

N.M. Oil Cons. 1-Dist. 2
UNITED STATES 1301 W. Grand Avenue
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
Artesia, NM 88210

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

dsp

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

1a. TYPE OF WORK
b. TYPE OF WELL
OIL WELL ☐ GAS WELL ☒ OTHER ☐
2. NAME OF OPERATOR
OXY USA WTP Limited Partnership
3. ADDRESS AND TELEPHONE NO.
P.O. Box 50250, Midland, TX 79710-0250
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)
At surface
1110 FSL 660 FWL SWSW(M)
At proposed prod. zone
Undes. Hackberry; Morrow; Artesia
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*
6 miles southeast of Loco Hills, NM
15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if any) 660'
16. NO. OF ACRES IN LEASE 320
17. NO. OF ACRES ASSIGNED TO THIS WELL 320
18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT. 3970'
19. PROPOSED DEPTH 12300'
20. ROTARY OR CABLE TOOLS R
21. ELEVATIONS (Show whether DF, RT, GR, etc.) 3454'
22. APPROX. DATE WORK WILL START* 4/30/02

Capitan Controlled Water Basin

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#	650'	500sx - circulate
12-1/4"	9-5/8" HCK/K55	36#	3600'	950sx - circulate
8-3/4"	5-1/2" L80	17#	12300'	1050sx - EST TOC 7500'

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 [Signature] TITLE Sr. Regulatory Analyst DATE 3/16/02
(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/ RICHARD A. WHITLEY TITLE ASSOC. STATE DIRECTOR DATE MAY 02 2002

*See Instructions On Reverse Side
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.

APPROVAL FOR 1 YEAR

OXY XICA Federal #2
1110 FSL 660 FWL SWSW(M) SEC 25 T18S R30E Eddy County, NM
Federal Lease No. NM-01375-A

PROPOSED TD: 12300' TVD

BOP PROGRAM: 0-650' None

650-3600' 13-3/8" 3M annular preventer, to be used as
divertor only.

3600-12300' 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 650'
17-1/2" hole

Intermediate: 9-5/8" OD 36# HCK/K55 ST&C new casing from 0-3600'
12-1/4" hole

Production: 5-1/2" OD 17# L80 LT&C new casing from 0-12300'
8-3/4" hole

CEMENT: Surface - Circulate cement with 300sx 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 750sx 35:65 POZ/C with 6%
Bentonite + 2% CaCl₂ + .25#/sx Cello-Seal followed by 200sx Cl C
with 2% CaCl₂.

Production - Cement with 850sx 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 7500'.

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

MUD: 0-650' Fresh water/native mud. Lime for pH control
(9-10). Paper for seepage.
Wt 8.7-9.2 ppg, Vis 32-34 sec

650-3600' 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.

3600-8300' Fresh water. Lime for pH control(9-9.5).
Paper for seepage.
Wt 8.3-8.5 ppg, Vis 28-29 sec

8300-10000' Cut brine. Lime for pH control (10-10.5).
Wt 9.6-10.0 ppg, Vis 28-29sec

10000-12300' Mud up with an Duo Vis/Flo Trol mud system.
Wt 9.6-10.0ppg, Vis 32-36sec, WL<10cc

RECEIVED
2002 MAR 13 AM 8:52
BUREAU OF LAND MGMT
ROSWELL OFFICE

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

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	Pool Name Wildcat Morrow	
Property Code 29406	Property Name OXY XICA FEDERAL Com		Well Number 2	
OGRID No. 192463	Operator Name OXY USA WTP LIMITED PARTNERSHIP		Elevation 3454'	

Surface Location

UL or lot No. M	Section 25	Township 18 S	Range 30 E	Lot Idn	Feet from the 1110	North/South line SOUTH	Feet from the 660	East/West line WEST	County EDDY
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Bottom Hole Location If Different From Surface

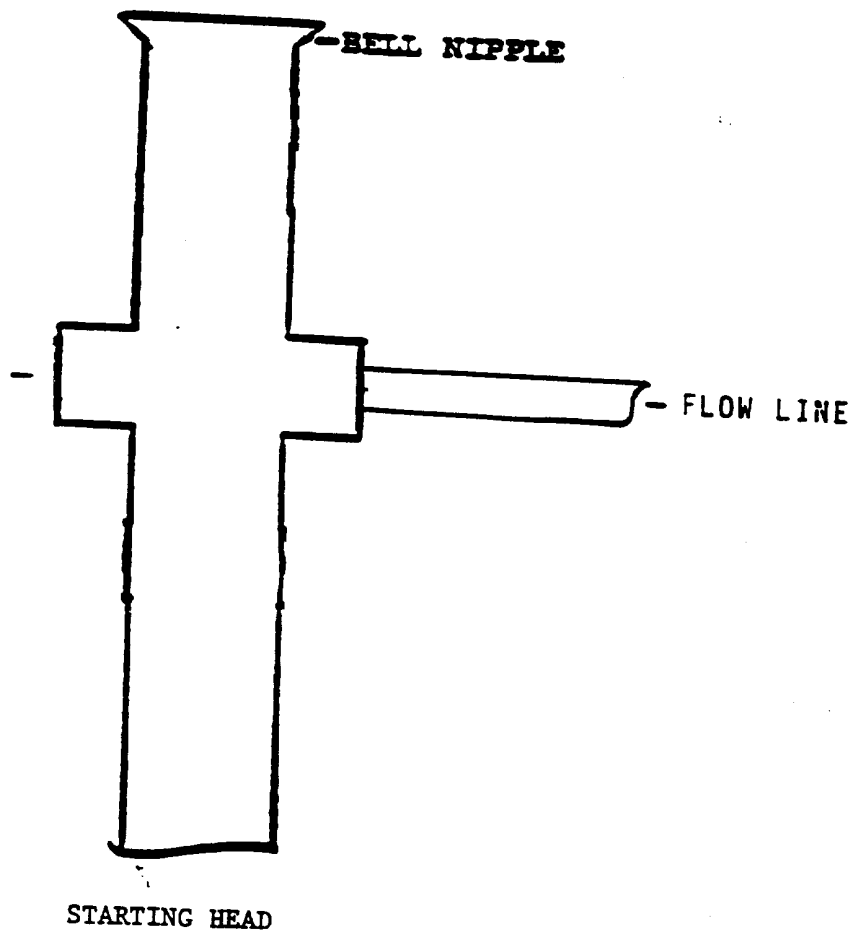
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
Dedicated Acres 320	Joint or Infill Y	Consolidation Code		Order No.					

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

	<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 David Stewart Printed Name Sr. Regulatory Analyst Title 3/16/02 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>FEBRUARY 15, 2002 Date Surveyed Signature & Seal of Professional Surveyor W.O. No. 2315/ Certificate No. Gary L. Jones 7977 BASIN SURVEYS</p>

EXHIBIT A

ANNULAR PREVENTOR
TO BE USED AS DIVERTOR ONLY

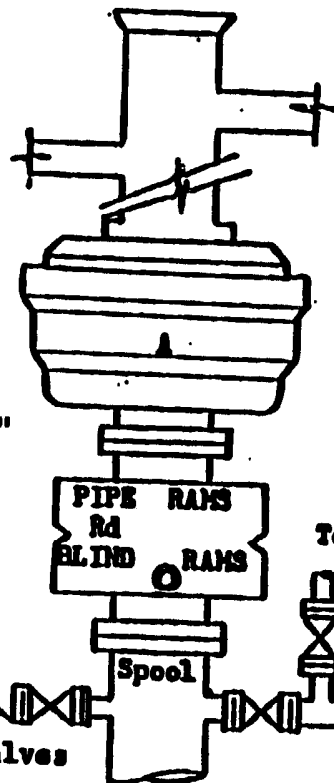


BLOWOUT PREVENTOR SCHEME

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.

Hydril GK
Annular Preventer

Shaffer Type "G"
Rams



To Choke Manifold

To Reserve Pit

3" Choke (adjustable)

Emergency Kill Line

2" Valves

Spool

4" Valve
TYPE
HCR
VALVE

4" Valve

Manifold Detail

3" Choke (Manual)

Choke Manifold

EXHIBIT A

MULTI-POINT SURFACE USE AND OPERATIONS PLAN

OXY USA WTP Limited Partnership
OXY Xica Federal #2
Eddy County, New Mexico
Lease No. NM-01375-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 CR 222 and CR 250, go west on CR 250 approximately 2 miles to a lease road. Go north on lease road approximately .4 miles to a lease road, go east on lease road approximately 400' to a proposed lease road.

2. Planned Access Road

- A. A new access road will be built. The access road will run approximately 400' east 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 Xica Federal #2 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 south and the pits to the east. 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: Richardson Cattle Co., P.O. Box 487, Carlsbad, NM 88221. 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 3454'.
- 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: The nearest dwellings is approximately 1/2 mile west 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.

- 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

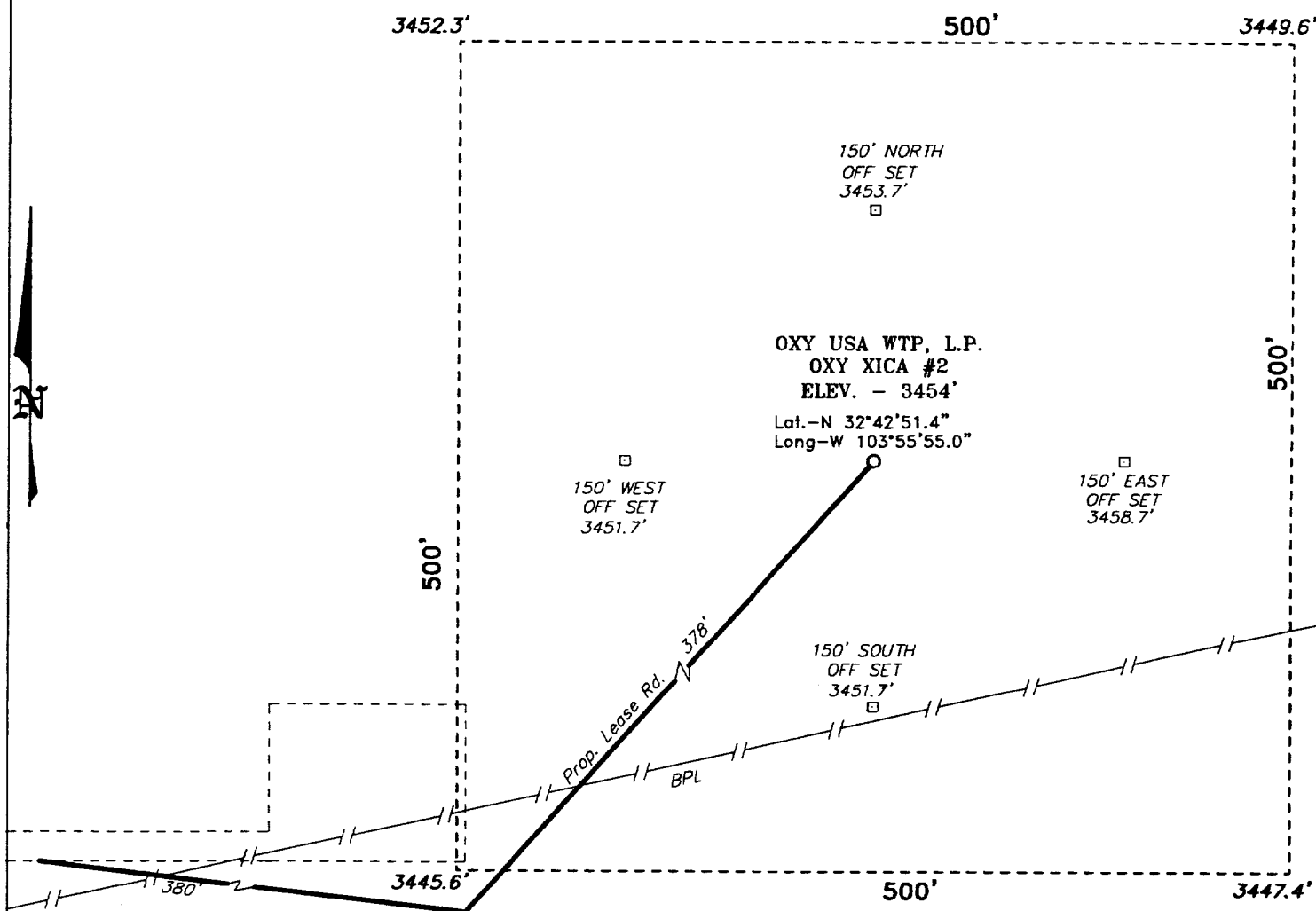
I hereby certify that I, or persons under my direct supervision, have inspected the proposed drill site and access route; that I am familiar with the conditions which presently exist; that the statements made in this plan are, to the best of my knowledge, true and correct; and, that the work associated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

DATE

3/11/02

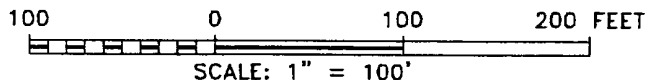

Jeff Davis
Sr. Engineering Technician
915-685-5710
South Permian Asset Team
OXY USA WTP Limited Partnership

**SECTION 25, TOWNSHIP 18 SOUTH, RANGE 30 EAST, N.M.P.M.,
EDDY COUNTY, NEW MEXICO.**



Directions to Location:

FROM THE JUNCTION OF CO. RD. 250 AND CO. RD. 222, GO WEST ON CO. RD. 250 FOR APPROX. 2.0 MILES TO A LEASE ROAD; THENCE NORTHERLY ON LEASE ROAD FOR APPROX. 0.4 MILE TO A LEASE ROAD; THENCE EAST ON LEASE ROAD FOR APPROX. 400 FEET TO PROPOSED LEASE ROAD.



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

W.O. Number: 2315

Drawn By: K. GOAD

Date: 02-18-2002

Disk: KJG CD#5 - 2315A.DWG

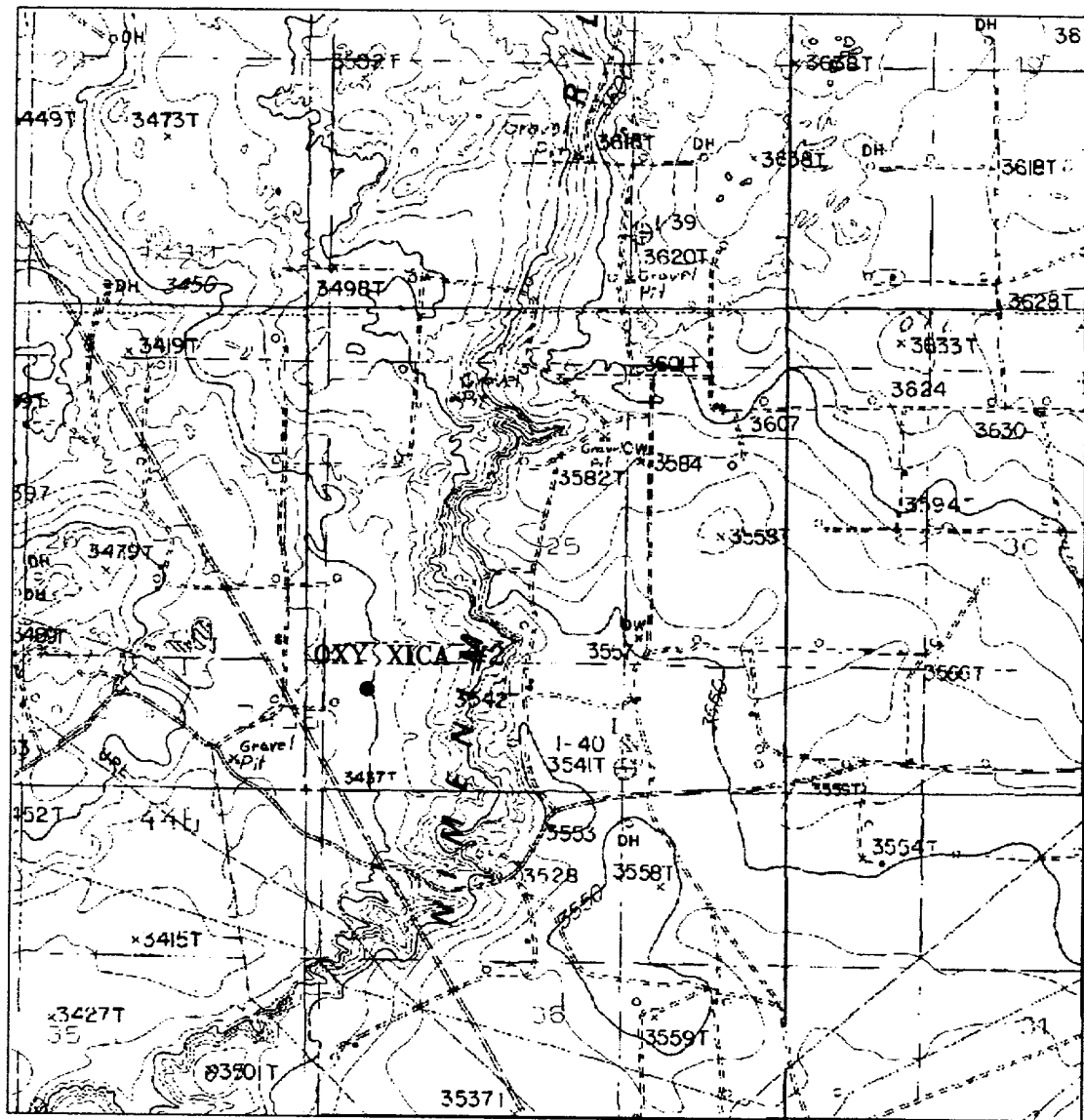
OXY USA WTP, L.P.

REF: OXY XICA #2 / Well Pad Topo

THE OXY XICA No. 2 LOCATED 1110' FROM THE SOUTH LINE AND 660' FROM THE WEST LINE OF SECTION 25, TOWNSHIP 18 SOUTH, RANGE 30 EAST, N.M.P.M., EDDY COUNTY, NEW MEXICO.

Survey Date: 02-15-2002

Sheet 1 of 1 Sheets



OXY XICA #2

Located at 1110' FSL and 660' FWL
 Section 25, Township 18 South, Range 30 East,
 N.M.P.M., Eddy County, New Mexico.

basin
surveys
 focused on excellence
 in the oilfield

P.O. Box 1736
 1120 N. West County Rd.
 Hobbs, New Mexico 88241
 (505) 393-7316 - Office
 (505) 392-3074 - Fax
 basinsurveys.com

W.O. Number: 2315AA - KUG CD#4

Survey Date: 02-15-2002

Scale: 1" = 2000'

Date: 02-15-2002

OXY USA
WTP, L.P.

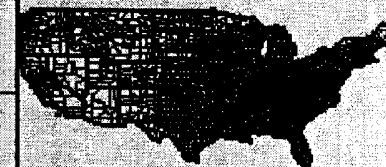
Located at 1110' FSL and 660' FWL
Section 25, Township 18 South, Range 30 East,
N.M.P.M., Eddy County, New Mexico.



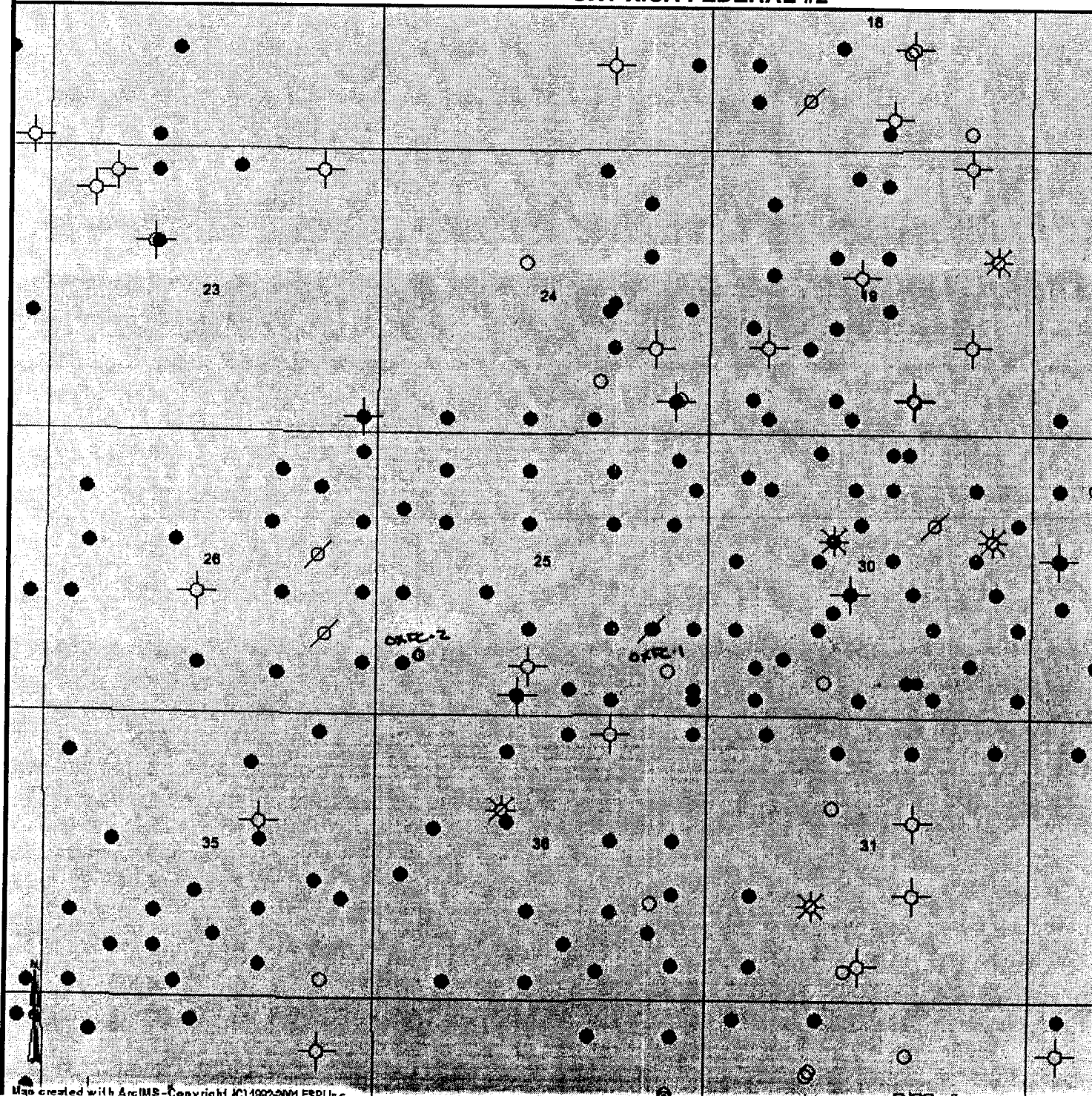
Date: 02-18-2002

OXY USA
WTP, L.P.

OXY XICA FEDERAL #2



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



370'

330'

40' x 40'

Pad to lay down steel pipe

40' x 110' Bottom

40' x 110' Bottom

40' x 140' Bottom

Gate

Pump House

Mud Pump

Wrt

S/S

Pneum. Piped

Dyeing

Dyeing

Trailer House

**TITLE PAGE/ABSTRACT/
NEGATIVE SITE REPORT
CFO/RFO**

1/95

1. BLM Report No.	2. (ACCEPTED) (REJECTED)	3. NMCRIS No. 77505 ADDENDUM
4. Title of Report (Project Title) ADDNEDUM Class III archaeological survey of OXY USA WTP, L.P.'s relocated pad and access road for the OXY XICA well No. 2 in Section 25, T 18 S, R 30 E, NMPM, Eddy County, New Mexico.		5. Project Date(s) 3-01-02 to
		6. Report Date 3-04-02
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: Danny Boone Field Personnel Names: Danny Boone Phone: (915) 585-0168		8. Permit No. 103-2920-01-P
		9. Consultant Report No. 546EPA
10. Sponsor Name and Address: Indiv. Responsible: OXY USA WTP, L.P. Name: Dusty Weaver Address: 2028 Buffalo Levelland, Tx 79336 Phone: (806) 894-8307		11. For BLM Use Only.
		12. ACREAGE: Total No. of acres surveyed: 5.17 SURFACE OWNERSHIP: Federal: 5.17 State: 0, Private: 0
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, NM e. Legal Location: T 18 S R 30 E Sec. 25, Pad, SW SW; Access road, SW SW SW: Well Footages: 1110' FSL, 660' FWL f. USGS 7.5 Map Name(s) and Code Number(s): HACKBERRY LAKE, New Mexico (Prov. Ed. 1985) 32103-F8 g. Area: Block: surveyed: 500' x 450' Impact: Within survey area Linear: Surveyed: NA Impact: NA		

14. a. Records Search; ARMS: Date(s): NA Name(s): NA
BLM Office: Date(s): NA Name(s): NA
List Sites within .25 miles of Project: LA 134108, LA 101129, LA 58299, LA 20106, LA 68298 (nm-06-4625)
Show sites within 500' on Project Map

b. Description of Undertaking:

The access road begins at an existing older lease road near the west side of the pad for the BSWL well No. 14, then trends east along the south side of the impact area of the BSU No. 14 to the west boundary of the 500' x 500' pad survey area of the XICA, it then turns northeast to enter approximately 100' into the southwest portion of the XICA No. 2 pad survey area. As this road is in an impacted area it was not included in survey acres.

c. Environmental Setting (NRCS soil designation; vegetative community; etc.):

The project is situated at the lower elevations of an alluvial fan related to the west side of NIMENIM RIDGE and is dissected by several arroyos up to. The access road is mainly on a slightly braided sandy floodplain of mesquite hummocks. Vegetation cover is approximately 40% overall and consists primarily of mesquite hummocks, salt cedar bush, various grasses and other flora.

NRCS: Simona-Pajarito association: Sandy, deep soils and soils that are shallow to caliche: from wind-worked deposits.

d. Field Methods:

For the pad, a grid of parallel transects spaced fifteen meters or less and for the road, transects spaced up to 15 meters each side of flagged center line.

15. Cultural Resource Findings:

a. Identification and description

One additional Isolated Manifestation (IM) was recorded.

IM No. 1, NE NE SW SW; consists of one chalcedony flake, distal end, successful termination, 0% cortex, in a gravel bar deposit. Several isolated fragments and cobbles of FCR were noted, probably being washed down from LA 68298 (nm-06-4625)

16. Management Summary (Recommendations):

Archaeological clearance for OXY USA WTP, L.P.'s relocated pad and access road for the OXY XICA well No. 2 in Section 25, T 18 S, R 30 E, NMPM, Eddy County, New Mexico as presently staked is recommended provided that a qualified archaeological monitor is present during pad leveling processes. All activity should cease and the BLM archaeologist be notified immediately if any cultural resources are encountered at any time.

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

Responsible Archaeologist

Signature

Way Boone

Date

3-06-02

DISTRICT I

1425 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

8040 South Pacheco, Santa Fe, NM 87506

State of New Mexico

Energy, Minerals and Natural Resources Department

OIL CONSERVATION DIVISION

2040 South Pacheco

Santa Fe, New Mexico 87504-2088

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number		Pool Code		Pool Name	
Property Code		Property Name OXY XICA			
OGRID No.		Operator Name OXY USA WTP, L.P.			

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
P	25	18 S	30 E		1110	SOUTH	660	WEST	COOY

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 COMPLETED
OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

3452.3'		3448.6'			
660'		3445.6'		3447.4'	
1110'					
		Lot - N32°42'51.4"		Lon - W103°55'55.0"	

OPERATOR CERTIFICATION

I hereby certify that the information contained herein is true and correct 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 actual surveys made under my supervision and the data are true and correct to the best of my knowledge.

FEBRUARY 15 1992

Date Surveyed _____

Signature _____

Professional Surveyor

NEW MEXICO

1972

W.C. Noyes

Certified by _____

PROFESSIONAL SURVEYOR

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 XICA Federal #2
Section 25, T18S-R30E
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:

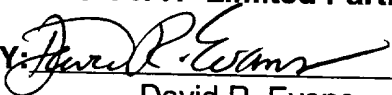
LEASE NO.: NM-01375-A

LEGAL DESCRIPTION: 1110' FSL and 660' FWL Section 25,
T18S-R30E
Eddy County, New Mexico

FORMATIONS: All

BOND COVERAGE: Nationwide

BLM BOND FILE NO.: ES 0136

AUTHORIZED SIGNATURE: **OXY USA WTP Limited Partnership**

David R. Evans

TITLE: Sr. Landman Advisor
DATE: February 27, 2002

cc: David Stewart

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

March 11, 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 Xica Federal #2
Eddy County, New Mexico
Lease No. NM-01375-A

Gentlemen:

OXY USA WTP Limited Partnership respectfully requests permission to drill our OXY Xica Federal #2 located 1110 FSL and 660 FWL of Section 25, T18S, R30E, Eddy County, New Mexico, Federal Lease No. NM-01375-A. The proposed well will be drilled to a TD of approximately 12300' (TVD). The location and work area has been staked. It is approximately 7 miles southeast 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 February 15, 2002.
3. The elevation of the unprepared ground is 3454 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 12300' (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 12300' TVD.
7. Estimated tops of important geologic markers.

Wolfcamp	9750' TVD
Strawn	10870' TVD
Atoka	11160' TVD
Morrow	11440' TVD

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

Primary Objective:	Morrow	11440' TVD
Secondary Objective:	Atoka	11160' TVD

9. The proposed casing program is as follows:

Surface: 13-3/8" 48# H40 ST&C new casing set at 650'
Intermediate: 9-5/8" 36# HCK/K55 ST&C new casing from 0-3600'
Production: 5-1/2" 17# L80 LT&C new casing from 0-12300'

10. Casing setting depth and cementing program:

- A. 13-3/8" surface casing set at 650' in 17-1/2" hole.
Circulate cement with 300sx 35:65 POZ/C w/ 6% Bentonite + 2% CaCl_2 + .25#/sx Cello-Seal followed by 200sx 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 3600' in 12-1/4" hole.
Circulate cement with 750sx 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 12300'. Cement with 850sx 15:61:11 POZ/C/CSE w/ .5% FL-25 + .5% FL-52 + 8#/sx Gilsonite followed by 100sx Class C w/ .7% FL-25.

Estimated top of cement is 7500'.

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

11. Pressure Control Equipment

0-650'	None
650-3600'	13-3/8" 3M annular preventer, to be used as divertor only. Exhibit A
3600-12300'	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:

0-650'	Fresh water/native mud. Lime for pH control (9-10). Paper for seepage. Wt. 8.7-9.2 ppg, vis 32-34 sec.
650-3600'	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.
3600-8300'	Fresh water. Lime for pH control (9-9.5). Paper for seepage. Wt. 8.3-8.5 ppg, vis 28-29 sec.
8300-10000'	Cut brine. Lime for pH control (10-10.5). Wt. 9.6-10.0 ppg, vis 28-29 sec.
10000-12000'	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 April 30, 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