



STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION

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

February 26, 1997

OXY USA, Inc.
P.O. Box 50,250
Midland, Texas 79710-0250
Attention: David Stewart

Administrative Order NSL-3767

Dear Mr. Stewart:

Reference is made to your application dated January 22, 1997 to drill the Governmental "AL" Well No. 2 at an unorthodox gas well location 660 feet from the North line and 2060 feet from the East line (Unit B) of Section 17, Township 20 South, Range 28 East, NMPM, to test the Undesignated South Burton-Yates Gas Pool, Eddy County, New Mexico.

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.

The NE/4 of said Section 17 shall be dedicated to the well to form a standard 160-acre gas spacing and proration unit for the subject pool.

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,

A handwritten signature in black ink, appearing to read "William J. LeMay".

William J. LeMay
Director

WJL/MES/kv

cc: Oil Conservation Division - Artesia
U. S. Bureau of Land Management - Carlsbad