

DATE IN 8.25.10	SUSPENSE	ENGINEER DB.	LOGGED IN 8.25.10	TYPE NSL	APP NO 1023749367
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ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION
 RECEIVED OCD- Engineering Bureau -
 1220 South St. Francis Drive, Santa Fe, NM 87505



OXY

2010 AUG 25 12:59

Lost Tank 10 Fed #5

ADMINISTRATIVE APPLICATION CHECKLIST 30-015-37924

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]

6206

- [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 ~~SLD~~
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

David Stewart
 Signature

Sr. Res. Analyst
 Title

8/23/10
 Date

dauid_stewart@oxy.com
 e-mail Address

OXY USA Inc.
 Lost Tank 10 Federal #5



OXY USA Inc.

PO Box 50250
Midland, TX 79710-0250

August 23, 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 10 Federal #5
Surface/Penetration Point – 200 FSL 250 FEL Ut P – Sec 3 T22S R31E
Bottom Hole –1536 FNL 330 FEL Ut H – Sec 10 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 10 Federal #5. The #5 well is proposed in the Delaware with a TVD of 8250'. 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 #5 encroaches on the 40-acre spacing units of M-Sec 2, P-Sec 3, A-Sec 10, D-Sec 11 of T23S R31E. All of the interest owners have joined in the drilling of the #5 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,

David Stewart
Sr. Regulatory Analyst
OXY USA Inc.

Attachments

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

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 30-015-37924	Pool Code 96532	Pool Name Lost Tank Delaware West
Property Code -	Property Name LOST TANK 10 FED.	Well Number 5
OGRID No. 16696	Operator Name OXY USA INC.	Elevation 3510.1'

Surface Location

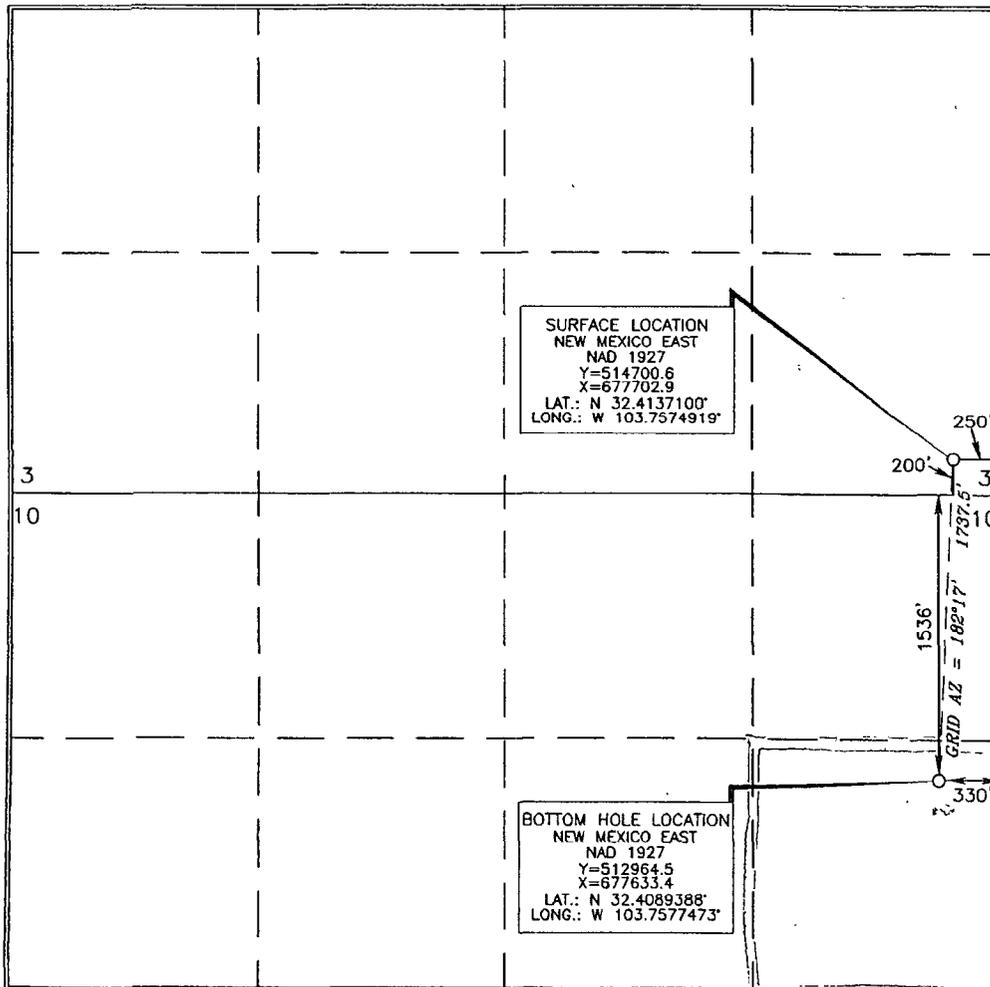
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
P	3	22 SOUTH	31 EAST, N.M.P.M.		200'	SOUTH	250'	EAST	EDDY

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
H	10	22 SOUTH	31 EAST, N.M.P.M.		1536'	NORTH	330'	EAST	EDDY

Dedicated Acres 40	Joint or Infill Yes	Consolidation Code	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.



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 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.

15079
Date of Survey **APRIL 3, 2009**

Signature and Seal of Professional Surveyor

Terry J. Auel 4/14/2009
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

¹ API Number 30-015-37924		² Pool Code 96582	³ Pool Name Lost Tank Delaware, West
⁴ Property Code 38105	⁵ Property Name Lost Tank 10 Federal		⁶ Well Number 5
⁷ OGRID No. 16696	⁸ Operator Name OXY USA Inc.		⁹ Elevation 3510.1

¹⁰ Surface Location

UL or lot no.	Section	Township	Range	Lot. Idn	Feet from the	North/South line	Feet from the	East/West line	County
P	3	22S	31E		200	South	250	east	Eddy

¹¹ 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
H	10	22S	31E		1536	North	330	east	Eddy

¹² Dedicated Acres 200	¹³ Joint or Infill N	¹⁴ Consolidation Code	¹⁵ 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

¹⁶ 3 Lost Tank 3 Federal OXY USA Inc. CONOCO Phillips Co.		2 Flora AKF State Yates Petroleum Corp.	¹⁷ 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 6/23/10 David Stewart Printed Name Sr. Regulatory Analyst david.stewart@oxy.com
			¹⁸ 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:
			10 Lost Tank 10 Federal OXY USA Inc.

Service List – NSL
OXY USA Inc.
Lost Tank 10 Federal #1,4,5
SL - Sec 3 T22S R31E
BHL – Sec 10 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

Yates Petroleum Corp.
105 S. Fourth St.
Artesia, NM 88210



OXY USA Inc.

PO Box 50250
Midland, TX 79710-0250

August 23, 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 10 Federal #5
Surface/Penetration Point – 200 FSL 250 FEL Ut P – Sec 3 T22S R31E
Bottom Hole –1536 FNL 330 FEL Ut H – Sec 10 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 SESE/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 "David Stewart", is written over a horizontal line.

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 10 Federal #5**
250' FEL & 200' FSL (surface location) (SE SE)
Section 3-22S-31E
330' FEL & 1,536' FNL (bottom hole location) (SE NE)
Section 10-22S-31E
Eddy County, New Mexico

Gentlemen:

The surface location for the Lost Tank 10 Federal #5 well is located in the SE/4 SE/4 of Section 3-22S-31E, Eddy County, NM. The well will be drilled directionally to a bottom hole location in the SE/4 NE/4 of Section 10-22S-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 325' FEL & 1,350' FNL of Section 10-22S-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 10 Federal #5 well.

ConocoPhillips Company

By Robert N. Waleh

Dated 7-28-10

TJS



OXY USA Inc.

PO Box 50250
Midland, TX 79710-0250

August 23, 2010

CERTIFIED MAIL – RETURN RECEIPT REQUESTED

Yates Petroleum Corp.
105 S. Fourth St.
Artesia, NM 88210

Re: *Application for Administrative Approval of Non-Standard Location –
Lost Tank Delaware, West
Lost Tank 10 Federal #5
Surface/Penetration Point – 200 FSL 250 FEL Ut P – Sec 3 T22S R31E
Bottom Hole –1536 FNL 330 FEL Ut H – Sec 10 T22S R31E
Eddy County, New Mexico*

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

Sincerely,

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

Yates Petroleum Corporation
105 S. 4th Street
Artesia, NM 88210

RE: **Lost Tank 10 Federal #5**
250' FEL & 200' FSL (surface location) (SE SE)
Section 3-22S-31E
330' FEL & 1,536' FNL (bottom hole location) (SE NE)
Section 10-22S-31E
Eddy County, New Mexico

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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

Yates Petroleum Corporation hereby waives any protest or objection to the non-standard location of the Lost Tank 10 Federal #5 well.

Yates Petroleum Corporation

By

Dated 8/5/10



Azimuths to Grid North
 True North: -0.31°
 Magnetic North: 7.61°

Magnetic Field
 Strength: 48945.9snT
 Dip Angle: 60.40°
 Date: 5/14/2009
 Model: IGRF200510



Project: Eddy County, NM
Site: Lost Tank 10 Federal Unit
Well: Well #5
Wellbore: OH
Plan: Plan #1 (Well #5/OH)

WELL DETAILS: Well #5

Ground Elevation: 3510.10
RKB Elevation: Est. RKB @ 3526.60ft
Rig Name:

+N/-S	+E/-W	Northing	Easting	Latitude	Longitude	Slot
0.00	0.00	514700.00	677702.90	32° 24' 49.34990 N	103° 45' 26.97117 W	

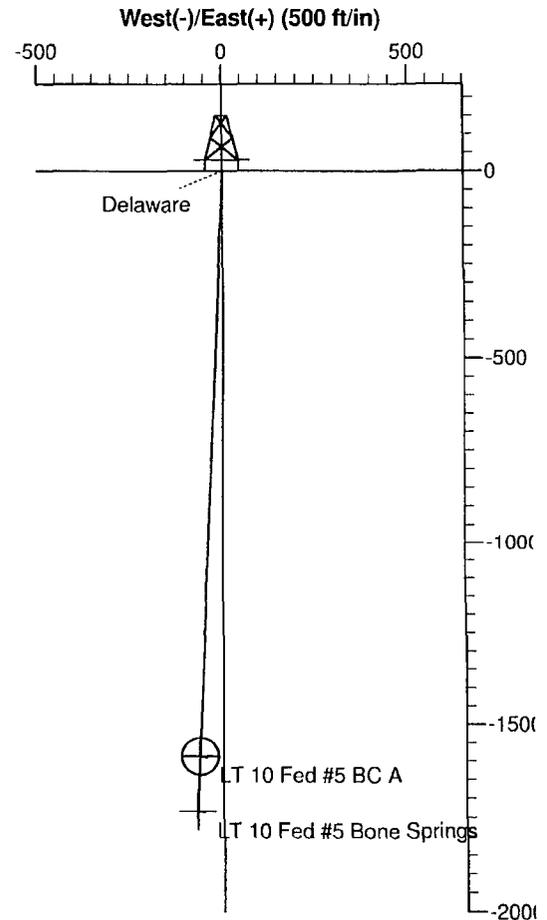
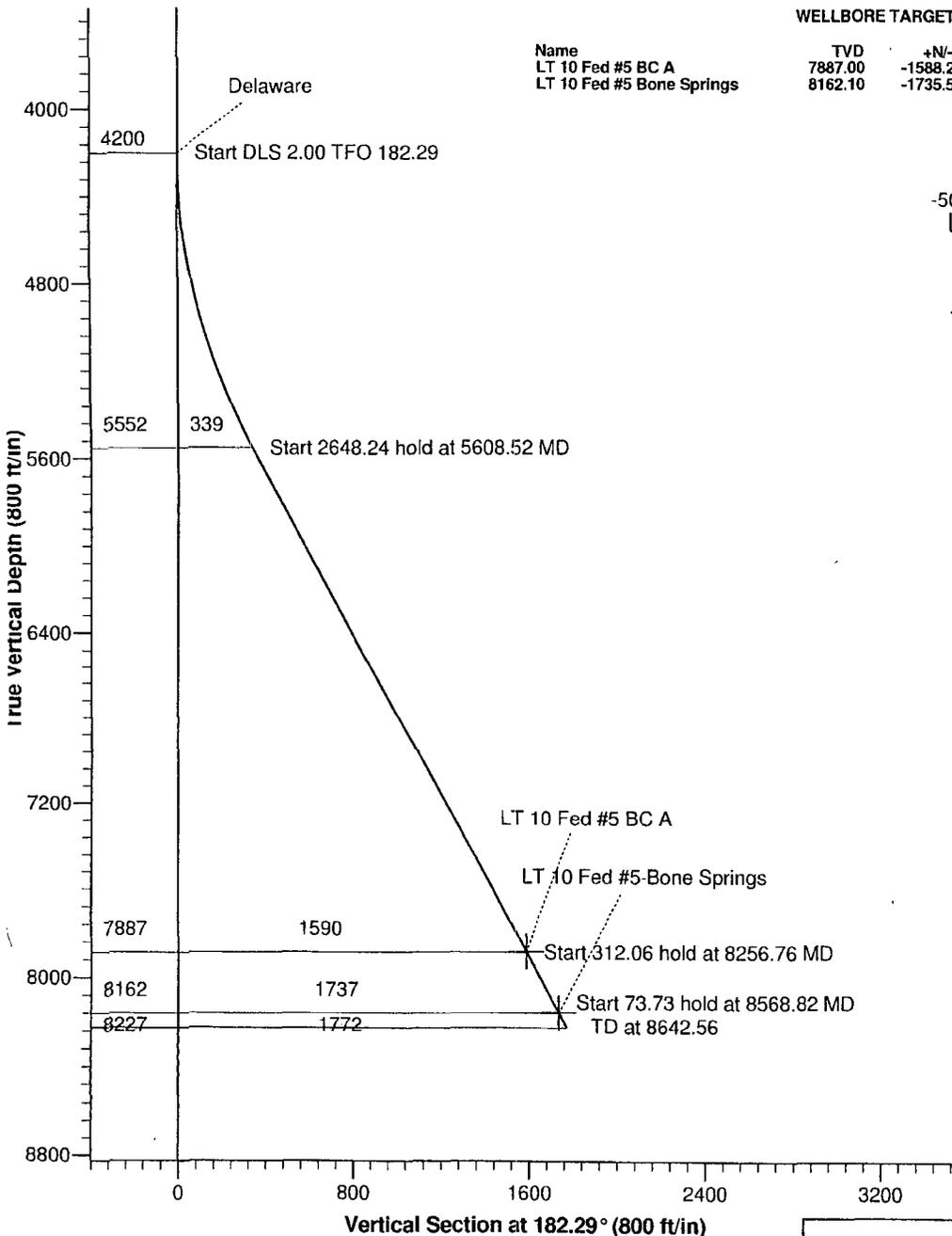
PROJECT DETAILS: Eddy County, NM
 Geodetic System: US State Plane 1927 (Exact solution)
 Datum: NAD 1927 (NADCON CONUS)
 Ellipsoid: Clarke 1866
 Zone: New Mexico East 3001
 System Datum: Mean Sea Level
 Local North: Grid

SECTION DETAILS

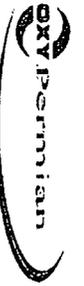
Sec	MD	Inc	Azi	TVD	+N/-S	+E/-W	DLeg	TFace	VSec	Target
1	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
2	4200.00	0.00	0.00	4200.00	0.00	0.00	0.00	0.00	0.00	
3	5608.52	28.17	182.29	5552.45	-339.07	-13.58	2.00	182.29	339.34	
4	8256.76	28.17	182.29	7887.00	-1588.29	-63.60	0.00	0.00	1589.56	LT 10 Fed #5 BC A
5	8568.82	28.17	182.29	8162.10	-1735.50	-69.49	0.00	0.00	1736.89	LT 10 Fed #5 Bone S
6	8642.56	28.17	182.29	8227.10	-1770.28	-70.89	0.00	0.00	1771.70	

WELLBORE TARGET DETAILS (MAP CO-ORDINATES)

Name	TVD	+N/-S	+E/-W	Northing	Easting	Shape
LT 10 Fed #5 BC A	7887.00	-1588.29	-63.60	513111.71	677639.30	Circle (Radius
LT 10 Fed #5 Bone Springs	8162.10	-1735.50	-69.50	512964.50	677633.40	Point



Plan: Plan #1 (Well #5/OH)
 Created By: Kurt Otto Date: 7:16, May 14 2009



Company:	OXY Permian	Local Co-ordinate Reference:	Well Well #5
Project:	Eddy County, NM	TVD Reference:	Est. RKB @ 3526.60ft
Site:	Lost Tank 10 Federal Unit	MD Reference:	Est. RKB @ 3526.60ft
Well:	Well #5	North Reference:	Grid
Wellbore:	OH	Survey Calculation Method:	Minimum Curvature
Design:	Plan #1	Database:	Landmark Network DB

Project:	Eddy County, NM	System Datum:	Mean Sea Level
Map System:	US State Plane 1927 (Exact solution)		
Geo Datum:	NAD 1927 (NADCON CONUS)		
Map Zone:	New Mexico East 3001		

Site:	Lost Tank 10 Federal Unit	Northing:	514,900.60 ft	Latitude:	32° 24' 51.33500 N
Site Position:	Map	Easting:	677,702.00 ft	Longitude:	103° 45' 26.96906 W
Position Uncertainty:	0.00 ft	Slot Radius:	"	Grid Convergence:	0.31 °

Well:	Well #5	Well Position	+N/-S	0.00 ft	Northing:	514,700.00 ft	Latitude:	32° 24' 49.34990 N
			+E/-W	0.00 ft	Easting:	677,702.90 ft	Longitude:	103° 45' 26.97117 W
		Position Uncertainty:		0.00 ft	Wellhead Elevation:	ft	Ground Level:	3,510.10 ft

Wellbore:	OH	Model Name	IGRF200510	Sample Date	5/14/2009	Declination (°)	7.92	Dip Angle (°)	60.40	Field Strength (nT)	48,946
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Design:	Plan #1	Phase:	PLAN	Tie On Depth:	0.00
Audit Notes:					
Version:					
Vertical Section:	Depth From (TVD) (ft)	+N/-S (ft)	+E/-W (ft)	Direction (°)	
	0.00	0.00	0.00	182.29	

Survey Tool Program:	Date:	5/14/2009		
From (ft)	To (ft)	Survey (Wellbore)	Tool Name	Description
0.00	8,642.56	Plan #1 (OH)	MWD	MWD - Standard

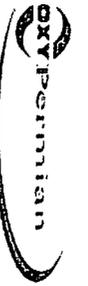


PathFinder Energy Services
Global X&Y Report



Company: OXY Permian	Local Co-ordinate Reference:	Well-Well #5
Project: Eddy County, NM	TVD Reference:	Est. RKB @ 3526.60ft
Site: Lost Tank 10 Federal Unit	MD Reference:	Est. RKB @ 3526.60ft
Well: Well #5	North Reference:	Grid
Wellbore: OH	Survey Calculation Method:	Minimum Curvature
Design: Plan #1	Database:	Landmark Network DB

Planned Survey	MD (ft)	Inc (°)	Azi (°)	TVD (ft)	TVDSS (ft)	V Sec (ft)	Northing (ft)	Easting (ft)	DLeg (ft/100ft)
	4,100.00	0.00	0.00	4,100.00	-573.40	0.00	514,700.00	677,702.90	0.00
	4,198.00	0.00	0.00	4,198.00	-671.40	0.00	514,700.00	677,702.90	0.00
Delaware									
	4,200.00	0.00	0.00	4,200.00	-673.40	0.00	514,700.00	677,702.90	0.00
	4,300.00	2.00	182.29	4,299.98	-773.38	1.75	514,698.26	677,702.83	2.00
	4,400.00	4.00	182.29	4,399.84	-873.24	6.98	514,693.03	677,702.62	2.00
	4,500.00	6.00	182.29	4,499.45	-972.85	15.69	514,684.32	677,702.27	2.00
	4,600.00	8.00	182.29	4,598.70	-1,072.10	27.88	514,672.14	677,701.78	2.00
	4,700.00	10.00	182.29	4,697.47	-1,170.87	43.52	514,656.51	677,701.16	2.00
	4,800.00	12.00	182.29	4,795.62	-1,269.02	62.60	514,637.45	677,700.40	2.00
	4,900.00	14.00	182.29	4,893.06	-1,366.46	85.10	514,614.97	677,699.50	2.00
	5,000.00	16.00	182.29	4,989.64	-1,463.04	110.98	514,589.11	677,698.46	2.00
	5,100.00	18.00	182.29	5,085.27	-1,558.67	140.21	514,559.90	677,697.29	2.00
	5,200.00	20.00	182.29	5,179.82	-1,653.22	172.77	514,527.37	677,695.99	2.00
	5,300.00	22.00	182.29	5,273.17	-1,746.57	208.60	514,491.56	677,694.55	2.00
	5,400.00	24.00	182.29	5,365.21	-1,838.61	247.67	514,452.52	677,692.99	2.00
	5,500.00	26.00	182.29	5,455.84	-1,929.24	289.93	514,410.30	677,691.30	2.00
	5,608.52	28.17	182.29	5,552.45	-2,025.85	339.34	514,360.93	677,689.32	2.00
	5,700.00	28.17	182.29	5,633.10	-2,106.50	382.53	514,317.78	677,687.59	0.00
	5,800.00	28.17	182.29	5,721.25	-2,194.65	429.74	514,270.61	677,685.71	0.00
	5,900.00	28.17	182.29	5,809.41	-2,282.81	476.95	514,223.43	677,683.82	0.00
	6,000.00	28.17	182.29	5,897.56	-2,370.96	524.16	514,176.26	677,681.93	0.00
	6,100.00	28.17	182.29	5,985.72	-2,459.12	571.37	514,129.09	677,680.04	0.00
	6,200.00	28.17	182.29	6,073.87	-2,547.27	618.58	514,081.92	677,678.15	0.00
	6,300.00	28.17	182.29	6,162.03	-2,635.43	665.79	514,034.75	677,676.26	0.00
	6,400.00	28.17	182.29	6,250.18	-2,723.58	713.00	513,987.57	677,674.37	0.00
	6,500.00	28.17	182.29	6,338.34	-2,811.74	760.21	513,940.40	677,672.48	0.00



Company:	OXY Permittian	Local Co-ordinate Reference:	Well Well #5
Project:	Eddy County, NM	TVD Reference:	Est. RKB @ 3526.60ft
Site:	Lost Tank 10 Federal Unit	MD Reference:	Est. RKB @ 3526.60ft
Well:	Well #5	North Reference:	Grid
Wellbore:	OH	Survey Calculation Method:	Minimum Curvature
Design:	Plan #1	Database:	Landmark Network DB

Planned Survey	MD (ft)	Inc (°)	Azi (°)	TVD (ft)	TVBSS (ft)	V. Sec (ft)	Northing (ft)	Easting (ft)	DLeg (°/100ft)
	6,600.00	28.17	182.29	6,426.49	-2,899.89	807.42	513,893.23	677,670.59	0.00
	6,700.00	28.17	182.29	6,514.64	-2,988.04	854.62	513,846.06	677,668.71	0.00
	6,800.00	28.17	182.29	6,602.80	-3,076.20	901.83	513,798.89	677,666.82	0.00
	6,900.00	28.17	182.29	6,690.95	-3,164.35	949.04	513,751.72	677,664.93	0.00
	7,000.00	28.17	182.29	6,779.11	-3,252.51	996.25	513,704.54	677,663.04	0.00
	7,100.00	28.17	182.29	6,867.26	-3,340.66	1,043.46	513,657.37	677,661.15	0.00
	7,200.00	28.17	182.29	6,955.42	-3,428.82	1,090.67	513,610.20	677,659.26	0.00
	7,300.00	28.17	182.29	7,043.57	-3,516.97	1,137.88	513,563.03	677,657.37	0.00
	7,400.00	28.17	182.29	7,131.73	-3,605.13	1,185.09	513,515.86	677,655.48	0.00
	7,500.00	28.17	182.29	7,219.88	-3,693.28	1,232.30	513,468.69	677,653.59	0.00
	7,600.00	28.17	182.29	7,308.04	-3,781.44	1,279.51	513,421.51	677,651.71	0.00
	7,700.00	28.17	182.29	7,396.19	-3,869.59	1,326.72	513,374.34	677,649.82	0.00
	7,800.00	28.17	182.29	7,484.35	-3,957.75	1,373.93	513,327.17	677,647.93	0.00
	7,900.00	28.17	182.29	7,572.50	-4,045.90	1,421.14	513,280.00	677,646.04	0.00
	8,000.00	28.17	182.29	7,660.66	-4,134.06	1,468.35	513,232.83	677,644.15	0.00
	8,100.00	28.17	182.29	7,748.81	-4,222.21	1,515.56	513,185.66	677,642.26	0.00
	8,200.00	28.17	182.29	7,836.97	-4,310.37	1,562.77	513,138.48	677,640.37	0.00
	8,256.76	28.17	182.29	7,887.00	-4,360.40	1,589.56	513,111.71	677,639.30	0.00
LT 10 Fed #5 BC A									
	8,300.00	28.17	182.29	7,925.12	-4,398.52	1,609.98	513,091.31	677,638.48	0.00
	8,400.00	28.17	182.29	8,013.28	-4,486.68	1,657.19	513,044.14	677,636.59	0.00
	8,500.00	28.17	182.29	8,101.43	-4,574.83	1,704.40	512,996.97	677,634.71	0.00
	8,568.82	28.17	182.29	8,162.10	-4,635.50	1,736.89	512,964.50	677,633.41	0.00
LT 10 Fed #5 Bone Springs									
	8,600.00	28.17	182.29	8,189.58	-4,662.98	1,751.61	512,949.80	677,632.82	0.00
	8,642.56	28.17	182.29	8,227.10	-4,700.50	1,771.70	512,929.72	677,632.01	0.00



Company:	OXY Permiian	Local Co-ordinate Reference:	Well Well #5
Project:	Eddy County, NM	TVD Reference:	Est. RKB @ 3526.60ft
Site:	Lost Tank 10 Federal Unit	MD Reference:	Est. RKB @ 3526.60ft
Well:	Well #5	North Reference:	Grid
Wellbore:	OH	Survey Calculation Method:	Minimum Curvature
Design:	Plan #1	Database:	Landmark Network DB

Target Name	Dip Angle (°)	Dip Dir (°)	TVD (ft)	+N/S (ft)	-E/W (ft)	Northing (ft)	Easting (ft)	Latitude	Longitude
hit/miss target									
Shape									
LT 10 Fed #5 Bone Sl	0.00	0.00	8,162.10	-1,735.50	-69.50	512,964.50	677,633.40	32° 24' 32.17981 N	03° 45' 27.89092 W
- plan hits target center									
- Point									
LT 10 Fed #5 BC A	0.00	0.00	7,887.00	-1,588.29	-63.60	513,111.71	677,639.30	32° 24' 33.63623 N	03° 45' 27.81285 W
- plan hits target center									
- Circle (radius 50.00)									

Formations	Measured Depth (ft)	Vertical Depth (ft)	Name	Lithology	Dip (°)	Dip Direction (°)
	4,198.00	4,198.00	Delaware		0.00	

Checked By: _____ Approved By: _____ Date: _____

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

STATE OF NEW MEXICO
ENERGY & MINERALS DEPARTMENT
OIL CONSERVATION DIVISION
1220 SOUTH ST. FRANCIS DR.
SANTA FE, NM 87505

A. Signature Agent
 Addressee

B. Received by (Printed Name) C. Date of Delivery

D. Is delivery address different from item 1? Yes
If YES, enter delivery address below: No

3. Service Type
 Certified Mail Express Mail
 Registered Return Receipt for Merchandise
 Insured Mail C.O.D.

4. Restricted Delivery? (Extra Fee) Yes

2. Article Number (Transfer from service label) 7005 0390 0002 9920 7801

PS Form 3811, February 2004 Domestic Return Receipt 102595-02-M-1540

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

STATE OF NEW MEXICO
ENERGY & MINERALS DEPARTMENT
OIL CONSERVATION DIVISION
1301 W. GRAND AVE.
ARTESIA, NM 88210

COMPLETE THIS SECTION ON DELIVERY

A. Signature Agent
 Addressee

B. Received by (Printed Name) C. Date of Delivery

D. Is delivery address different from item 1? Yes
If YES, enter delivery address below: No

3. Service Type
 Certified Mail Express Mail
 Registered Return Receipt for Merchandise
 Insured Mail C.O.D.

4. Restricted Delivery? (Extra Fee) Yes

2. Article Number (Transfer from service label) 7005 0390 0002 9920 7818

PS Form 3811, February 2004 Domestic Return Receipt 102595-02-M-1540

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

BLM
620 E. Greene St.
Cambard, NM
88220

COMPLETE THIS SECTION ON DELIVERY

A. Signature Agent
 Addressee

B. Received by (Printed Name) C. Date of Delivery

D. Is delivery address different from item 1? Yes
If YES, enter delivery address below: No

3. Service Type
 Certified Mail Express Mail
 Registered Return Receipt for Merchandise
 Insured Mail C.O.D.

4. Restricted Delivery? (Extra Fee) Yes

2. Article Number (Transfer from service label) 7005 0390 0002 9920 7825

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Conoco Phillips Co.
550 Westlake Park Blvd.
Houston, TX 77252

COMPLETE THIS SECTION ON DELIVERY

A. Signature Agent
 Addressee

B. Received by (Printed Name) C. Date of Delivery

D. Is delivery address different from item 1? Yes
If YES, enter delivery address below: No

3. Service Type
 Certified Mail Express Mail
 Registered Return Receipt for Merchandise
 Insured Mail C.O.D.

4. Restricted Delivery? (Extra Fee) Yes

2. Article Number (Transfer from service label) 7005 0390 0002 9920 7832

PS Form 3811, February 2004 Domestic Return Receipt 102595-02-M-1540

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Yates Petroleum Corp
105 S. Fourth St.
Artesia, NM 88210

COMPLETE THIS SECTION ON DELIVERY

A. Signature Agent
 Addressee

B. Received by (Printed Name) C. Date of Delivery

D. Is delivery address different from item 1? Yes
If YES, enter delivery address below: No

3. Service Type
 Certified Mail Express Mail
 Registered Return Receipt for Merchandise
 Insured Mail C.O.D.

4. Restricted Delivery? (Extra Fee) Yes

2. Article Number (Transfer from service label) 7005 0390 0002 9920 7849

Brooks, David K., EMNRD

From: David_Stewart@oxy.com
Sent: Thursday, September 02, 2010 7:53 AM
To: Brooks, David K., EMNRD
Subject: RE: Lost Tank 10 Federal #1,2,3,4,5 - Lost Tank 11 Federal #1; NSL applications
Attachments: img-902072932-0001.pdf

Dear Mr. Brooks

I reviewed the cover letters on the following wells for the NSL applications and found that I made the same mistake on the township, it should be T22S, also one of them had the wrong well number(LT10F2). Please see attached and I also faxed corrected copies of the cover letters. I apologize for any inconvenience this may have caused and I appreciate your help.

Lost Tank 10 Federal #1, 2, 3, 4, 5
Lost Tank 11 Federal #1

Thanks, David S.
432-685-5717

From: Stewart, David
Sent: Thursday, September 02, 2010 7:55 AM
To: 'Brooks, David K., EMNRD'
Subject: RE: Lost Tank 3 Federal #24; NSL application

I apologize for the errors in the application, see below and attached for a new cover letter.

1. The location should be 250 FSL 250 FEL of Sec 3.
2. Yes, Unit M of Sec 2 is an affected spacing unit and Yates Petroleum was notified of this NSL application and signed a waiver for the NSL.
3. Yes it should be T22S.

I appreciate the help and will also fax you a copy of the corrected cover letter.

Thanks, David S.
432-685-5717

From: Brooks, David K., EMNRD [mailto:david.brooks@state.nm.us]
Sent: Wednesday, September 01, 2010 5:22 PM
To: Stewart, David
Subject: Lost Tank 3 Federal #24; NSL application

Dear Mr. Stewart

Some discrepancies exist in your application for this well. I am inclined to assume that they are typographical errors, but am requesting clarification or correction.

First, your letter identifies the location as 2350 FSL and 250 FEL of Section 3. However, all of the attached documents show the location to be 250 FSL and 250 FEL.

Brooks, David K., EMNRD

From: Brooks, David K., EMNRD
Sent: Friday, September 03, 2010 11:16 AM
To: 'David_Stewart@oxy.com'
Subject: Lost Tank 10 Fed ## 1-5 and Lost Tank 11 Fed #1; NSL Applications

Dear Mr. Stewart

Thanks for furnishing the corrected applications for these wells and for the Lost Tank 3 Fed #24.

I have, however, an additional question concerning the referenced wells. It seems that the 10 ##1-5 and the 11 #1 are all directional wells. The applications do not include C-102s designating project areas. Will these wells be completed only in the spacing units corresponding to the bottom hole location? If not, we will need project area designations.

Thanks

David K. Brooks
Legal Examiner



OXY USA Inc.

PO Box 50250
Midland, TX 79710-0250

CORRECTED

September 2, 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 10 Federal #5
Surface/Penetration Point – 200 FSL 250 FEL Ut P – Sec 3 T22S R31E
Bottom Hole – 1536 FNL 330 FEL Ut H – Sec 10 T22S R31E
Eddy County, New Mexico*

PP is at SL

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 10 Federal #5. The #5 well is proposed in the Delaware with a TVD of 8250'. 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 #5 encroaches on the 40-acre spacing units of M-Sec 2, P-Sec 3, A-Sec 10, D-Sec 11 of T22S R31E. All of the interest owners have joined in the drilling of the #5 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,

David Stewart
Sr. Regulatory Analyst
OXY USA Inc.

Attachments

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

Brooks, David K., EMNRD

From: Brooks, David K., EMNRD
Sent: Friday, September 03, 2010 12:06 PM
To: 'David_Stewart@oxy.com'
Subject: Lost Tank 10 Fed #5; NSL Application

Dear Mr. Stewart

In addition to my previous inquiry relating to this group of applications, I have a specific concern about the Lost Tank 10 #5.

It appears as though that I could encroach toward Unit E of Section 11. OCD records show no wells in that unit. Is Unit E also owned by OXY and ConocoPhillips, as other are other units in the area?

Sincerely

David K. Brooks
Legal Examiner



OXY USA Inc.

PO Box 50250
Midland, TX 79710-0250

CORRECTED

September 3, 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 10 Federal #5
Surface/Penetration Point – 200 FSL 250 FEL Ut P – Sec 3 T22S R31E
Bottom Hole –1536 FNL 330 FEL Ut H – Sec 10 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 10 Federal #5. The #5 well is proposed in the Delaware with a TVD of 8250'. 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 #5 encroaches on the 40-acre spacing units of M-Sec 2, P-Sec 3, A-Sec 10, D,E-Sec 11 of T22S R31E. All of the interest owners have joined in the drilling of the #5 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 white rectangular area.

David Stewart
Sr. Regulatory Analyst
OXY USA Inc.

Attachments

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

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
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

¹ API Number 30-015-37924	² Pool Code 96582	³ Pool Name Lost Tank Delaware, West
⁴ Property Code	⁵ Property Name Lost Tank 10 Federal	
⁷ OGRID No. 16696	⁸ Operator Name OXY USA Inc.	⁶ Well Number 5 ⁹ Elevation 3510.1

¹⁰ Surface Location

UL or lot no.	Section	Township	Range	Lot. Idn	Feet from the	North/South line	Feet from the	East/West line	County
P	3	22S	31E		200	South	250	east	Eddy

¹¹ 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
H	10	22S	31E		1536	North	330	east	Eddy

¹² Dedicated Acres 200	¹³ Joint or Infill N	¹⁴ Consolidation Code	¹⁵ 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

¹⁶ 3 Lost Tank 3 Federal OXY USA Inc. CONOCO Phillips Co.	2 Flora AKF State Yates Petroleum Corp.	¹⁷ 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: <i>David Stewart</i> 9/3/10 Date: 9/3/10 Printed Name: David Stewart Sr. Regulatory Analyst david.stewart@oxy.com
10 Lost Tank 10 Federal OXY USA Inc.	11 Mantha A.I.K Federal Yates Petroleum Corp.	Certificate Number

7027

ATS-08-1024 RM
NEPA-08-1366

GCD Artesia

R-111-POTASH
WIP.P

FORM APPROVED
OMB NO. 1004-0137
Expires: July 31, 2010

Form 3160-3
(August 2007)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
APPLICATION FOR PERMIT TO DRILL OR REENTER

PC WLDLF

1a. Type of Work. DRILL REENTER
1b. Type of Well. Oil Well Gas Well Other Single Zone Multiple Zone

5. Lease Serial No. NM-65417
6. If Indian, Allottee or Tribe Name N/A
7. If Unit or CA Agreement, Name and No. N/A
8. Lease Name and Well No. Martin AHC Federal 13 H

2. Name of Operator
Yates Petroleum Corporation 025575

9. API Well No. 30-015-37511
10. Field and Pool, or Exploratory Livingston Ridge Del Norte NMOC, ARTESIA

3a. Address 105 South Fourth Street, Artesia, NM 88210
3b. Phone No. (include area code) 505-748-1471

4. Location of well (Report location clearly and in accordance with any State requirements. *)
At surface 1650' FNL ' & 330' FEL, Sec.11-22S-31E, Ut H, SENE
At proposed prod. zone 1650' FNL & 330' FWL, Sec. 11-22S-31E, Ut E, SWNW

11. Sec., T., R., M., or Blk. And Survey or Area
Section 11-T22S-R31E

14. Distance in miles and direction from the nearest town or post office*
The well is about 34 miles northeast of Loving, NM.

12. County or Parish Eddy
13. State NM

15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drlg. unit line, if any) 330
16. No. of acres in lease 560.00
17. Spacing Unit dedicated to this well S2N2 of Sec. 11-22S-31E
18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. None
19. Proposed Depth VD-8100' MD-12605'
20. BLM/ BIA Bond No. on file NATIONWIDE BOND #NMB000434
21. Elevations (Show whether DF, KDB, RT, GL, etc.) 3549' GL
22. Approximate date work will start* ASAP
23. Estimated duration 45 days

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.
- 2. A Drilling Plan
- 3. A Surface Use Plan (if the location is on National Forest System Lands, the SUPO must be filed with the appropriate Forest Service Office).
- 4. Bond to cover the operations unless covered by existing bond on file (see item 20 above).
- 5. Operator certification.
- 6. Such other site specific information and/ or plans as may be required by the BLM

25. Signature Name (Printed/ Typed) Cy Cowan Date 9/3/08
Title Regulatory Agent

Approved By (Signature) /s/ Jesse J. Juen Name (Printed/ Typed) /s/ Jesse J. Juen Date DEC 16 2009
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 cc 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 page 2)

Carlsbad Controlled Water Basin

SEE ATTACHED FOR
CONDITIONS OF APPROVAL

Approval Subject to General Requirements
& Special Stipulations Attached

DISTRICT I
1625 N. FRENCH DR., ROBBE, 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 and Natural Resources Department

OIL CONSERVATION DIVISION
1220 SOUTH ST. FRANCIS DR.
Santa Fe, New Mexico 87505

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

WELL LOCATION AND ACREAGE DEDICATION PLAT

AMENDED REPORT

API Number 30-015-37511		Pool Code 39360	Pool Name Livington Ridge Delaware
Property Code 12538	Property Name MARTHA "AIK" FEDERAL		Well Number 13H
OGRID No. 025575	Operator Name YATES PETROLEUM CORPORATION		Elevation 3549'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
H	11	22-S	31-E		1650	NORTH	330	EAST	EDDY

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
E	11	22-S	31-E		1650	NORTH	330	WEST	EDDY
Dedicated Acres 160		Joint or Infill	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

Producing Area **Project Area**

BOTTOM HOLE LOCATION

Y=512854.0 N
X=678294.2 E

Penetration Point
1650' FNL & 818' FEL

GEODETIC COORDINATES.
NAD 27 NME
SURFACE LOCATION
Y=512888.5 N
X=682912.8 E

LAT.=32.408651' N
LONG.=103.740643' W

LAT.=32°24'31.14" N
LONG.=103°44'26.31" W

OPERATOR CERTIFICATION

I hereby certify that the information 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 mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

Cy Cowan 9/3/08
Signature Date

Cy Cowan
Printed Name

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.

RONALD J. EIDSON
Date: 08/21/08 AR
Signature: *Ronald J. Eidson*
Seal of Professional Surveyor 3239

Certificate No. GARY EIDSON 12641
RONALD J. EIDSON 3239

Brooks, David K., EMNRD

From: Brooks, David K., EMNRD
Sent: Friday, September 17, 2010 3:00 PM
To: 'David_Stewart@oxy.com'
Subject: Lost Tank 10 Federal #5

Dear Mr. Stewart

I have written orders on all of the Lost Tank NSL applications I received on or about August 25 except for the Lost Tank 10 Federal #5.

As to that application, my file reflects that I sent you an email on September 3 noting that the location encroaches toward Unit E of Section 11, and inquiring about the ownership of that unit. Afterwards, you filed a corrected letter which added a reference to Unit E of Section 11 as one of the units encroached upon. However, I find no response to my inquiry about ownership, nor do I find indication that you have noticed any additional parties.

Please advise concerning the ownership of the working interest in Unit E of Section 11. If you have furnished this information previously, and I have mislaid it, please accept my apologies.

Sincerely

David K. Brooks
Legal Examiner



FACSIMILE COVER SHEET

DATE 9/3/10 9/17/10

TO: <u>David Brooks</u>		FROM: <u>David Stewart</u>	
COMPANY: <u>NMDCD</u>		COMPANY: <u>OXY</u>	
LOCATION: <u>Santa Fe</u>		LOCATION: <u>Midland</u>	
FAX # <u>505-476-3462</u>	TELEPHONE # <u>505-476-3450</u>	FAX # <u>432-685-5742</u>	TELEPHONE # <u>432-685-5717</u>
COMMENTS: <u>Please see attached for additional information on the NSL Applications for the lost Tank 10 FD # 1, 2, 3, 4, 5 & lost Tank 11 FD # 1.</u>			
<u>Thank</u> <u>David S.</u>			

NUMBER OF PAGES (INCLUDING THE COVER) 10 7
(PLEASE NUMBER ALL PAGES)

IF YOU DID NOT RECEIVE A PAGE(S), OR THE DOCUMENTS ARE NOT LEGIBLE, PLEASE CALL THE VERIFICATION NUMBER BELOW WITHIN 15 MINUTES AFTER RECEIPT OF TRANSMISSION. IF YOU DO NOT CALL WE WILL ASSUME YOU RECEIVED THE PAGES SATISFACTORILY.	
FACSIMILE NUMBER _____	VERIFICATION NUMBER _____

WorkCentre 7346 Transmission Report

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Page: 1 (Last Page)

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Document has been sent.
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DATE 9/3/10

TO: David Brooks		FROM: David Stewart	
COMPANY: NIMCO		COMPANY: DXY	
LOCATION: Santa Fe		LOCATION: Milford	
FAX # 505-476-3463	TELEPHONE # 505-476-3450	FAX # 432-685-5942	TELEPHONE # 432-685-5717
COMMENTS: Please see attached for additional information on the DSL implications for the Lost Tank OED #1, 2, 3, 4, 5 & Lost Tank U Ed #1.			
Thanks David S.			

NUMBER OF PAGES (INCLUDING THE COVER) 10
PLEASE NUMBER ALL PAGES

IF YOU DID NOT RECEIVE A PAGE(S), OR THE DOCUMENTS ARE NOT LEGIBLE, PLEASE CALL THE VERIFICATION NUMBER BELOW WITHIN 15 MINUTES AFTER RECEIPT OF TRANSMISSION. IF YOU DO NOT CALL WE WILL ASSUME YOU RECEIVED THE PAGES SATISFACTORILY.

FACSIMILE NUMBER	VERIFICATION NUMBER
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Note:

RE: Resend	MB: Send to Mailbox	BC: Broadcast	MP: Multi Polling	RV: Remote Service
PG: Polling	RB: Relay Broadcast	RS: Relay Send	BF: Box Fax Forward	CP: Completed
SA: Send Again	EN: Engaged	AS: Auto Send	TM: Terminated	

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

¹ API Number 30-015-31924		² Pool Code 96582		³ Pool Name Lost Tank, Delaware, West	
⁴ Property Code 381185		⁵ Property Name Lost Tank 10 Federal			⁶ Well Number 5
⁷ OGRID No. 16696		⁸ Operator Name OXY USA Inc.			⁹ Elevation 3510.1'

¹⁰ Surface Location

UL or lot no.	Section	Township	Range	Lot. Idn	Feet from the	North/South line	Feet from the	East/West line	County
P	3	22S	31E		200	South	250	east	Eddy

¹¹ 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
H	10	22S	31E		1536	North	330	east	Eddy

¹² Dedicated Acres 160	¹³ Joint or Infill Y	¹⁴ Consolidation Code	¹⁵ 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

<p>¹⁶ 3</p>	<p>¹⁷ OPERATOR CERTIFICATION</p> <p>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.</p> <p><i>David Stewart</i> 9/13/10 Signature Date</p> <p>David Stewart Printed Name Sr. Regulatory Analyst david.stewart@oxy.com</p>
<p>10</p>	<p>11</p> <p>Certificate Number</p>

**OXY USA Inc.**PO Box 50250
Midland, TX 79710-0250**CORRECTED**

September 3, 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 10 Federal #5
Surface/Penetration Point – 200 FSL 250 FEL Ut P – Sec 3 T22S R31E
Bottom Hole – 1536 FNL 330 FEL Ut H – Sec 10 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 10 Federal #5. The #5 well is proposed in the Delaware with a TVD of 8250'. 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 #5 encroaches on the 40-acre spacing units of M-Sec 2, P-Sec 3, A-Sec 10, D,E-Sec 11 of T22S R31E. All of the interest owners have joined in the drilling of the #5 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 "David Stewart", is written over a light-colored background.

David Stewart
Sr. Regulatory Analyst
OXY USA Inc.

Attachments

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

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

¹ API Number 30-015-5924		² Pool Code 96582		³ Pool Name Lost Tank Delaware, West	
⁴ Property Code		⁵ Property Name Lost Tank 10 Federal			⁶ Well Number 5
⁷ OGRID No. 16696		⁸ Operator Name OXY USA Inc.			⁹ Elevation 3510.1

¹⁰ Surface Location

UL or lot no.	Section	Township	Range	Lot. Idn	Feet from the	North/South line	Feet from the	East/West line	County
P	3	22S	31E		200	South	250	east	Eddy

¹¹ 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
H	10	22S	31E		1536	north	330	east	Eddy

¹² Dedicated Acres 200	¹³ Joint or Infill N	¹⁴ Consolidation Code	¹⁵ 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

¹⁶ 3 Lost Tank 3 Federal OXY USA Inc. CONOCO Phillips Co.	2 Flora AKF State Yates Petroleum Corp.	¹⁷ 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: <i>David Stewart</i> Date: 9/3/10 Printed Name: David Stewart Sr. Regulatory Analyst david.stewart@oxy.com
10 Lost Tank 10 Federal OXY USA Inc.	11 Lost Tank 11 Fed. OXY USA Inc.	Mantha A-IK Federal Yates Petroleum Corp.

01-3
04-3
19-3

1-BH
4-BH
5-BH

Certificate Number:

7027

ATS-08-1024 RM
NEPA-08-1366

OCD Artesia

R-111-POTASH
WIPP

FORM APPROVED
OMB NO. 1004-0137
Expires: July 31, 2010

Form 3160-3
(August 2007)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
APPLICATION FOR PERMIT TO DRILL OR REENTER

1a. Type of Work. <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER		5. Lease Serial No. NM-65417	
1b. Type of Well. <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/> Single Zone <input type="checkbox"/> Multiple Zone		6. If Indian, Allottee or Tribe Name N/A	
2. Name of Operator Yates Petroleum Corporation 025575		7. If Unit or CA Agreement, Name and No. N/A	
3a. Address 105 South Fourth Street, Artesia, NM 88210		8. Lease Name and Well No. Martha AHC Federal 13 H	
3b. Phone No. (include area code) 505-748-1471		9. API Well No. 30-05-37511	
4. Location of well (Report location clearly and in accordance with any State requirements. *) At surface 1650' FNL ' & 330' FEL, Sec.11-22S-31E, Ut H, SENE At proposed prod. zone 1650' FNL & 330' FWL, Sec. 11-22S-31E, Ut E, SWNW		10. Field and Pool, or Exploratory Livingston Ridge Delaware	
14. Distance in miles and direction from the nearest town or post office* The well is about 34 miles northeast of Loving, NM.		11. Sec., T., R., M., or Blk. And Survey or Area Section 11-T22S-R31E	
15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drlg. unit line, if any) 330		12. County or Parish Eddy	
16. No. of acres in lease 560.00		13. State NM	
17. Spacing Unit dedicated to this well S2N2 of Sec. 11-22S-31E		18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. None	
19. Proposed Depth VD-8100' MD-12605'		20. BLM/ BIA Bond No. on file NATIONWIDE BOND #NMB000434	
21. Elevations (Show whether DF, KDB, RT, GL, etc.) 3549' GL		22. Approximate date work will start* ASAP	
23. Estimated duration 45 days		24. Attachments	

RECEIVED
30-05-37511
JAN 11 2010
NMOCD-ARTESIA

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.
- 2. A Drilling Plan
- 3. A Surface Use Plan (if the location is on National Forest System Lands, the SUPO must be filed with the appropriate Forest Service Office).
- 4. Bond to cover the operations unless covered by existing bond on file(sec item 20 above).
- 5. Operator certification.
- 6. Such other site specific information and/ or plans as may be required by the BLM

25. Signature	Name (Printed/ Typed) Cy Cowan	Date 9/3/08
Title Regulatory Agent		
Approved By (Signature) /s/ Jesse J. Juen	Name (Printed/ Typed) /s/ Jesse J. Juen	Date DEC 16 2009
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 cc 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 wilfully 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 page 2)

Carlsbad Controlled Water Basin

SEE ATTACHED FOR
CONDITIONS OF APPROVAL

Approval Subject to General Requirements
& Special Stipulations Attached

DISTRICT I
1625 N. FRENCH DR., ROBERTS, NM 88240

DISTRICT II
1301 W. GRAND AVENUE, ARTISTIA, 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 and Natural Resources Department

OIL CONSERVATION DIVISION
1220 SOUTH ST. FRANCIS DR.
Santa Fe, New Mexico 87505

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

WELL LOCATION AND ACREAGE DEDICATION PLAT

AMENDED REPORT

API Number 30 015 37511	Pool Code 39360	Pool Name Livingston Ridge Delaware
Property Code 12538	Property Name MARTHA "AIK" FEDERAL	Well Number 13H
OGRID No. 025575	Operator Name YATES PETROLEUM CORPORATION	Elevation 3549'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
H	11	22-S	31-E		1650	NORTH	330	EAST	EDDY

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
E	11	22-S	31-E		1650	NORTH	330	WEST	EDDY

Dedicated Acres 160	Joint or Infill	Consolidation Code	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

DETAIL
3543.8' 3548.6'
600'
600'
3551.0' 3553.7'

GRID AZ.=269°34'17"
HORIZ. DIST.=4619.8'

330' B.H. SURF. 330' SEE DETAIL

Producing Area Project Area

BOTTOM HOLE LOCATION
Y=512854.0 N
X=678294.2 E

Penetration Point
1650' FNL & 818' FEL
GEODETIC COORDINATES,
NAD 27 NME
SURFACE LOCATION
Y=512888.5 N
X=682912.8 E

LAT.=32.408651" N
LONG.=103.740643" W

LAT.=32°24'31.14" N
LONG.=103°44'26.31" W

OPERATOR CERTIFICATION

I hereby certify that the information 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 mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

Cy Cowan 9/3/08
Signature Date
Cy Cowan
Printed Name

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.

RONALD J. EIDSON
Date Surveyed: 08/11/08 / 08 AR
Signature & Seal of Professional Surveyor
3239
Ronald J. Eidson 08/11/08
Certificate No. GARY EIDSON 12641
RONALD J. EIDSON 3239