

STATE OF NEW MEXICO

ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION



BRUCE KING
GOVERNOR

ANITA LOCKWOOD
CABINET SECRETARY



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

November 21, 1994

OXY USA, Inc.
Box 50250
Midland, Texas 79710

Attention: Richard E. Foppiano

Administrative Order NSL-3435(SD)

Dear Mr. Foppiano:

Reference is made to your application dated October 10, 1994 for an unorthodox Eumont gas well location in an existing non-standard 160-acre gas spacing and proration unit (GPU) for said Eumont Gas Pool comprising the S/2 NE/4 and the E/2 NW/4 of Section 28, Township 21 South, Range 36 East, NMPM, Lea County, New Mexico. Said GPU was authorized by Division Administrative Order NSP-236, dated February 26, 1956, and had dedicated thereon the Felton Well No. 1 located at a standard gas well location 660 feet from the North line and 1980 feet from the West line (Unit C) of said Section 28.

By authority granted me under the provisions of Rule 2(c) of the Special Rules and Regulations for the Eumont Gas Pool, as promulgated by Division Order No. R-8170, as amended, the following described well to be drilled at the following unorthodox Eumont gas well location is hereby approved:

*Felton ("A") Well No. 4
2045'FNL - 1915'FEL (Unit G) of said Section 28*

Also, you are hereby authorized to simultaneously dedicate Eumont Gas production from the Felton Well No. 1 with the proposed Felton ("A") Well No. 4. Furthermore, you are hereby permitted to produce the allowable assigned the subject GPU from both wells in any proportion.

Administrative Order NSL-3435(SD)

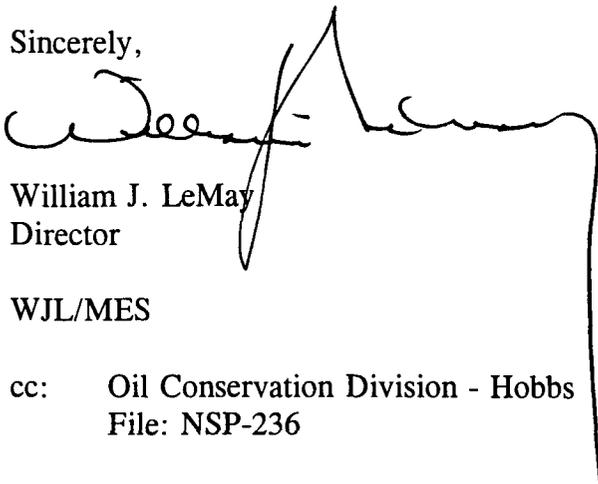
OXY USA, Inc.

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All provisions of said Division Administrative Order NSP-236 shall remain in full force and effect until further notice.

Sincerely,

A handwritten signature in black ink, appearing to read "William J. LeMay". The signature is written in a cursive style with a large, sweeping flourish at the end that extends downwards and to the right.

William J. LeMay
Director

WJL/MES

cc: Oil Conservation Division - Hobbs
File: NSP-236