

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

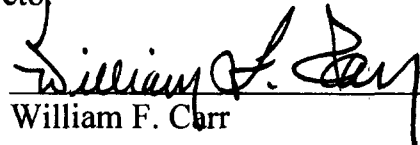
**APPLICATION OF OXY USA WTP LIMITED
PARTNERSHIP FOR COMPULSORY POOLING,
EDDY COUNTY, NEW MEXICO.**

**CASE NO. 13813
REOPENED AND READVERTISED**

AFFIDAVIT

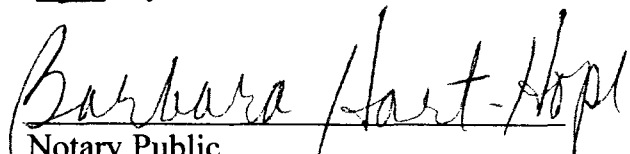
STATE OF NEW MEXICO)
) ss.
COUNTY OF SANTA FE)

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 18th day of December 2006.



Notary Public

My Commission Expires:

3/28/08

EXHIBIT A

**AMENDED APPLICATION OF
OXY USA WTP LIMITED PARTNERSHIP.
FOR COMPULSORY POOLING
S/2 OF SECTION 9, TOWNSHIP 17 SOUTH, RANGE 29 EAST, N.M.P.M.
EDDY COUNTY, NEW MEXICO.**

ConocoPhillips Company
PO BOX 2197
Houston, TX 77252-2197
Attention Mr. Gregory D. Fuzzell

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

OFFICIAL U.S. MAIL

WFC 014
Planeskinner
Certified Fee

Postage \$ 1.11

2.40

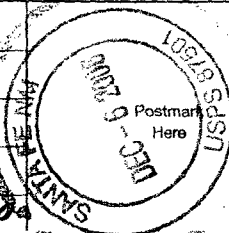
Return Receipt Fee
(Endorsement Required)

1.85

Restricted Delivery Fee
(Endorsement Required)

Total Postage & Fees

\$ 5.36



Sent To

ConocoPhillips Company

Street, Apt. No.
or PO Box No.

Attn: Mr. G. D. Fuzzell

City, State, ZIP

P. O. Box 2197

Houston, TX 77252-2197

PS Form 3800

7001 1140 0002 9558 0005



December 5, 2006

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

TO AFFECTED INTEREST OWNERS:

Re: CASE 13813, Reopened and Re-advertised, continued from the November 9, 2006 Examiner Hearing.: Amended 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 amended application with the New Mexico Oil Conservation Division seeking the compulsory pooling of all mineral interests from the surface to the base of the Morrow formation in certain spacing and proration units located in the S/2 of Section 9, Township 17 South, Range 29 East, N.M.P.M., Eddy County, New Mexico. OXY proposes to dedicate these pooled units to its Oxy Flameskimmer State Well No. 1 to be drilled at a location 1650 feet from the South line and 1880 feet from the West line or at another standard gas well location in the SW/4 of said Section 9 to test all formations from the surface to the base of the Morrow formation.

This amended application has been set for hearing before a Division Examiner at 8:15 a.m. on November 9, 2006 at the Oil Conservation Division's Santa Fe office located at 1220 South Saint Francis Drive, Santa Fe, New Mexico 87505. 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, 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

cc: David Evans

**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 COMPULSORY
POOLING, EDDY COUNTY, NEW MEXICO.**

**CASE NO. 13813
REOPENED AND RE-ADVERTISED**

AMENDED 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 all formations from the surface to the base of the Morrow formation in the following described spacing and proration units located in the S/2 of Section 9, Township 17 South, Range 29 East, N.M.P.M., Eddy County, New Mexico: the S/2 for all formations and/or pools developed on 320-acre spacing which includes but is not necessarily limited to the Undesignated South Empire-Morrow Gas Pool and the Undesignated North Grayburg-Atoka Gas Pool; and the SW/4 for all formations and/or pools developed on 160-acre spacing and support of its application states:

1. OXY USA WTP Limited Partnership is a working interest owner in the S/2 of said Section 9 and has the right to drill thereon.

2. OXY proposes to dedicate the above-referenced spacing or proration units to its Oxy Flameskimmer State Well No. 1 to be drilled to an approximate depth of 11,000 feet to test any and all formations from the surface to the base of the Morrow formation.

3. The Flameskimmer State Well No. 1 was originally proposed at a standard gas well location 1650 feet from the South line and 1980 feet from the West line (Unit K) of said Section 9, but the BLM required the well be moved 100 feet to a point 1650 feet from the South line and 1880 feet from the West line of said Section 9. Oxy therefore seeks authorization to drill this well at the current location or any other standard location in the SW/4 of this section.

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.

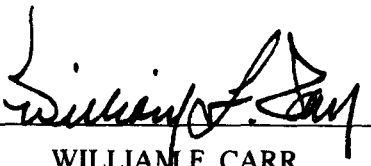
5. In order to permit OXY to obtain its just and fair share of the oil and gas underlying the subject lands, all mineral interests should be pooled, and OXY USA WPT Limited Partnership should be designated the operator of the well to be drilled.

WHEREFORE, OXY WTP Limited Partnership requests that this amended application be set for hearing before an Examiner of the Oil Conservation Division on January 4, 2007, 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 13813,

Reopened and Re-advertised, continued from the November 9, 2006 Examiner Hearing.: Amended 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 from the surface to the base of the Morrow formation in the following described spacing and proration units located in the S/2 of Section 9, Township 17 South, Range 29 East, N.M.P.M., Eddy County, New Mexico: the S/2 for all formations and/or pools developed on 320-acre spacing which includes but is not necessarily limited to the Undesignated South Empire-Morrow Gas Pool and the Undesignated North Grayburg-Atoka Gas Pool; and the SW/4 for all formations and/or pools developed on 160-acre spacing. OXY proposes to dedicate the above-referenced spacing or proration units to its Oxy Flameskimmer State Well No. 1 to be drilled at a standard gas well location 1650 feet from the South line and 1880 feet from the West line (Unit K) of said Section 9 or at another standard gas well location in the SW/4 of Said Section 9. 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 5 miles west of Loco Hill, New Mexico.

Affidavit of Publication

NO. 19516

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 December 7 2006

Second Publication

Third Publication

Fourth Publication

Subscribed and sworn to before me this

8th Day December 2006

Barker Am Basso
Notary Public, Eddy County, New Mexico

My Commission expires September : 23, 2007

Copy of Publication:

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 January 4, 2007, in the Oil Conservation Division Hearing Room at 1220 South St. Francis, Santa Fe, New Mexico, before an examiner duly appointed 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 505-476-3456 or through the New Mexico Relay N o t w o r k 1-800-658-1779 by December 22, 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 13813:

Reopened and Re-advertised, continued from the November 9, 2006 Examiner Hearing: Amended 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 from the surface to the base of the Morrow formation in the following described spacing and proration units located in the S/2 of Section 9, Township 17 South, Range 29 East, N.M.P.M., Eddy County, New Mexico: the S/2 for all formations and/or pools developed on 320-acre spacing which includes but is not necessarily limited to the Undesignated South Empire-Morrow Gas Pool and the Undesignated North Grayburg-Aloka Gas Pool; and the SW/4 for all formations and/or pools developed on 160-acre spacing. OXY proposes to dedicate the above-referenced spacing or proration units to its Oxy Flameskimmer State Well No. 1 to be drilled at a standard gas well location 1650 feet from the South line and 1690 feet from the West line (Unit K) of said Section 9 or at another standard gas well location in the SW/4 of said Section 9. 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 5 miles west of Loco Hill, New Mexico.

Given under the Seal of the State of New Mexico Oil Conservation Commission at Santa Fe, New Mexico on this 5th day of December 2006:

STATE OF NEW
MEXICO
OIL CONSERVATION
DIVISION
Mark E. Fesmire, P.E.
Director

Published in the Artesia
Daily Press, Artesia,
N.M. December 7, 2006.
Legal 19516