



OXY USA Inc.

P.O. Box 50250, Midland, TX 79710-0250

March 2, 2000

United States Department of the Interior
Bureau of Land Management
Roswell District Office
2909 West Second Street
Roswell, New Mexico 88201

Re: Application for Permit to Drill
OXY USA Inc.
OXY Fig Newton Federal#1
Eddy County, New Mexico
Lease No. NMNM92756

Gentlemen:

OXY USA Inc. respectfully requests permission to drill our OXY Fig Newton Federal #1 located 1980 FNL and 660 FWL of Section 4, T20S, R27E, Eddy County, New Mexico, Federal Lease No. NMNM92756. The proposed well will be drilled to a TD of approximately 11000' (TVD). The location and work area has been staked. It is approximately 10 mile northwest of Carlsbad, New Mexico.

In accordance with requirements stipulated in Federal Onshore Oil and Gas Order No. 1 under 43 CFR 3162.1, our Application for Permission to Drill and supporting evidence is hereby submitted.

I. Application for Permit to Drill:

1. Form 3160.3, Application for Permit to Drill.
2. Form C-102 Location and Acreage Dedication Plat certified by Gary L. Jones, Registered Land Surveyor No. 7977 in the State of New Mexico, dated February 15, 2000.
3. The elevation of the unprepared ground is 3394 feet above sea level.
4. The geologic name of the surface formation is Permian Rustler.
5. Rotary drilling equipment will be utilized to drill the well to TD 11000' (TVD), and run casing. This equipment will then be rigged down and the well will be completed with a pulling unit.
6. Proposed total depth is 11000' TVD.
7. Estimated tops of important geologic markers.

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| Wolfcamp | 8000' TVD |
| Penn | 8500' TVD |
| Atoka | 9800' TVD |
| Morrow | 10250' TVD |

8. Estimated depths at which anticipated water, oil, gas or other mineral bearing formations are expected to be encountered:

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|----------------------|--------|------------|
| Primary Objective: | Morrow | 10250' TVD |
| Secondary Objective: | Atoka | 9800' TVD |