

R-111-POTASH

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENTRECEIVED
OCD Artesia
JUN 22 2010ATS-08-503 RM
FORM APPROVED
OMB NO. 1004-0136
Expires: November 30, 2000

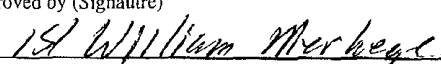
APPLICATION FOR PERMIT TO DRILL OR REENTER

1a. Type of Work ☒ DRILL ☐ REENTER		5. Lease Serial No NMNM0417696	
1b. Type of Well ☒ Oil Well ☐ Gas Well ☐ Other ☒ Single Zone ☐ Multiple Zone		6. If Indian, Allottee or Tribe Name	
2. Name of Operator OXY USA Inc.		7. Unit or CA Agreement Name and No.	
3a. Address P.O. Box 50250 Midland, TX 79710-0250		8. Lease Name and Well No. (304875) Lost Tank 3 Federal # 19	
3b. Phone No. (include area code) 432-685-5717		9. API Well No. 30-015- 37952	
4. Location of Well (Report location clearly and in accordance with any State requirements)* At surface 2558 FNL 185 FWL SWNW (E) At proposed prod. zone 549 FSL 661 FWL SWSW (M)		10. Field and Pool, or Exploratory ☒ Lost Tank Delaware, West (96582) 11. Sec., T., R., M., or Blk. and Survey or Area Sec 3 T22S R31E	
14. Distance in miles and direction from nearest town or post office* 20 miles northeast from Loving, NM		12. County or Parish Eddy	
15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drg unit line, if any) 185'		13. State NM	
16. No. of Acres in lease 640		17. Spacing Unit dedicated to this well 40	
18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. 50'		20. BLM/BIA Bond No. on file ES0136	
19. Proposed Depth 8750' 8800' m 9100' u		21. Estimated duration 45	
21. Elevations (Show whether DF, KDB, RT, GL, etc) 3466.1' GL		22. Approximate date work will start* 11/0	

24. Attachments

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 6/15/09
Title Sr. Regulatory Analyst		
Approved by (Signature) 	Name (Printed/Typed) 157 William Merhege	Date 6-12-10
Title Acting STATE DIRECTOR	Office NM STATE OFFICE	

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 TWO YEARS

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)

Carlsbad Controlled Water Basin

OCD CONDITION OF APPROVAL of Drilling
Intent to drill ONLY --- CANNOT produce until the Non-Standard
Location has been approved by OCD Santa Fe officeSEE ATTACHED FOR
CONDITIONS OF APPROVALAPPROVAL SUBJECT TO
GENERAL REQUIREMENTS
AND SPECIAL STIPULATIONS
ATTACHED

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
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-402
Revised October 12, 2005
Submit to Appropriate District Office
State Lease- 4 Copies
Fee Lease- 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-015-37952	Pool Code 96582	Pool Name Lost Tank Delaware, West
Property Code 301875	Property Name LOST TANK 3 FED.	Well Number 19
OGRID No. 16696	Operator Name OXY USA INC.	Elevation 3466.1'

Surface Location

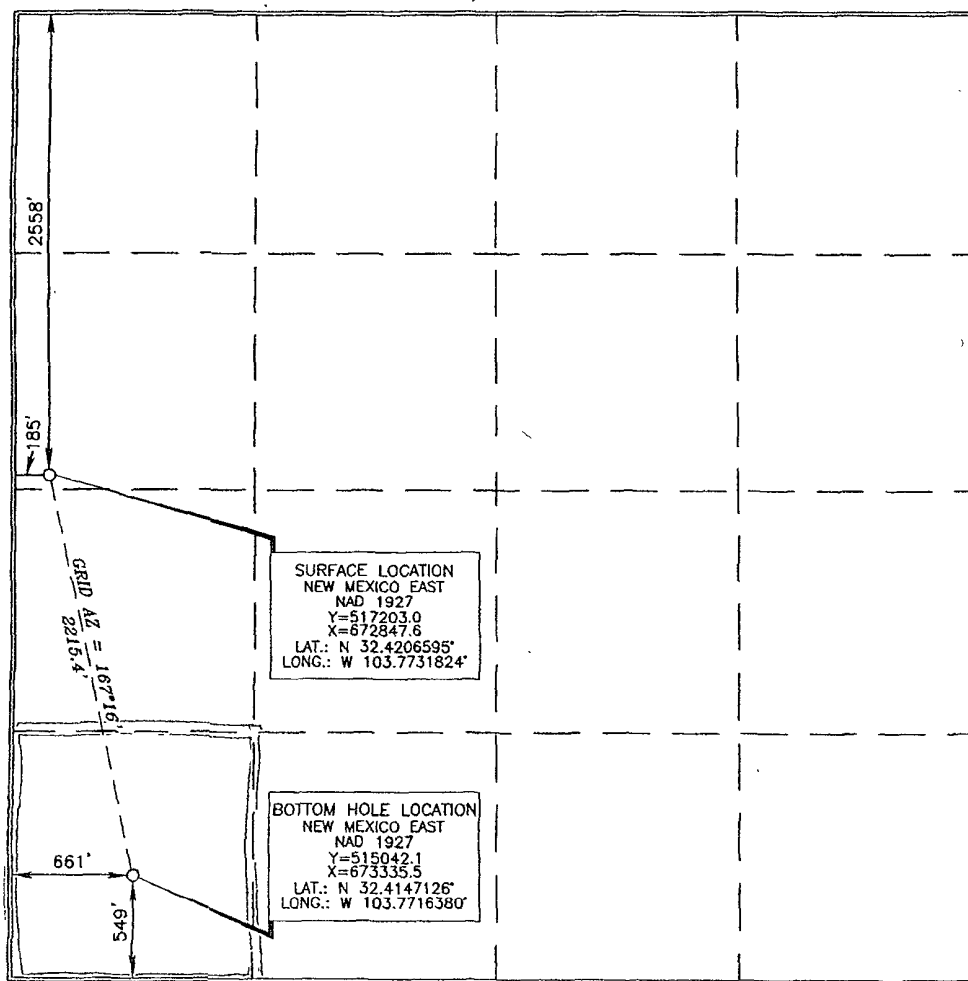
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
E	3	22 SOUTH	31 EAST, N.M.P.M.		2558'	NORTH	185'	WEST	EDDY

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
M	3	22 SOUTH	31 EAST, N.M.P.M.		549'	SOUTH	661'	WEST	EDDY

Dedicated Acres 40	Joint or Infill N	Consolidation Code	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.



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.

David Stewart
Signature Date

David Stewart
Printed Name

SURVEYOR CERTIFICATION

I hereby certify that the well location shown on this plat was derived from field notes or actual surveys made by me or under my supervision and that the same is true and correct to the best of my belief.

Jerry J. Paul
Date of Survey

Jerry J. Paul
Signature and Seal of Professional Surveyor

Jerry J. Paul
Certificate Number 15079

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

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
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals & Natural Resources

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

Form C-102
Revised October 12, 2005

Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

☒ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-015-37952	² Pool Code 96582	³ Pool Name Lost Tank Delaware, West
⁴ Property Code 304875	⁵ Property Name Lost Tank 3 Federal	⁶ Well Number 19
⁷ OGRID No. 16696	⁸ Operator Name OXY USA Inc.	⁹ Elevation 3466.1'

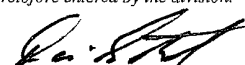
¹⁰ Surface Location

UL or lot no. E	Section 3	Township 22S	Range 31E	Lot Idn	Feet from the 2559	North/South line North	Feet from the 135	East/West line West	County Eddy
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¹¹ Bottom Hole Location If Different From Surface

UL or lot no. M	Section 3	Township 22S	Range 31E	Lot Idn	Feet from the 549	North/South line South	Feet from the 661	East/West line West	County Eddy
¹² Dedicated Acres 640	¹³ Joint or Infill Y	¹⁴ Consolidation Code	¹⁵ Order No.						

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 4 Lost Tank 4 Federal OXY USA 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 heretofore entered by the division.  Signature Date David Stewart Printed Name Sr. Regulatory Analyst david.stewart@oxy.com
H	E
I	L
15-5 00021	14 015-B 019-B
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 Surveyor 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 #19
Surface/Penetration Point – 2558 FNL 185 FWL Ut E – Sec 3 T22S R31E
Bottom Hole –549 FSL 661 FWL Ut M – 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,

A handwritten signature in black ink, appearing to read "D. Stewart", is written over a horizontal line.

David Stewart
Sr. Regulatory Analyst
OXY USA WTP LP

Attachments



OXY USA Inc.

A subsidiary of Occidental Petroleum Corporation

5 Greenway Plaza, Suite 110, Houston, Texas 77046-0521

P.O. Box 27570, Houston, Texas 77227-7570

Phone 713.215.7000

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

RE: **Lost Tank 3 Federal #19**
2,558' FNL & 185' FWL (surface location) (SW NW)
Section 3-22S-31E
549' FSL & 661' FWL (bottom hole location) (SW SW)
Section 3-22S-31E
Eddy County, New Mexico

Gentlemen:

The surface location for the Lost Tank 3 Federal #19 well is located in the SW/4 NW/4 of Section 3-22S-31E, Eddy County, NM. The well will be drilled directionally to a bottom hole location in the SW/4 SW/4 of Section 3-22S-31E, Eddy County, NM. The well is at an unorthodox location where the it penetrates portions of the Delaware formation.

The well will be drilled vertically to approximately 4,200' at which depth it will penetrate the top of the Delaware formation. The well will then be drilled directionally and penetrate the top of the objective Brushy Canyon A portion of the Delaware formation at a location approximately 860' FSL & 580' FWL of Section 3-22S-31E, Eddy County, NM.

OXY is filing an application with the New Mexico Oil Conservation Division (OCD) for administrative approval of this non-standard location (NSL). 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.

Donna G Havins
Land Negotiator
Dir: (713) 215-7232
Cell: (713) 202-7559
Fax: (713) 985-1818
email: donna_havins@oxy.com

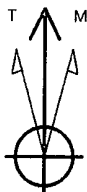
Based on the information provided herein, ConocoPhillips Company hereby waives any protest or objection to the non-standard location of the Lost Tank 3 Federal #19 well.

ConocoPhillips Company

By Robert N. Welch

Dated 7-28-10

TJS



Azimuths to Grid North
 True North: -0 30°
 Magnetic North: 7 60°
 Magnetic Field
 Strength: 48920.9nT
 Dip Angle: 60.39°
 Date: 2009/08/27
 Model: IGRF200510



Project: Eddy County, NM
 Site: Lost Tank 3 Federal Pad
 Well: Well #19
 Wellbore: OH
 Plan: Plan #1 (Well #19/OH)

WELL DETAILS: Well #19

Ground Elevation: 3466.10
 RKB Elevation: RKB to MSL @ 3482.60ft (Flex 4)
 Rig Name: Flex 4

+N-S	+E-W	Northing	Easting	Latitude	Longitude	Slot
0.00	0.00	517203.00	672847.60	32° 25' 14.37390 N	103° 46' 23.45626 W	

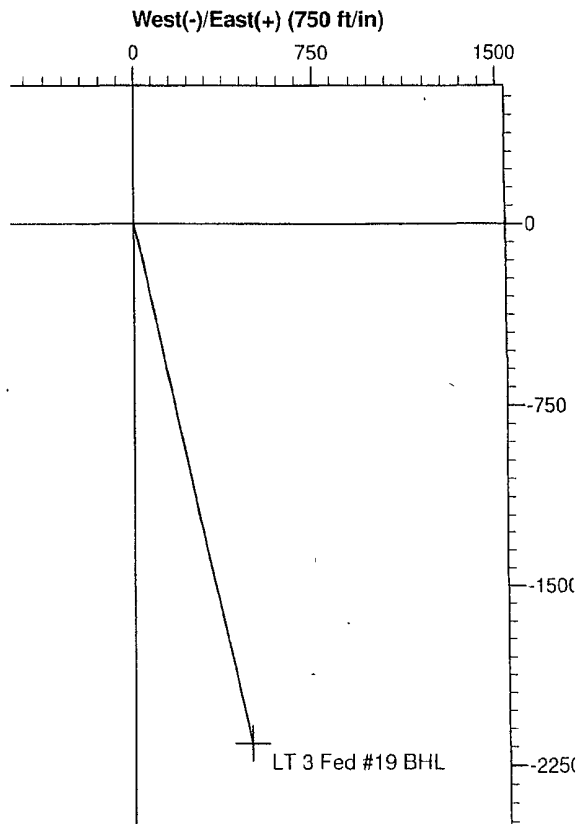
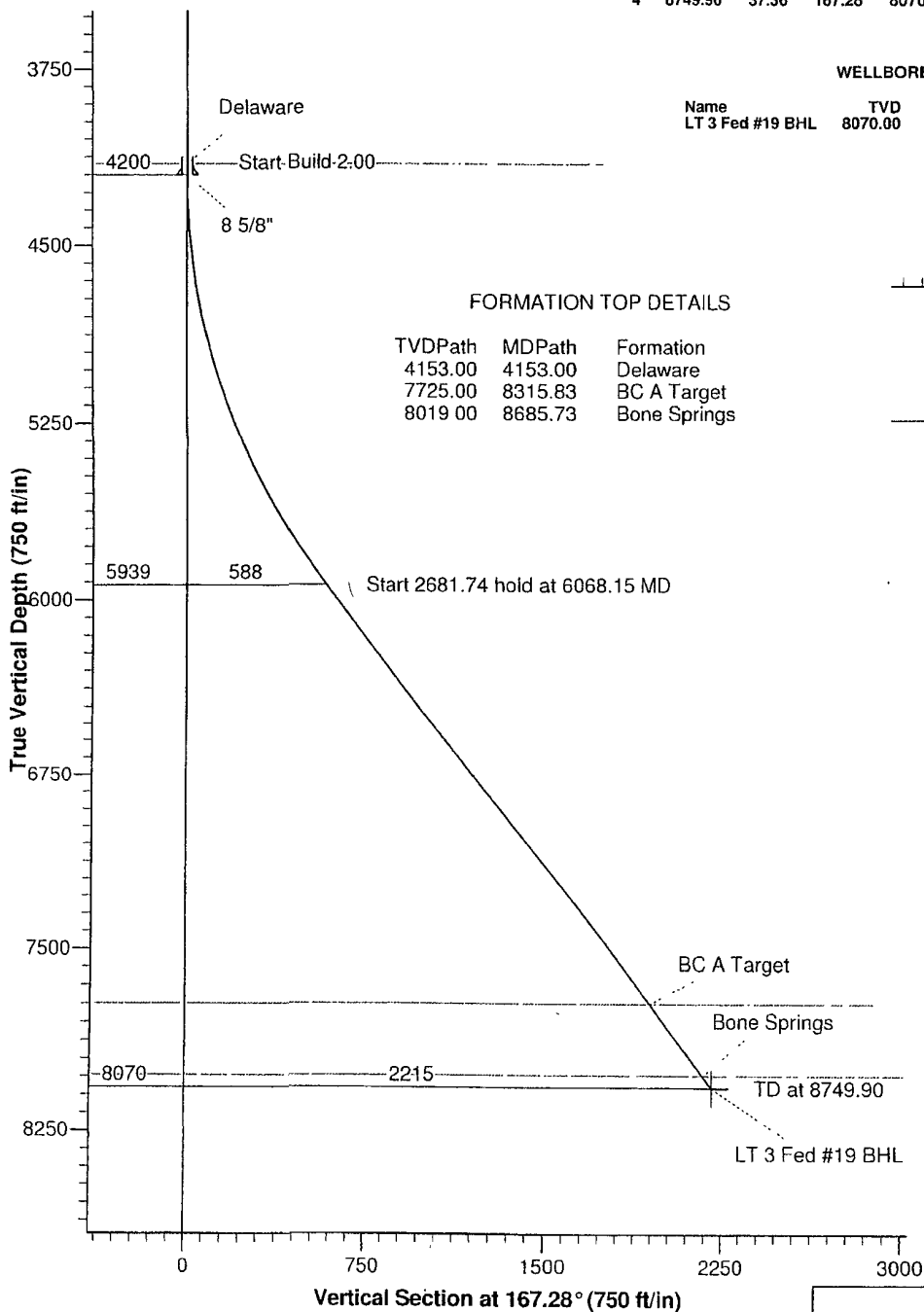
CASING DETAILS
 TVD 4200.00
 MD 4200.00
 Name 8 5/8"
 Size 8-5/8"

SECTION DETAILS

Sec	MD	Inc	Azi	TVD	+N-S	+E-W	DLeg	TFace	VSec	Target
1	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
2	4200.00	0.00	0.00	4200.00	0.00	0.00	0.00	0.00	0.00	
3	6068.15	37.36	167.28	5938.54	-573.41	129.47	2.00	167.28	587.84	
4	8749.90	37.36	167.28	8070.00	-2160.90	487.90	0.00	0.00	2215.30	LT 3 Fed #19 BHL

WELLBORE TARGET DETAILS (MAP CO-ORDINATES)

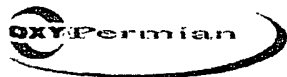
Name	TVD	+N-S	+E-W	Northing	Easting	Shape
LT 3 Fed #19 BHL	8070.00	-2160.90	487.90	515042.10	673335.50	Point



PROJECT DETAILS: Eddy County, NM
 Geodetic System: US State Plane 1927 (Exact solution)
 Datum: NAD 1927 (NADCON CONUS)
 Ellipsoid: Clarke 1866
 Zone: New Mexico East 3001

System Datum: Mean Sea Level
 Local North: Grid

Plan: Plan #1 (Well #19/OH)
 Created By: Kurt Otto Date: 10:12, August 27 2009



PathFinder Energy Services

Global X&Y Report



Company:	OXY Permian	Local Co-ordinate Reference:	Well Well #19
Project:	Eddy County, NM	TVD Reference:	RKB to MSL @ 3482.60ft (Flex 4)
Site:	Lost Tank 3 Federal Pad	MD Reference:	RKB to MSL @ 3482.60ft (Flex 4)
Well:	Well #19	North Reference:	Grid
Wellbore:	OH	Survey Calculation Method:	Minimum Curvature
Design:	Plan #1	Database:	Landmark Network DB

Project: Eddy County, NM			
Map System:	US State Plane 1927 (Exact solution)	System Datum:	Mean Sea Level
Geo Datum:	NAD 1927 (NADCON CONUS)		
Map Zone:	New Mexico East 3001		

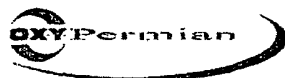
Site:		Lost Tank 3 Federal Pad			
Site Position:		Northing:	517,203.00 ft	Latitude:	32° 25' 14.37390 N
From:	Map	Easting:	672,847.60 ft	Longitude:	103° 46' 23.45626 W
Position Uncertainty:	0.00 ft	Slot Radius:	"	Grid Convergence:	0.30 °

Well:	Well #19					
Well Position	+N/-S	0.00 ft	Northing:	517,203.00 ft	Latitude:	32° 25' 14.37390 N
	+E/-W	0.00 ft	Easting:	672,847.60 ft	Longitude:	103° 46' 23.45626 W
Position Uncertainty	0.00 ft		Wellhead Elevation:	ft	Ground Level:	3,466.10 ft

Wellbore:	OH				
Magnetics:	Model Name	Sample Date	Declination (°)	Dip Angle (°)	Field Strength (nT)
	IGRF200510	2009/08/27	7.90	60.39	48,921

Design:		Plan #1		
Audit Notes:				
Version:		Phase:	PLAN	Tie On Depth: 0.00
Vertical Section	Depth From (TVD)	N/S	E/W	Direction
	(ft)	(ft)	(ft)	(°)
	0.00	0.00	0.00	167.28

Survey Tool Program		Date 2009/08/27		
From (ft)	To (ft)	Survey (Wellbore)	Tool Name	Description
0.00	8,749.90	Plan #1 (OH)	MWD	MWD - Standard

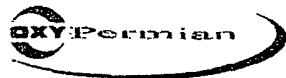


PathFinder Energy Services
Global X&Y Report



Company:	OXY Permian	Local Co-ordinate Reference:	Well Well #19
Project:	Eddy County, NM	TVD Reference:	RKB to MSL @ 3482.60ft (Flex 4)
Site:	Lost Tank 3 Federal Pad	MD Reference:	RKB to MSL @ 3482.60ft (Flex 4)
Well:	Well #19.	North Reference:	Grid
Wellbore:	OH	Survey Calculation Method:	Minimum Curvature
Design:	Plan #1	Database:	Landmark Network DB

Planned Survey									
MD (ft)	Inc (°)	Azi (°)	TVD (ft)	TVDSS (ft)	V-Sec (ft)	Northing (ft)	Easting (ft)	D Leg (ft/100ft)	
4,153.00	0.00	0.00	4,153.00	-670.40	0.00	517,203.00	672,847.60	0.00	
Delaware									
4,200.00	0.00	0.00	4,200.00	-717.40	0.00	517,203.00	672,847.60	0.00	
4,300.00	2.00	167.28	4,299.98	-817.38	1.75	517,201.30	672,847.98	2.00	
4,400.00	4.00	167.28	4,399.84	-917.24	6.98	517,196.19	672,849.14	2.00	
4,500.00	6.00	167.28	4,499.45	-1,016.85	15.69	517,187.69	672,851.06	2.00	
4,600.00	8.00	167.28	4,598.70	-1,116.10	27.88	517,175.80	672,853.74	2.00	
4,700.00	10.00	167.28	4,697.47	-1,214.87	43.52	517,160.55	672,857.19	2.00	
4,800.00	12.00	167.28	4,795.62	-1,313.02	62.60	517,141.93	672,861.39	2.00	
4,900.00	14.00	167.28	4,893.06	-1,410.46	85.10	517,119.99	672,866.34	2.00	
5,000.00	16.00	167.28	4,989.64	-1,507.04	110.98	517,094.75	672,872.04	2.00	
5,100.00	18.00	167.28	5,085.27	-1,602.67	140.21	517,066.23	672,878.48	2.00	
5,200.00	20.00	167.28	5,179.82	-1,697.22	172.77	517,034.47	672,885.65	2.00	
5,300.00	22.00	167.28	5,273.17	-1,790.57	208.60	516,999.52	672,893.54	2.00	
5,400.00	24.00	167.28	5,365.21	-1,882.61	247.67	516,961.41	672,902.15	2.00	
5,500.00	26.00	167.28	5,455.84	-1,973.24	289.93	516,920.18	672,911.46	2.00	
5,600.00	28.00	167.28	5,544.94	-2,062.34	335.33	516,875.90	672,921.45	2.00	
5,700.00	30.00	167.28	5,632.39	-2,149.79	383.81	516,828.61	672,932.13	2.00	
5,800.00	32.00	167.28	5,718.11	-2,235.51	435.31	516,778.38	672,943.47	2.00	
5,900.00	34.00	167.28	5,801.97	-2,319.37	489.77	516,725.25	672,955.47	2.00	
6,000.00	36.00	167.28	5,883.88	-2,401.28	547.13	516,669.31	672,968.10	2.00	
6,068.15	37.36	167.28	5,938.54	-2,455.94	587.84	516,629.59	672,977.07	2.00	
6,100.00	37.36	167.28	5,963.85	-2,481.25	607.17	516,610.74	672,981.32	0.00	
6,200.00	37.36	167.28	6,043.33	-2,560.73	667.85	516,551.55	672,994.69	0.00	
6,300.00	37.36	167.28	6,122.81	-2,640.21	728.54	516,492.35	673,008.05	0.00	
6,400.00	37.36	167.28	6,202.29	-2,719.69	789.22	516,433.15	673,021.42	0.00	
6,500.00	37.36	167.28	6,281.77	-2,799.17	849.91	516,373.96	673,034.79	0.00	

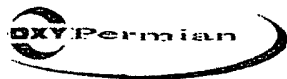


PathFinder Energy Services
Global X&Y Report



Company:	OXY Permian	Local Co-ordinate Reference:	Well Well #19
Project:	Eddy County, NM	TVD Reference:	RKB to MSL @ 3482.60ft (Flex 4)
Site:	Lost Tank 3 Federal Pad	MD Reference:	RKB to MSL @ 3482.60ft (Flex 4)
Well:	Well #19	North Reference:	Grid
Wellbore:	OH	Survey Calculation Method:	Minimum Curvature
Design:	Plan #1	Database:	Landmark Network DB

Planned Survey									
MD (ft)	Inc (°)	Azi (°)	TVD (ft)	TVDSS (ft)	V Sec (ft)	Northing (ft)	Easting (ft)	DLeg (1,000ft)	
6,600.00	37.36	167.28	6,361.25	-2,878.65	910.60	516,314.76	673,048.15	0.00	
6,700.00	37.36	167.28	6,440.73	-2,958.13	971.28	516,255.57	673,061.52	0.00	
6,800.00	37.36	167.28	6,520.21	-3,037.61	1,031.97	516,196.37	673,074.88	0.00	
6,900.00	37.36	167.28	6,599.69	-3,117.09	1,092.66	516,137.17	673,088.25	0.00	
7,000.00	37.36	167.28	6,679.17	-3,196.57	1,153.34	516,077.98	673,101.61	0.00	
7,100.00	37.36	167.28	6,758.65	-3,276.05	1,214.03	516,018.78	673,114.98	0.00	
7,200.00	37.36	167.28	6,838.13	-3,355.53	1,274.72	515,959.58	673,128.35	0.00	
7,300.00	37.36	167.28	6,917.61	-3,435.01	1,335.40	515,900.39	673,141.71	0.00	
7,400.00	37.36	167.28	6,997.09	-3,514.49	1,396.09	515,841.19	673,155.08	0.00	
7,500.00	37.36	167.28	7,076.57	-3,593.97	1,456.78	515,781.99	673,168.44	0.00	
7,600.00	37.36	167.28	7,156.06	-3,673.46	1,517.46	515,722.80	673,181.81	0.00	
7,700.00	37.36	167.28	7,235.54	-3,752.94	1,578.15	515,663.60	673,195.17	0.00	
7,800.00	37.36	167.28	7,315.02	-3,832.42	1,638.84	515,604.41	673,208.54	0.00	
7,900.00	37.36	167.28	7,394.50	-3,911.90	1,699.52	515,545.21	673,221.91	0.00	
8,000.00	37.36	167.28	7,473.98	-3,991.38	1,760.21	515,486.01	673,235.27	0.00	
8,100.00	37.36	167.28	7,553.46	-4,070.86	1,820.90	515,426.82	673,248.64	0.00	
8,200.00	37.36	167.28	7,632.94	-4,150.34	1,881.58	515,367.62	673,262.00	0.00	
8,300.00	37.36	167.28	7,712.42	-4,229.82	1,942.27	515,308.42	673,275.37	0.00	
8,315.83	37.36	167.28	7,725.00	-4,242.40	1,951.87	515,299.05	673,277.48	0.00	
BC A Target									
8,400.00	37.36	167.28	7,791.90	-4,309.30	2,002.95	515,249.23	673,288.73	0.00	
8,500.00	37.36	167.28	7,871.38	-4,388.78	2,063.64	515,190.03	673,302.10	0.00	
8,600.00	37.36	167.28	7,950.86	-4,468.26	2,124.33	515,130.83	673,315.47	0.00	
8,685.73	37.36	167.28	8,019.00	-4,536.40	2,176.36	515,080.08	673,326.92	0.00	
Bone Springs									
8,700.00	37.36	167.28	8,030.34	-4,547.74	2,185.01	515,071.64	673,328.83	0.00	



PathFinder Energy Services
Global X&Y Report



Company	OXY Permian	Local Co-ordinate Reference	Well Well #19
Project	Eddy County, NM	TVD Reference	RKB to MSL @ 3482.60ft (Flex 4)
Site	Lost Tank 3 Federal Pad	MD Reference	RKB to MSL @ 3482.60ft (Flex 4)
Well	Well #19	North Reference	Grid
Wellbore	OH	Survey Calculation Method	Minimum Curvature
Design	Plan #1	Database	Landmark Network DB

Planned Survey								
MD (ft)	Inc (°)	Azi (°)	TVD (ft)	TVDSS (ft)	V. Sec (ft)	Northing (ft)	Easting (ft)	D Leg (°/100ft)
8,749.90	37.36	167.28	8,070.00	-4,587.40	2,215.30	515,042.10	673,335.50	0.00
LT 3 Fed #19 BHL								

Targets									
Target Name	hit/miss target	Dip Angle (°)	Dip Dir. (°)	TVD (ft)	+N/-S (ft)	+E/-W (ft)	Northing (ft)	Easting (ft)	Latitude Longitude
LT 3 Fed #19 BHL		0.00	0.00	8,070.00	-2,160.90	487.90	515,042.10	673,335.50	32° 24' 52 96516 N 03° 46' 17 89685 W
- plan hits target center									
- Point									

Formations						
Measured Depth (ft)	Vertical Depth (ft)	Name	Lithology	Dip (°)	Dip Direction (°)	
8,315.83	7,725.00	BC A Target		0.00		
8,685.73	8,019.00	Bone Springs		0.00		
4,153.00	4,153.00	Delaware		0.00		

Checked By: _____ Approved By: _____ Date: _____

SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY
☒ Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired. ☒ Print your name and address on the reverse so that we can return the card to you. ☒ Attach this card to the back of the mailpiece, or on the front if space permits. 1. Article Addressed to: STATE OF NEW MEXICO ENERGY & MINERALS DEPARTMENT OIL CONSERVATION DIVISION 1220 SOUTH ST. FRANCIS DR. SANTA FE, NM 87505	A. Signature X ☐ Agent ☐ Addressee B. Received by (Printed Name) C. Date of Delivery D. Is delivery address different from item 1? ☐ Yes If YES, enter delivery address below: ☐ No 3. Service Type ☒ Certified Mail ☐ Express Mail ☐ Registered ☐ Return Receipt for Merchandise ☐ Insured Mail ☐ C.O.D. 4. Restricted Delivery? (Extra Fee) ☐ Yes
2. Article Number (Transfer from service label) <u>7005 0390 0002 9920 7856</u>	
PS Form 3811, February 2004 Domestic Return Receipt 102595-02-M-1540	

SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY
☒ Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired. ☒ Print your name and address on the reverse so that we can return the card to you. ☒ Attach this card to the back of the mailpiece, or on the front if space permits. 1. Article Addressed to: STATE OF NEW MEXICO ENERGY & MINERALS DEPARTMENT OIL CONSERVATION DIVISION 1301 W. GRAND AVE. ARTESIA, NM 88210	A. Signature X ☐ Agent ☐ Addressee B. Received by (Printed Name) C. Date of Delivery D. Is delivery address different from item 1? ☐ Yes If YES, enter delivery address below: ☐ No 3. Service Type ☒ Certified Mail ☐ Express Mail ☐ Registered ☐ Return Receipt for Merchandise ☐ Insured Mail ☐ C.O.D. 4. Restricted Delivery? (Extra Fee) ☐ Yes
2. Article Number (Transfer from service label) <u>7005 0390 0002 9920 7863</u>	
PS Form 3811, February 2004 Domestic Return Receipt 102595-02-M-1540	

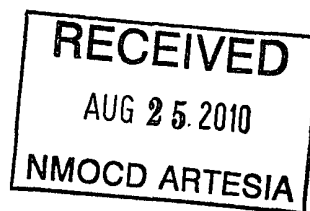
SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY
☒ Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired. ☒ Print your name and address on the reverse so that we can return the card to you. ☒ Attach this card to the back of the mailpiece, or on the front if space permits. 1. Article Addressed to: BLM 620 E. Greene St. Carrizosa, NM 88820	A. Signature X ☐ Agent ☐ Addressee B. Received by (Printed Name) C. Date of Delivery D. Is delivery address different from item 1? ☐ Yes If YES, enter delivery address below: ☐ No 3. Service Type ☒ Certified Mail ☐ Express Mail ☐ Registered ☐ Return Receipt for Merchandise ☐ Insured Mail ☐ C.O.D. 4. Restricted Delivery? (Extra Fee) ☐ Yes
2. Article Number (Transfer from service label) <u>7005 0390 0002 9920 7870</u>	
PS Form 3811, February 2004 Domestic Return Receipt 102595-02-M-1540	

SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY
☒ Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired. ☒ Print your name and address on the reverse so that we can return the card to you. ☒ Attach this card to the back of the mailpiece, or on the front if space permits. 1. Article Addressed to: Conoco Phillips Co. Attn: Tom Scarborough 550 Westlake Park Blvd. Houston, TX 77252	A. Signature X ☐ Agent ☐ Addressee B. Received by (Printed Name) C. Date of Delivery D. Is delivery address different from item 1? ☐ Yes If YES, enter delivery address below: ☐ No 3. Service Type ☒ Certified Mail ☐ Express Mail ☐ Registered ☐ Return Receipt for Merchandise ☐ Insured Mail ☐ C.O.D. 4. Restricted Delivery? (Extra Fee) ☐ Yes
2. Article Number (Transfer from service label) <u>7005 0390 0002 9920 7887</u>	



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 #19
Surface/Penetration Point – 2558 FNL 185 FWL Ut E – Sec 3 T22S R31E
Bottom Hole – 549 FSL 661 FWL Ut M – 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 #19. The #19 well is proposed in the Delaware with a TVD of 8100'. The kickoff point for the well is at approximately 4200' and the top of the Delaware formation is expected at 4035', which is above the kickoff point. 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 #19 encroaches on the 40-acre spacing units of E,L,M-Sec 3, H,I-Sec 4 of T23S R31E. All of the interest owners have joined in the drilling of the #3 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.
4. Proposed Directional Survey

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

Cox