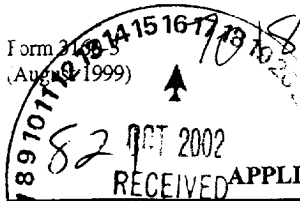


UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENTFORM APPROVED
OMB NO. 1004-0136
Expires: November 30, 2000

APPLICATION FOR PERMIT TO DRILL OR REENTER

OCD-ARTESIA

1a. Type of Work <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER		5. Lease Serial No. NM0455265
1b. Type of Well <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input checked="" type="checkbox"/> Single Zone <input type="checkbox"/> Multiple Zone		6. If Indian, Allottee or Tribe Name
2. Name of Operator OKY USA WTP Limited Partnership		7. Unit or CA Agreement Name and No. 30695
3a. Address P.O. Box 50250 Midland, TX 79710-0250		8. Lease Name and Well No. OKY Big Hoss Federal #2
3b. Phone No. (include area code) 915-685-5717		9. API Well No. 30-015-32475
4. Location of Well (Report location clearly and in accordance with any State requirements)* At surface 1700 FNL 1650 FEL SWNE (G) At proposed prod. zone		10. Field and Pool, or Exploratory Avalon Morrow
14. Distance in miles and direction from nearest town or post office* 7 miles northwest from Carlsbad, NM		11. Sec., T., R., M., or Blk. and Survey or Area Sec 21 T20S R27E
15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drg. unit line, if any) 940'	16. No. of Acres in lease 320	12. County or Parish Eddy
17. Spacing Unit dedicated to this well 320	18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. *1010'	13. State NM
19. Proposed Depth 11000'	20. BLM/BIA Bond No. on file 9312774	
21. Elevations (Show whether DF, KDB, RT, GL, etc.) 3266'	22. Approximate date work will start* 10/1/02	23. Estimated duration 30 days

*The #1 well will be plugged out of the Morrow prior to completion.

24. Attachments **Capitan Controlled Water Basin**

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No. 1, shall be attached to this form:

- | | |
|---|--|
| 1. Well plat certified by a registered surveyor. | 4. Bond to cover the operations unless covered by an existing bond on file (see Item 20 above). |
| 2. A Drilling Plan | 5. Operator certification. |
| 3. A Surface Use Plan (if the location is on National Forest System Lands, the SUPO shall be filed with the appropriate Forest Service Office). | 6. Such other site specific information and/or plans as may be required by the authorized officer. |

25. Signature 	Name (Printed/Typed) David Stewart	Date 8/12/02
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Title Sr. Regulatory Analyst		
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Approved by (Signature) /s/ JOE G. LARA	Name (Printed/Typed) /s/ JOE G. LARA	Date OCT 15 2002
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Title ACTING FIELD MANAGER	Office CARLSBAD FIELD OFFICE	
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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, are attached.

APPROVAL FOR 1 YEAR

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make 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.

*(Instructions on Reverse)

**APPROVAL SUBJECT TO
GENERAL REQUIREMENTS AND
SPECIAL STIPULATIONS
ATTACHED**

OXY Big Hoss Federal #2
1700 FNL 1650 FEL SWNE(G) SEC 21 T20S R27E Eddy County, NM
Federal Lease No. NM0455265

PROPOSED TD: 11000' TVD

BOP PROGRAM: 0-625' None

625-3000' 13-3/8" 3M annular preventer, to be used as
divertor only.

3000-11000' 11" 5M blind pipe rams with 5M annular
preventer and rotating head below 8500'.

CASING: Surface: 13-3/8" CD 48# H40 ST&C new casing set at 625'
17-1/2" hole

Intermediate: 9-5/8" OD 36# K55/HCK55 ST&C new casing from 0-3000'
12-1/4" hole

Production: 5-1/2" OD 17# N80/HP110 LT&C new casing from 0-11000'
8-3/4" hole 9000'-N80 2000'-HP110

CEMENT: Surface - Circulate cement with 350sx 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 800sx 35:65 POZ/C with 6%
Bentonite + 2% CaCl₂ + .25#/sx Cello-Seal followed by 200sx Cl C
with 2% CaCl₂.

Production - Cement with 770sx 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 8000'.

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

MUD: 0-625' Fresh water/native mud. Lime for pH control
(9-10). Paper for seepage.
Wt 8.7-9.2 ppg, Vis 32-34 sec

625-3000' 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

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

10000-11000' Mud up with an Duo Vis/Flo Trol mud system.
Wt 9.6-10.0ppg, Vis 32-36sec, WL<10cc