



Douglas Hurlbut, CPL
Contract Landman

OXY USA WTP LP
Box 50250, Midland, TX 79710

Phone (915) 685-5729
Fax (915) 685-5742

January 15, 2001

TO: WORKING INTEREST OWNERS
(Addressee List Attached)

Certified Return Receipt Requested

RE: Proposed Morrow Test
OXY Limousine Fed Com #1
W/2 Section 15, T-20-S, R-25-E
Eddy County, New Mexico

Gentlemen:

OXY USA WTP Limited Partnership proposes the drilling of the referenced well at a location of 1780' FNL and 660' FWL of Section 15, T-20-S, R-25-E, NMPM, Eddy County, New Mexico, to test the Morrow formation at a depth of 9,800'. This test well will be governed by the terms and conditions of an AAPL Form 610 – Model Form Operating Agreement – 1982, to be sent out at a later date and will cover the W/2 of Section 15, T20S, R25E, NMPM.

We invite each owner to (a) participate in the drilling of the proposed well, (b) farm out its working interest, or (c) lease its mineral interest for \$75/acre, 3/16 royalty and a three year paid-up term. Should you elect to participate, please return an executed AFE to Tim Keys at the captioned address or FAX to him at 915-685-5742.

Please let me know what you would like to do at your earliest convenience.

Yours truly,
OXY USA WTP Limited Partnership

Douglas W. Hurlbut, CPL
Contract Landman

BEFORE THE
OIL CONSERVATION DIVISION
Case No. 12631 Exhibit No. 3
Submitted By:
OXY USA, Inc.
Hearing Date: April 5, 2001

OXY Limousine Fed Com #1
Addressee List

OXY USA WTP LP

P.O. Box 50250
Midland, TX 79710
Telephone: 915-685-5906
FAX: 915-685-5742

McCombs Energy, LLC

Attn: Mr. Larry Wyont
5599 San Felipe, Suite 1200 signed AFE
Houston, TX 77056-2794 signed card
Telephone: 713-621-0033
FAX: 713-621-1670

Harvey E. Yates Company signed card
Attn: Vernon D. Dyer signed AFE
P.O. Box 1933
Roswell, NM 88202-1933

Hanley Petroleum Inc.

Attn: Eric K. Hanson signed AFE
415 W. Wall Street, Ste. 1500 signed card
Midland, TX 79701

Liberty Energy Corporation

Attn: Dan Rioux signed AFE
175 Berkely Street signed card
Boston, MA 02117

Hawkins Exploration Inc.

Attn: Mark T. Hawkins signed AFE
550 W. Texas, Ste. 625 signed card
Midland, TX 79707

Sheldon L. Smith

P.O. Box 3544 signed AFE
Midland, TX 79702-3544 signed card

Bonray Inc.

Attn: Philip Day signed AFE
P.O. Box 20750 signed card
Oklahoma City, OK 73156-0750

Nearburg Petroleum Partnership

3300 North "A" Street Leased
Midland, TX 79705 signed card

✓ Bryon Mann

619 N. Baywood Ave Letter returned
San Jose, CA 95128

✓ Walter Parker, III signed card
Route 1, Box 194
Fairfield, CA

Jonathan Harris Martin

C/o Michael Manfredi signed card
Morgan, Stanley, Dean Witter
2375 E. Camelback Road, Ste 600
Phoenix, AZ 85016-4713

✓ Tommy Harris, Jr. aka

Thomas Anthony Harris, Jr. Letter returned
4910 Capitola Road
Capitola, CA 95010

✓ Marilyn Harris

7138 Clardon Letter returned
San Jose, CA 95129

Eva D. Donaldson, aka

Eva Fanning Donaldson, deceased signed card
4150 Merritt Blvd
La Mesa, CA 91941

✓ Ruth E. Hinnman

716 Amwell Road Letter returned
Neshanic, NJ 08853-3316

✓ Georgia e. Kotlinski

P.O. Box 351 Letter returned
Elsinore, CA 92330

✓ Larry Edward Fanning

1008 N. Guadalupe signed card
Carlsbad, NM 88220

✓ J. E. Doud Jr.

4535 Baton Rouge Dr. signed card
Nashville, TN 37076

✓ Georgia Needham

Route 1, Box 108 signed card
Lake Arthur, NM 88253

M. LaVerne Drew

P.O. Drawer 269 Letter returned
Springer, AZ 85938

OXY Limousine Fed Com #1
Addressee List

Flora M. Needham
700 North 10th, Apt 63-H
Artesia, NM 88210

Letter returned

Heirs & Devisees Martin
Douglas Hardcastle, deceased
Rt. 8, Box 342
Lake Charles, LA 70605

Letter returned

Robin Hall
P.O. Box 562
Ruidoso, NM 88346

*Leased
signed card*

Robert Richard Green
2815 Kismet Lane
Houston, TX 77043

signed card

Billy Joe Green
1242 W. 78th Terrace
Hialeah, FL 33011

signed Card

Ben Richard Green
1104 South Virginia
Roswell, NM 88201

Letter returned



OXY USA INC.
AUTHORITY FOR EXPENDITURE

Region: 14

AFE NO:

Lease/Plant Name:	OXY LIMOUSINE FEDERAL NO. 1
Description:	DRILL AND EQUIP
Partnership/Funding:	2000 PLANNED CAPITAL
Location:	1780' FNL & 660' FWL, SEC.15, T20S, R25E, EDDY COUNTY, NM

Field: CEMETARY MORROW	Region AFE No: 17006
Operator Name: OXY USA INC.	Production Foreman No: 1420
Oper AFE No:	Lease/Plant CC No:
State/County No: 30015	Co/Div No: 20177
Capital Proj No:	Budget Appr No: 000200

Remarks:

It is proposed to drill and equip the OXY LIMOUSINE FEDERAL NO. 1 as a Morrow producer in the CEMETARY MORROW Field, Eddy County, New Mexico. Your approval is requested.

Geologic interpretation has identified the proposed location to be in a Morrow producing trend.

Estimated Cost Detail

	Materials:	Labor Incidentals:	Total:
Gross Cost	186485	538200	724685
Oxy Net Cost@ 71.87500% WI	134036	386831	520867

CONCURRENCES

Asset Team Leader	Business Team Leader	Operations Team Leader	Engineering	Geology	Land	Acctg Team Lead
<div style="display: flex; justify-content: space-between;"><div>OXY APPROVAL: _____</div><div>DATE: _____</div></div> <div style="display: flex; justify-content: space-between; margin-top: 10px;"><div>W.I. OWNER APPROVAL: _____</div><div>DATE: _____</div></div> <div style="display: flex; justify-content: space-between; margin-top: 10px;"><div>COMPANY: _____</div><div></div></div>						

Prepared By: Gary Womack
Phone number: (915) 685-5772

Date: 01-Nov-00

Requested By: I.E.C.A.I.E.

Prepared By: G. WOMACK

OXY USA INC.

DETAILED WELL ESTIMATE

LEASE - WELL NO. OXY LIMOUSIN FEDERAL NO. 1

DATE: 01-Nov-00

LOCATION 1780' FNL & 660' FWL

DEPTH: 9,800

S 15 T 20-S R 25-E COUNTY Eddy

STATE New Mexico

AFE NO.

DESCRIPTION	GRADE	\$/FT	QUAN.	W	ESTIMATE PRODUCER	BEFORE CSG PT	AFTER CSG PT
TANGIBLES							
Casing							
Surface 13-3/8", 48#, H-40 ST&C	A	15.91	350		6,364	6,364	
Intermediate 8-5/8", 32#, K-55 ST&C	A	10.53	1375		14,479	14,479	
Production 4-1/2", 11.6#, N-80 LT&C	A	6.05	9800		59,290		59,290
Wellhead Connections					12,000	4,000	8,000
Tubing 2-3/8", 4.7#, N-80		2.79	8800		24,552		24,552
Sucker Rods							
Bottom Hole Pump							
Engine or Motor							
Pumping Unit							
Electrical Equipment							
Line Pipe & Fittings					5,000		5,000
Packer and Accessories					8,000		8,000
TANK BATTERY							
Stock Tanks 2 500 bbl					12,000		12,000
Separator, Heater Treater, Dehydrator					20,000		20,000
Meter Run & Housing					4,800		4,800
Labor & Transportation					20,000		20,000
Total Tangibles					186,485	24,843	161,642
INTANGIBLES							
Contract Drilling Labor					219,200	219,200	
Rotary Day Work							
Service Rig Work @ \$1800/day		10			18,000		18,000
Subsurface Casing Equipment					5,000	2,000	3,000
D.S.T., Electric, Radioactivity Logs, etc.					25,000	25,000	
Acidizing, Fracing					18,000		18,000
Perforating					15,000		15,000
Misc. Company & Contract Labor					15,000	10,000	5,000
Road Building, Location					25,000	25,000	
Cement & Cementing Services					28,000	10,000	18,000
Cement Squeeze Jobs							
Drilling Mud, Chemicals					30,000	30,000	
Diamond Coring & Analyses, Bits, Reamers					40,000	40,000	
Mud Logging Unit					12,500	12,500	
Rental of Miscellaneous Equipment					20,000	15,000	5,000
Contract Hauling					10,000	8,000	2,000
Water, Fuel					25,000	20,000	5,000
Miscellaneous Incidentals					30,000	20,000	10,000
Archaeological Services					2,500	2,500	0
Total Intangibles					538,200	439,200	99,000
							0
Total Estimated Cost - 100%					724,685	464,043	260,642

Sheldon L. Smith
Petroleum Landman

P.O. Box 3544
Midland, Texas 79702-3544

Office: (915) 687-5952
Fax: (915) 684-7860
Mobil: (915) 661-8669
Toll Free: (888) 842-9652

January 15, 2001

Mr. Doug Hurlbut
OXY USA Inc.
P.O. Box 50250
Midland, TX 79710

Re: Unleased Mineral Owners T-20-S, R-25-E, NMPM
Section 15: N/2SW/4; SW/4SW/4
Eddy County, NM

Dear Mr. Hurlbut:

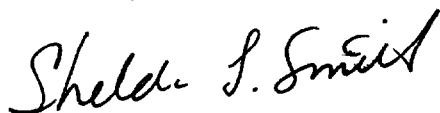
Following is an itemization of unleased mineral owners in the captioned tract, their respective last known addresses, and a synopsis of my efforts to locate and lease them.

NAME & ADDRESS		INTEREST & NET ACRES	PROCEDURES TO LOCATE/LEASE
a	Nearburg Petroleum Partnership (Nearburg Exploration Co., LLC) 3300 North "A" Street Midland, Texas 79705	1/54; 2.2222	No Contact
b	Bryon Mann, ssp 619 North Baywood Avenue San Jose, CA 95128 (81')	1/54; 2.2222	•Family interview •Internet phone search •Probate search - Eddy Co., NM
c	Walter Parker, III Route 1, Box 194 Fairfield, CA (81')	1/54; 2.2222	•Family interview •Internet phone search •Probate search - Eddy Co., NM
d	Johnithin Harris Martin C/O Michael Manfredi Morgan, Stanley, Dean Witter 2375 E. Camelback Road, Suite 600 Phoenix, AZ 85016-4713 (00')	1/54; 2.2222	•Oil & Gas Lease was tendered on July 18, 2000. Mr. Harris has cashed his bonus check, but has yet to return the executed Lease. Mr. Manfredi informed me on 01-12-01 that Mr. Harris "disappeared" about three (3) months ago with no forwarding address or phone #.

	NAME & ADDRESS	INTEREST & NET ACRES	PROCEDURES TO LOCATE/LEASE
e	Tommy Harris, Jr. aka Thomas Anthony Harris, Jr., ssp 4910 Capitola Road Capitola, CA 95010 (88')	1/54; 2.2222	<ul style="list-style-type: none"> • Certified Letter sent to last known address • Family interview • Internet phone search • Probate search – Eddy Co., NM
f	Marilyn Harris aka Marilynn Harris, single 7138 Clardndon San Jose, CA 95129 (88')	1/54; 2.2222	<ul style="list-style-type: none"> • Certified Letter sent to last known address • Family interview • Internet phone search • Probate search – Eddy Co., NM
G	Michelle Harris Address Unknown	1/144; 0.8333	<ul style="list-style-type: none"> • Family interview • Internet phone search • Probate search – Eddy Co., NM
h	Rachael Harris Address Unknown	1/144; 0.8333	<ul style="list-style-type: none"> • Family interview • Internet phone search • Probate search – Eddy Co., NM
i	Ella June Harris Address Unknown	1/216; 0.5555	<ul style="list-style-type: none"> • Family interview • Internet phone search • Probate search – Eddy Co., NM
	Total	15.5554	

If you have any questions regarding these parties and need access to our notations, please contact the undersigned at the letterhead phone or fax number.

Sincerely,



Sheldon L. Smith
Petroleum Landman

SLS/ss

Sheldon L. Smith
Petroleum Landman

P.O. Box 3544
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January 15, 2001

Mr. Doug Hurlbut
OXY USA Inc.
P.O. Box 50250
Midland, TX 79710

Re: Unleased Mineral Owners T-20-S, R-25-E, NMPM
Section 15: SE/4SW/4
Eddy County, NM

Dear Mr. Hurlbut:

Following is an itemization of unleased mineral owners in the captioned tract, their respective last known addresses, and a synopsis of our efforts to locate and lease them.

NAME & ADDRESS	INTEREST & NET ACRES	PROCEDURES TO LOCATE/LEASE
a Eva D. Donaldson, aka Eva Fanning Donaldson, deceased Last Known Address 4150 Merritt Blvd. La Mesa, CA 91941	1/33; 1.2121	• Through family interviews it has been determined that Ms. Donaldson is deceased. Her heirs and there whereabouts are unknown.
b Ella J. Owens Address Unknown	1/33; 1.2121	• Through family interviews it has been determined that Ms. Owens is deceased. Her heirs and there whereabouts are unknown.
c Ruth E Hinnman 716 Amwell Road Neshanic, NJ 08853-3316 (87')	1/99; 0.4040	• Oil & Gas Lease was tendered on August 16, 2000 to the last known address. Ms. Hinnman has yet to return the executed Lease.
d Georgia E. Kotlinski P.O. Box 351 Elsinore, CA 92330 (87')	1/99; 0.4040	• Letter sent to last known address • Family interview • Internet phone search • Probate search – Eddy Co., NM
e Larry Edward Fanning 1008 North Guadalupe Carlsbad, NM 88220 (87')	1/99; 0.4040	• Letter sent to last known address • Family interview • Internet phone search • Probate search – Eddy Co., NM

	NAME & ADDRESS	INTEREST & NET ACRES	PROCEDURES TO LOCATE/LEASE
f	J.E. Doud, Jr.* 4535 Baton Rouge Drive Nashville, TN 37076	1/99; 0.4040	•Oil & Gas Lease was tendered on August 16, 2000 to the last known address. Mr. Doud has yet to return the executed Lease.
g	Georgia Needham, a widow Route 1, Box 108 Lake Arthur, NM 88253	25/8712; 0.1147	•Oil & Gas Lease was tendered on July 12, 2000. Ms. Needham has cashed her bonus check, but has yet to return the executed Lease. Follow up letters were unsuccessful.
h	Heirs and devisees of Leola Needham Watson deceased Address Unknown	25/8712; 0.1147	•Family interview •Internet Search •Probate search – Eddy Co., NM
i	Mary Needham Province Address unknown	25/8712; 0.1147	•Family interview •Internet Search •Probate search – Eddy Co., NM
j	M. LaVerne Drew P.O. Drawer 269 Springerville, AZ 85938 (87')	25/13068; 0.0765	•Letter sent to last known address (returned) •Family interview •Internet phone search •Probate search – Eddy Co., NM
k	Flora M. Needham 700 North 10 th , Apt. 63-H Artesia, NM 88210 (87')	5/2904; 0.0688	•Letter sent to last known address •Family interview •Internet phone search •Probate search – Eddy Co., NM
l	Wray J. Shildneck Address Unknown	1/726; 0.0551	•Family interview •Internet phone search •Probate search – Eddy Co., NM
m	Heirs and devisees of Martin Douglas Hardcastle, deceased Rt. 8, Box 342 Lake Charles, LA 70605	1/1452; 0.0275	•Letter sent to last known address •Family interview •Internet Search •Probate search – Eddy Co., NM
n	Martin Douglas Hardcastle, Jr. Address Unknown	1/1452; 0.0275	•Family interview •Internet Search •Probate search – Eddy Co., NM
o	Heirs and devisees of Torita Ross, deceased Address Unknown	1/1452; 0.0275	•Family interview •Internet Search •Probate search – Eddy Co., NM
p	Heirs and devisees of Evelyn Barnett, deceased Address Unknown	1/1452; 0.0275	•Family interview •Internet Search •Probate search – Eddy Co., NM

NAME & ADDRESS

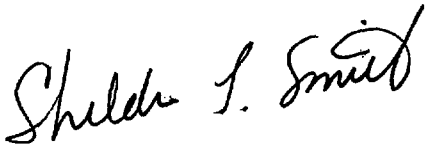
INTEREST &
NET ACRESPROCEDURES TO
LOCATE/LEASE

q	Robin Hall P.O. Box 562 Ruidoso, NM 88346	1/1760; 0.0227	•Oil & Gas Lease was tendered on March 1, 2000. Ms. Hall has yet to return the executed Lease. Follow up letters were unsuccessful.
r	Robert Richard Green 2815 Kismet Lane Houston, Texas 77043	25/69696; 0.0143	•Oil & Gas Lease was tendered on July 10, 2000. Mr. Green has yet to return the executed Lease. Follow up letters were unsuccessful.
s	Billy Joe Green 1242 West 78 th Terrace Hialeah, FL 33011 (87')	25/69696; 0.0143	•Letter sent to last known address •Family interview •Internet phone search •Probate search – Eddy Co., NM
t	Ben Richard Green 1104 South Virginia Roswell, NM 88201	25/104544; 0.0095	•Family interview •Internet Search •Probate search – Eddy Co., NM
Total		11.89107% / 4.756428 nma	

* Please note that the "Drilling Title Opinion" from Hinkle, Hinsley, Shannon & Martin, LLP dated December 26, 2000 lists a 1/99 un-leased interest credited to Jean E. Doud. I have credited this interest to J.E. Doud; Jr. by virtue of that certain Mineral Deed dated December 12, 1988 conveying all right, title and interest from J.E. Doud, Grantor to J.E. Doud, Jr., Grantee, and being recorded in volume 44 at page 646 of the Eddy County Records.

If you have any questions regarding these parties and need access to our notations, please contact the undersigned at the letterhead phone or fax number.

Sincerely,



Sheldon L. Smith
Petroleum Landman

SLS/ss