



OXY USA Inc.
5 Greenway Plaza, Suite 2400
P O Box 27570, Houston, TX 77227-7570

November 23, 1998

Mr. Randy Patterson
Yates Petroleum Corp.
Artesia, NM

*** BY FAX **

Re: Application of Yates Petroleum Corporation for Unorthodox Gas Well Location, Riverside ASS Federal Com Well No. 1, 1650 FSL & 660 FEL, S/2 of Section 8, Township 17 South, Range 27 East, Eddy County, NM

Dear Randy:

OXY USA Inc. has reviewed the subject application. We agree to waive any objection to the subject unorthodox location, provided Yates waives any objection to an unorthodox well location that is no closer than 660 feet from the west line of Section 9 for any pools spaced on 320 acre spacing in the S/2 of Section 9, Township 17 South, Range 27 East:

Please evidence Yates' agreement by signing below and returning a copy to me. Thanks for your help on this, and good luck on your well. If you need anything else, please don't hesitate to call me at 713-215-7317. My fax number is 713-350-4618.

Sincerely,

Rick

Richard E. Foppiano, P.E.
Senior Advisor - Regulatory Affairs

REF: ref

YATES PETROLEUM CORPORATION
Agreed to this date by: *John Yates*
Date signed: 11-25-98

BEFORE THE
OIL CONSERVATION DIVISION
Santa Fe, New Mexico

An Occidental Oil and Gas company

Case Nos. 12084 Exhibit No. 5

Submitted by: Yates Petroleum Corporation

Hearing Date: December 3, 1998