



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

August 3, 1999

New Mexico Oil Conservation Division
2040 S. Pacheco Street
Santa Fe, NM 87505

Attention: Mr. Michael E. Stogner

Re: **Application of OXY USA Inc. for Unorthodox Well Location**
OXY BAY State #1
1170 FSL 1650 FEL Unit O Sec 33 T17S R29E
Undesignated Grayburg Morrow
Eddy County, New Mexico

Dear Mr. Stogner:

OXY USA Inc. respectfully requests administrative approval under Rule 104 (F) of this application for the subject unorthodox gas well location. The surface location was staked 150' from an interior quarter-quarter section line. This was done due to topographical reasons. OXY proposes to designate the south half of the section as a 320-acre spacing unit.

OXY is requesting NSL authority for all zones below the top of the Wolfcamp to the base of the Morrow. Also attached is Form C-102 and since this well is located 1170' from the nearest side boundary and 1650' from the nearest end boundary, there are no affected parties and no notice was given. If I can provide any additional information to aid in processing this request, please call me at (915) 685-5717. Thank you for consideration of our application.

Sincerely,

David Stewart
Regulatory Analyst
Permian Asset Group
OXY USA Inc.

Attachments

CC: NMOCD - Artesia Office
R. Foppiano-OXY-Houston