Form 3160-3
(July 1992)

N. M. Oil Cons. Division
811 S. 1st ST
ARTESIA, NM 88210-2834

SUBMIT IN TRIPLICATE* (Other instructions on reverse side)

c/91

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

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

942

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

5. LEASE DESIGNATION AND SERIAL NO.: NM27642

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

7. UNIT AGREEMENT NAME: 28922

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

9. API WELL NO.: 30-015- 32046

10. FIELD AND POOL, OR WILDCAT: Burton Flat Morrow

11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA: Sec 14 T20S R27E

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

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

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

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

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.*)
At surface: 660 FSL 660 FEL SESE(P)
At proposed prod. zone:

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*: 7 miles north of Carlsbad, 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	11400'	R

21. ELEVATIONS (Show whether DF, RT, GR, etc.): 3335' **Capitan Controlled Water Basin**

22. APPROX. DATE WORK WILL START*: 8/16/01

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
12-1/4"	9-5/8" K55	36#	3000'	850sx - Circulate
8-3/4"	5-1/2" N80-S95	17#	11400'	775sx - EST TOC 8300'

SEE OTHER SIDE

APPROVAL SUBJECT TO GENERAL REQUIREMENTS AND SPECIAL STIPULATIONS ATTACHED

RECEIVED
OCD - ARTESIA

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 David Stewart
Regulatory Analyst DATE 6/11/01

(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/ JOE G. LARA TITLE Acting FIELD MANAGER DATE OCT 12 2001

*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

OXY Hopsing Federal #1
660 FSL 660 FEL SEC 14 T20S R27E Eddy County, NM
Federal Lease No. NM-27642

PROPOSED TD: 11400' TVD

BOP PROGRAM:

0'-600'	None
600'-3000'	13-5/8" 3M annular preventer.
3000'-11400'	11" 5M blind pipe rams with 5M annular preventer and rotating head below 8300'.

CASING:

Surface: 13-3/8" OD 48# H40 ST&C new casing set at 600'
17-1/2" hole

Intermediate: 9-5/8" OD 36# K55 ST&C new casing from 0-3000'
12-1/4" hole

Production: 5-1/2" OD 17# N80-S95 LT&C new casing from 0-11400'
8-3/4" hole

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 650sx 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 700sx 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 8300'.

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 increases 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'-9800'	Cut brine. Lime for pH control (10-10.5). Wt 9.6-10.0 ppg, Vis 28-29sec
9800'-11400'	Mud up with an Duo Vis/Flo Trol mud system. Wt 9.6-10.0ppg, Vis 32-36sec, WL<10cc

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-	73280	Burton Flat Morrow

Property Code	Property Name	Well Number
	OXY HOPSING FEDERAL	1

OGRID No.	Operator Name	Elevation
192463	OXY USA WTP Limited Partnership	3335'

Surface Location

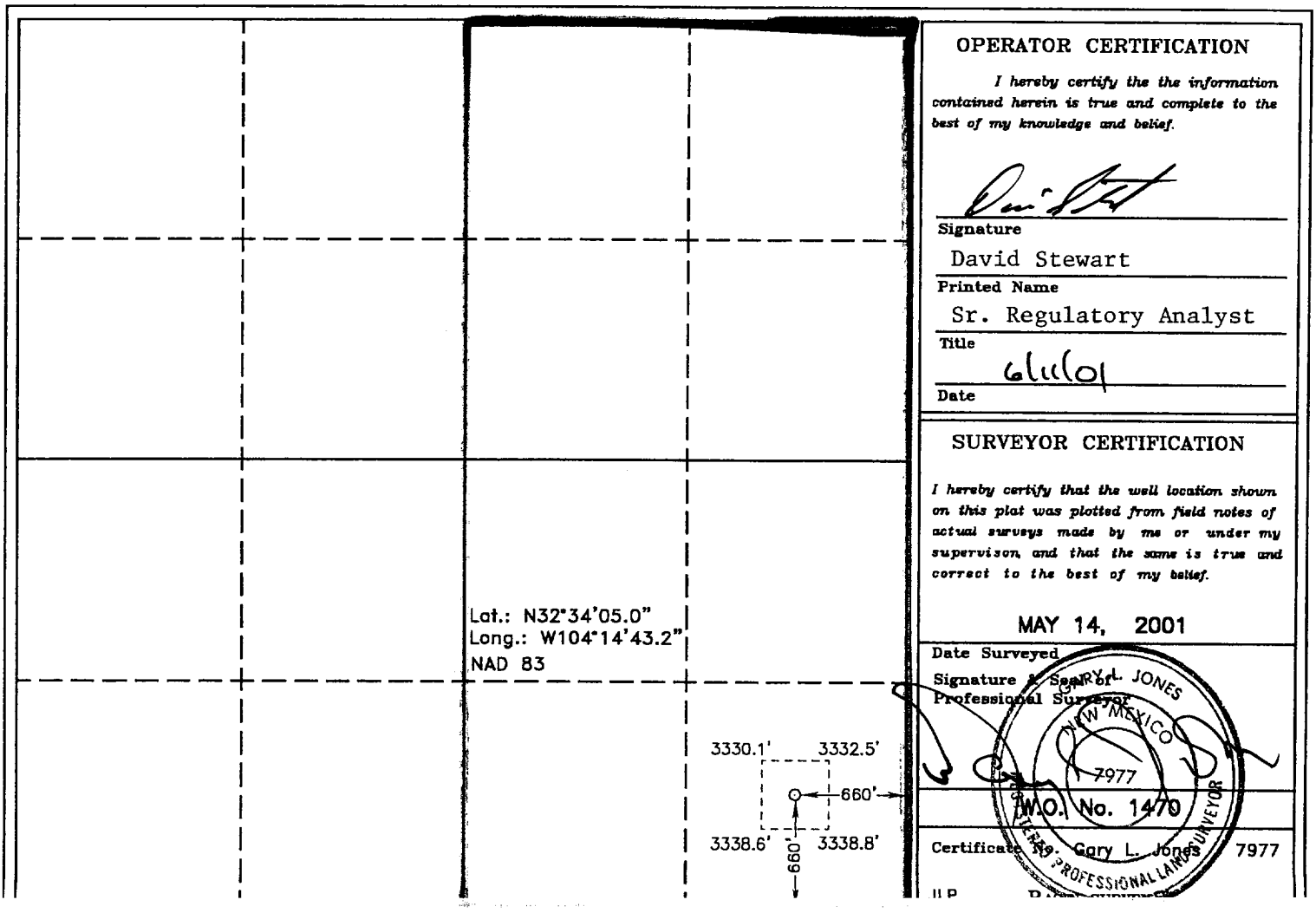
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
P	14	20 S	27 E		660	SOUTH	660	EAST	EDDY

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



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

6/11/01
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.

MAY 14, 2001
Date Surveyed

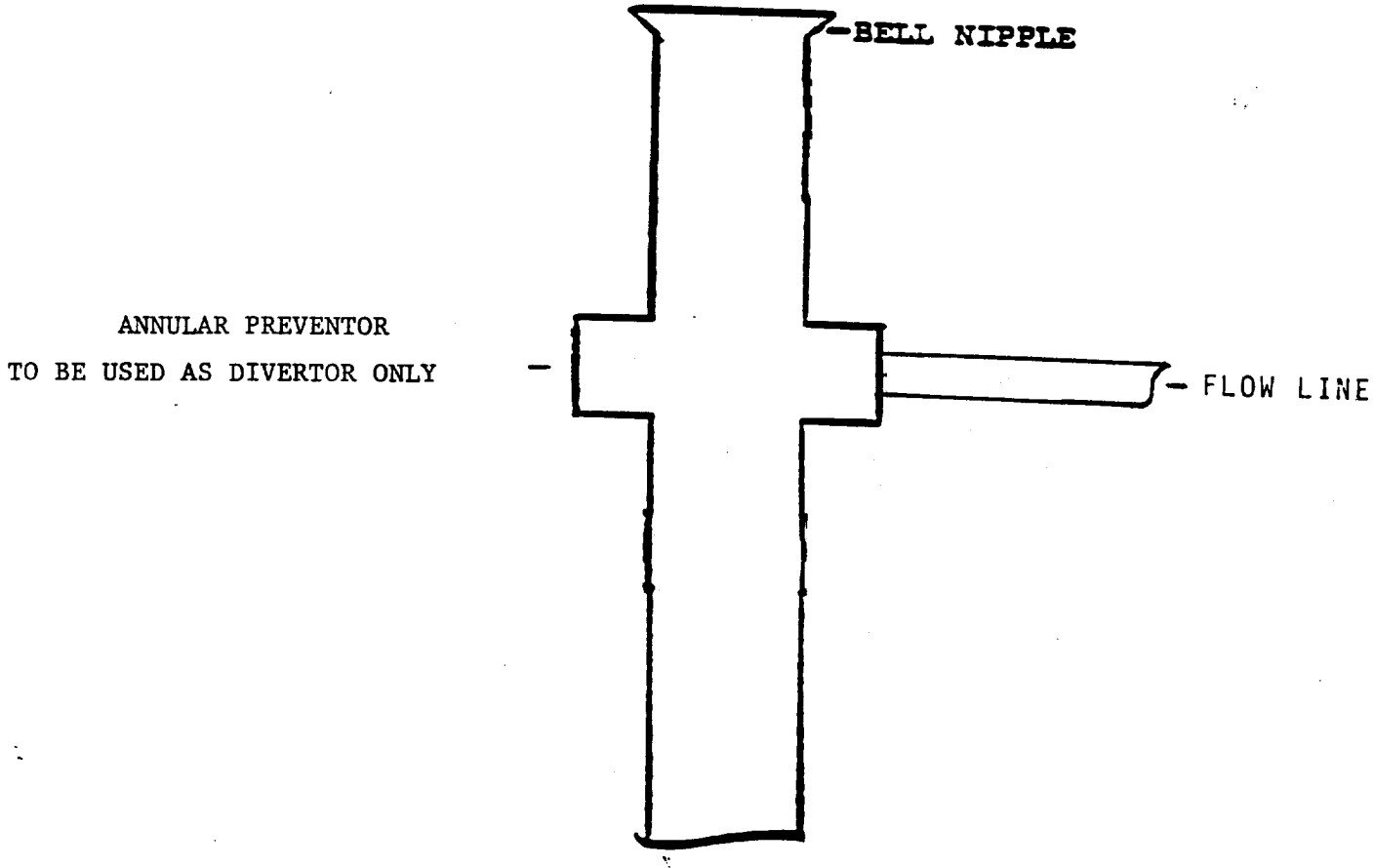
Signature & Seal of Professional Surveyor

GARY L. JONES
NEW MEXICO
7977
REGISTERED PROFESSIONAL LAND SURVEYOR

W.O. No. 1470

Certificate No. Gary L. Jones 7977

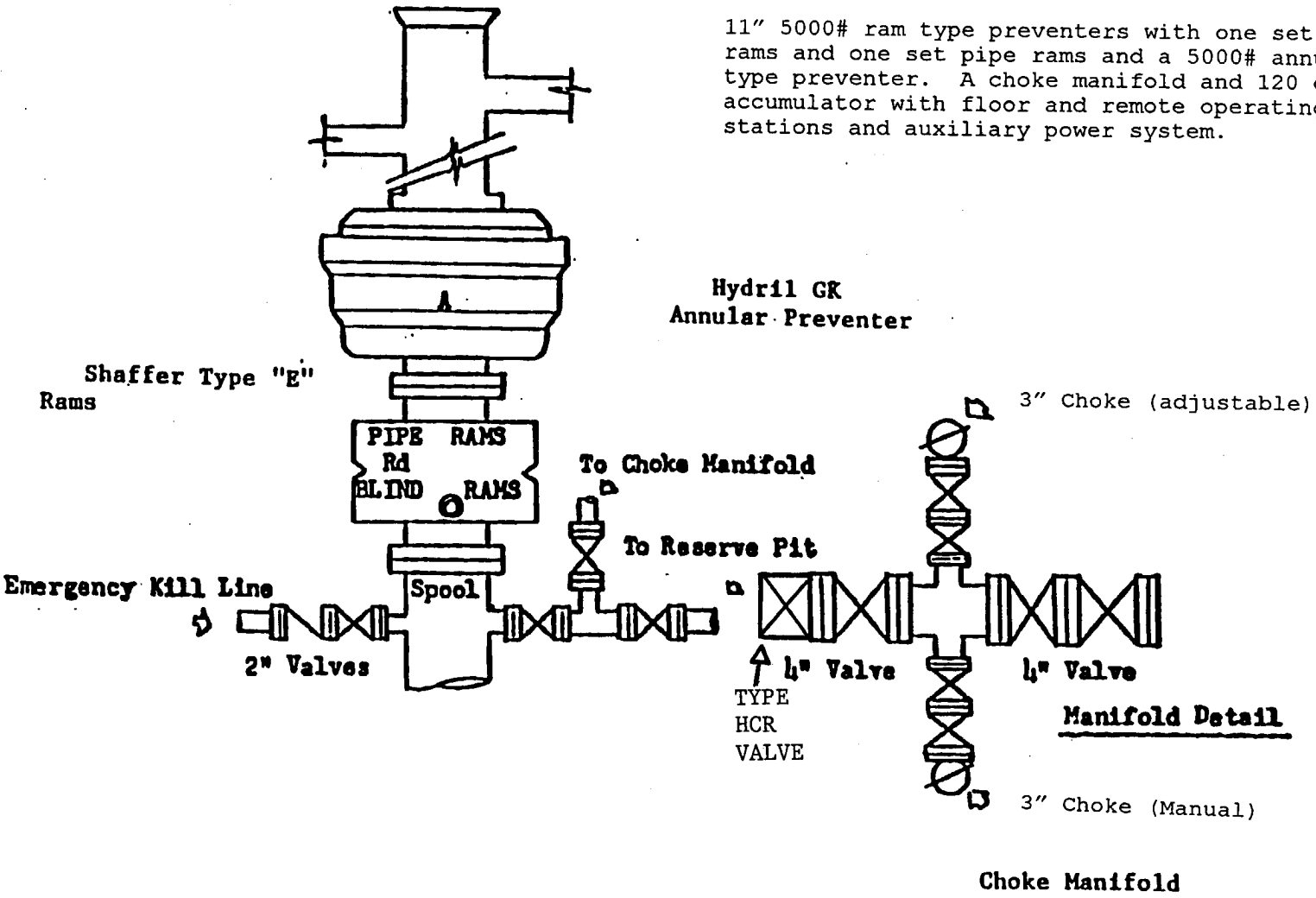
EXHIBIT A



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.

MULTI-POINT SURFACE USE AND OPERATIONS PLAN

OXY USA WTP Limited Partnership
OXY Hopsing Federal #1
Eddy County, New Mexico
Lease No. NM27642

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 237 and CR 208. Go south on CR 208 approximately 1.5 miles to a lease road to the west. Go west on lease road approximately 1.1 miles to a point which lies approximately 300' from the southeast corner of the pad of proposed well location.

2. Planned Access Road

A. A new access road will be built. The access road will run approximately 375' southwest 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 Hopsing 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 east and the pits to the north. 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 with out 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: Harley Ballard, P.O. Box 1777, 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 3335'.

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: There are no occupied dwellings within a 2.4 miles radius 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

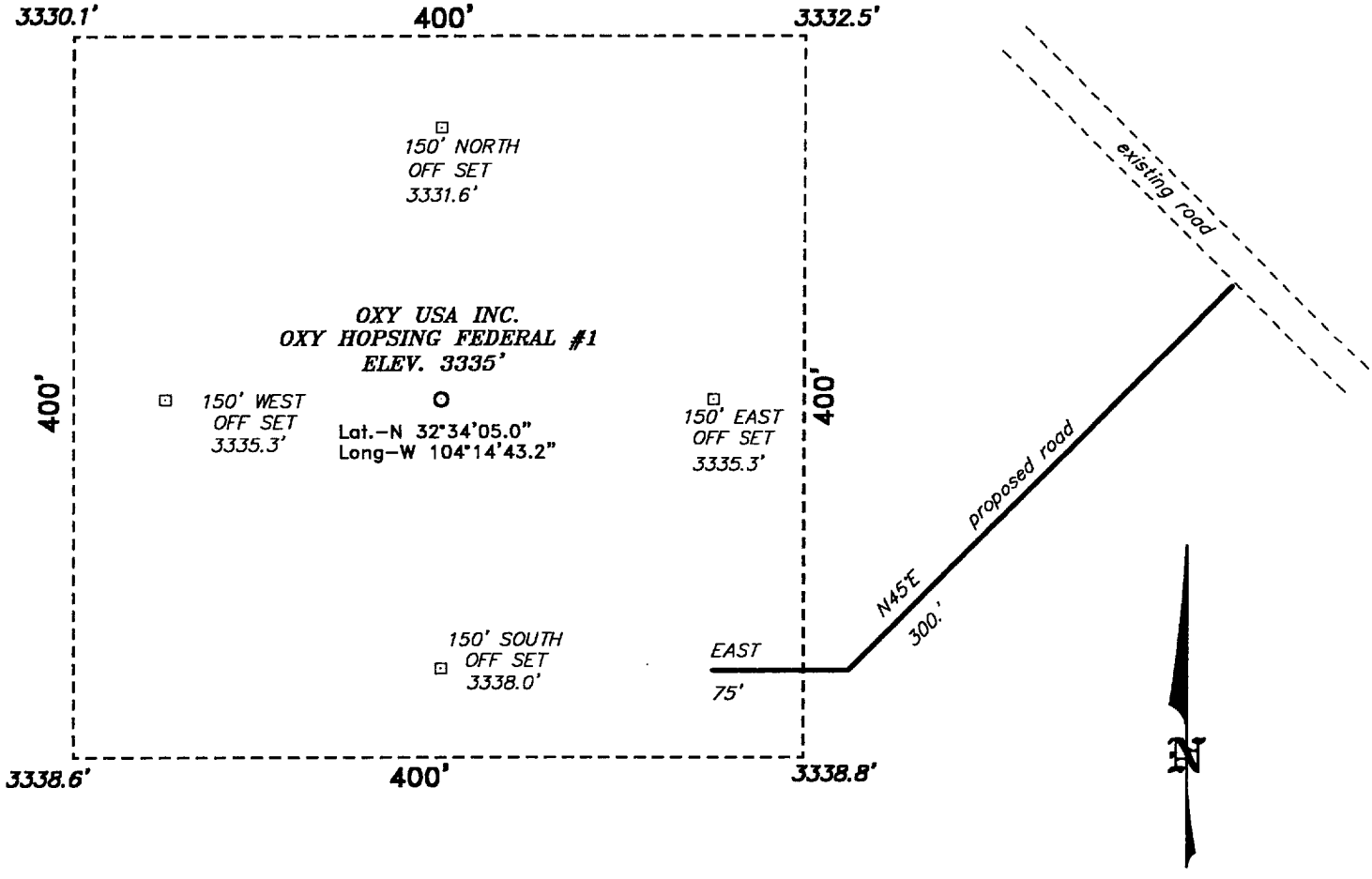
I hereby certify that I, or persons under my direct supervision, have inspected the proposed drill site and access route; that I am familiar with the conditions which presently exist; that the statements made in this plan are, to the best of my knowledge, true and correct; and, that the work associated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

6-15-01
DATE

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

EXHIBIT B

SECTION 14, TOWNSHIP 20 SOUTH, RANGE 27 EAST, N.M.P.M.,
EDDY COUNTY, NEW MEXICO.



100 0 100 200 FEET

SCALE: 1" = 100'

Directions to Location:

FROM THE JUNCTION OF CO. ROAD #237 AND CO. ROADS 208, GO SOUTH ON 208 APPROX 1.5 MILE TO A LEASE ROAD TO THE WEST, GO WEST 1.1 MILES TO THE PROPOSED LEASE ROAD TO LOCATION.

OXY USA INC.

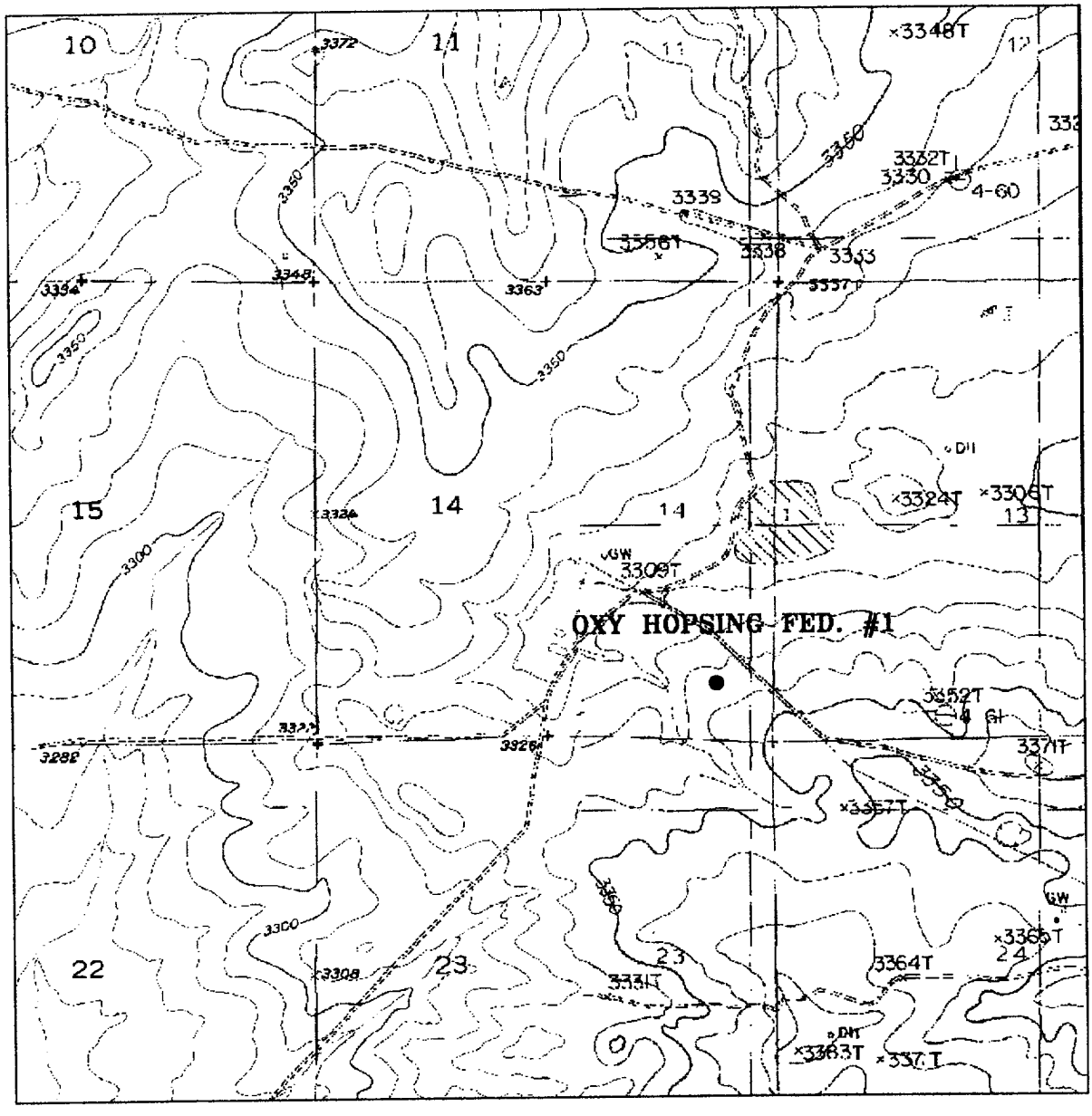
REF: OXY HOPSING FEDERAL #1 / Well Pad Topo

THE OXY HOPSING FEDERAL No. 1 LOCATED 660' FROM THE SOUTH LINE AND 660' FROM THE EAST LINE OF SECTION 14, TOWNSHIP 20 SOUTH, RANGE 27 EAST, N.M.P.M., EDDY COUNTY, NEW MEXICO.

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

W.O. Number: 1470 | Drawn By: **JAMES PRESLEY**

EXHIBIT B



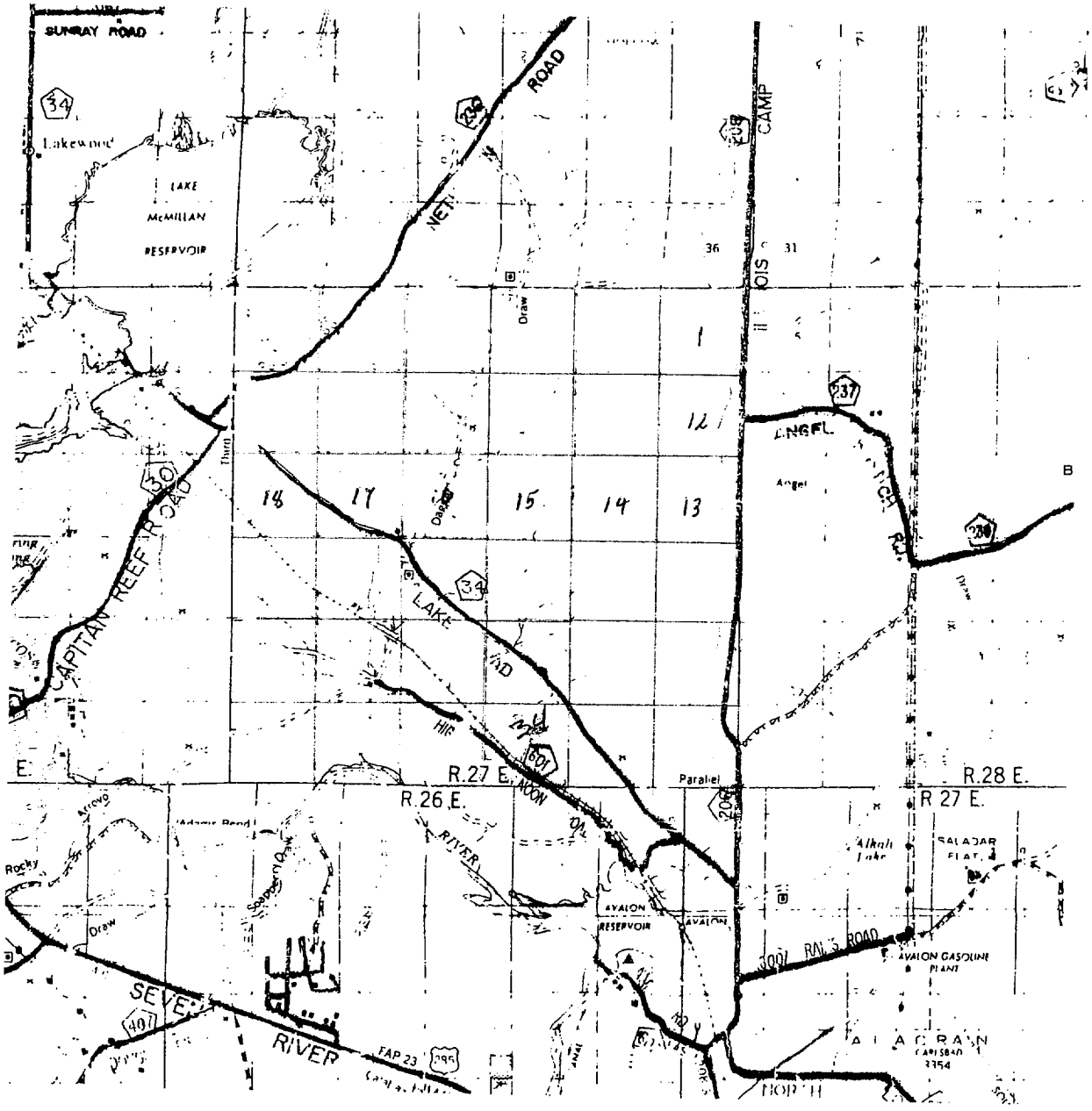
OXY HOPSING FEDERAL #1
Located at 660' FSL and 660' FEL
Section 14, Township 20 South, Range 27 East,
N.M.P.M., Eddy County, New Mexico.

basin surveys
focused on excellence
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:	1470AA – JLP #1
Survey Date:	05/14/01
Scale:	1" = 2000'
Date:	05/15/01

OXY USA INC.

EXHIBIT B



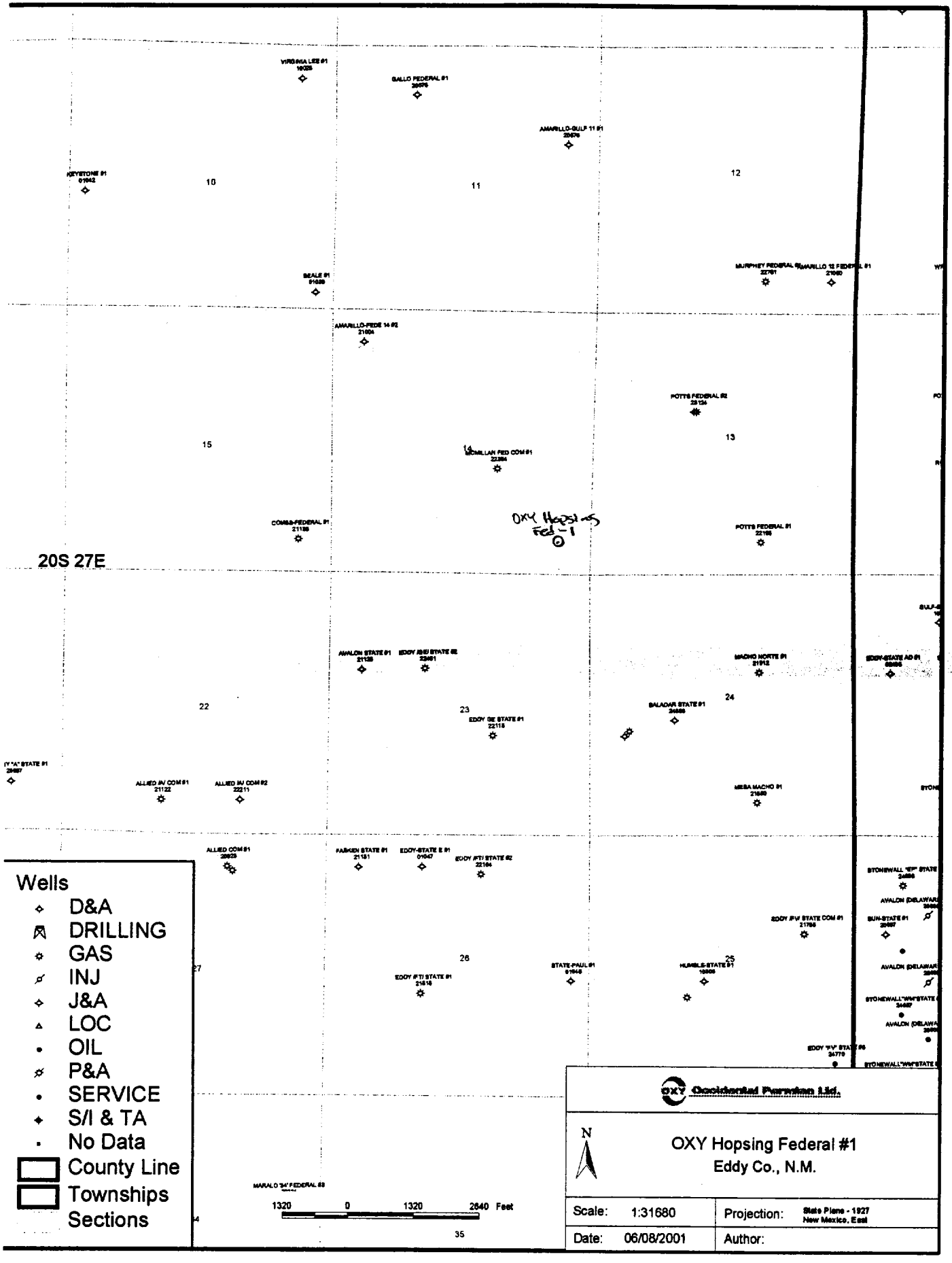
OXY HOPSING FEDERAL #1
Located at 660' FSL and 660' FEL
Section 14, Township 20 South, Range 27 East,
N.M.P.M., Eddy County, New Mexico.

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:	1470AA - JLP #1
Survey Date:	05/14/01
Scale:	1" = 2000'
Date:	05/15/01

OXY USA INC.

EXHIBIT C


20S 27E
OXY Hopsing Fed - 1
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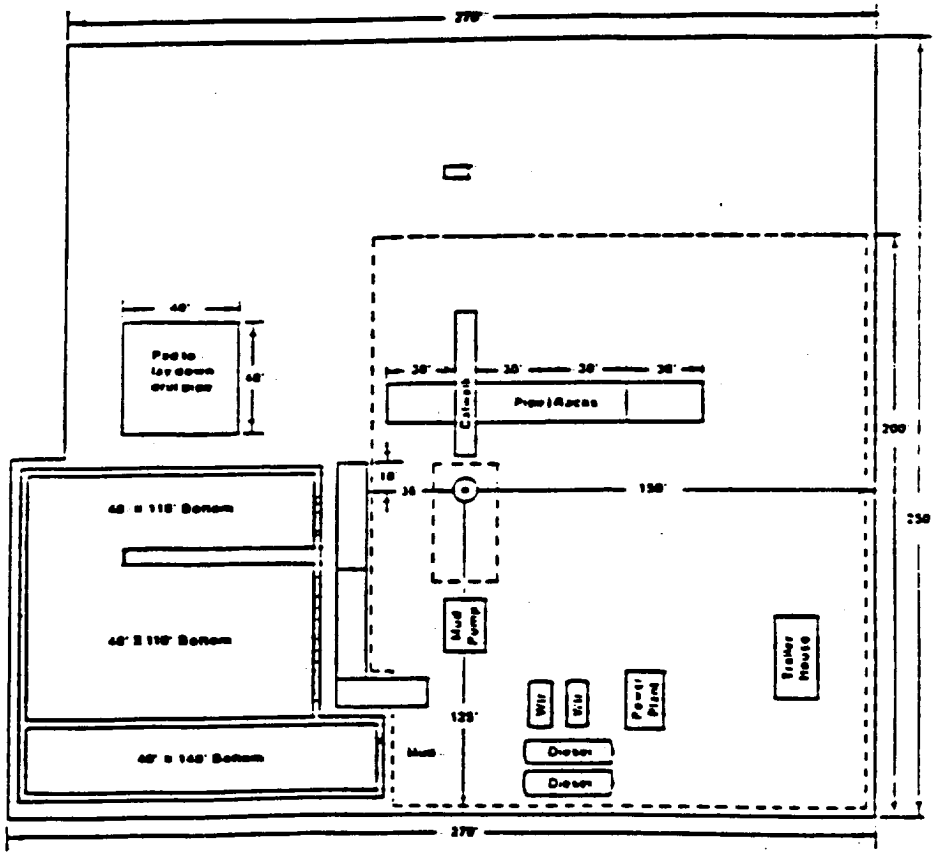
Wells
D&A
DRILLING
GAS
INJ
J&A
LOC
OIL
P&A
SERVICE
S/I & TA
No Data
County Line
Townships
Sections
1320 0 1320 2640 Feet
N
OXY Occidental Permian Ltd.
OXY Hopsing Federal #1
Eddy Co., N.M.
Scale: 1:31680
Projection: State Plane - 1927 New Mexico, East
Date: 06/08/2001
Author:

EXHIBIT D

LOCATION PLAT



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 Hopsing Federal No. 1
Section 14, T20S-R27E
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-27642

LEGAL DESCRIPTION: 660' FSL and 660' FEL Section 14,
T20S-R27E
Eddy County, New Mexico

FORMATIONS: All

BOND COVERAGE: Nationwide

BLM BOND FILE NO.: ES 0136

OXY USA WTP Limited Partnership

AUTHORIZED SIGNATURE: **BY:** Leslyn Wallace
Leslyn M. Wallace

TITLE: Landman Advisor
DATE: May 29, 2001

cc: David Stewart

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

June 11, 2001

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 Hopsing Federal #1
Eddy County, New Mexico
Lease No. NM27642

Gentlemen:

OXY USA WTP Limited Partnership respectfully requests permission to drill our OXY Hopsing Federal #1 located 660 FSL and 660 FEL of Section 14, T20S, R27E, Eddy County, New Mexico, Federal Lease No. NM27642. The proposed well will be drilled to a TD of approximately 11400' (TVD). The location and work area has been staked. It is approximately 7 miles north 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 May 14, 2001.

3. The elevation of the unprepared ground is 3335 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 11400' (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 11400' TVD.

7. Estimated tops of important geologic markers.

Wolfcamp	8500' TVD
Strawn	9850' TVD
Atoka	10400' TVD
Morrow	10700' TVD

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

Primary Objective: Morrow 10700' TVD

Secondary Objective: Atoka 10400' TVD

9. The proposed casing program is as follows:

   Surface: 13-3/8" 48# H40 ST&C new casing set at 600'

   Intermediate: 9-5/8" 36# K55 ST&C new casing from 0-3000'

   Production: 5-1/2" 17# N80 LT&C new casing from 0-11400'

10. Casing setting depth and cementing program:

   A. 13-3/8" surface casing set at 600' in 17-1/2" hole. Circulate cement with 350sx 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 3000' in 12¼" hole. Circulate cement with 650sx 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 11400'. Cement with 700sx 15:61:11 POZ/C/CSE w/ .5% FL-25 + .5% FL-52 + 8#/sx Gilsonite followed by 75sx Class C w/ .7% FL-25.

   Estimated top of cement is 8300'.

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

11. Pressure Control Equipment

0' - 600'	None
600' - 3000'	13-3/8" 3M annular preventer.
3000' - 11400'	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 8300'. 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 - 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 (10-10.5). 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' - 9800'	Cut brine. Lime for pH control (10-10.5). Wt. 9.6-10.0 ppg, vis 28-29 sec.
9800' - 11400'	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 August 16, 2001. 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