



Occidental Permian Ltd.

5 Greenway Plaza, Suite 110
Houston, TX 77046
PO Box 4294
Houston, TX 77210-4294
713-215-7000

July 2, 2007

EOR-17

New Mexico Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, NM 87505

Attention: David Catanach

Re: Occidental Permian Limited Partnership
East Eumont Unit Waterflood (Northern Portion)
EOR Project R-2901-A, March 16, 1994
Annual Status Report

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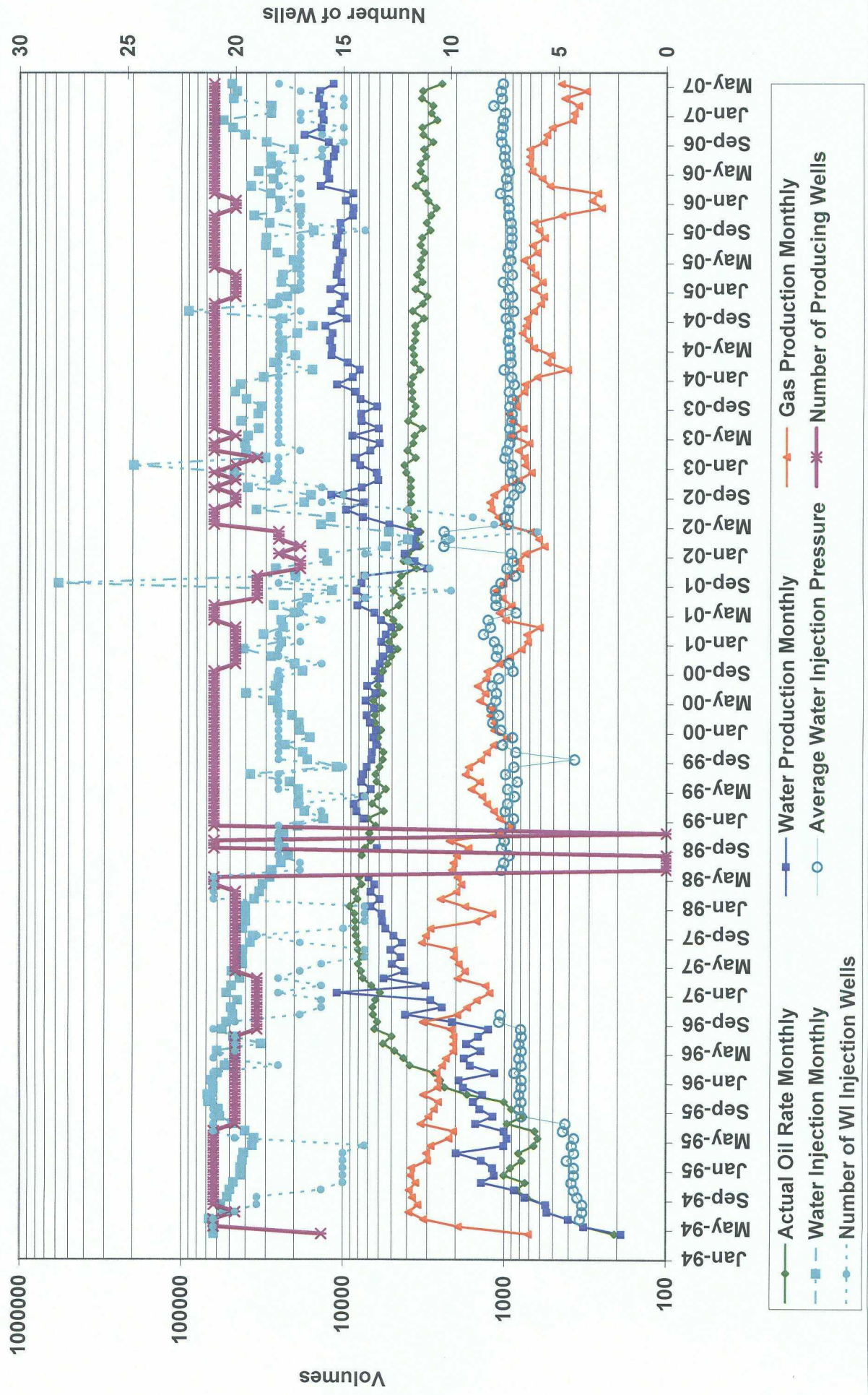
In accordance with the New Mexico Enhanced Oil Recovery Tax Incentive Rule 19.15.1.30 F(1), attached is the annual report to confirm the East Eumont Unit Waterflood (Northern Portion) EOR Project R-2901-A is still a viable EOR project as approved March 16, 1994.

If you have any questions, please contact Karen Ellis at 713-366-5161.

Sincerely,

Karen Ellis
Sr. Tax Incentive Analyst – Regulatory Affairs
713-366-5161
email karen_ellis@oxy.com

EAST EUMONT UNIT WATERFLOOD
(Northern Portion)
MARCH 16, 1994
EOR PROJECT R-2901-A
APRIL 1994-MAY 2007



EAST EUMONT UNIT WATERFLOOD
(Northern Portion)
MARCH 16, 1994
EOR PROJECT R-2901-A
APRIL 1994-MAY 2007

Month/Yr	Actual Oil Rate BOPD	Actual Oil Rate Monthly	Water Production BWPD	Water Production Monthly	Gas Prod MCFD	Gas Prod Monthly	Water Injection BWPD	Water Injection Monthly	Number of Producing Wells	Number of Injection Wells	Average Water Injection Pressure	Cum Oil
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Vol Inj/Yr		530						125918				
Jun-94	13	401	13	401	105	3155	2225	66739	21	21	340	
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Vol Inj/Yr		8613						567920				
Jun-95	22	649	34	1006	69	2065	1344	40326	21	21	436	
Jul-95	31	965	49	1505	106	3296	1549	48012	20	21	422	
Aug-95	25	761	38	1179	95	2947	1862	57719	20	21	787	
Sep-95	30	906	47	1419	91	2722	1962	58859	20	21	813	
Oct-95	32	1006	50	1559	83	2562	2185	67720	20	21	787	1006
Nov-95	57	1698	46	1367	106	3179	2281	68436	20	21	813	2704
Dec-95	76	2341	58	1790	84	2591	2040	63225	20	21	787	5045
Jan-96	80	2488	62	1911	83	2568	2088	64739	20	21	787	7533
Feb-96	97	2716	41	1148	94	2621	2136	59801	20	21	871	10249
Mar-96	124	3854	53	1632	78	2423	1725	53460	20	18	787	14103
Apr-96	141	4216	59	1774	77	2303	1550	46491	20	21	813	18319
May-96	155	4800	45	1399	67	2067	1936	60024	20	20	787	23119
Vol Inj/Yr		26400						688812				
Jun-96	188	5649	57	1717	69	2069	1073	32184	20	20	813	28768
Jul-96	161	4997	47	1455	67	2063	1531	47476	20	20	787	33765
Aug-96	206	6381	41	1258	69	2142	1798	55741	19	21	794	40146

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Sep-96	205	6144	70	2106	107	3200	1744	52331	19	20	1081	46290
Oct-96	210	6510	133	4113	63	1959	1549	48011	19	17	1065	52800
Nov-96	219	6561	81	2434	57	1705	1634	49006	19	16	N/A	59361
Dec-96	203	6298	93	2868	48	1480	1447	44858	19	16	N/A	65659
Jan-97	190	5902	350	10857	40	1235	1691	52409	19	18	N/A	71561
Feb-97	239	6678	110	3067	47	1314	1745	48858	19	16	N/A	78239
Mar-97	244	7560	180	5593	63	1950	1404	43537	19	18	N/A	85799
Apr-97	258	7747	139	4158	59	1760	1628	48832	20	17	N/A	93546
May-97	261	8084	161	4978	62	1918	1349	41804	20	16	N/A	101630
Vol Inj/Yr		78511					565047					
Jun-97	257	7714	147	4400	69	2061	1398	41931	20	14	N/A	109344
Jul-97	261	8099	164	5082	67	2064	1343	41633	20	14	N/A	117443
Aug-97	264	8175	139	4314	105	3249	1208	37439	20	17	N/A	125618
Sep-97	279	8365	162	4856	102	3067	1200	35999	20	19	N/A	133983
Oct-97	272	8426	176	5453	93	2873	1349	41818	20	15	N/A	142409
Nov-97	281	8438	191	5720	50	1493	1333	39999	20	14	N/A	150847
Dec-97	275	8532	186	5770	38	1193	1290	39977	20	14	N/A	159379
Jan-98	295	9141	218	6744	57	1754	1295	40130	20	14	N/A	168520
Feb-98	292	8183	213	5952	89	2493	1261	35313	20	21	N/A	176703
Mar-98	276	8568	218	6753	64	1991	1059	32831	20	21	N/A	185271
Apr-98	257	7705	213	6399	62	1851	1047	31424	21	21	N/A	192976
May-98	258	7992	224	6954	63	1950	915	28374	21	21	N/A	200968
Vol Inj/Yr		99338					446868					
Jun-98	N/A	N/A	N/A	N/A	71	2121	920	27589	N/A	17	1048	200968
Jul-98	N/A	N/A	N/A	N/A	67	2071	782	24233	N/A	17	1013	200968
Aug-98	248	7700	N/A	N/A	64	1980	703	21797	N/A	18	940	208668
Sep-98	245	7364	206	6173	56	1674	773	23195	21	18	1047	216032
Oct-98	219	6779	N/A	N/A	71	2191	805	24964	21	18	1005	222811
Nov-98	231	6918	N/A	N/A	35	1049	776	23280	0	18	1055	229729
Dec-98	203	6305	N/A	N/A	29	914	614	19048	21	18	924	236034
Jan-99	228	7059	241	7479	35	1071	427	13245	21	16	882	243093
Feb-99	201	5627	296	8292	42	1166	620	17349	21	16	991	248720

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Mar-99	214	6644	277	8572	41	1286	610	18925	21	17	961	255364
Apr-99	203	6097	251	7543	46	1377	626	18790	21	14	872	261461
May-99	176	5459	218	6753	52	1610	611	18926	21	18	961	266920
Vol Inj/Yr		65952						251341				
Jun-99	208	6232	257	7724	48	1427	712	21362	21	18	838	273152
Jul-99	204	6323	243	7521	56	1747	1211	37540	21	18	991	279475
Aug-99	193	5973	231	7176	54	1669	354	10985	21	15	880	285448
Sep-99	190	5712	223	6703	47	1404	556	16683	21	18	370	291160
Oct-99	183	5661	215	6655	42	1290	575	17811	21	18	856	296821
Nov-99	205	6149	209	6268	39	1173	765	22938	21	18	1036	302970
Dec-99	197	6092	211	6536	31	971	519	16091	21	18	896	309062
Jan-00	189	5850	203	6281	38	1165	601	18625	21	18	1061	314912
Feb-00	227	6363	245	6851	42	1162	672	18806	21	18	1190	321275
Mar-00	207	6407	231	7163	40	1231	667	20662	21	18	1092	327682
Apr-00	193	5792	215	6458	40	1205	847	25408	21	18	1207	333474
May-00	211	6537	235	7282	46	1423	881	27299	21	18	1140	340011
Vol Inj/Yr		73091						254210				
Jun-00	190	5686	211	6333	44	1319	1332	39971	21	18	1128	345697
Jul-00	198	6124	230	7115	48	1477	843	26142	21	18	1202	351821
Aug-00	198	6146	191	5918	42	1306	810	25101	21	18	1092	357967
Sep-00	190	5686	212	6359	43	1282	595	17843	21	18	891	363653
Oct-00	172	5326	192	5942	35	1082	644	19953	20	16	943	368979
Nov-00	169	5074	189	5659	31	930	927	27800	20	18	1128	374053
Dec-00	149	4625	166	5155	26	792	1341	41559	20	18	1104	378678
Jan-01	169	5227	188	5826	23	723	780	24178	20	17	1164	383905
Feb-01	174	4874	195	5448	26	732	1110	31090	20	18	1356	388779
Mar-01	146	4514	163	5045	20	610	758	23507	20	17	1230	393293
Apr-01	164	4908	195	5842	33	988	806	24183	21	16	1269	398201
May-01	174	5397	207	6420	35	1081	646	20025	21	17	854	403598
Vol Inj/Yr		63587						321352				
Jun-01	152	4561	274	8209	30	910	898	26950	21	17	1137	408159
Jul-01	141	4369	238	7388	33	1035	539	16720	19	14	1136	412528

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Aug-01	158	4889	268	8314	37	1139	379	11761	19	10	1146	417417
Sep-01	152	4555	258	7736	34	1025	19150	574513	19	18	1059	421972
Oct-01	142	4388	239	7397	31	948	636	19713	19	14	869	426360
Nov-01	118	3538	101	3021	27	807	871	26124	17	11	973	429898
Dec-01	137	4233	117	3617	27	832	405	12559	17	12	894	434131
Jan-02	128	3980	135	4187	24	749	426	13201	18	14	910	438111
Feb-02	120	3360	127	3561	20	569	195	5467	17	13	2382	441471
Mar-02	114	3545	120	3724	20	617	129	3997	18	10	2303	445016
Apr-02	112	3345	116	3466	23	691	174	5225	18	6	2380	448361
May-02	125	3861	168	5200	33	1030	443	13736	21	8	2303	452222
Vol Inj/Yr		48624						729966				
Jun-02	121	3643	252	7548	37	1104	398	11943	21	9	996	455865
Jul-02	131	4050	311	9629	39	1215	1109	34391	21	12	947	459915
Aug-02	123	3815	240	7444	40	1241	562	17419	20	16	944	463730
Sep-02	128	3830	396	11876	39	1170	526	15786	20	15	882	467560
Oct-02	124	3839	248	7690	33	1012	1255	38892	21	16	808	471399
Nov-02	127	3821	202	6072	28	825	883	26503	20	18	892	475220
Dec-02	132	4081	200	6212	22	688	1518	47044	21	18	919	479301
Jan-03	135	4194	254	7877	24	752	6324	196054	20	18	903	483495
Feb-03	128	3572	303	8479	27	759	1080	30239	19	18	1003	487067
Mar-03	130	4015	220	6831	27	825	1287	39898	21	17	975	491082
Apr-03	123	3699	199	5971	24	711	1352	40573	21	18	936	494781
May-03	117	3634	284	8815	30	919	1248	38700	20	18	909	498415
Vol Inj/Yr		46193						537442				
Jun-03	108	3242	201	6041	26	770	1111	33319	21	18	935	501657
Jul-03	129	3985	249	7721	29	896	1382	42856	21	18	908	505642
Aug-03	119	3691	251	7787	31	946	1083	33584	21	18	907	509333
Sep-03	119	3584	206	6179	28	854	1069	32078	21	18	937	512917
Oct-03	122	3770	254	7861	28	865	1280	39694	21	18	898	516687
Nov-03	125	3753	281	8431	25	764	1557	46719	21	18	942	520440
Dec-03	123	3827	355	10992	24	752	1393	43198	21	18	879	524267
Jan-04	120	3711	283	8777	20	634	1003	31082	21	18	912	527978

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Feb-04	120	3360	284	7944	15	411	555	15543	555	15543	21	18	1017	531338
Mar-04	118	3662	306	9476	18	550	867	26866	867	26866	21	18	920	535000
Apr-04	122	3670	396	11888	17	519	661	19825	661	19825	21	18	932	538670
May-04	121	3747	380	11779	21	665	767	23769	767	23769	21	18	934	542417
Vol Inj/Yr		44002						388533						
Jun-04	121	3622	403	12101	24	715	800	24002	800	24002	21	18	958	546039
Jul-04	115	3569	377	11692	25	784	623	19327	623	19327	21	18	940	549608
Aug-04	116	3604	417	12925	24	744	501	15517	501	15517	21	18	936	553212
Sep-04	106	3187	319	9575	24	729	792	23752	792	23752	21	18	987	556399
Oct-04	121	3741	382	11830	22	667	2906	90093	2906	90093	21	17	887	560140
Nov-04	108	3236	351	10539	20	602	916	27494	916	27494	21	18	998	563376
Dec-04	98	3036	318	9868	19	577	717	22231	717	22231	20	18	904	566412
Jan-05	116	3594	389	12063	22	670	641	19885	641	19885	20	17	952	570006
Feb-05	117	3263	369	10332	21	589	866	24253	866	24253	20	17	1028	573269
Mar-05	113	3509	357	11053	21	654	763	23642	763	23642	20	17	906	576778
Apr-05	112	3347	362	10869	23	695	646	19394	646	19394	21	17	968	580125
May-05	107	3310	342	10591	25	765	657	20371	657	20371	21	17	924	583435
Vol Inj/Yr		41018						329961						
Jun-05	106	3170	339	10165	21	635	854	25613	854	25613	21	17	954	586605
Jul-05	108	3343	358	11106	22	677	973	30154	973	30154	21	17	918	589948
Aug-05	105	3270	352	10912	18	570	968	30012	968	30012	21	17	912	593218
Sep-05	97	2909	344	10334	21	617	511	15321	511	15321	21	14	916	596127
Oct-05	99	3066	337	10461	21	660	925	28667	925	28667	21	17	920	599193
Nov-05	96	2873	293	8794	15	444	1190	35685	1190	35685	21	17	952	602066
Dec-05	86	2667	281	8702	8	253	596	18485	596	18485	20	18	948	604733
Jan-06	97	2992	313	9697	9	290	794	24623	794	24623	20	18	959	607725
Feb-06	111	3096	312	8724	10	267	1011	28299	1011	28299	21	17	1071	610821
Mar-06	115	3579	448	13881	17	526	1207	37430	1207	37430	21	18	968	614400
Apr-06	105	3141	410	12288	20	590	902	27052	902	27052	21	17	983	617541
May-06	108	3348	410	12703	22	680	1083	33565	1083	33565	21	18	944	620889
Vol Inj/Yr		37454						334906						

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Jun-06	112	3346	417	12513	24	708	936	28088	21	18	989	624235
Jul-06	100	3087	371	11508	23	704	908	28148	21	16	1012	627322
Aug-06	103	3182	363	11245	23	703	654	20286	21	16	1000	630504
Sep-06	93	2795	412	12362	19	578	998	29932	21	15	1050	633299
Oct-06	104	3213	563	17458	18	552	1309	40567	21	16	1058	636512
Nov-06	108	3254	455	13661	17	512	1608	48249	21	15	1032	639766
Dec-06	85	2635	428	13266	12	382	1784	55315	21	17	1031	642401
Jan-07	92	2855	438	13583	12	373	904	28026	21	17	1000	645256
Feb-07	100	2794	474	13280	13	350	994	27841	21	15	1177	648050
Mar-07	106	3278	457	14175	14	427	1541	47779	21	15	1044	651328
Apr-07	108	3228	466	13976	10	314	1520	45589	21	17	1059	654556
May-07	79	2459	373	11550	14	448	1576	48841	21	18	1028	657015
Vol Inj/Yr		36126						448661				



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713-215-7000

July 20, 2005

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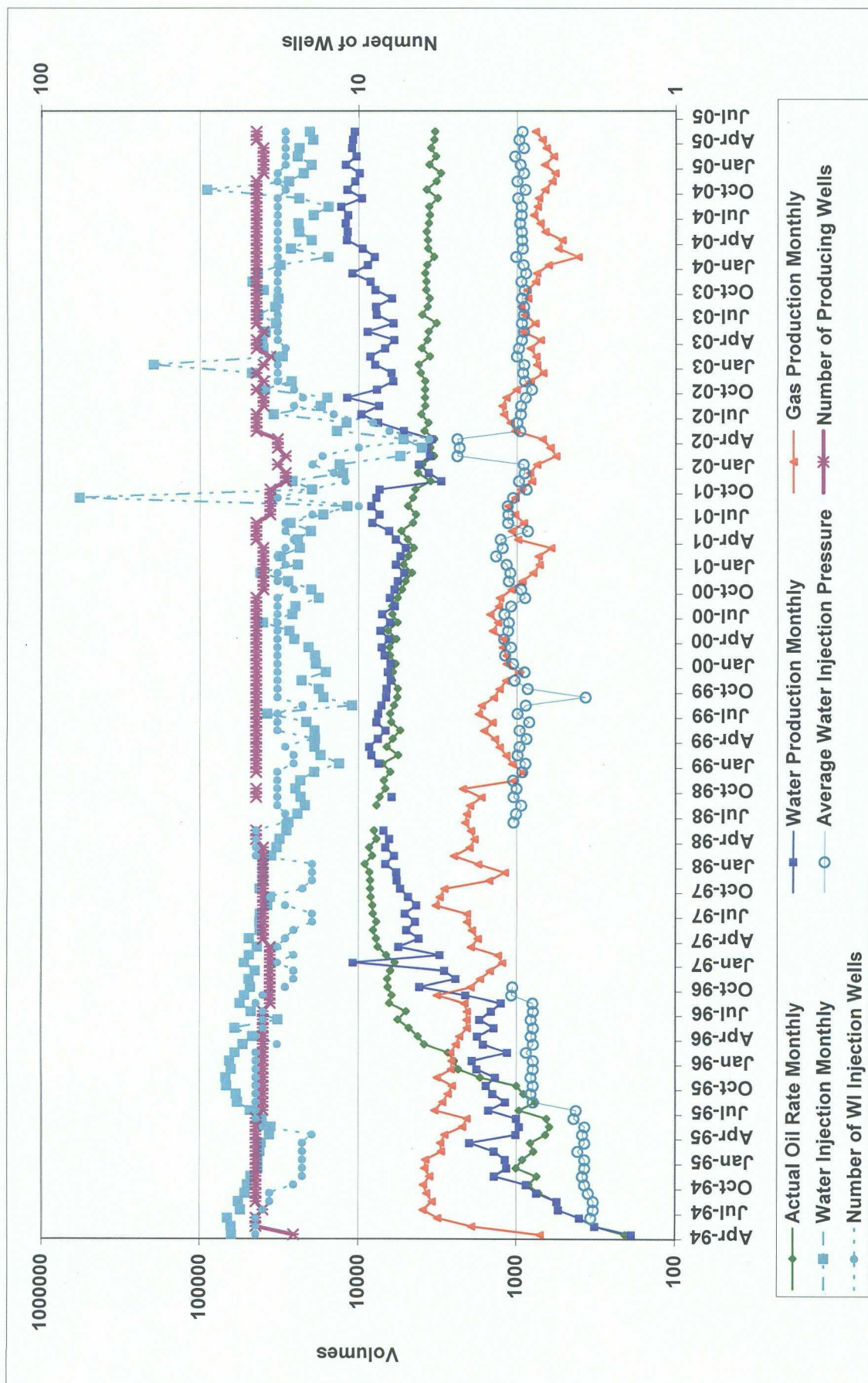
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Sincerely,

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Sr. Tax Incentive Analyst – Regulatory Affairs
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email karen_ellis@oxy.com

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Vol Inj/Yr		8613						567920				
Jun-95	22	649	34	1006	69	2065	1344	40326	21	21	436	
Jul-95	31	965	49	1505	106	3296	1549	48012	20	21	422	
Aug-95	25	761	38	1179	95	2947	1862	57719	20	21	787	
Sep-95	30	906	47	1419	91	2722	1962	58859	20	21	813	
Oct-95	32	1006	50	1559	83	2562	2185	67720	20	21	787	1006
Nov-95	57	1698	46	1367	106	3179	2281	68436	20	21	813	2704
Dec-95	76	2341	58	1790	84	2591	2040	63225	20	21	787	5045
Jan-96	80	2488	62	1911	83	2568	2088	64739	20	21	787	7533
Feb-96	97	2716	41	1148	94	2621	2136	59801	20	21	871	10249
Mar-96	124	3854	53	1632	78	2423	1725	53460	20	18	787	14103
Apr-96	141	4216	59	1774	77	2303	1550	46491	20	21	813	18319
May-96	155	4800	45	1399	67	2067	1936	60024	20	20	787	23119
Vol Inj/Yr		26400						688812				
Jun-96	188	5649	57	1717	69	2069	1073	32184	20	20	813	28768
Jul-96	161	4997	47	1455	67	2063	1531	47476	20	20	787	33765
Aug-96	206	6381	41	1258	69	2142	1798	55741	19	21	794	40146

EAST EUMONT UNIT WATERFLOOD
(Northern Portion)
MARCH 16, 1994
EOR PROJECT R-2901-A
APRIL 1994-MAY 2005

Month/Yr	Actual Oil Rate BOPD	Actual Oil Rate Monthly	Water Production BWPD	Water Production Monthly	Gas Prod MCFD	Gas Prod Monthly	Water Injection BWPD	Water Injection Monthly	Number of Producing Wells	Number of Injection Wells	Average Water Injection Pressure	Cum Oil
Sep-96	205	6144	70	2106	107	3200	1744	52331	19	20	1081	46290
Oct-96	210	6510	133	4113	63	1959	1549	48011	19	17	1065	52800
Nov-96	219	6561	81	2434	57	1705	1634	49006	19	16	N/A	59361
Dec-96	203	6298	93	2868	48	1480	1447	44858	19	16	N/A	65659
Jan-97	190	5902	350	10857	40	1235	1691	52409	19	18	N/A	71561
Feb-97	239	6678	110	3067	47	1314	1745	48858	19	16	N/A	78239
Mar-97	244	7560	180	5593	63	1950	1404	43537	19	18	N/A	85799
Apr-97	258	7747	139	4158	59	1760	1628	48832	20	17	N/A	93546
May-97	261	8084	161	4978	62	1918	1349	41804	20	16	N/A	101630
Vol Inj/Yr		78511					565047					
Jun-97	257	7714	147	4400	69	2061	1398	41931	20	14	N/A	109344
Jul-97	261	8099	164	5082	67	2064	1343	41633	20	14	N/A	117443
Aug-97	264	8175	139	4314	105	3249	1208	37439	20	17	N/A	125618
Sep-97	279	8365	162	4856	102	3067	1200	35999	20	19	N/A	133983
Oct-97	272	8426	176	5453	93	2873	1349	41818	20	15	N/A	142409
Nov-97	281	8438	191	5720	50	1493	1333	39999	20	14	N/A	150847
Dec-97	275	8532	186	5770	38	1193	1290	39977	20	14	N/A	159379
Jan-98	295	9141	218	6744	57	1754	1295	40130	20	14	N/A	168520
Feb-98	292	8183	213	5952	89	2493	1261	35313	20	21	N/A	176703
Mar-98	276	8568	218	6753	64	1991	1059	32831	20	21	N/A	185271
Apr-98	257	7705	213	6399	62	1851	1047	31424	21	21	N/A	192976
May-98	258	7992	224	6954	63	1950	915	28374	21	21	N/A	200968
Vol Inj/Yr		99338					446868					
Jun-98	N/A	N/A	N/A	N/A	71	2121	920	27589	N/A	17	1048	200968
Jul-98	N/A	N/A	N/A	N/A	67	2071	782	24233	N/A	17	1013	200968
Aug-98	248	7700	N/A	N/A	64	1980	703	21797	N/A	18	940	208668
Sep-98	245	7364	206	6173	56	1674	773	23195	21	18	1047	216032
Oct-98	219	6779	N/A	N/A	71	2191	805	24964	21	18	1005	222811
Nov-98	231	6918	N/A	N/A	35	1049	776	23280	0	18	1055	229729
Dec-98	203	6305	N/A	N/A	29	914	614	19048	21	18	924	236034
Jan-99	228	7059	241	7479	35	1071	427	13245	21	16	882	243093
Feb-99	201	5627	296	8292	42	1166	620	17349	21	16	991	248720

EAST EUMONT UNIT WATERFLOOD
(Northern Portion)
MARCH 16, 1994
EOR PROJECT R-2901-A
APRIL 1994-MAY 2005

Month/Yr	Actual Oil Rate BOPD	Actual Oil Rate Monthly	Water Production BWPD	Water Production Monthly	Gas Prod MCFD	Gas Prod Monthly	Water Injection BWPD	Water Injection Monthly	Number of Producing Wells	Number of WI Injection Wells	Average Water Injection Pressure	Cum Oil
Mar-99	214	6644	277	8572	41	1286	610	18925	21	17	961	255364
Apr-99	203	6097	251	7543	46	1377	626	18790	21	14	872	261461
May-99	176	5459	218	6753	52	1610	611	18926	21	18	961	266920
Vol Inj/Yr		65952						251341				
Jun-99	208	6232	257	7724	48	1427	712	21362	21	18	838	273152
Jul-99	204	6323	243	7521	56	1747	1211	37540	21	18	991	279475
Aug-99	193	5973	231	7176	54	1669	354	10985	21	15	880	285448
Sep-99	190	5712	223	6703	47	1404	556	16683	21	18	370	291160
Oct-99	183	5661	215	6655	42	1290	575	17811	21	18	856	296821
Nov-99	205	6149	209	6268	39	1173	765	22938	21	18	1036	302970
Dec-99	197	6092	211	6536	31	971	519	16091	21	18	896	309062
Jan-00	189	5850	203	6281	38	1165	601	18625	21	18	1061	314912
Feb-00	227	6363	245	6851	42	1162	672	18806	21	18	1190	321275
Mar-00	207	6407	231	7163	40	1231	667	20662	21	18	1092	327682
Apr-00	193	5792	215	6458	40	1205	847	25408	21	18	1207	333474
May-00	211	6537	235	7282	46	1423	881	27299	21	18	1140	340011
Vol Inj/Yr		73091						254210				
Jun-00	190	5686	211	6333	44	1319	1332	39971	21	18	1128	345697
Jul-00	198	6124	230	7115	48	1477	843	26142	21	18	1202	351821
Aug-00	198	6146	191	5918	42	1306	810	25101	21	18	1092	357967
Sep-00	190	5686	212	6359	43	1282	595	17843	21	18	891	363653
Oct-00	172	5326	192	5942	35	1082	644	19953	20	16	943	368979
Nov-00	169	5074	189	5659	31	930	927	27800	20	18	1128	374053
Dec-00	149	4625	166	5155	26	792	1341	41559	20	18	1104	378678
Jan-01	169	5227	188	5826	23	723	780	24178	20	17	1164	383905
Feb-01	174	4874	195	5448	26	732	1110	31090	20	18	1356	388779
Mar-01	146	4514	163	5045	20	610	758	23507	20	17	1230	393293
Apr-01	164	4908	195	5842	33	988	806	24183	21	16	1269	398201
May-01	174	5397	207	6420	35	1081	646	20025	21	17	854	403598
Vol Inj/Yr		63587						321352				

EAST EUMONT UNIT WATERFLOOD
(Northern Portion)
MARCH 16, 1994
EOR PROJECT R-2901-A
APRIL 1994-MAY 2005

Month/Yr	Actual Oil Rate BOPD	Actual Oil Rate Monthly	Water Production BWPD	Water Production Monthly	Gas Prod MCFD	Gas Prod Monthly	Water Injection BWPD	Water Injection Monthly	Number of Producing Wells	Number of WI Injection Wells	Average Water Injection Pressure	Cum Oil
Jun-01	152	4561	274	8209	30	910	898	26950	21	17	1137	408159
Jul-01	141	4369	238	7388	33	1035	539	16720	19	14	1136	412528
Aug-01	158	4889	268	8314	37	1139	379	11761	19	10	1146	417417
Sep-01	152	4555	258	7736	34	1025	19150	574513	19	18	1059	421972
Oct-01	142	4388	239	7397	31	948	636	19713	19	14	869	426360
Nov-01	118	3538	101	3021	27	807	871	26124	17	11	973	429898
Dec-01	137	4233	117	3617	27	832	405	12559	17	12	894	434131
Jan-02	128	3980	135	4187	24	749	426	13201	18	14	910	438111
Feb-02	120	3360	127	3561	20	569	195	5467	17	13	2382	441471
Mar-02	114	3545	120	3724	20	617	129	3997	18	10	2303	445016
Apr-02	112	3345	116	3466	23	691	174	5225	18	6	2380	448361
May-02	125	3861	168	5200	33	1030	443	13736	21	8	2303	452222
Vol Inj/Yr		48624						729966				
Jun-02	121	3643	252	7548	37	1104	398	11943	21	9	996	455865
Jul-02	131	4050	311	9629	39	1215	1109	34391	21	12	947	459915
Aug-02	123	3815	240	7444	40	1241	562	17419	20	16	944	463730
Sep-02	128	3830	396	11876	39	1170	526	15786	20	15	882	467560
Oct-02	124	3839	248	7690	33	1012	1255	38892	21	16	808	471399
Nov-02	127	3821	202	6072	28	825	883	26503	20	18	892	475220
Dec-02	132	4081	200	6212	22	688	1518	47044	21	18	919	479301
Jan-03	135	4194	254	7877	24	752	6324	196054	20	18	903	483495
Feb-03	128	3572	303	8479	27	759	1080	30239	19	18	1003	487067
Mar-03	130	4015	220	6831	27	825	1287	39898	21	17	975	491082
Apr-03	123	3699	199	5971	24	711	1352	40573	21	18	936	494781
May-03	117	3634	284	8815	30	919	1248	38700	20	18	909	498415
Vol Inj/Yr		46193						537442				
Jun-03	108	3242	201	6041	26	770	1111	33319	21	18	935	501657
Jul-03	129	3985	249	7721	29	896	1382	42856	21	18	908	505642
Aug-03	119	3691	251	7787	31	946	1083	33584	21	18	907	509333
Sep-03	119	3584	206	6179	28	854	1069	32078	21	18	937	512917
Oct-03	122	3770	254	7861	28	865	1280	39694	21	18	898	516687
Nov-03	125	3753	281	8431	25	764	1557	46719	21	18	942	520440

EAST EUMONT UNIT WATERFLOOD
(Northern Portion)
MARCH 16, 1994
EOR PROJECT R-2901-A
APRIL 1994-MAY 2005

Month/Yr	Actual Oil Rate BOPD	Actual Oil Rate Monthly	Water Production BWPD	Water Production Monthly	Gas Prod MCFD	Gas Prod Monthly	Water Injection BWPD	Water Injection Monthly	Number of Producing Wells	Number of WI Injection Wells	Average Water Injection Pressure	Cum Oil
Dec-03	123	3827	355	10992	24	752	1393	43198	21	18	879	524267
Jan-04	120	3711	283	8777	20	634	1003	31082	21	18	912	527978
Feb-04	120	3360	284	7944	15	411	555	15543	21	18	1017	531338
Mar-04	118	3662	306	9476	18	550	867	26866	21	18	920	535000
Apr-04	122	3670	396	11888	17	519	661	19825	21	18	932	538670
May-04	121	3747	380	11779	21	665	767	23769	21	18	934	542417
Vol Inj/Yr		44002					388533					
Jun-04	121	3622	403	12101	24	715	800	24002	21	18	958	546039
Jul-04	115	3569	377	11692	25	784	623	19327	21	18	940	549608
Aug-04	116	3604	417	12925	24	744	501	15517	21	18	936	553212
Sep-04	106	3187	319	9575	24	729	792	23752	21	18	987	556399
Oct-04	121	3741	382	11830	22	667	2906	90093	21	17	887	560140
Nov-04	108	3236	351	10539	20	602	916	27494	21	18	998	563376
Dec-04	98	3036	318	9868	19	577	717	22231	20	18	904	566412
Jan-05	116	3594	389	12063	22	670	641	19885	20	17	952	570006
Feb-05	117	3263	369	10332	21	589	866	24253	20	17	1028	573269
Mar-05	113	3509	357	11053	21	654	763	23642	20	17	906	576778
Apr-05	112	3347	362	10869	23	695	646	19394	21	17	968	580125
May-05	107	3310	342	10591	25	765	657	20371	21	17	924	583435
Vol Inj/Yr		41018					329961					



NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT

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

September 17, 1996

Department of Taxation and Revenue
P.O. Box 630
Santa Fe, New Mexico 87509-0630

Attention: Mr. John Chavez, Secretary

CORRECTED

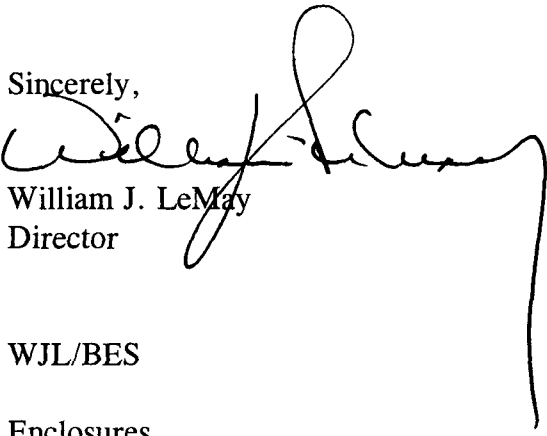
***RE: Certification of a Positive Production Response, Oxy USA, Inc.,
Eumont Unit (Northern Portion) Waterflood Project.***

Dear Secretary Chavez:

Enclosed is a copy of a *Corrected* Division Certification which was issued on September 17, 1996. This document certifies that a positive production response has occurred within the Eumont Unit (Northern Portion) Waterflood Project Area which is currently operated by Oxy USA, Inc.. In addition, this positive production response has occurred within the five year time limit as described within the "New Mexico Enhanced Oil Recovery Act". The Division has determined that all wells within the certified area producing from the Eumont Oil Pool are eligible for the recovered oil tax rate. These wells are shown on Exhibit "A" to the Division Certification.

For your convenience we have also enclosed a summary page showing all pertinent data. If additional information is required please advise.

Sincerely,


William J. LeMay
Director

WJL/BES

Enclosures



NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT

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

POSITIVE PRODUCTION RESPONSE DATA
EUMONT UNIT (NORTHERN PORTION) WATERFLOOD PROJECT

NAME OF PROJECT

Eumont Unit (Northern Portion) Waterflood Project

OPERATOR

Oxy USA, Inc.
P.O. Box 50250
Midland, Texas 75710-0250
Attention: Mr. Richard E. Foppiano

POOL

Eumont Oil Pool

OCD ORDER NO. APPROVING WATERFLOOD PROJECT & DATE

R-2901-A, February 15, 1994

PROJECT AREA

TOWNSHIP 18 SOUTH, RANGE 37 EAST, NMPM

Section 33: S/2 NE/4, SE/4 NW/4, NE/4 SW/4, S/2 SW/4, and SE/4
Section 34: SW/4 SW/4

TOWNSHIP 19 SOUTH, RANGE 37 EAST, NMPM

Section 3: Lot 4 (NW/4 NW/4 equivalent), S/2 NW/4 and SW/4
Section 4: Lots 1 through 4 (N/2 N/2 equivalent), S/2 N/2 and E/2 SE/4
Section 9: N/2 NE/4
Section 10: NW/4 NE/4 and W/2
Section 15: NW/4
Section 16: E/2 NE/4

DATE WATER INJECTION COMMENCED

March 16, 1994

DATE CERTIFIED PROJECT TO TAXATION & REVENUE

March 16, 1994

Positive Production Response

Oxy USA, Inc.

Eumont Unit (Northern Portion) Waterflood

September 17, 1996

Page 2

DATE POSITIVE PRODUCTION RESPONSE OCCURRED

October 1, 1995

CURRENT NUMBER OF WELLS WITHIN PROJECT AREA

Injection: 21

Production: 21



NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT

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

September 17, 1996

Oxy USA, Inc.
P.O. Box 50250
Midland, Texas 79710-0250

Attention: Mr. Rick Foppiano

CORRECTED

Re: Positive Production Response - Eumont Unit (Northern Portion) Waterflood Project.

Dear Mr. Foppiano:

Pursuant to your request dated July 3, 1996, please be advised that the Division hereby certifies that a positive production response occurred within the Eumont Unit (Northern Portion) Waterflood Project on October 1, 1995.

All Eumont Oil Pool producing wells within the following described area, which currently number twenty-one as shown on Exhibit "A" attached hereto, shall be eligible for the recovered oil tax rate:

PROJECT AREA

TOWNSHIP 18 SOUTH, RANGE 37 EAST, NMPM

Section 33: S/2 NE/4, SE/4 NW/4, NE/4 SW/4, S/2 SW/4, and SE/4
Section 34: SW/4 SW/4

TOWNSHIP 19 SOUTH, RANGE 37 EAST, NMPM

Section 3: Lot 4 (NW/4 NW/4 equivalent), S/2 NW/4 and SW/4
Section 4: Lots 1 through 4 (N/2 N/2 equivalent), S/2 N/2 and E/2 SE/4
Section 9: N/2 NE/4
Section 10: NW/4 NE/4 and W/2
Section 15: NW/4
Section 16: E/2 NE/4

Oxy USA, Inc. shall notify the Division:

- a) of the change in status of any of the producing wells shown on Exhibit "A";

Positive Production Response

Oxy USA, Inc.

Eumont Unit (Northern Portion) Waterflood

September 17, 1996

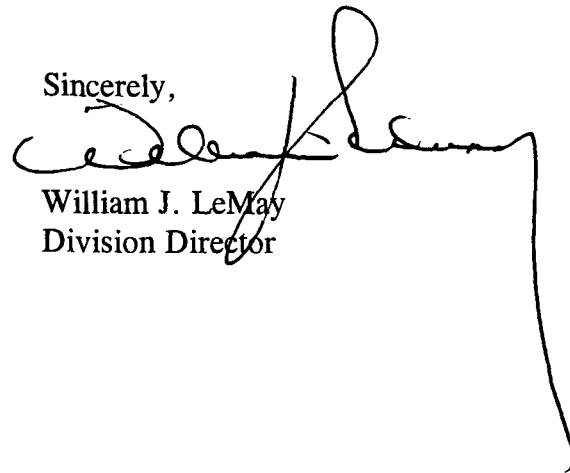
Page 2

b) in the event new producing wells are drilled within the project area;

c) of changes in operations within the unit which may affect the certification and resulting tax rate granted herein.

The Division Director shall notify the Secretary of the New Mexico Taxation and Revenue Department of the certification granted herein.

Sincerely,

A handwritten signature in black ink, appearing to read "William J. LeMay", is written over the typed name and title. The signature is fluid and cursive, with a long, sweeping line extending from the end of the name down towards the bottom right of the page.

William J. LeMay
Division Director

xc: File: EOR-17

EXHIBIT "A"

EUMONT UNIT (NORTHERN PORTION) WATERFLOOD

PRODUCING WELLS

Certification of Positive Production Response

<i>Well Name</i>	<i>Location</i>	<i>API Number</i>
Eumont Unit Well No.1	F-33-18S-37E	30-025-05526
Eumont Unit Well No.3	H-33-18S-37E	30-025-05528
Eumont Unit Well No.5	J-33-18S-37E	30-025-05532
Eumont Unit Well No.8	N-33-18S-37E	30-025-05537
Eumont Unit Well No.10	P-34-18S-37E	30-025-05529
Eumont Unit Well No.13	B-4-19S-37E	30-025-05556
Eumont Unit Well No.15	D-3-19S-37E	30-025-09877
Eumont Unit Well No.17	F-4-19S-37E	30-025-05550
Eumont Unit Well No.19	H-4-19S-37E	30-025-05546
Eumont Unit Well No.21	F-3-19S-37E	30-025-09879
Eumont Unit Well No.23	L-3-19S-37E	30-025-05543
Eumont Unit Well No.24	P-4-19S-37E	30-025-05555
Eumont Unit Well No.26	N-3-19S-37E	30-025-05545
Eumont Unit Well No.27	B-9-19S-37E	30-025-05584
Eumont Unit Well No.29	D-10-19S-37E	30-025-05585
Eumont Unit Well No.31	D-10-19S-37E	30-025-05587
Eumont Unit Well No.33	F-10-19S-37E	30-025-05589
Eumont Unit Well No.34	L-10-19S-37E	30-025-05592
Eumont Unit Well No.38	D-15-19S-37E	30-025-05599
Eumont Unit Well No.40	H-16-19S-37E	30-025-05606
Eumont Unit Well No.42	F-15-19S-37E	30-025-05601



FACSIMILE COVER SHEET

8765-589

DATE 9/16/96

TO: ADDRESSEE Dave Cutanach

COMPANY WMOCB

ADDRESS Santa Fe, NM

ADDRESSEE'S TELEPHONE NUMBER _____

ADDRESSEE'S FACSIMILE NUMBER 505-827-8177

COMMENTS: Per my telephone message Call + let's
discuss. Thanks.
REA

FROM: ORIGINATOR Richard E. Foppiano

COMPANY OXY USA Inc.

ADDRESS P.O. Box 50250
Midland, Texas 79710 BLDG. _____

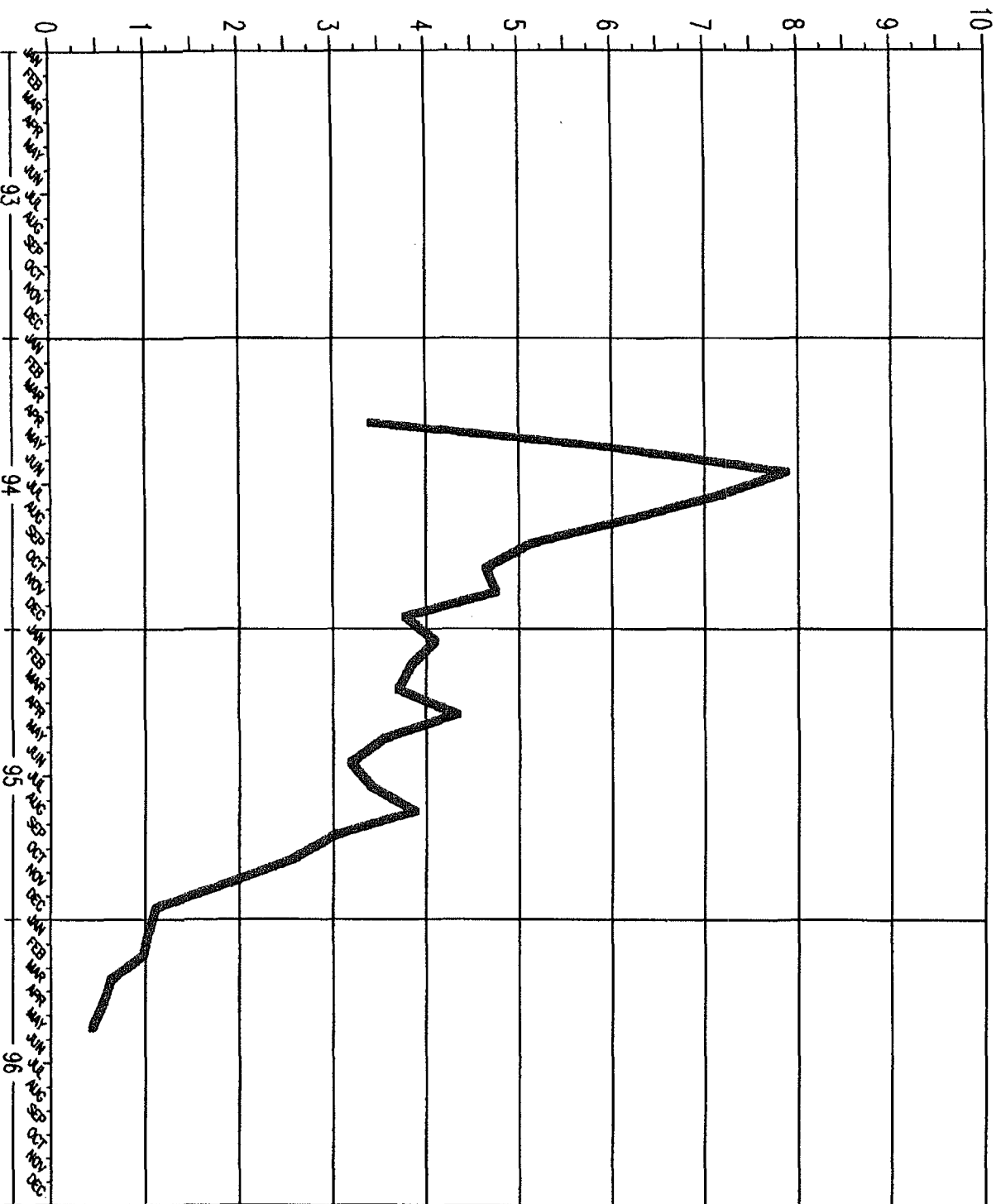
TELEPHONE NUMBER 915-685-5913 ROOM NO. _____

NUMBER OF PAGES (INCLUDING THE COVER) _____
(PLEASE NUMBER ALL PAGES)

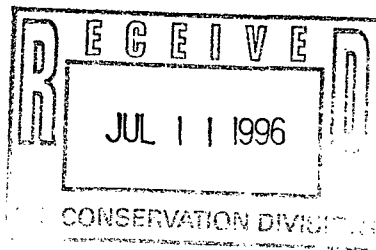
IF YOU DID NOT RECEIVE A PAGE(S), OR THE DOCUMENTS ARE NOT LEGIBLE, PLEASE CALL THE VERIFICATION NUMBER BELOW WITHIN 15 MINUTES AFTER RECEIPT OF TRANSMISSION IF YOU DO NOT CALL WE WILL ASSUME YOU RECEIVED THE PAGES SATISFACTORILY
THANK YOU.

FACSIMILE
NUMBER915/685-5754VERIFICATION
NUMBER

OXY/East Eumont Queen Unit Project Area GOR History



GOR (Mscf/bbls)



APR - N/R

OXY USA Inc.
P.O. Box 50250, Midland, TX 79710-0250
July 3, 1996

Mr. Bill Lemay, Director
New Mexico Oil Conservation Division
P. O. Box 6429
Santa Fe, New Mexico 87505

Re: **Application of OXY USA Inc. for Certification of Positive Production Response for the East Eumont Unit Waterflood Project (Northern Portion), Eumont-Yates-Seven Rivers-Queen (Oil) Pool, Lea County, New Mexico.**

Dear Mr. Lemay:

Per Order No. R-9708 pertaining to the qualification of enhanced oil recovery projects and certification for the recovered oil tax rate, OXY USA Inc. respectfully requests administrative approval and certification of a positive production response on the subject unit. Enclosed are the following items:

- ▶ Copies of Order No. R-2901-A and Certification of Enhanced Oil Recovery Project, qualifying the northern portion of the subject unit as an "Enhanced Oil Recovery Project" pursuant to the applicable laws and regulations.
- ▶ A plat showing the current status of the project (the approved project area is highlighted in yellow). The project consisted of converting old producing wells to injection service in the second quarter of 1994 (identified by the upside-down blue triangles) and commencing injection into these wells.
- ▶ A production graph showing oil, gas and water produced since 1/93, the water injection associated with the conversions, and the well counts. The graphs clearly show the project area was essentially abandoned prior to the start of our project, that we are substantially over-injecting to fill the reservoir with fluid, and the steady increase in oil production from a constant number of producing wells. Consequently, we believe that first response actually occurred as early as April, 1994.
- ▶ A table showing the data used to generate the graph.

As always, we appreciate your consideration of our request. If you have questions or need additional information, please do not hesitate to call me at 915/685-5913.

Sincerely,

Rick

Richard E. Foppiano
Regulatory Affairs Advisor
Western Region - Midland

Call it Oct 15
AS per chart.
BS
7-12-96

REF/ref
attachments

cc (w/attachments): Scott Gengler
David Stewart

STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
DIVISION FOR THE PURPOSE OF
CONSIDERING:

APPLICATION OF OXY USA, INC. TO AMEND DIVISION
ORDER NO. R-2901 AND TO EITHER INSTITUTE A NEW
WATERFLOOD PROJECT OR RENEW AUTHORITY TO
INJECT INTO A PORTION OF AN EXISTING WATERFLOOD
PROJECT, LEA COUNTY, NEW MEXICO.

Case No. 10866

APPLICATION OF OXY USA, INC. TO QUALIFY A PORTION
OF ITS EAST EUMONT UNIT WATERFLOOD PROJECT FOR
THE RECOVERED OIL TAX RATE PURSUANT TO THE "NEW
MEXICO ENHANCED OIL RECOVERY ACT," LEA COUNTY,
NEW MEXICO.

Case No. 10867

Order No. R-2901-A

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8:15 a.m. on November 18, 1993, December 16, 1993, and on January 6, 1994 at Santa Fe, New Mexico, before Examiner Michael E. Stogner.

NOW, on this 15th day of February, 1994, the Division Director, having considered the testimony, the record, and the recommendations of the Examiner, and being fully advised in the premises,

FINDS THAT:

(1) Due public notice having been given as required by law, the Division has jurisdiction of this cause and the subject matter thereof.

(2) By Order No. R-2894, issued in Case No. 3233 and dated April 21, 1965, the Division approved the application of Tidewater Oil Company for unitization of the following described 5,535.06 acres, more or less, of State, Federal and Fee lands in Lea County, New Mexico, also known as the East Eumont Unit Area:

TOWNSHIP 18 SOUTH, RANGE 37 EAST, NMPM

Section 33: S/2 NE/4, SE/4 NW/4, NE/4 SW/4, S/2 SW/4, and SE/4
Section 34: SW/4 SW/4

TOWNSHIP 19 SOUTH, RANGE 37 EAST, NMPM

Section 3: Lot 4 (NW/4 NW/4 equivalent), S/2 NW/4 and SW/4
Section 4: Lots 1 through 4 (N/2 N/2 equivalent), S/2 N/2 and E/2 SE/4
Section 9: N/2 NE/4
Section 10: NW/4 NE/4 and W/2
Section 15: W/2
Section 16: E/2 NE/4, NE/4 SE/4 and S/2 SE/4
Section 21: E/2 E/2
Section 22: W/2 and S/2 SE/4
Section 26: SW/4 NW/4, W/2 SW/4, SE/4 SW/4 and SW/4 SE/4
Section 27: N/2, E/2 SW/4 and SE/4
Section 28: E/2 NE/4
Section 34: N/2 NE/4, SE/4 NE/4 and NE/4 NW/4
Section 35: N/2, E/2 SW/4 and SE/4
Section 36: SW/4 NW/4, W/2 SW/4, SE/4 SW/4

TOWNSHIP 20 SOUTH, RANGE 37 EAST, NMPM

Section 1: Lots 2, 3, and 4, SW/4 NE/4, S/2 NW/4, SW/4 and W/2 SE/4
Section 2: Lots 1, 2, and 3, S/2 NE/4, SE/4 NW/4, E/2 SW/4, and SE/4
Section 11: NE/4 NE/4
Section 12: W/2 NE/4, N/2 NW/4 and SE/4 NW/4

(3) By Order No. R-2901, issued in Case No. 3234 and dated May 4, 1965, the Division further authorized Tidewater Oil Company to institute a waterflood project (therein designated the East Eumont Unit Waterflood Project) by the injection of water into the Eumont-Yates-Seven Rivers-Queen (Oil) Pool, herein referred to as the Eumont (Oil) Pool, on the above-described Unit, Lea County, New Mexico. Said Order initially authorized sixty-nine injection wells within said project.

(4) The current operator of said Unit and Waterflood project is OXY USA, Inc. ("Oxy"), who is also the applicant in both Case Nos. 10866 and 10867.

(5) In Case No. 10866 Oxy seeks an amendment to said Order No. R-2901 for renewal of authority to inject water into the Eumont (Oil) Pool within that portion of the East Eumont Unit in Sections 33 and 34, Township 18 South, Range 37 East, NMPM and Sections 3, 4, 9, and 10 and the NW/4 of Section 15 and the E/2 NE/4 of Section 16, NMPM, Lea County, New Mexico, being everything in said Unit Area lying

north of the half-section lines that divide said Sections 15 and 16. The applicant proposes to utilize twenty-one existing wells for water injection and to drill one new injection well, all further described in Exhibit "A", attached hereto and made a part hereof.

(6) In Case No. 10867 Oxy seeks an order pursuant to the Rules and Procedures for Qualification of Enhanced Oil Recovery Projects and Certification for the Recovered Oil Tax Rate, as promulgated by Division Order No. R-9708, qualifying this "renewed area" in the northern portion of the East Eumont Unit Waterflood Project Area, Eumont (Oil) Pool, Lea County, New Mexico, for the recovered oil tax rate pursuant to the "Enhanced Oil Recovery Act" (Laws 1992, Chapter 38, Sections 1 through 5). The portion of the East Eumont Unit to be included is as follows:

LEA COUNTY, NEW MEXICO
TOWNSHIP 18 SOUTH, RANGE 37 EAST, NMPM

Section 33: S/2 NE/4, SE/4 NW/4, NE/4 SW/4, S/2 SW/4, and SE/4
Section 34: SW/4 SW/4

TOWNSHIP 19 SOUTH, RANGE 37 EAST, NMPM

Section 3: Lot 4 (NW/4 NW/4 equivalent), S/2 NW/4 and SW/4
Section 4: Lots 1 through 4 (N/2 N/2 equivalent), S/2 N/2 and E/2 SE/4
Section 9: N/2 NE/4
Section 10: NW/4 NE/4 and W/2
Section 15: NW/4
Section 16: E/2 NE/4.

(7) Both Case Nos. 10866 and 10867 were consolidated at the time of the hearing for the purpose of presenting testimony.

(8) Geologic testimony describes the Eumont Pool as a relatively large anticlinal feature and the East Eumont Unit was created on the northeastern "oil rim" of this anticline. Said Unit was designed to waterflood the oil lying between the water bearing down-dip portion of this structure to the east and the gas cap positioned up-dip of this oil rim to the west.

(9) Testimony presented by the applicant indicates that the entire Unit had ultimate primary production from the Eumont (Oil) Pool of approximately 3.27 million barrels of oil and ultimate secondary production in excess of 3.0 million barrels of oil, with total production from the Unit as of October 1, 1993 being 6.3 million barrels of

oil. Currently, production from the Unit is approximately two barrels of oil per day and one barrel of water from two wells, both of which are located in the "southern" or unaffected portion of the East Eumont Area. Further testimony indicates that under current conditions the remaining production of recoverable reserves is zero.

(10) In the subject "northern portion" of this Unit, all wells are currently inactive. Further evidence indicates that even though said Order No. R-2901 authorized all of the subject injection wells listed on Exhibit "A", the operator of the Unit never caused these wells to either be converted to injection wells or in the case of the proposed well in Unit K of Section 3, Township 19 South, Range 37 East, NMPM, Lea County, New Mexico (East Eumont Unit Well No. 133), to be drilled for injection purposes.

(11) Subsequent to the time said Order R-2901 was issued in 1965, the "Safe Drinking Water Act" (Public Law 93-523) was signed into federal law on December 16, 1974; said Act provides that any injection well must have a permit. The "Safe Drinking Water Act" required the Administrator of the Environmental Protection Agency ("EPA") to adopt minimum regulations for State programs to control the underground injection of fluids to protect underground sources of drinking water. The final EPA regulations were published in the spring of 1980.

(12) In order for the State of New Mexico through the Oil Conservation Division to apply for and obtain primary enforcement authority for control of oil and gas related injection wells in New Mexico under the Safe Drinking Water Act, it was necessary for the Division to amend its permitting procedures and to require all injection wells to be permitted for disposal under the EPA approved procedures.

(13) On March 7, 1982, The EPA granted primacy to the State of New Mexico.

(14) Since injection into the twenty-two wells listed in Exhibit "A" never occurred under the applicable rules for water injection for the purpose of secondary recovery at the time said Order R-2901 was released, the injection authority for said wells should be considered null and void, therefore making it necessary for the Unit operator to resubmit for approval to inject water into these wells under the EPA approved procedures.

(15) Oxy is proposing to initiate an 80-acre five-spot injection pattern in this "northern" portion of the East Eumont Unit utilizing the aforementioned twenty-two injection wells. In addition the applicant's plans include the drilling and equipping of two

producers, the reactivation of twenty-one producers, and the upgrading of existing battery and injection facilities. The capital expenditure is expected to be approximately \$3,765,000.00.

(16) At the hearing, the applicant testified that an estimated 775,000 barrels of oil from the Eumont (Oil) Pool could be obtained by initiating the proposed injection activity, resulting in the recovery of additional oil which would not otherwise be recovered.

(17) The Unit operator should take all steps necessary to ensure that the injected water enters and remains confined to only the proposed injection interval and is not permitted to escape into other formations or onto the surface from injection, production or plugged and abandoned wells.

(18) The injection of water into the proposed injection wells should be accomplished through 2-3/8 inch internally plastic-lined tubing installed in a packer set within 100 feet of the uppermost injection perforation; the casing-tubing annulus should be filled with an inert fluid and a gauge or approved leak-detection device should be attached to the annulus in order to determine leakage in the casing, tubing or packer.

(19) Prior to commencing injection operations into the proposed injection wells, the casing in each well should be pressure tested throughout the interval from the surface down to the proposed packer setting depth, to assure the integrity of such casing.

(20) The injection wells or pressurization system for each of the proposed injection wells should be so equipped at this time as to limit injection pressure at the wellhead to no more than 750 psi; however the operator should have the opportunity to request, at a later date, an increase in the injection pressure limitation placed upon any well upon a proper showing by the operator that such higher pressure will not result in the migration of the injected water from its respective interval or fracture the confining strata. Such authorization will however remain with the Division Director.

(21) The operator should give advance notification to the supervisor of the Hobbs District Office of the Division of the date and time of the installation of injection equipment and of the mechanical integrity pressure-tests in order that the same may be witnessed.

(22) No offset operator or interested party appeared at the hearing in opposition to this application.

(23) The proposed waterflood in the "northern portion" of the East Eumont Unit is in the best interest of conservation and will serve to protect correlative rights, therefore this application should be approved and the project should be governed by the provisions of Rule Nos. 701 through 708 of the Oil Conservation Division Rules and Regulations.

(24) Further, the evidence presented by the applicant indicates that the area herein authorized for waterflood meets all the criteria for approval as a qualified "Enhanced Oil Recovery Project" pursuant to the "Enhanced Oil Recovery Act" (Laws 1992, Chapter 38, Sections 1 through 5).

(25) The approved "EOR area", located within the confines of the East Eumont Unit Area Waterflood Project, should only comprise that area described in Finding Paragraph No. (6), above.

(26) To be eligible for the EOR credit, prior to commencing injection operations, the operator must request from the Division a Certificate of Qualification, which certificate will specify the proposed project area as described above.

(27) At such time as a positive production response occurs and within five years from the date of the Certificate of Qualification, the applicant must apply to the Division for certification of positive production response, which application shall identify the area actually benefitting from enhanced recovery operations, and identifying the specific wells which the operator believes are eligible for the credit. The Division may review the application administratively or set it for hearing. Based upon evidence presented, the Division will certify to The Department of Taxation and Revenue those lands and wells which are eligible for the credit.

(28) The injection authority granted herein for each of the proposed injection wells should terminate one year after the date of this order if the operator has not commenced injection operation into the particular well by that date, provided however, the Division, upon written request by the operator, may grant an extension thereof for good cause shown.

(29) The previous injection authority granted by the Division for each of the proposed 22 injection wells, listed on the attachment designated as Exhibit "A", by said Division Order No. R-2901 should be superseded by this order at this time. All other provisions of said Order No. R-2901 may remain in full force and effect.

IT IS THEREFORE ORDERED THAT:

(1) The applicant in both Case Nos. 10866 and 10867, OXY USA, Inc. ("Oxy"), is hereby authorized to commence water injection into the Eumont-Yates-Seven Rivers-Queen (Oil) Pool, herein referred to as the Eumont (Oil) Pool, for the purpose of re-instituting the East Eumont Unit Waterflood project, originally authorized by Division Order No. R-2901, issued in Case No. 3234 and dated May 4, 1965, within the following described "northern" portion of the East Eumont Unit:

LEA COUNTY, NEW MEXICO
TOWNSHIP 18 SOUTH, RANGE 37 EAST, NMPM

Section 33: S/2 NE/4, SE/4 NW/4, NE/4 SW/4, S/2 SW/4, and SE/4
Section 34: SW/4 SW/4

TOWNSHIP 19 SOUTH, RANGE 37 EAST, NMPM

Section 3: Lot 4 (NW/4 NW/4 equivalent), S/2 NW/4 and SW/4
Section 4: Lots 1 through 4 (N/2 N/2 equivalent), S/2 N/2 and E/2 SE/4
Section 9: N/2 NE/4
Section 10: NW/4 NE/4 and W/2
Section 15: NW/4
Section 16: E/2 NE/4

The applicant is authorized to utilize 21 existing wells and to drill an additional well for the purpose of injection, all of which are further described in Exhibit "A", attached hereto and made a part hereof.

(2) The applicant must take all steps necessary to ensure that the injected water only enters and remains confined to the proposed injection interval and is not permitted to escape to other formations or onto the surface from injection, production, or plugged and abandoned wells.

IT IS FURTHER ORDERED THAT:

(3) Injection shall be accomplished through 2-3/8 inch internally plastic-lined tubing installed in a packer set approximately within 100 feet of the uppermost injection perforation; the casing-tubing annulus in each well shall be filled with an inert fluid and equipped with an approved pressure gauge or attention-attracting leak detection device.

(4) The injection wells or pressurization system for each injection well shall be so equipped as to limit injection pressure at the wellhead to no more than 750 psi.

(5) The Division Director shall have the authority to administratively authorize an increase in the injection pressure limitation placed upon any well upon a proper showing by the operator that such higher pressure will not result in the migration of the injected water from its respective interval or fracture the confining strata.

(6) Prior to commencing injection operations, the casing in each injection well shall be pressure-tested throughout the interval from the surface down to the proposed packer setting depth, to assure the integrity of such casing.

(7) The applicant shall immediately notify the supervisor of the Hobbs District Office of the Division of the failure of the tubing, casing or packer in any of the injection wells, the leakage of water or oil from or around any producing well, or the leakage of water or oil from any plugged and abandoned well within the project area, and shall take such steps as may be timely and necessary to correct such failure or leakage.

(8) The subject waterflooding of the "northern portion" of the East Eumont Unit shall be conducted in accordance with Division Rule Nos. 701 through 708 and the operator shall submit monthly progress reports in accordance with Division Rule Nos. 706 and 1115.

FURTHERMORE:

(9) The subject waterflood activity in the "northern portion" of the East Eumont Unit, as described in Decretory Paragraph No. (1), above, is hereby approved as an "Enhanced Oil Recovery Project" pursuant to the "Enhanced Oil Recovery Act" (Laws 1992, Chapter 38, Sections 1 through 5).

(10) To be eligible for the EOR credit, prior to commencing injection operations, the operator must request from the Division a Certificate of Qualification, which certificate will specify the proposed EOR area as described above.

(11) At such time as a positive production response occurs and within five years from the date of the Certificate of Qualification, the applicant must apply to the Division for certification of positive production response, which application shall identify the area actually benefitting from enhanced recovery operations, and identifying the specific wells which the operator believes are eligible for the credit. The Division may review the application administratively or set it for hearing. Based upon evidence presented, the Division will certify to The Department of Taxation and Revenue those lands and wells which are eligible for the credit.

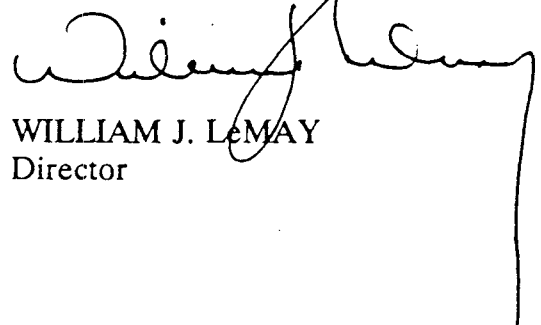
(12) The injection authority granted herein for the proposed injection wells shall terminate one year after the effective date of this order if the operator has not commenced injection operations into the subject wells, provided however, the Division, upon written request by the operator, may grant an extension thereof for good cause shown.

(13) The previous injection authority granted by the Division for each of the proposed 22 injection wells, listed on the attachment designated as Exhibit "A", by said Division Order No. R-2901 shall be superseded by this order at this time. All other provisions of said Order No. R-2901 shall remain in full force and effect until further notice.

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

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION



WILLIAM J. LEMAY
Director

· S E A L

Exhibit "A"
Case Nos. 10866 and 10867
Order No. R-2901-A

East Eumont Unit "North Segment"
Waterflood Project Area

East Eumont Unit Well No.	Original Operator, Well Name and No.	Footage Location	Unit	S-T-R	API No.	Injection Perforations (feet)
2	Antweil Lowe State "B" No. 2	2310' FNL - 1980' FEL	G	33-18S-37E	30-025-05527	3808-3993
4	Continental State "C-33" No. 3	1980' FS & WL	K	33-18S-37E	30-025-05534	3751-3940
6	Continental State "C-33" No. 1	1980' FSL - 660' FEL	I	33-18S-37E	30-025-05531	3838-3999
7	Schermerhorn Linam "B" No. 1	880' FSL - 660' FWL	M	33-18S-37E	30-025-05536	3716-3910
9	Aztec State "E-33-A" No. 2	660' FSL - 1650' FEL	O	33-18S-37E	30-025-05530	3799-3962
11	Tidewater State "AH" No. 1	660' FS & WL	M	34-18S-37E	30-025-05538	3797-3970
12	Schermerhorn Linam "F" No. 1	273' FNL - 2400' FWL	C	4-19S-37E	30-025-05551	3765-3950
14	Texaco Saunders Federal No. 1	660' FN & EL	A	4-19S-37E	30-025-05557	3793-3958
16	Schermerhorn Linam No. 1	2144' FNL - 589' FWL	E	4-19S-37E	30-025-05549	3720-3956
18	Atlantic Federal "A" No. 2	1837' FNL - 1650' FEL	G	4-19S-37E	30-025-05547	3753-3916
20	Aztec State "E-3" No. 1	2064' FNL - 660' FWL	E	3-19S-37E	30-025-09878	3775-3954
22	Texaco Z.A. McMillan "B" No. 2	1983' FSL - 660' FEL	I	4-19S-37E	30-025-05553	3750-3919
25	Texaco Z.A. McMillan "A" No. 2	660' FS & WL	M	3-19S-37E	30-025-05544	3748-3936
28	Tidewater State "AD" No. 1	660' FN & EL	A	9-19S-37E	30-025-05583	3782-3954
30	Aztec State "E-10" No. 2	690' FNL - 1950' FWL	C	10-19S-37E	30-025-05586	3768-3960

East Eumont Unit Well No.	Original Operator, Well Name and No.	Footage Location	Unit	S-T-R	API No.	Injection Perforations (feet)
32	Gulf F.W. Kutter (NCT-E) No. 2	1980' FNL - 660' FWL	E	10-19S-37E	30-025-05588	3773-3940
35	Humble New Mexico State "E" No. 4	1980' FS & WL	K	10-19S-37E	30-025-05591	3835-4018
36	Humble New Mexico State "E" No. 2	660' FS & WL	M	10-19S-37E	30-025-05590	3781-3955
37	Continental State "KU-16" No. 3	660' FNL - 990' FEL	A	16-19S-37E	30-025-05607	3765-3934
39	Tidewater State "AI" No. 4	660' FNL - 1980' FWL	C	15-19S-37E	30-025-05602	3845-3998
41	Tidewater State "AI" No. 2	1980' FNL - 660' FWL	E	15-19S-37E	30-025-05600	3784-3951
133*	Proposed Injection Well (R-2091)	1980' FS & WL	K	3-19S-37E	Unassigned	3700-4000

* Proposed Well



STATE OF NEW MEXICO

ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION



BRUCE KING
GOVERNOR

March 17, 1994

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87504
(505) 827-5800

ANITA LOCKWOOD
CABINET SECRETARY

OXY USA, Inc.
Attention: Scott E. Gengler
P.O. Box 50250
Midland, TX 79710

**CERTIFICATION OF ENHANCED OIL RECOVERY PROJECT
FOR RECOVERED OIL TAX RATE**

The New Mexico Oil Conservation Division hereby certifies that the following Enhanced Oil Recovery Project has been approved by the Division as a secondary project, pursuant to the provisions of the *New Mexico Enhanced Oil Recovery Act* (Laws of 1992, Chapter 38). In order to qualify for the *Recovered Oil Tax Rate*, you must apply for certification of positive production response within five years from the date of this certification. Only production from that portion of the project area identified herein which is actually developed for enhanced recovery will qualify for the reduced tax rate.

If operation of this project is terminated for any reason, the operator of the project must notify this Division and the Secretary of the Taxation and Revenue Department not later than the thirtieth day after termination.

NAME OF PROJECT: East Eumont Unit Waterflood Project (Northern Portion)

OCD ORDER NO. R-2901-A

OPERATOR: OXY USA, Inc.
ADDRESS: Attention: Scott E. Gengler
P.O. Box 50250
Midland, TX 79710

CERTIFICATION DATE: March 16, 1994

PROJECT AREA:

TOWNSHIP 18 SOUTH, RANGE 37 EAST, NMPM

Section 33: S/2 NE/4, SE/4 NW/4, NE/4 SW/4, S/2 SW/4, and SE/4

Section 34: SW/4 SW/4

EOR Project Certification

East Eumont Unit Waterflood Project (Northern Portion)

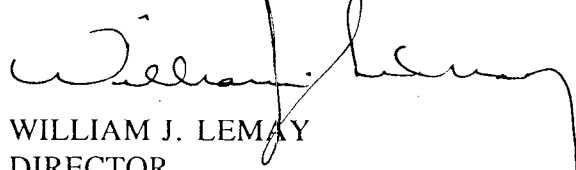
Page 2

TOWNSHIP 19 SOUTH, RANGE 37 EAST, NMPM

Section 3: Lot 4 (NW/4 NW/4 equivalent), S/2 NW/4, and SW/4
Section 4: Lots 1 through 4 (N/2 N/2 equivalent), S/2 N/2 and E/2 SE/4
Section 9: N/2 NE/4
Section 10: NW/4 NE/4 and W/2
Section 15: NW/4
Section 16: E/2 NE/4

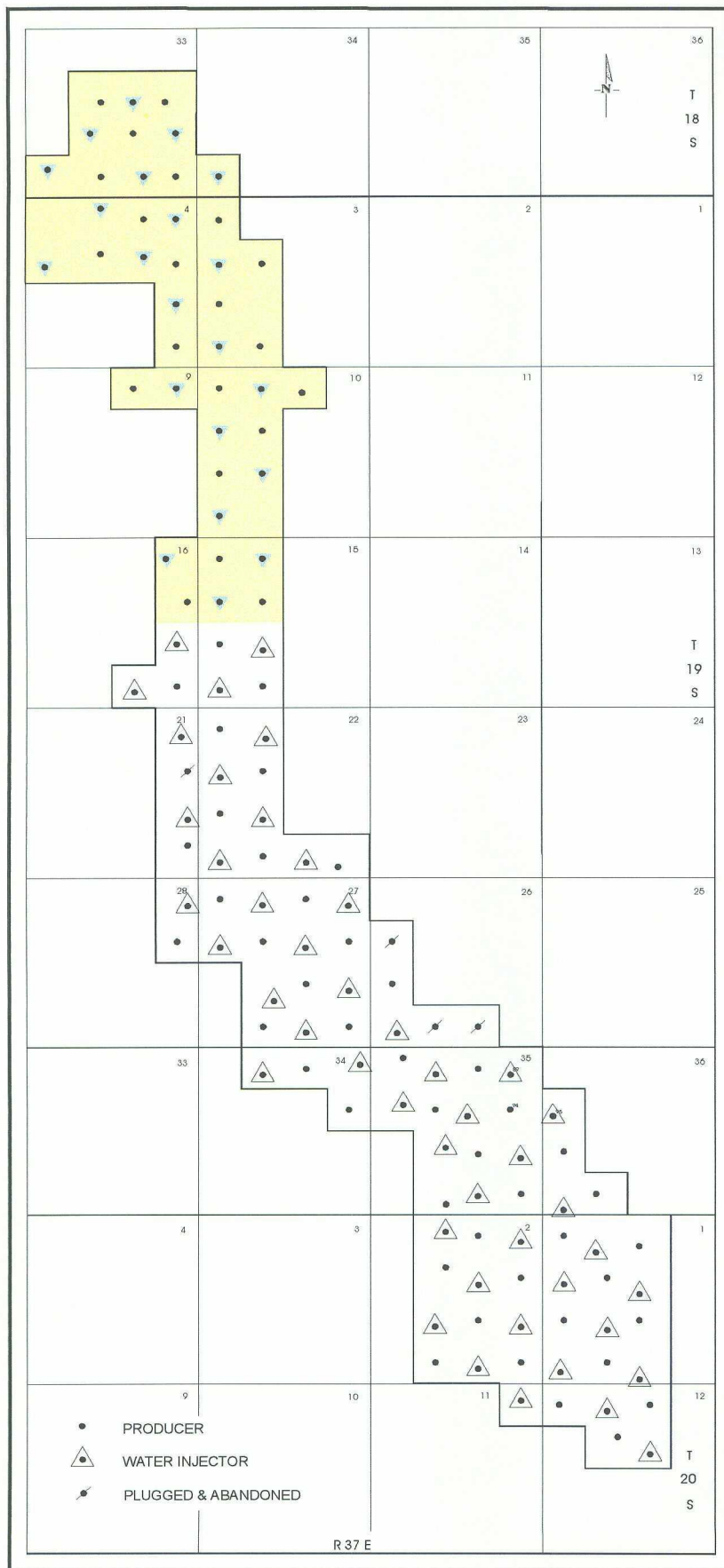
APPROVED BY:

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION



WILLIAM J. LEMAY
DIRECTOR

S E A L



OXY USA Inc. - Operator
EAST EUMONT QUEEN UNIT
 Lea County, New Mexico
PROJECT AREA

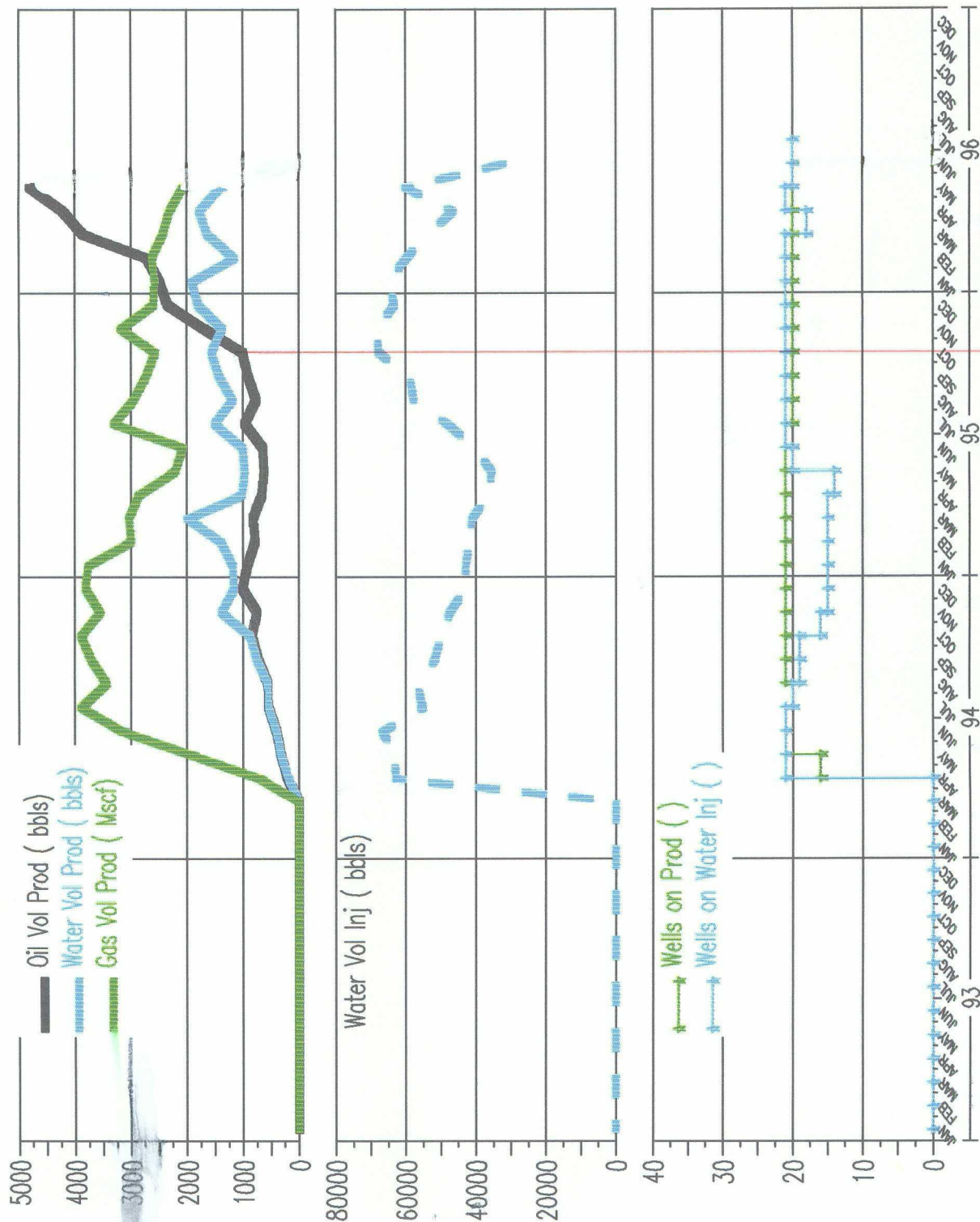
EAST EUMONT UNIT - 008598

EUMONT YATES 7 RVRS QN-GB - 022800

ORDER NO. - R-2901-A - 2/15/94 - (R-2901 - 5/4/65)

WELL NO.	U	S	T	R	API NO.	STATUS
1	F	33	18S	37E	30-025-05526	ACT OIL
2	G	33	18S	37E	30-025-05527	ACT INJ
3	H	33	18S	37E	30-025-05528	ACT OIL
4	K	33	18S	37E	30-025-05534	ACT INJ
5	J	33	18S	37E	30-025-05532	ACT OIL
6	I	33	18S	37E	30-025-05531	ACT INJ
7	M	33	18S	37E	30-025-05536	ACT INJ
8	N	33	18S	37E	30-025-05537	ACT OIL
9	O	33	18S	37E	30-025-05530	ACT INJ
10	P	34	18S	37E	30-025-05529	ACT OIL
11	M	34	18S	37E	30-025-05538	ACT INJ
12	C	4	19S	37E	30-025-05551	ACT INJ
13	B	4	19S	37E	30-025-05556	ACT OIL
14	A	4	19S	37E	30-025-05557	ACT INJ
15	D	3	19S	37E	30-025-09877	ACT OIL
16	E	4	19S	37E	30-025-05549	ACT INJ
17	F	4	19S	37E	30-025-05550	ACT OIL
18	G	4	19S	37E	30-025-05547	ACT INJ
19	H	4	19S	37E	30-025-05546	ACT OIL
20	E	3	19S	37E	30-025-09878	ACT INJ
21	F	3	19S	37E	30-025-09879	SI OIL
22	I	4	19S	37E	30-025-05553	ACT INJ
23	L	3	19S	37E	30-025-05543	ACT OIL
24	P	4	19S	37E	30-025-05555	ACT OIL
25	M	3	19S	37E	30-025-05544	ACT INJ
26	N	3	19S	37E	30-025-05545	ACT OIL
27	B	9	19S	37E	30-025-05584	ACT OIL
28	A	9	19S	37E	30-025-05583	ACT INJ
29	D	10	19S	37E	30-025-05585	ACT OIL
30	C	10	19S	37E	30-025-05586	ACT INJ
31	B	10	19S	37E	30-025-05587	ACT OIL
32	E	10	19S	37E	30-025-05588	ACT INJ
33	F	10	19S	37E	30-025-05589	ACT OIL
34	L	10	19S	37E	30-025-05592	ACT OIL
35	K	10	19S	37E	30-025-05591	ACT INJ
36	M	10	19S	37E	30-025-05590	ACT INJ
37	A	16	19S	37E	30-025-05607	ACT INJ
38	D	15	19S	37E	30-025-05599	ACT OIL
39	C	15	19S	37E	30-025-05602	ACT INJ
40	H	16	19S	37E	30-025-05606	ACT OIL
41	E	15	19S	37E	30-025-05600	ACT INJ
42	F	15	19S	37E	30-025-05601	ACT OIL

OXY/East Eumont Queen Unit Project Area Production & Injection



Oct 15

OXY/East Eumont Queen Unit
 Volumes Used to Generate Graph for Project Area
 North Segment

DATE	Oil Vol Prod bbls	Gas Vol Prod Mscf	Water Vol Prod bbls	Water Vol Inj bbls	WELLS ON PROD	WELLS ON WATER INJ
9301	0	0	0	0	0	0
9302	0	0	0	0	0	0
9303	0	0	0	0	0	0
9304	0	0	0	0	0	0
9305	0	0	0	0	0	0
9306	0	0	0	0	0	0
9307	0	0	0	0	0	0
9308	0	0	0	0	0	0
9309	0	0	0	0	0	0
9310	0	0	0	0	0	0
9311	0	0	0	0	0	0
9312	0	0	0	0	0	0
9401	0	0	0	0	0	0
9402	0	0	0	0	0	0
9403	0	0	0	0	0	0
9404	208	709	189	62819	16	21
9405	322	1919	322	63099	21	21
9406	401	3155	401	66739	21	21
9407	544	3885	544	55119	20	20
9408	556	3426	556	56832	21	19
9409	723	3701	747	51755	21	19
9410	837	3883	867	49924	21	16
9411	746	3542	1382	47442	21	15
9412	1009	3804	1154	42880	21	15
9501	917	3753	1182	42842	21	15
9502	781	2992	1387	41730	21	15
9503	819	3027	1983	40955	21	15
9504	658	2848	1010	36254	21	14
9505	622	2203	963	35448	21	20
9506	649	2065	1006	40326	21	21
9507	965	3296	1505	48012	20	21
9508	761	2947	1179	57719	20	21
9509	906	2722	1419	58859	20	21
9510	1006	2562	1559	67720	20	21
9511	1698	3179	1367	68436	20	21
9512	2341	2591	1790	63225	20	21
9601	2488	2568	1911	64739	20	21
9602	2716	2621	1148	59801	20	21
9603	3854	2423	1632	53460	20	18
9604	4216	2303	1774	46491	20	21
9605	4800	2067	1399	60024	20	20
9606	0	0	0	32184	0	20
9607	0	0	0	0	0	0
9608	0	0	0	0	0	0
9609	0	0	0	0	0	0
9610	0	0	0	0	0	0
9611	0	0	0	0	0	0
9612	0	0	0	0	0	0
9701	0	0	0	0	0	0
9702	0	0	0	0	0	0



NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT

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

September 5, 1996

Department of Taxation and Revenue
P.O. Box 630
Santa Fe, New Mexico 87509-0630

Attention: Mr. John Chavez, Secretary

***RE: Certification of a Positive Production Response, Oxy USA, Inc.,
Eumont Unit (Northern Portion) Waterflood Project.***

Dear Secretary Chavez:

Enclosed is a copy of a Division Certification which was issued on September 5, 1996. This document certifies that a positive production response has occurred within the Eumont Unit (Northern Portion) Waterflood Project Area which is currently operated by Oxy USA, Inc.. In addition, this positive production response has occurred within the five year time limit as described within the "New Mexico Enhanced Oil Recovery Act". The Division has determined that all wells within the certified area producing from the Eumont Oil Pool are eligible for the recovered oil tax rate. These wells are shown on Exhibit "A" to the Division Certification.

For your convenience we have also enclosed a summary page showing all pertinent data. If additional information is required please advise.

Sincerely,

A large, stylized handwritten signature in black ink, appearing to read "William J. LeMay".

William J. LeMay
Director

WJL/BES

Enclosures



NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT

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

September 5, 1996

Oxy USA, Inc.
P.O. Box 50250
Midland, Texas 79710-0250

Attention: Mr. Rick Foppiano

Re: Positive Production Response - Eumont Unit (Northern Portion) Waterflood Project.

Dear Mr. Foppiano:

Pursuant to your request dated July 3, 1996, please be advised that the Division hereby certifies that a positive production response occurred within the East Corbin-Delaware Unit Waterflood Project on October 15, 1995.

All Eumont Oil Pool producing wells within the following described area, which currently number twenty-one as shown on Exhibit "A" attached hereto, shall be eligible for the recovered oil tax rate:

PROJECT AREA

TOWNSHIP 18 SOUTH, RANGE 37 EAST, NMPM

Section 33: S/2 NE/4, SE/4 NW/4, NE/4 SW/4, S/2 SW/4, and SE/4
Section 34: SW/4 SW/4

TOWNSHIP 19 SOUTH, RANGE 37 EAST, NMPM

Section 3: Lot 4 (NW/4 NW/4 equivalent), S/2 NW/4 and SW/4
Section 4: Lots 1 through 4 (N/2 N/2 equivalent), S/2 N/2 and E/2 SE/4
Section 9: N/2 NE/4
Section 10: NW/4 NE/4 and W/2
Section 15: NW/4
Section 16: E/2 NE/4

Oxy USA, Inc. shall notify the Division:

- a) of the change in status of any of the producing wells shown on Exhibit "A";
- b) in the event new producing wells are drilled within the project area;

Positive Production Response

Oxy USA, Inc.

Eumont Unit (Northern Portion) Waterflood

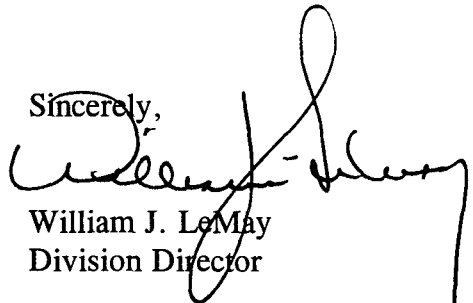
September 5, 1996

Page 2

c) of changes in operations within the unit which may affect the certification and resulting tax rate granted herein.

The Division Director shall notify the Secretary of the New Mexico Taxation and Revenue Department of the certification granted herein.

Sincerely,

A handwritten signature in black ink, appearing to read "William J. LeMay", is written over the typed name. The signature is fluid and cursive, with a long vertical line extending downwards from the end of the signature.

William J. LeMay
Division Director

xc: File: EOR-17

EXHIBIT "A"**EUMONT UNIT (NORTHERN PORTION) WATERFLOOD****PRODUCING WELLS*****Certification of Positive Production Response***

<i>Well Name</i>	<i>Location</i>	<i>API Number</i>
Eumont Unit Well No.1	F-33-18S-37E	30-025-05526
Eumont Unit Well No.3	H-33-18S-37E	30-025-05528
Eumont Unit Well No.5	J-33-18S-37E	30-025-05532
Eumont Unit Well No.8	N-33-18S-37E	30-025-05537
Eumont Unit Well No.10	P-34-18S-37E	30-025-05529
Eumont Unit Well No.13	B-4-19S-37E	30-025-05556
Eumont Unit Well No.15	D-3-19S-37E	30-025-09877
Eumont Unit Well No.17	F-4-19S-37E	30-025-05550
Eumont Unit Well No.19	H-4-19S-37E	30-025-05546
Eumont Unit Well No.21	F-3-19S-37E	30-025-09879
Eumont Unit Well No.23	L-3-19S-37E	30-025-05543
Eumont Unit Well No.24	P-4-19S-37E	30-025-05555
Eumont Unit Well No.26	N-3-19S-37E	30-025-05545
Eumont Unit Well No.27	B-9-19S-37E	30-025-05584
Eumont Unit Well No.29	D-10-19S-37E	30-025-05585
Eumont Unit Well No.31	D-10-19S-37E	30-025-05587
Eumont Unit Well No.33	F-10-19S-37E	30-025-05589
Eumont Unit Well No.34	L-10-19S-37E	30-025-05592
Eumont Unit Well No.38	D-15-19S-37E	30-025-05599
Eumont Unit Well No.40	H-16-19S-37E	30-025-05606
Eumont Unit Well No.42	F-15-19S-37E	30-025-05601



NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT

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

POSITIVE PRODUCTION RESPONSE DATA
EUMONT UNIT (NORTHERN PORTION) WATERFLOOD PROJECT

NAME OF PROJECT

Eumont Unit (Northern Portion) Waterflood Project

OPERATOR

Oxy USA, Inc.
P.O. Box 50250
Midland, Texas 75710-0250
Attention: Mr. Richard E. Foppiano

POOL

Eumont Oil Pool

OCD ORDER NO. APPROVING WATERFLOOD PROJECT & DATE

R-2901-A, February 15, 1994

PROJECT AREA

TOWNSHIP 18 SOUTH, RANGE 37 EAST, NMPM

Section 33: S/2 NE/4, SE/4 NW/4, NE/4 SW/4, S/2 SW/4, and SE/4
Section 34: SW/4 SW/4

TOWNSHIP 19 SOUTH, RANGE 37 EAST, NMPM

Section 3: Lot 4 (NW/4 NW/4 equivalent), S/2 NW/4 and SW/4
Section 4: Lots 1 through 4 (N/2 N/2 equivalent), S/2 N/2 and E/2 SE/4
Section 9: N/2 NE/4
Section 10: NW/4 NE/4 and W/2
Section 15: NW/4
Section 16: E/2 NE/4

DATE WATER INJECTION COMMENCED

March 16, 1994

DATE CERTIFIED PROJECT TO TAXATION & REVENUE

March 16, 1994

Positive Production Response

Oxy USA, Inc.

Eumont Unit (Northern Portion) Waterflood

September 5, 1996

Page 2

DATE POSITIVE PRODUCTION RESPONSE OCCURRED

October 15, 1995

CURRENT NUMBER OF WELLS WITHIN PROJECT AREA

Injection: 21

Production: 21



STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION



BRUCE KING
GOVERNOR

March 17, 1994

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87504
(505) 827-5800

ANITA LOCKWOOD
CABINET SECRETARY

Department of Taxation and Revenue
P.O. Box 630
Santa Fe, NM 87509-0630

Attention: Dick Minzner, Secretary

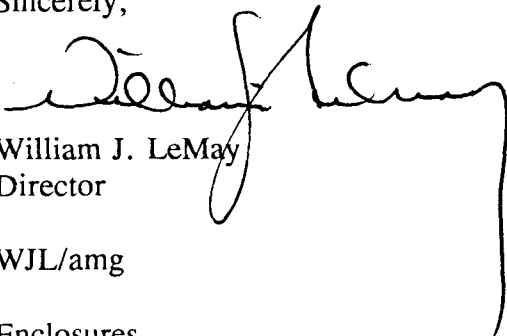
**RE: *Certification of EOR Project
OXY USA, Inc.
East Eumont Unit Waterflood Project (Northern Portion)***

Dear Secretary Minzner:

Enclosed is a copy of the certification issued to OXY USA, Inc. for its East Eumont Unit Waterflood Project (Northern Portion) EOR project, certified by this Division on March 16, 1994, to be a qualified Enhanced Oil Recovery Project. If the operator applies for certification of positive production response within five years from that date, this project will be eligible for the *Recovered Oil Tax Rate* as provided in Laws of 1992, Chapter 38.

Only oil production from that portion of the lands identified in the certification which is actually developed for enhanced recovery will be eligible for the reduced tax rate. At the time positive production response is certified, we will identify for you the specific lands and wells within the project which qualify for the *Recovered Oil Tax Rate*.

Sincerely,


William J. LeMay
Director

WJL/amg

Enclosures



STATE OF NEW MEXICO

ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION



BRUCE KING
GOVERNOR

March 17, 1994

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87504
(505) 827-5800

ANITA LOCKWOOD
CABINET SECRETARY

OXY USA, Inc.
Attention: Scott E. Gengler
P.O. Box 50250
Midland, TX 79710

**CERTIFICATION OF ENHANCED OIL RECOVERY PROJECT
FOR RECOVERED OIL TAX RATE**

The New Mexico Oil Conservation Division hereby certifies that the following Enhanced Oil Recovery Project has been approved by the Division as a secondary project, pursuant to the provisions of the *New Mexico Enhanced Oil Recovery Act* (Laws of 1992, Chapter 38). In order to qualify for the *Recovered Oil Tax Rate*, you must apply for certification of positive production response within five years from the date of this certification. Only production from that portion of the project area identified herein which is actually developed for enhanced recovery will qualify for the reduced tax rate.

If operation of this project is terminated for any reason, the operator of the project must notify this Division and the Secretary of the Taxation and Revenue Department not later than the thirtieth day after termination.

NAME OF PROJECT: East Eumont Unit Waterflood Project (Northern Portion)

OCD ORDER NO. R-2901-A

OPERATOR: OXY USA, Inc.
ADDRESS: Attention: Scott E. Gengler
P.O. Box 50250
Midland, TX 79710

CERTIFICATION DATE: March 16, 1994

PROJECT AREA:

TOWNSHIP 18 SOUTH, RANGE 37 EAST, NMPM

Section 33: S/2 NE/4, SE/4 NW/4, NE/4 SW/4, S/2 SW/4, and SE/4

Section 34: SW/4 SW/4

EOR Project Certification

East Eumont Unit Waterflood Project (Northern Portion)

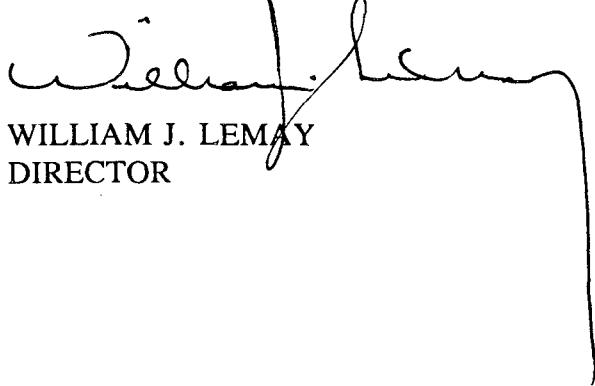
Page 2

TOWNSHIP 19 SOUTH, RANGE 37 EAST, NMPPM

Section 3: Lot 4 (NW/4 NW/4 equivalent), S/2 NW/4, and SW/4
Section 4: Lots 1 through 4 (N/2 N/2 equivalent), S/2 N/2 and E/2 SE/4
Section 9: N/2 NE/4
Section 10: NW/4 NE/4 and W/2
Section 15: NW/4
Section 16: E/2 NE/4

APPROVED BY:

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

A handwritten signature in black ink, appearing to read 'William J. Lemay', is written over the printed name. The signature is fluid and cursive, with a long, sweeping underline that extends to the right.

WILLIAM J. LEMAY
DIRECTOR

S E A L

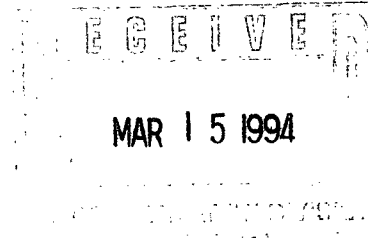


OXY USA INC.

Box 50250, Midland, TX 79710

March 10, 1994

William J. LeMay
Oil Conservation Division
P. O. Box 2088
Santa Fe, NM 87504



Dear Mr. LeMay:

OXY USA Inc., the operator of the East Eumont Unit pursuant to Order No. R-2894, hereby requests the Division to issue a Certificate of Qualification under the Enhanced Oil Recovery Act for the project area for the Unit, as approved in Division Order No. R-2901-A. The project area is described in Ordering Paragraph No. (1) of said Order. OXY USA Inc. wishes to commence injection by March 16, 1994, and thus your attention to this matter is appreciated. Enclosed is a draft Certificate.

Sincerely,

A handwritten signature in black ink, appearing to read "Scott E. Gengler". The signature is fluid and cursive.

Scott E. Gengler
Engineering Advisor
OXY USA Inc.
Western Region

SEG/dgj

Enclosure

cc: Rick Foppiano
David Stewart
Jim Bruce

TO: OXY USA Inc.
Attn: Scott E. Gengler
P. O. Box 50250
Midland, TX 79710

**CERTIFICATION OF ENHANCED OIL RECOVERY PROJECT
FOR RECOVERED OIL TAX RATE**

The New Mexico Oil Conservation Division hereby certifies that the following Enhanced Oil Recovery Project has been approved by the Division as a **secondary** project, pursuant to the provisions of the New Mexico Enhanced Oil Recovery Act (L. 1992, Ch. 38). In order to qualify for the Recovered Oil Tax Rate, you must apply for certification of positive production response within **five years** from the date of this certification. Only production from that portion of the project area identified herein which is actually developed for enhanced recovery will qualify for the reduced tax rate.

If operation of this project is terminated for any reason, the operator of the project must notify this Division and the Secretary of Taxation and Revenue not later than the thirtieth day after termination.

NAME OF PROJECT:	East Eumont Unit Waterflood Project (Northern portion of East Eumont Unit)
OCD ORDER NO.:	R-2901-A
OPERATOR AND ADDRESS:	OXY USA Inc. Attn: Scott E. Gengler P. O. Box 50250 Midland, TX 79710
CERTIFICATION DATE:	March 16, 1994

INITIAL PROJECT AREA
LEA COUNTY, NEW MEXICO

TOWNSHIP 18 SOUTH, RANGE 37 EAST, N.M.P.M.

Section 33: S/2NE/4, SE/4NW/4, NE/4SW/4, S/2SW/4, and SE/4
Section 34: SW/4SW/4

TOWNSHIP 19 SOUTH, RANGE 37 EAST, N.M.P.M.

Section 3: Lot 4 (NW/4NW/4 equivalent), S/2NW/4, and SW/4
Section 4: Lots 1 through 4 (N/2N/2 equivalent), S/2N/2, and E/2SE/4
Section 9: N/2NE/4
Section 10: NW/4NE/4 and W/2
Section 15: NW/4
Section 16: E/2NE/4

APPROVED

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

WILLIAM J. LEMAY
Director

S E A L