

HOLLAND & HART^{LLP}



Adam G. Rankin
Associate
Phone 505-954-7294
Fax 505-983-6043
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July 11, 2012

Jones

2012 JUL 11 P 3:14

RECEIVED OOD

VIA HAND DELIVERY

Ms. Jami Bailey
Oil Conservation Division
New Mexico Department of Energy, Minerals
and Natural Resources
1220 South St. Francis Drive
Santa Fe, New Mexico 87505

Re: Case No. 14790 - Order No. R-11328-B

Dear Ms. Bailey:

On January 19, 2012, OXY USA, Inc. ("OXY") presented a case at hearing before the Division seeking an order to authorize a pressure maintenance project into the Bone Spring formation within a 160-acre project area in Eddy County, New Mexico. The injection is proposed to occur through one existing well, the Government AB No. 9 well. At the hearing, OXY testified that it had noticed all affected parties within the half-mile area of review, as required by Division rules.

BLM is the surface owner where the injection well is located and the mineral owner. It originally filed an objection to the proposed injection, but after several phone calls and meetings with OXY, BLM formally withdrew its objection.

The Division took the matter under advisement and issued Order No. R-11328-B on February 16, 2012. After the Order was issued, OXY discovered that it had neglected to notice one operator within the half-mile area of review which should have received notice. That operator is Endeavor Energy Resources, LP ("Endeavor").

Upon discovery of this error, OXY contacted Endeavor to inform it of the failure to notice and to provide it with a copy of OXY's application, BLM's letter withdrawing its objections, and Order No. R-11328-B. Upon review of these materials, Endeavor agreed to waive any objections to OXY's application and Order No. R-11328-B.

Accordingly, OXY requests that the enclosed waiver letter be accepted into the case file record for Case No. 14790 as evidence that OXY properly notified Endeavor of its application and that Endeavor has agreed to waive any objections.

Holland & Hart LLP

Phone [505] 988-4421 Fax [505] 983-6043 www.hollandhart.com

110 North Guadalupe Suite 1 Santa Fe, NM 87501 Mailing Address P.O. Box 2208 Santa Fe, NM 87504-2208

Aspen Billings Boise Boulder Cheyenne Colorado Springs Denver Denver Tech Center Jackson Hole Salt Lake City Santa Fe Washington, D.C. ♻️



Your attention to this matter is greatly appreciated. Please do not hesitate to contact me if you should have any questions.

Sincerely,



Adam G. Rankin

cc: Michael Meir
Occidental Oil and Gas Corporation
OXY USA, Inc.
5 Greenway Plaza, Suite 110
Houston, Texas 77046

Endeavor Energy Resources, LP
110 North Marienfeld
Midland, Texas 79701



Occidental Permian Limited Partnership
A subsidiary of Occidental Petroleum Corporation

5 Greenway Plaza, Suite 110, Houston, Texas 77046-0521
P.O. Box 4294, Houston, Texas 77210-4294
Direct: 713.366.5603 Fax: 713.985.1505
michael_meir@oxy.com

June 20, 2012

VIA E-MAIL AND
UPS OVERNIGHT DELIVERY

Endeavor Energy Resources, LP
110 N. Marienfeld
Midland, TX 79701

Re: Case No. 14790; Order No. R-11328-B; Application of OXY USA, Inc. for authorization to conduct a pressure maintenance project in the Old Millman Ranch-Bone Spring Pool through its Government AB Well No. 9, Eddy County, New Mexico.

Dear Sir/Madam:

OXY USA, Inc. submitted the above-referenced application to the New Mexico Oil Conservation Division. It went to hearing before the Division on January 19, 2012, and Order No. R-11328-B was entered on February 16, 2012, approving OXY's application. Subsequent to the entry of this Order, OXY became aware that Endeavor Energy Resources, LP owns an interest in a tract within the half-mile area of review of OXY's proposed injection well for this pressure maintenance project and should have been sent notice of the application.

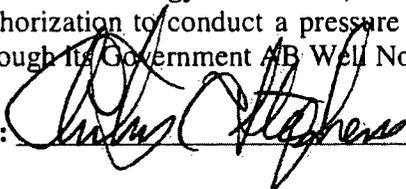
Pursuant to Division Rule 19.15.26.8 NMAC, operators within the area of review for a proposed injection well may waive any objections. We therefore request that upon your review of OXY's application, the BLM's letter removing its objections, and Order No. R-11328-B, that you waive any objections to this application and Order. We respectfully request you that you sign this letter indicating your agreement to waive any objections and return it the undersigned as soon as possible.

Thank you for your consideration of this matter. Should you wish to discuss please feel free to call me at (713) 366-5603.

Sincerely,

Michael J. Meir, RPL
Land Negotiator

Endeavor Energy Resources, LP agrees to waive objection to OXY USA, Inc.'s application for authorization to conduct a pressure maintenance project in the Old Millman Ranch-Bone Spring Pool through its Government AB Well No. 9, Eddy County, New Mexico.

By:  Date: 7-5-12

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Sincerely,

A handwritten signature in black ink, appearing to read "A. Rankin".

Adam G. Rankin

cc: Michael Meir
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OXY USA, Inc.
5 Greenway Plaza, Suite 110
Houston, Texas 77046

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110 North Marienfeld
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110 N. Marienfeld
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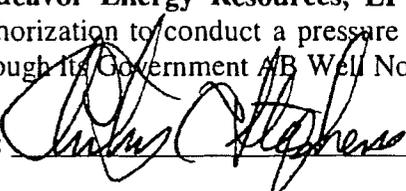
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By:  Date: 7-5-12