

District I
1625 N. French Dr., Hobbs, NM 88240

District II
1301 W. Grand Ave., Artesia, NM 88210

District III
1000 Rio Erazos Rd., Aztec, NM 87410

District IV
1220 S. St Francis Dr., Santa Fe, NM
87505

State of New Mexico
Energy, Minerals and Natural Resources
Oil Conservation Division
1220 S. St Francis Dr.
Santa Fe, NM 87505

Form C-101
Permit 10580

APPLICATION FOR PERMIT TO DRILL

| | | |
|--|--|----------------------------|
| Operator Name and Address OCCIDENTAL PERMIAN LTD PO Box 4294 Houston, TX 77210-4294 | | OGRID Number 157984 |
| | | API Number 30-025-37214 |
| Property Code 19520 | Property Name NORTH HOBBS G/SA UNIT | Well No. 632 |

Surface Location

| UL or Lot | Section | Township | Range | Lot Idn | Feet From | N/S Line | Feet From | E/W Line | County |
|-----------|---------|----------|-------|---------|-----------|----------|-----------|----------|--------|
| J | 31 | 18S | 38E | J | 2118 | S | 1355 | E | Lea |

Bottom Holes

| Pool: HOBBS;GRAYBURG-SAN ANDRES 31920 | | | | | | | | | |
|---------------------------------------|---------|----------|-------|---------|-----------|----------|-----------|----------|--------|
| UL or Lot | Section | Township | Range | Lot Idn | Feet From | N/S Line | Feet From | E/W Line | County |
| J | 31 | 18S | 38E | J | 2460 | S | 1356 | E | Lea |

| | | | | |
|-----------------------|------------------------|-------------------------|-----------------------|--------------------------------|
| Work Type New Well | Well Type OIL | Cable/Rotary | Lease Type Private | Ground Level Elevation 3637 |
| Multiple N | Proposed Depth 4600 | Formation San Andres | Contractor | Spud Date 05/20/2005 |

Proposed Casing and Cement Program

| Type | Hole Size | Casing Size | Casing Weight/ft | Setting Depth | Sacks of Cement | Estimated TOC |
|------|-----------|-------------|------------------|---------------|-----------------|---------------|
| Surf | 12.25 | 8.625 | 24 | 1505 | 850 | 0 |
| Prod | 7.875 | 5.5 | 15.5 | 4600 | 1000 | 0 |

Proposed Blowout Prevention Program

| Type | Working Pressure | Test Pressure | Manufacturer |
|------------|------------------|---------------|--------------|
| Annular | 3000 | 1100 | |
| Double Ram | 3000 | 1100 | |

I hereby certify that the information given above is true and complete to the best of my knowledge and belief.

Electronically Signed By: Richard Foppiano

Title: Senior Advisor

Date: 05/02/2005

Phone: 281-552-1303

OIL CONSERVATION DIVISION

Electronically Approved By: Paul Kautz

Title: Geologist

Approval Date: 05/03/2005

Expiration Date: 05/03/2006

Conditions of Approval:

There are conditions. See Attached.