



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON

Governor
Betty Rivera
Cabinet Secretary

July 31, 2002

Lori Wrotenbery
Director
Oil Conservation Division

OXY USA WTP Limited Partnership
P. O. Box 4294
Houston, Texas 77210-4294

Attention: Richard E. Foppiano



Re: Administrative application for an exception to Division Rule 104.B (1) for OXY USA WTP Limited Partnership's existing Sweet & Sour State Well No.1 (API No. 30-15-31314) located 1310 feet from the South line and 660 feet from the East line (Unit P) of Section 24, Township 17 South, Range 27 East, NMPM, Eddy County, New Mexico.

Dear Mr. Foppiano:

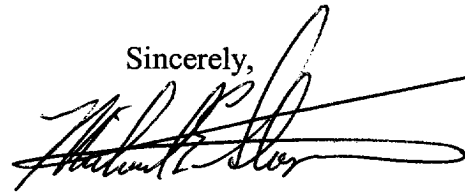
This letter acknowledges receipt of your administrative application dated August 25, 2001 for an unorthodox Wolfcamp oil well location for the above described well to be recompleted within a proposed standard 40-acre oil spacing and proration unit within either the Undesignated Empire-Wolfcamp Pool (22420) or Undesignated Logan Draw-Wolfcamp Pool (96960) comprising the SE/4 SE/4 (Unit P) of Section 24, Township 17 South, Range 27 East, NMPM, Eddy County, New Mexico. Please note that the Division did not receive this application until July 29, 2002. It has been assigned NMOCD application reference No. *pKRV0-221135459*. Please refer to this number in future correspondence with the Division.

To assure that correlative rights are adequately protected between the mineral interest owners in the NE/4 SE/4 (Unit I) of Section 24, being a state lease for common schools issued by the New Mexico State Land Office (State Lease No. B-08318), and the SE/4 SE/4 (Unit P) of Section 24, being a separate state lease for common schools issued by the New Mexico State Land Office (State Lease No. L-04672), please provide the Division with a listing identifying all mineral interests (royalty, overriding royalty, and working) in both quarter-quarter sections and show the percentage owned in each quarter-quarter section. This information will reassure not only that all interest is common but also identical. Also in accordance with Division Rule 111.B (2) (3), and (4) please provide the Division with a directional survey of this wellbore. Further, please provide the Division with the actual top and base of the Wolfcamp formation within the wellbore and the proposed (or existing) perforations within the Wolfcamp interval. This information is necessary to determine which state lease the perforations are actually located.

Since the submitted information is insufficient to review, the application was ruled as incomplete on July 31, 2002. Please submit the above stated information by Wednesday, August 7, 2002.

In accordance with recently enacted policy the Division cannot proceed with your application until the required information is submitted. Upon receipt, the Division will continue to process your application. The additional information can be faxed to (505) 476-3471, or mailed to the Division in Santa Fe. If the necessary information is not submitted, your application will be returned to you. Thank you for your assistance in this matter.

Sincerely,

A handwritten signature in black ink, appearing to read "Michael E. Stogner", with a long horizontal flourish extending to the right.

Michael E. Stogner
Chief Hearing Officer/Engineer

cc: New Mexico Oil Conservation Division – Artesia
New Mexico State Land Office – Santa Fe
W. Thomas Kellahin, Legal Counsel for OXY USA WTP Limited Partnership – Santa Fe