Form 3160-3
(July 1992)

N.M. Oil Con. Div-Dist. 2
1301 W. Grand Avenue
Artesia, NM 88210

SUBMIT IN TRIPLICATE (Other instructions on reverse side)

FORM APPROVED
OMB NO. 1004-0136
Expires: February 28, 1995

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

5. LEASE DESIGNATION AND SERIAL NO.: NM-029395-B

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

1a. TYPE OF WORK: DRILL [X] DEEPEN [ ]

7. UNIT AGREEMENT NAME: 29681

b. TYPE OF WELL: OIL WELL [ ] GAS WELL [X] OTHER — SINGLE ZONE [X] MULTIPLE ZONE [ ]

8. FARM OR LEASE NAME, WELL NO.: OXY Jamoca Federal 1

2. NAME OF OPERATOR: OXY USA WTP Limited Partnership 192463 192463

9. API WELL NO.: 30-015- 32265

3. ADDRESS AND TELEPHONE NO.: P.O. Box 50250, Midland, TX 79710-0250 915-685-5717

10. FIELD AND POOL, OR WILDCAT: Undsg. Cedar Lake Morrow, N.

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.*)
At surface: 900 FNL 660 FEL NENE(A)
At proposed prod. zone

11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA: Sec 29 T17S R31E

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*: 6 miles northeast of Loco Hills, NM

12. COUNTY OR PARISH: Eddy

13. STATE: NM

15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if any)	16. NO. OF ACRES IN LEASE	17. NO. OF ACRES ASSIGNED TO THIS WELL
660'	320	320
18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT.	**19. PROPOSED DEPTH**	**20. ROTARY OR CABLE TOOLS**
N/A	12100'	R

21. ELEVATIONS (Show whether DF,RT, GR, etc.): 3754'

22. APPROX. DATE WORK WILL START*: 5/31/02

23. PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	GRADE, SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
17-1/2"	13-3/8" H40	48#	~~500'~~ 400'	350sx - circulate WITNESS
12-1/4"	9-5/8" HCK/K55	36#	4500'	1300sx - circulate
8-3/4"	5-1/2" L80/P110	17#	12100'	1300sx - EST TOC 6500'

APR 2002
RECEIVED
OCD - ARTESIA

Roswell Controlled Water Basin

SEE OTHER SIDE

Approval Subject to General Requirements and Special Stipulations Attached

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen, give data on present productive zone and proposed new productive zone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program, if any.

24.

SIGNED _____ TITLE Sr. Regulatory Analyst DATE 3/13/02

(This space for Federal or State office use)

PERMIT NO. _____ APPROVAL DATE _____

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:

APPROVED BY /s/ LESLIE A. THEISS TITLE FIELD MANAGER DATE APR 15 2002

*See Instructions On Reverse Side

APPROVAL FOR 1 YEAR

Title 18 U.S.C. Section 1001, makes 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.

OXY Jamoca Federal #1
900 FNL 660 FEL SEC 29 T17S R31E Eddy County, NM
Federal Lease No. LC-029395-B

PROPOSED TD: 12100' TVD

BOP PROGRAM:

0-500'	None
500-4500'	13-3/8" 3M annular preventer, to be used as divertor only.
4500-12100'	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 500'
17-1/2" hole

Intermediate: 9-5/8" OD 36# K55/HCK55 ST&C new casing from 0-4500'
12-1/4" hole

Production: 5-1/2" OD 17# L80/P110 LT&C new casing from 0-12100'
8-3/4" hole L80-9100' P110-3000'

CEMENT:

Surface - Circulate cement with 200sx 35:65 POZ/C with 6% Bentonite + 2% $CaCl_2$ + .25#/sx Cello-Seal followed by 150sx Cl C with 2% $CaCl_2$.

Intermediate - Circulate cement with 1100sx 35:65 POZ/C with 6% Bentonite + 2% $CaCl_2$ + .25#/sx Cello-Seal followed by 200sx Cl C with 2% $CaCl_2$.

Production - Cement with 1100sx 15:61:11 POZ/C/CSE with .5% FL-52 + .5% FL-25 + 8#/sx Gilsonite followed by 200sx Cl C with .7% FL-25. Estimated top of cement is 6500'.

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

MUD:

0-500'	Fresh water/native mud. Lime for pH control (9-10). Paper for seepage. Wt 8.7-9.2 ppg, Vis 32-34 sec
500-4500'	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.
4500-8500'	Fresh water. Lime for pH control(9-9.5). Paper for seepage. Wt 8.3-8.5 ppg, Vis 28-29 sec
8500-10400'	Cut brine. Lime for pH control (10-10.5). Wt 9.6-10.0 ppg, Vis 28-29sec
10400-12100'	Mud up with an Duo Vis/Flo Trol mud system. Wt 9.6-10.0ppg, Vis 32-36sec, WL<10cc

BUREAU OF LAND MANAGEMENT
ROSWELL OFFICE
2002 MAR 14 AM 9:31
RECEIVED

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 87505

State of New Mexico
Energy, Minerals and Natural Resources Department

OIL CONSERVATION DIVISION

2040 South Pacheco
Santa Fe, New Mexico 87504-2088

Form C-102
Revised March 17, 1999

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

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number	Pool Code	Pool Name
30-015-	74600	Undesignated Cedar Lake Morrow, North

Property Code	Property Name	Well Number
	OXY JAMOCA FEDERAL	1

OGRID No.	Operator Name	Elevation
192463	OXY USA WTP LP	3754

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
A	29	17 S	31 E		900	NORTH	660	EAST	EDDY

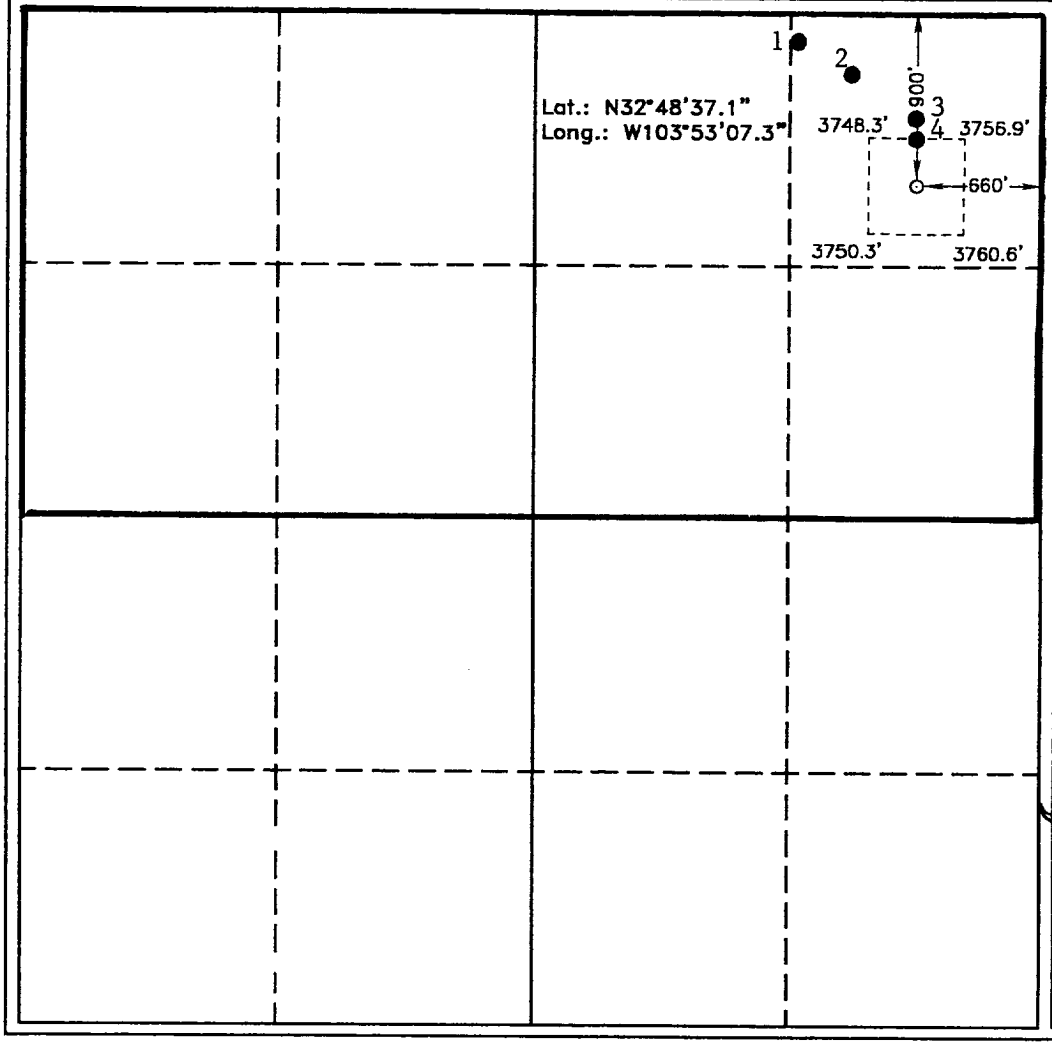
Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

Dedicated Acres	Joint or Infill	Consolidation Code	Order No.
320	N		

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

*See other side



OPERATOR CERTIFICATION

I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief.

Signature

David Stewart
Printed Name

Sr. Regulatory Analyst
Title

3/13/02
Date

SURVEYOR CERTIFICATION

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 supervison, and that the same is true and correct to the best of my belief.

SEPTEMBER 11, 2001
Date Surveyed
Signature & Seal of Professional Surveyor

W.O. No. 1379

Certificate No. Gary L. Jones 7977

JLP BASIN SURVEYS

Additional well in NENE(A) Sec 29 T17S R31E

1. Devon Energy	Turner B-91	140 FNL 1300 FEL	3001526603
2. ARCO O&G Corp.	Turner B-74	330 FNL 990 FEL	3001505456
3. Devon Energy	Turner B-59	560 FNL 660 FEL	3001505446
4. Socorro Petr. Co.	Turner B-22	660 FNL 660 FEL	3001505439

EXHIBIT A

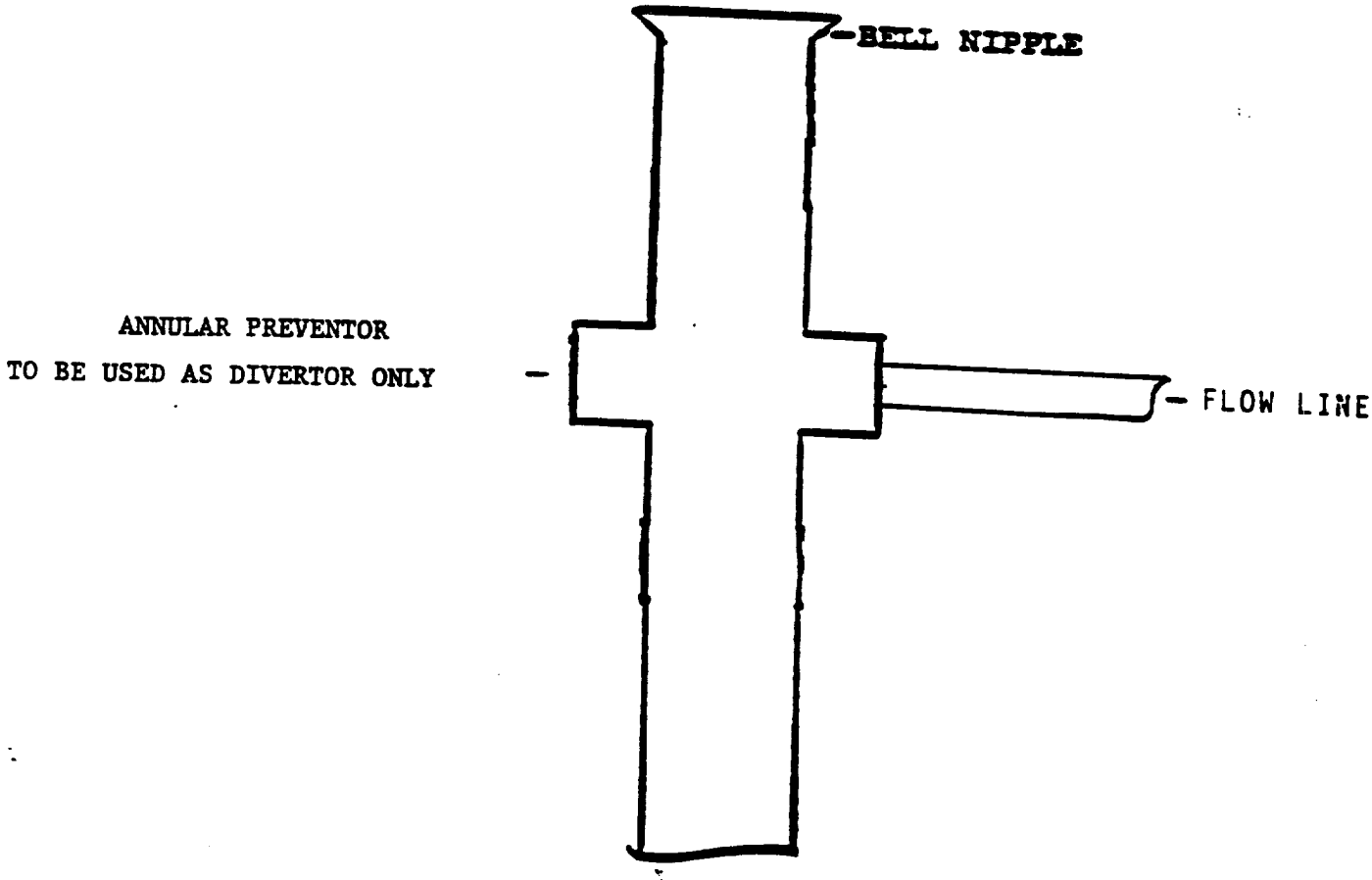
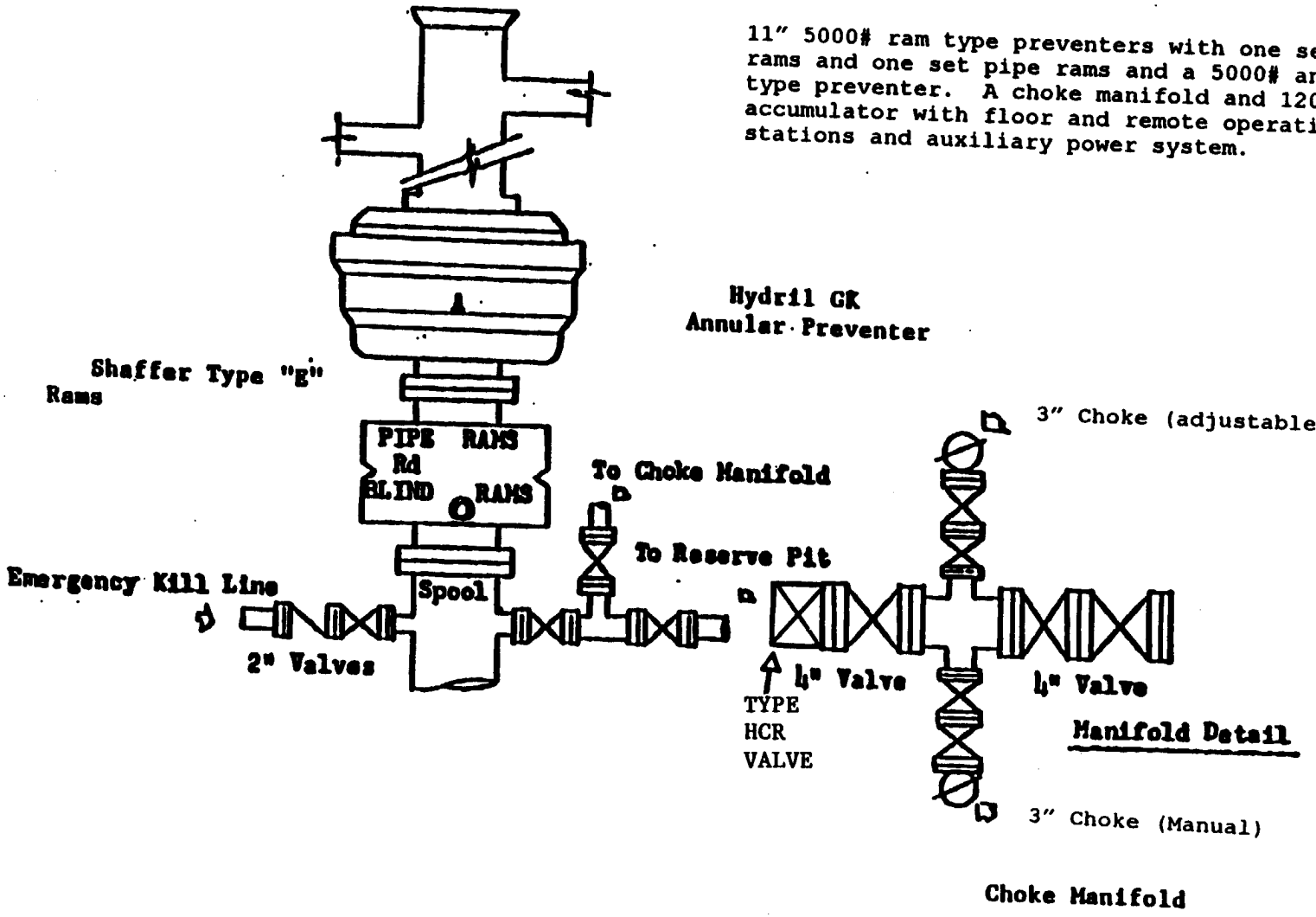

BELL NIPPLE
ANNULAR PREVENTOR
TO BE USED AS DIVERTOR ONLY
FLOW LINE
STARTING HEAD

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.

Choke Manifold

MULTI-POINT SURFACE USE AND OPERATIONS PLAN

OXY USA WTP Limited Partnership
OXY Jamoca Federal #1
Eddy County, New Mexico
Lease No. LC-029395-B

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 US Hwy 82 and SH 31, go south on SH 31 approximately 1400' to a lease road, go west on lease road 660' to the proposed location.

2. Planned Access Road

A. A new access road will be built. The access road will run approximately 84' south from an existing lease road to the location. Exhibit B.

B. Surfacing material: Six inches of caliche and water, compacted and graded.

C. Maximum Grade: Less than 3%.

D. Turnouts: None needed

E. Drainage Design: N/A

F. Culverts: None needed

G. Cuts and Fills: Leveling the location will require minimal cuts or fills.

H. Gates or Cattleguards: None required

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

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 Jamoca 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 west and the pits to the south. Exhibit D.

   B. Leveling of the wellsite will be required with minimal cuts or fills anticipated.

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

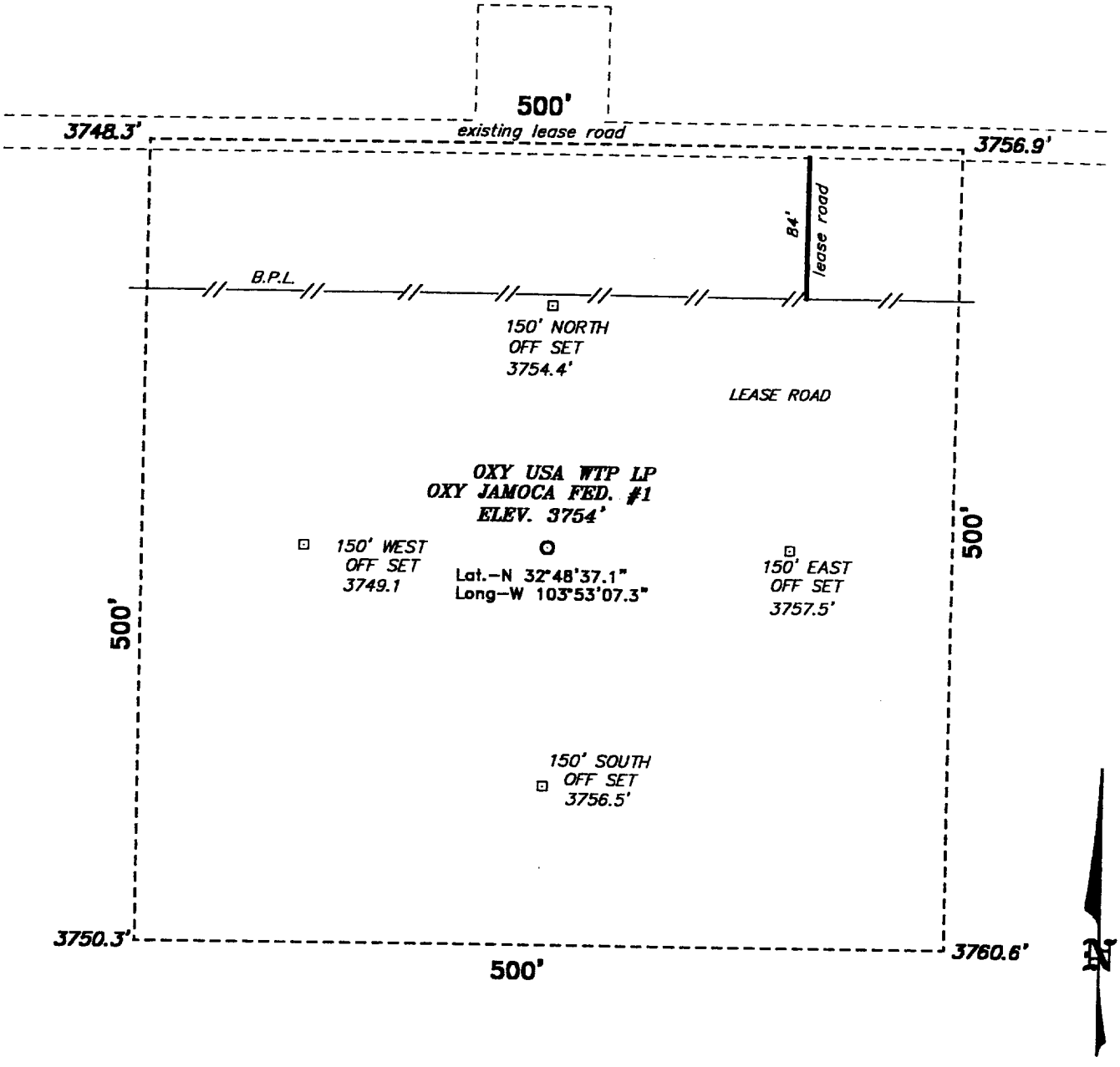
I hereby certify that I, or persons under my direct supervision, have inspected the proposed drill site and access route; that I am familiar with the conditions which presently exist; that the statements made in this plan are, to the best of my knowledge, true and correct; and, that the work associated 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.

3-13-02
DATE

Gary L. Womack
Operations Engineer
915-685-5772
South Permian Asset Team
OXY USA WTP Limited Partnership

EXHIBIT B

SECTION 29, TOWNSHIP 17 SOUTH, RANGE 31 EAST, N.M.P.M., EDDY COUNTY, NEW MEXICO.



100 0 100 200 FEET

SCALE: 1" = 100'

Directions to Location:

FROM THE INTERSECTION OF U.S. HWY 82 AND STATE HWY. 31 GO SOUTH ON 31 1400 FEET TO A LEASE ROAD WEST, THEN WEST ON LEASE ROAD 660 FEET TO LOCATION.

OXY USA WTP LP

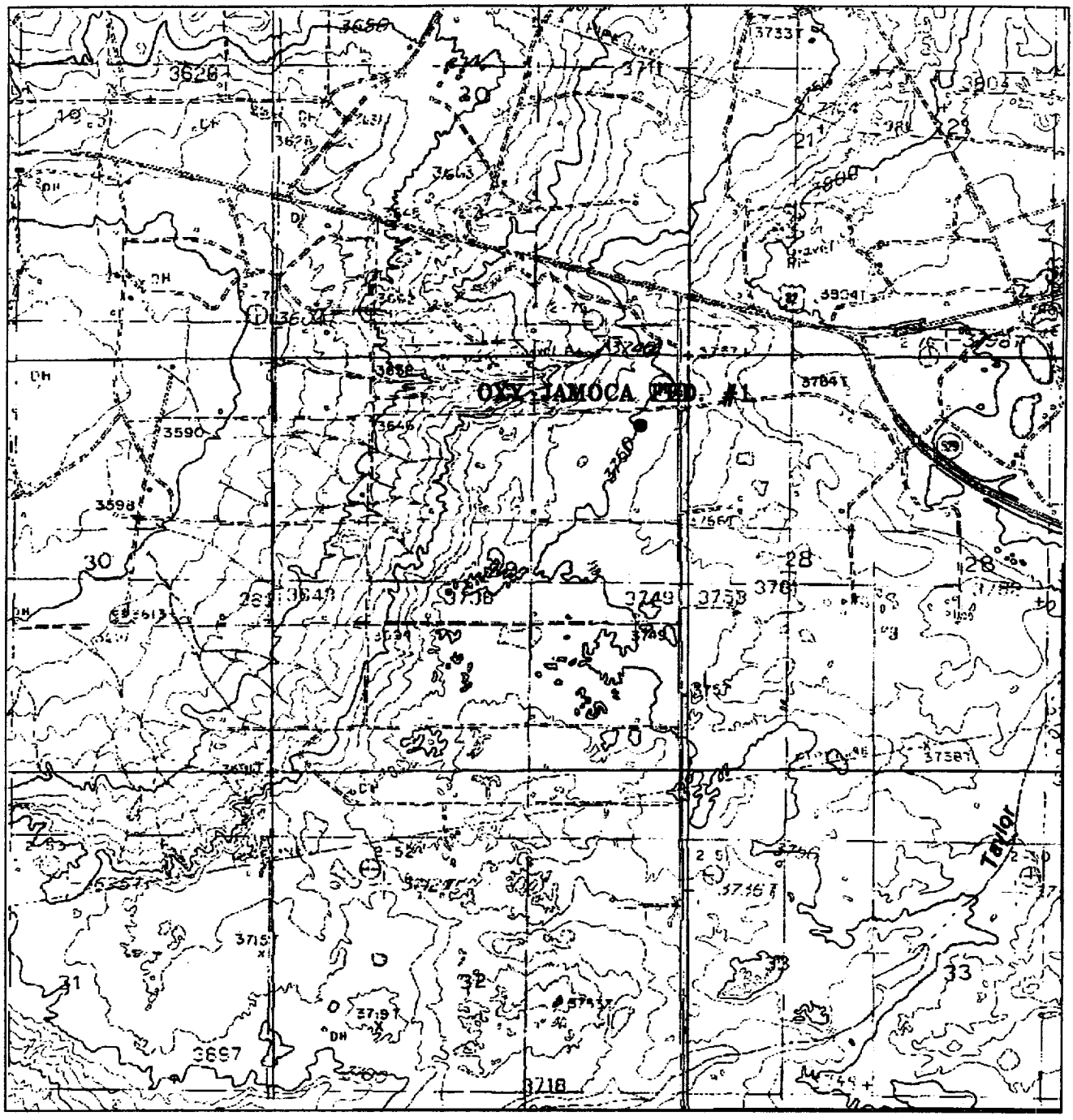
REF: Oxy Jamoca Fed. #1 / Well Pad Topo

THE OXY JAMOCA FED. No. 1 LOCATED 900' FROM THE NORTH LINE AND 660' FROM THE EAST LINE OF SECTION 29, 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: 1879	Drawn By: JAMES PRESLEY		
Date: 09/13/01	Disk: JLP #1 – 1879A.DWG	Survey Date: 09/11/01	Sheet 1 of 1 Sheets

EXHIBIT B



OXY JAMOCA FED. #1
Located at 900' FNL and 660' FEL
Section 29, Township 17 South, Range 31 East,
N.M.P.M., Eddy County, New Mexico.

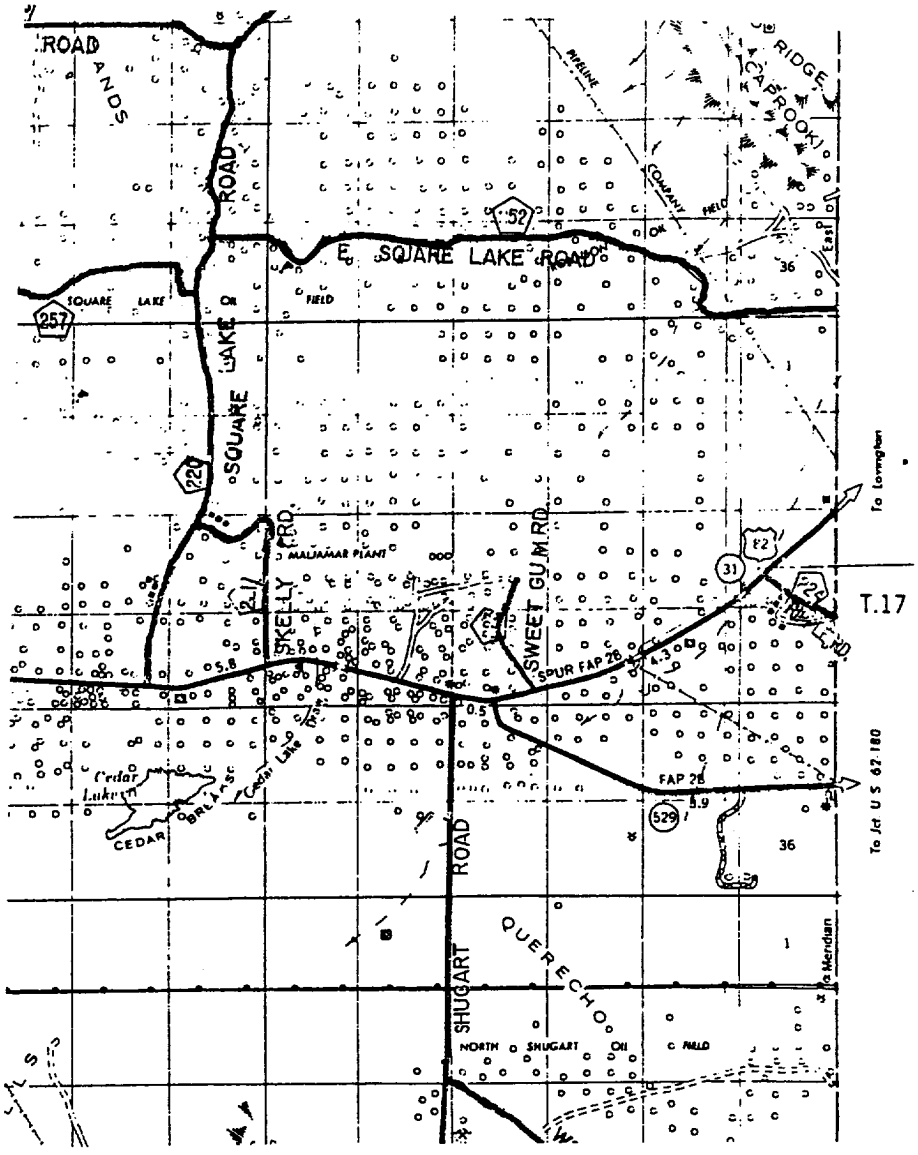
basin surveys
focused on excellence in the oilfield

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

W.O. Number:	1879AA - JLP #1
Survey Date:	09/10/01
Scale:	1" = 2000'
Date:	09/13/01

OXY USA INC.

EXHIBIT B



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OXY USA INC.

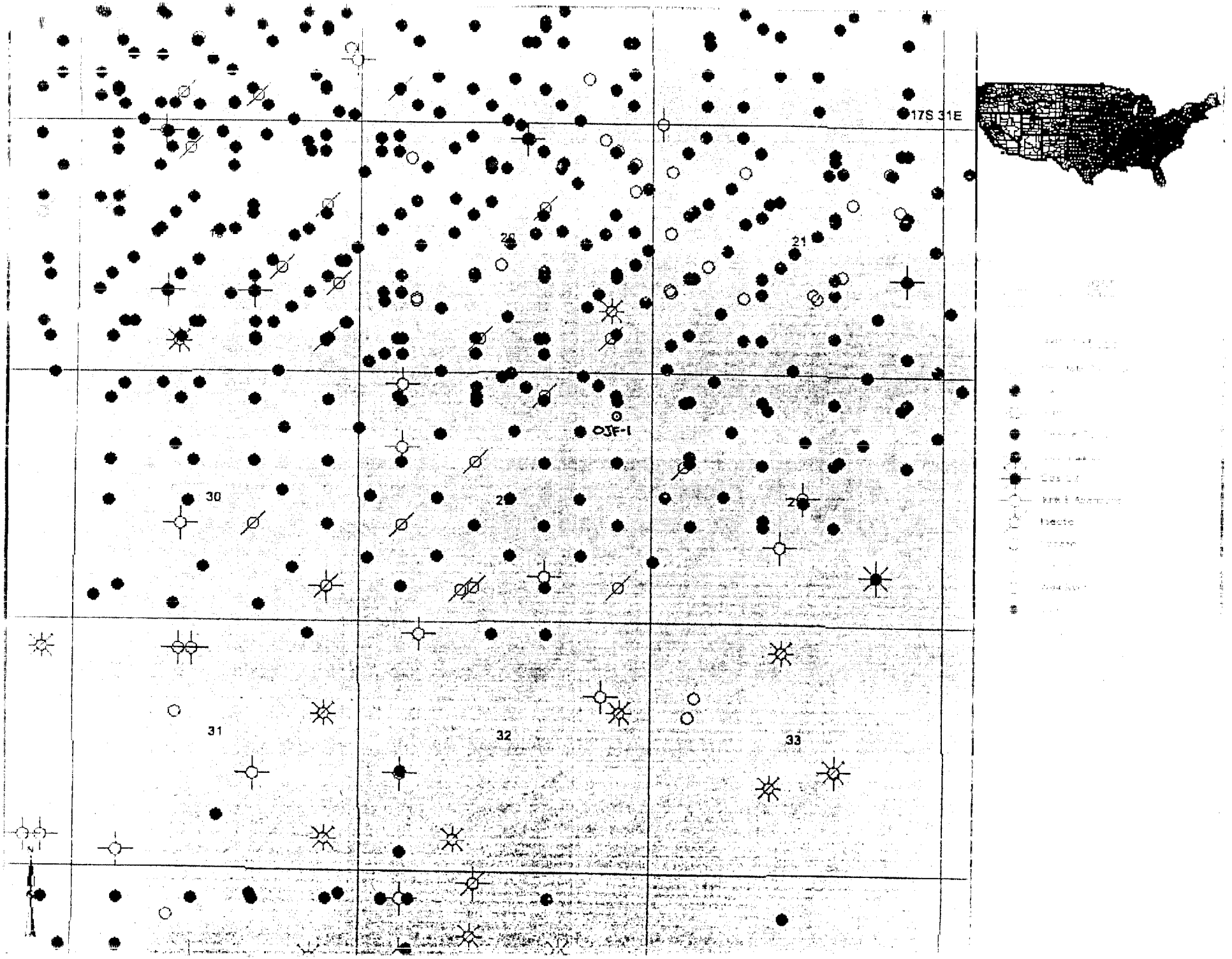
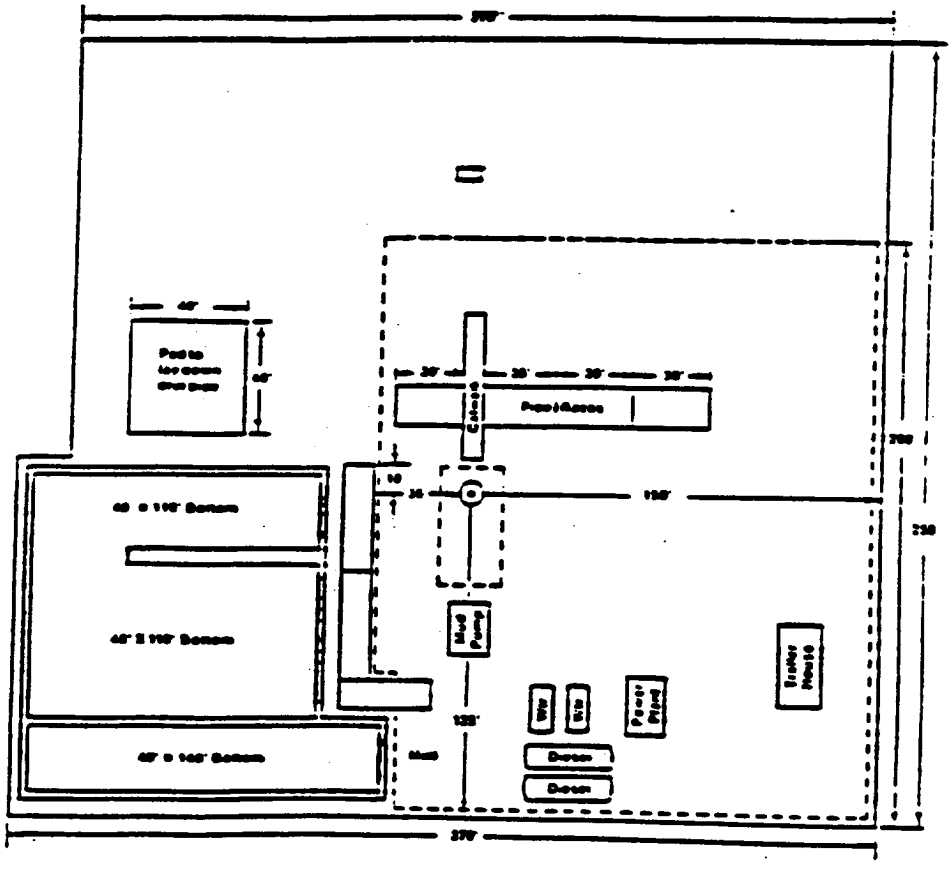

17S 31E
21
OJF-1
30
31
32
33

EXHIBIT D

LOCATION PLAT



1/95

TITLE PAGE/ABSTRACT/
NEGATIVE SITE REPORT
CFO/RFO

1. BLM Report No.	2. (ACCEPTED) (REJECTED)	3. NMCRIS No. 76399
4. Title of Report (Project Title) Class III Archaeological Survey of the Proposed Oxy Jamoca Federal #1 Well Pad Location and Associated Access Road in Section 29, Township 17 South, Range 31 East in Eddy County, New Mexico for OXY USA WTP LP		5. Project Date(s) 09-25-01 to _____ 6. Report Date 10-15-01
7. Consultant Name & Address: Direct Charge: Mark C. Slaughter Name: Geo-Marine Inc. Address: 150-A N. Festival Drive, El Paso, TX 79912 Authors Name: C.K. Burt Field Personnel Names: C.K. Burt Phone: (915)585-0168		8. Permit No. 103-2920-01-O 9. Consultant Report No. 470EP
10. Sponsor Name and Address: Indiv. Responsible: Dusty Weaver Name: OXY USA Address: 2028 Buffalo Lovelland, TX 79336 Phone: (806)894-8307		11. For BLM Use Only. 12. ACREAGE: Total No. of acres surveyed: 5.74 SURFACE OWNERSHIP: Federal: 5.74 State: 0.00, Private: 0.00

13. Location: (Maps Attached if Negative Survey)
   a. State: New Mexico
   b. County: Eddy
   c. BLM Office Carlsbad
   d. Nearest City or Town: Loco Hills
   e. Legal Location: T 17 South R 31 East Sec.29 SW NE NE, SE NE NE
      Well Footages: 990' FNL & 660' FEL
   f. USGS 7.5 Map Name(s) and Code Number(s): Loco Hills 1985 (32103-G8)
   g. Area: Block: surveyed: 5.74 acres (500' x 500' well pad location)
      Impact: within the surveyed area
      Linear: Surveyed: 84' of access road was staked, however, the access road fell within the surveyed boundary for the 500' x 500' well pad location, so this surveyed acreage was included in the block survey calculations.
      Impact: Maximum linear impact will be an 84' long access road x 50' wide impact zone.

14. a. Records Search; ARMS: Date(s): 09-24-01 Name(s): C.K. Burt
BLM Office: Date(s): 09-25-01 Name(s): C.K. Burt
List Sites within .25 miles of Project: LA 84819 & LA 116478
Show sites within 500' on Project Map

b. Description of Undertaking:
OXY USA WTP LP proposes to construct the Oxy Jamoca Federal #1 well pad location and associated access road. It will be located 900' FNL & 660' FEL in Section 29, Township 17 South, Range 31 East in Eddy County, New Mexico. A 500' x 500' area was surveyed for the proposed pad location, as was an 84' long access road which fell within the surveyed area for the proposed pad location. An existing E-W caliche capped road crosses the extreme northern portion of the surveyed area for the proposed pad location. A buried pipeline running E-W crosses through the northern portion of the surveyed area for the proposed pad location. A buried N-S trending Concho pipeline which was being installed at the time of survey cuts across the NW portion of the surveyed area for the proposed pad location.

c. Environmental Setting (NRCS soil designation; vegetative community; etc.):
Project is set on a rolling plain flat within low coppice dunes. Vegetation consists of mesquite, sagebrush, broom snakeweed, yucca elata, and various grasses. Surface visibility at the time of survey was approximately 25%. Soils are designated as Kermit-Berino fine sands.

d. Field Methods:
Parallel pedestrian transects were surveyed at a maximum of 15m intervals to encompass the staked 500' x 500' well pad location. Access road was covered within the well pad location area.

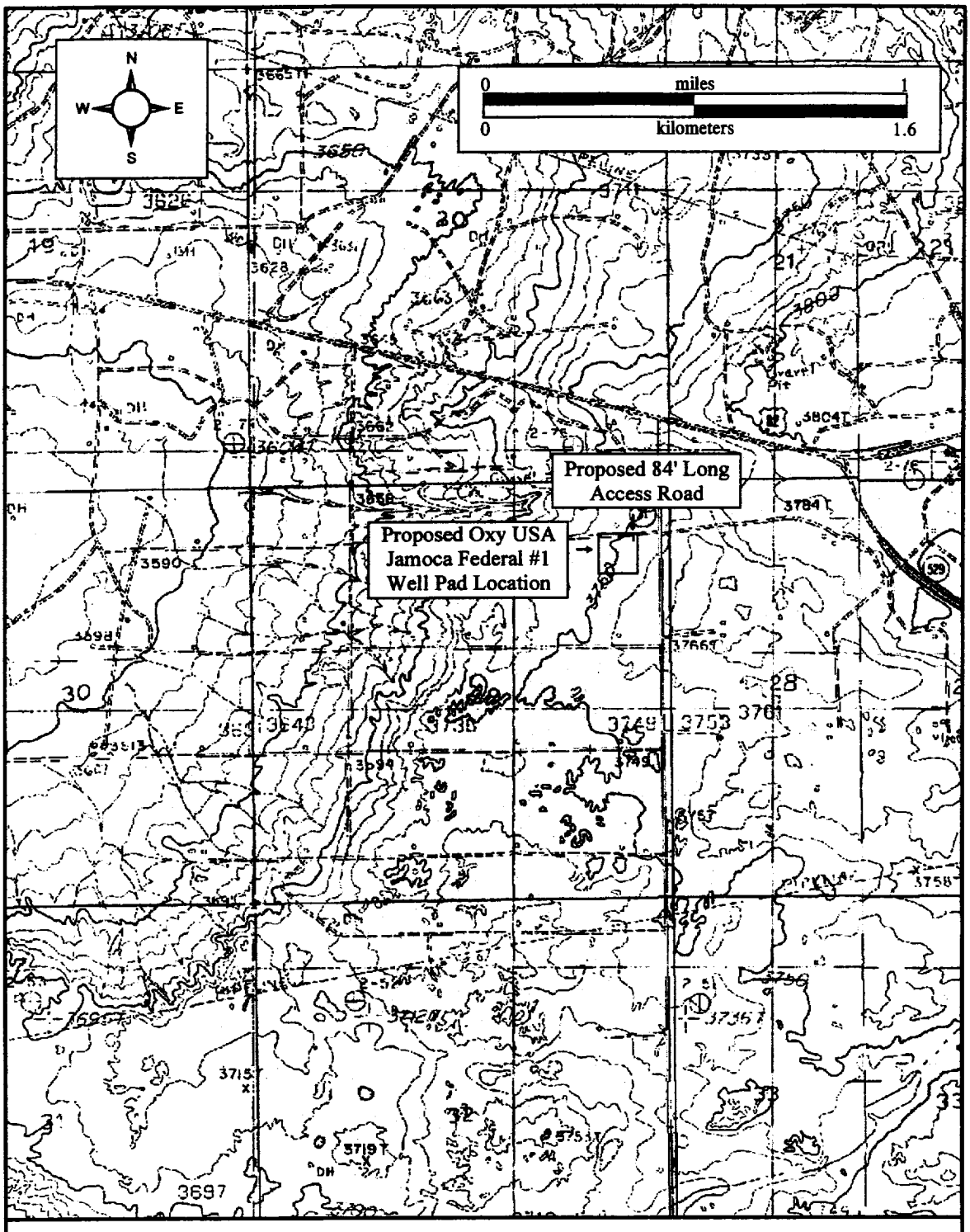
15. Cultural Resource Findings:

a. Identification and description
No cultural resources were identified at the time of this survey.

16. Management Summary (Recommendations):
Archaeological clearance for the proposed Oxy Jamoca Federal #1 well pad location and associated access road in Section 29, Township 17 South, Range 31 East in Eddy County, New Mexico for OXY USA WTP LP is recommended as currently staked. The Bureau of Land Management and Geo-Marine, Inc. should be immediately notified if cultural resources are identified at any time during construction activities.

I certify that the information provided above is correct and accurate and meets all appreciable BLM standards.

Responsible Archaeologist _____ 10-15-01
Signature Date



Class III Archaeological Survey of the Proposed Oxy Jamoca Federal #1 Well Pad Location and Associated Access Road in Section 29, Township 17 South, Range 31 East in Eddy County, New Mexico for OXY USA WTP LP.
Topo: Loco Hills 1985 (32103-G8). Scale 1:24,000

DISTRICT I
1625 N. French Dr., Hobbs, NM 88240
DISTRICT II
811 South First, Artesia, NM 88210
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1000 Rio Brazos Rd., Aztec, NM 87410
DISTRICT IV
2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources Department

OIL CONSERVATION DIVISION

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Santa Fe, New Mexico 87504-2088

Form C-102
Revised March 17, 1999

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

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number	Pool Code	Pool Name

Property Code	Property Name	Well Number
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OGRID No.	Operator Name	Elevation
	OXY USA WTP LP	3754

Surface Location

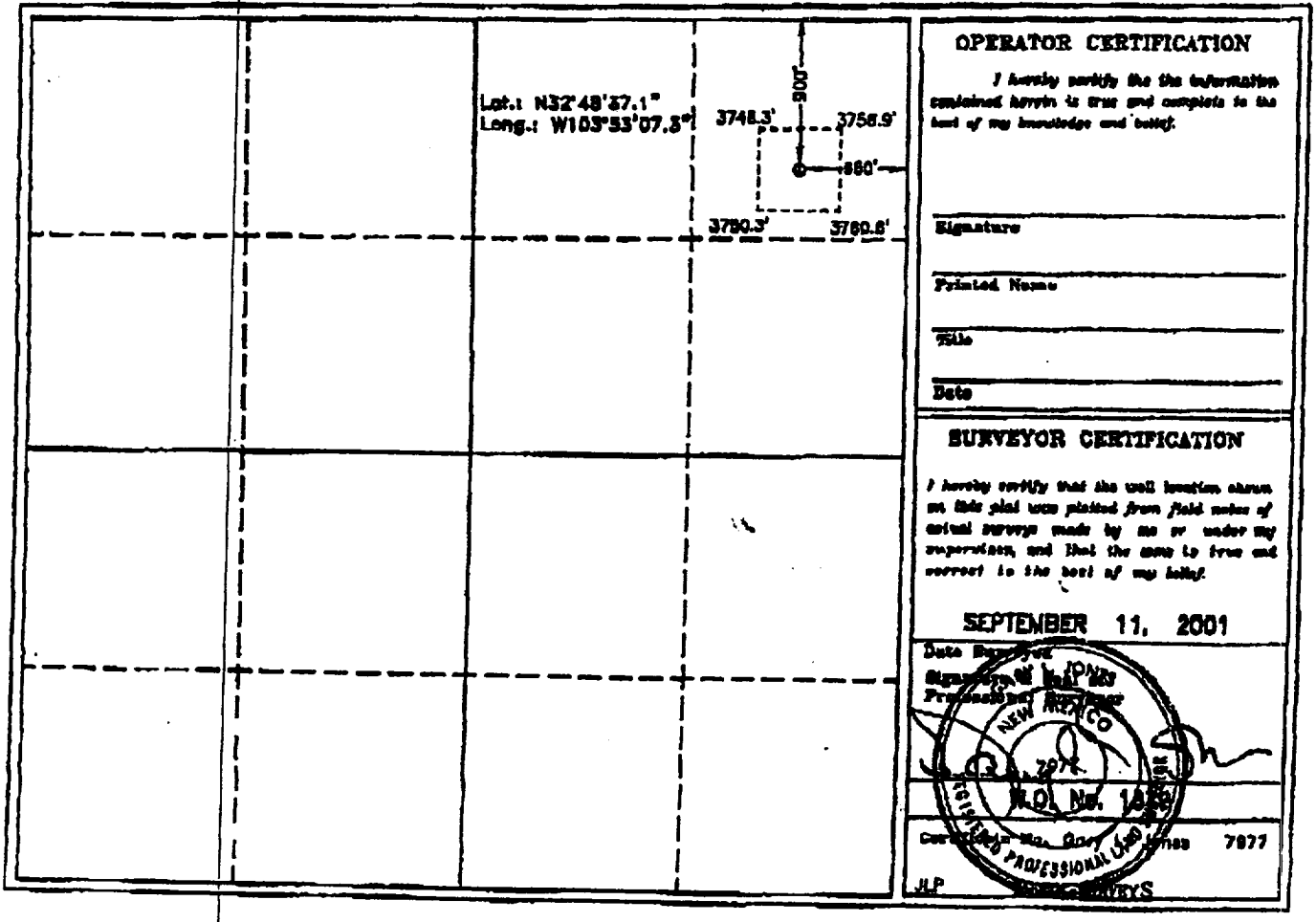
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
A	29	17 S	31 E		900	NORTH	660	EAST	EDDY

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	Joint or Infill	Consolidation Code	Order No.

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



OPERATOR CERTIFICATION

I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief.

Signature

Printed Name

Title

Date

SURVEYOR CERTIFICATION

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.

SEPTEMBER 11, 2001

Date Surveyed

Signature & Seal of Professional Surveyor

NEW MEXICO 7977 REGISTERED PROFESSIONAL LAND SURVEYOR

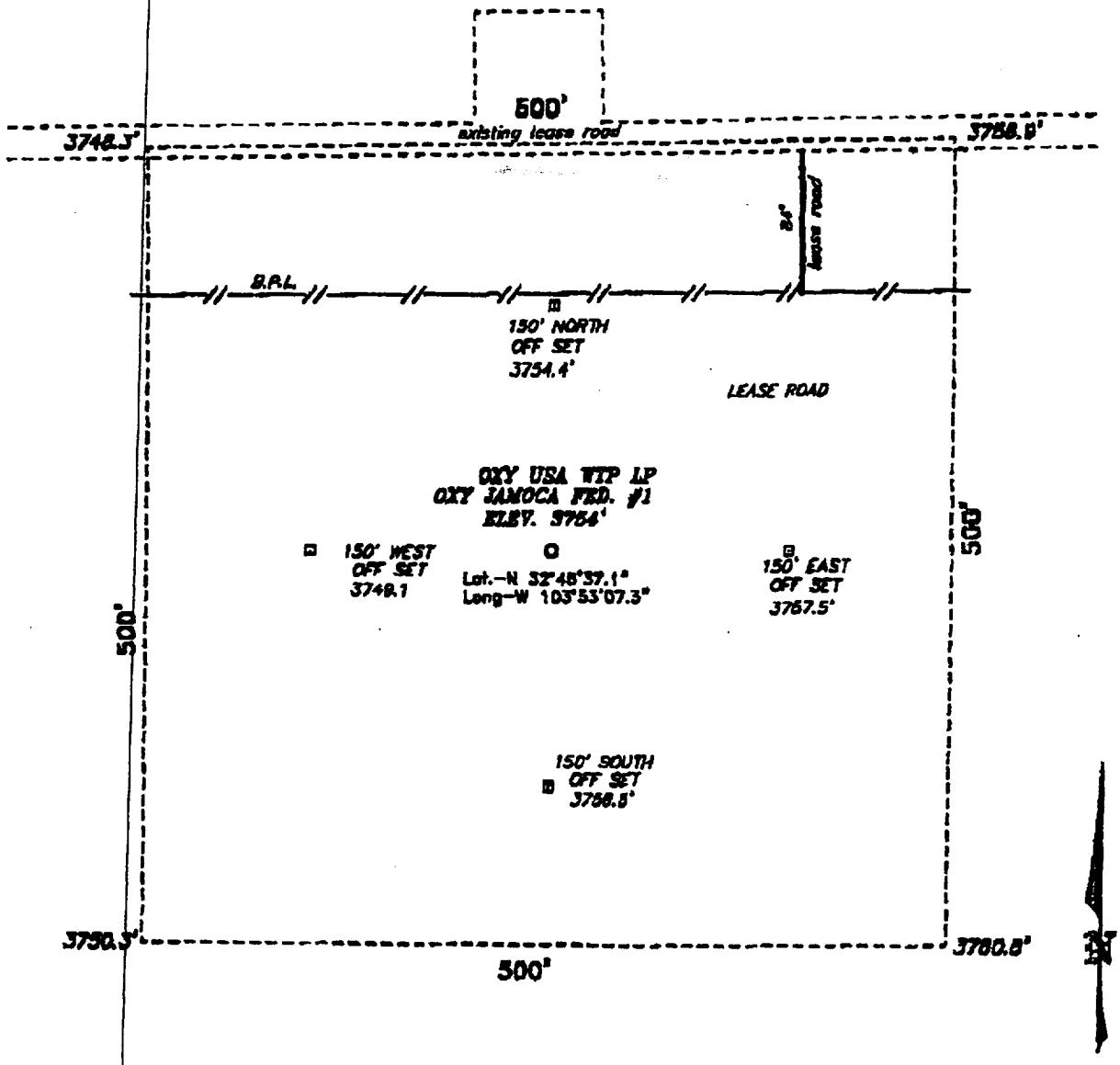
W.O. No. 1636

Certificate No. Gary L. Jones 7977

JLP

SECTION 29, TOWNSHIP 17 SOUTH, RANGE 31 EAST, N.M.P.M., NEW MEXICO.

EDDY COUNTY,



100 0 100 200 FEET

SCALE: 1" = 100'

Directions to Location:

FROM THE INTERSECTION OF U.S. HWY 82 AND STATE HWY. 31 GO SOUTH ON 31 1400 FEET TO A LEASE ROAD WEST, THEN WEST ON LEASE ROAD 660 FEET TO LOCATION.

OXY USA WTP LP

REF: Oxy Jamoca Fed. #1 / Well Pad Topo

THE OXY JAMOCA FED. No. 1 LOCATED 900' FROM THE NORTH LINE AND 660' FROM THE EAST LINE OF SECTION 29, 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: 1879	Drawn By: JAMES PRESLEY		
Date: 09/13/01	Disk: JLP #1 - 1879A.DWG	Survey Date: 09/11/01	Sheet 1 of 1 Sheets

United States Department of the Interior
Bureau of Land Management
Roswell District
2909 W. Second Street
Roswell, New Mexico 88202

Attention: Armando A. Lopez

RE: OXY Jamoca Federal #1
Section 29, T17S-R31E
Eddy County, New Mexico

STATEMENT ACCEPTING RESPONSIBILITY FOR OPERATIONS

OPERATOR NAME: OXY USA WTP Limited Partnership
ADDRESS: P. O. Box 50250
Midland, Texas 79710

The undersigned accepts all applicable terms, conditions, stipulations, and restrictions concerning operations conducted on the leased land or portion thereof, as described below:

LEASE NO.: LC-029395(b)

LEGAL DESCRIPTION: 900' FSL and 660' FWL Section 29, T17S-R31E
Eddy County, New Mexico

FORMATIONS: All formations below the base of the Abo formation

BOND COVERAGE: Nationwide

BLM BOND FILE NO.: ES 0136

OXY USA WTP Limited Partnership

AUTHORIZED SIGNATURE: **BY:** _____
David R. Evans

TITLE: Sr. Landman Advisor
DATE: March 13, 2002

cc: David Stewart

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

March 13, 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 Jamoca Federal #1
Eddy County, New Mexico
Lease No. LC-029395-B

Gentlemen:

OXY USA WTP Limited Partnership respectfully requests permission to drill our OXY Jamoca Federal #1 located 900 FNL and 660 FEL of Section 29, T17S, R31E, Eddy County, New Mexico, Federal Lease No. LC-029395-B. The proposed well will be drilled to a TD of approximately 12100' (TVD). The location and work area has been staked. It is approximately 6 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 September 11, 2001.

3. The elevation of the unprepared ground is 3754 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 12100' (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 12100' TVD.

7. Estimated tops of important geologic markers.

Abo	7100' TVD
Wolfcamp	8200' TVD
Strawn	10700' TVD
Atoka	11000' TVD
Morrow	11400' TVD

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

Primary Objective: Morrow 11400' TVD

Secondary Objective: Atoka 11000' TVD

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ROSWELL OFFICE

9. The proposed casing program is as follows:

   Surface: 13-3/8" 48# H40 ST&C new casing set at 500'

   Intermediate: 9-5/8" 36# HCK/K55 ST&C new casing from 0-4500'

   Production: 5-1/2" 17# L80/P110 LT&C new casing from 0-12100'

10. Casing setting depth and cementing program:

   A. 13-3/8" surface casing set at 500' in 17-1/2" hole. Circulate cement with 200sx 35:65 POZ/C w/ 6% Bentonite + 2% $CaCl_2$ + .25#/sx Cello-Seal followed by 150sx Class C w/ 2% $CaCl_2$.

   If cement does not circulate, a temperature survey will be run to find the TOC and then finish cementing to surface through 1" using Class C with 2% $CaCl_2$.

   B. 9-5/8" intermediate casing set at 4500' in 12-1/4" hole. Circulate cement with 1100sx 35:65 POZ/C w/ 6% Bentonite + 2% $CaCl_2$ + .25#/sx Cello-Seal followed by 200sx Class C w/ 2% $CaCl_2$.

   If hole conditions dictate, a DV tool may be run to ensure that the intermediate string is cemented to surface.

   If cement does not circulate, a temperature survey will be run to find the TOC and then finish cementing to surface through 1" using Class C with 2% $CaCl_2$.

   Note: Cement volumes may be adjusted according to fluid caliper.

   C. 5-1/2" production casing set at 12100'. Cement with 1100sx 15:61:11 POZ/C/CSE w/ .5% FL-25 + .5% FL-52 + 8#/sx Gilsonite followed by 200sx Class C w/ .7% FL-25.

   Estimated top of cement is 6500'.

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

11. Pressure Control Equipment

0-500'	None
500-4500'	13-3/8" 3M annular preventer, to be used as divertor only. Exhibit A
4500-12100'	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. Rotating head below 8500'. Exhibit A.

A kelly cock will be installed and maintained in operable condition and a drill string safety valve in the open position will be available on the rig floor.

After setting the 9-5/8" casing, the blowout preventers and related control equipment shall be pressure tested to 5000 psi. Any equipment failing to test satisfactorily shall be repaired or replaced. Results of the BOP test will be recorded in the Driller's Log. The BOP's will be maintained ready for use until drilling operations are completed.

BOP drills will be conducted as necessary to assure that equipment is operational and each crew is properly trained to carry out emergency duties.

Accumulator shall maintain a pressure capacity reserve at all times to provide for the close-open-close sequence of the blind and pipe rams of the hydraulic preventers.

12. Mud Program:

0-500'	Fresh water/native mud. Lime for pH control (9-10). Paper for seepage. Wt.8.7-9.2 ppg, vis 32-34 sec.
500-4500'	Fresh/*brine water. Lime for pH control (10-10.5). 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 increase to 20000PPM.
4500-8500'	Fresh water. Lime for pH control (9-9.5). Paper for seepage. Wt. 8.3-8.5 ppg, vis 28-29 sec.
8500-10400'	Cut brine. Lime for pH control (10-10.5). Wt. 9.6-10.0 ppg, vis 28-29 sec.
10400-12100'	Mud up with an Duo Vis/Flo Trol system. Wt. 9.6-10.0 ppg, Vis 32-36sec, WL<10cc.

Mud system monitoring equipment with derrick floor indicators and visual/audio alarms shall be installed and operative prior to drilling into the Wolfcamp formation. This equipment will remain in use until the production casing is run and cemented. Monitoring equipment shall consist of the following:

1) A recording pit level indicator.

2) A pit volume totalizer.

3) A flowline sensor.

13. Testing, Logging and Coring Program:

    A. Testing program: No DST's are anticipated.

    B. Mud logging program: One-man unit from 6000' to TD.

    C. Electric logging program: CNL/LDT/CAL/GR, DLL/CAL/GR.

    D. Coring program: Possible sidewall rotary cores.

14. No abnormal temperatures, or H2S gas are anticipated. The highest anticipated pressure gradient would be .55psi/ft. Adequate flare lines will be installed off the mud/gas separator where gas may be flared safely.

15. Anticipated starting date is May 31, 2002. It should take approximately 28 days to drill the well and another 10 days to complete.

16. The Multi-Point Surface Use & Operation Plan is attached.

17. If the Bureau of Land Management needs additional information to evaluate this application, please advise.

Very truly yours,

David Stewart
Sr. Regulatory Analyst
OXY USA WTP Limited Partnership

DRS/drs

Attachments