



ENERGY PRODUCTION COMPANY, L.P.

20 North Broadway, Suite 1500
Oklahoma City, Oklahoma 73102-8260

OIL CONSERVATION DIV.
Telephone: (405) 235-3611
Fax: (405) 552-8113
01 NOV -5 PM 4:15

November 2, 2001

VIA CERTIFIED MAIL
NO. 7001 0360 0000 2116 4931

Ms. Virginia Collier Howell
2524 Long Avenue
Beaumont, Texas 77702

RE: Southern Cross "32" State Com. #1
S/2 of Section 32, T-18-S, R-24-E, NMPM
Eddy County, New Mexico

Dear Ms. Howell:

Enclosed, you will find a copy of the Compulsory Pooling Order No. R-11666 in Case No. 12674 dated October 16, 2001, issued by the New Mexico Oil Conservation Division ("NMOCD").

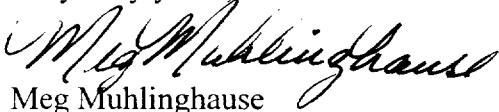
Please note that the Order, based upon testimony given before the NMOCD on August 9, 2001, provides among other things, that your 3.75% mineral interest under the referenced lands has been effectively pooled as an unleased mineral interest and will be subject to 100% cost recovery of reasonable well costs, supervision charges and actual expenditures associated with drilling, completing and operating the well. Such cost recovery shall be withheld from 7/8th of the production attributable to your unleased mineral interest with the remaining 1/8th to be paid to you as a royalty interest.

Alternatively, you may choose to become a working interest owner by paying your share of the reasonable well costs attributable to the Southern Cross "32" State Com. #1 by advancing such costs as provided in paragraphs three (3) and four (4) of the Order.

As required by the Order, attached hereto you will find an itemized schedule of the actual and reasonable well costs associated with the Southern Cross "32" State Com. #1.

Feel free to contact the undersigned at (405) 228-4416 if there are any questions.

Very truly yours,


Meg Muhlinghouse
Senior Landman

Enclosures

cc: New Mexico Oil Conservation Division
Rhinoceros Ventures Group, Inc.
Attn: Robert Wade
Jim Bruce

SOUTHERN CROSS “32” STATE COM. #1

Total Join Interest Billing (May through October)	\$842,141.48
Virginia Collier Howell’s Proportionate Share of the Billing (3.750000% Working Interest)	\$31,580.31

SOUTHERN CROSS "32" STATE COM. #1

Srv MDY	Name	Invoice	G/L Desc	Amount
05312001	OILTOOLS INC.	215501	RENT DERRICK FLINE CENTRI	3,550.00
05312001	DANA L.COX DBA:COX COMPANY	400464	RENTAL TOOLS & EQUIPMENT	305.22
06012001	JIM'S WATER SVC/NEW MEXICO INC	15033R	WATER	173.23
06022001	PASON SYSTEMS USA CORPORATION	24203	RENTAL PVT-PIT BULL	2,896.40
06042001	LONE STAR MUD, LP	INV002955	CAUSTIC GEL LIME SODA ASH	35,564.54
06062001	DANA L.COX DBA:COX COMPANY	400467	RENTAL TOOLS & EQUIPMENT	75.78
06182001	MESQUITE SERVICES, INC.	27213	WELDING & ROUSTABOUTS	446.51
06202001	MESQUITE SERVICES, INC.	27216	WELDING & ROUSTABOUTS	967.44
06272001	G & L TOOL COMPANY	69985	RENTAL TOOLS & EQUIPMENT	754.29
06282001	JIM'S WATER SVC/NEW MEXICO INC	17525	FRESH WATER / KCL	736.18
06292001	HYDROSTATIC PIPE SERVICE INC.	26669	TEST 2 3/8 TBG 9000 PSI	2,162.61
06292001	JIM'S WATER SVC/NEW MEXICO INC	16235	WATER	1,293.05
06292001	DOWNING WELLHEAD EQUIPMENT INC	101312	WELLHEAD VALVES & EQUIPM	3,525.74
07012001	JARREL SERVICES, INC.	31801E	JIB Clearing Account	4,345.49
07012001	JARREL SERVICES, INC.	31807E	JIB Clearing Account	6,685.47
07012001	EDDINS-WALCHER COMPANY	10227317	JIB Clearing Account	809.84
07012001	SMITH BROTHERS CASING PULLERS	9289	JIB Clearing Account	5,565.00
07012001	T&C TANK RNTAL&ANCHOR SVC CORP	2A06101	JIB Clearing Account	717.40
07012001	TOOLPUSHERS SUPPLY CO	498852	JIB Clearing Account	5,599.74
07012001	TOOLPUSHERS SUPPLY CO	500127	JIB Clearing Account	415.26
07012001	TOOLPUSHERS SUPPLY CO	500486	JIB Clearing Account	29.49
07012001	WILBANKS TRUCKING, INC.	947825	JIB Clearing Account	371.18
07012001	ADKINS SUPPLY INC.	1833991	JIB Clearing Account	153.55
07012001	HUDSON PACKER COMPANY, INC.	5163	JIB Clearing Account	6,633.06
07012001	MESQUITE SERVICES, INC.	28253	JIB Clearing Account	292.36
07012001	MESQUITE SERVICES, INC.	27720	JIB Clearing Account	237.07
07012001	MESQUITE SERVICES, INC.	25713	JIB Clearing Account	467.78
07012001	MESQUITE SERVICES, INC.	27206	JIB Clearing Account	893.03
07012001	MESQUITE SERVICES, INC.	27207	JIB Clearing Account	744.19
07012001	MESQUITE SERVICES, INC.	28329	JIB Clearing Account	239.20
07012001	MESQUITE SERVICES, INC.	28328	JIB Clearing Account	213.69
07012001	MESQUITE SERVICES, INC.	28334	JIB Clearing Account	813.29
07012001	BLAIR MACHINE INC	40917	JIB Clearing Account	240.60
07012001	BLAIR MACHINE INC	40821	JIB Clearing Account	3,154.52
07012001	ADOBE OILFIELD SERVICES	7831	JIB Clearing Account	584.47
07012001	FORKLIFT ENTERPR/USE#8172	60662	JIB Clearing Account	758.96
07012001	STOLTZ AND COMPANY, LTD.	DRLGINS	JIB Clearing Account	1,460.89
07012001	RICHARD A. TAYLOR	20010704	JIB Clearing Account	1,352.80
07012001	DEVON ENERGY PRODUCTION CO.,LP	MT2460	JIB Clearing Account	45,882.89
07012001	DEVON ENERGY PRODUCTION CO.,LP	MT1747	JIB Clearing Account	4,471.00
07012001	DEVON ENERGY PRODUCTION CO.,LP	D&COH	JIB Clearing Account	6,567.21
07012001	T&C TANK RNTAL&ANCHOR SVC CORP	2A06101	Location, Pits, & Road Exp	538.42
07012001	MESQUITE SERVICES, INC.	27720	Location, Pits, & Road Exp	177.93
07012001	WILBANKS TRUCKING, INC.	947825	Trucking	278.58
07012001	ADOBE OILFIELD SERVICES	7831	Trucking	438.66
07012001	FORKLIFT ENTERPR/USE#8172	60662	Trucking	569.62
07012001	MESQUITE SERVICES, INC.	28253	Contract Labor	219.42
07012001	MESQUITE SERVICES, INC.	25713	Contract Labor	351.08
07012001	MESQUITE SERVICES, INC.	27206	Contract Labor	670.24
07012001	MESQUITE SERVICES, INC.	27207	Contract Labor	558.53
07012001	MESQUITE SERVICES, INC.	28334	Contract Labor	610.39

SOUTHERN CROSS "32" STATE COM. #1

Srv MDY	Name	Invoice	G/L Desc	Amount
07012001	AUTO-DRIL INSTRUMENTATION INC		cash receipt 7/20/01	(12.67)
07012001	BLAIR MACHINE INC	40917	Rentals	180.58
07012001	BLAIR MACHINE INC	40821	Rentals	2,367.53
07012001	MESQUITE SERVICES, INC.	28329	Welding Services	179.52
07012001	MESQUITE SERVICES, INC.	28328	Welding Services	160.38
07012001	JARREL SERVICES, INC.	31801E	Perforating/Wireline	3,261.38
07012001	JARREL SERVICES, INC.	31807E	Perforating/Wireline	5,017.58
07012001	DEVON ENERGY PRODUCTION CO.,LP	D&COH	Drilling/Completion Overhe	4,928.83
07012001	STOLTZ AND COMPANY, LTD.	DRLGINS	Insurance	1,096.43
07012001	RICHARD A. TAYLOR	20010704	Contract Supervision	1,015.30
07012001	DEVON ENERGY PRODUCTION CO.,LP	MT2460	Casing - Production/Liner	34,436.06
07012001	HUDSON PACKER COMPANY, INC.	5163	Packers, Anchors, Hangers	4,978.25
07012001	DEVON ENERGY PRODUCTION CO.,LP	MT1747	Wellhead Equipment	3,355.58
07012001	SMITH BROTHERS CASING PULLERS	9289	Tanks	4,176.65
07012001	EDDINS-WALCHER COMPANY	10227317	Separator, Treater	607.80
07012001	TOOLPUSHERS SUPPLY CO	498852	Couplings, Fittings	4,202.72
07012001	TOOLPUSHERS SUPPLY CO	500127	Couplings, Fittings	311.66
07012001	TOOLPUSHERS SUPPLY CO	500486	Couplings, Fittings	22.13
07012001	ADKINS SUPPLY INC.	1833991	Couplings, Fittings	115.24
07022001	MESQUITE SERVICES, INC.	28035	WELDING & ROUSTABOUTS	446.51
07032001	POOL COMPANY TEXAS LTD.	067-001835	COMPLETION	11,538.10
07032001	DON-NAN PUMP & SUPPLY CO, INC.	408691	SUBSURFACE EQUIP NONREC	11.26
07052001	DON-NAN PUMP & SUPPLY CO, INC.	408970	LINE PIPE,METERS & FITTING	138.99
07072001	PRO WELL TESTING/WIRELINE INC	W070115	HUNG BHP INSTS @ MID PERF	2,257.80
07172001	ADKINS SUPPLY INC.	18-34781	COMB LOCK	20.93
07202001	BANTA OILFIELD SERVICE, INC.	56514	WELDING & ROUSTABOUTS	917.54
07202001	SWEATT CONSTRUCTION, INC.	90144	INSTALL POST FOR FENCE	1,565.10
07292001	SWEATT CONSTRUCTION, INC.	70148	PUT IN T POSTS CATTLEGUAR	1,374.75
07312001	SCHLUMBERGER TECHNOLOGY CORP-	9090684706	MODEL-VERIFIED INTERPRETA	1,000.00
08042001	BAKER HUGHES BUSINESS SUPPORT	90323707	PERFORATING	8,508.86
08042001	BJ SERVICES COMPANY	932224	ACIDIZE WELL	12,996.21
08062001	KEY ENERGY SERVICES, INC.	405012375	FLUID SERVICES	578.69
08062001	RED MAN PIPE & SUPPLY COMPANY	19797720	LINE PIPE,METERS & FITTING	14.81
08062001	GUARDIAN WELLHEAD PROTECTN INC	1981	RENTAL TREE SAVER	1,919.13
08072001	JOE BRASWELL DBA: BRASWELL	5608	WELLSITE SUPERVISION	1,433.53
08072001	POOL COMPANY TEXAS LTD.	067-002047	COMPLETION	7,945.76
08172001	JAMES G. BRUCE	INV082001	LEGAL CASE - SOUTHERN CRO	2,683.93
08182001	TOOLPUSHERS SUPPLY CO	505615	LINE PIPE,METERS & FITTING	355.53
08202001	MESQUITE SERVICES, INC.	30502	BUILD FIREWALL	292.35
08232001	TOOLPUSHERS SUPPLY CO	506329	LINE PIPE,METERS & FITTING	819.27
08232001	MESQUITE SERVICES, INC.	29880	WELDING & ROUSTABOUTS	744.19
08242001	MESQUITE SERVICES, INC.	29882	WELDING & ROUSTABOUTS	669.77
08272001	MESQUITE SERVICES, INC.	29885	WELDING & ROUSTABOUTS	223.26
08302001	RED MAN PIPE & SUPPLY COMPANY	19802280	SAFETY EQUIPMENT	8.40
09072001	KENEMORE WELDING& OILFIELD INC	16676	WELDING & ROUSTABOUTS	696.23
09072001	RED MAN PIPE & SUPPLY COMPANY	19804080	LINE PIPE,METERS & FITTING	169.79
09102001	KENEMORE WELDING& OILFIELD INC	16671	WELDING & ROUSTABOUTS	274.97
09102001	KENEMORE WELDING& OILFIELD INC	16672	WELDING & ROUSTABOUTS	193.40
09102001	RED MAN PIPE & SUPPLY COMPANY	19804152	LINE PIPE,METERS & FITTING	8.36
09102001	BEVERLY M. GILLOCK DBA:	8428	CONTRACT LABOR 9/10/01	10.58
09192001	NATCOGROUP	378263	OTHER SPECIALIZED SERVICE	381.15

SOUTHERN CROSS "32" STATE COM. #1

Srv MDY	Name	Invoice	G/L Desc	Amount
09272001	WILDCAT MEASUREMENT SVCS,INC	11135	TESTING SERVICES	31.73
09272001	RED MAN PIPE & SUPPLY COMPANY	19809820	LINE PIPE,METERS & FITTING	75.52
09302001	BEVERLY M. GILLOCK DBA:	8422	SAFETY SCHOOL	22.69
09302001	BEVERLY M. GILLOCK DBA:	8422	CONTRACT PUMPING 9/01	266.05
09302001	BEVERLY M. GILLOCK DBA:	8422	CONTRACT PUMPING 9/01	70.40
10312001	BEVERLY M. GILLOCK DBA:	8428	CONTRACT PUMPING 10/01	266.15
08072000	SCHUTZ ABSTRACT	2884	ABSTRACT & RECORD	360.82
08222000	JOHN WEST SURVEY	110962	SURVEY/STAKE LOCATION	1,159.50
08312000	TIERRA EXPLORATION	2814	SURVEY/STAKE LOCATION	702.12
10302000	JAMES BRUCE	103000	LAND & LEGAL COST	365.27
03282001	CURRIER ABSTRACT	32801	ABSTRACT & RECORD	470.00
04052001	CURRIER ABSTRACT	142	ABSTRACT & RECORD	4,920.00
04052001	CURRIER ABSTRACT	40501	LAND & LEGAL COST	762.02
04102001	JIM'S WATER SERVICE	14858	WATER	173.23
04102001	STEPHEN AIKMAN	8	LAND & LEGAL COST	50.00
05042001	APEX SIGNS	21195	Location, Pits, & Road Exp	39.96
05052001	JIM'S WATER SERVICE	14881	WATER	1,667.30
05052001	JAMES BRUCE	50501	LAND & LEGAL COST	296.45
05052001	MESQUITE SERVICES, INC.	27135	Location, Pits, & Road Exp	6,514.40
05072001	STEVE W. HORN	50701	DAMAGE/RIGHT OF WAY	1,526.36
05082001	AUGER AIR DRILLING	13689	Location, Pits, & Road Exp	6,135.76
05102001	COTTON BLEDSOE	105435	TITLE/CURATIVE	5,262.60
05102001	JIM'S WATER SERVICE	14888	WATER	1,919.89
05102001	JIM'S WATER SERVICE	14888	WATER	0.04
05132001	JIM'S WATER SERVICE	14545	WATER	346.46
05132001	JIM'S WATER SERVICE	14561	WATER	1,732.30
05132001	JIM'S WATER SERVICE	14562	WATER	1,732.29
05132001	JIM'S WATER SERVICE	14659	WATER	1,732.30
05132001	JIM'S WATER SERVICE	14660	WATER	1,732.30
05132001	JIM'S WATER SERVICE	14782	WATER	1,905.51
05142001	BJ SERVICES COMPANY	914223	CEMENT SURFACE	13,136.13
05142001	DUSEK TUBULARS	5450	INTERMEDIATE CAS	13,213.55
05142001	JIM'S WATER SERVICE	14661	WATER	1,826.12
05142001	JIM'S WATER SERVICE	14662	WATER	1,732.30
05142001	JIM'S WATER SERVICE	14779	WATER	1,732.30
05142001	JIM'S WATER SERVICE	14780	WATER	1,732.29
05152001	BJ SERVICES COMPANY	914224	CEMENT SURFACE	5,492.43
05152001	JIM'S WATER SERVICE	14665	WATER	1,905.53
05152001	JIM'S WATER SERVICE	14666	WATER	1,905.53
05152001	MCDANIEL TRUCKING	1149	WATER	1,554.82
05162001	J.D.'S WELDING	15085	WELDING SERVICES	398.67
05162001	J.D.'S WELDING	15088	WELDING SERVICES	191.36
05162001	JIM'S WATER SERVICE	14781	WATER	1,559.06
05182001	JIM'S WATER SERVICE	14793	WATER	2,295.22
05202001	PRO WELL TESTING/WIRELINE INC	w050160	CEMENT SURFACE	776.45
05212001	BULL ROGERS	50199	CASING CREWS	1,744.88
05212001	JIM'S WATER SERVICE	14825	WATER	844.45
05222001	JIM'S WATER SERVICE	14890	WATER	2,201.40
05222001	JIM'S WATER SERVICE	14896	WATER	806.14
05222001	JIM'S WATER SERVICE	14910	WATER	1,212.55
05222001	WEATHERFORD GEM	3613510	FLOAT EQUIPMENT	852.88

SOUTHERN CROSS "32" STATE COM. #1

Srv MDY	Name	Invoice	G/L Desc	Amount
05232001	SWEATT CONSTRUCTION, INC.	501112	Location, Pits, & Road Exp	48,285.08
05252001	BRANTLEY TRUCKING	2507	RENTALS	768.60
05302001	HUGHS CHRISTENSON	740071	BITS & REAMERS	6,484.74
05302001	HUGHS CHRISTENSON	740072	BITS & REAMERS	6,481.62
05302001	HUGHS CHRISTENSON	740075	BITS & REAMERS	4,473.25
05312001	AUTO-DRILL INSTR	2285	RENTALS	266.88
05312001	RICHARD TAYLOR	20010531	CONTRACT SUPERVISOR	12,691.00
03282001	SCHUTZ ABSTRACT	3475	ABSTRACT & RECORD	90.47
05102001	JIM'S WATER SERVICE	14889	WATER	1,919.94
05122001	MAN WELDING SERVICE	5747	WELDING SERVICES	284.18
05152001	MAN WELDING SERVICE	B1211	CONTRACT LABOR	852.53
05162001	CONNECTION INSP	4925	RENTALS	901.00
05162001	MAN WELDING SERVICE	6749	RENTALS	5,578.25
05212001	BRITT TRUCKING	50179	TRUCKING/FORKLIFT	34,634.25
05252001	DOWNING WELLHEAD	101220	WELLHEAD EQUIPMENT	1,481.66
05272001	JIM'S WATER SERVICE	14959	WATER	1,414.66
05302001	JIM'S WATER SERVICE	14973	WATER	267.05
05302001	JIM'S WATER SERVICE	14997	WATER	801.15
05302001	JIM'S WATER SERVICE	14999	WATER	1,320.84
05312001	BANTA OILFIELD SERVICE, INC.	55648	Location, Pits, & Road Exp	229.28
05312001	MCDANIEL TRUCKING	1174	WATER	1,036.55
06012001	JIM'S WATER SERVICE	15030	WATER	173.23
06012001	JAMES BRUCE	60101	LAND & LEGAL COST	203.81
06022001	ADVANCE CONSULT	224		11,764.44
06022001	BJ SERVICES COMPANY	917717		18,643.24
06022001	CHARLIE'S FILED	1716		1,005.18
06022001	RICHARD TAYLOR	20010602		1,039.80
06042001	CALLAWAY SAFETY	102052		1,513.15
06042001	DALE LUBINSKI	60401		3,820.00
06052001	W&J ENTERPRISES	5039		354.63
06072001	WEATHERFORD GEM	3614590		806.18
06082001	DERRICK CORPORATION	240875		1,627.50
06112001	BULL ROGERS	60107LD		2,078.69
06112001	BULL ROGERS	6017		2,696.63
06112001	HUGHS CHRISTENSON	740283		6,481.62
06112001	TOOLPUSHERS SUP	497092		85.00
06122001	UTI DRILLING	UM20015131		225,947.43
06122001	UTI DRILLING	UM20015131		5,336.62
06152001	DOWNING WELLHEAD	101263		3,337.95
06182001	WEATHERFORD GEM	8D0150561		3,875.74
06202001	SCHLUMBERGER	9090660766		19,017.16
06212001	NATCOGROUP	369251		14,916.04
06222001	COOMBES TRUCKING	11121		637.59
TOTAL				842,141.48