

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

February 5, 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 Shortcake Federal #1  
Eddy County, New Mexico  
Lease No. NM-54113

Gentlemen:

OXY USA WTP Limited Partnership respectfully requests permission to drill our OXY Shortcake Federal #1 located 1980 FSL and 1830 FEL of Section 7, T19S, R31E, Eddy County, New Mexico, Federal Lease No. NM-54113. The proposed well will be drilled to a TD of approximately 12300' (TVD). The location and work area has been staked. It is approximately 14 miles northeast of Carlsbad, 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 January 11, 2002.
3. The elevation of the unprepared ground is 3455 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	9900' TVD
Strawn	10900' TVD
Atoka	11200' TVD
Morrow	11500' TVD

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

Primary Objective: Morrow 11500' TVD

Secondary Objective: Atoka 11200' TVD