Form 3160-3
(August 1999)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

OCD-ARTESIA

FORM APPROVED
OMB NO. 1004-0136
Expires: November 30, 2000

APPLICATION FOR PERMIT TO DRILL OR REENTER

1a. Type of Work: [X] DRILL [ ] REENTER — SKID RIG - DRILL REPLACEMENT WELL	5. Lease Serial No. NM-36975
1b. Type of Well: [ ] Oil Well [X] Gas Well [ ] Other [X] Single Zone [ ] Multiple Zone	6. If Indian, Allotee or Tribe Name
	7. Unit or CA Agreement Name and No.
2. Name of Operator: OXY USA WTP Limited Partnership #192463 — 192463	8. Lease Name and Well No. Mossberg Federal #1Y #36275
3a. Address: P.O. Box 50250 Midland, TX 79710-0250 — 3b. Phone No. (include area code): 432-685-5717	9. API Well No. 30-015- 35533
4. Location of Well (*Report location clearly and in accordance with any State equirements*)* At surface: 725 FSL 809 FWL SWSW(M) At proposed prod. zone: CARLSBAD CONTROLLED WATER BASIN	10. Field and Pool, or Exploratory: Undsg. Malaga Morrow 80920 11. Sec., T., R., M., or Blk. and Survey or Area: Sec 28 T24S R28E
14. Distance in miles and direction from nearest town or post office*: 7 miles south from 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 drg. unit line, if any): 725'	16. No. of Acres in lease: 320	17. Spacing Unit dedicated to this well: 320
18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft.: 65'-Well #1-Plugged	19. Proposed Depth: 13000'	20. BLM/BIA Bond No. on file: ES0136
21. Elevations (Show whether DF, KDB, RT, GL, etc.: 2993'	22. Approximate date work will start*: 3/30/07	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 shall be filed with the appropriate Forest Service Office).
4. Bond to cover the operations unless covered by an 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 authorized officer.

25. Signuature: David Stewart	Name (*Printed/Typed*): David Stewart	Date: 3/29/07
Title: Sr. Regulatory Analyst		
Approved by (Signautre): James A. Amos	Name (*Printed/Typed*)	Date: MAR 30 2007
Title: ACTING FIELD MANAGER	Office: CARLSBAD FIELD 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 conduct operations thereon.
Conditions of approval, if any, are attached.

APPROVAL FOR 1 YEAR

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowlingly 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 Reverse)

SEE ATTACHED FOR CONDITIONS OF APPROVAL

APPROVAL SUBJECT TO GENERAL REQUIREMENTS AND SPECIAL STIPULATIONS ATTACHED

If earthen pits are used in association with the drilling of this well, an OCD pit permit must be obtained prior to pit construction.

Form 3160-5
(August 1999)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

OCD-ARTESIA

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

SUNDRY NOTICES AND REPORTS ON WELLS

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

SUBMIT IN TRIPLICATE - Other instructions on reverse side

5. Lease Serial No.
NM-36975

6. If Indian, Allottee or Tribe Name

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

1. Type of Well
☐ Oil Well ☒ Gas Well ☐ Other

8. Well Name and No.
Mossberg Federal #1Y

2. Name of Operator
OXY USA WTP LP 192463

9. API Well No.
30-015-~~25401~~

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

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

10. Field and Pool, or Exploratory Area
Undsg. Malaga Morrow

4. Location of Well *(Footage, Sec., T., R., M., or Survey Description)*
725 FSL 809 FWL SWSW(M) Sec 28 T24S R28E

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			
☐ Notice of Intent	☐ Acidize	☐ Deepen	☐ Production (Start/Resume)	☐ Water Shut-Off
☒ Subsequent Report	☐ Alter Casing	☐ Fracture Treat	☐ Reclamation	☐ Well Integrity
☐ Final Abandonment Notice	☐ Casing Repair	☐ New Construction	☐ Recomplete	☒ Other Set Conductor Pipe
	☐ Change Plans	☐ Plug and Abandon	☐ Temporarily Abandon	
	☐ Convert to Injection	☐ Plug Back	☐ Water Disposal	

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 recomplete 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.)

3/28/07
B&H CONSTRUCTION FINISHED LOCATION EXTENSION & SET 8' X 8' X 6' DEEP CELLAR - BUTCH'S RAT HOLE SERVICE DUG 80' OF 48" HOLE (HIT WATER SAND FROM 60' TO 70') & SET 80' OF 30" CONDUCTOR PIPE WITH 2 - 2" PIPES INSTALLED TO SURFACE ON OUTSIDE OF CONDUCTOR PIPE
SAFETY MEETING - HALLIBURTON CEMENTED 30" CONDUCTOR PIPE WITH 700 SX PREM. PLUS + 2% CACL MIXED @ 14.8#/GAL. DOWN 2 - 2" PIPES WELDED TO THE SIDES OF THE 30" CONDUCTOR PIPE TO 1' UP INTO BOTTOM OF CELLAR (BOTTOM OF CONDUCTOR PIPE LOST SEAL HALF WAY INTO JOB, SO WE HAVE CEMENT INSIDE CONDUCTOR PIPE ALSO.

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

Title
Sr. Regulatory Analyst

Signature

Date 3/28/07

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by James A. Amos

Title

Date MAR 30 2007

Office

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.

ACCEPTED FOR RECORD
FREDERICK WRIGHT
PETROLEUM ENGINEER

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.

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 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	Pool Code	Pool Name
30-015	80920	Undesignated Malaga Morrow

Property Code	Property Name	Well Number
	MOSSBERG FEDERAL	1Y

OGRID No.	Operator Name	Elevation
192463	OXY USA WTP LP	2993'

Surface Location

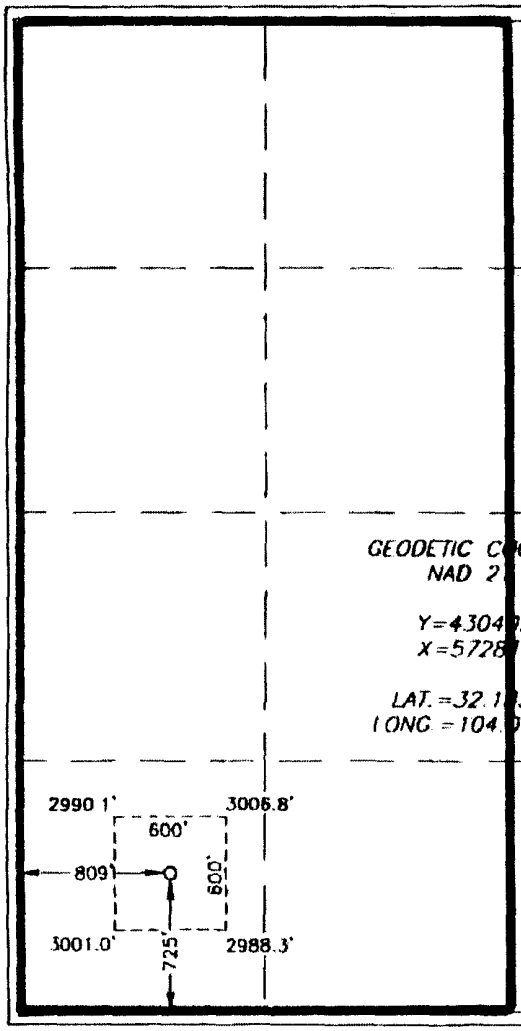
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
M	28	24-S	28-E		725	SOUTH	809	WEST	EDDY

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

Dedicated Acres	Joint or Infill	Consolidation Code	Order No.
320	N		

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 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.

Signature 3/29/07 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.

AUGUST 21, 2006
Date Surveyed REV.: MARCH 27, 2007 DSR

Signature & Seal of Professional Surveyor

Ronald J. Eidson 3/27/07
07.13.0411

Certificate No. GARY EIDSON 12641
RONALD J. EIDSON 3239

SKID RIG
OXY USA WTP LP
Mossberg Federal #1Y - Replacement for Well #1-3001535401
725 FSL 809 FWL SWSW(M) SEC 28 T24S R28E Eddy County, NM
Federal Lease No. NM-36975

Due to hole conditions the original location located @ 660 FSL 810 FWL SWSW(M) Sec 28 T24S R28E is currently being plugged and abandoned, report to follow. The well will be moved 65' north and 1' west to a new location @ 725 FSL 809 FWL SWSW(M) Sec 28 T24S R28E. The plan is to use the original pits, but if there is some additional location work or the pits need some minor rework, they will be part of the original 600' X 600' pad that has already been arched by Boone Archaeological Services. The Drilling and Multi-point Surface Use & Operations Plan will remain the same except for the following. Per the BLM, OXY drilled a 48" hole and set a 30" conductor string @ 80' and cemented.

PROPOSED TD: 13000' TVD

BOP PROGRAM:

0-650'	None
650-2700'	13-3/8" 3M annular preventer, to be used as divertor only.
2700-13000'	11" 5M blind pipe rams with 5M annular preventer and rotating head below 8500'.

SEE COA

CASING: Surface: WITNESS 13-3/8" OD 48# H40 ST&C new casing set at 650'

SEE COA

WITNESS

OXY will drill a 26" hole to 350', if well has circulation the hole size will be reduced to 17-1/2" and will be drilled to 650' where 13-3/8" casing will be set, per the original plan. If a problem arises, the plan is to set 20" casing and cement to surface, then drill out to 650' and set 13-3/8" casing.

Intermediate: 9-5/8" OD 36# K55 ST&C new casing from 0-2700'
12-1/4" hole

Production: 7" OD 26# K55-S95 LT&C new casing from 0-10000'
8-3/4" hole 5200'-K55 4800'-S95

Liner: 4-1/2" OD 11.6# HP-110 LT&C casing @ 9600-13000'
6-1/8" hole

CEMENT: Surface - Circulate cement with 850sx HES Light PP cement with 2% $CaCl_2$ + .25#/sx Flocele followed by 250sx PP cement with 2% $CaCl_2$ + .25#/sx Flocele.

SEE COA

Intermediate - Circulate cement with 555sx IFC with .25#/sx Flocele followed by 200sx PP cement with 2% $CaCl_2$.

Production - DV Tool @ +/- 5000', cement 1st stage with 460sx IFH cement with .1% HR-7 followed by 200sx PP cement. Cement 2nd stage with 380sx IFH cement with .25#/sx Flocele followed by 200sx PP cement.

Liner - Cement with 325sx Super H cement with .5% HR-344 + .4% CFR-3 + 5#/sx Gilsonite + 1#/sx salt + .2% HR-7

Note: Cement volumes may need to be adjusted to hole caliper.

MUD:	0-650'	Fresh water/native mud. Lime for pH control (9-10). Paper for seepage. Wt 8.7-9.2 ppg, Vis 32-34 sec
	650-2700'	Fresh/*Brine water. Lime for pH control (10.0-10.5). Paper for seepage. Wt 8.3-9.0/10.0-10.1ppg, Vis 28-29 sec *Fresh water will be used unless chlorides in the mud system increases to 20000PPM.
	2700-8900'	Fresh water. Lime for pH control(9-9.5). Paper for seepage. Wt 8.3-8.5 ppg, Vis 28-29 sec
	8900-10900'	Cut brine. Lime for pH control (10-10.5). Wt 9.6-10.0 ppg, Vis 28-29sec
	10900-13000'	Mud up with an Duo Vis/Flo Trol mud system. Wt 9.6-10.0ppg, Vis 32-36sec, WL<10cc

SPACING UNIT: W/2

ESTIMATED FORMATION TOPS:
Morrow-12390' Atoka-11670' Strawn-11460' Wolfcamp-9260'

SPUD DATE: ASAP

ARCH SURVEY: 8/21/06

DIRECTIONS TO LOCATION: From the intersection of USH 285 and CR 720 (Black Village Road), go south-southeast on USH 285 approximately 1.5 miles. Turn right and go west-northwest approx. 0.1 miles. Veer right and go northwest approx. 0.06 miles. Veer left and go north-northwest approx. 0.25 miles (past Willow Lake Tank Battery). Veer left and go west-northwest approx. 0.45 miles. Turn left at T intersection and go southwest approx. 0.85 miles to OXY Zipper. Turn right and go southwest on meandering road approx. 1.35 miles to a begin road survey. Follow road survey southeast approx. 640' to PI left, continue east approx. 140'. This location is approx. 212' southeast.

WELLSITE LAYOUT: V-Door - South Pits - East

SURFACE OWNER: Pardue Limited Co.

PRIVATE SURFACE OWNER'S AGREEMENT OR STATEMENT THAT AN AGREEMENT CONCERNING SURFACE USE: 12/14/06

NEAREST RESIDENCE OR OTHER STRUCTURE: None within 2 miles.

SOURCE OF CONSTRUCTION MATERIALS - Caliche for surfacing the well pad will be obtained from a private pit located in the SE corner of Sec 21 T24S R28E.

****The Drilling Plan, Multi-Point Surface Use, Operations, H_2S CONTINGENCY PLAN and Pit Permit not changed above will remain the same as the original well, the Mossberg Federal #1, API No. 30-015-35401, APD approved 1/22/07.**

EXHIBIT A

BLOWOUT PREVENTOR SCHEME

11" 5000# ram type preventers with one set blind rams and one set pipe rams and a 5000# annular type preventer. A choke manifold and 120 gallon accumulator with floor and remote operating stations and auxiliary power system.

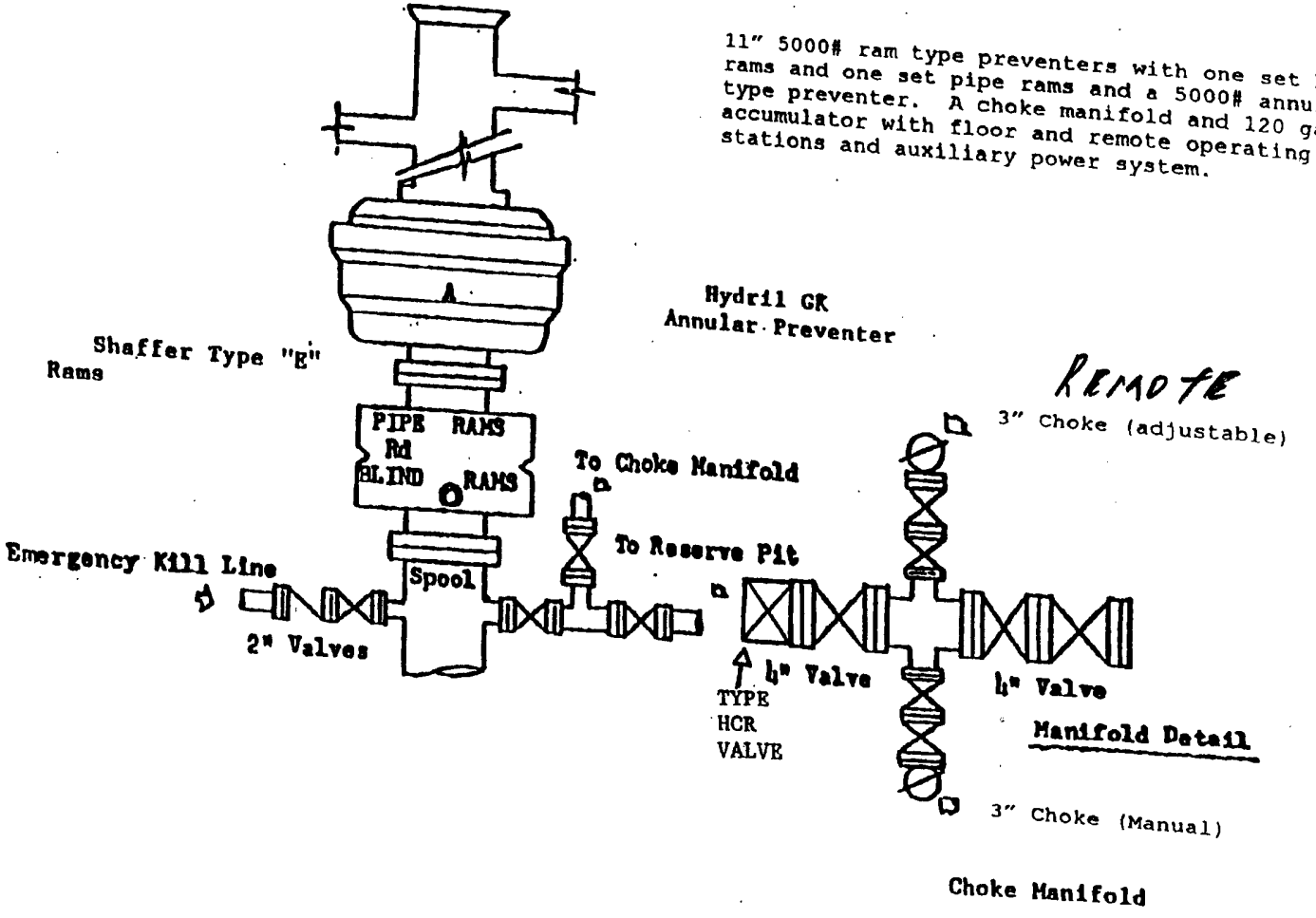
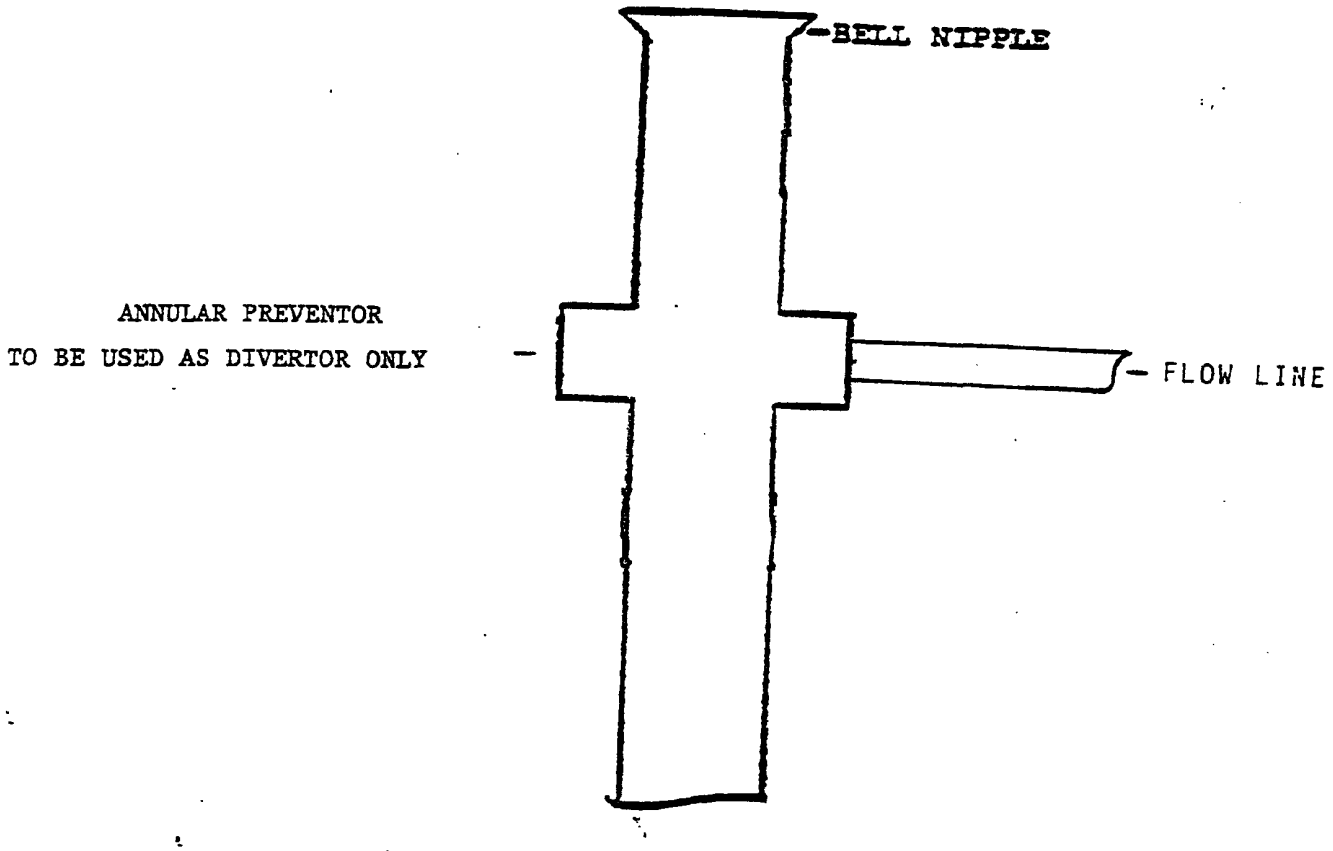


EXHIBIT A


BELL NIPPLE
ANNULAR PREVENTOR
TO BE USED AS DIVERTOR ONLY
FLOW LINE
STARTING HEAD

MULTI-POINT SURFACE USE AND OPERATIONS PLAN

OXY USA WTP Limited Partnership
Mossberg Federal #1
Eddy County, New Mexico
Lease No. NM-36975

This plan is submitted with the Application for Permit to Drill the above described well. The purpose of the plan is to identify the location of the proposed well, the proposed construction activities and operations plan, the magnitude of necessary surface disturbance involved and the procedures to be followed in rehabilitating the surface after completion of the operation so that a complete appraisal may be made of the environmental effects associated with the operation.

The well, and work area have been staked by a registered New Mexico land surveyor. Boone Archaeological Services, LLC has been engaged to make an archaeological reconnaissance of the work area. Their findings concerning cultural resources will be reported to the Bureau of Land Management.

1. Existing Roads

A copy of a USGS "Malaga, New Mexico" quadrangle map is attached showing the proposed location. The well location is spotted on this map, which also shows the existing road system. Exhibit B.

Directions to location:

From the intersection of USH 285 and CR 720 (Black Village Road), go south-southeast on USH 285 approximately 1.5 miles. Turn right and go west-northwest approx. 0.1 miles. Veer right and go northwest approx. 0.06 miles. Veer left and go north-northwest approx. 0.25 miles (past Willow Lake Tank Battery). Veer left and go west-northwest approx. 0.45 miles. Turn left at T intersection and go southwest approx. 0.85 miles to OXY Zipper. Turn right and go southwest on meandering road approx. 1.35 miles to a begin road survey. Follow road survey southeast approx. 640' to PI left, continue east approx. 140'. This location is approx. 212' southeast.

2. Planned Access Road

A. A new access road will be built. The access road will run approximately 684' southeast from an existing road to the location. Exhibit B.

B. Surfacing material: Six inches of caliche and water, compacted and graded.

C. Maximum Grade: Less than 3%

D. Turnouts: None needed

E. Drainage Design: N/A

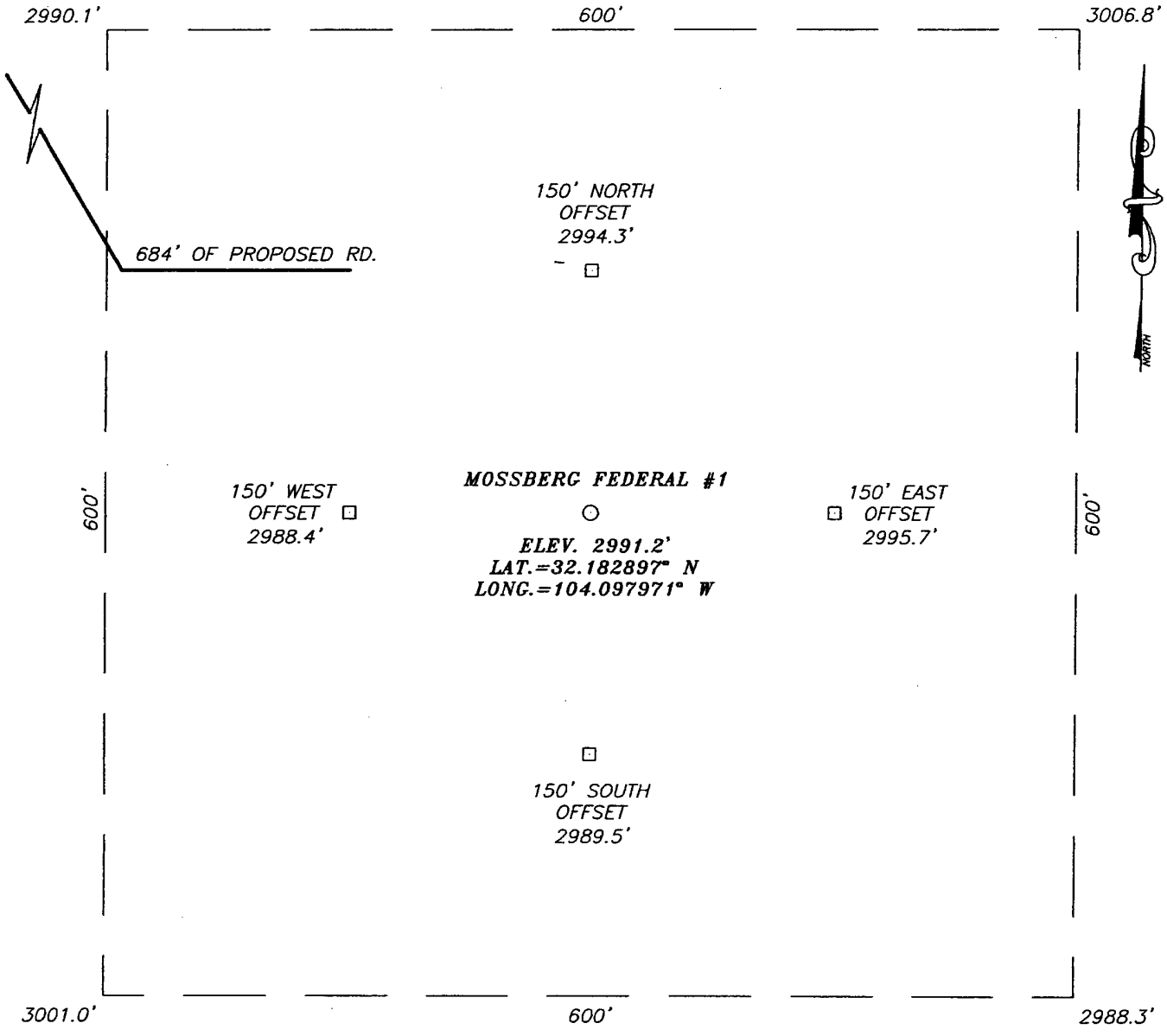
F. Culverts: None needed

G. Cuts and Fills: Leveling the location will require minimal cuts or fills.

H. Gates or Cattleguards: None required

3. Existing wells within a one mile radius of the proposed development well are shown on Exhibit C.

SECTION 28, TOWNSHIP 24 SOUTH, RANGE 28 EAST, N.M.P.M.,
EDDY COUNTY, NEW MEXICO



DIRECTIONS TO LOCATION

FROM THE INTERSECTION OF U.S. HWY. #285 AND CO. RD. #720 (BLACK RIVER VILLAGE), GO SOUTH–SOUTHEAST ON U.S. HWY. #285 APPROX. 1.5 MILES. TURN RIGHT AND GO WEST–NORTHWEST APPROX. 0.1 MILES. VEER RIGHT AND GO NORTHWEST APPROX. 0.06 MILES. VEER LEFT AND GO NORTH–NORTHWEST APPROX. 0.25 MILES (PAST WILLOW LAKE TANK BATTERY). VEER LEFT AND GO WEST–NORTHWEST APPROX. 0.45 MILES. TURN LEFT AT "T" INERSECTION AND GO SOUTHWEST APPROX. 0.85 MILES TO OXY ZIPPER. TURN LEFT AND GO SOUTHWEST ON MEANDERING ROAD APPROX. 1.35 MILES TO A BEGIN ROAD SURVEY. FOLLOW ROAD SURVEY SOUTHEAST APPROX. 640 FEET TO PI LEFT, CONTINUE EAST APPROX. 140 FEET. THIS LOCATION IS APPROX. 212 FEET SOUTHEAST.

PROVIDING SURVEYING SERVICES
SINCE 1946
JOHN WEST SURVEYING COMPANY
412 N. DAL PASO
HOBBS, N.M. 88240
(505) 393-3117

100 0 100 200 Feet
Scale:1"=100'

OXY USA WTP LP

MOSSBERG FEDERAL #1
LOCATED 660 FEET FROM THE SOUTH LINE
AND 810 FEET FROM THE WEST LINE OF SECTION 28,
TOWNSHIP 24 SOUTH, RANGE 28 EAST, N.M.P.M.,
EDDY COUNTY, NEW MEXICO.

Survey Date: 08/21/06	Sheet 1 of 1 Sheets		
W.O. Number: 06.11.1348	Dr By: M.R.	Rev 1:N/A	
Date: 09/01/06	Disk: CD#6	06111348	Scale:1"=100'

OXY USA WTP
Limited Partnership
PO Box 50250
Midland, TX 79710

Hydrogen Sulfide (H_2S) Contingency Plan

For

OXY Mossberg Fed No. 1
660 ft FSL, 810 ft FWL
Sec 28, T24S, R28E
Eddy County, NM

And

McVay Drilling Co. Rig No. 8

TABLE OF CONTENTS

PREFACE

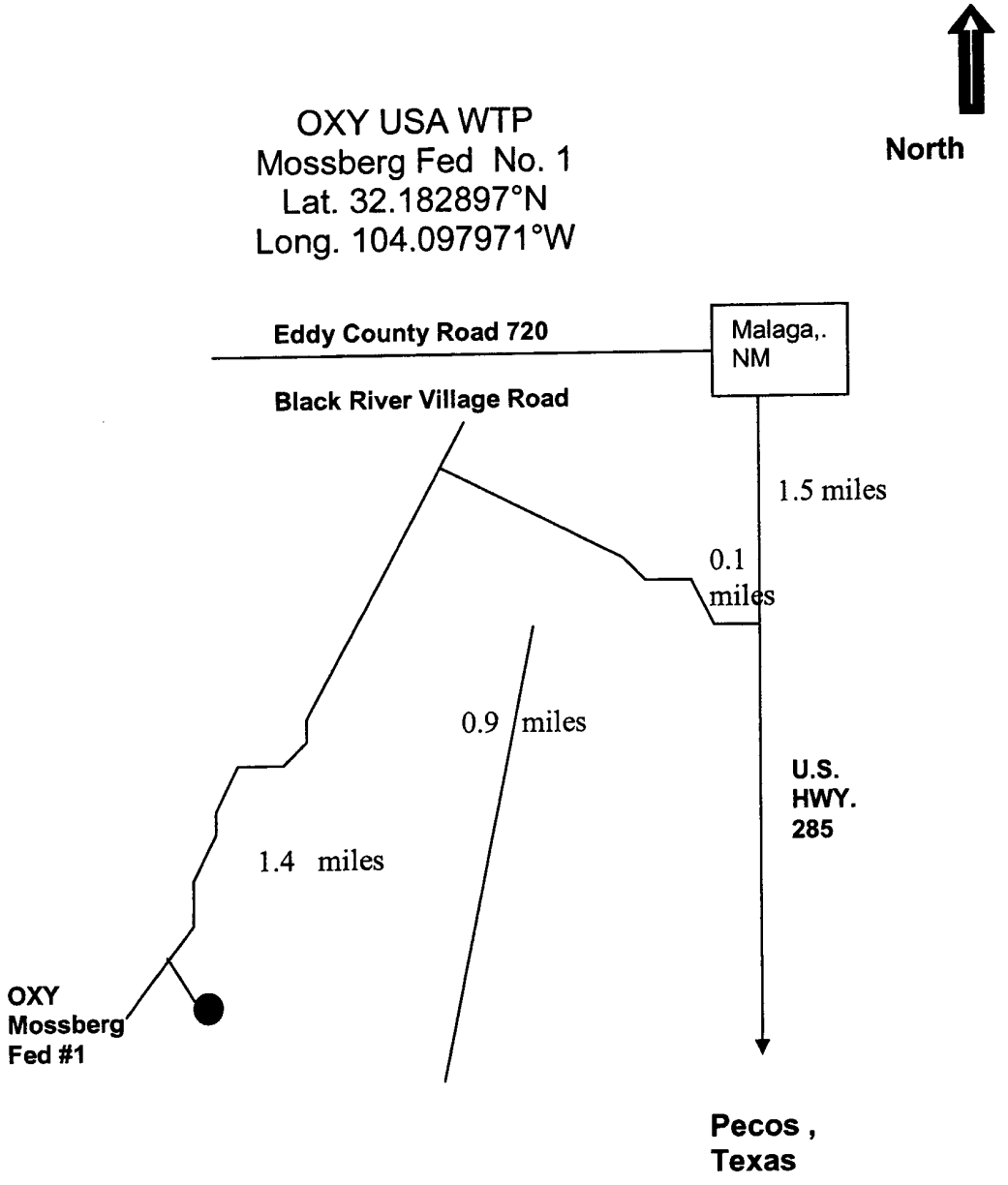
An effective and viable Contingency Plan is intended to provide prior planning and guidance in responding to emergency incidents. The primary considerations in its development are protection of personnel, the public, company and public property, and the environment.

Although the plan addresses varied emergency situations which may occur, it recognizes that flexibility and the use of the organization's knowledge and experience is critical to safe resolution of emergency incidents. Response actions outlined in the plan provide a framework, which may be placed into operation without confusion. These actions should promote quick and decisive actions during the critical initial period and immediately following an emergency. As the response progresses, additional guidelines and procedures may need to be implemented as the situation dictates. In addition, all emergency incidents must be properly reported per the Oxy Incident Reporting and Notification Policy, state and federal requirements, etc.

This Contingency Plan is intended for use on Oxy Downhole Services Group projects and the operations within their area of responsibility, such as drilling, critical well work, etc.

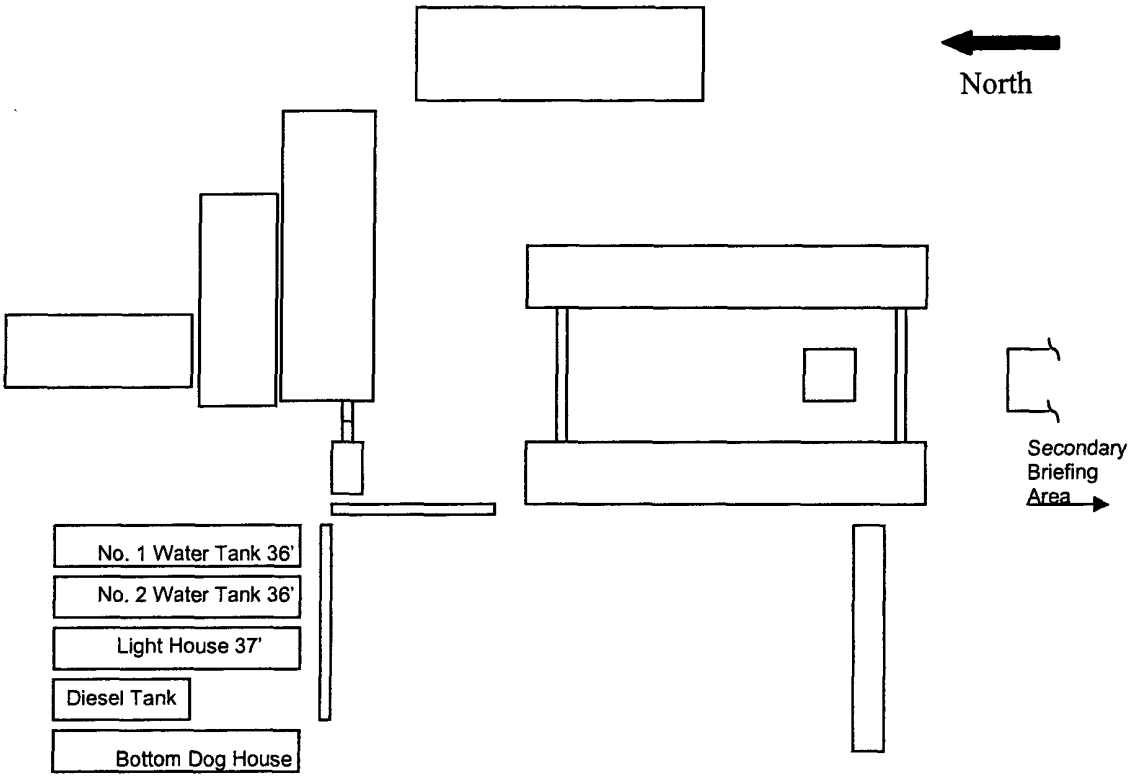
A copy of the Plan shall be maintained in the Top Dog House, Rig Managers trailer, and Company Representative's trailer if applicable.

OXY USA WTP
Mossberg Fed No. 1
Lat. 32.182897°N
Long. 104.097971°W



Directions to location: From Malaga, NM go south on US Highway 285 for 1.5 miles. Turn right, go west-north west for 0.1 miles. Veer right and go northwest approx. 0.06 miles. Veer left and go north-northwest approx. 0.45 miles. Turn left at T intersection and go southwest on meandering road approx. 1.35 miles to a road survey. Follow road survey southeast approx. 640' to location.

McVay Rig 8


North
Secondary Briefing Area
No. 1 Water Tank 36'
No. 2 Water Tank 36'
Light House 37'
Diesel Tank
Bottom Dog House
Entrance Road
Primary Briefing Area

EMERGENCY RESPONSE ACTIVATION AND GENERAL RESPONSIBILITIES

Activation of the Emergency Action Plan

A. In the event of any emergency situation, all personnel on location should first ensure that the following items are initiated. After that, they should refer to the appropriate Specific Emergency Guidance sections on pages ten (10) through twelve (12) in this document for further responsibilities:

1. Notify the senior ranking contract representative on site.
2. Notify Oxy representative in charge.
3. Notify civil authorities if the Oxy Representative can not be contacted and the situation dictates.
4. Perform rescue and first aid as required (without jeopardizing additional personnel).

General Responsibilities

Oxy Permian Personnel:

A. Operations Specialist: The Oxy Drilling/Critical Well Servicing Operations Specialist or contract personnel serving in that capacity will serve as Operations Chief Officer for all emergency incidents. The Operations Chief Officer is responsible for:

1. Notification to the Downhole Services Team Leader of the incident occurrence.
2. Notification to the local RMT/PMT leader of the incident occurrence, and the need for the designated local RMT/PMT Incident Commander to act in that capacity for the response effort.
3. Sole control of all tactical activities directed toward reducing the immediate hazard, establishing situational control and restoring the operations to a non-emergency state.

B. Local RMT/PMT Designated Incident Commander: The Oxy local RMT/PMT Designated Incident Commander will serve as the overall Incident Commander for the drilling or critical well servicing emergency incident. The Incident Commander is responsible for:

1. Coordinating with the Downhole Services Team Leader for notification to the Oxy Crisis Management team of the incident occurrence.
2. Establishing and managing the overall incident command structure and response from inception through restoration of normal activities in the area.

C. Downhole Services HES Tech: The Downhole Services HES Tech (or his designate) is responsible for reporting to the incident as soon as

reasonably possible, to provide support to the response effort as required by the Operations Chief Officer or the Incident Commander.

Contract Drilling Personnel will immediately report to their assigned stations and perform their duties as outlined in the appropriate Specific Emergency Guidance sections on pages ten (10) through twelve (12) in this document.

Other Contractor Personnel will report to the safe briefing area to assist Oxy personnel and civil authorities as requested when it is safe to do so and if they have been adequately trained in their assigned duties.

Civil Authorities (Law Enforcement, Fire, and EMS) will be responsible for:

1. Establishing membership in the Unified Incident Command.
2. As directed by the Incident Commander and the Unified Command, control site access, re-route traffic, and provide escort services for response personnel.
3. Perform all fire control activities in coordination with the Unified Command.
4. Initiate public evacuation plans as instructed by the Incident Commander.
5. Perform rescue or recovery activities with coordination from the Unified Command.
6. Provide medical assistance as dictated by the situation at hand.

H2S RELEASE

The following procedures and responsibilities will be implemented on activation of the H2S siren and lights.

All Personnel:

1. On alarm, don escape unit (if available) and report to upwind briefing area.

Rig Manager/Tool Pusher:

1. Check that all personnel are accounted for and their condition.
2. Administer or arrange for first aid treatment, and /or call EMTs as needed.
3. Identify two people best suited to secure well and perform rescue, and instruct them to don SCBA.
4. Notify Contractor management and Oxy Representative.
5. Remain at the briefing area, assess and monitor personnel and overall situation for hazards or conditions that might warrant a change in the action plan.

Two People Responsible For Shut-in and Rescue:

1. Don SCBA and acquire tools to secure well and perform rescue, i.e., wrenches, retrieval ropes, etc.
2. Utilize the buddy system to secure well and perform rescue(s).

3. Return to the briefing area and stand by for further instructions.

All Other Personnel:

1. Isolate the area and prevent entry by other persons into the 100 ppm ROE. Additionally the first responder(s) must evacuate any public places encompassed by the 100 ppm ROE. First responder(s) must take care not to injure themselves during this operation. Company and/or local officials must be contacted to aid in this operation. Evacuation of the public should be beyond the 100 ppm ROE.

Oxy Representative:

1. Remain at the briefing area, assess and monitor personnel and overall situation for hazards or conditions that might warrant a change in the action plan.
2. Notify Operation Specialists or Team Leader and RMT Leader or Local Incident Commander, and Police, Fire Department, or other local emergency services as required.

Training

There will be an initial training session prior to encountering a known or probable H2S zone (within 3 days or 500 feet) and weekly H2S and well control drills for all personnel in each crew. The initial training session shall include a review of the site specific H2S Drilling Operations Plan and the Public Protection Plan (Contingency Plan). This plan shall be available at the well site. All personnel will be required to carry documentation that they have received the proper training.

Ignition of Gas Source

Should control of the well be considered lost and ignition considered, take care to protect against exposure to Sulfur Dioxide (SO2). Intentional ignition must be coordinated with the NMOCD and local officials. Additionally the NM State Police shall be the Incident Command of any major release.

Characteristics of H2S and SO2

Common Name	Chemical Formula	Specific Gravity	Threshold Limit	Hazardous Limit	Lethal Concentration
Hydrogen Sulfide	H_2S	1.189 Air = 1	10 ppm	100 ppm	600 ppm
Sulfur Dioxide	SO_2	2.21 Air = 1	2 ppm	N/A	1000 ppm

Contacting Authorities

Oxy Permian personnel must liaison with local and state agencies to ensure a proper response to a major release. Additionally, the OCD must be notified of the release as soon as possible but no later than 4 hours. Agencies will ask for information such as; type and volume of release, wind direction, location of release, etc. Be prepared with all information available. The following call list of essential and potential responders has been prepared for use during a release. This response plan must be in coordination with the State of New Mexico's 'Hazardous Materials Emergency Response Plan' (HMER).

WELL CONTROL

The following procedures will be implemented when a loss of primary control is indicated. Indicators of loss of primary control are flow from the well, an increase in pit volume, or when the drilling fluid used to fill the hole on trips is less than the calculated pipe displacement volume. The emergency signal for well control procedures will be a single long blast of the rig air horn.

Kick While Drilling - Procedures And Responsibilities

Driller:

1. Stop the rotary and hoist the kelly above the rotary table.
2. Stop the mud pump(s).
3. Check for flow.
4. If flowing, sound the alarm immediately.
5. Ensure that all crew members fill their responsibilities to secure the well.
6. Record drill pipe and casing shut-in pressures and pit volume increase and begin kill sheet.

Derrickman:

1. Go to BOP/choke manifold area.
2. Open choke line valve on BOP.
3. Signal to Floorman #1 that the choke line is open.
4. Close chokes after annular or pipe rams are closed.
5. Record shut-in casing pressure and pit volume increase.
6. Report readings and observations to Driller.
7. Verify actual mud weight in suction pit and report to Driller.
8. Be readily available as required for additional tasks.

Floorman # 1:

1. Go to accumulator control station and await signal from Derrickman.
2. Close annular preventer and HCR on signal (if available, if not then close pipe rams).
3. Record accumulator pressures and check for leaks in the BOP or accumulator system.
4. Report to Driller, and be readily available as required for additional tasks.

Floorman # 2:

1. Start water on motor exhausts.
2. Notify Contractor Tool Pusher or Rig Manager of well control situation.
3. Check location for ignition sources and extinguish or turn off, and stop any welding in progress.
4. Report to Driller, and be readily available as required for additional tasks.

Floorman # 3:

1. Stand-by with Driller, and be readily available as required for additional tasks.

Tool Pusher/Rig Manager:

1. Notify Oxy Representative and report to rig floor.
2. Review and verify all pertinent information.
3. Communicate information to Oxy Representative, and confer on an action plan.
4. Finalize well control worksheets, calculations and preparatory work for action plan.
5. Initiate and ensure the action plan is carried out.
6. Communicate any changes in well or site conditions, or any indications that the action plan needs to be revised to the Oxy representative.

Oxy Representative:

1. Notify Operation Specialists or Team Leader and RMT Leader or Local Incident Commander, and Police, Fire Department, or other local emergency services as required.

Kick While Tripping - Procedures and Responsibilities

Driller:

1. Sound the alarm immediately when pipe displacement volume is less than 75% of calculated.
2. Position the upper tool joint just above rotary table and set slips.
3. Check for flow.
4. Ensure that all crew members fill their responsibilities to secure the well.
5. Record drill pipe and casing shut-in pressures and pit volume increase, and begin kill sheets.

Derrickman: (same as while drilling)

Floor Man # 1:

1. Install full opening valve (with help from Floorman #2) in top drill string connection.
2. Tighten valve with make up tongs.
3. Go to accumulator control station and await signal from Derrickman.
4. Close annular preventer and HCR valve on signal (if available, if not then close pipe rams).
5. Record accumulator pressures and check for leaks in the BOP and accumulator system.
6. Report to Driller, and be readily available as required for additional tasks.

Floor Man # 2:

1. Assist installing full opening valve in drill string.
2. Position back-up tongs for valve make-up.
3. Start water on motor exhausts.
4. Notify Contractor Tool Pusher or Rig Manager of well control situation.
5. Check location for ignition sources and extinguish or turn off, and stop any welding in progress.
6. Report to Driller, and be readily available as required for additional tasks.

Floorman # 3, Rig Manager/Tool Pusher, and Oxy Representative: (same as while drilling)

PUBLIC RELATIONS

Oxy recognizes that the news media have a legitimate interest in incidents at Oxy facilities that could affect the public. It is to the company's benefit to cooperate with the news media when incidents occur because these media are our best liaison with the public.

Our objective is to see that all reports of any emergency are factual and represent the company's position fairly and accurately. Cooperation with news media representatives is the most reliable guarantee that this objective will be met.

All contract and Oxy employees are instructed **NOT** to make any statement to the media concerning the emergency incident. If a media representative contacts any employee, they should refer them to the designated Emergency Command Center where they should contact the Incident Commander or his designated relief for any information concerning the incident.

OXY PERMIAN DOWNHOLE SERVICES GROUP

	LOCATION	OFFICE	HOME	CELL	PAGER
Manager Operations Support					
Hardesty, Steve	Midland	432-685-5880	432/694-6441	713-560-8095	
Team Leader					
Thompson, Tommy	Midland	432-685-5877	432/699-4383	432-664-4214	
Operations Specialists					
Fleming, Joe	Midland	432-685-5858	432/699-0875	432-425-6075	
HES Tech					
Maciula, Pete	Midland	432-685-5677			

Emergency Notification Numbers

Public Authorities		
New Mexico State Police	Artesia	505/746-2704
New Mexico State Police	Carlsbad	505/885-3137
New Mexico State Police	Hobbs	505/392-5588
Eddy County Sheriff's Office	Artesia	505/746-2704
Eddy County Sheriff's Office	Carlsbad	505/887-7551
Lea County Sheriff's Office	Hobbs	505/393-2515
Local Emergency Planning Center	Eddy County	505/887-9511
Local Emergency Planning Center	Lea County	505/397-9231
New Mexico Oil & Gas Commission	Artesia	505/748-1283
New Mexico Oil & Gas Commission	Hobbs	505/393-6161
NM Emergency Response Center	Hobbs	505/827-9222

Emergency Services		
Fire Fighting, Rescue, Ambulance, Police	Artesia	911
Fire Fighting, Rescue, Ambulance, Police	Carlsbad	911
Fire Fighting, Rescue, Ambulance, Police	Hobbs	911
Flight For Life	Lubbock	806/743-9911
Aerocare	Lubbock	806/7478923
Med Flight Air Ambulance	Albuquerque	505/842-4433

Other Emergency Services		
Boots and Coots		1/800-256-9688
Cudd Pressure Control	Midland	432/699-0139
B.J. Services	Artesia	505/746-3569
Halliburton	Artesia	505/746-2757

OXY Permian Production and Plant Personnel OXY Permian Crisis Team Hotline Notification (713) 935-7210					
PERSON	**LOCATION**	**OFFICE**	**FAX**	**CELL**	**PAGER**
Asset Management-Operations Areas					
OXY Permian General Manager: Tom Menges	Houston	(281) 552-1147	(281) 552-1484	(713) 560-8038	
South Permian Asset: Matt Hyde	Midland	(432) 685-5802	(432) 685-5930	(432) 556-5016	
RMT/PMT Leaders: South Permian Asset					
John Nichols	Midland	(432) 685-5600			
PERSON	**LOCATION**	**OFFICE**	**FAX**	**CELL**	**PAGER**
Production Coordinators: S. Permian Asset					
New Mexico: John Erickson	Hobbs	(505) 393-2174	(505) 397-2671	(505) 390-6426	(505) 370-6836
OXY Permian HES Personnel **OXY Permian Crisis Team Hotline Notification (713) 935-7210**					
PERSON	**LOCATION**	**OFFICE**	**FAX**	**CELL**	**PAGER**
HES Coordinators & Area of Responsibility					
HES Techs & Area of Responsibility					
Hobbs RMT: Steve Bishop	Hobbs	(505) 397-8251	(505) 397-8204	(505) 390-4784	(877) 339-1954- 1118#
Frontier-New Mexico: Rick Kerby	Hobbs	(505) 393-2174	(505) 393-2671	(505) 390-8639	(505) 370-6527

CONDITIONS OF APPROVAL - DRILLING

Operator's Name: Oxy USA WTP LP
Well Name & No. Mossberg Federal # 1-Y
Location: 725'FSL, 809'FWL, SEC28, T24S, R28E, Eddy County, NM
Lease: NM-36975

I. DRILLING OPERATIONS REQUIREMENTS:

1. The Bureau of Land Management (BLM) is to be notified at the Carlsbad Field Office, 620 East Greene St., Carlsbad, NM 88220, (505) 361-2822 - for wells in Eddy, in sufficient time for a representative to witness:

A. Spudding

B. Cementing casing: **30** inch, **13.375 or (20 and 13.375)** inch **9.625** inch **7** inch, **4.5** inch liner

C. BOP tests

2. A Hydrogen Sulfide (H2S) Drilling Plan is **N/A**.

3. Unless the production casing has been run and cemented or the well has been properly plugged, the drilling rig shall not be removed from over the hole without prior approval.

4. Submit a Sundry Notice (Form 3160-5, one original and five copies) for each casing string, describing the casing and cementing operations. Include pertinent information such as; spud date, hole size, casing (size, weight, grade and thread type), cement (type, quantity and top), water zones and problems or hazards encountered. The Sundry shall be submitted within 15 days of completion of each casing string. The reports may be combined into the same Sundry if they fall within the same 15 day time frame.

5. The API No. assigned to the well by NMOCD shall be included on the subsequent report of setting the first casing string.

6. A Communitization Agreement covering the acreage dedicated to this well must be filed for approval with the BLM. The effective date of the agreement shall be prior to any sales.

7. Gamma-Ray/Neutron logs shall be run from the base of the Salado Formation to the surface; cable speed not to exceed 30 feet per minute.

II. CASING:

A. The **30** inch conductor will be set @ 80 feet and cemented to the surface.

B. The **13.625** inch surface casing shall be set at **approximately 650 feet**, and cement circulated to the surface.

Due to lost circulation in the original well bore @ 341', a 26" well bore will be drilled to 350 feet in case of lost circulation again. If circulation is lost, and / or a bit drop of more than 3 feet occurs, the BLM Duty Engineer will be called to determine the best casing setting depth for the 20 inch casing, which should be set as soon as reasonable. If there is no lost circulation or bit drop, the hole size will be reduced to 17.5 inches and drilling will continue to approximately 650 feet where 13.375 inch casing will be set. Cement will be circulated to surface on any and all casing strings run to 650 feet or shallower. If the 20 inch casing is set @ approximately 350', then the 17.5 inch well bore will be drilled out of the 20 inch casing and the 13.375 inch casing will be set @ approximately 650 feet. High Cave / Karst potential stipulations will be observed.

1. If cement does not circulate to the surface, the appropriate BLM office shall be notified and a temperature survey utilizing an electronic type temperature survey with a surface log readout will be used or a cement bond log shall be run to verify the top of the cement.
2. Wait on cement (WOC) time for a primary cement job will be a minimum of 18 hours for a water basin, 24 hours in the potash area, or 500 pounds compression strength, whichever is greater. (This is to include the lead cement)

3. Wait on cement (WOC) time for a remedial job will be a minimum of 4 hours after bringing cement to surface or 500 pounds compression strength, whichever is greater.
4. If cement falls back, remedial action will be done prior to drilling out that string.

Possible lost circulation in the Triassic Red beds and the Castile Group.

C. The minimum required fill of cement behind the **9.625** inch salt protection casing is **circulate cement to the surface.**

D. The minimum required fill of cement behind the **7** inch intermediate casing is cement **shall extend upward a minimum of 200 feet above the base of the 9.625 inch intermediate casing string. First stage cement to circulate.**

E. The minimum required fill of cement behind the **4.5 inch** production liner is **cement shall circulate to the top of the liner.**

III. PRESSURE CONTROL:

1. All BOP systems and related equipment shall comply with well control requirements as described in Onshore Oil and Gas Order No. 2. The BOP and related equipment shall be installed and operational before drilling below the **13.375** inch casing shoe and shall be tested as described in Onshore Order No. 2. Any equipment failing to test satisfactorily shall be repaired or replaced.

2. Minimum working pressure of the blowout preventer and related equipment (BOPE) required for drilling the surface and intermediate casing shall be **2000** psi. Minimum working pressure of the blowout preventer and related equipment (BOPE) required for drilling below the **9.625** inch casing shall be **5000** psi.

3. The appropriate BLM office shall be notified in sufficient time for a representative to witness the tests.
- A variance to test the **13.375 inch casing, BOP and BOPE** to the reduced pressure of **800** psi with the rig pumps is approved.
- The tests shall be done by an independent service company.
- The results of the test shall be reported to the appropriate BLM office.
- Testing fluid must be water or an appropriate clear liquid suitable for sub-freezing temperatures. Use of drilling mud for testing is not permitted since it can mask small leaks.
- Testing must be done in a safe workman-like manner. Hard line connections shall be required.
- BOPE must be tested 500 feet prior to drilling into the **Wolfcamp** Formation by an independent service company.

IV. DRILLING MUD:

Mud system monitoring equipment, with derrick floor indicators and visual and audio alarms, shall be operating before drilling into the **Wolfcamp** Formation, and shall be used until production casing is run and cemented. Monitoring equipment shall consist of the following:

1. Recording pit level indicator to indicate volume gains and losses.
2. Mud measuring device for accurately determining the mud volumes necessary to fill the hole during trips.
3. Flow-sensor on the flow line to warn of abnormal mud returns from the well.

V. Hazards:

1. Our Geologist has indicated that there is potential for abnormal pressures in the Wolfcamp, Strawn, Atoka and Morrow.
2. This well should observe High Cave / Karst potential stipulations.

Engineering may be contacted at 505-706-2779 for variances if necessary.

Fwright 3/30/07