

BEFORE THE OIL CONSERVATION DIVISION
NEW MEXICO ENERGY, MINERALS AND
NATURAL RESOURCES DEPARTMENT

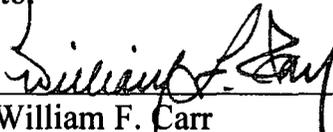
APPLICATION OF OXY USA WTP LIMITED
PARTNERSHIP FOR COMPULSORY POOLING,
EDDY COUNTY, NEW MEXICO.

CASE NO. 13772

AFFIDAVIT

STATE OF NEW MEXICO)
) ss.
COUNTY OF SANTA FE)

William F. Carr, attorney in fact and authorized representative of OXY USA WTP Limited Partnership, the Applicant herein, states that notice of the above-referenced Application was mailed to the interested parties shown on Exhibit "A" attached hereto in accordance with Oil Conservation Division Rules, and that true and correct copies of the notice letter and proof of notice are attached hereto.

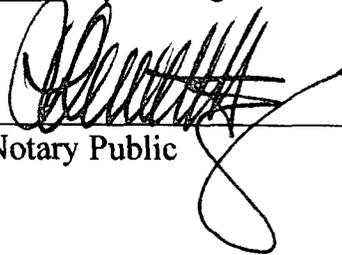


William F. Carr

SUBSCRIBED AND SWORN to before me this 18th day of August 2006.



OFFICIAL SEAL
LISAMARIE ORTIZ
NOTARY PUBLIC-STATE OF NEW MEXICO
My commission expires 01/14/07



Notary Public

My Commission Expires:

January 14, 2007

EXHIBIT A

**APPLICATION OF
OXY USA WTP LIMITED PARTNERSHIP.
FOR COMPULSORY POOLING
N/2 OF SECTION 16, TOWNSHIP 24 SOUTH, RANGE 28 EAST, N.M.P.M.
EDDY COUNTY, NEW MEXICO.**

(Big Spender State Com Well No. 1)

Charlie Ray
P. O. Box 51608
Midland, Texas 79710

U.S. Postal Service
CERTIFIED MAIL RECEIPT
 (Domestic Mail Only, No Insurance Coverage Provided)

7001 1140 0002 9558 9305

Postage	\$ 1.87
Big Sponder Certified Fee	2.40
Return Receipt Fee (Endorsement Required)	1.85
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	\$ 5.12



Sent To
 Charlie Ray
 Street, Apt. No., or PO Box No. P.O. Box 51608
 City, State, ZIP+ 4 Midland, TX 79710

PS Form 3800, January 2001 See Reverse for Instructions

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:
 Charlie Ray
 P.O. Box 51608
 Midland, TX 79710

COMPLETE THIS SECTION ON DELIVERY

A. Received by (Please Print Clearly) <i>Frank Riley</i>	B. Date of Delivery 8-21-06
C. Signature <input checked="" type="checkbox"/> FRANK RILEY <input type="checkbox"/> Agent <input type="checkbox"/> Addressee	
D. Is delivery address different from item 1? If YES, enter delivery address below: <input type="checkbox"/> Yes <input type="checkbox"/> No	
3. Service Type <input checked="" type="checkbox"/> Certified Mail <input type="checkbox"/> Express Mail <input type="checkbox"/> Registered <input checked="" type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> Insured Mail <input type="checkbox"/> C.O.D.	
4. Restricted Delivery? (Extra Fee) <input type="checkbox"/> Yes	

2. Article Number (Copy from se) 7001 1140 0002 9558 9305

August 17, 2006

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

ALL AFFECTED INTEREST OWNERS

Re: Application of OXY USA WTP Limited Partnership for compulsory pooling, Eddy County, New Mexico.

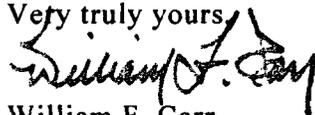
Ladies and Gentlemen:

This letter is to advise you that OXY USA WTP Limited Partnership has filed the enclosed application with the New Mexico Oil Conservation Division seeking the compulsory pooling of certain spacing and proration units in the N/2 of Section 16, Township 24 South, Range 28 East, NMPM, Eddy County, New Mexico. Said units will be dedicated to OXY USA WTP Limited Partnership's Big Spender State Com Well No. 1 to be drilled at a standard gas well location 660 feet from the North line and 700 feet from the West line (Unit D) of said Section 16 to an approximate depth of 13,000 feet to test all formations from the surface to the base of the Morrow formation.

This application has been set for hearing before a Division Examiner on September 14, 2006. You are not required to attend this hearing, but as an owner of an interest that may be affected by this application, you may appear and present testimony. Failure to appear at that time and become a party of record will preclude you from challenging the matter at a later date.

Parties appearing in cases are required by Division Rule 1208.B to file a Pre-Hearing Statement with the Oil Conservation Division's Santa Fe office located at 1220 South Saint Francis Drive, Santa Fe, New Mexico 87505, four days in advance of a scheduled hearing, but at least on the Thursday preceding the hearing. This statement must include: the names of the parties and their attorneys; a concise statement of the case; the names of all witnesses the party will call to testify at the hearing; the approximate time the party will need to present its case; and identification of any procedural matters that are to be resolved prior to the hearing.

Very truly yours,



William F. Carr

ATTORNEY FOR OXY USA WTP LIMITED PARTNERSHIP

cc: Mr. David Evans

**STATE OF NEW MEXICO
DEPARTMENT OF ENERGY, MINERALS AND NATURAL RESOURCES
OIL CONSERVATION DIVISION**

**IN THE MATTER OF THE APPLICATION
OF OXY USA WTP LIMITED PARTNERSHIP FOR
COMPULSORY POOLING, EDDY COUNTY, NEW MEXICO.**

CASE NO. _____

APPLICATION

OXY USA WTP Limited Partnership, ("OXY") through its undersigned attorneys, hereby makes application pursuant to the provisions of NMSA 1978, §70-2-17, for an order pooling all mineral interests in all formations developed on 320-acre spacing from the surface to the base of the Morrow formation in the N/2 of Section 16, Township 24 South, Range 28 East, N.M.P.M., Eddy County, New Mexico which includes but is not necessarily limited to the Morrow formation, West Malaga-Morrow Gas Pool, and the Atoka formation, Undesignated West Malaga-Atoka Gas Pool; and in support of its application states:

1. OXY USA WTP Limited Partnership is a working interest owner in the N/2 of said Section 16 and has the right to drill thereon.
2. OXY proposes to dedicate the above-referenced spacing or proration units to its Big Spender State Com Well No. 1 to be drilled at a standard gas well location 660 feet from the North line and 700 feet from the West line (Unit D) of said Section 16, to an approximate depth of 13,000 feet to test any and all formations from the surface to the base of the Morrow formation.
3. OXY has sought and been unable to obtain a voluntary agreement for the development of these lands from certain interest owners in the subject spacing units who are identified on Exhibit A to this application.
4. Said pooling of interests will avoid the drilling of unnecessary wells, will prevent waste and will protect correlative rights.
5. In order to permit the OXY to obtain its just and fair share of the oil and gas underlying the subject lands, all mineral interests should be pooled, and OXY USA WTP Limited Partnership should be designated the operator of the well to be drilled.

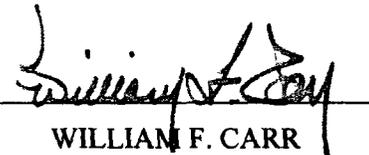
WHEREFORE, OXY WTP Limited Partnership requests that this application be set for hearing before an Examiner of the Oil Conservation Division on September 14, 2006 and, after notice and hearing as required by law, the Division enter its order:

- A. pooling all mineral interests in the subject spacing and proration units,
- B. designating OXY USA WTP Limited Partnership operator of these units and the well

to be drilled thereon,

- C. authorizing OXY USA WTP Limited Partnership to recover its costs of drilling, equipping and completing the well,
- D. approving the actual operating charges and costs of supervision while drilling and after completion, together with a provision adjusting the rates pursuant to the COPAS accounting procedures, and
- E. imposing a penalty for the risk assumed by OXY USA WTP Limited Partnership in drilling and completing the well against any working interest owner who does not voluntarily participate in the drilling of the well.

Respectfully submitted,
HOLLAND & HART LLP

By: 
WILLIAM F. CARR

Post Office Box 2208
Santa Fe, New Mexico 87504
Telephone: (505) 988-4421

ATTORNEYS FOR OXY USA WTP LIMITED
PARTNERSHIP

CASE _____: Application of OXY USA WTP Limited Partnership for compulsory pooling, Eddy County, New Mexico. Applicant in the above-styled cause seeks an order pooling all mineral interests from the surface to the base of the Morrow formation in the N/2 of Section 16, Township 24 South, Range 28 East, N.M.P.M., Eddy County, New Mexico for all formations and/or pools developed on 320-acre spacing which includes but is not necessarily limited to the West Malaga-Morrow Gas Pool and the Undesignated West Malaga-Atoka Gas Pool. OXY proposes to dedicate the above-referenced spacing or proration units to its Big Spender State Com Well No. 1 to be drilled at a standard gas well location 660 feet from the North line and 700 feet from the West line (Unit D) of said Section 16. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of OXY USA WTP Limited Partnership as operator of the well and a charge for risk involved in drilling said well. Said area is located approximately 2 miles West of Malaga, New Mexico.

Affidavit of Publication

NO. 19392

Copy o

STATE OF NEW MEXICO

County of Eddy:

Gary D. Scott being duly

sworn, says: That he is the Publisher of The

Artesia Daily Press, a daily newspaper of general

circulation, published in English at Artesia, said county

and county and state, and that the here to attached

Legal Notice

was published in a regular and entire issue of the said

Artesia Daily Press, a daily newspaper duly qualified

for that purpose within the meaning of Chapter 167 of

the 1937 Session Laws of the state of New Mexico for

1 Consecutiv week/days on the same

day as follows:

First Publication August 20 2006

Second Publication _____

Third Publication _____

Fourth Publication _____

Subscribed and sworn to before me this

22nd Day August 2006

Notary Public, Eddy County, New Mexico

My Commission expires September 23, 2007

PUBLICATION
STATE OF NEW
MEXICO
ENERGY, MINERALS
AND NATURAL
RESOURCES
DEPARTMENT
OIL CONSERVATION
DIVISION
SANTA FE,
NEW MEXICO

The State of New Mexico through its Oil Conservation Division hereby gives notice pursuant to law and the Rules and Regulations of the Division of the following public hearing to be held at 8:15 A.M. on

September 14, 2006, in the Oil Conservation Division Hearing Room at 1220 South St. Francis, Santa Fe, New Mexico, before an examiner duly appoint for the hearing.

If you are an individual with a disability who is in need of a reader, amplifier, qualified sign language interpreter, or any other form of auxiliary aid or service to attend or participate in the hearing, please contact: Florene Davidson at

505-476-3458 or through the New Mexico Relay Network, 1-800-659-1779 by September 4, 2006. Public documents including the agenda and minutes, can be provided in various accessible forms. Please contact Florene Davidson if a summary or other type of accessible form is needed.

STATE OF NEW MEXICO TO:

All named parties and persons having any right, title, interest or claim in the following cases and notice to the public.

(NOTE: All land descriptions herein refer to the New Mexico Principal Meridian whether or not so stated.)

CASE 13772:
Application of OXY USA WTP Limited Partnership for compulsory pooling, Eddy County, New Mexico. Applicant in the above-styled cause seeks an order pooling all mineral interests from the surface to the base of the Morrow formation in the N/2 of Section 16, Township 24 South, Range 28 East, N.M.P.M., Eddy County, New Mexico for all formations and/or pools developed on 320-acre

spacing which includes but is not necessarily limited to the West Malaga-Morrow Gas Pool and the Undesignated West Malaga-Atoka Gas Pool. OXY proposes to dedicate the above-referenced spacing or proration units to its Big Spender State Com Well No. 1 to be drilled at a standard gas well location 680 feet from the North line and 700 feet from the West line (Unit D) of said Section 16. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of OXY USA WTP Limited Partnership as operator of the well and a charge for risk involved in drilling said well. Said area is located approximately 2 miles West of Malaga, New Mexico.

Given under the Seal of the State of New Mexico Oil Conservation Commission at Santa Fe, New Mexico on this 16th day of August 2006.

STATE OF NEW MEXICO

OIL CONSERVATION DIVISION

Mark E. Fesmire, P.E.,
Director

Published in the Artesia Daily Press, Artesia, N.M. August 20, 2006

Legal 19392