



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

March 1, 2006

Mark E. Fesmire, P.E.

Director

Oil Conservation Division

**OXY USA WTP Limited Partnership
P. O. Box 50250
Midland, Texas 79710-0250**

**Attention: David Stewart
Senior Regulatory Analyst
david_stewart@oxy.com**

Administrative Order NSP-1897 (L) (SD)

Dear Mr. Stewart:

Reference is made to the following: (i) your application (*administrative application reference No. pTDS0-603752812*) dated February 1, 2006 that was submitted to the New Mexico Oil Conservation Division ("Division") in Santa Fe, New Mexico on February 6, 2006; (ii) a voice-mail message for Mr. Michael E. Stogner, Engineer with the Division in Santa Fe, from Ms. Elizabeth S. Bush-Ivie, Regulatory Team Leader, with OXY USA WTP Limited Partnership's ("OXY") in Houston, Texas, on Monday afternoon, February 6, 2006, checking on the status of your application; (iii) your telephone conversation with Mr. Stogner on Thursday morning, February 16, 2006, concerning past Blinebry gas production within the immediate area that is the subject of your application; and (iv) the Division's records in Hobbs and Santa Fe, including the files on Division Administrative Orders NSP-941, NSP-942, NSL-24, and NSL-680: all concerning OXY's request for a 120-acre non-standard gas spacing and proration unit ("GPU") consisting of the following acreage in the Blinebry Oil and Gas Pool (72480):

**LEA COUNTY, NEW MEXICO
TOWNSHIP 21 SOUTH, RANGE 37 EAST, NMPM
Section 3: NE/4 SW/4 and S/2 SW/4.**

Further, OXY seeks to simultaneously dedicate this 120-acre GPU to the following two described wells located at locations considered to be "unorthodox" pursuant to Rule 2 (b) 1 of the "Special Rules and Regulations for the Blinebry Oil and Gas Pool," as promulgated by Division Order No. R-8170, as amended:

- (1) Brunson "B" Well No. 2 (API No. 30-025-12573), located 1912 feet from the South and West lines (Unit K) of Section 3; and

(2) Brunson "B" Well No. 7 (API No. 30-025-09980), located 622 feet from the South line and 1990 feet from the West line (Unit N) of Section 3 [*this well was the subject of Division Administrative Order NSL-680, dated September 17, 1974, which order approved this location for the Tubb Oil and Gas Pool (86440)*].

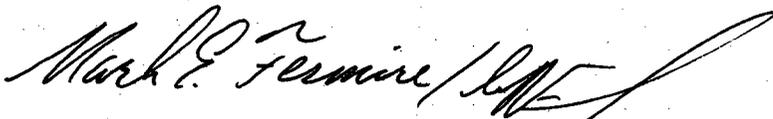
Your application has been duly filed under the provisions of: (i) Division Rules 104.D (2), 104.F, 605.B, and 1210.A (2) [formerly Rule 1207.A (2)]; and (ii) the special pool rules currently governing the Blinebry Oil and Gas Pool (*Division Order No. R-8170, as amended*).

By the authority granted me under the provisions of Division Rules 104.D (2), 104.F (2) and 605.B (2), and the applicable provisions of the special Blinebry Oil and Gas pool rules, the above-described 120-acre non-standard GPU and unorthodox Blinebry gas well locations for the Brunson "B" Wells No. 2 and 7 are hereby approved.

This newly established 120-acre GPU is to be simultaneously dedicated to the above-described Brunson "B" Wells No. 2 and 7, with allowable assigned thereto in accordance with Rule 5 of the special Blinebry Oil and Gas pool rules based upon the unit size of 120 acres.

Jurisdiction of this cause is retained for the entry of such further orders as the Division may deem necessary.

Sincerely,



Mark E. Fesmire, P. E.
Director

MEF/ms

cc: New Mexico Oil Conservation Division – Hobbs
Ms. Elizabeth S. Bush-Ivie, OXY USA WTP LP - Houston, TX (elizabeth_bush@oxy.com)
Files: NSL-680
NSL-24
NSP-941
NSP-942