G	Michelle Harris Address Unknown	1/144; 0.8333	<ul style="list-style-type: none"> • Family interview • Internet phone search • Probate search – Eddy Co., NM
h	Rachael Harris Address Unknown	1/144; 0.8333	<ul style="list-style-type: none"> • Family interview • Internet phone search • Probate search – Eddy Co., NM
i	Ella June Harris Address Unknown	1/216; 0.5555	<ul style="list-style-type: none"> • Family interview • Internet phone search • Probate search – Eddy Co., NM
Total		15.5554	

If you have any questions regarding these parties and need access to our notations, please contact the undersigned at the letterhead phone or fax number.

Sincerely,



Sheldon L. Smith
Petroleum Landman

SLS/ss

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Petroleum Landman

P.O. Box 3544
 Midland, Texas 79702-3544

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January 15, 2001

Mr. Doug Hurlbut
 OXY USA Inc.
 P.O. Box 50250
 Midland, TX 79710

Re: Unleased Mineral Owners T-20-S, R-25-E, NMPM
 Section 15: SE/4SW/4
 Eddy County, NM

Dear Mr. Hurlbut:

Following is an itemization of unleased mineral owners in the captioned tract, their respective last known addresses, and a synopsis of our efforts to locate and lease them.

	NAME & ADDRESS	INTEREST & NET ACRES	PROCEDURES TO LOCATE/LEASE
a	Eva D. Donaldson, aka Eva Fanning Donaldson, deceased Last Known Address 4150 Merritt Blvd. La Mesa, CA 91941	1/33; 1.2121	• Through family interviews it has been determined that Ms. Donaldson is deceased. Her heirs and there whereabouts are unknown.
b	Ella J. Owens Address Unknown	1/33; 1.2121	• Through family interviews it has been determined that Ms. Owens is deceased. Her heirs and there whereabouts are unknown.
c	Ruth E Hinnman 716 Amwell Road Neshanic, NJ 08853-3316 (87')	1/99; 0.4040	• Oil & Gas Lease was tendered on August 16, 2000 to the last known address. Ms. Hinnman has yet to return the executed Lease.
d	Georgia E. Kotlinski P.O. Box 351 Elsinore, CA 92330 (87')	1/99; 0.4040	• Letter sent to last known address • Family interview • Internet phone search • Probate search – Eddy Co., NM
e	Larry Edward Fanning 1008 North Guadalupe Carlsbad, NM 88220 (87')	1/99; 0.4040	• Letter sent to last known address • Family interview • Internet phone search • Probate search – Eddy Co., NM

NAME & ADDRESS

**INTEREST &
NET ACRES**

**PROCEDURES TO
LOCATE/LEASE**

f	J.E. Doud, Jr.* 4535 Baton Rouge Drive Nashville, TN 37076	1/99; 0.4040	•Oil & Gas Lease was tendered on August 16, 2000 to the last known address. Mr. Doud has yet to return the executed Lease.
g	Georgia Needham, a widow Route 1, Box 108 Lake Arthur, NM 88253	25/8712; 0.1147	•Oil & Gas Lease was tendered on July 12, 2000. Ms. Needham has cashed her bonus check, but has yet to return the executed Lease. Follow up letters were unsuccessful.
h	Heirs and devisees of Leola Needham Watson deceased Address Unknown	25/8712; 0.1147	•Family interview •Internet Search •Probate search – Eddy Co., NM
i	Mary Needham Province Address unknown	25/8712; 0.1147	•Family interview •Internet Search •Probate search – Eddy Co., NM
j	M. LaVerne Drew P.O. Drawer 269 Springerville, AZ 85938 (87')	25/13068; 0.0765	•Letter sent to last known address (returned) •Family interview •Internet phone search •Probate search – Eddy Co., NM
k	Flora M. Needham 700 North 10 th , Apt. 63-H Artesia, NM 88210 (87')	5/2904; 0.0688	•Letter sent to last known address •Family interview •Internet phone search •Probate search – Eddy Co., NM
l	Wray J. Shildneck Address Unknown	1/726; 0.0551	•Family interview •Internet phone search •Probate search – Eddy Co., NM
m	Heirs and devisees of Martin Douglas Hardcastle, deceased Rt. 8, Box 342 Lake Charles, LA 70605	1/1452; 0.0275	•Letter sent to last known address •Family interview •Internet Search •Probate search – Eddy Co., NM
n	Martin Douglas Hardcastle, Jr. Address Unknown	1/1452; 0.0275	•Family interview •Internet Search •Probate search – Eddy Co., NM
o	Heirs and devisees of Torita Ross, deceased Address Unknown	1/1452; 0.0275	•Family interview •Internet Search •Probate search – Eddy Co., NM
p	Heirs and devisees of Evelyn Barnett, deceased Address Unknown	1/1452; 0.0275	•Family interview •Internet Search •Probate search – Eddy Co., NM

NAME & ADDRESS

**INTEREST &
NET ACRES**

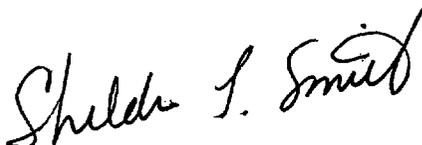
**PROCEDURES TO
LOCATE/LEASE**

q	Robin Hall P.O. Box 562 Ruidoso, NM 88346	1/1760; 0.0227	•Oil & Gas Lease was tendered on March 1, 2000. Ms. Hall has yet to return the executed Lease. Follow up letters were unsuccessful.
r	Robert Richard Green 2815 Kismet Lane Houston, Texas 77043	25/69696; 0.0143	•Oil & Gas Lease was tendered on July 10, 2000. Mr. Green has yet to return the executed Lease. Follow up letters were unsuccessful.
s	Billy Joe Green 1242 West 78 th Terrace Hialeah, FL 33011 (87')	25/69696; 0.0143	•Letter sent to last known address •Family interview •Internet phone search •Probate search – Eddy Co., NM
t	Ben Richard Green 1104 South Virginia Roswell, NM 88201	25/104544; 0.0095	•Family interview •Internet Search •Probate search – Eddy Co., NM
Total		11.89107% / 4.756428 nma	

* Please note that the "Drilling Title Opinion" from Hinkle, Hinsley, Shannon & Martin, LLP dated December 26, 2000 lists a 1/99 un-leased interest credited to Jean E. Doud. I have credited this interest to J.E. Doud, Jr. by virtue of that certain Mineral Deed dated December 12, 1988 conveying all right, title and interest from J.E. Doud, Grantor to J.E. Doud, Jr., Grantee, and being recorded in volume 44 at page 646 of the Eddy County Records.

If you have any questions regarding these parties and need access to our notations, please contact the undersigned at the letterhead phone or fax number.

Sincerely,



Sheldon L. Smith
Petroleum Landman

SLS/ss