District I 1625 N. French Dr., Hobbs, NM 88240 Phone:(575) 393-6161 Fax:(575) 393-0720

District II 811 S. First St., Artesia, NM 88210 Phone:(575) 748-1283 Fax:(575) 748-9720

District III 1000 Rio Brazos Rd., Aztec, NM 87410 Phone:(505) 334-6178 Fax:(505) 334-6170

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

Phone:(505) 476-3470 Fax:(505) 476-3462

State of New Mexico

Energy, Minerals and Natural Resources

Oil Conservation Division 1220 S. St Francis Dr. Santa Fe, NM 87505

Form C-101 August 1, 2011

Permit 136909

APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE

| Operator Name and Address OXY USA INC PO Box 4294 Houston, TX 77210 | | 2. OGRID Number 16696 3. API Number 30-015-39382 | |
|---|---------------|---|--|
| | | | |
| 38785 | POOH 27 STATE | 003 | |

7. Surface Location

| | | 100 | | | | | | | |
|----------|---------|----------|-------|---------|-----------|----------|-----------|----------|--------|
| UL - Lot | Section | Township | Range | Lot Idn | Feet From | N/S Line | Feet From | E/W Line | County |
| G | 27 | 17S | 28E | G | 1731 | N | 1510 | E | EDDY |

8. Pool Information

| ARTEGA, CLORIETA VECO (O) | 06020 |
|----------------------------|-------|
| ARTESIA; GLORIETA-YESO (O) | 90830 |

Additional Well Information

| 9. Work Type New Well | 10. Wel | | 11. Cable/Rotary | 12. Lesse Type State | 13. Ground Level Elevation 3608 |
|--------------------------|-----------|-----------|-----------------------------------|----------------------|-----------------------------------|
| 14. Multiple | 15. Propo | sed Depth | 16. Formation | 17. Contractor | 18. Spud Date |
| N | 52 | 205 | Tubb | 100 | 11/15/2011 |
| Depth to Ground | water | | Distance from nearest fresh water | r well | Distance to nearest surface water |

19. Proposed Casing and Cement Program

| Type | Hole Size | Casing Type | Casing Weight/ft | Setting Depth | Sacks of Cement | Estimated TOC |
|------|-----------|-------------|------------------|---------------|-----------------|---------------|
| Surf | 12.25 | 9.625 | 36 | 400 | 250 | 0 |
| Prod | 8.75 | 5.5 | 17 | 5205 | 2080 | 0 |

Casing/Cement Program: Additional Comments

Proposed Blowout Prevention Program

| | Troposed Dionout Tr | evention i rogram | | |
|-----------|---------------------|-------------------|--------------|---|
| Type | Working Pressure | Test Pressure | Manufacturer | |
| DoubleRam | 3000 | 5000 | H&P | П |

| of my knowledge and belief. | mation given above is true and complete to the best rilling pit will be constructed according to | OIL CONSERVATION DIVISION | |
|--|---|-----------------------------|---------------------------|
| NMOCD guidelines , a general permit , or an (attached) alternative OCD-approved plan . | | Approved By: Randy Dade | |
| Printed Name: Electron | ically filed by KAREN M SINARD | Title: District Supervisor | |
| Title: | | Approved Date: 9/2/2011 | Expiration Date: 9/2/2013 |
| Email Address: karen_s | inard@oxy.com | | |
| Date: 9/2/2011 Phone: 713-366-5485 | | Conditions of Approval Atta | ached |

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

State of New Mexico Energy, Minerals & Natural Resources Department

Form C-102 Revised October 12, 2005 Submit to Appropriate District Office

1301 W. Grand Avenue, Artesia, NM 88210 District III

Township

OIL CONSERVATION DIVISION 1220 South St. Francis Dr.

State Lease- 4 Copies Fee Lease-3 Copies

1000 Rio Brazos Rd., Aztec, HM 87410 District N

Ut. or lot no. Section

Santa Fe, NM 87505 1220 S. St. Francis Dr., Sonte Fe, NM 87505

Range

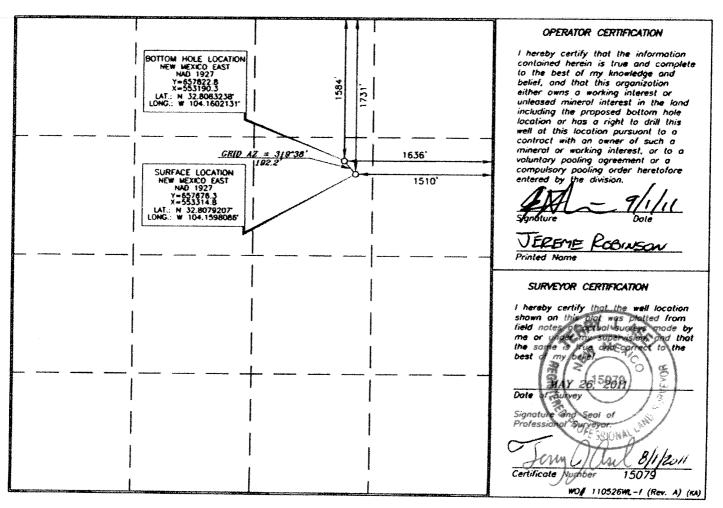
AMENDED REPORT

| | WELL LOCATION AND AC | REAGE DEDICATION PLAT | |
|---------------|----------------------|-----------------------|-------------|
| API Humber | Pool Code 96210 | EMPIRE; GLORIETA | |
| Property Code | | ny Home 27 STATE | Well Number |
| OGRID No. | | or Nome | Devotion |
| 6696 | OXY U. | SA INC. | 3608.31 |
| | Surfac | e Location | |

Lot Idn Feet from the

North/South line | Feet from the East/West line County G 27 17 SOUTH 28 EAST, N.M.P.M. NORTH 1731 EAST EDDY 1510' Bottom Hole Location If Different From Surface Ut. or lot no. Section Township Ronge Lot Idn Feet from the North/South line eet from the East/West fine County G 27 17 SOUTH 28 EAST, N.M.P.M. NORTH 1584 1636 EAST **EDDY Dedicated Acres** Joint or Infill Consolidation Code Order No. 40

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.



Permit Conditions of Approval

Operator: OXY USA INC , 16696 Well: POOH 27 STATE #003

API: 30-015-39382

| OCD Reviewer | Condition |
|-----------------|--|
| Artesia | Once the well is spud, to prevent ground water contamination through whole or partial conduits from the surface, the operator shall drill without interruption through the fresh water zone or zones and shall immediately set in cement the water protection string |
| Artesia | Will require administrative order for non-standard location |