



OXY USA INC.
Box 50250, Midland, TX 79710
Telephone 915 685-5600

December 11, 1998

Mr. David Catanach
New Mexico Oil Conservation Division
2040 S. Pacheco Street
Santa Fe, New Mexico 87505

RE: Surveyed Well Location
OXY Papa Bear State #1
Section 7, T-17-S, R-28-E
Eddy County, New Mexico

Dear Mr. Catanach:

Our staking of the above mentioned well at 1,980'FSL & 1,980'FWL revealed a dry hole marker 45.5' to the southeast of our stake. The dry hole is the R&S State #1 completed in November of 1977 with Gene A. Snow as the operator. Records show that the well was plugged and abandoned 1-23-97 by Frostman Oil Corporation. Strangely enough, it has the same legal description as our new drill. We contend the survey performed for us by Basin Surveys of Hobbs, New Mexico is true and correct. On December 7, 1998, I had a telephone conversation with Mr. Jeff Albers in the New Mexico State Land Office concerning this issue. Mr. Albers reply was that we attach this letter to the APD on the OXY Papa Bear State #1 explaining the situation. This would allow the NMOCD District II office to amend the plug & abandon file for the R & S State #1.

I have included a copy of the survey plat showing the location of the dry hole marker in relationship to the stake for OXY Papa Bear State #1. If you have any questions, please call me at 915-685-5653.

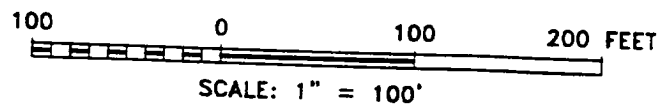
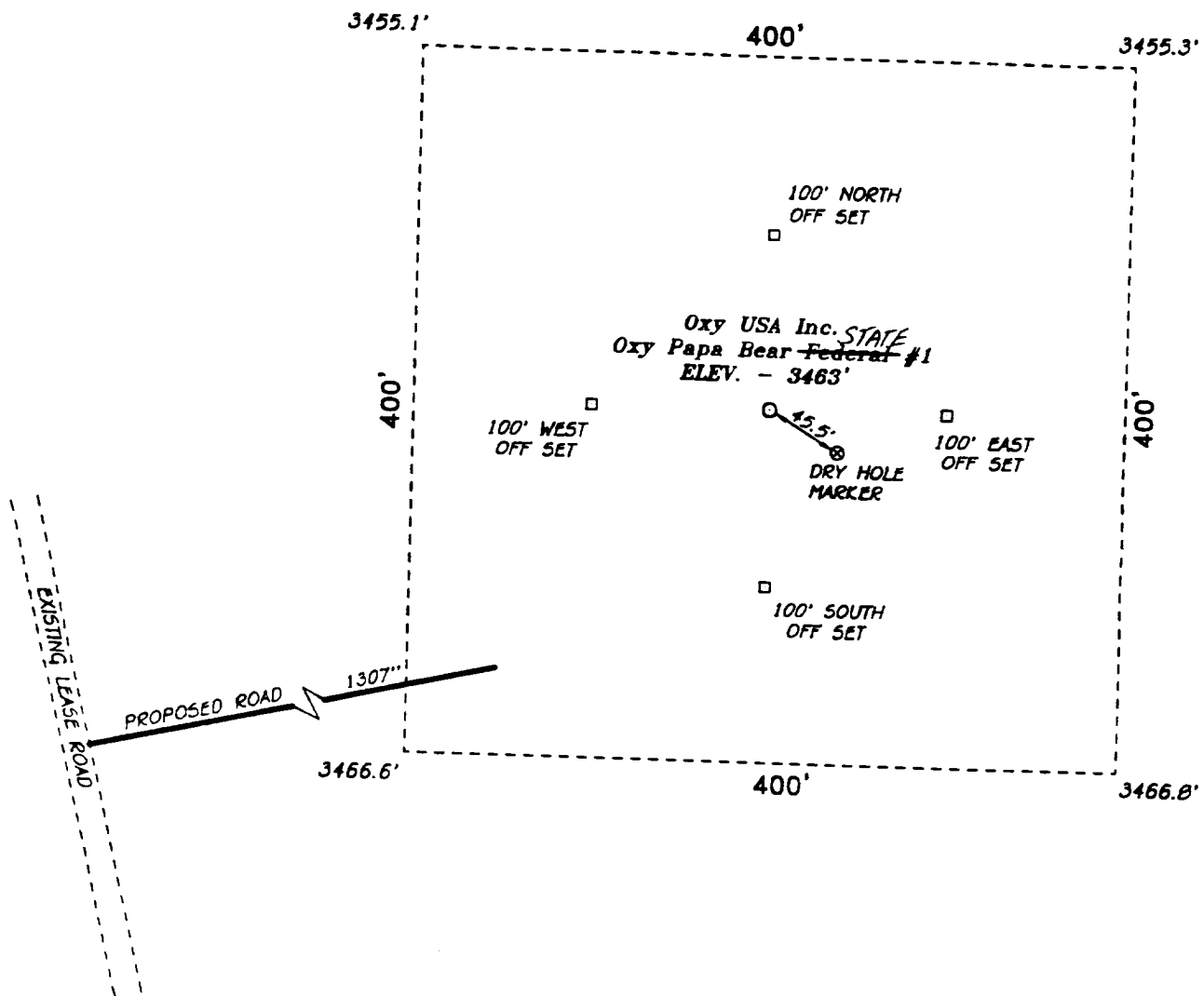
Sincerely,

A handwritten signature in cursive script, appearing to read "R.L. Orth".

R.L. Orth
Engineering Technician Advisor
Permian Asset Group

Attachment

SECTION 7, TOWNSHIP 17 SOUTH, RANGE 28 EAST, N.M.P.M.,
EDDY COUNTY, NEW MEXICO.



Oxy USA Inc.

REF: Oxy Papa Bear ~~FED.~~ No. 1/ Well Pad Topo

THE OXY PAPA BEAR ~~FED.~~ ^{STATE} No. 1 LOCATED 1980' FROM THE
SOUTH LINE AND 1980' FROM THE WEST LINE OF
SECTION 7, TOWNSHIP 17 SOUTH, RANGE 28 EAST,
N.M.P.M., EDDY COUNTY, NEW MEXICO.

BASIN SURVEYS P.O. BOX 1786-HOBBS, NEW MEXICO

W.O. Number: 8509

Drawn By: K. GOAD

Date: 11-25-98

Disk: KJG #119 - 8509A.DWG

Survey Date: 11-24-98

Sheet

Sheets