


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-049998A
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 192463		7. Unit or CA Agreement Name and No. 31052
3a. Address P.O. Box 50250 Midland, TX 79710-0250		8. Lease Name and Well No. OXY Pistachio RSG Federal #1
3b. Phone No. (include area code) 915-685-5717		9. API Well No. 30-015-32580
4. Location of Well (Report location clearly and in accordance with any State requirements)* At surface 660 FNL 660 FEL NENE(A) At proposed prod. zone		10. Field and Pool, or Exploratory Undsg. Cedar Lake. N. Morrow
14. Distance in miles and direction from nearest town or post office* 7 miles northeast from Loco Hills, NM		11. Sec., T., R., M., or Blk. and Survey or Area Sec 17 T17S R31E
15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drg. unit line, if any) 660'	16. No. of Acres in lease 320	12. County or Parish Eddy
17. Spacing Unit dedicated to this well 320	13. State NM	
18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. N/A	19. Proposed Depth 12400'	20. BLM/BIA Bond No. on file 9312774
21. Elevations (Show whether DF, KDB, RT, GL, etc.) 3764'	22. Approximate date work will start* 1/15/03	23. Estimated duration 30 days

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 12/9/02
--	---------------------------------------	-----------------

Title

Sr. Regulatory Analyst

Approved by (Signature) /S/ JOE G. LARA	Name (Printed/Typed) /S/ JOE G. LARA	Date JAN 9 2003
---	--	--------------------

Title

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.

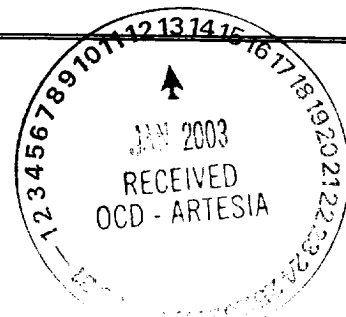
Conditions of approval, if any, are attached.

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 Pistachio RSG Federal #1
660 FNL 660 FEL SEC 17 T17S R31E Eddy County, NM
Federal Lease No. LC-049998A

PROPOSED TD: 12400' TVD

BOP PROGRAM: 0' - 400' None
400' - 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 400'
Intermediate: 9-5/8" OD 36# HCK/K55-ST&C new casing from 0-4500'
Production: 5-1/2" OD 17# N80-S95 LT&C new casing from 0-12400'
L80-0-8800' S95-8800-12400'

CEMENT: Surface - Circulate cement with 160sx 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 800sx 35:65 POZ/C with 6%
Bentonite + 2% CaCl₂ + .25#/sx Cello-Seal followed by 200sx Cl C
with 2% CaCl₂.
Production - Cement with 1200sx 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 - 400' Fresh water/native mud. Lime for pH control
(9-10). Paper for seepage.
Wt 8.7-9.2 ppg, Vis 32-34 sec
400' - 4500' Fresh/*Brine water. Lime for pH control
(10.0-10.5). Paper for seepage.
Wt 8.3-9.0/10.0-10.1 ppg, 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