



OXY USA Inc.
5 Greenway Plaza, Suite 2400
P.O. Box 27570, Houston, TX 77227-7570

June 6, 2000

To: Operators on Attached Service List

Gentlemen:

ONGARD records indicate that you are the operator of at least one active well in the North Burton Flat (Wolfcamp) Pool. OXY USA Inc. also operates wells in this pool, and we are contemplating an application before the New Mexico Oil Conservation Division to rescind Order No. R-4949 that established field rules for this pool. These field rules were adopted in 1976 and provide for a single well on a 320-acre spacing unit located no closer than 660 feet to the nearest side boundary or 1980 feet to the nearest end boundary of the 320-acre tract. The North Burton Flat (Wolfcamp) Pool is also prorated with a fixed allowable of 1500 MCFPD per well.

OXY believes that additional reserves can be recovered from this pool before it is abandoned if the pool was regulated under statewide rules. Before we proceed with the regulatory phase of this project, however, we would like to find out if any operators in the pool would oppose an application to rescind these rules, and the reasons for such. This will allow us to work out any differences before we file the application. Accordingly, if your company has no objection to this proposal, please indicate such by executing the waiver of protest below and returning to the undersigned at the letterhead address. Thank you for your consideration, and if you have any questions please call me at 713-215-7317.

Sincerely,

Richard E. Foppiano, P.E.
Senior Advisor - Regulatory Affairs

REF: ref
Attachment

BEFORE THE
OIL CONSERVATION DIVISION
Case No. 12447 Exhibit No. 7-B
Submitted By:
OXY USA, Inc.
Hearing Date: July 13, 2000

***** WAIVER OF PROTEST *****

My company has no objection to rescinding the existing pool rules for the North Burton Flat (Wolfcamp) Pool.

Randolph Foppiano
Name

Gates Petroleum Corporation
Company

Atty-in-Fact
Title

6/15/2000
Date