

August 21, 2002

Occidental Permian Limited Partnership
P. O. Box 4294
Houston, Texas 77210-4294

Attention: Richard E. Foppiano
Rick_Foppiano@oxy.com

AMENDED Administrative Order NSL-4646 (BHL)

Dear Mr. Foppiano:

By Division Administrative Order NSL-4646 (BHL), dated September 26, 2001, authorization was given Occidental Permian Limited Partnership ("Occidental Permian") to directionally drill its South Hobbs (GSA) Unit Well No. 244 and North Hobbs G/SA Unit Well No. 843 to unorthodox subsurface oil well locations along the "lease-line" that separates Occidental Permian's North Hobbs Grayburg-San Andres Unit and South Hobbs Grayburg-San Andres Unit Pressure Maintenance Projects within the Hobbs-Grayburg-San Andres Pool (31920) in Township 18 South, Range 38 East, NMPM, Lea County, New Mexico. The South Hobbs (GSA) Unit Well No. 244 (API No. 30-025-35724) was permitted to be directionally drilled from a surface location 2246 feet from the North line and 597 feet from the West line (Unit E) of Section 34, Township 18 South, Range 38 East, NMPM, Lea County, New Mexico, to an unorthodox bottomhole Grayburg/San Andres oil well location within a standard 40-acre oil spacing and proration unit that comprises the SW/4 NW/4 (Unit E) of Section 34 2006 feet from the North line and 67 feet from the West line of Section 34.

Reference is now made to your letter of application (*application reference No. pKRV0-221135134*) with attachments that was submitted to the Santa Fe office of the New Mexico Oil Conservation Division ("Division") on July 29, 2002 and to the Division's well file and records, whereby an amendment should be issued in this order to indicate that the targeted bottomhole location for the South Hobbs (GSA) Unit Well No. 244 was missed and to accurately reflect the actual bottom-hole location of this wellbore.

The Division Director Finds That:

- (1) Division Administrative Order NSL-4646 (BHL) was originally approved under the provisions of Division Rules 104.F (2), revised by Division Order No. R-11231, issued by the New Mexico Oil Conservation Commission in Case No. 12119 on August 12, 1999, and 111.C (2);
- (2) This request to amend the bottomhole location for the South Hobbs (GSA) Unit Well No. 244 has been duly filed under the provisions of Division Rules 104.F, as revised, and 111.C (2);
- (3) Because of an apparent misunderstanding between Occidental Permian's field and regulatory personnel the wellbore missed its intended bottomhole location by 64 feet;