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April 30, 2003

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OIL CONSERVATION DIVISION

Via Certified Mail, Return Receipt Requested

Lori Wrotenbery, Director New Mexico Oil Conservation Division 1220 South St. Francis Drive Santa Fe, New Mexico 87505

Re:

Order No. R-11946; NMOCD Case No. 13004; Application of the New Mexico Oil Conservation Division Environmental Bureau Chief for an Order Determining the Responsible Party or Parties, Lea County, New Mexico

Dear Ms. Wrotenbery:

I am in-house counsel for Occidental Permian Ltd. ("Oxy"). Oxy's outside counsel, Thomas Kellahin, is currently out of the country, so I am responding to the above-referenced Order of the Oil Conservation Division ("Division") on behalf of Oxy.

It is Oxy's position that nothing in Paragraph 9 of the subject Stipulated Conditional Dismissal nor any other provision of that document restricts the Division's ability to use information obtained from the results of the proposed site investigation to determine any party's responsibility for the hydrocarbon release at issue. In other words, the Stipulated Conditional Dismissal does not affect whatever authority the Division otherwise would have to use such data to determine liability in this matter.

Mr. Kellahin will be back in the country and available after May $10^{\rm th}$. If you need to communicate with Oxy before then, please direct all such communications to me at the address and telephone numbers on this letterhead.

Thank you for the opportunity to address this matter, and please call me if you have any questions (281-552-1233).

Sincerely,

Larolyn O. Aillman

Cc: David Brooks, Esq.

Richard Foppiano J. Scott Hall, Esq.

W. Thomas Kellahin, Esq.

Paul R. Owen, Esq.