RECEIVED		01L		Ats	-08-498	, 1
Form 3160-3 JUN - 9 2010 UNITED STATES				FORM APPROVED		
NMOCD ARTESIA DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT				OMB NO. 1004-0136 Expires: November 30, 2000		
APPLICATION FOR PERMIT TO DRII	LL OR RE	TENTED A A	-	5. Lease Serial No.		•
la. Type of Work		1011		NMNM0417696 5. If Indian, Allotee or	Tribe Name	
th. True of Well	VIEK	R-111-POTASI	n L			
1b. Type of Well Gas Well Other	X Sing	le Zone Multiple Zon	e i	7. Unit or CA Agreeme	ent Name and No.	1
2. Name of Operator OXY USA Inc.	<u>-</u>	(16696)		B. Lease Name and We	1 -	75)
3a. Address	38	Phone No. (include area co	de)	Lost Tank 3 F D. API Well No.		•
P.O. Box 50250 Midland, TX 79710-0250 4. Location of Well (Report location clearly and in accordance with any	State equire	432-685-5717		30 013 //	920	
	とろと		110	D. Field and Pool, or E. Lost Tank Del		.02
At proposed prod. zone			1		Blk. and Survey or Ar	ea
14. Distance in miles and direction from nearest town or post office*		ORTHODOX		Sec 3 T22S R 2. County or Parish	13 State	-
'-20 miles northeast from	m Lovino	OCATION	1	ddy	NM	
15. Distance from proposed* location to nearest		of Acres in lease		ing Unit dedicated to		
property or lease line, ft. (Also to nearest drg. unit line, if any)	ĺ	وببى	40			
18. Distance from proposed location* to nearest well, drilling, completed,	19. _M	aximum depth of penetration	20. BL	M/BIA Bond No. on f	ile	_
applied for, on this lease, ft.	1 1111	o the Bone Spring formation anot exceed 100 ft. 8/45'		ES013	6	
21 Elevations (Show whether DF, KDB, RT, GL, etc.	22.A	pproximate date work will sta	rt*	23. Estimated dura	tion	_
3467.6' GL		8/09			45	_
	24. Attac	chments				
The following, completed in accordance with the requirements of Onshore	Oil and Ga	s Order No. 1, shall be attache	d to this	form:		
1. Well plat certified by a registered surveyor.		4. Bond to cover the operati	ions unle	ss covered by an exist	ing bond on file (see	
 A Drilling Plan A Surface Use Plan (if the location is on National Forest System Land 	is, the	Item 20 above) 5. Operator certification.				
SUPO shall be filed with the appropriate Forest Service Office).		Such other site specific in authorized officer.	nformatio	n and/or plans as may	be required by the	
25 Signuature	Name (P	rinted/Typed)		Date		==
lu 8th	David	Stewart		•	7115109	_
Title					•	
Sr. Regulatory Analyst Approved by (Signautre)	Name (P	rinted/Tunad)		Date		
131 TONY IT HERRECL	Marie (1	Name (Printed/Typed) SI TWY J. HERRELL			125/10	
Title	Office					_
FOR: STATE DIRECTOR				OFFICE		
Application approval does not warrant or certify that the applicant holds conduct operations thereon. Conditions of approval, if any, are attached.	legal or equ			ct lease which would DVAL FOR TV		to
Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it United States any false, fictitious or fraudulent statements or representation	a crime for ins as to any	any person knowlingly and matter within its jurisdiction.	willfully	to make to any depa	rtment or agency of t	the
*(Instructions on Reverse)						=
1 mg = 1		VM	SEE	ATTACHE	ED FOR	

War & Year Carlsbad Controlled Water Basin

OCD CONDITION OF APPROVAL of Non-Standard Location: Intent to drill ONLY --- CANNOT produce until the Non-Standard Location has been approved by OCD Santa Fe office

CONDITIONS OF APPROVAL

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

District 1 State of New Mexico Form C-102 1625 N. French Dr., Hobbs, NM 88248 Revised October 12, 2005 Energy, Minerals & Natural Resources Department District II Submit to Appropriate District Office 1301 W. Grand Avenue, Artesia, NM 88210 OIL CONSERVATION DIVISION District III State Lease- 4 Copies 1220 South St. Francis Dr. 1000 Rio Brazos Rd., Aztec, NM 87410 Fee Lease-3 Copies District (V Santa Fe, NM 87505 1220 S. St. Francis Dr., Santa Fe, NM 87505 AMENDED REPORT WELL LOCATION AND ACREAGE DEDICATION PLAT API Number Pool Code 96532 -Delcu m 624 30-015-Property Code Property Name Well Number LOST TANK 3 FED. 21 304875 Operator Name OCRID No. Elevation OXY USA INC. 3467.6 16696 Surface Location Lot kin | Feet from the | North/South line | Feet from the UL or lot no. Section Range Township East/West line County \boldsymbol{E} 22 SOUTH 31 EAST, N.M.P.M. NORTH WEST **EDDY** 2558 285' Bottom Hole Location If Different From Surface Lot Idn | Feet from the | North/South line | Feet from the UL or lot no. Section Township East/West line County Dedicated Acres Joint or Infill Consolidation Code Order No. 40 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 that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division. 285 David Printed Name SURVEYOR CERTIFICATION SURFACE LOCATION NEW MEXICO EAST NAD 1927 Y=517203.5 X=672947.6 LAT.: N 32.420659.3 LONG.: W 103.7728584* I hereby certif let was plotted no.... drugt surfaces made by supervision, and that ed that the CAPSTONAL LAND

WO# 080910WL-h (Rev. A) (KA)

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District I 1625 N French Dr., Hobbs, NM 88240 District II 1301 W. Grand Avenue, Artesia, NM 88210 District III

1000 Rio Brazos Rd., Aztec, NM 87410

District IV

State of New Mexico Energy, Minerals & Natural Resources

Form C-102 Revised October 12, 2005

OIL CONSERVATION DIVISION 1220 South St. Francis Dr. Santa Fe, NM 87505

Submit to Appropriate District Office State Lease - 4 Copies

Fee Lease - 34Copies

X AMENDED REPORT

1220 S. St. Franc	ıs Dr., Santa	Fe, NM 87505	5					X AM	MENDED REPORT
		WEI	L LOCA	ATION A	ND ACREA	GE DEDICA	TION PLA	Т.	•
	¹ API Numb	er		² Pool Code			³ Pool Na	ime	
	30-015	-37920		96582		Lo	ost Tank Del	aware, West	
⁴ Propert	y Code				⁵ Property Na	ıme			⁶ Well Number
3048	375				Lost Tank 3	Federal			21
⁷ OGRIJ	D No.				8 Operator Na	ame			⁹ Elevation
1669	96				OXY USA I	Inc.			3467.6
			<u>-</u>	1	⁰ Surface Loca	tion			
UL or lot no.	Section	Township	Range	Lot. Idn	Feet from the	North/South line	Feet from the	East/West line	County
E	3	22S	31E		2558	north	235	west	Eddy
			11 Bott	tom Hole L	ocation If Diff	erent From Su	rface		
UL or lot no.	Section	Township	Range	Lot. Idn	Feet from the	North/South line	Feet from the	East/West line	County
12 Dedicated Acr	es 13 Ioi	nt or Infill 14	Consolidation	Code 15 O	der No.				<u> </u>
1	.03	\/	Consondation	reduct Or	del Ivo.				
640		<u> </u>							
	логы хл	11 1212 1612	ICNED TO	$M \cap M \cap M \cap M$	ADI ETIONI IN	THE ALL INTER	DECTE LIANE	DEEN CONG	

NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

Lost Tank 4 Federal OKY USH Inc. ConocoPhillips G.	Lost Tank 3 Federal OKY USH Inc. Conoco Phillips Co.	17 OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order
	00021 PS 1	heretofore entered by the division. Signature Date David Stewart Printed Name Sr. Regulatory Analyst david stewart@oxy.com 18 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 belief. Date of Survey Signature and Seal of Professional Surveyer
		Certificate Number

Service List – NSL OXY USA Inc. Lost Tank 3 Federal #15, 19, 21 Sec 3 T22S R31E

United States Dept of Interior Bureau of Land Management 620 E. Greene Street Carlsbad, NM 88220-6292

New Mexico Oil Conservation Division 1301 W. Grand Ave. Artesia, NM 88210

New Mexico Oil Conservation Division 1220 South St. Francis Dr. Santa Fe, NM 87505

Affected Offset Parties:

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

Conoco Phillips Co. Attn: Tom Scarbrough 550 Westlake Park Blvd. Houston, TX 77252-2197



OXY USA Inc.

PO Box 50250 Midland, TX 79710-0250

August 24, 2010

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

Conoco Phillips Co. Attn: Tom Scarbrough 550 Westlake Park Blvd. Houston, TX 77252-2197

Re: Application for Administrative Approval of Non-Standard Location –

Lost Tank Delaware, West Lost Tank 3 Federal #21 2558 FNL 285 FWL Ut E – Sec 3 T22S R31E Eddy County, New Mexico

Ladies and Gentlemen:

Enclosed is a copy of an application, filed with the New Mexico Oil Conservation Division by OXY USA Inc., requesting administrative approval under Rule 104 (F) of an unorthodox well location. As an affected party, notice is being provided to you pursuant to Rule 104 (F). The well is located in the SWNW/4 of Section 3 T22S R31E, Eddy County, NM. If you object to the well's location, you must notify the Division in writing no later than 20 days from the date the application is received by the NMOCD (1220 South St. Francis Drive, Santa Fe, NM 87505; Attention: Richard Ezeanyim).

If you need any additional information, please call me at 432-685-5717.

Sincerely,

David Stewart Sr. Regulatory Analyst OXY USA WTP LP

Attachments



Tom Scarbrough ConocoPhillips Company 550 Westlake Park Blvd. Houston, TX 77252-2197

RE:

Lost Tank 3 Federal #21 (SW NW) 285' FWL & 2,558' FNL Seeling 2 225 215

Section 3-22S-31E Eddy County, New Mexico

Gentlemen:

The location for the Lost Tank 3 Federal #21 well 285' FWL and 2,558' FNL of Section 3-22S-31E, Eddy County, NM is an unorthodox location for the objective Delaware formation.

OXY is filing an application with the New Mexico Oil Conservation Division (OCD) for administrative approval of this non-standard location (NSL). The owners of the Lost Tank 3 & 4 Federal lease covering all of Section 3 and all of Section 4 less the NW/4 NW/4, T22S, R31E are the affected parties entitled to notice. Your execution of this waiver will facilitate administrative approval of OXY's NSL application. OXY requests that you waive any protest or objection to the NSL for the referenced well.

Your favorable consideration and early reply will be appreciated. Please return a signed copy of this waiver letter to me at the address shown above.

Very truly yours,

OXY USA Inc.

onaa'

Donna G Havins Land Negotiator Dir: (713) 215-7232 Cell: (713) 202-7559

Fax: (713) 985-1818

email: donna_havins@oxy.com

Based on the information provided herein, ConocoPhillips Company hereby waives any protest or objection to the non-standard location of the Lost Tank 3 Federal #21 well.

ConocoPhillips Company

By Robert M. Welel

Dated 7-29-10

775

or on the front if space permits. 1. Article Addressed to: D. Is delivery address different from Item 17. Yes If YES, enter delivery address below: No	Rem if Repitricised Delayery is desired. A per provided by the provided by	SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY
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OXY USA Inc.

PO Box 50250 Midland, TX 79710-0250

August 24, 2010

New Mexico Oil Conservation Division 1220 South St. Francis Dr. Santa Fe, NM 87505

Attention: Richard Ezeanyim

Re: Application for Administrative Approval of Non-Standard Location -

Lost Tank Delaware, West Lost Tank 3 Federal #21 2558 FNL 285 FWL Ut E – Sec 3 T22S R31E Eddy County, New Mexico

Dear Mr. Ezeanyim:

OXY USA Inc. respectfully requests administrative approval under Rule 104 (F) of this application for the subject non-standard well location on the Lost Tank 3 Federal #21. The #21 well is proposed in the Delaware with a TVD of 8150'. The wellbore will not be orthodox at either the top of the Delaware or when it penetrates the Delaware Brushy Canyon reservoir. The non-standard location is necessary for reasons of potash surface restrictions and topography, as required by the BLM.

The #21 encroaches on the 40-acre spacing units of E,L-Sec 3, H.I-Sec 4 of T23S R31E. All of the interest owners have joined in the drilling of the #21 and waivers have been attached from affected parties.

To support this request, the following information has been submitted for your review:

- 1. Application for Permit to Drill.
- 2. NMOCD C-102 Plat for the proposed well with offsetting well and affected spacing units.
- 3. List of affected offset parties that adjoin the non-standard well and the spacing unit being encroached upon, along with a copy of the certified returned receipts and signed waivers. Copies of the signed certified receipts will be furnished upon request.

If you need any additional information, please call me at 432-685-5717.

Sincerely,

David Stewart Sr. Regulatory Analyst OXY USA Inc.

Attachments

CC: NMOCD-Artesia, BLM-Carlsbad, Service List