



OXY USA WTP LP

1943 N. Grimes B - 269
Hobbs, NM 88240
505-393-2174 Office
505-397-2671 Fax

June 1, 2001

*File
CAPE AC-12365*

NMOCD
David Catanach
2040 South Pacheco
Santa Fe, NM 87505

Dear Mr. Catanach:

Please find attached our monthly reporting of data concerning our Government AB # 9 SWD Conversion.

We began injecting water on 1/30/01. If you have need of further information please contact me at 505-393-2176.

Sincerely,

A handwritten signature in black ink, appearing to read "John Erickson".

John Erickson, Production Coordinator
Frontier Asset Group

Attachment

EXHIBIT A

AOR Monitoring Report

Old Millman Ranch-Bone Springs Associated Pool

Eddy County, New Mexico

Re: Division Order No. R-11328

Monthly Well Tests:

Well Name & Number	Test Date	Oil, BPD	Water, BPD*	Gas, MCFPD
Government AB 7	5-4-01	5	10	61
Government AB 8	5-11-01	6	3	52
Government S 3 S#3	5-1-01	23	7	164
Government S 7 S#7	5-17-01	7	2	30

*Note: Government AB 9 injection well must be shut-in if this value exceeds 100 BWPD

Weekly Pressure Readings:

Well Name & Number	Date Readings Taken	Pressure between 5 1/2" and Intermediate Casing	Original Baseline Pressures	Date of Original Baseline Pressures
Government S 2	5-2-01	0	4.3	1-24-01
	5-9-01	0		
	5-16-01	0		
	5-23-01	0		
	5-30-01	0		
Government AB 2	5-2-01	3	3	1-24-01
	5-9-01	3		
	5-16-01	3		
	5-23-01	3		
	5-30-01	0		

**Note: Government AB 9 injection well must be shut-in and the Artesia District Office notified immediately if this exceeds 50 psi above the baseline pressure.

Any pressure increase above baseline shall be reported immediately to the Artesia District Office.

Weekly Injection Well Status:

	Date Readings Taken	Tubing Pressure, psi	Injection Rate, BWPD
Government AB 9	5-2-01	-12 = VAC.	0/77
	5-9-01	-9 = VAC.	0/110
	5-16-01	-10 = VAC.	0/585
	5-23-01	-11 = VAC.	0/99
	5-30-01	-11 = VAC.	0/114

I hereby certify that the above information is true and correct to the best of my knowledge and belief.

Hollie J. Clay

Signature

Hollie J. Clay

Printed Name

Pumper/Oxy/Ron's Welding

Title

5/30/01 (505) 631-0265

Date & Telephone Number