



NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION
2040 South Pacheco Street
Santa Fe, New Mexico 87505
(505) 827-7131

November 18, 1998

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

Administrative Order NSL-4164

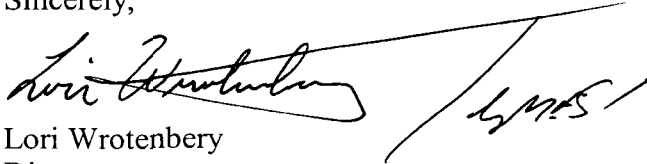
Dear Mr. Stewart:

Reference is made to your application dated November 4, 1998 for a non-standard gas well location to be applicable to any and all formations and/or pools from the top of the Wolfcamp formation to the base of the Morrow formation that are: (i) developed on 320-acre spacing; and, (ii) governed under the provisions of either Rule 104.B(1)(a) or 104.C(2)(b) of the Division's Rules and Regulations. The E/2 of Section 21, Township 17 South, Range 28 East, NMPM, Eddy County, New Mexico is to be dedicated to this well in order to form a standard 320-acre gas spacing and proration unit. This unit is to be dedicated to the proposed OXY P.I.B. Federal Well No. 1 to be drilled 2440 feet from the North line and 1980 feet from the East line (Unit G) of Section 21.

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").

By the authority granted me under the provisions of Division General Rule 104.F(2), the above-described unorthodox gas well location within the 320-acre unit comprising the E/2 of Section 21 is hereby approved.

Sincerely,



Lori Wrotenbery
Director

LW/MES/kv

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