



**Occidental Permian Ltd.**  
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August 18, 2009

RE: New Mexico Horizontal Well Rules  
Oil and Gas Industry Rule Draft Project

To Whom It May Concern:

The New Mexico Oil and Gas Association Regulatory Practices Committee in conjunction with members from the Independent Petroleum Association of New Mexico formed a sub-group to review and draft new rules addressing horizontal drilling and completions in New Mexico. It is believed that this effort began as a request to Mr. W. F. Carr at Holland and Hart several years ago by the New Mexico Oil Conservation Division (NMOCD) in addition to industry concerns. Changing technology and development methods necessitate a revision and update of the current rules.

Rules from many of the states were included in the review and discussion. In addition pooling, commingle, unitization and project areas were considered.

The bulk of the review is completed and concepts have been developed. As a co-chair, and now the chair, of the committee I am charged with preparing the draft rules. This is a work in progress and the intent is to submit a draft to the sub-committee in early October. After a review by the complete Regulatory Practices Committee, a draft will be submitted to the NMOCD.

Sincerely,

Elizabeth S. Bush-Ivie, P.E.

NMOCD Case No. 14323  
August 20, 2009  
COG Operating LLC Ex. No. 10

## J. Scott Hall

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**From:** Elizabeth\_Bush@oxy.com  
**Sent:** Tuesday, August 18, 2009 2:24 PM  
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**Subject:** Horizontal wells



Horizontal- letter  
update 9-18...

Attached is a general letter update regarding the status of the horizontal well rules. This was requested.

Liz Bush-Ivie

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