



OXY USA Inc.

P.O. Box 50250, Midland, TX 79710-0250
April 10, 2000

United States Department of the Interior
Bureau of Land Management
Roswell District Office
2909 West Second Street
Roswell, New Mexico 88201

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Re: Application for Permit to Drill
OXY USA Inc.
OXY Bad Dog Federal #1
Eddy County, New Mexico
Lease No. LC045254

Gentlemen:

OXY USA Inc. respectfully requests permission to drill our OXY Bad Dog Federal #1 located 1650 FNL and 990 FWL of Section 28, T16S, R27E, Eddy County, New Mexico, Federal Lease No. LC045254. The proposed well will be drilled to a TD of approximately 8900' (TVD). The location and work area has been staked. It is approximately 6 miles northwest of Artesia, New Mexico.

In accordance with requirements stipulated in Federal Onshore Oil and Gas Order No. 1 under 43 CFR 3162.1, our Application for Permission to Drill and supporting evidence is hereby submitted.

I. Application for Permit to Drill:

1. Form 3160.3, Application for Permit to Drill.
2. Form C-102 Location and Acreage Dedication Plat certified by Gary L. Jones, Registered Land Surveyor No. 7977 in the State of New Mexico, dated February 23, 2000.
3. The elevation of the unprepared ground is 3495 feet above sea level.
4. The geologic name of the surface formation is Permian Rustler.
5. Rotary drilling equipment will be utilized to drill the well to TD 8900' (TVD), and run casing. This equipment will then be rigged down and the well will be completed with a pulling unit.
6. Proposed total depth is 8900' TVD.
7. Estimated tops of important geologic markers.

Wolfcamp	6000' TVD
Strawn	8200' TVD
Atoka	8400' TVD
Morrow	8600' TVD

8. Estimated depths at which anticipated water, oil, gas or other mineral bearing formations are expected to be encountered:

Primary Objective:	Morrow	8600' TVD
Secondary Objective:	Atoka	8400' TVD

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