Bill Richardson

Governor

Joanna Prukop Cabinet Secretary Reese Fullerton Deputy Cabinet Secretary

OCT 28 2008 OCD-ARTESIA Mark Fesmire Oil Conservation Division



October 24, 2008

OXY USA WTP Limited Partnership

Attn: Elizabeth S. Bush-Ivie

P.O. Box 4294

Houston, TX 77210-4294

Email: elizabeth bush@oxy.com

Re: Agreed Compliance Order No. 253 / Notice of Violation No. 02-08-21

Operator: OXY USA WTP Limited Partnership — OGRID 192463 Facilities: Shelby 12 Federal No. 008; 30-015-35170; L-12-22S-24E

US 13 Federal No. 004; 30-015-35017; O-12-22S-24E

Violation: OCD Rule 19.15.10.803 NMAC

Dear Mrs. Bush-Ivie:

I am in receipt of OXY USA WTP Limited Partnership's ("OXY's") payment of \$15,000.00. Thank you for your payment.

Enclosed is copy of the executed Agreed Compliance Order for the above violation.

As previously stated, OXY must keep the wells shut-in until it has received approved C-104 forms from the Oil Conservation Division. It is OXY's responsibility to submit the C-104 forms for Division approval, and obtain Division approval before producing the wells.

The Division appreciates OXY's cooperation in resolving the matter. If you have any questions please contact me at (505) 476-3463 or sonny.swazo@state.nm.us.

Sincerely,

Sonny Swazo

OCD Assistant General Counsel

ec: Daniel Sanchez, OCD Compliance Director

Tim Gum, OCD District II Supervisor

Gerry Guye, OCD District II Compliance Officer