



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 dark ink, appearing to read "R.L. Orth", written in a cursive style.

R.L. Orth  
Engineering Technician Advisor  
Permian Asset Group

Attachment

