

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

1a. TYPE OF WORK DRILL <input checked="" type="checkbox"/> DEEPEN <input type="checkbox"/>		5. LEASE DESIGNATION AND SERIAL NO. NM103796	
b. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER <input type="checkbox"/>		6. IF INDIAN, ALLOTTEE OR TRIBE NAME	
2. NAME OF OPERATOR OXY USA Inc. 16696		7. UNIT AGREEMENT NAME 25500	
3. ADDRESS AND TELEPHONE NO. P.O. Box 50250 Midland, TX 79710-0250 915-685-5717		8. FARM OR LEASE NAME WELL NO. OXY STL Federal #1	
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.) At surface 1070 FNL 910 FEL NENE (A) At proposed prod. zone		9. AN WELL NO. 30-015-31021	
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE* 1-1/2 miles northeast of Carlsbad, NM		10. FIELD AND POOL, OR WILDCAT Undsg. Carlsbad Morrow, E.	
15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if any) 910'		11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA Sec 27 T21S R27E	
16. NO. OF ACRES IN LEASE 320		12. COUNTY OR PARISH Eddy	
17. NO. OF ACRES ASSIGNED TO THIS WELL 320		13. STATE NM	
18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT. N/A		19. PROPOSED DEPTH 11800'	
20. ROTARY OR CABLE TOOLS R		21. APPROX. DATE WORK WILL START* 3/15/00	
21. ELEVATIONS (Show whether DF, RT, GR, etc.) 3203'		22. APPROX. DATE WORK WILL START* 3/15/00	

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#	600'	550sx - Circulate
11"	8-5/8" K55	32#	3000'	995sx - Circulate
7-7/8"	5-1/2" N80-S95	17#	11800'	935sx - Est TOC 8500'

SEE OTHER SIDE

Post 3-24-00

Notify OCD at SPUD & TIME
to witness cementing the
8 3/8" casing.

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 David Stewart TITLE Regulatory Analyst DATE 2/15/00

(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:

Assistant Field Manager,
Lands And Minerals

APPROVED BY _____ TITLE _____ DATE _____

*See Instructions On Reverse Side

ATTACHMENT 3160-3
OKY USA Inc.
OKY STL Federal #1
SEC 27 T21S R27E
Eddy County, NM

PROPOSED TD: 11800' TVD

BOP PROGRAM: 0' - 600' None
600' - 3000' 11" 5M blind and pipe rams with 5M annular preventer.
3000' - 11800' 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 600'
Intermediate: 8-5/8" OD 32# K55 ST&C new casing from 0-3000'
Production: 5-1/2" OD 17# N80-S95 LT&C new casing from 0-11800'
N80-9700' S95-2100'

CEMENT: Surface - Circulate cement with 350sx 35:65 POZ/C with 6% Bentonite + 2% CaCl_2 + .25#/sx Cello-Seal followed by 200sx Cl C with 2% CaCl_2 .
Intermediate - Circulate cement with 795sx 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 860sx 15:61:11 POZ/C/CSE with .5% FL-52 + .5% FL-25 + 8#/sx Gilsonite followed by 75sx Cl C with .7% FL-25.
Estimated top of cement is 8500'.

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

MUD: 0 - 600' Fresh water/native mud. Lime for pH control (9-10). Paper for seepage. Wt 8.7-9.2 ppg, Vis 32-34 sec
600' - 3000' 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 increase to 20000PPM.
3000' - 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' - 11800' Mud up with an Duo Vis/Flo Trol mud system. Wt 9.6-10.0ppg, Vis 32-36sec, WL<10cc

