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OXY USA INC.

Box 50250, Midland, TX 79710

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May 1, 1990

United States Department of the Interior
Bureau of Land Management
Carlsbad Resource Area
P.O. Drawer 1778
Carlsbad, New Mexico 88220

Re: Application for Permit to Drill
OXY USA Inc.
Federal AK #1
Eddy County, New Mexico
Lease No. NM 57221

Gentlemen:

OXY USA Inc. respectfully requests permission to drill our Federal AK #1, located 660' from the north line and 1450' from the east line of Section 34, T23S, R23E, Eddy County, New Mexico, Federal Lease No. NM 57221.

The location, work area and access road have been staked. It is approximately 45 miles southwest 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 John W. West, Registered Land Surveyor No. 676 in the State of New Mexico, dated April 2, 1990. Exhibit attached.
3. The elevation of the unprepared ground is 4336.2 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 10,300' and run casing. This equipment will then be rigged down and the well will be completed with a pulling unit.