



PATRICK H. LYONS
COMMISSIONER

State of New Mexico
Commissioner of Public Lands

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www.nmstatelands.org

August 18, 2005

OXY USA WTP Limited Partnership
P.O. Box 50250
Midland, Texas 79710-0250

Attn: Mr. David Stewart

Re: Application for Downhole Commingling
State AR Well No. 3
Unit Letter L, Section 2-20S-37E
Weir Blinebry, Monument Tubb, and Skaggs Drinkard Pools
Lea County, New Mexico

Dear Mr. Stewart:

Thank you for your application to downhole commingle the Weir Blinebry, Monument Tubb, and Skaggs Drinkard pools.

It is our understanding that production from the subject well will be allocated as follows:

<u>POOL</u>	<u>ALLOCATION</u>	
	<u>Oil%</u>	<u>Gas%</u>
Weir Blinebry	34%	11%
Monument Tubb	21%	71%
Skaggs Drinkard	45%	18%
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	100%	100%

Since it appears that all the New Mexico Oil Conservation Division's (OCD) rules and regulations have been complied with, and there will be no loss of revenue to the State of New Mexico as a result of your proposed operation, your application is approved. Any deviation from the substance of your request will be cause for rescinding our approval. Our approval is subject to like approval by the (OCD).

Also, please submit a \$30.00 filling fee and a copy of the OCD's approval order as soon as possible.

-State Land Office Beneficiaries -

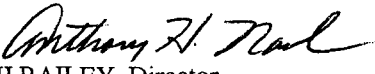
Carrie Tingley Hospital • Charitable Penal & Reform • Common Schools • Eastern NM University • Rio Grande Improvement • Miners' Hospital of NM • NM Boys School • NM Highlands University • NM Institute of Mining & Technology • New Mexico Military Institute • NM School for the Deaf • NM School for the Visually Handicapped • NM State Hospital • New Mexico State University • Northern NM Community College • Penitentiary of New Mexico • Public Buildings at Capital • State Book Commission • University of New Mexico • UNM College of Arts & Sciences • UNM College of Medicine • UNM College of Nursing • UNM College of Veterinary Medicine • Western New Mexico University

OXY USA WTP Limited Partnership
August 18, 2005
Page 2

If you have any questions or if we may be of further help, please contact Pete Martinez at (505) 827-5791.

Very truly yours,

PATRICK H. LYONS
COMMISSIONER OF PUBLIC LANDS

BY: 
JAMI BAILEY, Director
Oil, Gas and Minerals Division
(505) 827-5744

For

RP/JB/cpm
xc: Reader File

~~GCD--Attention: David Catanach~~