



STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION

2040 S. PACHECO
SANTA FE, NEW MEXICO 87505
(505) 827-7131

January 16, 1997

OXY USA, Inc.
P. O. Box 50250
Midland, Texas 79710-0250
Attention: David Stewart

Administrative Order NSL-3758

Dear Mr. Stewart:

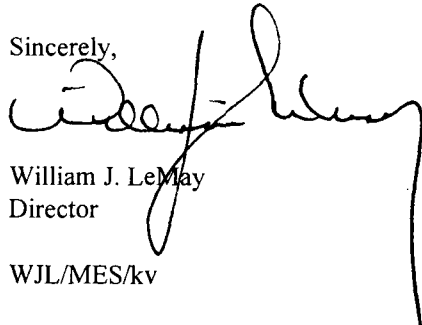
Reference is made to your application dated January 8, 1997 for a non-standard gas well location to be applicable to any and all formations and/or pools developed on 320-acre spacing from the top of the Wolfcamp formation to the base of the Morrow formation, which presently includes but not necessarily limited to the Undesignated North Turkey Track-Cisco Gas Pool, Undesignated Turkey Track-Atoka Gas Pool, Undesignated North Turkey Track-Atoka Gas Pool, Undesignated East Turkey Track-Atoka Gas Pool, Undesignated Turkey Track-Morrow Gas Pool, and Undesignated North Turkey Track-Morrow Gas Pool, for your proposed OXY Mako State Com Well No. 1 to be drilled 1370 feet from the South line and 1650 feet from the East line (Unit J) of Section 5, Township 19 South, Range 29 East, NMPM, Eddy County, New Mexico. The S/2 of said Section 5 is to be dedicated to the well thereby forming a standard 320-acre gas spacing and proration unit.

It is our understanding that the subject well is to be drilled to a total depth of approximately 11,400 feet in order to test down to the Morrow formation. The geologic interpretation submitted with this application indicates that a well drilled at the proposed unorthodox gas well location will be at a more favorable geologic position within the Morrow formation than a well drilled at a location considered to be standard within the subject 320-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"), revised by Division Order No. R-10533, issued by the Oil Conservation Commission in Case 11,351 on January 18, 1996.

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,


William J. LeMay
Director

WJL/MES/kv

cc: New Mexico Oil Conservation Division - Artesia
New Mexico State Land Office - Santa Fe