

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

RECEIVED

FORM APPROVED
OMB NO. 1004-0135
Expires: November 30, 2000

SUNDRY NOTICES AND REPORTS ON WELLS MAY 24 2004

Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.

5. Lease Serial No.
NM025503

6. If Indian, Allottee or Tribe Name
OEB-ARTESIA

SUBMIT IN TRIPLICATE - Other instructions on reverse side

1. Type of Well
 Oil Well Gas Well Other

2. Name of Operator
 OXY USA WTP Limited Partnership 192463

3a. Address
 P.O. Box 50250, Midland, TX 79710-0250

3b. Phone No. (include area code)
 432-685-5717

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
 760 FSL 2020 FEL SWSE(0)) Sec 26 T18S R30E

7. If Unit or CA/Agreement, Name and/or No.

8. Well Name and No.
 OXY Pal Federal 1

9. API Well No.
 30-015-33651-33364

10. Field and Pool, or Exploratory Area
 Undsg. Hackberry Morrow, N.

11. County or Parish, State
 Eddy NM

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION		
<input type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)
<input checked="" type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal
			<input type="checkbox"/> Water Shut-Off
			<input type="checkbox"/> Well Integrity
			<input checked="" type="checkbox"/> Other <u>Spud.</u>
			<u>Set Csg & Cmt</u>

13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recomplate horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the final site is ready for final inspection.)

See Attached

14. I hereby certify that the foregoing is true and correct
 Name (Printed/Typed) David Stewart

Title Sr. Regulatory Analyst

Date 5/21/04

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by _____ Title _____ Date _____

Conditions of approval, if any, are attached. Approval of this notice 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 conduct operations thereon. Office _____

Title 18 U.S.C. Section 1001, and Title 43 U.S.C. Section 1212, makes 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.

OXY PAL FEDERAL #1

- 05/14/2004 CMIC: BOWKER
LOCATION STAKED BY JOHN WEST SURVEYORS AT 760' FSL, 2020' FEL, SECTION 26, T18S, R30E, EDDY CTY NM. BUILT ROAD & LOCATION. DUG & LINED RESERVE PITS. SET 20" CONDUCTOR AT 40' & CEMENTED W/ REDI-MIX. MIRU PATTERSON 508. HELD PRE SPUD SAFETY MEETING & RIG INSPECTION. SPUDED 17 1/2" HOLE AT 10:00 PM 5-13-04. DRILLING F/ 40' TO 109' & LOST RETURNS. BUILD & PUMP LCM PILLS. REGAIN CIRCULATION, DRILLING TO 140'. RESET ROATARY TABLE AT REPORT TIME. DON W/ BLM NOTIFIED OF SPUD AT 3:30 PM MST 5-13-04.
- 05/15/2004 CMIC: LANGE
RESET ROTARY TABLE.DRILLING F/ 140' TO 150'. LOST RETURNS, MIX & PUMP 2 LCM PILLS, REGAINED CIRCULATION. DRILLING F/ 150' TO 181' LOST RETURNS, MIX & PUMP LCM PILL. DRILLING F/ 181' TO 184'. GROUND CRACKING FROM CELLAR OUT TO PIPE RACKS & F/ CELLAR OUT TO MUD TANKS. FLUID COMING OUT OF CRACKS AND UP CELLAR. MIX & PUMP GW-27 & LCM PILL. DRILLING W/ RETURNS F/ 184' TO 560' W/ SURVEYS. PUT LEVEL ON SUB TO WATCH FOR ANY SETTLING, SUB STAYING LEVEL. CRACKS ARE NOT SEEPING FLUID, STILL HAVE MUD COMING UP AROUND CONDUCTOR PIPE.
- 05/16/2004 CMIC: BOWKER
DRILLING F/ 560' TO 645'. PUMP SWEEP & CIRCULATE OUT OF HOLE. POOH TO RUN CASING. RU CASING CREW & RUN CASING. HIT HARD BRIDGE AT 577', COULD NOT GET THRU IT. TALKED W/ PAUL SCHWARTZ & JIM AMOS W/ BLM, THEY AGRRED TO LET US CEMENT THE CASING AT 577'. RU HALLIBURTON & CEMENT CASING W/ 150 SX THIXOTROPIC, 360 SX HALLIBURTON LITE TAILED W/ 250 SX PREMIUM PLUS. DISPLACED W/ 90 BBLs FW. BUMPED PLUG W/ 600 PSI AT 2:15 PM 4-15-04. CIRCULATED 175 SX TO RESERVE. WOC 6 HOURS. CUT OFF CONDUCTOR & CASING & WELD ON STARTING HEAD. TESTED HEAD TO 500 PSI OK. NIPPLE UP BOPE AT REPORT TIME. PAUL SCHWARTZ W/ BLM NOTIFIED & WITNESSED CEMENT JOB.
- 05/17/2004 CMIC: BOWKER
FINISH NIPPLE UP BOPE. PU BHA & TRIP IN HOLE. TAG CEMENT. TEST CASING & BOPE TO 500 PSI. DRILL CEMENT & BAFFLE PLATE. DRILLING AHEAD W/ NO PROBLEMS AT REPORT TIME.
- 05/18/2004 CMIC: LANGE
DRILLING F/ 1372' TO 1990' W/ SURVEYS. NO PROBLEMS AT REPORT TIME.
- 05/19/2004 CMIC: LANGE
DRILLING F/ 1990' TO 2490' W/ SURVEYS. NO PROBLEMS AT REPORT TIME.
- 05/20/2004 CMIC: BOWKER
DRILLED TO 2817' AND CRACKED SUCTION LINE ON PUMP. POOH WITH BIT TO CASING. REPAIRED SUCTION LINE. TBH WITH BIT. DRILLING AHEAD AT REPORT TIME WITH NO PROBLEMS.
- 05/21/2004 CMIC: BOWKER
DRILLING AHEAD WITH NO PROBLEMS.