

Oxy USA WTP LP
Authorization for Expenditure Form

DATE PREPARED: 05/04/2006 0:00

Control No. 8221

RMT/PMT Frontier

PROJECT NAME: Drill & Equip OXY Big Spender State Com #1

LEASE/UNIT: OXY Big Spender State Com #1

OPERATOR: Oxy USA WTP LP

LEGAL LOCATION: 660' FNL (North 1/2), 700' FWL, Sec. 16 T24S, R28E, Eddy Co., NM

BUDGET CATEGORY: Exploitation

PROJECT DESCRIPTION:
 It is proposed to drill and equip the OXY Big Spender State Com #1 as a Morrow producer in Eddy County, New Mexico. Your approval is requested.

ACCOUNTING USE ONLY:
 Lse/Plt Name: OXY Big Spender State Com #1
 AFE Type: D&E O&G WELL
 Production Coordinator No.: 14201441
 State/County: New Mexico/Eddy
 Operator Name: Oxy USA WTP LP
 Lease/Plant CC: _____
 Company/Division No.: 24177
 Oxy Wl: (%) 14.7000
 AFE Category: Original
 Project AFE No. 99104064
 Organization Rollup Key: NRC
 Overhead Type: Drilling
OSI INPUT ONLY:
 Oracle AFE No.: _____

COMPLETE FOR NEW WELLS:
 PRODUCER WATER DISPOSAL
 OIL WELL GAS WELL
 DEVELOPMENT WELL EXPLORATORY WELL
 SINGLE COMPLETION DUAL COMPLETION
 Regulatory Horizon Name: _____
 Regulatory District Number: _____

PROJECT QUALIFIED FOR EOR TAX CREDITS? YES NO IF YES, WHAT % QUALIFIES? _____

EXPENSE/CAPITAL/ PXA	DESCRIPTION	ESTIMATED COST	
		100%	OXY NET
CAPITAL CAPITAL	TANGIBLES	\$512,500	\$75,338
	INTANGIBLES	\$1,983,000	\$291,501
TOTAL PROJECT COST		\$2,495,500	\$366,839

PROJECT CONTACTS:

NAME	TITLE	PHONE NUMBER
<u>Scott Gengler</u>	<u>Production Engineer</u>	<u>685-5825</u>
<u>David Evans</u>	<u>Land</u>	<u>685-5769</u>
<u>Bob Doty</u>	<u>Geology</u>	<u>685-5681</u>

PROJECT APPROVED BY: _____ Tom Menges
(signature)

NOTICE TO NONOPERATOR: Costs shown on this form are estimates only. Nonoperators should not consider these estimates as establishing any limit on the monies which will be required to perform the proposed operation.

APPROVAL: YES _____ NO _____
 Company Name: _____
 BY: _____ DATE _____
(print name)
 BY: _____
(signature)

BEFORE THE OIL CONSERVATION DIVISION
 Santa Fe, New Mexico
 Case No. 13772 Exhibit No. 3
 Submitted by:
OXY USA WTP LTD PARTNERSHIP.
 Hearing Date: September 28, 2006

Requested By: Bob Doty
 Prepared By: Joe Fleming

OXY USA INC.
DETAILED WELL ESTIMATE

LEASE - WELL NO. Oxy Big Spender State Com #1 DATE: 24-Apr-06
 LOCATION 1980 FNL, 660' FWL DEPTH: 13000'
 S 16 T 24S R 28E COUNTY EDDY STATE New Mexico AFE NO. _____

DESCRIPTION	GRADE	\$/FT	QUAN.	W	ESTIMATE PRODUCER	ESTIMATE DRY HOLE	ACTUAL COST
TANGIBLES							
Casing							
Surface: 13-3/8", 48#, H-40	A	30.00	650		19,500	10,906	
Intermediate: 9-5/8", 36#, K-55	A	24.00	2600		62,400	47,700	
Protection: 7", 26#, K-55 & S-95	A	23.00	9800		225,400		
Production: 4-1/2", 11.6#, P-110/S	A	9.00	3500		31,500		
Wellhead Connections							
Tubing 2-3/8", 4.7#, N-80	A	5.25	12800		67,200		
Line Pipe & Fittings					7,500		
Packer and Accessories					9,000		
TANK BATTERY							
Stock Tanks 2 500 bbl	A				20,000		
Separator, Heater Treater, Dehydrator	A				25,000		
Meter Run & Housing	A				5,000		
Labor & Transportation					20,000		
Total Tangibles					512,500	58,606	
INTANGIBLES							
Contract Drilling Labor					990,000	990,000	
Drilling Consultants		50			60,000	60,000	
Mobilization					45,000	45,000	
Service Rig Work		15			30,000		
Subsurface Casing Equipment					10,000	2,000	
D.S.T., Electric, Radioactivity Logs, etc.					30,000	30,000	
Acidizing, Fracing					140,000		
Perforating					20,000		
Misc. Company & Contract Labor					50,000	25,000	
Road Building, Location					20,000	20,000	
Cement & Cementing Services					65,000	25,000	
Cement Squeeze Jobs							
Drilling Mud, Chemicals					50,000	45,000	
Diamond Coring & Analyses, Bits, Reamers					65,000	65,000	
Mud Logging Unit					25,000	14,500	
Rental of Miscellaneous Equipment					100,000	100,000	
Contract Hauling					30,000	23,500	
Water, Fuel					175,000	175,000	
Miscellaneous Incidentals					75,000	30,000	
Archeological Services					3,000	3,000	
Total Intangibles					1,983,000	1,653,000	
Total Estimated Cost - 100%					2,495,500	1,711,606	