

District I
 PO Box 1980, Hobbs, NM 88241-1980
 District II
 PO Drawer DD, Artesia, NM 88211-0719
 District III
 1000 Rio Brazos Rd., Aztec, NM 87410
 District IV
 PO Box 2088, Santa Fe, NM 87504-2088

State of New Mexico
 Energy, Minerals & Natural Resources Department

Form C-101
 Revised February 10, 1994
 Instructions on back
 Submit to Appropriate District Office
 State Lease - 6 Copies
 Fee Lease - 5 Copies

OIL CONSERVATION DIVISION
 PO Box 2088
 Santa Fe, NM 87504-2088

AMENDED REPORT

APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE

| | | |
|--|-----------------------------------|--|
| Operator Name and Address: OXY USA Inc. P.O. Box 50250 Midland, TX 79710-0250 | | OGRID Number 16696 |
| | | API Number 30-015- 00000 30617 |
| Property Code 23140 | Property Name OXY Celtic State | Well No. 1 |

Surface Location

| UL or lot no. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| E | 16 | 17S | 27E | | 1650 | North | 660 | West | Eddy |

Proposed Bottom Hole Location If Different From Surface

| UL or lot no. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
|---|---------|----------|-------|---------|--------------------------|------------------|---------------|----------------|--------|
| Proposed Pool 1 Undesignated Logan Draw Morrow | | | | | Proposed Pool 2 80400 | | | | |

| | | | | |
|---------------------|-------------------------|---------------------|------------------------|---------------------------------|
| Work Type Code N | Well Type Code G | Cable/Rotary R | Lease Type Code S | Ground Level Elevation 3416' |
| Multiple No | Proposed Depth 9200' | Formation Morrow | Contractor Peterson | Spud Date 6/1/99 |

Proposed Casing and Cement Program

| Hole Size | Casing Size | Casing weight/foot | Setting Depth | Sacks of Cement | Estimated TOC |
|-----------|-------------|--------------------|---------------|-----------------|------------------------------------|
| 12-1/4" | 8-5/8" | 32# | 1500' | 725 | Surface * |
| 7-7/8" | 4-1/2" | 11.6# | 9200' | 765 | 5300' |
| | | | | | Post T.D.-1 4-9-99 API & Loc |

* Describe the proposed program. If this application is to DEEPEN or PLUG BACK give the data on the present productive zone and proposed new productive zone. Describe the blowout prevention program, if any. Use additional sheets if necessary.

Notify N.M.O.C.C. in sufficient time to witness cementing the 8 5/8" casing

SEE OTHER SIDE

Minimum WOC time 18 hrs. BGA

* Request 8hr WOC on surface casing, see attached for cement data sheet.



| | | | |
|---|--|--|--|
| I hereby certify that the information given above is true and complete to the best of my knowledge and belief. Signature: <i>David Stewart</i> | | OIL CONSERVATION DIVISION | |
| Printed name: David Stewart | | Approved by: ORIGINAL SIGNED BY TIM W. GUM BGA | |
| Title: Regulatory Analyst | | Title: DISTRICT II SUPERVISOR | |
| Date: 4/1/99 | | Approval Date: 4-5-99 Expiration Date: 4-5-00 | |
| Phone: 915-685-5717 | | Conditions of Approval: Attached <input type="checkbox"/> | |

ATTACHMENT C-101
OXY USA Inc.
OXY Celtic State #1
SEC 16 T17S R27E
Eddy County, NM

PROPOSED TD: 9200' TVD

BOP PROGRAM: 0' - 1500' 20" X 40' Conductor pipe with 13-3/8" rotating head bolted on. To be used as divertor only.
1500' - 9200' 8-5/8" 5M blind and pipe rams with 5M annular preventer and rotating head below 6000'.

CASING: 8-5/8" 32# K55 ST&C casing @ 1500'. 12-1/4" hole.
4-1/2" 11.6# N80 LT&C casing @ 9200'. 7-7/8" hole.

CEMENT: Surface - Circulate cement with 525sx 35:65 POZ/C with 6% Bentonite + .005#/sx Static Free + .005gps FP-6L + 2% CaCl₂ + 0.25#/sx Cello Flake + 5#/sx Gilsonite followed by 200sx Cl C with 2% CaCl₂ + .005#/sx Static Free + .005gps FP-6L.

*Request 8hr WOC, See attached for data sheet

Production - Cement with 690sx 15:61:11 POZ/C/CSE with .005#/sx Static Free + 8#/sx Gilsonite + .5% FL-25 + .5% FL-52 + .005gps FP-6L followed by 75sx Cl C with .005#/sx Static Free + .7% FL-25 + .005gps FP-6L.

Estimated top of cement is 5300'

Cement volumes may be adjusted to hole caliper.

MUD: 0' - 1500' FW/gel/lime. Lime for pH control (9-10). Paper for seepage. Wt. 8.6-9.2ppg, vis 28-34sec.
1500' - 5900' Fresh water. Lime for pH control (9-10). Paper for seepage. Wt. 8.3-8.5ppg, vis 28-29sec.
5900' - 8200' Cut brine. Lime for pH control (10). Wt. 9.6-10.0ppg, vis 28-29sec.
8200' - 9200' Mud up with a Duo Vis/Flo Trol system Wt. 10-10.2ppg, vis 34-38sec WL 8cc.

DISTRICT I
P.O. Box 1980, Hobbs, NM 88240

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-102
Revised February 10, 1994
Instruction on back
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

DISTRICT II
P.O. Drawer DD, Artesia, NM 88210

OIL CONSERVATION DIVISION

P.O. Box 2088
Santa Fe, New Mexico 87504-2088

DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

XX AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

| | | |
|----------------------------|-----------------------------------|---|
| API Number 30-015-30179 | Pool Code | Pool Name Undesignated Logan Draw Morrow |
| Property Code 23140 | Property Name OXY CELTIC STATE | Well Number 1 |
| OGRID No. 16696 | Operator Name OXY USA INC. | Elevation 3416' |

Surface Location

| UL or lot No. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| E | 16 | 17 S | 27 E | | 1650 | NORTH | 660 | WEST | EDDY |

Bottom Hole Location If Different From Surface

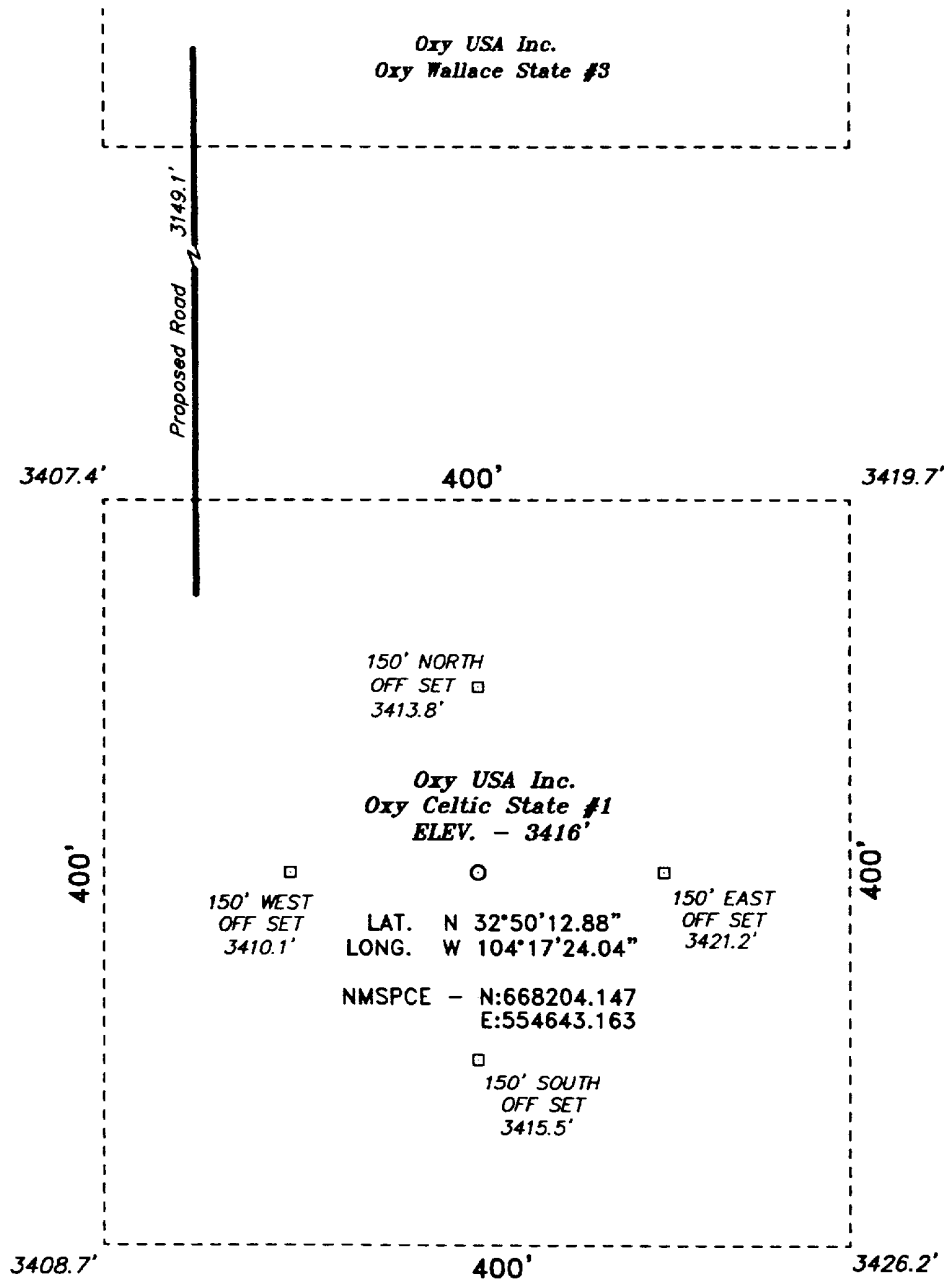
| UL or lot No. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| | | | | | | | | | |

| | | | |
|------------------------|----------------------|--------------------|-----------|
| Dedicated Acres 320 | Joint or Infill N | Consolidation Code | Order No. |
|------------------------|----------------------|--------------------|-----------|

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

| | |
|--|---|
| | <p>OPERATOR CERTIFICATION</p> <p>I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief.</p> <p><i>David Stewart</i> Signature</p> <p>David Stewart Printed Name</p> <p>Regulatory Analyst Title</p> <p>4/1/99 Date</p> |
| | <p>SURVEYOR CERTIFICATION</p> <p>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision and that the same is true and correct to the best of my belief.</p> <p>March 10, 1999 Date Surveyed</p> <p><i>Gary E. Jones</i> Signature & Seal of Professional Surveyor</p> <p>7977 No. 9422 Certificate No. Gary E. Jones 7977</p> <p>BASIN SURVEYS</p> |

SECTION 16, TOWNSHIP 17 SOUTH, RANGE 27 EAST, N.M.P.M.,
 EDDY COUNTY, NEW MEXICO.



150' NORTH
 OFF SET □
 3413.8'

Oxy USA Inc.
Oxy Celtic State #1
ELEV. - 3416'

□
 150' WEST
 OFF SET
 3410.1'

○
 LAT. N 32°50'12.88"
 LONG. W 104°17'24.04"

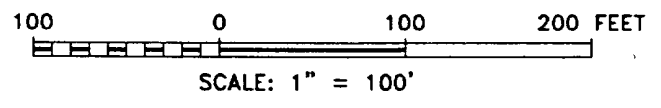
□
 150' EAST
 OFF SET
 3421.2'

NMSPCE - N:668204.147
 E:554643.163

□
 150' SOUTH
 OFF SET
 3415.5'



NOTE:
 LAT. AND LONG., STATE PLANE COORDINATES-NAD83



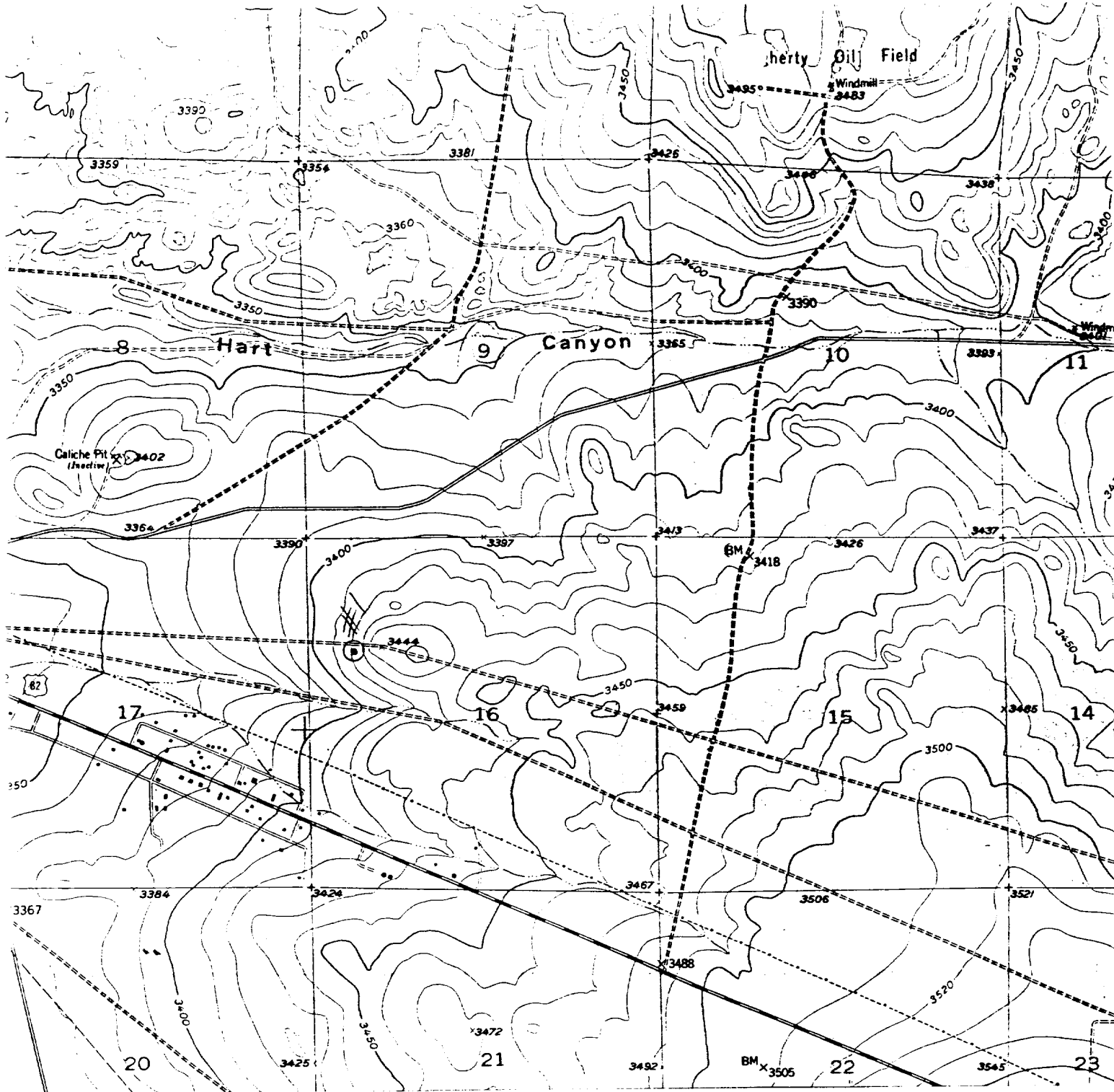
| | |
|---|--|
| Oxy USA Inc. | |
| REF: Oxy Celtic State No. 1 / Well Pad Topo | |
| THE OXY CELTIC STATE No. 1 LOCATED 1650' FROM THE NORTH LINE AND 660' FROM THE WEST LINE OF SECTION 16, TOWNSHIP 17 SOUTH, RANGE 27 EAST, N.M.P.M., EDDY COUNTY, NEW MEXICO. | |

BASIN SURVEYS P.O. BOX 1786 - HOBBS, NEW MEXICO

W.O. Number: 9119 Drawn By: K. GOAD

Date: 03-22-99 Disk: KJG #120 - 9120A.DWG

Survey Date: 03-19-99 Sheet 1 of 1 Sheets



OXY USA INC.
 OXY CELTIC STATE #1
 1650' FNL & 660' FWL
 Sec. 16, T-17-S, R-27-E,
 Eddy County, New Mexico.



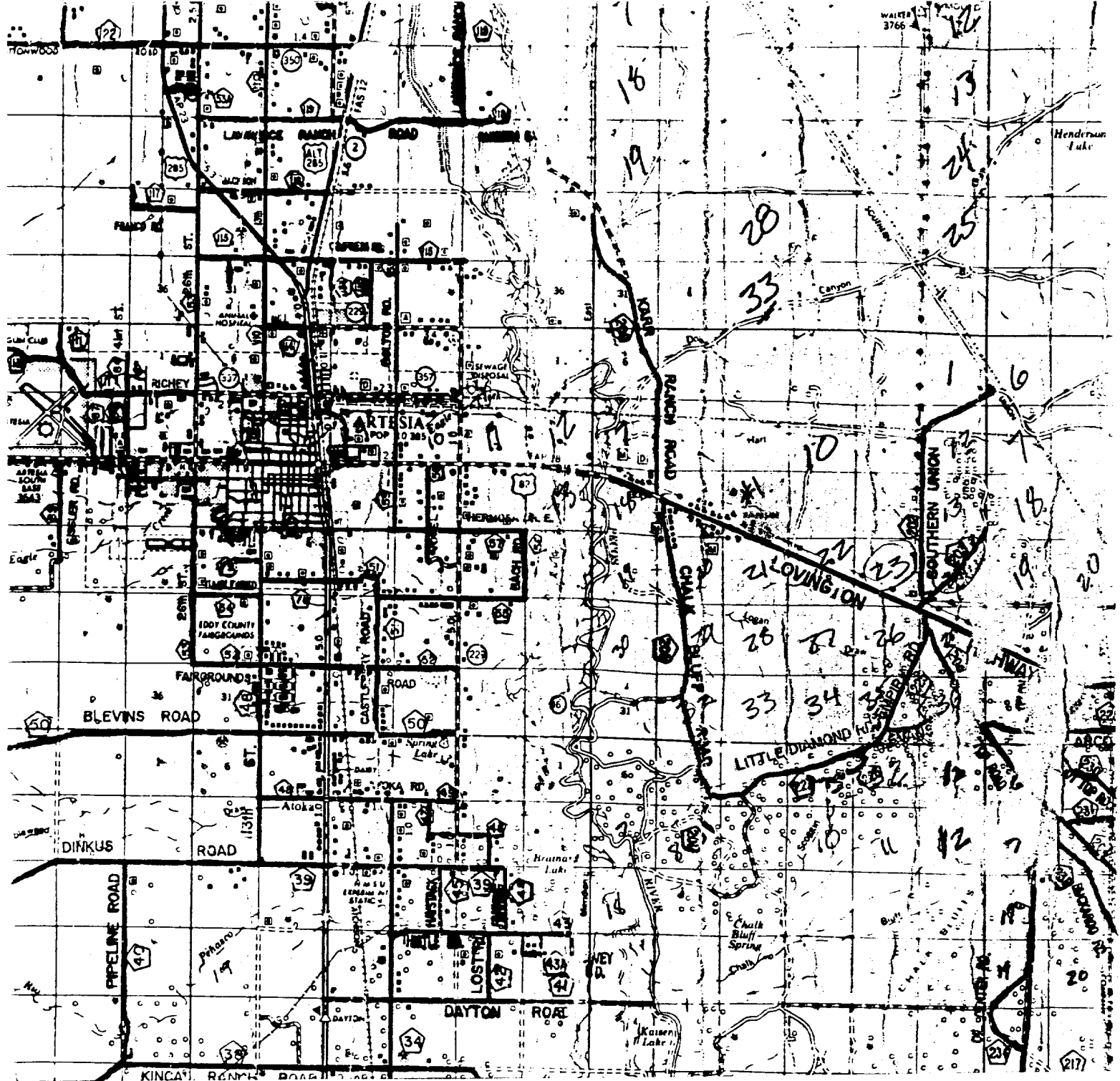
SCALE: 1"=2000'

BASIN SURVEYS

P.O. BOX 1786-HOBBS, NEW MEXICO



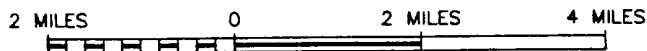
| | | | |
|-------------------|-------------------|-----------------------|---------------------|
| W.O. Number: 9120 | Drawn By: K. GOAD | Survey Date: 03-19-99 | Sheet 1 of 1 Sheets |
|-------------------|-------------------|-----------------------|---------------------|



OXY USA INC.
 OXY CELTIC STATE #1
 1650' FNL & 660' FWL
 Sec. 16, T-17-S, R-27-E,
 Eddy County, New Mexico.



SCALE: 1"=2 MILES

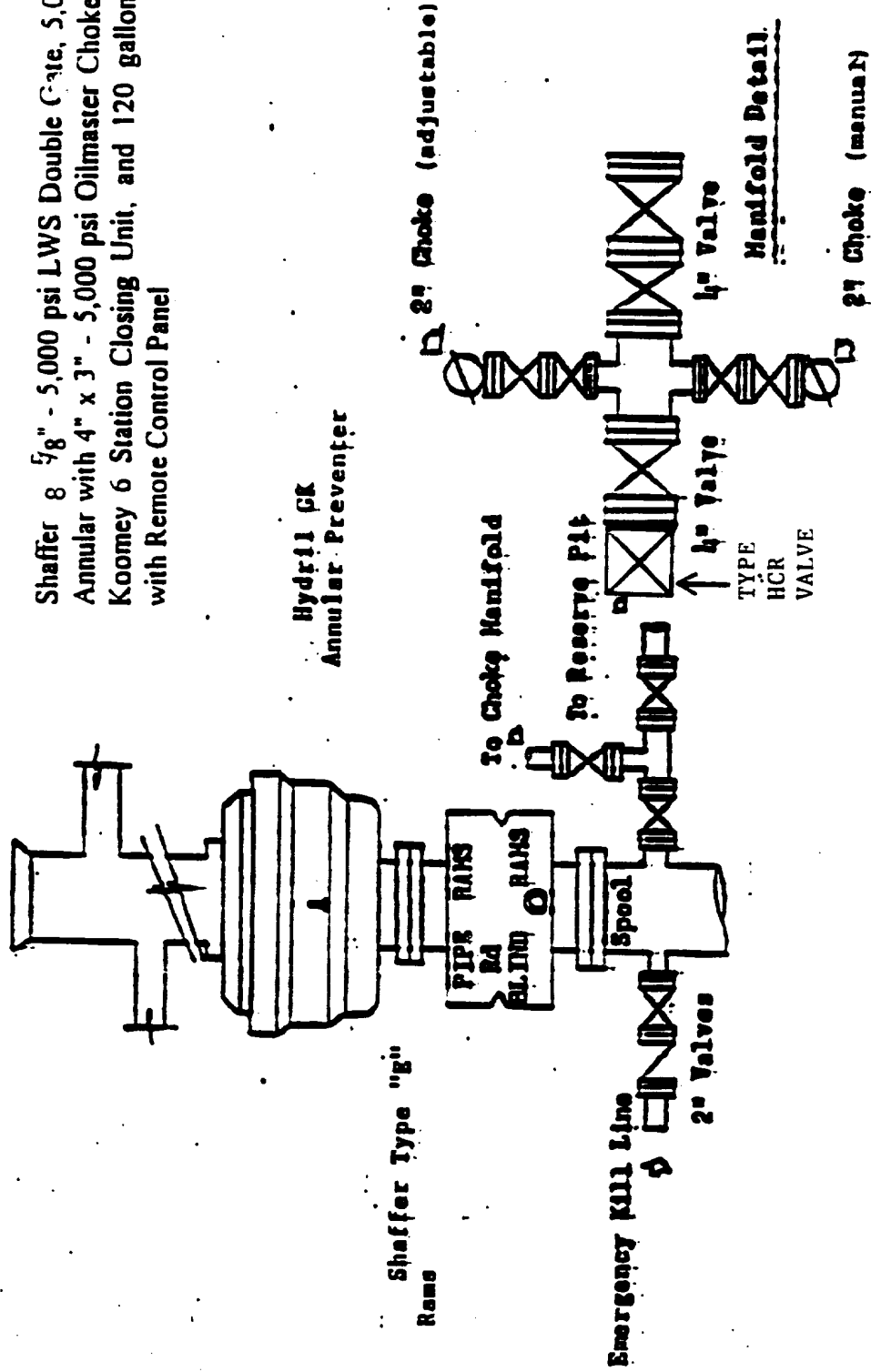


BASIN SURVEYS P.O. BOX 1786-HOBBS, NEW MEXICO

| | | | |
|-------------------|-------------------|-----------------------|---------------------|
| W.O. Number: 9120 | Drawn By: K. GOAD | Survey Date: 03-19-99 | Sheet 1 of 1 Sheets |
|-------------------|-------------------|-----------------------|---------------------|

BLOWOUT PREVENTOR SCHEM

Shaffer 8 5/8" - 5,000 psi LWS Double Gate, 5,000 psi Shaffer Annular with 4" x 3" - 5,000 psi Oilmaster Choke Manifold and Koomey 6 Station Closing Unit, and 120 gallon Accumulator with Remote Control Panel



Hydril GK
Annular Preventer

Shaffer Type "g"
Rams

PIPES RAMS
BLIND RAMS
Spool

Emergency Kill Line
2" Valves

To Choke Manifold

To Reserve Pit

4" Valve
TYPE HCR VALVE

4" Valve
Manifold Detail

2" Choke (adjustable)

27 Choke (manual)

Choke Manifold

B J SERVICES
 PERMIAN BASIN REGION LAB, ODESSA
 C E M E N T D A T A S H E E T

| | | |
|------------------|--------------------|---------|
| OPERATOR: OXY | DATE: 03/03/99 | QTR: 1* |
| WELL: | DISTRICT: ARTESIA | |
| DEPTH: | BLEND: LAB | |
| TYPE OF JOB: INT | NUMBER: 300 | |
| STAGE: LEAD | PROJECT HOURS: 7.5 | |

REMARKS:

TEST DATA & SCHEDULE

| | |
|----------------------|---------------------|
| TIME TO TEMP: 10 MIN | BHST: 95 |
| INITIAL PRESS: 500 | BHCT: 88 |
| ENDING PRESS: 1411 | MUD WGT: 8.34 #/gal |

SLURRY & TEST RESULTS

SLURRY: B JL: SWPC: POZC + 6% GEL + 2% CACL2

| | |
|-------------------|----------------------|
| MIX WATER: 106.5% | Pump Time: 5:25 |
| WEIGHT: 12.4 | Fluid Loss: cc/30min |
| YIELD: 2.01 | Free Water: ml/2hr |
| GAL/SK: 11.1 | : |

Compressive: 8-69 12-188
 24-358 72-450

| | | | | | | |
|------------------|----------|----------|----------|---------|-------|-------|
| Rheology: 20 MIN | 600: 122 | 300: 107 | 200: 102 | 100: 97 | 6: 45 | 3: 37 |
| Rheology: | 600: | 300: | 200: | 100: | 6: | 3: |

Data contained in this document is based on the best information & most current test procedures and materials available. No liability is expressed or implied.