

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

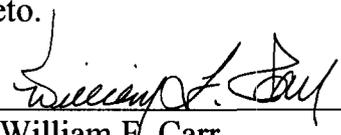
APPLICATION OF OXY USA WTP LIMITED  
PARTNERSHIP FOR COMPULSORY POOLING,  
EDDY COUNTY, NEW MEXICO.

CASE NO. 13789

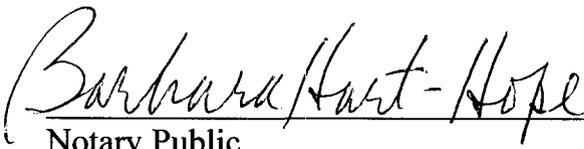
AFFIDAVIT

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 1st day of September 2006.

  
\_\_\_\_\_  
Notary Public

My Commission Expires:

3/28/08

**EXHIBIT A**

**APPLICATION OF  
OXY USA WTP LIMITED PARTNERSHIP.  
FOR COMPULSORY POOLING  
W/2 OF SECTION 35, TOWNSHIP 17 SOUTH, RANGE 27 EAST, N.M.P.M.  
EDDY COUNTY, NEW MEXICO.**

**(Admiral Federal Well No. 1)**

First Interstate Bank of Arizona  
u/w/o Howard B. Wright, Deceased  
Phoenix, Arizona 85072

Joan Hudson Moore  
81 North Street  
Naples, Florida 34108

Jonel Susan Grasso  
11 ocean Ridge  
Laguna Niguel, California 92677

Jane Ann Hudson Davis  
6770 Wolf Creek Court  
Rio Rancho, New Mexico 87144

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

**OFFICIAL MAIL**

0XY	Postage	\$ .87
	Certified Fee	2.40
	Return Receipt Fee (Endorsement Required)	1.85
	Restricted Delivery Fee (Endorsement Required)	
	<b>Total Postage &amp; Fees</b>	<b>\$ 5.12</b>



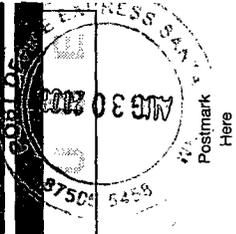
**Sent To**  
 First Interstate Bank of AZ  
 Street, Apt. No., or PO Box No. 4146 Harvard B. Wright, D.C.  
 City, State, ZIP+4 Phoenix AZ 85072  
 PS Form 3800, January 2001 See Reverse for Instructions

7001 1140 0002 9558 9374

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

**OFFICIAL MAIL**

0XY	Postage	\$ .87
	Certified Fee	2.40
	Return Receipt Fee (Endorsement Required)	1.85
	Restricted Delivery Fee (Endorsement Required)	
	<b>Total Postage &amp; Fees</b>	<b>\$ 5.12</b>



**Sent To**  
 Jane Ann Hudson Davis  
 Street, Apt. No., or PO Box No. 6770 Wolf Creek Court  
 City, State, ZIP+4 Rio Rancho, NM 87144  
 PS Form 3800, January 2001 See Reverse for Instructions

7001 1140 0002 9558 9374

*MAIL  
RETURNED*

**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:  
 Jane Ann Hudson Davis  
 6770 Wolf Creek Court  
 Rio Rancho, NM 87144

**COMPLETE THIS SECTION ON DELIVERY**

A. Received by (Please Print Clearly) \_\_\_\_\_ B. Date of Delivery 8-31-06

C. Signature J. Davis  Agent  Addressee

D. If delivery address different from item 1?  Yes  No  
 If YES, enter delivery address below:

3. Service Type  
 Certified Mail  Express Mail  
 Registered  Return Receipt for Merchandise  
 Insured Mail  C.O.D.

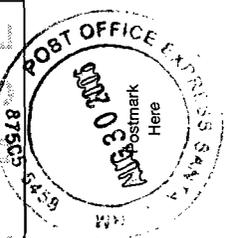
4. Restricted Delivery? (Extra Fee)  Yes  No

2. Article Number (Copy from se) **7001 1140 0002 9558 9367**  
 Domestic Return Receipt  
 PS Form 3811, July 1999 102595-00-M-0952

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

Postage	\$ .87
Certified Fee	2.40
Return Receipt Fee (Endorsement Required)	1.85
Restricted Delivery Fee (Endorsement Required)	
<b>Total Postage &amp; Fees</b>	<b>\$ 5.12</b>

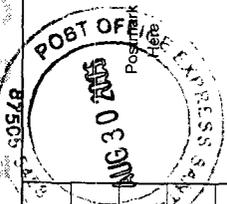
Sent To Janel Susan Grasso  
 Street, Apt. No.:  
 or PO Box No. 11 Ocean Ridge  
 City, State, ZIP+4 Laguna Niguel, CA 92677  
 PS Form 3800, January 2001 See Reverse for Instructions



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

Postage	\$ .87
Certified Fee	2.40
Return Receipt Fee (Endorsement Required)	1.85
Restricted Delivery Fee (Endorsement Required)	
<b>Total Postage &amp; Fees</b>	<b>\$ 5.12</b>

Sent To Jean Hudson Moore  
 Street, Apt. No.:  
 or PO Box No. 81 North St  
 City, State, ZIP+4 Naples FL 34108  
 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:  
Janel Susan Grasso  
11 Ocean Ridge  
Laguna Niguel, CA  
92677

2. Article Number (C) 700J 1140 0002 9558 9350

PS Form 3811, July 1999 Domestic Return Receipt 102595-00-M-0952

**COMPLETE THIS SECTION ON DELIVERY**

A. Received by (Please Print Clearly) \_\_\_\_\_ B. Date of Delivery \_\_\_\_\_

C. Signature \_\_\_\_\_  
 Agent  
 Addressee

D. Is delivery address different from item 1?  
 If YES, enter delivery address below:  
 Yes  
 No

3. Service Type  
 Certified Mail  
 Express Mail  
 Registered  
 Return Receipt for Merchandise  
 Insured Mail  
 C.O.D.

4. Restricted Delivery? (Extra Fee)  Yes

**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:  
Jean Hudson Moore  
81 North Street  
Naples FL 34108

2. Article Number (Copy from) 700J 1140 0002 9558 9343

PS Form 3811, July 1999 Domestic Return Receipt 102595-00-M-0952

**COMPLETE THIS SECTION ON DELIVERY**

A. Received by (Please Print Clearly) \_\_\_\_\_ B. Date of Delivery \_\_\_\_\_

C. Signature \_\_\_\_\_  
 Agent  
 Addressee

D. Is delivery address different from item 1?  
 If YES, enter delivery address below:  
 Yes  
 No

3. Service Type  
 Certified Mail  
 Express Mail  
 Registered  
 Return Receipt for Merchandise  
 Insured Mail  
 C.O.D.

4. Restricted Delivery? (Extra Fee)  Yes



August 29, 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.

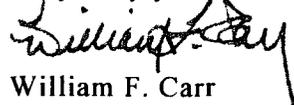
Ladies and Gentlemen:

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 an order pooling all mineral interests in the Morrow, Atoka and Strawn formations developed on 320-acre spacing and proration units in the W/2 of Section 35, Township 17 South, Range 27 East, N.M.P.M., Eddy County, New Mexico which includes but is not necessarily limited to the North Illinois Camp-Morrow Gas Pool. OXY proposes to dedicate the above-referenced spacing or proration units to its Admiral Federal Well No. 1 that has been drilled at a standard gas well location 660 feet from the North line and 1310 feet from the West line (Unit D) of said Section 35.

This application has been set for hearing before a Division Examiner on September 28, 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

**Holland & Hart LLP**

Phone (505) 988-4421 Fax (505) 983-6043 [www.hollandhart.com](http://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. 

**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 the Morrow, Atoka and Strawn formations developed on 320-acre spacing and proration units in the W/2 of Section 35, Township 17 South, Range 27 East, N.M.P.M., Eddy County, New Mexico which includes but is not necessarily limited to the North Illinois Camp-Morrow Gas Pool, and in support of its application states:

1. OXY USA WTP Limited Partnership is a working interest owner in the W/2 of said Section 35 and has the right to drill thereon.

2. OXY proposes to dedicate the above-referenced spacing or proration units to its Admiral Federal Well No. 1 that has been drilled at a standard gas well location 660 feet from the North line and 1310 feet from the West line (Unit D) of said Section 35, to an approximate depth of 9850 feet to test the Morrow, Atoka and Strawn Morrow formations.

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 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.

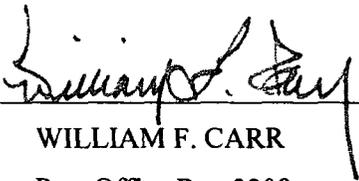
WHEREFORE, OXY USA WTP Limited Partnership requests that this application be set for hearing before an Examiner of the Oil Conservation Division on September 28, 2006 and, after notice and hearing as required by law, the Division enter its order:

- 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 in the Morrow, Atoka and Strawn formations developed on 320-acre spacing and proration units in the W/2 of Section 35, Township 17 South, Range 27 East, N.M.P.M., Eddy County, New Mexico which includes but is not necessarily limited to the North Illinois Camp-Morrow Gas Pool. OXY proposes to dedicate the above-referenced spacing or proration units to its Admiral Federal Well No. 1 that has been drilled at a standard gas well location 660 feet from the North line and 1310 feet from the West line (Unit D) of said Section 35. 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 eight miles southeast of Artesia, New Mexico.

# Affidavit of Publication

NO. 19413

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

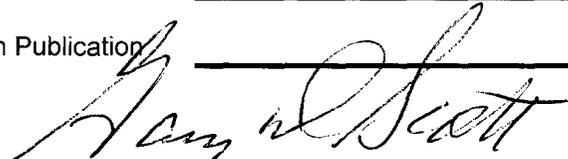
day as follows:

First Publication September 1 2006

Second Publication \_\_\_\_\_

Third Publication \_\_\_\_\_

Fourth Publication \_\_\_\_\_



Subscribed and sworn to before me this

6th Day September 2006

Barbara Ann Beans  
Notary Public, Eddy County, New Mexico

My Commission expires September :23, 2007

# Copy of Publi

## NOTICE OF 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 28, 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 18, 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 13789:  
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 in the Morrow, Atoka and Strawn formations developed on 320-acre spacing and proration units in the W/2 of Section 35, Township 17 South, Range 27 East, N.M.P.M., Eddy County, New Mexico which includes but is not necessarily limited to the North Illinois Camp-Morrow Gas Pool. OXY proposes to dedicate the above-referenced spac-

### LEGAL NOTICE

ing or proration units to its Admiral Federal Well No. 1 that has been drilled at a standard gas well location 660 feet from the North line and 1310 feet from the West line (Unit D) of said Section 35. 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 eight miles southeast of Artesia, New Mexico. Given under the Seal of the State of New Mexico Oil Conservation Commission at Santa Fe, New Mexico on this 30th 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. September 1, 2006. Legal 19413