

Schlumberger

Anadrill

MDC Operations
9900 West Interstate 20
Midland, Texas 79706
Phone (915) 563-3057
Fax (915) 563-3059

August 25, 1998

Oil Conservation Division
District I
P.O. Box 1960
Hobbs, New Mexico 88241-1960

Re: OXY USA, Inc.
Wallace State Com #1
Section 9, T17S, R27E, Lot F
Eddy County, New Mexico
API # 30-025-30240

Enclosed, please find the original and one copy of the survey performed on the referenced well by Anadrill, a division of Schlumberger Technology Corporation. Other information required by your office is as follows:

<u>Name & Title of Surveyor</u>	<u>Drainhole Number</u>	<u>Surveyed Depths</u>	<u>Dates Performed</u>	<u>Type of Survey</u>
John Hawkes MWD I	#01	7810' to 9112'	8/14/98 - 8/20/98	MWD/D&I

A certified plat on which the bottom hole is oriented both to the surface location and to the lease lines (or unit lines in case of pooling) is attached to the survey report. If any other information is required, please contact the undersigned at the letterhead address and phone number.

Sincerely,



Tom Follis
MWD Coordinator

Cc: OXY USA, Inc.

Enclosures: 2

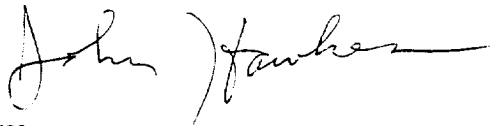
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State of Texas
County of Midland

I, John Hawkes, certify that; I am employed by Anadrill, a division of Schlumberger Technology Corporation; that I did on the day's of 8/14/98 through 8/20/98 conduct or supervise the taking of MWD surveys from a depth of 7810 feet to a depth of 9112 feet; that the data is true, correct, complete and within the limitations of the tool as set forth by Anadrill, a division of Schlumberger Technology Corporation; that I am authorized and qualified to make this report; that this survey was conducted at the request of OXY USA, Inc., for the Wallace State Com #1, API # 30-025-30240, in Eddy County, New Mexico; and that I have reviewed this report and find that it conforms to the principles and procedures as set forth by Anadrill, a division of Schlumberger Technology Corporation.



John Hawkes,
MWD