Form 3160-3
(JULY 1989)
(formerly 9-331C)

N.M. Oil Cons... 1301 W. ...

NUMBER OF COPIES REQUIRED 2
(Other instructions on reverse side)

30-015-32592

BLM Roswell District
Modified Form No.
NM060-3160-2

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. TYPE OF WORK: DRILL [X] DEEPEN [ ] PLUG BACK [ ]	5. LEASE DESIGNATION AND SERIAL NO.: NM-18293
b. TYPE OF WELL: OIL WELL [X] GAS WELL [ ] OTHER 21712 SINGLE ZONE [X] MULTIPLE ZONE [ ]	6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
	7. UNIT AGREEMENT NAME: 31083
	8. FARM OR LEASE NAME: Oxy Federal
2. NAME OF OPERATOR: STRATA PRODUCTION COMPANY	3a. Area Code & Phone No.: 505-622-1127
3. ADDRESS OF OPERATOR: P. O. Box 1030, Roswell, New Mexico 88202-1030	9. WELL NO.: #1 Undes. Russell
	10. FIELD AND POOL, OR WILDCAT: Scanlon Delaware
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.*) At surface: 990' FNL & 1980' FEL; At proposed prod. zone: Unit B	11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA: Section 23-20S-28E
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*: 14 miles northeast of Carlsbad, New Mexico on Hwy #62/180	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): 330'	16. NO. OF ACRES IN LEASE: 120
	17. NO. OF ACRES ASSIGNED TO THIS WELL: 40.00
18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED OR APPLIED FOR, ON THIS LEASE, FT.: 1500'	19. PROPOSED DEPTH: 7,000
	20. ROTARY OR CABLE TOOLS: Rotary
21. ELEVATIONS (Show whether DF, RT, GR, etc.): 3230' GR	22. APPROX. DATE WORK WILL START*:

RECEIVED DEC 2003 OCD - ARTESIA

Capitan Controlled Water Basin

23. PROPOSED CASING AND CEMENTING PROGRAM

HOLE SIZE	CASING SIZE	WEIGHT/FOOT	GRADE	THREAD TYPE	SETTING DEPTH	QUANTITY OF CEMENT
17 1/2"	13 3/8"	48#	H40	8 RD STC	420'	Circ to Surface
11"	8 5/8"	32#-50'/24#-2200'/32#-450'	J55	8 RD STC	2680'	Circ to Surface
7 7/8"	5 1/2"	17#-100'/4500'/2400'	J55/N80	8 RD LTC	7000'	TOC 1500'

WITNESS

Strata Production Company proposes to drill to a depth sufficient to test the Delaware formation. If productive, 5 1/2" casing will be set. If non-productive, the well will be plugged and abandoned in a manner consistent with Federal Regulations. Specific programs as set out in Onshore Oil and Gas Order #1 are outlined in the following attachments:

NMOCD Form C-102 Well Location and Acreage Dedication Plat
Hole Prognosis
Surface Use and Operating Plan
Exhibit "A" Equipment Description
Exhibit "B" Planned Access Roads
Exhibit "C" One Mile Radius Map
Exhibit "D" Drilling Rig Layout Plan

APPROVAL SUBJECT TO GENERAL REQUIREMENTS AND SPECIAL STIPULATIONS ATTACHED

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen or plug back, 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 Kelly M Britt TITLE Production Records DATE 12/21/02

(This space for Federal or State office use)

PERMIT NO. _____ APPROVAL DATE _____

APPROVED BY /s/ LESLIE A. THEISS TITLE FIELD MANAGER DATE JAN 14 2003

CONDITIONS OF APPROVAL, IF ANY:

APPROVAL FOR 1 YEAR

*See Instructions On Reverse Side

F3160-3.WK3

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 & Natural Resources

OIL CONSERVATION DIVISION

2040 South Pacheco
Santa Fe, N M 87505

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

Property Code	Property Name	Well Number
	OXY FEDERAL	*1*
OGRID No.	Operation Name	Elevation
	STRATA PRODUCTION	*3230*

Surface Location

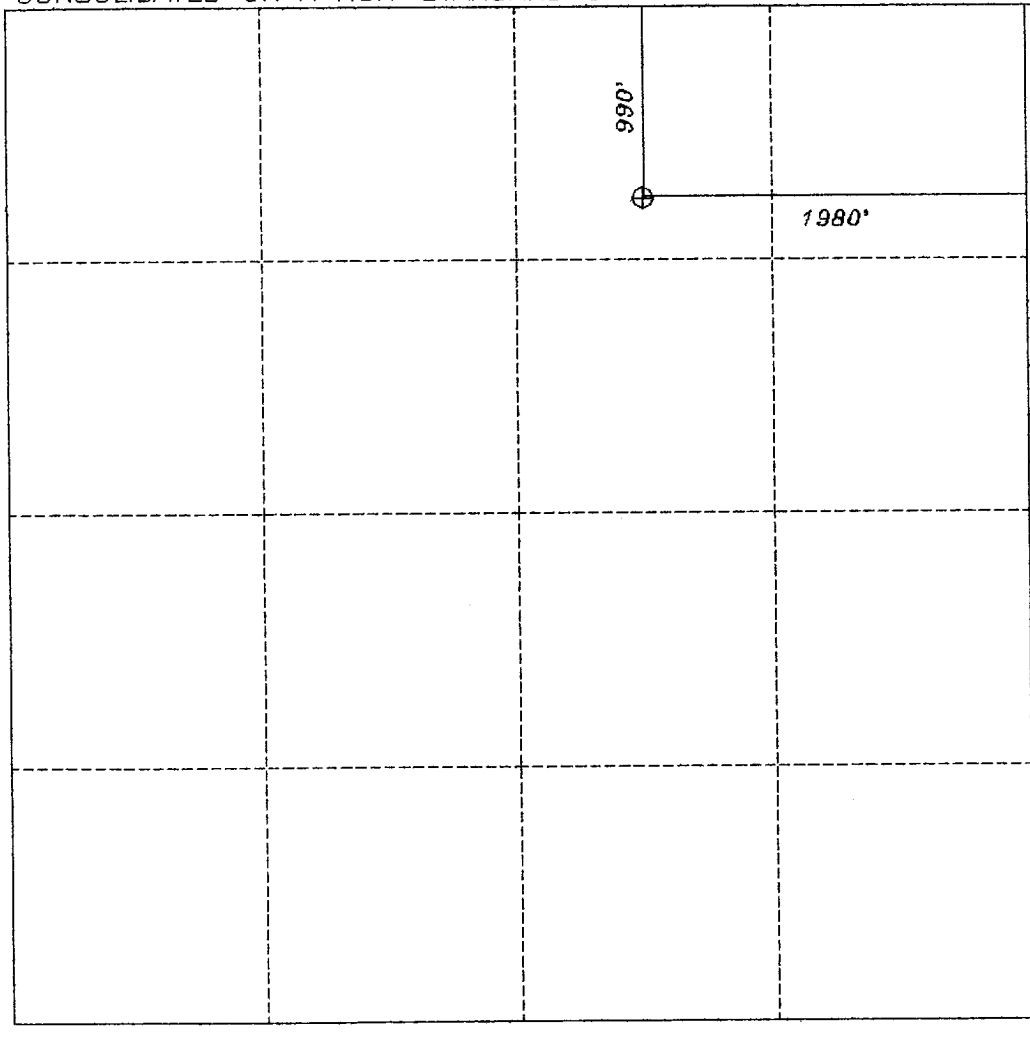
UL or Lot No.	Section	Township	Range	Lot Idn.	Feet from the	North/South line	Feet from the	East/West line	County
B	*23*	*20-S*	*28-E*		*990*	*NORTH*	*1980*	*EAST*	*EDDY*

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.
40			

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTEREST HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION



OPERATOR CERTIFICATION

I HEREBY CERTIFY THAT THE INFORMATION HEREIN IS TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF.

Signature Kelly M Britt

Printed Name Kelly M. Britt

Title Production Records

Date

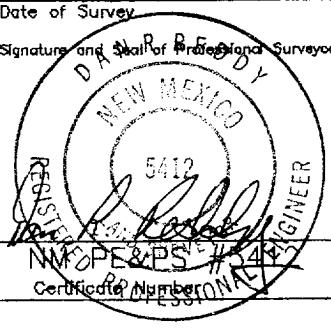
SURVEYOR CERTIFICATION

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 SUPERVISION, AND THAT THE SAME IS TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF.

DECEMBER 4, 2002

Date of Survey

Signature and Seal of Professional Surveyor



NM PE&PS #5412

Certificate Number

HOLE PROGNOSIS
FORM 3160-3 APPLICATION FOR PERMIT TO DRILL
STRATA PRODUCTION COMPANY
OXY FEDERAL #1
990' FNL & 1980' FEL
SECTION 23-20S-28E
EDDY COUNTY, NEW MEXICO

In conjunction with Form 3160-3, Application for Permit to Drill, Strata Production Company submits the following items in accordance with Onshore Oil and Gas Order Numbers 1 and 2, and all other applicable federal and state regulations.

1. Geologic Name of Surface Formation:

   Permian

2. Estimated Tops of Geologic Markers:

Rustler	200'	3040'
Base of Salado (Salt)	750'	2490'
Yates	800'	2440'
Canyon Reef	1000'	2240'
Delaware	3030'	210'
Bone Spring (Carb)	5480'	-2240'

3. Estimated Depths of Anticipated Fresh Water, Oil or Gas:

Surface	150'	Fresh Water
Delaware	2790' - 5480'	Oil or Gas
Bone Spring	5480' - 7000'	Oil or Gas

No other formations are expected to produce oil, gas or fresh water in measurable quantities. The surface fresh water sands will be protected by setting 13 3/8" casing at 420' and circulating cement to surface. Shallower zones above TD which contain commercial quantities of oil and/or gas will have cement circulated across the zone, around the 5 1/2" production casing which will be run at TD.

4. Casing Program:

Hole Size	Interval	OD Csg	Weight, Grade, Jt. Cond, Type
17 1/2"	0- 420'	13 3/8"	48#, H-40, ST&C, New
11"	0-2680'	8 5/8"	24# & 32#, J-55, ST&C, New
7 7/8"	0-7000'	5 1/2"	17#, J-55, LT&C, N-80, New

Cementing Program:

Surface Casing: 13 3/8" casing will be set at approximately 420' and cemented with approximately 500 sacks of Premium Plus cement with 2% CaCL and additives. The amount may be adjusted depending upon the fluid caliper results, however, cement in sufficient quantities to circulate will be utilized.

Intermediate Casing: 8 5/8" casing will be set at approximately 2680' and cemented in two stages with approximately 1300 sacks of Poz cement and 400 sacks of Class "C" cement with additives. The amount may be adjusted dependent upon fluid caliper results, however, cement in sufficient quantities to circulate will be utilized.

Production Casing: If appropriate, 5 1/2" casing will be set at Total Depth. Strata will utilize cement in sufficient quantities to circulate cement into the 8 5/8" casing with approximately 600 sacks of 50/50 Poz "C" cement with additives and 165 sacks Class H with additives. Estimated Top of Cement 1500'.

5. Minimum Specifications for Pressure Control:

The blowout preventer equipment (BOP) shown on Exhibit "A" will consist of a double ram-type (3000 psi WP) preventer and a bag-type (hydril) preventer (3000 psi WP). Both units will be hydraulically operated and the ram-type preventer will be equipped with blind rams on top and 4 1/2" drill pipe rams on bottom. Both BOPs will be nippled up on the 13 3/8" surface casing and used continuously until TD is reached. All BOPs and accessory equipment will be tested to 1000 psi before drilling out of surface casing. Before drilling out of surface casing, the ram-type BOP and accessory equipment will be tested to 3000 psi and the hydril to 70% of rated working pressure (2100 psi).

Pipe rams will be operationally checked each 24 hour period. Blind rams will be operationally checked on each trip out of the hole. These checks will be noted on the daily tour sheets. A 2" kill line and 3" choke line will be included in the drilling spool located below the ram-type BOP. Other accessories to the BOP equipment will include a kelly cock and floor safety valve (inside BOP) and choke lines and choke manifold with 3000 psi WP rating.

6. Types and Characteristics of the Proposed Mud System:

0' to 420'	Native mud consisting of fresh water with lime, gel paper and fiber will be utilized.
420' to 2700'	Fresh Water / Monitor Chlorides. ~~Saturated brine water purchased from commercial sources with paper and fiber will be utilized.~~
2700' to 7000'	2% to 3% KCL with 20-5 PPM Nitrates, caustic, paper and starch will be used to maintain approximately 28-30 viscosity and <50 water loss. Anticipated mud properties are MW 8.5-8.9, PH 9-10, CL 50,000.

The anticipated bottomhole pressure is 2600# PSI.

Sufficient mud materials to maintain mud properties and meet minimum lost circulation and weight increase requirements will be kept at the wellsite at all times.

7. Auxiliary Well Control and Monitoring Equipment:

A. A kelly cock will be kept in the drill string at all times.

B. A full opening drill pipe stabbing valve (inside BOP) with proper drill pipe connections will be on the rig floor at all times.

8. Testing, Logging and Coring Program:

A two (2) man Mudlogging unit will be on location from 2680' (intermediate casing) to 7000' (TD).

If indicated, DLL-MSFL, CNL-Density, Gamma Ray logs and Caliper logs will be run at TD. The Dual Laterolog will be run from TD back to the intermediate casing and the Compensated Neutron/Density Log will be run from TD back to surface. In some cases, Strata may elect to run rotary sidewall cores from selected intervals at approximately 3000' to 7000' dependent upon logging results.

9. Abnormal Conditions, Pressures, Temperatures and Potential Hazards:

No abnormal pressures or temperatures are anticipated.

Loss of circulation is possible in the Canyon Reef and the Delaware section of the hole. Lost circulation will be dealt with using LCM and Dry Drilling.

Strata has drilled three (3) wells and completed one (1) well in the immediate area. However, if Hydrogen Sulfide is encountered, a Hydrogen Sulfide alarm on the drilling rig would be activated. All personnel have had Hydrogen Sulfide training and appropriate breathing apparatus is located on site. If necessary, the well can be shut in utilizing the blow out preventer and other equipment to prevent the migration of Hydrogen Sulfide to the surface.

10. Anticipated Starting Date and Duration of Operations:

Road and location work will not begin until approval has been received from the BLM. The anticipated spud date is February 1, 2003. Once commenced, the drilling operation will be completed in approximately 20 days. If the well is productive, an additional 15 days will be required for completion and testing before a decision is made to install permanent facilities.

SURFACE USE PLAN
FORM 3160-3 APPLICATION FOR PERMIT TO DRILL
STRATA PRODUCTION COMPANY
OXY FEDERAL #1
990' FNL & 1980' FEL
SECTION 23-20S-28E
EDDY COUNTY, NEW MEXICO

Submitted with Form 3160-3, Application For Permit to Drill covering the above proposed well. The purpose of the plan is to describe the location, the proposed construction activities, the operations, the surface disturbance involved, and the rehabilitation of the surface after completion of the proposed well so that an appraisal can be made of the environment affected by the proposed well.

1. Existing Roads:

A. The Well Location and Acreage Dedication Plat for the proposed well was staked by Dan R. Reddy, Engineer, Carlsbad, New Mexico and is attached.

B. All roads to the location are shown in Exhibit "B". The existing roads are illustrated in red and are adequate for travel during drilling and production operations. Upgrading of the road prior to drilling will be done where necessary as determined during the on-site inspection.

C. Directions to location: From Carlsbad, New Mexico, the well is located approximately 14 miles to the northeast.

D. Routine grading and maintenance of existing roads will be conducted as necessary to maintain their condition as long as operations continue on the lease.

2. Proposed Access Road:

A new access road of approximately one half mile will be required as shown on Exhibit "B" and is illustrated in yellow. The road will be constructed from the existing north south road running down the center of Section 23.

A. The average grade will be less than 5%.

B. No turnouts will be necessary.

C. No culverts, cattleguards, gates, low-water crossings or fence cuts are necessary.

D. Surfacing material will consist of native caliche. If required, road across pad will be surfaced with a minimum of 6" of caliche. Caliche will be obtained from the nearest BLM approved caliche pit. Any additional materials that are required will be purchased from the dirt contractor.

3. Location of Existing Wells:

All existing wells within a one mile radius of the proposed well are shown on Exhibit "C".

4. Location of Existing and/or Proposed Facilities:

In the event the proposed well proves to be productive, Strata Production Company will furnish maps or plats showing On Well pad facilities and Off Well pad facilities (if necessary) by Sundry Notice before beginning the construction of the facilities.

5. Location and Type of Water Supply:

The proposed well will be drilled with a combination of brine and fresh water mud systems as outlined in the Hole Prognosis. The water will be purchased from commercial water stations in the area and trucked to the location by transport over the existing and proposed access roads as shown on Exhibit "B". If a commercial fresh water source is nearby, fasline may be laid along existing road ROWs and fresh water pumped to the well. No water well will be drilled on the location.

6. Source of Construction Materials:

All caliche required for construction of the drill pad and the proposed new access road will be obtained from a BLM approved caliche pit. All roads and pads will be constructed of 6" rolled and compacted caliche.

7. Methods of Handling Water Disposal:

A. Drill cuttings not retained for evaluation purposes will be disposed into the reserve pit.

B. Drilling fluids will be contained in steel mud tanks. The reserve pit will contain any excess drilling fluid or flow from the well during drilling, cementing and completion operations. The reserve pit will be an earthen pit approximately 100' x 50' x 8' deep and fenced on three sides prior to drilling. The fourth side will be fenced immediately following rig removal. The reserve pit will be plastic lined (5-7 mil thickness) to minimize loss of drilling fluids and saturation of the ground with brine water. Drilling fluids will be allowed to evaporate in the reserve pits until dry.

C. Water produced from the proposed well during completion may be disposed into the reserve pit or a steel tank (depending upon rates). After the proposed well is permanently placed on production, produced water will be collected in tanks (fiberglass or steel) until hauled to an approved disposal system or a separate disposal application will be submitted to BLM for approval. Produced oil will be collected in steel tanks until sold.

D. A portable chemical toilet will be provided on the location for human waste during the drilling and completion operations. Compliance with current laws and regulations pertaining to the disposal of human waste will be followed.

E. Garbage and trash produced during drilling or completion operations will be disposed in a separate trash trailer on location. All waste material will be contained to prevent scattering by the wind. All water and fluids will be disposed into the reserve pit. Salts and other chemicals produced during drilling or testing will be disposed into the reserve pit. No toxic waste or hazardous chemicals will be produced by the operation.

F. After the rig is moved out and the proposed well is either completed or abandoned, all waste materials will be removed within 30 days. No adverse materials will be left on the location. The reserve pit will be completely fenced and kept closed until dried. When the reserve pit is dry enough to breakout and fill, and as weather permits, the unused portion of the wellsite will be leveled and reseeded as per BLM specifications. Only that part of the pad required for production facilities will remain in use. In the event of a dry hole, only a dry hole marker will remain.

8. Ancillary Facilities:

No airstrip, campsite or other facility will be built as a result of the operations of the proposed well.

9. Well Site Layout:

A. The drill pad layout with elevations, as staked by Dan R. Reddy, Engineer, is shown on Exhibit "B". Dimensions of the pad, pits and location of major rig components are shown. Top soil, if available, will be stockpiled per BLM specifications as determined at the on-site inspection. Since the pad is fairly level, no major cuts will be required.

B. The planned orientation of the rig and associated drilling equipment, reserve pit, trash pit, pipe racks, turn-around and parking areas, and access road are shown on Exhibit "B". No permanent living facilities are planned, however, a temporary foreman/toolpusher's trailer will be on location during drilling operations.

C. The reserve pit will be lined with a high quality plastic sheeting (5-7 mil thickness).

10. Plan for Restoration of the Surface:

A. Upon completion of the proposed operations, should the proposed well be abandoned, the pit area, after allowed to dry, will be broken out and leveled. The original top soil will be returned to the entire location, and leveled and contoured to the original topography as nearly as possible.

All trash, garbage and pit lining will be removed in order to leave the location in an aesthetically pleasing condition. All pits will be filled and the location leveled within 120 days after abandonment.

B. The disturbed area will be revegetated by reseeding during the proper growing season with a seed mixture of native grasses as recommended by the BLM.

C. Three sides of the reserve pit will be fenced prior to and during drilling operations. At the time the rig is removed, the reserve pit will be fenced on the rig (fourth) side to prevent livestock or wildlife from being entrapped. The fencing will remain in place until the pit area is cleaned and leveled. No oil will be left on the surface of the fluid in the pit.

D. Upon completion of the proposed operations, should the proposed well be productive, the reserve pit area will be treated as outlined above within the same prescribed time. The caliche from an area of the original drillsite not needed for production operations or facilities will be removed and used for construction of thicker pads or firewalls for the tank battery installation. Any additional caliche required for facilities will be obtained from a BLM approved caliche pit. Topsoil removed from the drillsite will be used to recontour the pit area and unused portions of the drill pad to the original natural level and reseeded as per BLM specifications.

11. Surface Ownership:

The wellsite and lease are located entirely on Federal surface.

12. Other Information:

A. The topography around the wellsite is rolling terrain with vegetation of sagebrush and native grass. The vegetation cover consists of prairie grasses and flowers. Wildlife in the area includes those typical of semi-arid desert land.

B. The soils are clayey sand over caliche base.

C. There is no permanent or live water in the immediate area.

D. There are no residences and other structures in the area.

E. The land in the area is used primarily for grazing purposes.

F. An archaeological study will be conducted for the location and new access road, and submitted separately.

13. Lessee's and Operator's Representative:

BRUCE STUBBS
P. O. BOX 1030
ROSWELL, NEW MEXICO 88202-1030
PHONE NUMBER: 505-622-1127-OFFICE
505-626-0973-CELLULAR
505-623-6466-HOME

14. Certification:

I hereby certify that I, or persons under my direct supervision have inspected the proposed drill site which currently exists; that the statements made in the plan are to the best of my knowledge, true and correct; and the work associated with the operations proposed herein will be performed by Strata Production Company and its contractors and sub-contractors in conformity with the plan, and the terms and conditions under which it is approved. This statement is subject to the provisions of 18 USC 1001 for the filing of a false statement.

STRATA PRODUCTION COMPANY

Kelly M. Britt _____ DATE: 6/6/02

Kelly M. Britt
PRODUCTION RECORDS

EXHIBIT "A"

EQUIPMENT DESCRIPTION

All equipment should be at least 3,000 psi WP or higher unless otherwise specified.

1. Bell nipple
2. Hydril bag type preventer
3. Ram type pressure operated blowout preventer with blind rams.
4. Flanged spool with one 3"and one 2"(minimum) outlet.
5. 2"(minimum) flanged plug or gate valve.
6. 2"x 2"x 2"(minimum) flanged.
7. 3"gate valve.
8. Ram type pressure operated blowout preventer with pipe rams.
9. Flanged type casing head with one side outlet.
10. 2" threaded (or flanged) plug or gate valve. Flanged on 5000# WP, threaded on 3000# WP or less.
11. 3" flanged spacer spool.
12. 3"x 2"x 2"x 2" flanged cross.
13. 2" flanged plug or gate valve.
14. 2" flanged adjustable choke.
15. 2" threaded flange.
16. 2" XXH nipple.
17. 2" forged steel 90`Ell.
18. Cameron (or equal) threaded pressure gauge.
19. Threaded flange.
20. 2" flanged tee.
21. 2" flanged plug or gate valve.
22. 2 1/2" pipe, 300' to pit, anchored.
23. 2 1/2" SE valve.
24. 2 1/2" line to steel pit or separator.

NOTES:

1). Items 3,4 and 8 may be replaced with double ram type preventer with side outlets between the rams.

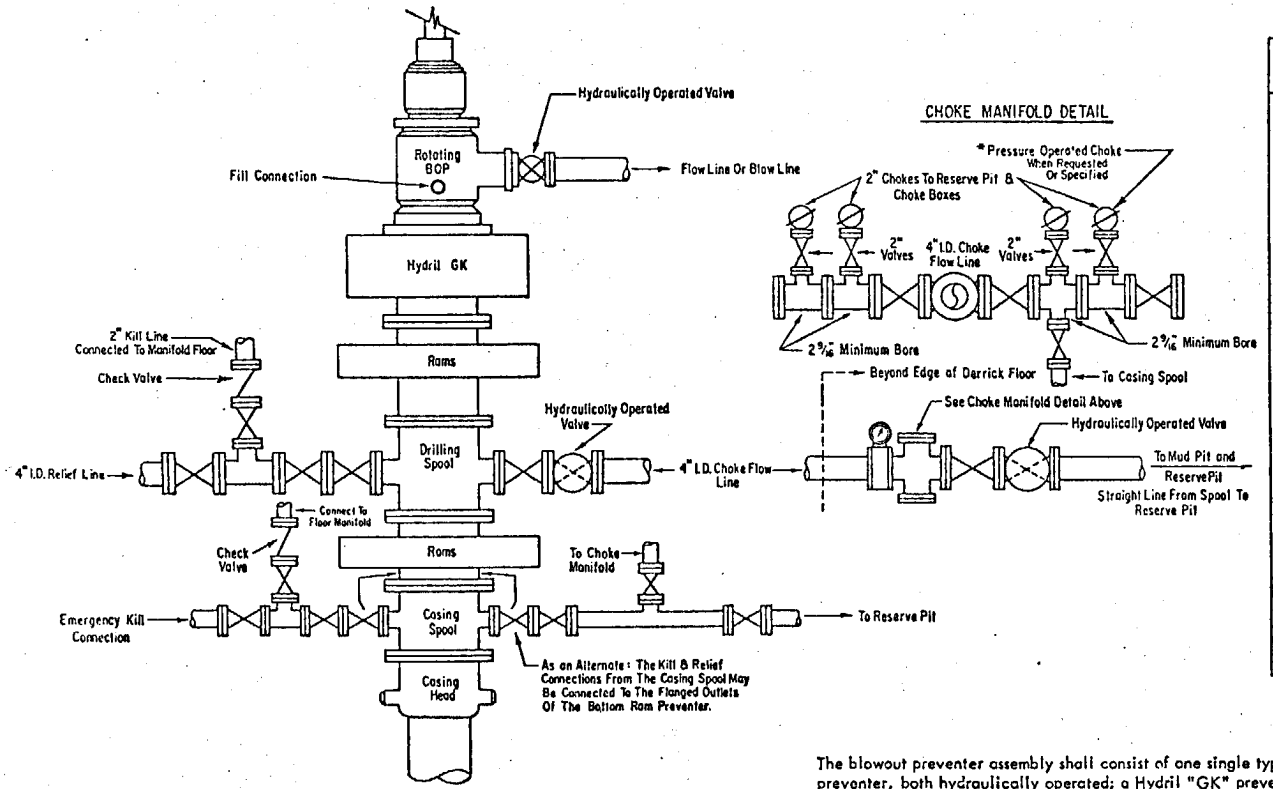
2). The two valves next tho the stack on the fill and kill line to be closed unless drill string is being pulled.

3). Kill line is for emergency use only. This connection shall not be used for filling.

4). Replacement pipe rams and blind rams shall be on location at all times.

5). Only type U, LSW and QRC ram type preventers with secondary seals are acceptable for 5000 psi WP and higher BOP stacks.

6). Type E ram-type BOP's with factory modified side outlets may be used on 3000 psi or lower WP BOP stacks.



3000# PSI WORKING PRESSURE
BLOWOUT PREVENTER HOOK-UP

The blowout preventer assembly shall consist of one single type blind ram preventer and one single type pipe ram preventer, both hydraulically operated; a Hydril "GK" preventer; a rotating blowout preventer; valves; chokes and connections, as illustrated. If a tapered drill string is used, a ram preventer must be provided for each size of drill pipe. Casing and tubing rams to fit the preventers are to be available as needed. If correct in size, the flanged outlets of the ram preventer may be used for connecting to the 4-inch I.D. choke flow line and 4-inch I.D. relief line, except when air or gas drilling. All preventer connections are to be open-face flanged.

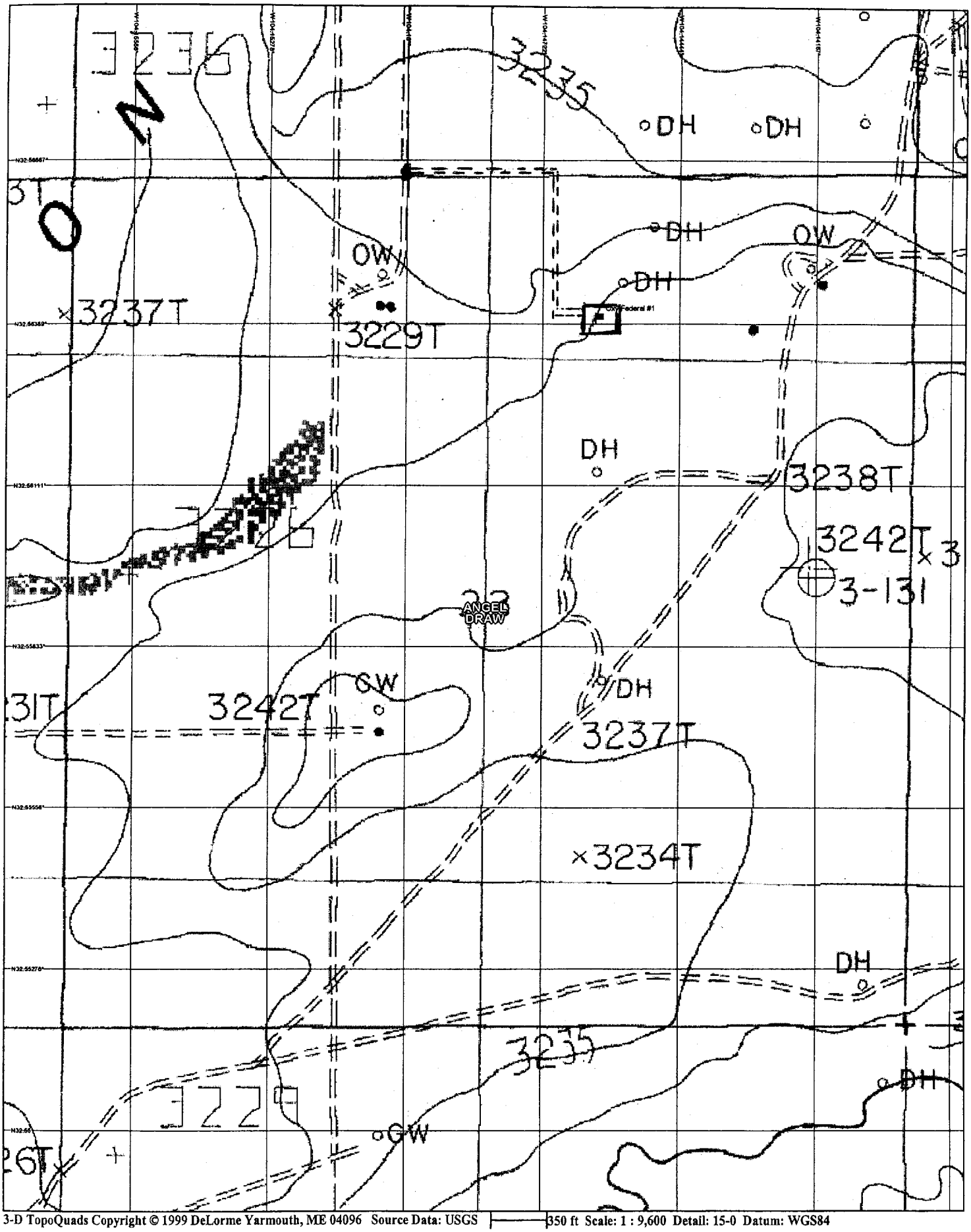
Minimum operating equipment for the preventers and hydraulically operated valves shall be as follows: (1)Multiple pumps, driven by a continuous source of power, capable of fluid charging the total accumulator volume from the nitrogen precharge pressure to its rated pressure within_____ minutes. Also, the pumps are to be connected to the hydraulic operating system which is to be a closed system. (2) Accumulators with a precharge of nitrogen of not less than 750 PSI and connected so as to receive the aforementioned fluid charge. With the charging pumps shut down, the pressurized fluid volume stored in the accumulators must be sufficient to close all the pressure-operated devices simultaneously within_____ seconds; after closure, the remaining accumulator pressure shall be not less than 1000 PSI with the remaining accumulator fluid volume at least_____ percent of the original. (3) When requested, an additional source of power, remote and equivalent, is to be available to operate the above pumps; or there shall be additional pumps operated by separate power and equal in performance capabilities.

The closing manifold and remote closing manifold shall have a separate control for each pressure-operated device. Controls are to be labeled, with control handles indicating open and closed positions. A pressure reducer and regulator must be provided for operating the Hydril preventer. When requested, a second pressure reducer shall be available to limit operating fluid pressures to ram preventers. Gulf Legion No. 38 hydraulic oil, an equivalent or better, is to be used as the fluid to operate the hydraulic equipment.

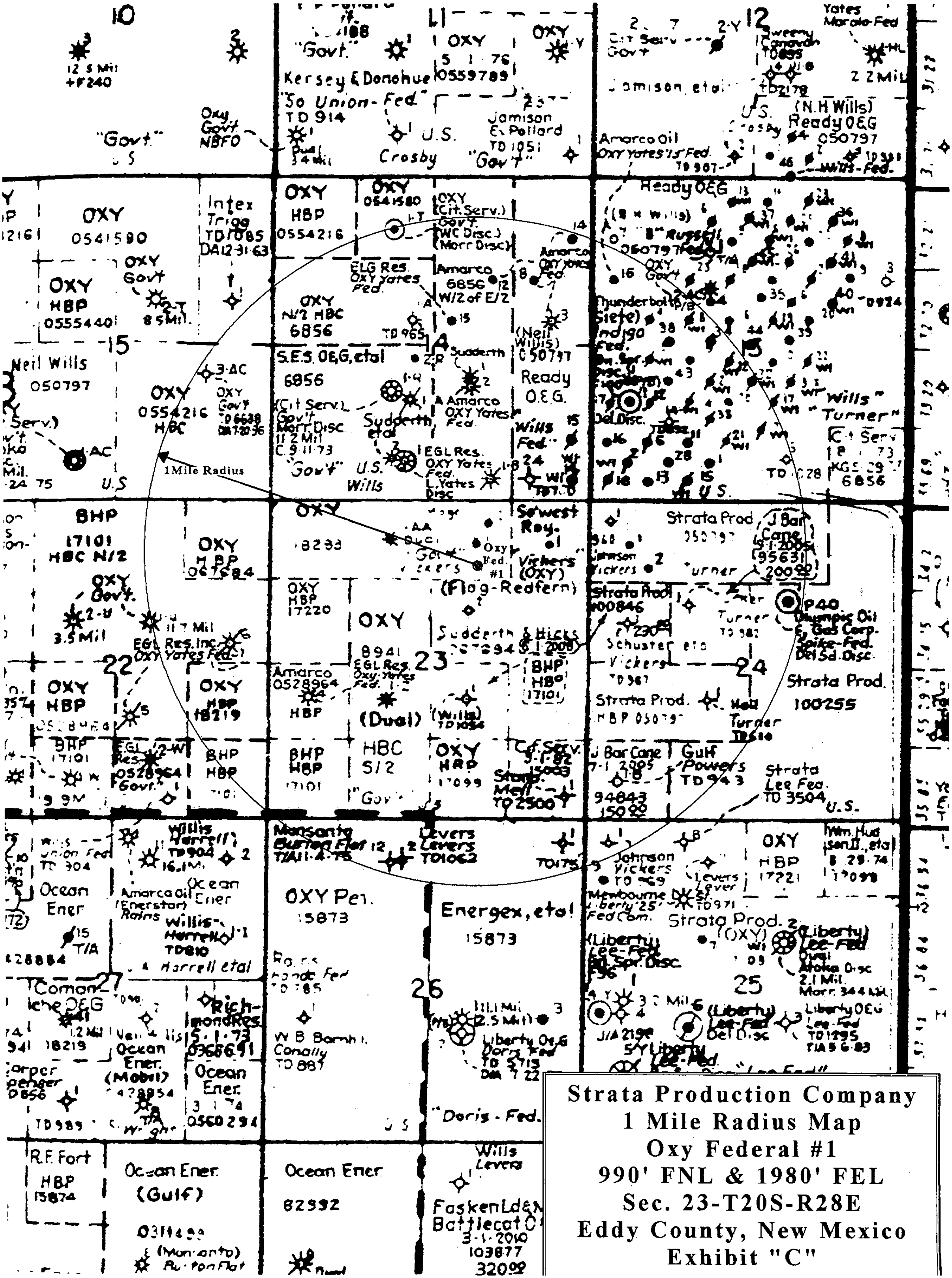
The choke manifold, choke flow line, relief line, and choke lines are to be supported by metal stands and adequately anchored. The choke flow line, relief line, and choke lines shall be constructed as straight as possible and without sharp bends. Easy and safe access is to be maintained to the choke manifold. If deemed necessary, walkways and stairways shall be erected in and around the choke manifold. All valves are to be selected for operation in the presence of oil, gas, and drilling fluids. The choke flow line valves and relief line valves connected to the drilling spool and all ram type preventers must be equipped with stem extensions, universal joints if needed, and hand wheels which are to extend beyond the edge of the derrick substructure. All other valves are to be equipped with handles.

* To include derrick floor mounted controls.

EXHIBIT "B"



 350 ft Scale: 1 : 9,600 Detail: 15-0 Datum: WGS84



1Mile Radius
Oxy Fed. #1
(Flag-Redfern)
Sudderth & Hicks
Strata Prod
J Bar Cane
Turner
Vickers
Strata Prod. 100255
Schuster etal
Strata Prod. 100846
OXY 8941
EGL Res. Oxy-Yates Fed.
Amarco 0528964
OXY HBP 17220
OXY 18219
BHP 17101 HBC N/2
OXY HBP 067584
BHP HBP 17101
HBC S/2
OXY HBP 17099
J Bar Cane 7-1-2005 94843 150
Gulf Powers TD 943
Strata Lee Fed. TD 3504
Monsanto Burton Flat
Levers Levers TD1062
Johnson Vickers
OXY Pet. 15873
Energex, etal 15873
Ocean Ener
Willis Harrell
Strata Prod. (OXY)
Liberty Lee-Fed
Ocean Ener (Gulf) 0311499
Ocean Ener 82992
Fasken Ld&M Battlecat 3-1-2010 103877
R.F. Fort HBP 15874
OXY 0541580
OXY HBP 0555440
OXY 0554216 HBC
Neil Wills 050797
Intex Trigg TD1085 DA 12-31-63
OXY HBP 0554216
OXY N/2 HBC 6856
S.E.S. O&G, etal 6856
Sudderth etal
Amarco 6856 W/2 of E/2
Ready O.E.G.
Wills Fed.
Ready O&G
Wills "Turner"
Cit Serv 6856
Kersey & Donohue "So Union-Fed" TD 914
Jamison Ex Pollard TD 1051
Jamison, etal
Amarco Oil OXY Yates "15" Fed. TD 907
N.H. Wills Ready O&G 050797
Yates Marale Fed
OXY 5-1-76 0559789
U.S. Crosby
"Govt"
Doris - Fed.
Strata Production Company
1 Mile Radius Map
Oxy Federal #1
990' FNL & 1980' FEL
Sec. 23-T20S-R28E
Eddy County, New Mexico
Exhibit "C"

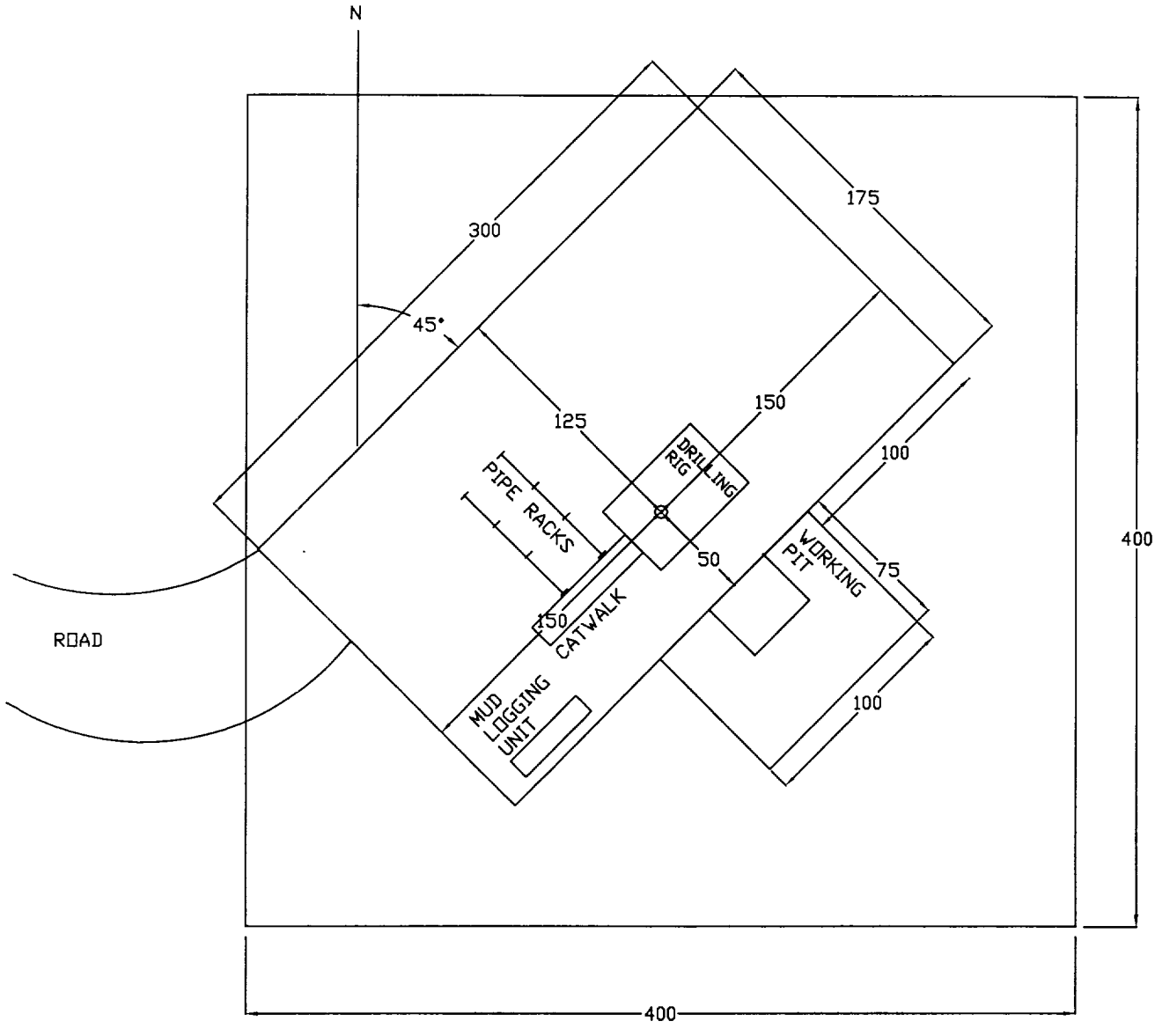
Exhibit "C"

WELLS WITHIN A 1 MILE RADIUS OF THE OXY FEDERAL #1 PROPOSED LOCATION

API	LEASE NAME	#	OPERATOR NAME	LOCATION	FIELD NAME	STATU	PROD ZONE	OIL CUM	GAS CUM	WTR CUM	TD	LATITUDE	LONGITUDE
30015024240000	WILLS FEDERAL	1	NEIL WILLS	24D 20S 28E	RUSSELL	INA	YATES /OKLA	782			982	32.5648	-104.1371
30015023660000	WILLS FEDERAL	010Y	COLLIER PETROLEUM	13L 20S 28E	RUSSELL	INA	YATES					32.5727	-104.136
30015023600000	WILLS FEDERAL	6	READY OIL & GAS	13M 20S 28E	RUSSELL	INA	YATES					32.5694	-104.136
30015023550000	WILLS FEDERAL	2	READY OIL & GAS	13M 20S 28E	RUSSELL	INA	YATES					32.5684	-104.1371
30015023510000	TURNER FEDERAL	2	READY OIL & GAS	13K 20S 28E	RUSSELL	INA	YATES					32.572	-104.1328
30015308050000	OXY YATES 14 FED	8	E G L RESOURCES	14H 20S 28E NW SE NI	RUSSELL	ACT	YATES /OKLA	2374	26301		875	32.5762	-104.1427
30015283910000	GOVERNMENT R	2	OXY USA WTP LP	14K 20S 28E	RUSSELL	ACT	BONE SPRIN	11553	65266	87145		32.573	-104.1484
30015270700000	SPIKE FEDERAL	1	LARUE C E & MUNCY I	24G 20S 28E SW NE	RUSSELL	INA	DELAWARE	12334	10956	80386	5725	32.562	-104.1287
30015264780000	INDIGO FEDERAL	1	THUNDERBOLT PETR(	13L 20S 28E NW SW	RUSSELL	ACT	DELAWARE	17353	98571	19242		32.5712	-104.1371
30015264780000	INDIGO FED.	1	SIETE OIL & GAS COR	13L 20S 28E NW SW	RUSSELL	INA	BONE SPRIN	5328	590	6219	7800	32.5712	-104.1371
30015202290000	WILLS FEDERAL	43	READY OIL & GAS	13K 20S 28E	RUSSELL	INA	YATES /OKLA	1975		41087	828	32.5721	-104.1349
30015104200000	WILLS FEDERAL	34	READY OIL & GAS	13F 20S 28E	RUSSELL	INA	YATES /OKLA	2253		22859	827	32.5736	-104.1328
30015102500000	WILLS FEDERAL	32	READY OIL & GAS	13J 20S 28E	RUSSELL	INA	YATES /OKLA	24233		158605	848	32.572	-104.1307
30015023500000	TURNER FEDERAL	1	READY OIL & GAS	13N 20S 28E	RUSSELL	ACT	YATES /OKLA	1890		63734		32.5684	-104.1328
30015102040000	WILLS FEDERAL	38	READY OIL & GAS	13F 20S 28E	RUSSELL	ACT	YATES /OKLA	15225	4	160255	810	32.5736	-104.1349
30015023800000	TURNER FEDERAL	8	READY OIL & GAS	13F 20S 28E	RUSSELL	INA	YATES					32.5745	-104.134
30015024190000	VICKERS	1	SOUTHWEST ROYALT	23A 20S 28E	RUSSELL	INA	YATES /OKLA	75141	342	439814		32.5648	-104.1414
30015024170000	VICKERS	1	MOGEL JOE	23B 20S 28E	RUSSELL	INA	YATES /OKLA	4235				32.5648	-104.1452
30015023990000	WILLS FEDERAL	15	READY OIL & GAS	14P 20S 28E	RUSSELL	INA	YATES /OKLA	53630		7805		32.5694	-104.1403
30015023920000	TURNER FEDERAL	20	READY OIL & GAS	13K 20S 28E	RUSSELL	INA	YATES /OKLA	280683		662121	824	32.5711	-104.1317
30015023910000	TURNER FEDERAL	19	READY OIL & GAS	13K 20S 28E	RUSSELL	ACT	YATES /OKLA	21817		578068		32.573	-104.1338
30015023830000	TURNER FEDERAL	11	READY OIL & GAS	13N 20S 28E	RUSSELL	INA	YATES /OKLA	171087		373832		32.5692	-104.1339
30015023700000	WILLS FEDERAL	16	READY OIL & GAS	13M 20S 28E	RUSSELL	INA	YATES /OKLA	139984		282252		32.5694	-104.1382
30015023690000	WILLS FEDERAL	13	READY OIL & GAS	13M 20S 28E	RUSSELL	ACT	YATES /OKLA	18432	5	165514		32.5675	-104.136
30015023680000	WILLS FEDERAL	12	READY OIL & GAS	13L 20S 28E	RUSSELL	ACT	YATES /OKLA	161786		350451		32.5712	-104.136
30015023610000	TURNER FEDERAL	7	READY OIL & GAS	13O 20S 28E	RUSSELL	INA	YATES /OKLA	30986		22477		32.5693	-104.1297
30015023570000	WILLS FEDERAL	4	READY OIL & GAS	13E 20S 28E	RUSSELL	INA	YATES /OKLA	10118		12255		32.5744	-104.1361
30015023520000	WILLS FEDERAL	1	READY OIL & GAS	13L 20S 28E	RUSSELL	ACT	YATES /OKLA	21945	9	256346		32.5721	-104.1371
30015023520000	WILLS FEDERAL	1	READY OIL & GAS	13L 20S 28E	RUSSELL	INA	DELAWARE	14173	56119	23692		32.5721	-104.1371
30015102140000	WILLS FEDERAL	33	READY OIL & GAS	13K 20S 28E	RUSSELL	INA	YATES /OKLA	16331		118131	820	32.5702	-104.1328
30015208710000	GOVERNMENT R C	1	OXY USA WTP LP	14K 20S 28E	BURTON FLA	ACT	MORROW	6028	3638600	3470	11500	32.5717	-104.1495
30015306730000	OXY YATES 22 FED	6	E G L RESOURCES	22H 20S 28E SE NE	RUSSELL	INA	YATES LOWER		1185			32.5603	-104.1582
30015305950000	OXY YATES 23 FED	4	E G L RESOURCES	23L 20S 28E NW SW	RUSSELL	ACT	YATES LOWER		5197			32.5574	-104.1539
30015305940000	OXY YATES 14 FED	3	E G L RESOURCES	14H 20S 28E SE NE	RUSSELL	ACT	YATES LOWE	2550	6888			32.5744	-104.1415
30015305930000	OXY YATES 14 FED	2	E G L RESOURCES	14J 20S 28E NW SE	RUSSELL	ACT	YATES LOWER		80953		856	32.5718	-104.1457
30015305160000	OXY YATES 14 FED	1	E G L RESOURCES	14N 20S 28E SE SW	RUSSELL	ACT	YATES LOWER		102088		876	32.5684	-104.1488
30015215140000	GOVERNMENT AC	2	OXY USA INCORPORA	13F 20S 28E	BURTON FLA	INA	MORROW	576	16475	566	11610	32.5759	-104.133
30015215140000	GOVERNMENT AC (	2	OXY USA INCORPORA	13F 20S 28E	BURTON FLA	INA	ATOKA	4383	649935	1695	11610	32.5759	-104.133
30015213230000	GOVERNMENT T C(	2	OXY USA WTP LP	15G 20S 28E	BURTON FLA	ACT	WOLFCAMP	455656	2415842	18079	11486	32.5758	-104.1623
30015213230000	GOVERNMENT T	2	CITIES SERVICE COMI	15G 20S 28E	BURTON FLA	INA	MORROW	459	117108	21	11486	32.5758	-104.1623
30015212860000	GOVERNMENT AA	1	OXY USA WTP LP	23C 20S 28E	BURTON FLA	ACT	WOLFCAMP	530241	1798341	112698	11533	32.5648	-104.1495
30015212860000	GOVERNMENT AA	1	OXY USA INCORPORA	23C 20S 28E	BURTON FLA	INA	MORROW	22	107930		11533	32.5648	-104.1495
30015212420000	GOVERNMENT Z C(	1	OXY USA WTP LP	23K 20S 28E	BURTON FLA	ACT	WOLFCAMP	168293	625521	21020	11485	32.5573	-104.1496
30015212420000	GOVERNMENT Z C(	1	OXY USA INCORPORA	23K 20S 28E	BURTON FLA	INA	MORROW	3552	638135	683	11485	32.5573	-104.1496

30015023710000	WILLS FEDERAL	17	READY OIL & GAS	13L 20S 28E	RUSSELL	INA	YATES					32.5712	-104.1382
30015104240000	WILLS FEDERAL	42	READY OIL & GAS	13K 20S 28E	RUSSELL	INA	YATES					32.5703	-104.1349
30015208710000	GOVERNMENT R C	1	OXY USA WTP LP	14K 20S 28E	BURTON FLA	ACT	WOLFCAMP	2770	13822	62		32.5717	-104.1495
30015023850000	TURNER FEDERAL	14	READY OIL & GAS	13K 20S 28E	RUSSELL	INA	YATES					32.5711	-104.1338
30015023860000	TURNER FEDERAL	15	READY OIL & GAS	13N 20S 28E	RUSSELL	INA	YATES					32.5675	-104.1339
30015023880000	TURNER FEDERAL	12	READY OIL & GAS	13K 20S 28E	RUSSELL	INA	YATES					32.5727	-104.1317
30015023890000	TURNER FEDERAL	17	READY OIL & GAS	13J 20S 28E	RUSSELL	INA	YATES					32.5711	-104.1297
30015210200000	GOVERNMENT U C	1	OXY USA WTP LP	22G 20S 28E	BURTON FLA	ACT	WOLFCAMP	318166	1610436	7750		32.5612	-104.1624
30015023980000	WILLS FEDERAL	14	READY OIL & GAS	14P 20S 28E	RUSSELL	INA	YATES					32.5676	-104.1404
30015210200000	GOVERNMENT U C	1	CITIES SERVICE COMI	22G 20S 28E	BURTON FLA	INA	MORROW	814	574638	33420	11490	32.5612	-104.1624
30015202310000	WILLS FEDERAL	45	READY OIL & GAS	13G 20S 28E	RUSSELL	INA	YATES					32.5772	-104.1307
30015308030000	OXY YATES 14 FED	12	E G L RESOURCES	14G 20S 28E NE SW N	RUSSELL	ACT	YATES	1275	9892			32.5763	-104.1448
30015308040000	OXY YATES 14 FED	14	E G L RESOURCES	14A 20S 28E SE NE NE	RUSSELL	ACT	YATES	415				32.578	-104.1407
30015308060000	OXY YATES 14 FED	15	E G L RESOURCES	14G 20S 28E SW SW N	RUSSELL	ACT	YATES	600	6892			32.5745	-104.1468
30015308010000	OXY YATES 13 FED	16	E G L RESOURCES	13E 20S 28E NW SW N	RUSSELL	ACT	YATES	1147				32.5762	-104.1384
30015023720000	WILLS FEDERAL	18	READY OIL & GAS	13M 20S 28E	RUSSELL	INA	YATES					32.5676	-104.1381
30015023930000	TURNER FEDERAL	21	READY OIL & GAS	13N 20S 28E	RUSSELL	INA	YATES					32.5692	-104.1317

EXHIBIT "D"



Strata Production Company
RIG LAYOUT PLAT OXY FEDERAL #1 990' FNL & 1980' FEL SEC. 23-T20S-R28E EDDY COUNTY, N.M.
12-17-02 BAS

STATEMENT ACCEPTING RESPONSIBILITY FOR OPERATIONS

Strata Production Company
P. O. Box 1030
Roswell, New Mexico 88202-1030

TO WHOM IT MAY CONCERN:

The undersigned, on behalf of Strata Production Company, accepts all applicable terms, conditions, stipulations and restrictions concerning the operations conducted on the leased land or portion thereof as described below:

Oxy Federal #1
Federal Lease Number NM-18293
Township 20 South, Range 28 East
Section 23: N/2NW,NWNE
Eddy County, New Mexico
Formation: Delaware/Bone Spring
Bond: Statewide
Bond Number: OGB-233

STRATA PRODUCTION COMPANY

Kelly M. Britt

December 27, 2002
Date

Kelly M. Britt
Production Records