



NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION
2040 South Pacheco Street
Santa Fe, New Mexico 87505
(505) 827-7131

March 6, 1998

OXY USA, Inc.
P. O. Box 50250
Midland, Texas 79710-0250
Attention: Richard E. Foppiano

Administrative Order NSL-3961

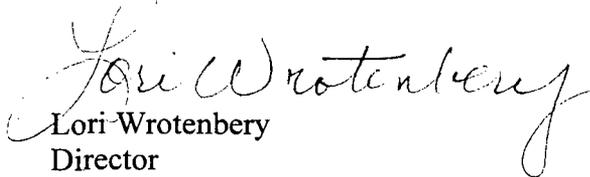
Dear Mr. Foppiano:

Reference is made to your application dated March 2, 1998 for a non-standard gas well location to be applicable to any and all formations and/or pools developed on 320-acre spacing from the top of the Wolfcamp formation to the base of the Morrow formation, which presently includes but is not necessarily limited to the Undesignated Crow Flats-Morrow Gas Pool and Undesignated Riverside-Morrow Gas Pool, for OXY USA, Inc.'s proposed Oxy Roscoe Federal Com. Well No. 1 to be drilled 1540 feet from the North line and 1760 feet from the East line (Unit G) of Section 4, Township 17 South, Range 27 East, NMPM, Eddy County, New Mexico. Lots 1, 2, 3, and 4 and the S/2 N/2 (N/2 equivalent) of said Section 4 is to be dedicated to said well in order to form a standard 323.68-acre gas spacing and proration unit.

The application has been duly filed under the provisions of Rule 104.F of the General Rules and Regulations of the New Mexico Oil Conservation Division ("Division").

By the authority granted me under the provisions of Division General Rule 104.F(2), the above-described unorthodox gas well location is hereby approved.

Sincerely,


Lori Wrottenberg
Director

LW/MES/kv

cc: New Mexico Oil Conservation Division - Artesia
U. S. Bureau of Land Management - Carlsbad