



**OXY USA INC.
AUTHORITY FOR EXPENDITURE**

Region: 14

AFE NO:

se/Plant Name: OXY ESPERANZA "FEE" NO.1
Description: DRILL & EQUIP
Partnership/Funding: 2000 PLANNED CAPITAL
Location: 1650'FNL & 1650'FWL, SEC. 9, T25S, R26E, EDDY CO., NM.

Field: WHITE CITY (PENN)	Region AFE No: 16700
Operator Name: OXY USA INC.	Production Foreman No: 1446
Oper AFE No:	Lease/Plant CC No: 0
State/County No: 30015	Co/Div No: 20177
Capital Proj No: 40560	Budget Appr No: 200002

Remarks:

OXY USA, Inc. proposed to drill and equip the OXY ESPERANZA FEE NO.1 as a Morrow producer in the White City (Penn) Field, Eddy County, New Mexico. Geologic interpretation has identified the proposed location to be in a Morrow producing trend.

Your approval is requested.

Estimated Cost Detail

	Materials:	Labor Incidentals:	Total:
Gross Cost	245490	583400	828890
Oxy Net Cost@ 53.12500% WI	130417	309931	440348

CONCURRENCES

Asset Team Leader	Business Team Leader	Operations Team Leader	Engineering	Geology	Land	Acctg Team Lead
OXY APPROVAL:			DATE:			
W.I. OWNER APPROVAL:			DATE:			
COMPANY:						

Prepared By: Gary Womack

Date: 29-Nov-99

Phone number: (915) 685-5772

Requested By: T.E.C.A.T.E.
 Prepared By: G. WOMACK

OXY USA INC.
 DETAILED WELL ESTIMATE

LEASE - WELL NO. OXY ESPERANZA NO.1 DATE: 10-Feb-00
 LOCATION 1100' FNL & 660' FWL DEPTH: 11,600
 S 9 T 25-S R 26-E 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#, ST&C	A	16.50	400		6,600	6,600	
Intermediate 9-5/8", 36#, ST&C	A	11.50	5500		63,250	63,250	
Production 5-1/2", 17#, LT&C	A	6.15	11700		71,955		
Wellhead Connections					12,000	4,000	
Tubing 2-3/8", 4.7#, N-80		2.45	11300		27,685		
Sucker Rods							
Bottom Hole Pump							
Engine or Motor							
Pumping Unit							
Electrical Equipment							
Line Pipe & Fittings					5,000		
Packer and Accessories					9,000		
TANK BATTERY							
Stock Tanks 2 500 bbl					10,000		
Separator, Heater Treater, Dehydrator					20,000		
Mud Run & Housing					5,000		
Labor & Transportation					15,000		
Total Tangibles					245,490	73,850	
INTANGIBLES							
Contract Drilling Labor			11600		220,400	220,400	
Mobilization					25,000	25,000	
Service Rig Work @ \$1800/day		10			18,000		
Subsurface Casing Equipment					6,500	4,500	
D.S.T., Electric, Radioactivity Logs, etc.					20,000	20,000	
Acidizing, Fracing					20,000		
Perforating					15,000		
Misc. Company & Contract Labor					15,000	10,000	
Road Building, Location					20,000	20,000	
Cement & Cementing Services					27,000	15,000	
Cement Squeeze Jobs							
Drilling Mud, Chemicals					40,000	40,000	
Diamond Coring & Analyses, Bits, Reamers					47,000	47,000	
Mud Logging Unit					15,000	15,000	
Rental of Miscellaneous Equipment					25,000	20,000	
Contract Hauling					20,000	12,000	
Water, Fuel					22,000	22,000	
Miscellaneous Incidentals					25,000	20,000	
Archaeological Services					2,500	2,500	
Total Intangibles					583,400	493,400	
Total Estimated Cost - 100%					828,890	567,250	