



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON
Governor
Jennifer A. Salisbury
Cabinet Secretary

Lori Wrotenbery
Director
Oil Conservation Division

ADMINISTRATIVE ORDER DHC-2841

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

Attention: Mr. David Stewart

Oxy Champion State No. 1
API No. 30-015-29601
Unit B, Section 9, Township 19 South, Range 29 East, NMPM,
Eddy County, New Mexico.
Undesignated Turkey Track-Atoka (Gas – 86445) and
Undesignated Turkey Track-Morrow (Gas – 86480) Pools

Dear Mr. Stewart:

Reference is made to your recent application for an exception to Rule 303.A. of the Division Rules and Regulations to permit the above described well to commingle production from the subject pools in the wellbore.

It appearing that the subject well qualifies for approval for such exception pursuant to the provisions of Rule 303.C., and that reservoir damage or waste will not result from such downhole commingling, and correlative rights will not be violated thereby, you are hereby authorized to commingle the production as described above and any Division Order which authorized the dual completion and required separation of the zones is hereby placed in abeyance.

The maximum amount of gas which may be produced daily from the well shall be determined by Division Rules or by the gas allowable for each respective prorated gas pool as printed in the Division's Southeast Gas Proration Schedule.

The applicant shall consult with the supervisor of the Hobbs District Office of the Division upon completion and testing of the well in order to establish a fixed allocation of production from each of the commingled zones. Upon approval by the Division's Hobbs District Office, the applicant shall submit the allocation formula to the Santa Fe Office of the Division.

Administrative Order DHC-2841

Oxy USA Inc.

October 4, 2000

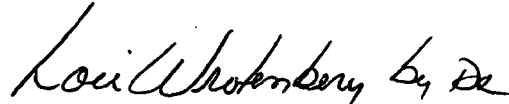
Page 2

REMARKS: The operator shall notify the Hobbs District Office of the Division upon implementation of the commingling process.

Pursuant to Rule 303.C.(2), the commingling authority granted herein may be rescinded by the Division Director if conservation is not being best served by such commingling.

Approved at Santa Fe, New Mexico on this 4th day of October, 2000.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION



LORI WROTENBERY
Director

SEAL

LW/DRC

cc: Oil Conservation Division - Hobbs
State Land Office-Oil & Gas Division