

DATE 8.26.10	SUSPENSE	ENGINEER DB.	LOGGED IN 8.26.10	TYPE NSL	PTG-W	APP NO. 1023847463
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ABOVE THIS LINE FOR DIVISION USE ONLY

**RECEIVED NEW MEXICO OIL CONSERVATION DIVISION**  
- Engineering Bureau -

2010 AUG 26 1220 PM  
1220 South St. Francis Drive, Santa Fe, NM 87505



OXY  
Lost Tank 3 Fed #19

**ADMINISTRATIVE APPLICATION CHECKLIST**

30-015-37952

THIS CHECKLIST IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS- WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE

**Application Acronyms:**

- [NSL-Non-Standard Location] [NSP-Non-Standard Proration Unit] [SD-Simultaneous Dedication]  
[DHC-Downhole Commingling] [CTB-Lease Commingling] [PLC-Pool/Lease Commingling]  
[PC-Pool Commingling] [OLS - Off-Lease Storage] [OLM-Off-Lease Measurement]  
[WFX-Waterflood Expansion] [PMX-Pressure Maintenance Expansion]  
[SWD-Salt Water Disposal] [IPI-Injection Pressure Increase]  
[EOR-Qualified Enhanced Oil Recovery Certification] [PPR-Positive Production Response]

[1] **TYPE OF APPLICATION** - Check Those Which Apply for [A]

- [A] Location - Spacing Unit - Simultaneous Dedication  
☒ NSL ☐ NSP ☐ SD

Check One Only for [B] or [C]

- [B] Commingling - Storage - Measurement  
☐ DHC ☐ CTB ☐ PLC ☐ PC ☐ OLS ☐ OLM

- [C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery  
☐ WFX ☐ PMX ☐ SWD ☐ IPI ☐ EOR ☐ PPR

- [D] Other: Specify \_\_\_\_\_

[2] **NOTIFICATION REQUIRED TO:** - Check Those Which Apply, or Does Not Apply

- [A] ☒ Working, ~~Royalty~~ or ~~Overriding Royalty~~ Interest Owners  
[B] ☒ Offset Operators, ~~Leaseholders~~ or Surface Owner  
[C] ☐ Application is One Which Requires Published Legal Notice  
[D] ☒ Notification and/or Concurrent Approval by BLM or ~~SLO~~  
U.S. Bureau of Land Management - Commissioner of Public Lands, State Land Office  
[E] ☐ For all of the above, Proof of Notification or Publication is Attached, and/or,  
[F] ☐ Waivers are Attached

[3] **SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED ABOVE.**

[4] **CERTIFICATION:** I hereby certify that the information submitted with this application for administrative approval is **accurate** and **complete** to the best of my knowledge. I also understand that **no action** will be taken on this application until the required information and notifications are submitted to the Division.

~~Note: Statement must be completed by an individual with managerial and/or supervisory capacity.~~

David Stewart  
Print or Type Name

Signature

Sr. Res. Analyst  
Date 8/24/10

dauid\_stewart@oxy.com  
e-mail Address

OXY USA Inc.  
Lost Tank 3 Fed. #19



**OXY USA Inc.**

**PO Box 50250  
Midland, TX 79710-0250**

August 24, 2010

New Mexico Oil Conservation Division  
1220 South St. Francis Dr.  
Santa Fe, NM 87505

Attention: Richard Ezeanyim

Re: ***Application for Administrative Approval of Non-Standard Location –  
Lost Tank Delaware, West  
Lost Tank 3 Federal #19  
Surface/Penetration Point – 2558 FNL 185 FWL Ut E – Sec 3 T22S R31E  
Bottom Hole – 549 FSL 661 FWL Ut M – Sec 3 T22S R31E  
Eddy County, New Mexico***

Dear Mr. Ezeanyim:

OXY USA Inc. respectfully requests administrative approval under Rule 104 (F) of this application for the subject non-standard well location on the Lost Tank 3 Federal #19. The #19 well is proposed in the Delaware with a TVD of 8100'. The kickoff point for the well is at approximately 4200' and the top of the Delaware formation is expected at 4035', which is above the kickoff point. The wellbore will not be orthodox at either the top of the Delaware or when it penetrates the Delaware Brushy Canyon reservoir. The non-standard location is necessary for reasons of potash surface restrictions and topography, as required by the BLM.

The #19 encroaches on the 40-acre spacing units of E,L,M-Sec 3, H,I-Sec 4 of T23S R31E. All of the interest owners have joined in the drilling of the #3 and waivers have been attached from affected parties.

To support this request, the following information has been submitted for your review:

1. Application for Permit to Drill.
2. NMOCD C-102 Plat for the proposed well with offsetting well and affected spacing units.
3. List of affected offset parties that adjoin the non-standard well and the spacing unit being encroached upon, along with a copy of the certified returned receipts and signed waivers. Copies of the signed certified receipts will be furnished upon request.
4. Proposed Directional Survey

If you need any additional information, please call me at 432-685-5717.

Sincerely,

A handwritten signature in black ink, appearing to read "D. Stewart", is written over a horizontal line.

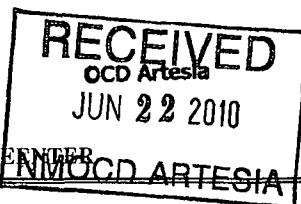
David Stewart  
Sr. Regulatory Analyst  
OXY USA Inc.

Attachments

CC: NMOCD-Artesia, BLM-Carlsbad, Service List

**R-111-POTASH**

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT



ATS-08-503 AM  
FORM APPROVED  
OMB NO. 1004-0136  
Expires: November 30, 2000

**APPLICATION FOR PERMIT TO DRILL OR REENTER**

1a. Type of Work <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER		5. Lease Serial No NMNM0417696	
1b. Type of Well <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other <input checked="" type="checkbox"/> Single Zone <input type="checkbox"/> Multiple Zone		6. If Indian, Allottee or Tribe Name	
2. Name of Operator OXY USA Inc.		7. Unit or CA Agreement Name and No.	
3a. Address P.O. Box 50250 Midland, TX 79710-0250		8. Lease Name and Well No. <b>(304875)</b> Lost Tank 3 Federal #19	
3b. Phone No. (include area code) 432-685-5717		9. API Well No 30-015- <b>37952</b>	
4. Location of Well (Report location clearly and in accordance with any State requirements)* At surface <b>2558 FNL 185 FWL SNNW (E)</b> At proposed prod. zone <b>549 FSL 661 FWL SWSW (M)</b>		10. Field and Pool, or Exploratory <input checked="" type="checkbox"/> Lost Tank Delaware, West	
14. Distance in miles and direction from nearest town or post office* 20 miles northeast from Loving, NM		11. Sec., T., R., M., or Blk. and Survey or Area Sec 3 T22S R31E	
15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drg unit line, if any) 185'	16. No. of Acres in lease 640	17. Spacing Unit dedicated to this well 40	
18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. 50'	19. Proposed Depth 8750' 8800' m 8100' U	20. BLM/BIA Bond No. on file ES0136	
21. Elevations (Show whether DF, KDB, RT, GL, etc) 3466.1' GL	22. Approximate date work will start* 1/10	23. Estimated duration 45	

24. Attachments

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No. 1, shall be attached to this form:

- |  |  |
|--|--|
| 1. Well plat certified by a registered surveyor.   | 4. Bond to cover the operations unless covered by an existing bond on file (see Item 20 above).    |
| 2. A Drilling Plan   | 5. Operator certification.   |
| 3. A Surface Use Plan (if the location is on National Forest System Lands, the SUPO shall be filed with the appropriate Forest Service Office) | 6. Such other site specific information and/or plans as may be required by the authorized officer. |

25. Signature 	Name (Printed/Typed) David Stewart	Date 6/15/09
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Title  
Sr. Regulatory Analyst

Approved by (Signature) 	Name (Printed/Typed) 157 William Merhege	Date 6-11-10
Title ACTING STATE DIRECTOR	Office NM STATE OFFICE	

Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon  
Conditions of approval, if any, are attached.

**APPROVAL FOR TWO YEARS**

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

\*(Instructions on Reverse)

Carlsbad Controlled Water Basin

**SEE ATTACHED FOR  
CONDITIONS OF APPROVAL**

**APPROVAL SUBJECT TO  
GENERAL REQUIREMENTS  
AND SPECIAL STIPULATIONS  
ATTACHED**

OCD CONDITION OF APPROVAL of Drilling:  
Intent to drill ONLY --- CANNOT produce until the Non-Standard  
Location has been approved by OCD Santa Fe office

District I  
1625 N. French Dr., Hobbs, NM 88240  
District II  
1301 W. Grand Avenue, Artesia, NM 88210  
District III  
1000 Rio Brazos Rd., Aztec, NM 87410  
District IV  
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico  
Energy, Minerals & Natural Resources Department  
OIL CONSERVATION DIVISION  
1220 South St. Francis Dr.  
Santa Fe, NM 87505

Form C-102  
Revised October 12, 2005  
Submit to Appropriate District Office  
State Lease- 4 Copies  
Fee Lease- 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number <b>30-015-37942</b>	Pool Code <b>96582</b>	Pool Name <b>Lost Tank Delaware, West</b>
Property Code <b>301875</b>	Property Name <b>LOST TANK 3 FED.</b>	Well Number <b>19</b>
OGRID No. <b>16696</b>	Operator Name <b>OXY USA INC.</b>	Elevation <b>3466.1'</b>

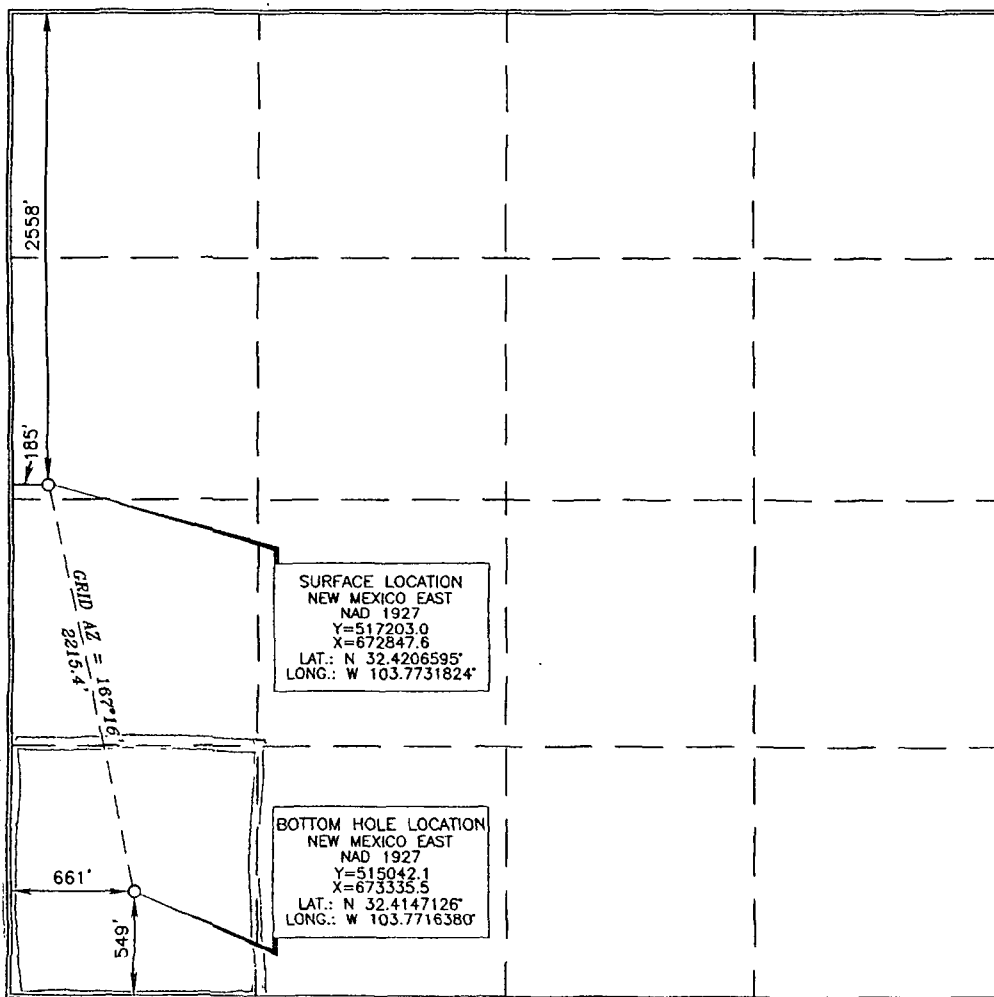
Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
<b>E</b>	<b>3</b>	<b>22 SOUTH</b>	<b>31 EAST, N.M.P.M.</b>		<b>2558'</b>	<b>NORTH</b>	<b>185'</b>	<b>WEST</b>	<b>EDDY</b>

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
<b>M</b>	<b>3</b>	<b>22 SOUTH</b>	<b>31 EAST, N.M.P.M.</b>		<b>549'</b>	<b>SOUTH</b>	<b>661'</b>	<b>WEST</b>	<b>EDDY</b>
Dedicated Acres <b>40</b>	Joint or Infill <b>N</b>	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.



OPERATOR CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

*David Stewart*  
Signature Date

David Stewart  
Printed Name

SURVEYOR CERTIFICATION

I hereby certify that the well location shown on this plat was placed 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.

**15079**  
APR 30, 2009  
Date of Survey

Signature and Seal of Professional Surveyor

*Terry J. Paul* 8/31/2009  
Certificate Number 15079

District I  
1625 N. French Dr., Hobbs, NM 88240  
District II  
1301 W. Grand Avenue, Artesia, NM 88210  
District III  
1000 Rio Brazos Rd., Aztec, NM 87410  
District IV  
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico  
Energy, Minerals & Natural Resources

Form C-102  
Revised October 12, 2005

OIL CONSERVATION DIVISION  
1220 South St. Francis Dr.  
Santa Fe, NM 87505

Submit to Appropriate District Office  
State Lease - 4 Copies  
Fee Lease - 3 Copies

☒ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

<sup>1</sup> API Number 30-015-37952	<sup>2</sup> Pool Code 96582	<sup>3</sup> Pool Name Lost Tank Delaware, West
<sup>4</sup> Property Code 304875	<sup>5</sup> Property Name Lost Tank 3 Federal	<sup>6</sup> Well Number 19
<sup>7</sup> OGRID No. 16696	<sup>8</sup> Operator Name OXY USA Inc.	<sup>9</sup> Elevation 3466.1'

<sup>10</sup> Surface Location

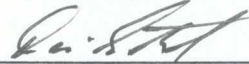
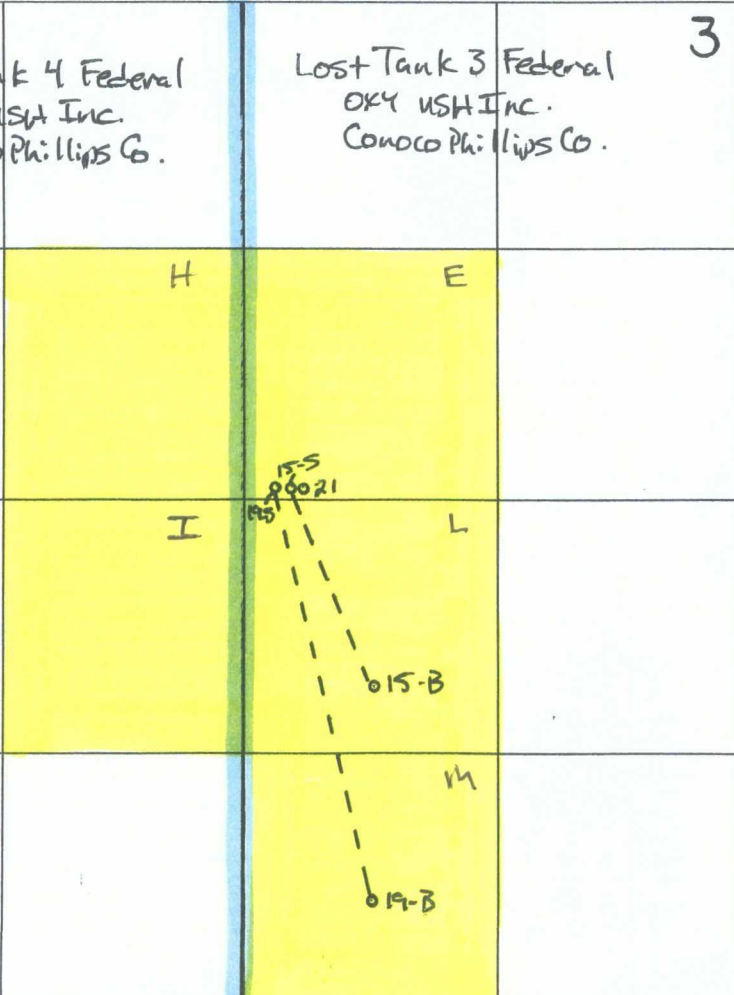
UL or lot no. E	Section 3	Township 22S	Range 31E	Lot. Idn	Feet from the 2558	North/South line north	Feet from the 135	East/West line west	County Eddy
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<sup>11</sup> Bottom Hole Location If Different From Surface

UL or lot no. M	Section 3	Township 22S	Range 31E	Lot. Idn	Feet from the 549	North/South line south	Feet from the 661	East/West line west	County Eddy
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<sup>12</sup> Dedicated Acres 640	<sup>13</sup> Joint or Infill Y	<sup>14</sup> Consolidation Code	<sup>15</sup> Order No.
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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

<sup>16</sup> 4 Lost Tank 4 Federal OXY USA Inc. Conoco Phillips Co.	<sup>17</sup> OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.  Signature Date David Stewart Printed Name Sr. Regulatory Analyst david.stewart@oxy.com
	<sup>18</sup> SURVEYOR CERTIFICATION 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.  Date of Survey Signature and Seal of Professional Surveyer:  Certificate Number

**Service List – NSL**  
**OXY USA Inc.**  
**Lost Tank 3 Federal #15, 19, 21**  
**Sec 3 T22S R31E**

United States Dept of Interior  
Bureau of Land Management  
620 E. Greene Street  
Carlsbad, NM 88220-6292

New Mexico Oil Conservation Division  
1301 W. Grand Ave.  
Artesia, NM 88210

New Mexico Oil Conservation Division  
1220 South St. Francis Dr.  
Santa Fe, NM 87505

**Affected Offset Parties:**

OXY USA Inc.  
P.O. Box 50250  
Midland, TX 79710

Conoco Phillips Co.  
Attn: Tom Scarbrough  
550 Westlake Park Blvd.  
Houston, TX 77252-2197



**OXY USA Inc.**

PO Box 50250  
Midland, TX 79710-0250

August 24, 2010

CERTIFIED MAIL – RETURN RECEIPT REQUESTED

Conoco Phillips Co.  
Attn: Tom Scarbrough  
550 Westlake Park Blvd.  
Houston, TX 77252-2197

Re: ***Application for Administrative Approval of Non-Standard Location –  
Lost Tank Delaware, West  
Lost Tank 3 Federal #19  
Surface/Penetration Point – 2558 FNL 185 FWL Ut E – Sec 3 T22S R31E  
Bottom Hole – 549 FSL 661 FWL Ut M – Sec 3 T22S R31E  
Eddy County, New Mexico***

Ladies and Gentlemen:

Enclosed is a copy of an application, filed with the New Mexico Oil Conservation Division by OXY USA Inc., requesting administrative approval under Rule 104 (F) of an unorthodox well location. As an affected party, notice is being provided to you pursuant to Rule 104 (F). The well is located in the SWNW/4 of Section 3 T22S R31E, Eddy County, NM. If you object to the well's location, you must notify the Division in writing no later than 20 days from the date the application is received by the NMOCD (1220 South St. Francis Drive, Santa Fe, NM 87505; Attention: Richard Ezeanyim).

If you need any additional information, please call me at 432-685-5717.

Sincerely,

A handwritten signature in black ink, appearing to read "D. Stewart".

David Stewart  
Sr. Regulatory Analyst  
OXY USA WTP LP

Attachments



**OXY USA Inc.**

A subsidiary of Occidental Petroleum Corporation

5 Greenway Plaza, Suite 110, Houston, Texas 77046-0521  
P.O. Box 27570, Houston, Texas 77227-7570  
Phone 713.215.7000

ConocoPhillips Company  
550 Westlake Park Blvd.  
Houston, TX 77252-2197  
Attention: Tom Scarbrough

RE: **Lost Tank 3 Federal #19**  
2,558' FNL & 185' FWL (surface location) (SW NW)  
Section 3-22S-31E  
549' FSL & 661' FWL (bottom hole location) (SW SW)  
Section 3-22S-31E  
Eddy County, New Mexico

Gentlemen:

The surface location for the Lost Tank 3 Federal #19 well is located in the SW/4 NW/4 of Section 3-22S-31E, Eddy County, NM. The well will be drilled directionally to a bottom hole location in the SW/4 SW/4 of Section 3-22S-31E, Eddy County, NM. The well is at an unorthodox location where it penetrates portions of the Delaware formation.

The well will be drilled vertically to approximately 4,200' at which depth it will penetrate the top of the Delaware formation. The well will then be drilled directionally and penetrate the top of the objective Brushy Canyon. A portion of the Delaware formation at a location approximately 860' FSL & 580' FWL of Section 3-22S-31E, Eddy County, NM.

OXY is filing an application with the New Mexico Oil Conservation Division (OCD) for administrative approval of this non-standard location (NSL). Your execution of this waiver will facilitate administrative approval of OXY's NSL application. OXY requests that you waive any protest or objection to the NSL for the referenced well.

Your favorable consideration and early reply will be appreciated. Please return a signed copy of this waiver letter to me at the address shown above.

Very truly yours,

OXY USA Inc.

Donna G Havins  
Land Negotiator  
Dir: (713) 215-7232  
Cell: (713) 202-7559  
Fax: (713) 985-1818  
email: donna\_havins@oxy.com

Based on the information provided herein, ConocoPhillips Company hereby waives any protest or objection to the non-standard location of the Lost Tank 3 Federal #19 well.

ConocoPhillips Company

By Robert N. Welch

Dated 7-28-10

TJS





Azimuths to Grid North  
 True North: -0.30°  
 Magnetic North: 7.60°  
 Magnetic Field  
 Strength: 48920.9 nT  
 Dip Angle: 60.39°  
 Date: 2009/08/27  
 Model: IGRF200510



Project: Eddy County, NM  
 Site: Lost Tank 3 Federal Pad  
 Well: Well #19  
 Wellbore: OH  
 Plan: Plan #1 (Well #19/OH)

#### WELL DETAILS: Well #19

Ground Elevation: 3466.10  
 RKB Elevation: RKB to MSL @ 3482.60ft (Flex 4)  
 Rig Name: Flex 4

+N/-S	+E/-W	Northing	Easting	Latitude	Longitude	Slot
0.00	0.00	517203.00	672847.60	32° 25' 14.37390 N	103° 46' 23.45626 W	

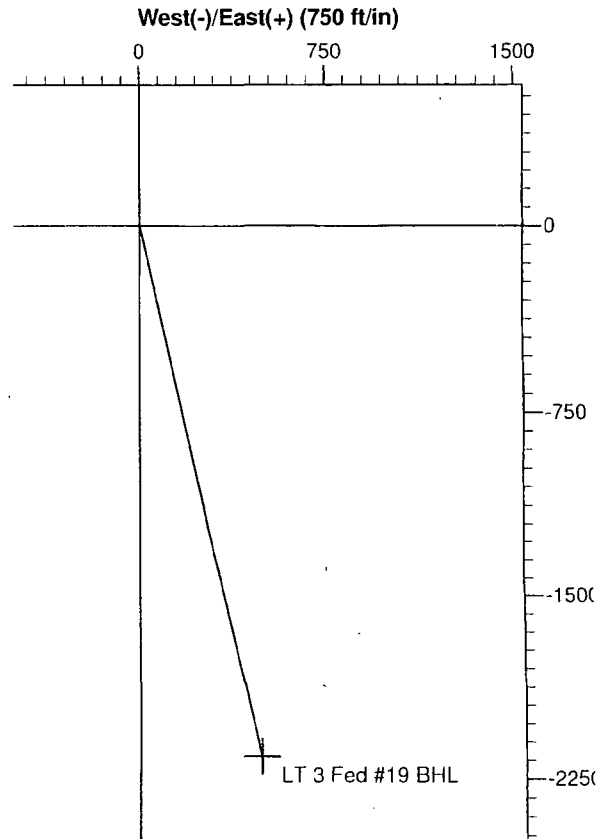
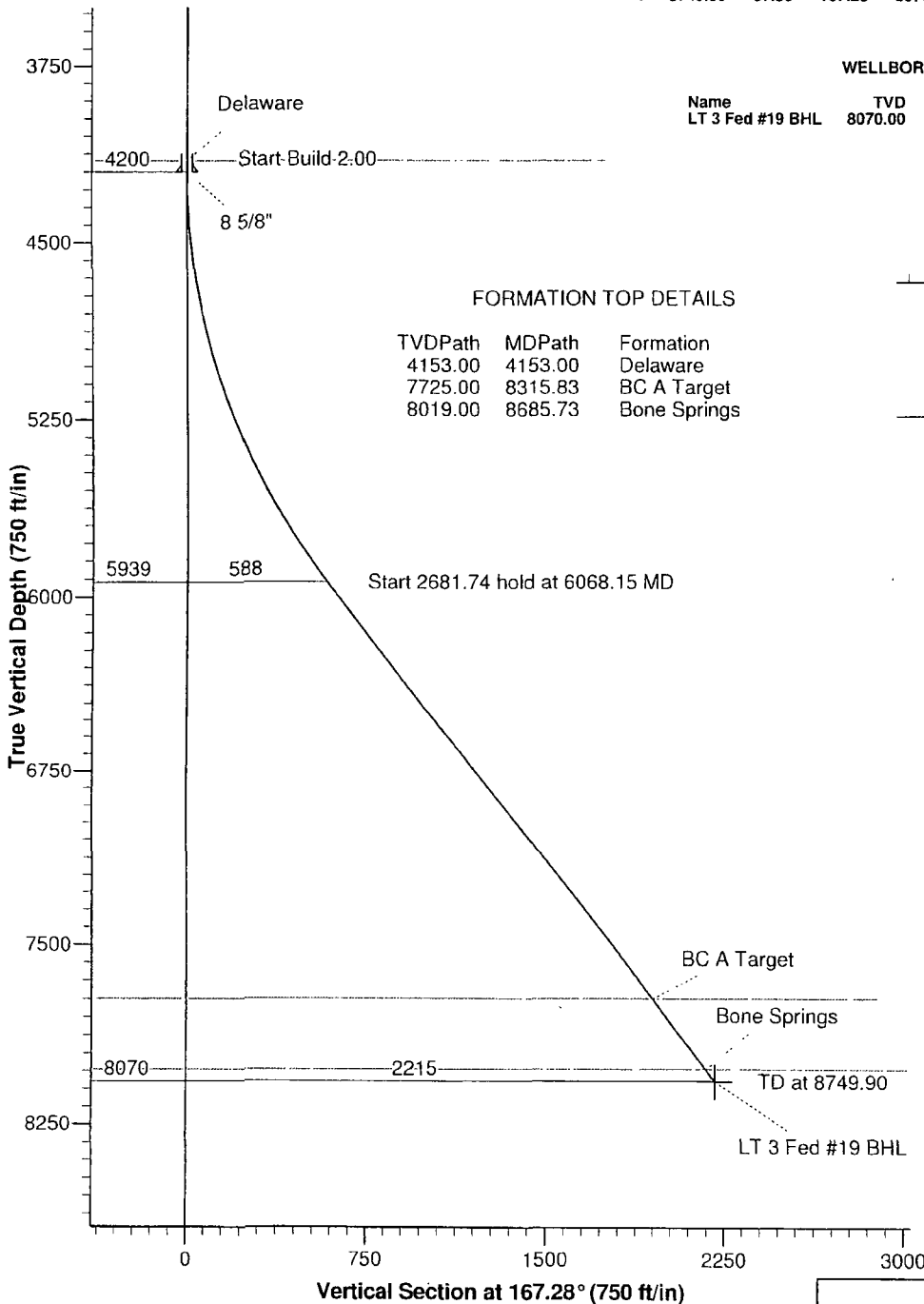
CASING DETAILS  
 TVD 4200.00 MD 4200.00 Name 8 5/8" Size 8-5/8

#### SECTION DETAILS

Sec	MD	Inc	Azi	TVD	+N/-S	+E/-W	DLeg	TFace	VSec	Target
1	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
2	4200.00	0.00	0.00	4200.00	0.00	0.00	0.00	0.00	0.00	
3	6068.15	37.36	167.28	5938.54	-573.41	129.47	2.00	167.28	587.84	
4	8749.90	37.36	167.28	8070.00	-2160.90	487.90	0.00	0.00	2215.30	LT 3 Fed #19 BHL

#### WELLBORE TARGET DETAILS (MAP CO-ORDINATES)

Name	TVD	+N/-S	+E/-W	Northing	Easting	Shape Point
LT 3 Fed #19 BHL	8070.00	-2160.90	487.90	515042.10	673335.50	



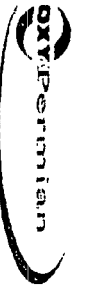
#### FORMATION TOP DETAILS

TVDPath	MDPath	Formation
4153.00	4153.00	Delaware
7725.00	8315.83	BC A Target
8019.00	8685.73	Bone Springs

PROJECT DETAILS: Eddy County, NM  
 Geodetic System: US State Plane 1927 (Exact solution)  
 Datum: NAD 1927 (NADCON CONUS)  
 Ellipsoid: Clarke 1866  
 Zone: New Mexico East 3001

System Datum: Mean Sea Level  
 Local North: Grid

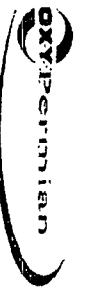
Plan: Plan #1 (Well #19/OH)  
 Created By: Kurt Otto Date: 10:12, August 27 2009



PathFinder Energy Services  
Global X&Y Report



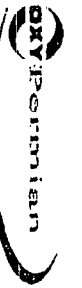
<b>Company:</b> OXY Permian		<b>Local Co-ordinate Reference:</b> Well Well #19	
<b>Project:</b> Eddy County, NM		<b>TYD Reference:</b> RKB to MSL @ 3482.60ft (Flex 4)	
<b>Site:</b> Lost Tank 3 Federal Pad		<b>MD Reference:</b> RKB to MSL @ 3482.60ft (Flex 4)	
<b>Well:</b> Well #19		<b>North Reference:</b> Grid	
<b>Wellbore:</b> OH		<b>Survey Calculation Method:</b> Minimum Curvature	
<b>Design:</b> Plan #1		<b>Database:</b> Landmark Network DB	
<b>Project:</b> Eddy County, NM			
<b>Map System:</b> US State Plane 1927 (Exact solution)		<b>System Datum:</b> Mean Sea Level	
<b>Geo Datum:</b> NAD 1927 (NADCON CONUS)			
<b>Map Zone:</b> New Mexico East 3001			
<b>Site:</b> Lost Tank 3 Federal Pad			
<b>Site Position:</b> Map		<b>Northing:</b> 517,203.00 ft	
<b>From:</b> Map		<b>Easting:</b> 672,847.60 ft	
<b>Position Uncertainty:</b> 0.00 ft		<b>Slot Radius:</b> "	
		<b>Latitude:</b> 32° 25' 14.37390 N	
		<b>Longitude:</b> 103° 46' 23.45626 W	
		<b>Grid Convergence:</b> 0.30 °	
<b>Well:</b> Well #19			
<b>Well Position</b> +N/-S 0.00 ft		<b>Northing:</b> 517,203.00 ft	
+E/-W 0.00 ft		<b>Easting:</b> 672,847.60 ft	
<b>Position Uncertainty</b> 0.00 ft		<b>Wellhead Elevation:</b> ft	
		<b>Latitude:</b> 32° 25' 14.37390 N	
		<b>Longitude:</b> 103° 46' 23.45626 W	
		<b>Ground Level:</b> 3,466.10 ft	
<b>Wellbore:</b> OH			
<b>Magnetics:</b> Model Name: Sample Date: Declination (°): Dip Angle (°): Field Strength (nT):			
IGRF200510 2009/08/27 7.90 60.39 48,921			
<b>Design:</b> Plan #1			
<b>Audit Notes:</b>			
<b>Version:</b> Phase: PLAN Tie On Depth: 0.00			
<b>Vertical Section:</b> Depth From (TYD) (ft) +N/-S (ft) +E/-W (ft) Direction (°)			
0.00 0.00 0.00 167.28			
<b>Survey Tool Program:</b> Date 2009/08/27			
<b>From:</b> (ft) <b>To:</b> (ft) <b>Survey (Wellbore):</b> Tool Name: Description:			
0.00 8,749.90 Plan #1 (OH) MWD MWD - Standard			



PathFinder Energy Services  
Global X&Y Report



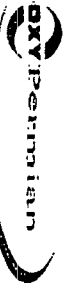
Company				Local Co-ordinate Reference				Well Well #19	
Project				TVD Reference				RKB to MSL @ 3482.60ft (Flex 4)	
Site				MD Reference				RKB to MSL @ 3482.60ft (Flex 4)	
Well				North Reference				Grid	
Wellbore				Survey Calculation Method				Minimum Curvature	
Design				Database				Landmark Network DB	
Planned Survey									
MD (ft)	Inc (°)	Azi (°)	TVD (ft)	TVSS (ft)	V-Sec (ft)	Northing (ft)	Easting (ft)	Dleg (1/100ft)	
4,153.00	0.00	0.00	4,153.00	-670.40	0.00	517,203.00	672,847.60	0.00	
Delaware									
4,200.00	0.00	0.00	4,200.00	-717.40	0.00	517,203.00	672,847.60	0.00	
4,300.00	2.00	167.28	4,299.98	-817.38	1.75	517,201.30	672,847.98	2.00	
4,400.00	4.00	167.28	4,399.84	-917.24	6.98	517,196.19	672,849.14	2.00	
4,500.00	6.00	167.28	4,499.45	-1,016.85	15.69	517,187.69	672,851.06	2.00	
4,600.00	8.00	167.28	4,598.70	-1,116.10	27.88	517,175.80	672,853.74	2.00	
4,700.00	10.00	167.28	4,697.47	-1,214.87	43.52	517,160.55	672,857.19	2.00	
4,800.00	12.00	167.28	4,795.62	-1,313.02	62.60	517,141.93	672,861.39	2.00	
4,900.00	14.00	167.28	4,893.06	-1,410.46	85.10	517,119.99	672,866.34	2.00	
5,000.00	16.00	167.28	4,989.64	-1,507.04	110.98	517,094.75	672,872.04	2.00	
5,100.00	18.00	167.28	5,085.27	-1,602.67	140.21	517,066.23	672,878.48	2.00	
5,200.00	20.00	167.28	5,179.82	-1,697.22	172.77	517,034.47	672,885.65	2.00	
5,300.00	22.00	167.28	5,273.17	-1,790.57	208.60	516,999.52	672,893.54	2.00	
5,400.00	24.00	167.28	5,365.21	-1,882.61	247.67	516,961.41	672,902.15	2.00	
5,500.00	26.00	167.28	5,455.84	-1,973.24	289.93	516,920.18	672,911.46	2.00	
5,600.00	28.00	167.28	5,544.94	-2,062.34	335.33	516,875.90	672,921.45	2.00	
5,700.00	30.00	167.28	5,632.39	-2,149.79	383.81	516,828.61	672,932.13	2.00	
5,800.00	32.00	167.28	5,718.11	-2,235.51	435.31	516,778.38	672,943.47	2.00	
5,900.00	34.00	167.28	5,801.97	-2,319.37	489.77	516,725.25	672,955.47	2.00	
6,000.00	36.00	167.28	5,883.88	-2,401.28	547.13	516,669.31	672,968.10	2.00	
6,068.15	37.36	167.28	5,938.54	-2,455.94	587.84	516,629.59	672,977.07	2.00	
6,100.00	37.36	167.28	5,963.85	-2,481.25	607.17	516,610.74	672,981.32	0.00	
6,200.00	37.36	167.28	6,043.33	-2,560.73	667.85	516,551.55	672,994.69	0.00	
6,300.00	37.36	167.28	6,122.81	-2,640.21	728.54	516,492.35	673,008.05	0.00	
6,400.00	37.36	167.28	6,202.29	-2,719.69	789.22	516,433.15	673,021.42	0.00	
6,500.00	37.36	167.28	6,281.77	-2,799.17	849.91	516,373.96	673,034.79	0.00	



PathFinder Energy Services  
Global X&Y Report



Company				OXY Permian				Local Co-ordinate Reference			
Project				Eddy County, NM				TVD Reference			
Site				Lost Tank 3 Federal Pad				MD Reference			
Well				Well #19				North Reference			
Wellbore				OH				Survey/Calculation Method			
Design				Plan #1				Database			
Planned Survey											
MD	Inc	Azi	TVD	TVDSS	V. Sec	Northing	Easting	D Leg			
(ft)	(°)	(°)	(ft)	(ft)	(ft)	(ft)	(ft)	(ft/100ft)			
6,600.00	37.36	167.28	6,361.25	-2,878.65	910.60	516,314.76	673,048.15	0.00			
6,700.00	37.36	167.28	6,440.73	-2,958.13	971.28	516,255.57	673,061.52	0.00			
6,800.00	37.36	167.28	6,520.21	-3,037.61	1,031.97	516,196.37	673,074.88	0.00			
6,900.00	37.36	167.28	6,599.69	-3,117.09	1,092.66	516,137.17	673,088.25	0.00			
7,000.00	37.36	167.28	6,679.17	-3,196.57	1,153.34	516,077.98	673,101.61	0.00			
7,100.00	37.36	167.28	6,758.65	-3,276.05	1,214.03	516,018.78	673,114.98	0.00			
7,200.00	37.36	167.28	6,838.13	-3,355.53	1,274.72	515,959.58	673,128.35	0.00			
7,300.00	37.36	167.28	6,917.61	-3,435.01	1,335.40	515,900.39	673,141.71	0.00			
7,400.00	37.36	167.28	6,997.09	-3,514.49	1,396.09	515,841.19	673,155.08	0.00			
7,500.00	37.36	167.28	7,076.57	-3,593.97	1,456.78	515,781.99	673,168.44	0.00			
7,600.00	37.36	167.28	7,156.06	-3,673.46	1,517.46	515,722.80	673,181.81	0.00			
7,700.00	37.36	167.28	7,235.54	-3,752.94	1,578.15	515,663.60	673,195.17	0.00			
7,800.00	37.36	167.28	7,315.02	-3,832.42	1,638.84	515,604.41	673,208.54	0.00			
7,900.00	37.36	167.28	7,394.50	-3,911.90	1,699.52	515,545.21	673,221.91	0.00			
8,000.00	37.36	167.28	7,473.98	-3,991.38	1,760.21	515,486.01	673,235.27	0.00			
8,100.00	37.36	167.28	7,553.46	-4,070.86	1,820.90	515,426.82	673,248.64	0.00			
8,200.00	37.36	167.28	7,632.94	-4,150.34	1,881.58	515,367.62	673,262.00	0.00			
8,300.00	37.36	167.28	7,712.42	-4,229.82	1,942.27	515,308.42	673,275.37	0.00			
8,315.83	37.36	167.28	7,725.00	-4,242.40	1,951.87	515,299.05	673,277.48	0.00			
BC A Target											
8,400.00	37.36	167.28	7,791.90	-4,309.30	2,002.95	515,249.23	673,288.73	0.00			
8,500.00	37.36	167.28	7,871.38	-4,388.78	2,063.64	515,190.03	673,302.10	0.00			
8,600.00	37.36	167.28	7,950.86	-4,468.26	2,124.33	515,130.83	673,315.47	0.00			
8,665.73	37.36	167.28	8,019.00	-4,536.40	2,176.36	515,080.08	673,326.92	0.00			
Bone Springs											
8,700.00	37.36	167.28	8,030.34	-4,547.74	2,185.01	515,071.64	673,328.83	0.00			
Well Well #19											
RKB to MSL @ 3482.60ft (Flex 4)											
RKB to MSL @ 3482.60ft (Flex 4)											
Grid											
Minimum Curvature											
Landmark Network DB											



PathFinder Energy Services  
Global X&Y Report



Company	OXY Permian	Local Co-ordinate Reference	Well Well #19
Project	Eddy County, NM	TVD Reference	RKB to MSL @ 3482.60ft (Flex 4)
Site	Lost Tank 3 Federal Pad	MD Reference	RKB to MSL @ 3482.60ft (Flex 4)
Well	Well #19	North Reference	Grid
Wellbore	OH	Survey/Calculation Method	Minimum Curvature
Design	Plan #1	Database	Landmark Network DB

Planned Survey									
MD	Inc	AZ	TVD	TVDSS	V. Sec	Northing	Easting	Dipleg	
(ft)	(°)	(°)	(ft)	(ft)	(ft)	(ft)	(ft)	(1/100ft)	
8,749.90	37.36	167.28	8,070.00	-4,587.40	2,215.30	515,042.10	673,335.50	0.00	
LT 3 Fed #19 BHL									

Targets	Target Name	Dip Angle	Dip Dir	TVD	+N/-S	+E/-W	Northing	Easting	Latitude	Longitude
Shells		(°)	(°)	(ft)	(ft)	(ft)	(ft)	(ft)	(ft)	(ft)
LT 3 Fed #19 BHL										
		0.00	0.00	8,070.00	-2,160.90	487.90	515,042.10	673,335.50	32° 24' 52.96516 N	03° 46' 17.89685 W
- plan hits target center										
- Point										

Formations									
Measured Depth	Vertical Depth	Name	Lithology	Dip	Dip Direction	Dip	Dip Direction	Dip	Dip Direction
(ft)	(ft)			(°)	(°)	(°)	(°)	(°)	(°)
8,315.83	7,725.00	BC A Target		0.00		0.00		0.00	
8,685.73	8,019.00	Bone Springs		0.00		0.00		0.00	
4,153.00	4,153.00	Delaware		0.00		0.00		0.00	

Checked By: _____	Approved By: _____	Date: _____
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SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY
<p><input checked="" type="checkbox"/> Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.</p> <p><input checked="" type="checkbox"/> Print your name and address on the reverse so that we can return the card to you.</p> <p><input checked="" type="checkbox"/> Attach this card to the back of the mailpiece, or on the front if space permits.</p>	<p>A. Signature <b>X</b></p> <p style="text-align: right;"><input type="checkbox"/> Agent <input type="checkbox"/> Addressee</p> <p>B. Received by (Printed Name) _____ C. Date of Delivery _____</p> <p>D. Is delivery address different from item 1? <input type="checkbox"/> Yes If YES, enter delivery address below: <input type="checkbox"/> No</p>
<p>1. Article Addressed to:</p> <p>STATE OF NEW MEXICO ENERGY &amp; MINERALS DEPARTMENT OIL CONSERVATION DIVISION 1220 SOUTH ST. FRANCIS DR. SANTA FE, NM 87505</p>	<p>3. Service Type  <input checked="" type="checkbox"/> Certified Mail <input type="checkbox"/> Express Mail  <input type="checkbox"/> Registered <input type="checkbox"/> Return Receipt for Merchandise  <input type="checkbox"/> Insured Mail <input type="checkbox"/> C.O.D.</p> <p>4. Restricted Delivery? (Extra Fee) <input type="checkbox"/> Yes</p>
<p>2. Article Number (Transfer from service label) <b>7005 0390 0002 9920 7856</b></p>	
<p>PS Form 3811, February 2004 Domestic Return Receipt 102595-02-M-1540</p>	

SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY
<p><input checked="" type="checkbox"/> Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.</p> <p><input checked="" type="checkbox"/> Print your name and address on the reverse so that we can return the card to you.</p> <p><input checked="" type="checkbox"/> Attach this card to the back of the mailpiece, or on the front if space permits.</p>	<p>A. Signature <b>X</b></p> <p style="text-align: right;"><input type="checkbox"/> Agent <input type="checkbox"/> Addressee</p> <p>B. Received by (Printed Name) _____ C. Date of Delivery _____</p> <p>D. Is delivery address different from item 1? <input type="checkbox"/> Yes If YES, enter delivery address below: <input type="checkbox"/> No</p>
<p>1. Article Addressed to:</p> <p>STATE OF NEW MEXICO ENERGY &amp; MINERALS DEPARTMENT OIL CONSERVATION DIVISION 1301 W. GRAND AVE. ARTESIA, NM 88210</p>	<p>3. Service Type  <input checked="" type="checkbox"/> Certified Mail <input type="checkbox"/> Express Mail  <input type="checkbox"/> Registered <input type="checkbox"/> Return Receipt for Merchandise  <input type="checkbox"/> Insured Mail <input type="checkbox"/> C.O.D.</p> <p>4. Restricted Delivery? (Extra Fee) <input type="checkbox"/> Yes</p>
<p>2. Article Number (Transfer from service label) <b>7005 0390 0002 9920 7863</b></p>	
<p>PS Form 3811, February 2004 Domestic Return Receipt 102595-02-M-1540</p>	

SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY
<p><input checked="" type="checkbox"/> Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.</p> <p><input checked="" type="checkbox"/> Print your name and address on the reverse so that we can return the card to you.</p> <p><input checked="" type="checkbox"/> Attach this card to the back of the mailpiece, or on the front if space permits.</p>	<p>A. Signature <b>X</b></p> <p style="text-align: right;"><input type="checkbox"/> Agent <input type="checkbox"/> Addressee</p> <p>B. Received by (Printed Name) _____ C. Date of Delivery _____</p> <p>D. Is delivery address different from item 1? <input type="checkbox"/> Yes If YES, enter delivery address below: <input type="checkbox"/> No</p>
<p>1. Article Addressed to:</p> <p>BLM 620 E. Greene St. Carrlsbad, NM 88220</p>	<p>3. Service Type  <input checked="" type="checkbox"/> Certified Mail <input type="checkbox"/> Express Mail  <input type="checkbox"/> Registered <input type="checkbox"/> Return Receipt for Merchandise  <input type="checkbox"/> Insured Mail <input type="checkbox"/> C.O.D.</p> <p>4. Restricted Delivery? (Extra Fee) <input type="checkbox"/> Yes</p>
<p>2. Article Number (Transfer from service label) <b>7005 0390 0002 9920 7870</b></p>	
<p>PS Form 3811, February 2004 Domestic Return Receipt 102595-02-M-1540</p>	

SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY
<p><input checked="" type="checkbox"/> Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.</p> <p><input checked="" type="checkbox"/> Print your name and address on the reverse so that we can return the card to you.</p> <p><input checked="" type="checkbox"/> Attach this card to the back of the mailpiece, or on the front if space permits.</p>	<p>A. Signature <b>X</b></p> <p style="text-align: right;"><input type="checkbox"/> Agent <input type="checkbox"/> Addressee</p> <p>B. Received by (Printed Name) _____ C. Date of Delivery _____</p> <p>D. Is delivery address different from item 1? <input type="checkbox"/> Yes If YES, enter delivery address below: <input type="checkbox"/> No</p>
<p>1. Article Addressed to:</p> <p>Conoco Phillips Co. Attn: Tom Scarborough 550 Westlake Park Blvd. Houston, TX 77252</p>	<p>3. Service Type  <input checked="" type="checkbox"/> Certified Mail <input type="checkbox"/> Express Mail  <input type="checkbox"/> Registered <input type="checkbox"/> Return Receipt for Merchandise  <input type="checkbox"/> Insured Mail <input type="checkbox"/> C.O.D.</p> <p>4. Restricted Delivery? (Extra Fee) <input type="checkbox"/> Yes</p>
<p>2. Article Number (Transfer from service label) <b>7005 0390 0002 9920 7887</b></p>	
<p>PS Form 3811, February 2004 Domestic Return Receipt 102595-02-M-1540</p>	

**Brooks, David K., EMNRD**

---

**From:** Brooks, David K., EMNRD  
**Sent:** Monday, August 30, 2010 11:51 AM  
**To:** 'David\_Stewart@oxy.com'  
**Subject:** Lost Tank 5 Fed #19; NSL Application

Dear Mr. Stewart

Neither of the C-102 forms attached to the referenced application designates a "project area" pursuant to Rule 16.7.I.

Is this a "directional" well that will be completed only in the SW/4 SW/4 of Section 3, or will it be a "horizontal" well that will be completed along the lateral portion of the wellbore. If it is a horizontal well, we will need a C-102 designating a project area.

Thanks  
David K. Brooks  
Legal Examiner

**Brooks, David K., EMNRD**

---

**From:** David\_Stewart@oxy.com  
**Sent:** Monday, August 30, 2010 12:13 PM  
**To:** Brooks, David K., EMNRD  
**Subject:** RE: Lost Tank 3 Fed #19; NSL Application  
**Attachments:** img-830114800-0001.pdf

This is a directional well in which the proposed producing interval will be completed in the SW/4SW/4. But due to the well being in the Potash area and where the BLM required us to stake the surface location, when the well is actually drilled part of the producing interval could also be in the NW/4SW/4. Please see attached for a copy of the amended C-102 that was filed with the District office designating the project/producing area for Section 3. If you need any additional information, please let me know and I appreciate your help.

Thanks,  
David Stewart  
Sr. Regulatory Analyst  
OXY Permian  
432-685-5717  
Fax-432-685-5742

---

**From:** Brooks, David K., EMNRD [mailto:david.brooks@state.nm.us]  
**Sent:** Monday, August 30, 2010 12:51 PM  
**To:** Stewart, David  
**Subject:** Lost Tank 5 Fed #19; NSL Application

Dear Mr. Stewart

Neither of the C-102 forms attached to the referenced application designates a "project area" pursuant to Rule 16.7.I.

Is this a "directional" well that will be completed only in the SW/4 SW/4 of Section 3, or will it be a "horizontal" well that will be completed along the lateral portion of the wellbore. If it is a horizontal well, we will need a C-102 designating a project area.

Thanks  
David K. Brooks  
Legal Examiner

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ATTN: David Brooks - 505-476-3462

District I  
1625 N. French Dr., Hobbs, NM 88240  
District II  
1301 W. Grand Avenue, Artesia, NM 88210  
District III  
1000 Rio Brazos Rd., Aztec, NM 87410  
District IV  
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico  
Energy, Minerals & Natural Resources Department  
OIL CONSERVATION DIVISION  
1220 South St. Francis Dr.  
Santa Fe, NM 87505

Form C-102  
Revised October 12, 2005  
Submit to Appropriate District Office  
State Lease- 4 Copies  
Fee Lease- 3 Copies

☒ AMENDED REPORT

## WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number <b>30-015-37952</b>	Pool Code <b>96582</b>	Pool Name <b>LOST TANK DELAWARE, WEST</b>
Property Code <b>304875</b>	Property Name <b>LOST TANK 3 FEDERAL</b>	Well Number <b>19</b>
OCRID No. <b>16696</b>	Operator Name <b>OXY USA INC.</b>	Elevation

## Surface Location

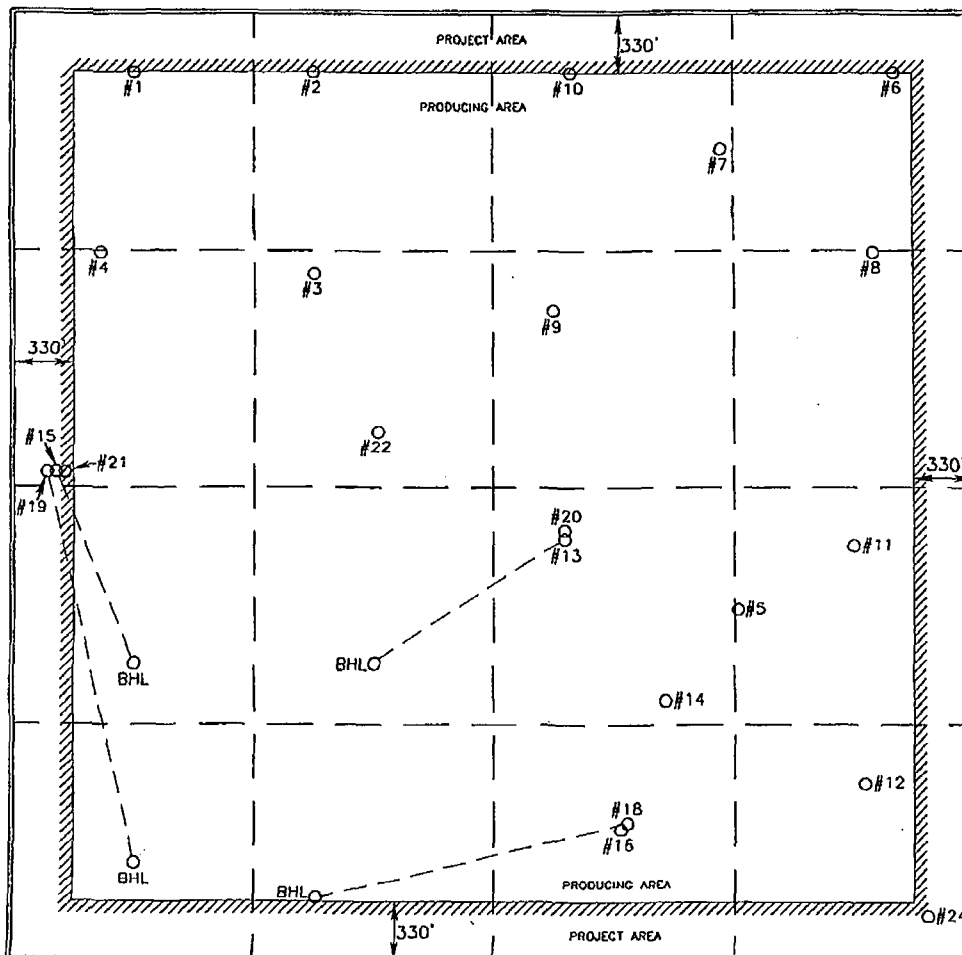
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
<b>E</b>	<b>3</b>	<b>22 SOUTH</b>	<b>31 EAST, N.M.P.M.</b>		<b>2553</b>	<b>north</b>	<b>185</b>	<b>west</b>	<b>EDDY</b>

## 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
<b>M</b>	<b>3</b>	<b>22S</b>	<b>31E</b>		<b>549</b>	<b>South</b>	<b>661</b>	<b>west</b>	<b>Eddy</b>

Dedicated Acres <b>640</b>	Joint or Infill <b>Y</b>	Consolidation Code	Order No. <b>NSL</b>
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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.



## OPERATOR CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

*David Stewart* 8/23/10  
Signature Date

David Stewart  
Printed Name  
david\_stewart@oxy.com

## SURVEYOR CERTIFICATION

I hereby certify that the well location shown on this plat was plotted from field notes or actual survey made by me or under my supervision and that the same is true and correct to the best of my belief.

15079  
AUGUST 3, 2010  
Date of Survey  
Signature and Seal of Professional Surveyor  
*Termy J. Abel* 8/4/2010  
Certificate Number 15079

WO# Lost Tank 3 Fed. (NA)