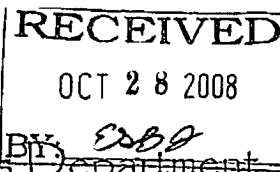


New Mexico Energy, Minerals and Natural Resources Department



Bill Richardson
Governor

Joanna Prukop
Cabinet Secretary
Reese Fullerton
Deputy Cabinet Secretary

OCT 28 2008

OCD-ARTESIA

Mark Fesmire
Division Director
Oil Conservation Division



October 24, 2008

OXY USA WTP Limited Partnership
Attn: Elizabeth S. Bush-Ivie
P.O. Box 4294
Houston, TX 77210-4294
Email: elizabeth_bush@oxy.com

Re: Agreed Compliance Order No. 253 / Notice of Violation No. 02-08-21
Operator: OXY USA WTP Limited Partnership — OGRID 192463
Facilities: Shelby 12 Federal No. 008; 30-015-35170; L-12-22S-24E
US 13 Federal No. 004; 30-015-35017; O-12-22S-24E
Violation: OCD Rule 19.15.10.803 NMAC

Dear Mrs. Bush-Ivie:

I am in receipt of OXY USA WTP Limited Partnership's ("OXY's") payment of \$15,000.00. Thank you for your payment.

Enclosed is copy of the executed Agreed Compliance Order for the above violation.

As previously stated, OXY must keep the wells shut-in until it has received approved C-104 forms from the Oil Conservation Division. It is OXY's responsibility to submit the C-104 forms for Division approval, and obtain Division approval before producing the wells.

The Division appreciates OXY's cooperation in resolving the matter. If you have any questions please contact me at (505) 476-3463 or sonny.swazo@state.nm.us.

Sincerely,

Sonny Swazo
OCD Assistant General Counsel

ec: Daniel Sanchez, OCD Compliance Director
Tim Gum, OCD District II Supervisor
Gerry Guye, OCD District II Compliance Officer

