

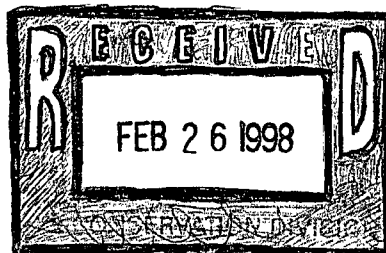


AMEND NSL 3/18/98

OXY USA Inc.  
P.O. Box 50250, Midland, TX 79710-0250

February 24, 1998

New Mexico Oil Conservation Division  
2040 S. Pacheco Street  
Santa Fe, NM 87505



Attention: Mr. Michael E. Stogner

Re: ***Request to Amend Bottom-hole Location of Unorthodox Well  
Administrative Order NSL-3856  
Dow B 33 Federal #1  
Surface Location: 2180 FSL 1980FEL Unit J  
Proposed Location @ TD: 2494 FSL 1980 FEL Unit J  
Section 33 T17S R31E  
Undesignated East Loco Hills Atoka Pool  
Eddy County, New Mexico***

Dear Mr. Stogner:

OXY USA Inc. respectfully requests approval to change the bottom-hole location of this unorthodox well that was approved by NSL-3856 on August 18, 1997. OXY commenced re-entry operations on this plugged and abandoned well to test the Atoka pool. In the course of said operations it became necessary to sidetrack the original wellbore and drill to a new TD at 11391' (MD). During re-entry operations it was determined that the bottom-hole location at 10,372' (MD) was 232 feet from the nearest side boundary. Based on inclination surveys below this point, the bottom-hole location at TD will be no closer than 146' from the nearest side boundary.

Also attached are NMOCD Form C-102 and a service list which identifies all affected parties in Rule 104(F)(3). A copy of this cover letter and C-102 have been sent certified mail, return receipt requested, to all parties on the service list. Texaco (as the only affected offset operator) has signed the attached waiver to help expedite the processing of our application.

Please call me at 915-685-5717 if you have any questions. Thank you for consideration of this request.

Sincerely,

David Stewart  
Regulatory Analyst

Attachments

# SERVICE LIST

Mr. Tim Gum, Supervisor  
New Mexico Oil Conservation Division  
District II Office  
811 S. First Street  
Artesia, NM 88210

United States Department of the Interior  
Bureau of Land Management  
2909 West Second Street  
Roswell, NM 88201

Texaco Exploration & Production, Inc.  
Attn: Ron Lanning  
P.O. Box 3109  
Midland, TX 79702

District I  
PO Box 1980, Hobbs, NM 88241-1980  
District II  
PO Drawer DD, Artesia, NM 88211-0719  
District III  
1000 Rio Brazos Rd., Aztec, NM 87410  
District IV  
PO Box 2088, Santa Fe, NM 87504-2088

State of New Mexico  
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION  
PO Box 2088  
Santa Fe, NM 87504-2088

Form C-102  
Revised February 10, 1994  
Instructions on back  
Submit to Appropriate District Office  
State Lease - 4 Copies  
Fee Lease - 3 Copies

☒ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-015-27068	Pool Code	Pool Name Undesignated East Loco Hills Atoka Gas Pool
Property Code	Property Name Dow B 33 Federal	Well Number 1
GRID No. 16696	Operator Name OXY USA Inc.	Elevation 3760'

<sup>10</sup> Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
J	33	17S	31E		2180	South	1980	East	Eddy

<sup>11</sup> Bottom Hole Location If Different From Surface @ 10372'

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
J	33	17S	31E		2408	South	1961	East	

<sup>12</sup> Dedicated Acres 320	<sup>13</sup> Joint or Infill N	<sup>14</sup> Consolidation Code	<sup>15</sup> Order No.
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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

16			<p><sup>17</sup> OPERATOR CERTIFICATION</p> <p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief</p> <p>Signature David Stewart</p> <p>Printed Name Regulatory Analyst</p> <p>Title 2/24/98</p> <p>Date</p>
			<p><sup>18</sup> SURVEYOR CERTIFICATION</p> <p>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 belief.</p> <p>Date of Survey</p> <p>Signature and Seal of Professional Surveyor:</p> <p>Certificate Number</p>



OXY USA Inc.  
P.O. Box 50250, Midland, TX 79710-0250

February 5, 1998

Texaco Exploration & Production, Inc.  
P. O. Box 3109  
Midland, Texas 79702

Attention: Ron Lanning

Re: *Application to Amend Administrative Order NSL-3856*  
*Dow "B-33" Federal Well #1*  
*Surface Location: 2180' FSL & 1980' FEL, Unit J*  
*Section 33, Township 17 South, Range 31 East*  
*East Loco Hills (Atoka) Pool*  
*Eddy County, New Mexico*

Dear Ron:

OXY USA Inc. ("OXY") respectfully requests that Texaco execute a waiver of notice and protest for a future application by OXY to amend the approved bottomhole location for the subject well. As you know, OXY commenced re-entry operations on this plugged and abandoned well to test the Atoka pool. In the course of said operations it has become necessary to sidetrack the original wellbore and drill to a new TD in the Atoka. To facilitate NMOCD approval of this non-standard location we request that Texaco, as an offset operator and interest owner, waive any future notice and protest to a bottomhole location no closer than 150 feet from the side boundary and no closer than 1650 feet from the east end boundary of a S/2 320-acre spacing unit for the East Loco Hills (Atoka) Pool.

By Order NSL-3856 issued August 18, 1997, the NMOCD approved a non-standard location for an Atoka completion that was 460 feet from the nearest side boundary and 1980 feet from the east end boundary of a S/2 spacing unit. In the course of re-entry operations OXY determined that the bottomhole location at 10,372 feet (MD) was 232 feet from the nearest side boundary. Based on worst-case inclination surveys below this point, we project that the bottomhole location at TD (estimated to be 11,460 feet MD) will be no closer than 150 feet from the nearest side boundary. Since this will require amendment of the August 18, 1997 NSL order, we need a waiver from Texaco (as an affected offset operator) to expedite the processing of our application.

Copies of an updated NMOCD Form C-102 are included for your information. Please indicate your waiver by signing below and returning to the undersigned. Thank you for your cooperation. If I can provide any additional information to aid in processing this request, please call me at (915) 685-5913. My fax number is (915) 685-5742.

Sincerely,

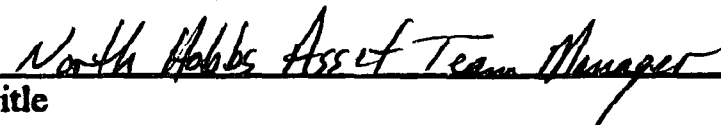


Richard E. Foppiano, P.E.  
Regulatory Affairs Advisor

REF:ref  
Enclosures



Name



Title



Date

**ATTACHMENT DEVIATION SURVEY  
DOW B 33 FEDERAL #1  
SEC 33 T17S R31E  
EDDY COUNTY, NM**

Depth	Degree	Rads	Sin	Displ (ft)	
191	0.75	0.013092814	0.013092439	2.50	
370	0.25	0.004364271	0.004364257	0.78	
570	0.25	0.004364271	0.004364257	0.87	
1052	0.25	0.004364271	0.004364257	2.10	
1424	0.5	0.008728542	0.008728431	3.25	
1799	1	0.017457085	0.017456198	6.55	
2195	1.25	0.021821356	0.021819624	8.64	
2392	0.5	0.008728542	0.008728431	1.72	
2790	0.5	0.008728542	0.008728431	3.47	
3270	0.75	0.013092814	0.013092439	6.28	
3642	1	0.017457085	0.017456198	6.49	
4054	0.75	0.013092814	0.013092439	5.39	
4429	0.75	0.013092814	0.013092439	4.91	
4825	0.75	0.013092814	0.013092439	5.18	
5000	0.75	0.013092814	0.013092439	2.29	
5463	1.25	0.021821356	0.021819624	10.10	
5904	2	0.034914169	0.034907076	15.39	
5996	1.75	0.030549898	0.030545146	2.81	
6465	3.25	0.056735525	0.056705092	26.59	
6559	4.25	0.07419261	0.074124562	6.97	
6621	4.75	0.082921152	0.082826158	5.14	
6654	4.5	0.078556881	0.078476108	2.59	
6685	4.5	0.078556881	0.078476108	2.43	
6748	4.25	0.07419261	0.074124562	4.67	
6810	5	0.087285423	0.087174631	5.40	
6873	5.5	0.096013966	0.095866513	6.04	
6936	5	0.087285423	0.087174631	5.49	
7038	3	0.052371254	0.052347317	5.34	
7133	1.5	0.026185627	0.026182635	2.49	
7260	2	0.034914169	0.034907076	4.43	
7384	2.5	0.043642712	0.043628859	5.41	
7479	1.75	0.030549898	0.030545146	2.90	
7574	2.5	0.043642712	0.043628859	4.14	
7668	2	0.034914169	0.034907076	3.28	
7761	2	0.034914169	0.034907076	3.25	
7855	2.25	0.039278441	0.039268342	3.69	
7950	2.25	0.039278441	0.039268342	3.73	
8045	2	0.034914169	0.034907076	3.32	
8139	2.5	0.043642712	0.043628859	4.10	
8231	2.25	0.039278441	0.039268342	3.61	
8325	2.25	0.039278441	0.039268342	3.69	
8439	2	0.034914169	0.034907076	3.98	
8539	2	0.034914169	0.034907076	3.49	
8665	2	0.034914169	0.034907076	4.40	
8911	2	0.034914169	0.034907076	8.59	
9221	1.5	0.026185627	0.026182635	8.12	
9721	1.25	0.021821356	0.021819624	10.91	
10220	1.75	0.030549898	0.030545146	15.24	
<b>TOTAL MAX DISPLACEMENT-OLD HOLE</b>				<b>262.19</b>	
10401	1.75	0.030549898	0.030545146	5.53	<b>BHL-DIRECTIONAL SVY @ 10372' 2408 FSL 1961 FEL DISTANCE FROM LEASE LINE 232.00</b>
10581	3	0.052371254	0.052347317	9.42	
10761	2.5	0.043642712	0.043628859	7.85	
10941	8	0.139656677	0.139203143	25.06	
11302	6	0.104742508	0.104551091	37.74	
<b>TOTAL MAX DISPLACEMENT-NEW HOLE</b>				<b>85.60</b>	
<b>TOTAL MAXIMUM DISPLACEMENT</b>				<b>347.79</b>	<b>85.60 317.60</b>