

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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

APPLICATION FOR PERMIT TO DRILL OR REENTER

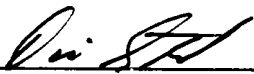
1a. Type of Work <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER		5. Lease Serial No. LC-029395-A
1b. Type of Well <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input checked="" type="checkbox"/> Single Zone <input type="checkbox"/> Multiple Zone		6. If Indian, Allottee or Tribe Name
2. Name of Operator OXY USA WTP Limited Partnership		7. Unit or CA Agreement Name and No. 30587
3a. Address P.O. Box 50250 Midland, TX 79710-0250	3b. Phone No. (include area code) 915-685-5717	8. Lease Name and Well No. OXY Cherry Vanilla Federal #1
4. Location of Well (Report location clearly and in accordance with any State requirements)* At surface 1980 FNL 860 FEL SENE(H) At proposed prod. zone		9. API Well No. 30-015- 32463
14. Distance in miles and direction from nearest town or post office* 7 miles northeast from Logo Hills, NM		10. Field and Pool, or Exploratory Undsg. Cedar Lake, N. Morrow
15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drg. unit line, if any) 860'	16. No. of Acres in lease 320	11. Sec., T., R., M., or Blk. and Survey or Area Sec 19 T17S R31E
18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. N/A	19. Proposed Depth 12400'	12. County or Parish Eddy
21. Elevations (Show whether DF, KDB, RT, GL, etc.) 3618'		13. State NM
22. Approximate date work will start* 11/4/02		17. Spacing Unit dedicated to this well 320
23. Estimated duration 30 days		20. BLM/BIA Bond No. on file 9312774

24. Attachments

Koswell Controlled Water Basin

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. | 4. Bond to cover the operations unless covered by an existing bond on file (see Item 20 above). |
| 2. A Drilling Plan | 5. Operator certification. |
| 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). | 6. Such other site specific information and/or plans as may be required by the authorized officer. |

25. Signature 	Name (Printed/Typed) David Stewart	Date 8/30/02
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Title

Sr. Regulatory Analyst

Approved by (Signautre) /s/ Mary J. Rugwell	Name (Printed/Typed) /s/ Mary J. Rugwell	Date OCT 03 2002
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Title

FOR

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 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.

*(Instructions on Reverse)

**APPROVAL SUBJECT TO
GENERAL REQUIREMENTS AND
SPECIAL STIPULATIONS
ATTACHED**

OXY Cherry Vanilla Federal Com #1
1980 FNL 860 FEL SEC 19 T17S R31E Eddy County, NM
Federal Lease No. LC-029395-A

PROPOSED TD: 12400' TVD

BOP PROGRAM: 0' - 625' None

625' - 4500' 13-3/8" 3M annular preventer, to be used as
divertor only.

4500' - 12400' 11" 5M blind pipe rams with 5M annular
preventer and rotating head below 8500'.

CASING: Surface: 13-3/8" OD 48# H40 ST&C new casing set at 625'
Intermediate: 9-5/8" OD 36# HCK/K55 ST&C new casing from 0-4500'
Production: 5-1/2" OD 17# N80-HP110 LT&C new casing from 0-12400'
N80-0-8800' HP110-8800-12400'

CEMENT: Surface - Circulate cement with 200sx 35:65 POZ/C with 6% Bentonite
+ 2% CaCl₂ + .25#/sx Cello-Seal followed by 200sx Cl C with 2% CaCl₂.

Intermediate - Circulate cement with 1100sx 35:65 POZ/C with 6%
Bentonite + 2% CaCl₂ + .25#/sx Cello-Seal followed by 200sx Cl C
with 2% CaCl₂.

Production - Cement with 1300sx 15:61:11 POZ/C/CSE with .5% FL-52
+ .5% FL-25 + 8#/sx Gilsonite followed by 100sx Cl C with .7%
FL-25. Estimated top of cement is 6500'.

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

MUD: 0-625' Fresh water/native mud. Lime for pH control
(9-10). Paper for seepage.
Wt 8.7-9.2 ppg, Vis 32-34 sec

625'-4500' 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.

4500'-9500' Fresh water. Lime for pH control(9-9.5). Paper
for seepage.
Wt 8.3-8.5 ppg, Vis 28-29 sec

9500'-11000' Cut brine. Lime for pH control (10-10.5).
Wt 9.6-10.0 ppg, Vis 28-29sec

11000'-12400' Mud up with an Duo Vis/Flo Trol mud system.
Wt 9.6-10.0ppg, Vis 32-36sec, WL<10cc

DISTRICT I
1625 N. French Dr., Hobbs, NM 88240

DISTRICT II
811 South First, Artesia, NM 88210

DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

DISTRICT IV
2040 South Pacheco, Santa Fe, NM 87506

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-102
Revised March 17, 1999

Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

OIL CONSERVATION DIVISION

2040 South Pacheco
Santa Fe, New Mexico 87504-2088

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-015-	Pool Code 74600	Pool Name Cedar Lake, North Morrow (Gas)
Property Code	Property Name OXY CHERRY VANILLA FEDERAL COM	Well Number 1
OGRID No. 192463	Operator Name OXY USA WTP, L.P.	Elevation 3618'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
H	19	17 S	31 E		1980	NORTH	860	EAST	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 320	Joint or Infill N	Consolidation Code	Order No.
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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

<p>Lat - N32°49'18.6" Lon - W103°54'11.6"</p>	<p>OPERATOR CERTIFICATION</p> <p>I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief.</p> <p><i>David Stewart</i> Signature</p> <p>David Stewart Printed Name</p> <p>Sr. Regulatory Analyst Title</p> <p>8/30/02 Date</p>	
	<p>SURVEYOR CERTIFICATION</p> <p>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.</p> <p>AUGUST 26, 2002 Date Surveyed</p> <p><i>[Signature]</i> Signature & Seal of Professional Surveyor</p> <p>W.O. No. 2703</p> <p>Certificate No. Gary L. Jones 7977</p> <p>BASIN SURVEYS</p>	

1. Devon Energy Prod. Co. LP - Turner A 35W - 3001520097 - TD 3635'
2. Sinclair - Turner A 16 - 3001505241 - TD 1927'
3. Devon Energy Prod. Co. LP - Turner A 50 - 3001528772 - TD 3775'
4. ARCO - Turner A 20 - 3001505245 - TD 1935'
5. Devon Energy Prod. Co. LP - Turner A 51 - 3001528758 - TD 3665'

N.M. Oil Cons. DIV-Dist 2
1301 W. Grand Avenue
Artesia, NM 88210 *L-2*

OXY USA WTP Limited Partnership
P.O. Box 50250, Midland, TX 79710-0250

August 30, 2002

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

Re: Application for Permit to Drill
OXY USA WTP Limited Partnership
OXY Cherry Vanilla Federal #1
Eddy County, New Mexico
Lease No. LC-029395-A

Gentlemen:

OXY USA WTP Limited Partnership respectfully requests permission to drill our OXY Cherry Vanilla Federal #1 located 1980 FNL and 860 FEL of Section 19, T17S, R31E, Eddy County, New Mexico, Federal Lease No. LC-029395-A. The proposed well will be drilled to a TD of approximately 12400' (TVD). The location and work area has been staked. It is approximately 7 miles northeast of Loco Hills, 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 August 26, 2002.
3. The elevation of the unprepared ground is 3618 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 12400' (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 12400' TVD.
7. Estimated tops of important geologic markers.

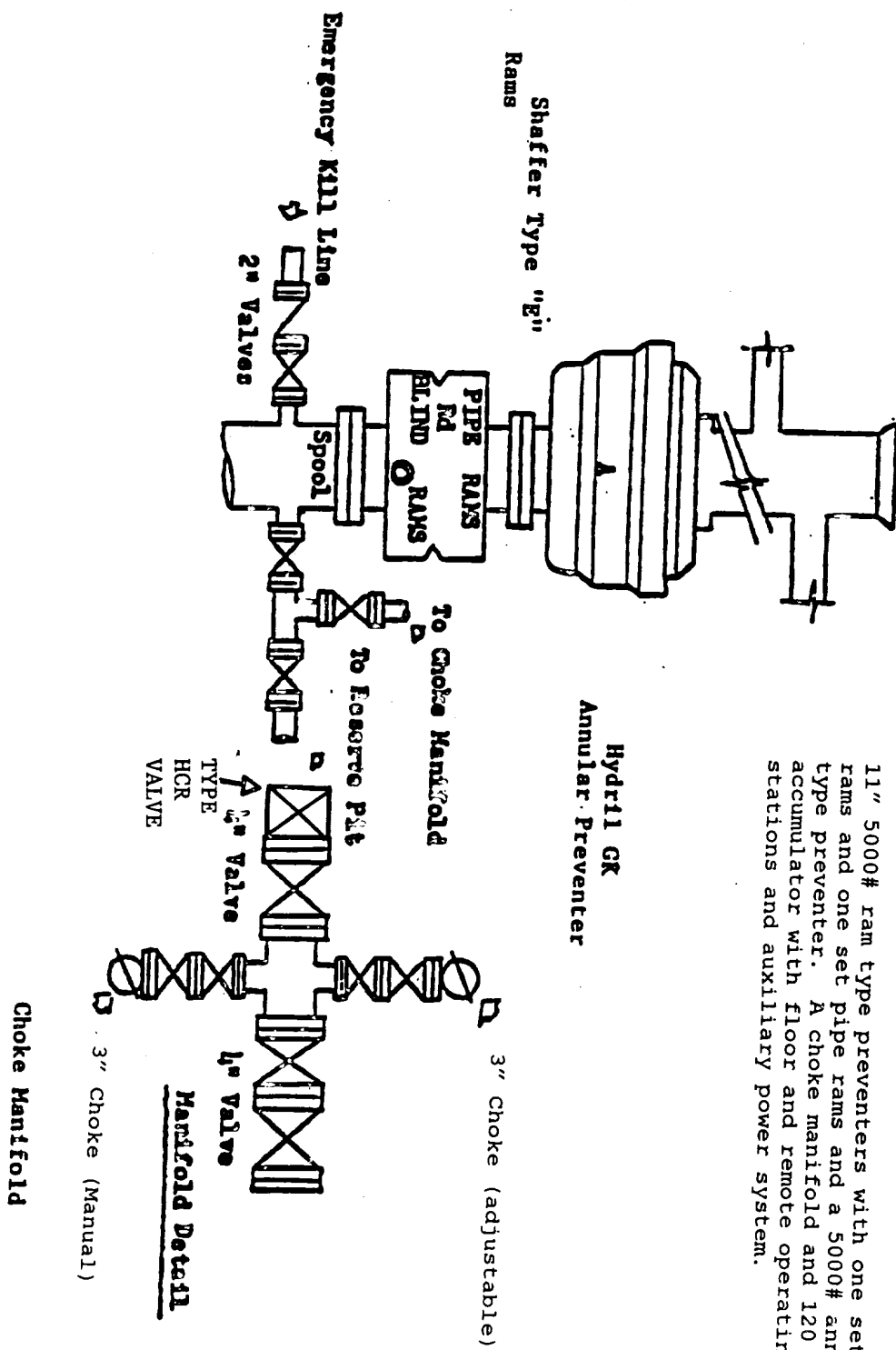
Wolfcamp	8200' TVD
Strawn	10500' TVD
Atoka	10750' TVD
Morrow	11050' TVD

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

Primary Objective:	Morrow	11050' TVD
Secondary Objective:	Atoka	10750' TVD

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.

MULTI-POINT SURFACE USE AND OPERATIONS PLAN

OXY USA WTP Limited Partnership
OXY Cherry Vanilla Federal #1
Eddy County, New Mexico
Lease No. LC-029395-A

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. Geo-Marine Inc. 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 "Red Lake, SE 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 junction of USH 82 & CR 217, go east on USH 82 approximately 5 miles to a lease road. Go northeast on lease road for .25 mile, then northwest for .1 mile, then west .3 mile to a point on the proposed well pad.

2. Planned Access Road

- A. No new access road will be built. Exhibit B.
- B. Surfacing material: N/A
- C. Maximum Grade: N/A
- D. Turnouts: N/A
- E. Drainage Design: N/A
- F. Culverts: N/A
- G. Cuts and Fills: Leveling the location will require minimal cuts or fills.
- H. Gates or Cattleguards: N/A

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

Multi-Point Surface Use and Operations Plan
OXY Cherry Vanilla Federal #1

Page 2

4. Location of Existing and/or Proposed Facilities

- A. If the well is productive, production facilities will be constructed on the well pad. The facility will consist of a stack pack, one 300 bbl oil tank and one 300 bbl fiberglass water tank. All permanent above ground facilities will be painted in accordance with the BLM's painting guidelines simulating the color of sandstone brown.
- B. All site security guidelines identified in 43 CFR 3162.7 regulations will be adhered to and a site security plan will be submitted for the OXY Cherry Vanilla Federal #1 tank battery. All product lines entering and leaving hydrocarbon storage tanks will be effectively sealed.

5. Location and Type of Water Supply

Fresh water and brine water will be used to drill this well. It will be purchased from a supply in Loco Hills and transported to the well site.

6. Source of Construction Materials

Caliche for surfacing the well pad will be obtained from a Federal pit located in Section 12, T20S, R27E, Eddy County, New Mexico.

7. Method of Handling Waste Disposal

- A. Drill Cuttings will be disposed of in drilling pits.
- B. Drilling fluids will be allowed to evaporate in the drilling pits until pits are dry.
- C. Water produced during tests will be disposed of in the drilling pits. Oil produced during tests will be stored in test tanks until sold.
- D. Current laws and regulations pertaining to the disposal of human waste will be complied with.
- E. Trash, waste paper, garbage and junk will be collected in steel trash bins and removed after drilling and completion operations are completed. All waste material will be contained to prevent scattering by the wind.
- F. All trash and debris will be removed from the wellsite within 30 days after finishing drilling and/or completion operations.

8. Ancillary Facilities

- A. None needed.

9. Wellsite Layout

- A. The location and dimensions of the well pad, mud pits, reserve pit and location of major rig components are shown on the well site layout sketch. The V-door will be to the east and the pits to the north. Exhibit D.
- B. Leveling of the wellsite will be required with minimal cuts or fills anticipated.

- C. The reserve pit will be plastic lined.
 - D. While constructing the pits and material is encountered at a depth which would not allow the pits to meet the BLM stipulations without blasting, OXY requests a variance. There will be an adequate amount of material to reclaim the pit per the stipulations.
 - E. The pad and pit area have been staked and flagged.
10. Plans for Restoration of the Surface
- A. After completion of drilling and/or completion operations, all equipment and other materials not needed for operations will be removed.
 - B. Pits will be filled and location cleaned of all trash and junk to leave the well site in as aesthetically pleasing condition as possible. Any plastic material used to line the pits or sumps will be cut off below ground level as far as possible and disposed of before the pits are covered. All unattended pits containing liquid will be fenced and the liquid portion allowed to evaporate before the pits are broken and backfilled.
 - C. After abandonment of the well, surface restoration will be in accordance with the land owner. This will be accomplished as expeditiously as possible. Barring unforeseen problems, all pits will be filled and leveled within 90 days after abandonment.
11. Surface Ownership
- The wellsite is on federal owned surface. The surface is leased to: Charles Martin Inc., P.O. Box 706, Artesia, NM 88210. They will be notified of our intention to drill prior to any activity.
12. Other Information
- A. Topography: The location is a flat plain. GL elevation is 3618'.
 - B. Soil: Sandy clay loams.
 - C. Flora and Fauna: The vegetative cover is generally sparse consisting of mesquite, yucca, shinnery oak, sandsage and perennial native range grasses. Wildlife in the area is also sparse consisting of coyotes, rabbits, rodents, reptiles, dove and quail.
 - D. Ponds and Streams: There are no rivers, streams, lakes or ponds in the area.
 - E. Residences and Other Structures: There are no occupied dwellings within a 2 miles radius of the location.
 - F. Archaeological, Historical and Cultural Sites: Cultural resources have been recorded in the area. Geo-Marine Inc. will be engaged to make an archaeological reconnaissance of the work area.
 - G. Land Use: Cattle ranching.

Multi-Point Surface Use and Operations Plan
OXY Cherry Vanilla Federal #1
Page 4

- H. The well site, if a producer, will be maintained and kept clean of all trash and litter which detracts from the surrounding environment. Equipment will be maintained in accordance with good operating practice.
- I. After the wellsite is cleaned and pits and sumps backfilled, any obstruction to the natural drainage will be corrected by ditching or terracing. All disturbed areas, including any access road no longer needed, will be ripped. Those areas will be reseeded with grass if, in the opinion of the land owner, it is required.

13. Operator's Representatives and Certification

The field representative responsible for assuring compliance with the approved surface use and operations plan are as follows:

John Erickson
Production Coordinator
P.O. Box 69
Hobbs, New Mexico 88240
Office Phone: 505-393-2174
Cellular: 505-390-6426

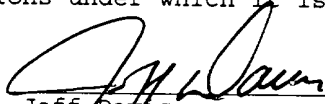
Joe Fleming
Drilling Coordinator
P.O. Box 50250
Midland, TX 79710-0250
Office Phone: 915-685-5858

Calvin C. (Dusty) Weaver
Operation Specialist
P.O. Box 2000
Levelland, TX 79336
Office Phone: 806-229-9467
Cellular: 806-893-3067

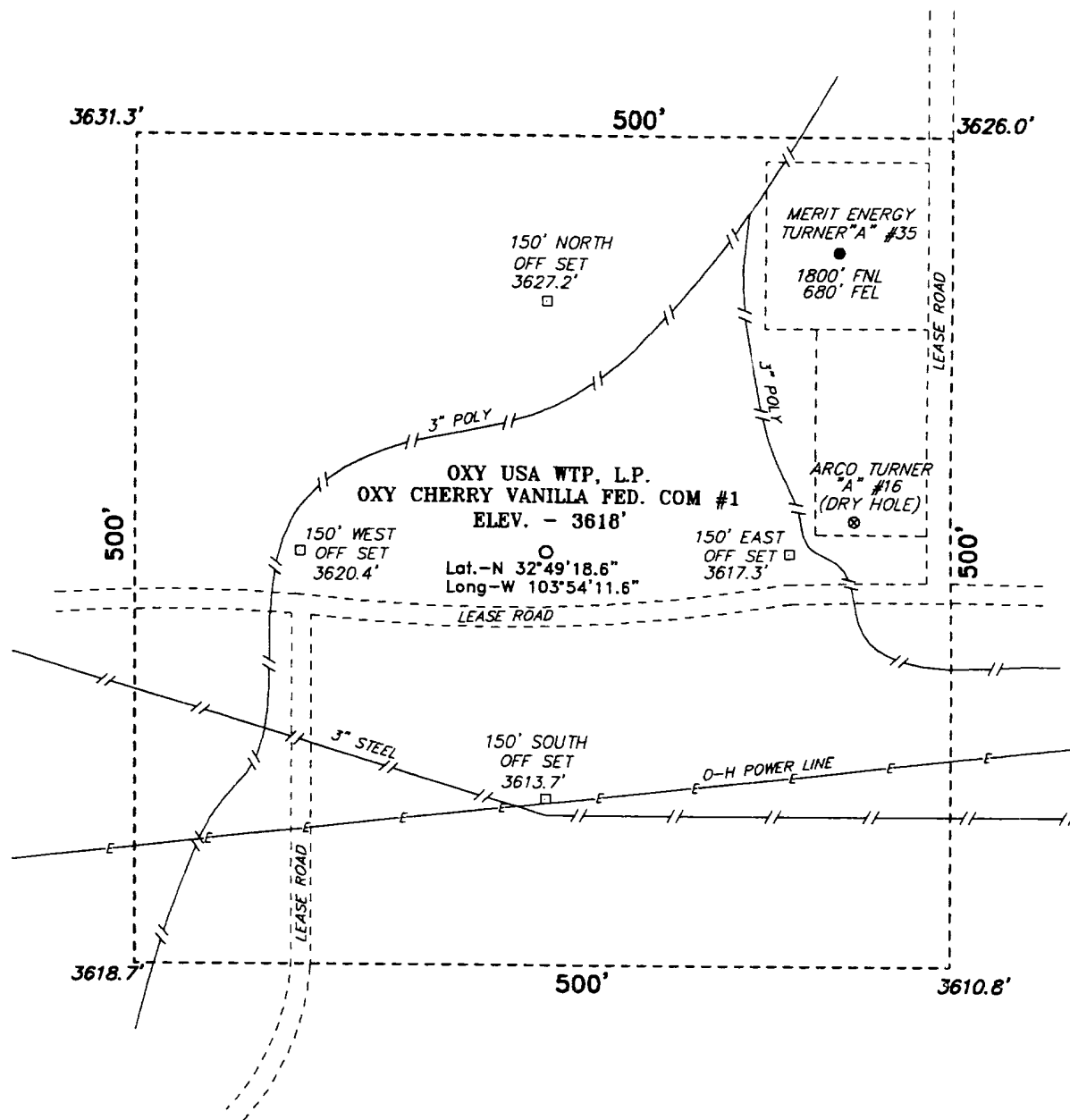
Terry Asel
Operation Specialist
1017 W. Stanolind Rd.
Hobbs, NM 88240
Office Phone: 505-397-8217
Cellular: 505-631-0393

I hereby certify that I, or persons under my direct supervision, have inspected the proposed drill site and access route; that I am familiar with the conditions which presently exist; that the statements made in this plan are, to the best of my knowledge, true and correct; and, that the work associated with the operations proposed herein will be performed by OXY USA WTP Limited Partnership and its contractors and sub-contractors in conformity with this plan and the terms and conditions under which it is approved.

8/30/02
DATE

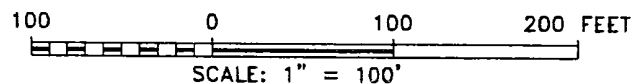

Jeff Davis
Sr. Engineering Technician
915-685-5710
South Permian Asset Team
OXY USA WTP Limited Partnership

**SECTION 19, TOWNSHIP 17 SOUTH, RANGE 31 EAST, N.M.P.M.,
EDDY COUNTY, NEW MEXICO.**



Directions to Location:

FROM THE JUNCTION OF US HWY 82 AND CO. RD. 217 IN LOCO HILLS, GO EAST ON HWY 82 FOR APPROX. 5.0 MILES TO A LEASE ROAD; THENCE NORTHEASTERLY ON LEASE ROAD FOR APPROX. 0.25 MILE; THENCE NORTHWEST FOR APPROX. 0.1 MILE; THENCE WEST FOR APPROX. 0.3 MILE TO A POINT ON THE PROPOSED WELL PAD.



OXY USA WTP, L.P.

REF: OXY CHERRY VANILLA FED. COM #1 / Well Pad Topo

THE OXY CHERRY VANILLA FED. COM No. 1 LOCATED 1980' FROM THE NORTH LINE AND 860' FROM THE EAST LINE OF SECTION 19, TOWNSHIP 17 SOUTH, RANGE 31 EAST, N.M.P.M., EDDY COUNTY, NEW MEXICO.

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

W.O. Number: 2703

Drawn By: K. GOAD

Date: 08-27-2002

Disk: KJG CD#5 - 2703A.DWG

Survey Date: 08-26-2002

Sheet 1 of 1 Sheets



OXY CHERRY VANILLA FED. COM #1
 Located at 1980' FNL and 860' FEL
 Section 19, Township 17 South, Range 31 East,
 N.M.P.M., Eddy County, New Mexico.

basin
surveys

focused on excellence
 in the oilfield

P.O. Box 1786
 1120 N. West County Rd.
 Hobbs, New Mexico 88241
 (505) 393-7316 - Office
 (505) 392-3074 - Fax
 basinsurveys.com

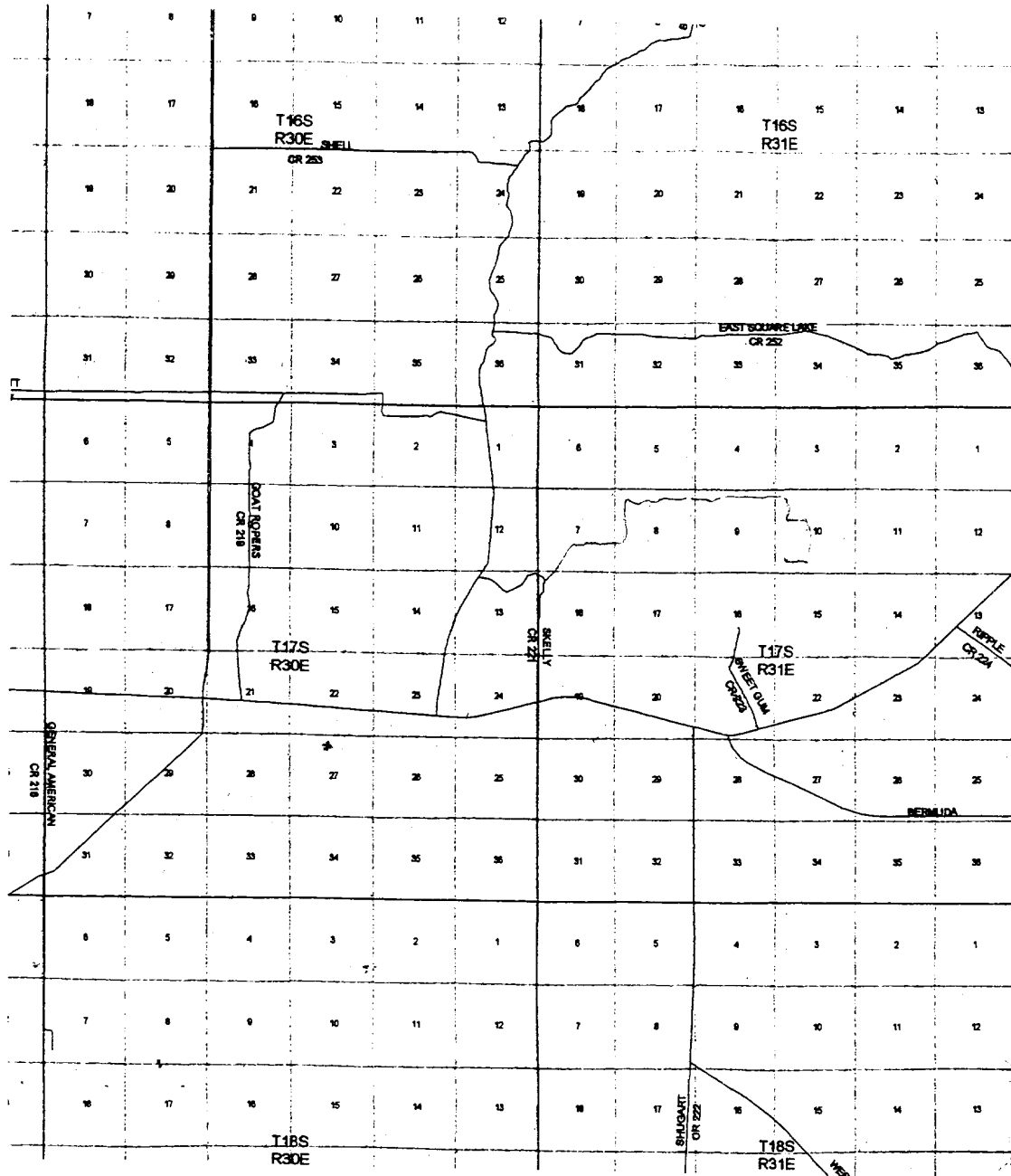
A.O. Number: 2703AA - KOC CD#4

Survey Date: 08-26-2002

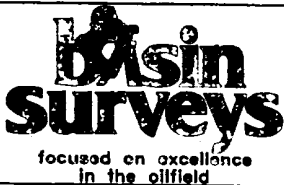
Scale: 1" = 2000'

Date: 08-27-2002

OXY USA
WTP, L.P.



OXY CHERRY VANILLA FED. COM #1
 Located at 1980' FNL and 860' FEL
 Section 19, Township 17 South, Range 31 East,
 N.M.P.M., Eddy County, New Mexico.



P.O. Box 1786
 1120 N. West County Rd.
 Hobbs, New Mexico 88241
 (505) 393-7316 - Office
 (505) 392-3074 - Fax
 basin-surveys.com

W.O. Number: 2703AA - KJG CD#4

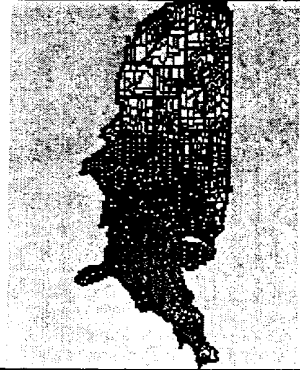
Survey Date: 08-26-2002

Scale: 1" = 2 MILES

Date: 08-27-2002

OXY USA
 WTP, L.P.

OXY Cherry Vanilla Federal #1



- Legend**
- ☐ State Outlines
 - ☐ County Outlines
 - ☐ IHS Well Locations
 - ☐ Dry Hole, Temp Aband
 - ☐ Oil
 - ☐ Gas
 - ☐ Oil Muds Comp
 - ☐ Gas Muds Comp
 - ☐ Gas Oil
 - ☐ Junk & Abandoned
 - ☐ Injection
 - ☐ Location
 - ☐ Suspended
 - ☐ Well Start
 - ☐ Other
 - ☐ Township Outlines
 - ☐ Township Labels
 - ☐ Section Outlines
 - ☐ Section Labels

