



OXY USA WTP LIMITED PARTNERSHIP

6 Desta Drive, Suite 600, Midland, Texas 79705
P.O. Box 50250, Midland, Texas 79710

David R. Evans
Land Negotiator

432/685-5769
FAX 432/685-5905

August 9, 2006

CERTIFIED MAIL – RETURN RECEIPT REQUESTED

Pogo Producing Company
Attention: Terrence Gant
P.O. Box 10340
Midland, TX 79702-7340

RE: OXY Bat Hawk State Com #1
N/2 of Section 29, T16S-R32E
Lea County, New Mexico

Dear Terry:

OXY USA WTP Limited Partnership ("OXY") does hereby propose the drilling of the referenced well to test the Morrow formation a to depth of 12,800' to be located 1650 FNL & 1980 FWL in Section 29, or a legal location in the same governmental quarter-quarter section Lea County, New Mexico.

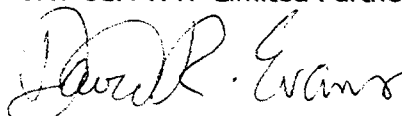
The enclosed Authorization for Expenditure (AFE) has been prepared for the drilling and completing of this well and should you be interested in participating in this well it would be appreciated if you would please sign and return a copy of the enclosed AFE.

If you are not interested in participating in this test well, then we would be interested in a farmout of your leasehold interest under mutually agreeable terms.

Should you have any questions, please advise.

Very truly yours,

OXY USA WTP Limited Partnership


David R. Evans

BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Case No. 13774 Exhibit No. 2
Submitted by:
OXY USA WTP LTD PARTNERSHIP.
Hearing Date: September 28, 2006

An Occidental Oil and Gas Company

**Oxy USA WTP LP
Authorization for Expenditure Form**

DATE PREPARED: 08/09/2006 16:34

Control No. TBA

RMT/PMT Frontier

PROJECT NAME: Drill Oxy Bat Hawk State Com #1

LEASE/UNIT: Oxy Bat Hawk State Com

OPERATOR: Oxy USA WTP LP

LEGAL LOCATION: 1650 FNL & 1980 FWL, section 29 (N2), 16S 32E, Lea Co., NM

BUDGET CATEGORY: Exploitation

PROJECT DESCRIPTION:

This AFE is to request funds to drill Oxy Bat Hawk State Com #1 well in the Morrow Formation at the above location or a legal location in the same governmental quarter-quarter section. The proposed spacing unit is the north-half of section 29. The well will be permitted as a Wildcat (Morrow) well, Lea County, NM.

ACCOUNTING USE ONLY:

Lse/Plt Name: Oxy Bat Hawk State Com
AFE Type: D&E O&G WELL
Production Coordinator No.: 14201441
State/Country: New Mexico/Lea
Operator Name: Oxy USA WTP LP
Lease/Plant CC: TBA
Company/Division No.: 25077
Oxy WI: (%) 41.6700
AFE Category: Original
Project AFE No. TBA
Organization Rollup Key: NRC
Overhead Type: Drilling
OSI INPUT ONLY:
Oracle AFE No.:

COMPLETE FOR NEW WELLS:

☒ PRODUCER ☐ OIL WELL ☐ GAS WELL ☐ WATER DISPOSAL
☒ DEVELOPMENT WELL ☐ EXPLORATORY WELL
☐ SINGLE COMPLETION ☐ DUAL COMPLETION
Regulatory Horizon Name: Morrow
Regulatory District Number:

PROJECT QUALIFIED FOR EOR TAX CREDITS? ☐ YES ☒ NO IF YES, WHAT % QUALIFIES?

EXPENSE/CAPITAL/ PXA	DESCRIPTION	ESTIMATED COST	
		100%	OXY NET
Capital	Tangibles	\$445,390	\$185,594
Capital	Intangibles	\$1,941,750	\$809,127
TOTAL PROJECT COST		\$2,387,140	\$994,721

PROJECT CONTACTS:

NAME	TITLE	PHONE NUMBER
Scott Gengler	Production Engineer	(432) 685-5825
David Evans	Land	(432) 685-5769
Bob Doty	Geology	(432) 685-5681

PROJECT APPROVED BY: Tom Menges

NOTICE TO NONOPERATOR: Costs shown on this form are estimates only. Nonoperators should not consider these estimates as establishing any limit on the monies which will be required to perform the proposed operation.

APPROVAL: YES NO
Company Name:

BY: DATE
(print name)

BY: (signature)

Requested By: Bob Doty
Prepared By: Joe Fleming

OXY USA INC.
DETAILED WELL ESTIMATE

LEASE - WELL NO. Oxy Bat Hawk State Com #1 DATE: 09-Aug-06
LOCATION 1650 FNL & 1980 FWL or legal loc in SE/4 NW/4 DEPTH: 12800'
S 29 T 16S R 32E COUNTY EDDY STATE New Mexico AFE NO.

DESCRIPTION	GRADE	\$/FT	QUAN.	W	ESTIMATE PRODUCER	ESTIMATE DRY HOLE	ACTUAL COST
TANGIBLES							
Casing							
Surface: 13-3/8", 48#, H-40	A	30.00	600		18,000	17,010	
Intermediate: 9-5/8", 36#, K-55	A	21.50	4500		96,750	103,500	
Production: 5-1/2", 17#, N-80 LT&C	A	15.00	8800		132,000		
Production: 5-1/2", 17#, HP-110 LT&C	A	15.50	3600		55,800		
Wellhead Connections					16,000		
Tubing 2-3/8", 4.7#, N-80	A	4.20	12700		53,340		
Line Pipe & Fittings					5,000		
Packer and Accessories					8,500		
TANK BATTERY							
Stock Tanks 2 500 bbl	A				15,000		
Separator, Heater Treater, Dehydrator	A				20,000		
Meter Run & Housing	A				5,000		
Labor & Transportation					20,000		
Total Tangibles					445,390	120,510	
INTANGIBLES							
Contract Drilling Labor					904,750	904,750	
Drilling Consultants		47			64,000	64,000	
Mobilization					55,000	55,000	
Service Rig Work		10			29,000		
Subsurface Casing Equipment					7,500	2,000	
D.S.T., Electric, Radioactivity Logs, etc.					30,000	20,000	
Acidizing, Fracing					125,000	0	
Perforating					25,000		
Misc. Company & Contract Labor					75,000	50,000	
Road Building, Location					25,000	25,000	
Cement & Cementing Services					55,000	25,000	
Cement Squeeze Jobs							
Drilling Mud, Chemicals					65,000	65,000	
Diamond Coring & Analyses, Bits, Reamers					60,000	60,000	
Mud Logging Unit					30,000	30,000	
Rental of Miscellaneous Equipment					100,000	75,000	
Contract Hauling					38,000	30,000	
Water, Fuel					150,000	150,000	
Miscellaneous Incidentals					100,000	60,000	
Archeological Services					3,500	2,500	
Total Intangibles					1,941,750	1,618,250	
Total Estimated Cost - 100%					2,387,140	1,738,760	

Evans, David (Midland, Texas)

From: McDaniel, Scott [MCDANIEL@PogoProducing.com]
To: Evans, David (Midland, Texas)
Sent: Tuesday, August 22, 2006 2:11 PM
Subject: Read: Section 29 Bat Hawk and Miss Kite

Your message

To: MCDANIEL@PogoProducing.com
Subject:

was read on 08/22/2006 2:11 PM.

Evans, David (Midland, Texas)

From: Evans, David (Midland, Texas)
Sent: Tuesday, August 22, 2006 8:30 AM
To: 'McDaniel, Scott'
Subject: Section 29

Scott, do you and Terry have any plans for lunch? If possible we need to talk about our Miss Kite and Bat Hawk proposals. Let me know. David

09/25/2006

Evans, David (Midland, Texas)

From: Evans, David (Midland, Texas)
Sent: Tuesday, August 22, 2006 11:09 AM
To: 'McDaniel, Scott'
Subject: Section 29 Bat Hawk and Miss Kite

Scott, thanks for the return call. I spoke with Bob Doty and the Yates well is called Monkey Biz. We will have a small interest in it. Yates plans to drill it next year. Anything we can do to help you make your decision easier such as show you our 3-D seismic over the prospect or copy of the logs on the Night Hawk, let me know and we can set up a meeting....talk to you soon. Thanks again, David

09/25/2006

Evans, David (Midland, Texas)

From: Evans, David (Midland, Texas)
Sent: Tuesday, August 29, 2006 9:45 AM
To: 'McDaniel, Scott'
Subject: FW: Plat/Bat Hawk

Attachments: Bat Hawk plat1.tif

Scott, plat to go with your com...David

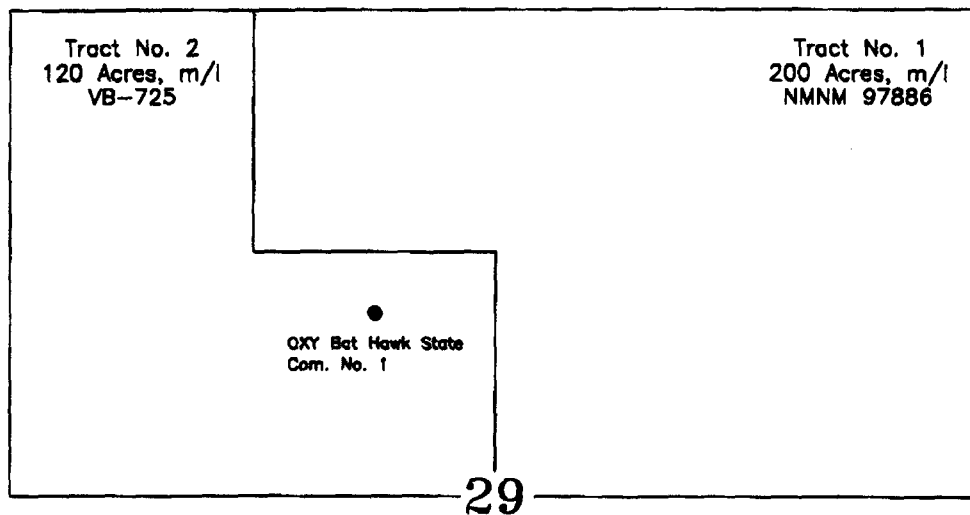
From: Chatwell, Betty
Sent: Tuesday, August 29, 2006 9:44 AM
To: Evans, David (Midland, Texas)
Subject: Plat



Bat Hawk
plat1.tif (8 KB)

EXHIBIT A

Plat of communitized area covering N/2, Sec. 29,
T 16 S, R 32 E, N.M.P.M., Lea County, New Mexico.



Evans, David (Midland, Texas)

From: McDaniel, Scott [MCDANIEL@PogoProducing.com]
To: Evans, David (Midland, Texas)
Sent: Tuesday, August 22, 2006 2:11 PM
Subject: Read: Section 29 Bat Hawk and Miss Kite

Your message

To: MCDANIEL@PogoProducing.com
Subject:

was read on 08/22/2006 2:11 PM.

Evans, David (Midland, Texas)

From: Evans, David (Midland, Texas)

Sent: Tuesday, August 22, 2006 8:30 AM

To: 'McDaniel, Scott'

Subject: Section 29

Scott, do you and Terry have any plans for lunch? If possible we need to talk about our Miss Kite and Bat Hawk proposals. Let me know. David

09/25/2006

Evans, David (Midland, Texas)

From: Evans, David (Midland, Texas)
Sent: Tuesday, August 22, 2006 11:09 AM
To: 'McDaniel, Scott'
Subject: Section 29 Bat Hawk and Miss Kite

Scott, thanks for the return call. I spoke with Bob Doty and the Yates well is called Monkey Biz. We will have a small interest in it. Yates plans to drill it next year. Anything we can do to help you make your decision easier such as show you our 3-D seismic over the prospect or copy of the logs on the Night Hawk, let me know and we can set up a meeting....talk to you soon. Thanks again, David

09/25/2006

Evans, David (Midland, Texas)

From: Evans, David (Midland, Texas)
Sent: Tuesday, August 29, 2006 9:45 AM
To: 'McDaniel, Scott'
Subject: FW: Plat/Bat Hawk

Attachments: Bat Hawk plat1.tif

Scott, plat to go with your com....David

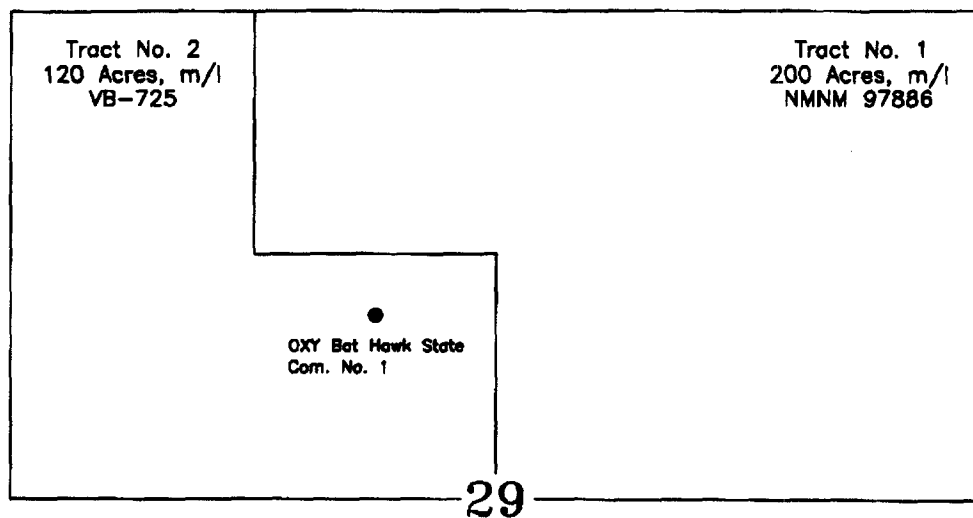
From: Chatwell, Betty
Sent: Tuesday, August 29, 2006 9:44 AM
To: Evans, David (Midland, Texas)
Subject: Plat



Bat Hawk
plat1.tif (8 KB)

EXHIBIT A

Plat of communitized area covering N/2, Sec. 29,
T 16 S, R 32 E, N.M.P.M., Lea County, New Mexico.





OXY USA WTP LIMITED PARTNERSHIP

6 Desta Drive, Suite 600, Midland, Texas 79705
P.O. Box 50250, Midland, Texas 79710

David R. Evans
Senior Landman Advisor

432/685-5769
FAX 432/685-5905

August 29, 2006

WORKING INTEREST OWNERS

RE: OXY Bat Hawk State Com #1
N/2 Section 29, T16S-R32E
Lea County, New Mexico

Gentlemen:

Enclosed for your further handling is a Communitization Agreement with signature pages and ratifications.

It would be appreciated if you would please sign, notarize and return three (3) extra sets of signatures pages with notaries to the Communitization Agreement, either as to lessee of record or ratifications.

Very truly yours,

OXY USA WTP Limited Partnership

A handwritten signature in cursive script, appearing to read "David R. Evans".

David R. Evans

WORKING INTEREST OWNERS

BP America Production Company
Attention: Tom Furtwangler
501 Westlake Park Boulevard
Houston, Texas 77079

Devon Energy Production Company, LP
Attention: Ms. Meg Muhlinghouse
20 North Broadway
Oklahoma City, Oklahoma 73102-8260



OXY USA WTP LIMITED PARTNERSHIP

6 Desta Drive, Suite 600, Midland, Texas 79705
P.O. Box 50250, Midland, Texas 79710

David R. Evans
Senior Landman Advisor

432/685-5769
FAX 432/685-5905

August 29, 2006

CERTIFIED MAIL – RETURN RECEIPT REQUESTED

Latigo Petroleum, Inc.
Attention: Scott McDaniel
P. O. Box 10340
Midland, Texas 79702

RE: OXY Bat Hawk State Com #1
N/2 Section 29, T16S-R32E
Lea County, New Mexico

Gentlemen:

Enclosed for your further handling is a Communitization Agreement with signature pages and ratifications.

It would be appreciated if you would please sign, notarize and return three (3) extra sets of signatures pages with notaries to the Communitization Agreement, either as to lessee of record or ratifications.

Very truly yours,

OXY USA WTP Limited Partnership

A handwritten signature in black ink, appearing to read "David R. Evans".

David R. Evans

bic

Enclosure

STATE/FEDERAL
OR
STATE/FEDERAL/FEE
REV. 2/92

COMMUNITIZATION AGREEMENT

Contract No. _____

THIS AGREEMENT, entered into as of the date shown in Section 10 hereof by and between the parties subscribing, ratifying, or consenting hereto, such parties being hereinafter referred to as "parties hereto,"

WITNESSETH:

WHEREAS, the Act of February 25, 1920, 41 Stat. 437, as amended and supplemented, authorizes communitization or drilling agreements communitizing or pooling a federal oil and gas lease, or any portions thereof, with other lands, whether or not owned by the United States, when separate tracts under such federal lease cannot be independently developed and operated in conformity with an established well-spacing program for the field or area, and such communitization or pooling is determined to be in the public interest; and,

WHEREAS, the Commissioner of Public Lands of the State of New Mexico, herein called "the Commissioner", is authorized to consent to and approve agreements pooling state oil and gas leases or any portion thereof, when separate tracts under such state leases cannot be independently developed and operated economically in conformity with well-spacing and gas proration rules and regulations established for the field or area and such pooling is determined to be in the public interest; and,

WHEREAS, the parties hereto own working, royalty, or other leasehold interests, or operating rights under the oil and gas leases and land subject to this agreement which cannot be independently developed and operated in conformity with the well-spacing program established for the field or area in which said lands are located; and,

WHEREAS, the parties hereto desire to communitize and pool their respective mineral interests in lands subject to this agreement for the purpose of developing and producing communitized substances in accordance with the terms and conditions of the agreement;

NOW, THEREFORE, in consideration of the premises and the mutual advantages to the parties hereto, it is mutually covenanted and agreed by and between the parties hereto as follows:

1. The lands covered by this agreement (hereinafter referred to as "communitized area") are described as follows:

Township 16 South, Range 32 East, N.M.P.M.

Section 29: N/2

Lea County, New Mexico

containing 320.00 acres, more or less, and this agreement shall include only the Morrow, Strawn and Atoka formations underlying said lands and the hydrocarbons (hereinafter referred to as communitized substances:) producible from such formation.

2. Attached hereto, and made a part of this agreement for all purposes, is Exhibit "B" designating the operator of the communitized area and showing the acreage, percentage, and ownership of oil and gas interests in all lands within the communitized area, and the authorization, if any, for communitizing or pooling any patented or fee lands within the communitized area.
3. All matters of operation shall be governed by the operator under and pursuant to the terms and provisions of this agreement. A successor operator may be designated by the owners of the working interest in the communitized area and three (3) executed copies of a designation of successor operator shall be filed with the Authorized Officer and three (3) additional executed copies thereof shall be filed with the Commissioner.
4. Operator shall furnish the Secretary of the Interior, or his authorized representative, and the Commissioner, or his authorized representative, with a log and history of any well drilled on the communitized area, monthly reports of operations, statements of oil and gas sales and royalties, and such other reports as are deemed necessary to compute monthly the royalty due the United States and the State of New Mexico, as specified in the applicable oil and gas operating regulations.
5. The communitized area shall be developed and operated as an entirety with the understanding and agreement between the parties hereto that all communitized substances produced therefrom shall be allocated among the leaseholds comprising said area in the proportion that the acreage interest of leasehold bears to the entire acreage interest committed to this agreement.
6. The royalties payable on communitized substances allocated to the individual leases comprising the communitized area and the rentals provided for in said leases shall be determined and paid on the basis prescribed in each of the individual leases. Payments of rentals under the terms of leases subject to this agreement shall not be affected by this agreement except as provided for under the terms and provisions of said leases or as may herein be otherwise provided. Except as herein modified and changed, the oil and gas leases subject to this agreement shall remain in full force and effect as originally made and issued. It is agreed that for any federal lease bearing a sliding-or step-scale rate of royalty,

such rate shall be determined separately as to production from each communitization agreement to which such lease may be committed, and separately as to any noncommunitized lease production, provided, however, as to leases where the rate of royalty for gas is based on total lease production per day such rate shall be determined by the sum of all communitized production allocated to such a lease plus any noncommunitized lease production.

7. There shall be no obligation on the lessees to offset any well or wells completed in the same formation as covered by this agreement on separate component tracts into which the communitized area is now or may hereafter be divided, nor shall any lessee be required to measure separately communitized substances by reason of the diverse ownership thereof, but the lessees hereto shall not be released from their obligation to protect said communitized area from drainage of communitized substances by a well or wells which may be drilled offsetting said area.
8. The commencement, completion, continued operation or production of a well or wells for communitized substances on the communitized area shall be construed and considered as the commencement, completion, continued operation or production on each and all of the lands within and comprising said communitized area, and operations or production pursuant to this agreement shall be deemed to be operations or production as to each lease committed hereto.
9. Production of communitized substances and disposal thereof shall be in conformity with allocation, allotments, and quotas made or fixed by any duly authorized person or regulatory body under applicable Federal or State statutes. This agreement shall be subject to all applicable Federal and State laws or executive orders, rules, and regulations, and no party hereto shall suffer a forfeiture or be liable in damages for failure to comply with any of the provisions of this agreement if such compliance is prevented by, or is such failure results from, compliance with any such laws, orders, rules or regulations.
10. The date of this agreement is August 28, 2006, and it shall become effective as of this date or from the onset of production of communitized substances, whichever is earlier upon execution of the necessary parties, notwithstanding the date of execution, and upon approval by the Secretary of Interior, or his duly authorized representative, and by the Commissioner or his duly authorized representative, and shall remain in force and effect for a period of two (2) years and so long thereafter as communitized substances are produced or can be produced from the communitized area in paying quantities; provided, that the two-year term of this agreement will not in itself serve to extend the term of any Federal lease which would otherwise expire during said period; provided further that prior to production in paying quantities from the communitized area and upon fulfillment of all requirements of the Secretary of Interior, or his duly authorized representative, and all requirements of the Commissioner, with respect to any dry hole or abandoned well, this agreement may be terminated at any time by mutual agreement of the parties hereto. This agreement shall not terminate upon cessation of the capability of production if, within sixty (60) days thereafter, reworking or drilling operations on

the communitized area are commenced and are thereafter conducted and prosecuted with reasonable diligence. As to lands owned by the State of New Mexico, written notice of intention to commence such operations shall be filed with the Commissioner within thirty (30) days after the cessation of such capability of production, and a report of the status of such operations shall be made by the Operator to the Commissioner every thirty (30) days, and the cessation of such operations for more than twenty (20) consecutive days shall be considered as an abandonment of such operations as to any lease from the State of New Mexico included in this agreement.

11. The covenants herein shall be construed to be covenants running with the land with respect to the communitized interests of the parties hereto and their successors in interest until this agreement terminates, and any grant, transfer, or conveyance of any such land or interest subject hereto, whether voluntary or not, shall be and hereby is conditioned upon the assumption of all obligations hereunder by the grantee, transferee, or other successor in interest, and as to Federal lands shall be subject to approval by the Secretary of the Interior, and as to State of New Mexico lands shall be subject to approval by the Commissioner.
12. It is agreed by the parties hereto that the Secretary of the Interior, or his duly authorized representative, shall have the right of supervision over all operations within the communitized area to the same extent and degree as provided in the oil and gas leases under which the United States of America is lessor, and in the applicable oil and gas operating regulations of the Department of the Interior. It is further agreed between the parties hereto that the Commissioner shall have the right of supervision over all operations to the same extent and degree as provided in the oil and gas leases under which the State of New Mexico is lessor and in the applicable oil and gas statutes and regulations of the State of New Mexico.
13. The agreement shall be binding upon the parties hereto and shall extend to and be binding upon their respective heirs, executors, administrators, successors and assigns.
14. This agreement may be executed in any number of counterparts, no one of which needs to be executed by all parties, or may be ratified or consented to by separate instrument, in writing, specifically referring hereto and shall be binding upon all parties who have executed such a counterpart, ratification or consent hereto with the same force and effect as if all parties had signed the same document.
15. Nondiscrimination: In connection with the performance of work under this agreement, the Operator agrees to comply with all of the provisions of Section 202 (1) to (7) inclusive, of Executive Order 11246 (30 F. R. 12319), as amended which are hereby incorporated by reference in this agreement.

IN WITNESS WHEREOF, the parties hereto have executed this agreement as of the day and year first written and have set opposite their respective names the date of execution.

OXY USA WTP Limited Partnership
By: OXY USA Inc., General Partner

DATE: _____

BY: _____
Stephen S. Flynn
Attorney-in-Fact

STATE OF TEXAS)
)
COUNTY OF HARRIS)

This instrument was acknowledged before me on _____, 2006, by Stephen S. Flynn, Attorney-in-Fact of OXY USA Inc., a Delaware corporation, as General Partner of OXY USA WTP Limited Partnership, a Delaware limited partnership, on behalf of OXY USA WTP Limited Partnership.

Notary Public

LESSEES OF RECORD

Devon Energy Production Company, L.P.

Latigo Petroleum, Inc.

Date: _____

By: _____
Name: _____
Title: _____
Date: _____

STATE OF OKLAHOMA §
 §
COUNTY OF §

The foregoing instrument was acknowledged before me this _____ day of _____ 2006
by _____ as _____ on behalf of Devon Energy
Production Company, L.P.

Notary Public

STATE OF TEXAS §
 §
COUNTY OF MIDLAND §

The foregoing instrument was acknowledged before me this _____ day of _____
_____, 2006, by _____ as _____
on behalf of Latigo Petroleum, Inc.

Notary Public

EXHIBIT "B"

Attached to and made a part of that Communitization Agreement dated August 28, 2006, by and between OXY USA WTP Limited Partnership and Devon Energy Production Company, L.P., et al. covering the N/2 of Section 29, T 16 S, R 32 E, N.M.P.M., Lea County, New Mexico.

Operator of Communitized Area: Occidental Permian Limited Partnership

DESCRIPTION OF LEASES COMMITTED

TRACT NO. 1

Lease Serial No.: NMNM 97886
Lease Date: December 1, 1996
Lessor: United States of America
Lessee of Record: Santa Fe Energy Resources Inc.
Description of Land Committed:
Township 16 South, Range 32 East, Section 29: NE/4 and NE/2NW/4
Number of Acres: 200.00 acres, more or less

TRACT NO. 2

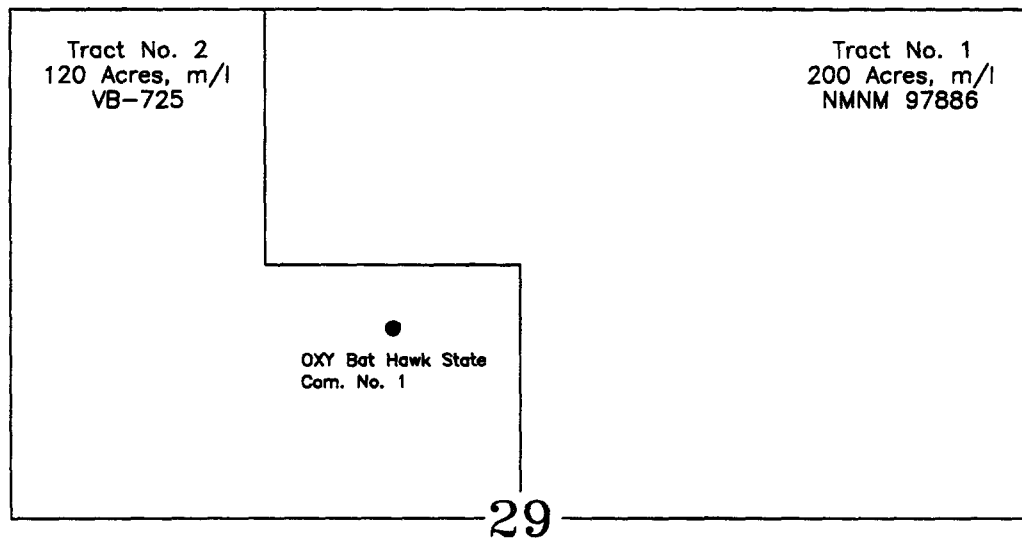
Lease Serial No.: VB-725
Lease Date: August 1, 2005
Lessor: State of New Mexico
Lessee of Record: Latigo Petroleum, Inc.
Description of Land Committed:
Township 16 South, Range 32 East, Section 29: W/2NW/4 and SE/4NW/4
Number of Acres: 120.00 acres, more or less

RECAPITULATION

TRACT NO.	NUMBER OF ACRES COMMITTED	PERCENTAGE OF INTEREST IN COMMUNITIZED AREA
Lease No. 1	200.00	62.50%
Lease No. 2	<u>120.00</u>	<u>37.50%</u>
	320.00	100.00%

EXHIBIT A

Plat of communitized area covering N/2, Sec. 29,
T 16 S, R 32 E, N.M.P.M., Lea County, New Mexico.



RATIFICATION OF COMMUNITIZATION AGREEMENT

The undersigned, owning leasehold, or other interest in the formation within the N/2 of Section 29, Township 16 South, Range 32 East, N.M.P.M., Lea County, New Mexico, covered by that certain Communitization Agreement dated August 28, 2006, under which OXY USA WTP Limited Partnership is Operator, does hereby commit said interest(s) to said Communitization Agreement and consent to ratify said Agreement as fully as though the undersigned had executed the original or a counterpart thereof.

Executed by the undersigned as of the date set forth in the acknowledgement.

BP America Production Company

By: _____

STATE OF TEXAS)
) ss
COUNTY OF HARRIS)

The foregoing instrument was acknowledged before me this ____ day of _____, 2006 by E. M. Sierra as Attorney-in-Fact of BP America Production Company.

Witness my hand and official seal.

Notary Public



OXY USA WTP LIMITED PARTNERSHIP

6 Desta Drive, Suite 600, Midland, Texas 79705
P.O. Box 50250, Midland, Texas 79710

David R. Evans
Senior Landman Advisor

432/685-5769
FAX 432/685-5905

September 5, 2006

HAND DELIVERED

Latigo Petroleum, Inc.
Attention: Scott McDaniel
P. O. Box 10340
Midland, Texas 79702

Re: OXY Bat Hawk
N/2 Section 29, T16S-R32E
Lea County, New Mexico

Dear Scott:

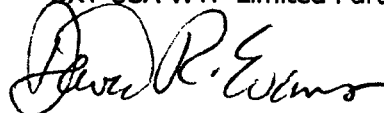
With respect to Latigo's request for information on OXY's Nighthawk State Com #1 well in regards to OXY's proposed Bat Hawk well please find enclosed the following materials:

1. Baker Hughes open hole logs
2. Moreco mudlog
3. OXY drilling chronological with cost data
4. OXY completion chronological with cost data
5. OXY permit
6. Pro Wireline static pressure gradient data
7. Pro Wireline 182 hour bottom hole pressure buildup
8. Weatherford test data
9. Laboratory Services gas analysis
10. OXY daily test data
11. OXY hourly automation test data
12. The Baker Hughes STARR Image log was run but has not yet been processed.
This information will be made available after processing is complete.

We hope this information will help you in making an election on the OXY Bat Hawk. If you desire to look at OXY's 3-D information please advise so we can schedule a review at your convenience.

Yours very truly,

OXY USA WTP Limited Partnership


David R. Evans

cc: Bill Carr

Received this 5 day of September, 2006.

By: 

An Occidental Oil and Gas Company



OXY USA WTP LIMITED PARTNERSHIP

6 Desta Drive, Suite 600, Midland, Texas 79705
P.O. Box 50250, Midland, Texas 79710

David R. Evans
Senior Landman Advisor

432/685-5769
FAX 432/685-5905

September 6, 2006

WORKING INTEREST OWNERS

RE: OXY Bat Hawk State Com #1
N/2 Section 29, T16S-R32E
Lea County, New Mexico

Gentlemen:

Enclosed for your review is a draft of the proposed Operating Agreement for the OXY Bat Hawk State Com #1. An Exhibit "A" will be furnished when Latigo makes its decision as to whether or not to participate. Please provide comments to this draft as soon as possible.

Please advise should you have any questions.

Very truly yours,

OXY USA WTP Limited Partnership

A handwritten signature in black ink, appearing to read "David R. Evans", written over a horizontal line.

David R. Evans

WORKING INTEREST OWNERS

BP America Production Company
Attention: Tom Furtwangler
501 Westlake Park Boulevard
Houston, Texas 77079

Devon Energy Production Company, LP
Attention: Ms. Meg Muhlinghouse
20 North Broadway
Oklahoma City, Oklahoma 73102-8260

Latigo Petroleum, Inc.
Attention: Scott McDaniel
P. O. Box 10340
Midland, Texas 79702

Evans, David (Midland, Texas)

From: McDaniel, Scott [MCDANIEL@PogoProducing.com]
To: Evans, David (Midland, Texas)
Sent: Wednesday, September 20, 2006 3:50 PM
Subject: Read: BatHawk 3-D review request

Your message

To: MCDANIEL@PogoProducing.com
Subject:

was read on 09/20/2006 3:50 PM.

Evans, David (Midland, Texas)

From: Evans, David (Midland, Texas)
Sent: Wednesday, September 20, 2006 11:23 AM
To: 'McDaniel, Scott'
Cc: Doty, Bob; Knighton, Terry; 'William Carr'; Bush, Elizabeth S.
Subject: BatHawk 3-D review request
Importance: High

Tracking:	Recipient	Read
	'McDaniel, Scott'	
	Doty, Bob	Read: 09/20/2006 12:08 PM
	Knighton, Terry	
	'William Carr'	
	Bush, Elizabeth S.	

Scott, after our phone conversation yesterday I talked to Terry Knighton to see if he could come in Friday morning to meet with Latigo/Pogo to review the 3-D. Terry has agreed to come in Friday morning. What time is good for your guys? I will not be here Thursday or Friday so I would like to set up the meeting on Friday today. Please let me know. David

09/25/2006

Evans, David (Midland, Texas)

From: Doty, Bob
Sent: Thursday, September 21, 2006 10:35 AM
To: Scott McDaniel (mcdaniel@pogoproducing.com)
Cc: Lofton, David W.; Evans, David (Midland, Texas); Bill Carr (wcarr@hollandhart.com); Knighton, Terry
Subject: FW: Night Hawk Update
Attachments: Night Hawk Auto plot 060912.ppt

Scott,

Attached is a PowerPoint with hourly rate and pressure data for the Oxy Night Hawk #1. David Lofton has gotten pretty good at predicting EURs from early time rate and pressure data off the automation. Feel free to pass on his contact info to one of your reservoir engineers and have them call David. Thanks for setting up the 3-D review with your folks for tomorrow at 9:00.

Hope this helps,
Bob

Bob,

Here's an update for the Night Hawk:

From Automation: Current rate - 2694 mcf/d @ 2195# ftg (yesterday's 24hr prod was 2656 mcf).

Last reported test : 9/10/06 - 291 bcpd + 2719 mcf/d

David



David Lofton
Reservoir Engineer
Frontier RMT
Oxy Permian
432-685-5791(w)
432-425-6086(cell)



Night Hawk Auto
plot 060912.pp...

Evans, David (Midland, Texas)

From: Doty, Bob
Sent: Monday, September 25, 2006 10:17 AM
To: Evans, David (Midland, Texas)
Subject: FW: Night Hawk digits

From: Hardie, Bill [mailto:HARDIEB@PogoProducing.com]
Sent: Monday, September 25, 2006 10:16 AM
To: Doty, Bob
Subject: RE: Night Hawk digits

Got'um. Thanks Bob

Bill

From: Bob_Doty@oxy.com [mailto:Bob_Doty@oxy.com]
Sent: Monday, September 25, 2006 6:00 AM
To: Hardie, Bill
Subject: RE: Night Hawk digits

Bill,

I have a number of files. See if these are what you need. Hope it makes it through the firewall.

Thanks,
Bob

From: Hardie, Bill [mailto:HARDIEB@PogoProducing.com]
Sent: Friday, September 22, 2006 5:13 PM
To: Doty, Bob
Subject: Night Hawk digits

Bob

Thanks for the well information that your team provided to help us evaluate the Bat Hawk well proposal. We have also purchased additional 3D seismic across the Night Hawk/Bat Hawk area in our effort to evaluate participation in the well.

Could you also provide us with the LAS digital data for the Night Hawk well? It would save us the time of digitizing the paper copies. Email attachment would be the quickest.

Thanks

Bill

09/25/2006