

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

1a. TYPE OF WORK DRILL <input checked="" type="checkbox"/> DEEPEN <input type="checkbox"/>			5. LEASE DESIGNATION AND SERIAL NO. NM048343		
b. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER <input type="checkbox"/> SINGLE ZONE <input checked="" type="checkbox"/> MULTIPLE ZONE <input type="checkbox"/>			6. IF INDIAN, ALLOTTEE OR TRIBE NAME		
2. NAME OF OPERATOR OXY USA WTP Limited Partnership 192463 192463			7. UNIT AGREEMENT NAME 27869		
3. ADDRESS AND TELEPHONE NO. P.O. Box 50250 Midland, TX 79710-0250 915-685-5717			8. FARM OR LEASE NAME, WELL NO. OXY The Bug Federal #2		
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)* At surface 660 FNL 1295 FWL NWNW(D) At proposed prod. zone			9. API WELL NO. 30-015- 31699		
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE* 12 miles west from Artesia, NM			10. FIELD AND POOL, OR WILDCAT Empire Penn		
15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drig. unit line, if any) 660'			11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA Sec 21 T17S R28E		
16. NO. OF ACRES IN LEASE 320			12. COUNTY OR PARISH 13. STATE Eddy NM		
17. NO. OF ACRES ASSIGNED TO THIS WELL 320			20. ROTARY OR CABLE TOOLS R		
18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT. 3519'			21. APPROX. DATE WORK WILL START* 4/16/01		
21. ELEVATIONS (Show whether DF, RT, GR, etc.) 3596'					

PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	GRADE, SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
17-1/2"	13-3/8" H40	48#	400' 435'	360sx - Circulate
12-1/4"	9-5/8" K55	36#	2300'	700sx - Circulate
8-3/4"	5-1/2" N80	17#	10100'	775sx - Est TOC 6400'

Roswell Controlled Water Basin

SEE OTHER SIDE

APPROVAL SUBJECT TO
GENERAL REQUIREMENTS AND
SPECIAL STIPULATIONS
ATTACHED

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen, 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 David Stewart TITLE Regulatory Analyst DATE 2/12/01

(This space for Federal or State office use)

PERMIT NO. _____ APPROVAL DATE _____

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:APPROVED BY /s/ Mary J. Rugwell TITLE FIELD MANAGER DATE MAR 29 2001

*See Instructions On Reverse Side

APPROVAL FOR 1 YEAR

OXY The Bug Federal #2
660 FNL 1295 FWL NWNW(D) SEC 21 T17S R28E
Federal Lease No. NM048343

PROPOSED TD: 10100' TVD

BOP PROGRAM: 0' - 400' None

400' - 2300' 13-3/8" 3M annular preventer.

2300' - 10100' 11" 5M blind pipe rams with 5M annular preventer and rotating head below 6900'.

CASING: Surface: 13-3/8" OD 48# H40 ST&C new casing set at 400' 17-1/2" hole

Intermediate: 9-5/8" OD 36# K55 ST&C new casing from 0-2300' 12-1/4" hole

Production: 5-1/2" OD 17# N80 LT&C new casing from 0-10100' 8-3/4" hole

CEMENT: Surface - Circulate cement with 160sx 35:65 POZ/C with 6% Bentonite + 2% CaCl₂ + .25#/sx Cello-Flake followed by 200sx Cl C w/ 2% CaCl₂.

Intermediate - Circulate cement with 500sx 35:65 POZ/C with 6% Bentonite + 2% CaCl₂ + .25 #/sx Cello-Flake followed by 200sx Cl C with 2% CaCl₂.

Production - Cement with 700sx 15:61:11 POZ/C/CSE with .5% FL-52 + .5% FL-25 + 8#/sx Gilsonite followed by 75sx Cl C with .7% FL-25.

Estimated top of cement is 6400'.

Note: Cement volumes may need to be adjusted to hole caliper.

MUD:

0 - 400' Fresh water/native mud. Lime for pH control (9-10). Paper for seepage. Wt 8.7-9.2 ppg, Vis 32-34 sec

400' - 2300' Fresh/*Brine water. Lime for pH control (10.0-10.5). Paper for seepage. Wt 8.3-9.0/10.0-10.1ppg, Vis 28-29 sec
*Fresh water will be used unless chlorides in the mud system increases to 20000PPM.

2300' - 6900' Fresh water. Lime for pH control(9-9.5). Paper for seepage. Wt 8.4 ppg, Vis 28-29 sec

6900' - 9300' Cut brine. Lime for pH control (10-10.5). Wt 9.6 - 10.0 ppg, Vis 28-29sec

9300' - 10100' Mud up with an Duo Vis/Flo Trol mud system. Wt 10-10.2ppg, Vis 34-38sec, WL<8cc

ROSWELL, NM
WTLB
10-17-01

10-17-01
10-17-01
10-17-01

DISTRICT I

1825 N. French Dr., Hobbs, NM 88240

DISTRICT II

511 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 and Natural Resources Department

Form C-102

Revised March 17, 1999

Submit to Appropriate District Office

State Lease - 4 Copies

Fee Lease - 3 Copies

OIL CONSERVATION DIVISION

2040 South Pacheco

Santa Fe, New Mexico 87504-2088

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-015-	Pool Code 76440	Pool Name Empire Penn
Property Code 26738	Property Name OXY THE BUG FEDERAL	Well Number 2
OGRID No. 192463	Operator Name OXY USA WTP Limited Partnership	Elevation 3596

Surface Location

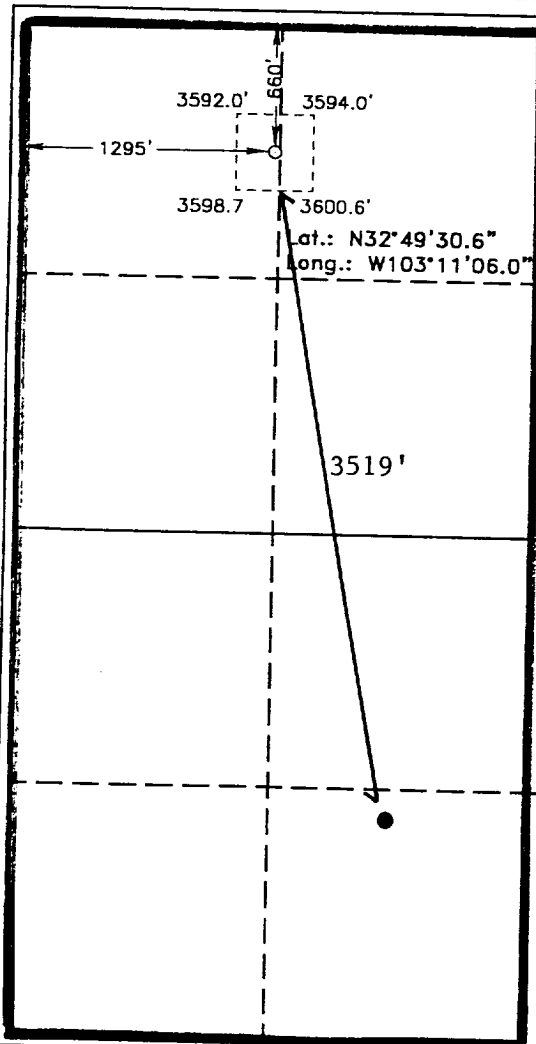
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
D	21	17 S	28 E		660	NORTH	1295	WEST	EDDY

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

Dedicated Acres 320	Joint or Infill Yes	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 the the information
contained herein is true and complete to the
best of my knowledge and belief.

David Stewart
Signature

David Stewart
Printed Name

Regulatory Analyst
Title

2/12/01
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 belief.

JANUARY 17, 2001

Date Surveyed
Signature & Seal of
Professional Surveyor

W.D. No. 1045
Certificate No. 7977

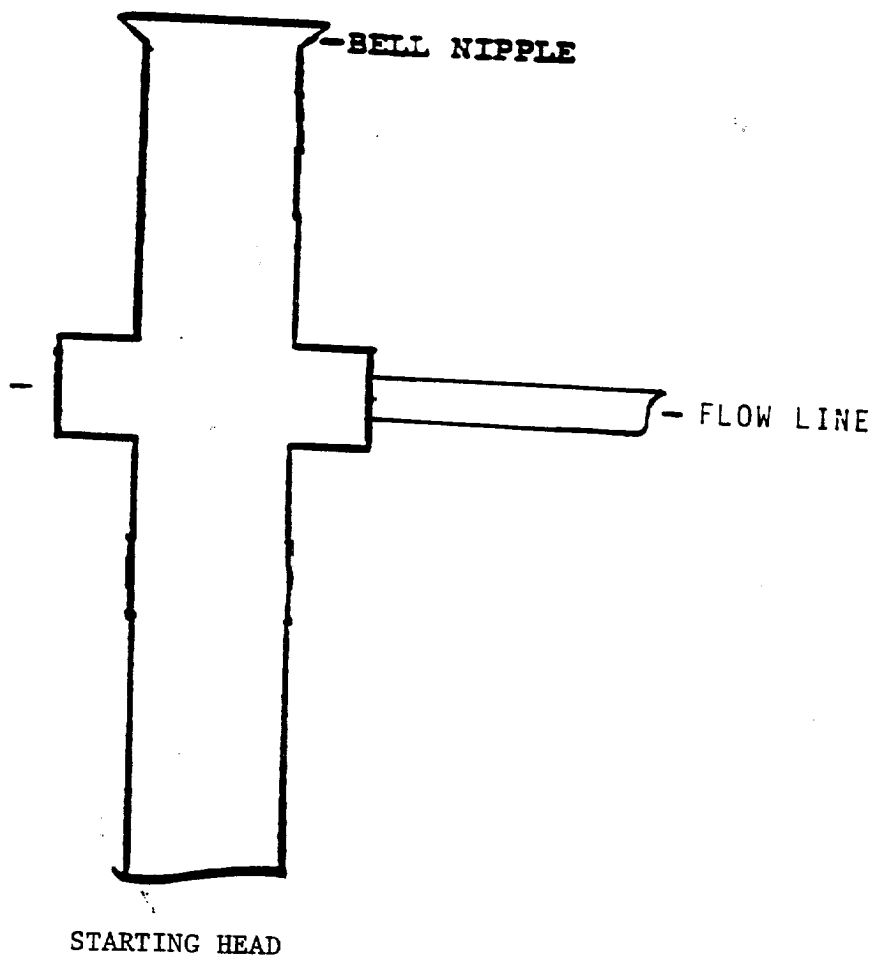
W.D. No. 1045

Certificate No. 7977

BASIN SURVEYS

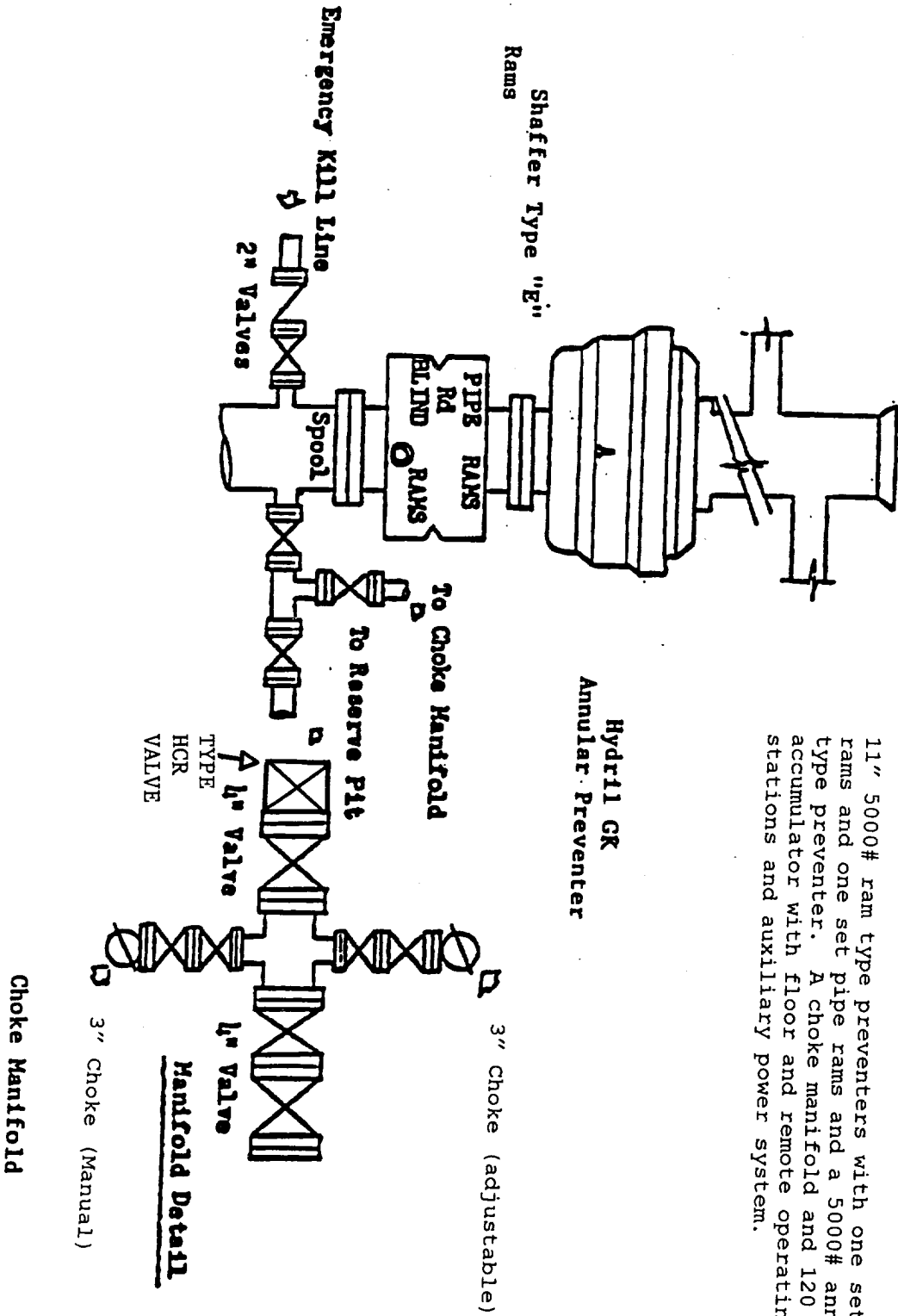
EXHIBIT A

ANNULAR PREVENTOR
TO BE USED AS DIVERTOR ONLY



BLOWOUT PREVENTOR SCHEME

11" 5000# ram type preventers with one set blind rams and one set pipe rams and a 5000# annular type preventer. A choke manifold and 120 gallon accumulator with floor and remote operating stations and auxiliary power system.



MULTI-POINT SURFACE USE AND OPERATIONS PLAN

OXY USA WTP Limited Partnership
OXY The Bug Federal #2
Eddy County, New Mexico
Lease No. NM048343

This plan is submitted with the Application for Permit to Drill the above described well. The purpose of the plan is to identify the location of the proposed well, the proposed construction activities and operations plan, the magnitude of necessary surface disturbance involved and the procedures to be followed in rehabilitating the surface after completion of the operation so that a complete appraisal may be made of the environmental effects associated with the operation.

The well, and work area have been staked by a registered New Mexico land surveyor. Geo-Marine Inc. has been engaged to make an archaeological reconnaissance of the work area. Their findings concerning cultural resources will be reported to the Bureau of Land Management.

1. Existing Roads

A copy of a USGS "Red Lake, SE New Mexico" quadrangle map is attached showing the proposed location. The well location is spotted on this map, which also shows the existing road system. Exhibit B.

Directions to location:

From the junction of USH 82 and CR 208, go north on CR 208 approximately 1.3 miles to a lease road to the west, then .8 miles to lease road to the northwest. Go approximately 800' to a point that lies 1000' southeast of the proposed location.

2. Planned Access Road

- A. A new access road will be built. The access road will run approximately 850' northwest from an existing lease road to the location. Exhibit B.
- B. Surfacing material: Six inches of caliche and water, compacted and graded.
- C. Maximum Grade: Less than 3%.
- D. Turnouts: None needed.
- E. Drainage Design: N/A
- F. Culverts: None needed.
- G. Cuts and Fills: Leveling the location will require minimal cuts or fills.
- H. Gates or Cattleguards: None required.

3. Existing wells within a one mile radius of the proposed development well are shown on Exhibit C.

4. Location of Existing and/or Proposed Facilities

- A. If the well is productive, production facilities will be constructed on the well pad. The facility will consist of a stack pack, one 300 bbl oil tank and one 300 bbl fiberglass water tank. All permanent above ground facilities will be painted in accordance with the BLM's painting guidelines simulating the color of sandstone brown.
- B. All site security guidelines identified in 43 CFR 3162.7 regulations will be adhered to and a site security plan will be submitted for the OXY The Bug Federal #1 tank battery. All product lines entering and leaving hydrocarbon storage tanks will be effectively sealed.

5. Location and Type of Water Supply

Fresh water and brine water will be used to drill this well. It will be purchased from a supply in Loco Hills and transported to the well site.

6. Source of Construction Materials

Caliche for surfacing the well pad will be obtained from a Federal pit located in Section 12, T20S, R27E, Eddy County, New Mexico.

7. Method of Handling Waste Disposal

- A. Drill Cuttings will be disposed of in drilling pits.
- B. Drilling fluids will be allowed to evaporate in the drilling pits until pits are dry.
- C. Water produced during tests will be disposed of in the drilling pits. Oil produced during tests will be stored in test tanks until sold.
- D. Current laws and regulations pertaining to the disposal of human waste will be complied with.
- E. Trash, waste paper, garbage and junk will be collected in steel trash bins and removed after drilling and completion operations are completed. All waste material will be contained to prevent scattering by the wind.
- F. All trash and debris will be removed from the wellsite within 30 days after finishing drilling and/or completion operations.

8. Ancillary Facilities

- A. None needed.

9. Wellsite Layout

- A. The location and dimensions of the well pad, mud pits, reserve pit and location of major rig components are shown on the well site layout sketch. The V-door will be to the east and the pits to the north. Exhibit D.
- B. Leveling of the wellsite will be required with minimal cuts or fills anticipated.
- C. The reserve pit will be plastic lined.
- D. While constructing the pits and material is encountered at a depth which would not allow the pits to meet the BLM stipulations without blasting, OXY requests a variance. There will be an adequate amount of material to reclaim the pit per the stipulations.
- E. The pad and pit area have been staked and flagged.

10. Plans for Restoration of the Surface

- A. After completion of drilling and/or completion operations, all equipment and other materials not needed for operations will be removed.
- B. Pits will be filled and location cleaned of all trash and junk to leave the well site in as aesthetically pleasing condition as possible. Any plastic material used to line the pits or sumps will be cut off below ground level as far as possible and disposed of before the pits are covered. All unattended pits containing liquid will be fenced and the liquid portion allowed to evaporate before the pits are broken and backfilled.
- C. After abandonment of the well, surface restoration will be in accordance with the land owner. This will be accomplished as expeditiously as possible. Barring unforeseen problems, all pits will be filled and leveled within 90 days after abandonment.

11. Surface Ownership

The wellsite is on federal owned surface. The surface is leased to: Bogle LTD., P.O. Box 460, Dexter, NM 88230-0460. They will be notified of our intention to drill prior to any activity.

12. Other Information

- A. Topography: The location is a flat plain. GL elevation is 3596'.
- B. Soil: Sandy clay loams.
- C. Flora and Fauna: The vegetative cover is generally sparse consisting of mesquite, yucca, shinnery oak, sandsage and perennial native range grasses. Wildlife in the area is also sparse consisting of coyotes, rabbits, rodents, reptiles, dove and quail.

Multi-Point Surface Use and Operations Plan

OXY The Bug Federal #2

Page 4

- D. Ponds and Streams: There are no rivers, streams, lakes or ponds in the area.
- E. Residences and Other Structures: There are no occupied dwellings within a 1 mile radius of the location.
- F. Archaeological, Historical and Cultural Sites: Cultural resources have been recorded in the area. Geo-Marine Inc. will be engaged to make an archaeological reconnaissance of the work area.
- G. Land Use: Cattle ranching.
- H. The well site, if a producer, will be maintained and kept clean of all trash and litter which detracts from the surrounding environment. Equipment will be maintained in accordance with good operating practice.
- I. After the wellsite is cleaned and pits and sumps backfilled, any obstruction to the natural drainage will be corrected by ditching or terracing. All disturbed areas, including any access road no longer needed, will be ripped. Those areas will be reseeded with grass if, in the opinion of the land owner, it is required.

13. Operator's Representatives and Certification

The field representative responsible for assuring compliance with the approved surface use and operations plan are as follows:

John Erickson
Production Coordinator
P.O. Box 69
Hobbs, New Mexico 88240
Office Phone: 505-393-2174
Cellular: 505-390-6426

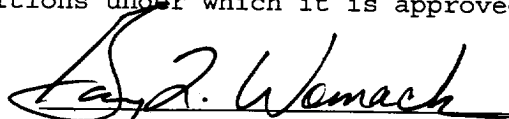
Joe Fleming
Drilling Coordinator
P.O. Box 50250
Midland, TX 79710-0250
Office Phone: 915-685-5858

Calvin C. (Dusty) Weaver
Operation Specialist
P.O. Box 2000
Levelland, TX 79336
Office Phone: 806-229-9467
Cellular: 806-893-3067

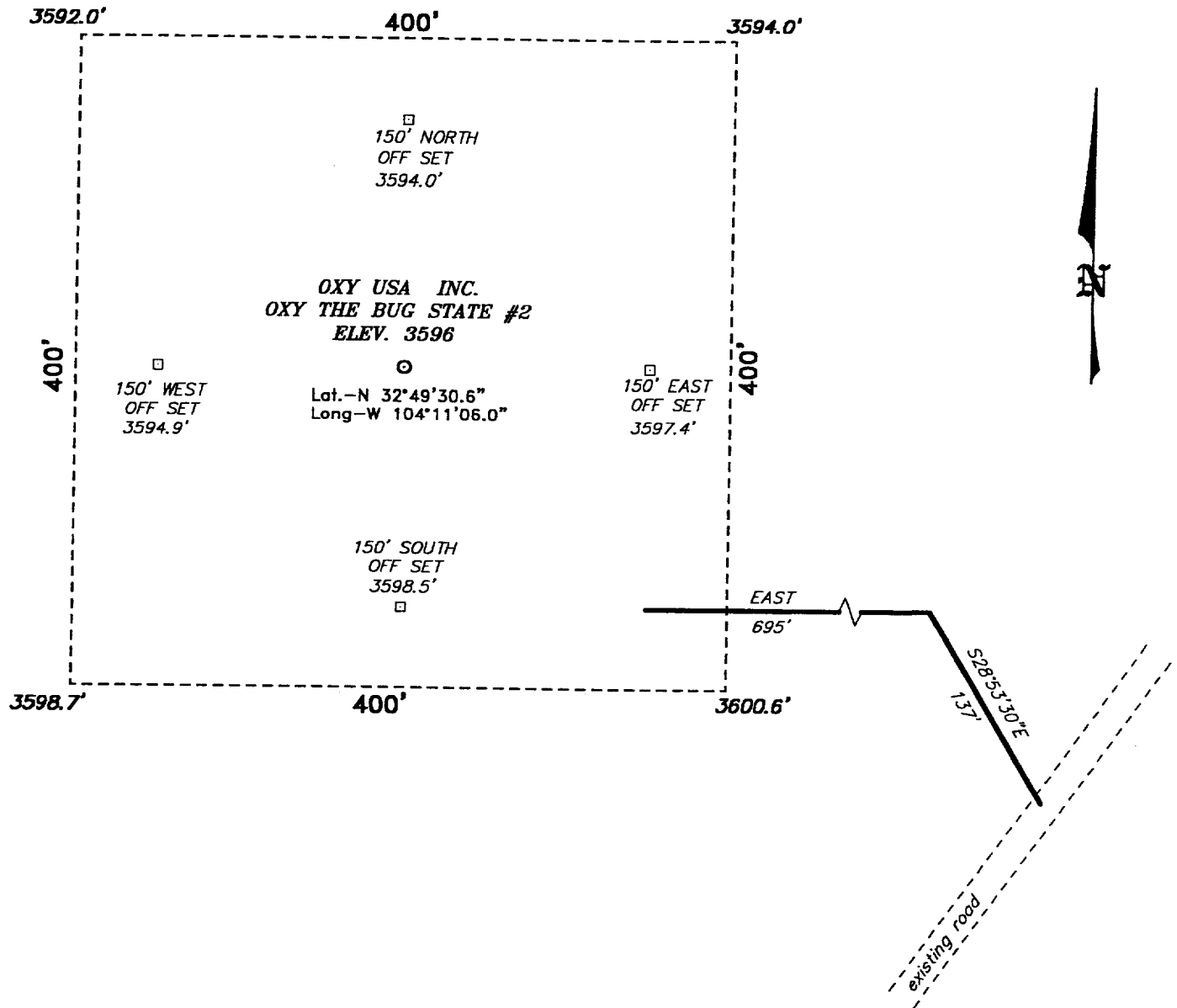
I hereby certify that I, or persons under my direct supervision, have inspected the proposed drill site and access route; that I am familiar with the conditions which presently exist; that the statements made in this plan are, to the best of my knowledge, true and correct; and, that the work associated with the operations proposed herein will be performed by OXY USA WTP Limited Partnership and its contractors and sub-contractors in conformity with this plan and the terms and conditions under which it is approved.

2/12/2001

DATE

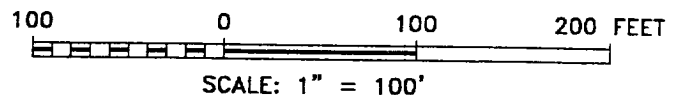

Gary L. Womack
Operations Engineer
915-685-5772
Frontier Asset Team

**SECTION 21, TOWNSHIP 17 SOUTH, RANGE 28 EAST, N.M.P.M.,
EDDY COUNTY, NEW MEXICO.**



Directions to Location:

FROM THE JUNCTION OF US HWY 82 AND COUNTY ROAD 280, GO NORTH ON RD. 208 1.3 MILES TO A LEASE ROAD TO THE WEST, THEN WEST 0.8 MILES TO LEASE TO THE NORTHWEST; THEN WITH SAID LEASE ROAD APPROX. 800 FEET TO POINT WHICH LIES APPROX. 1000 FEET SOUTHEAST OF THE PROPOSED WELL LOCATION.



BASIN SURVEYS P.O. BOX 1786—HOBBS, NEW MEXICO

W.O. Number: 1045

Drawn By: **JAMES PRESLEY**

Date: 01/19/01

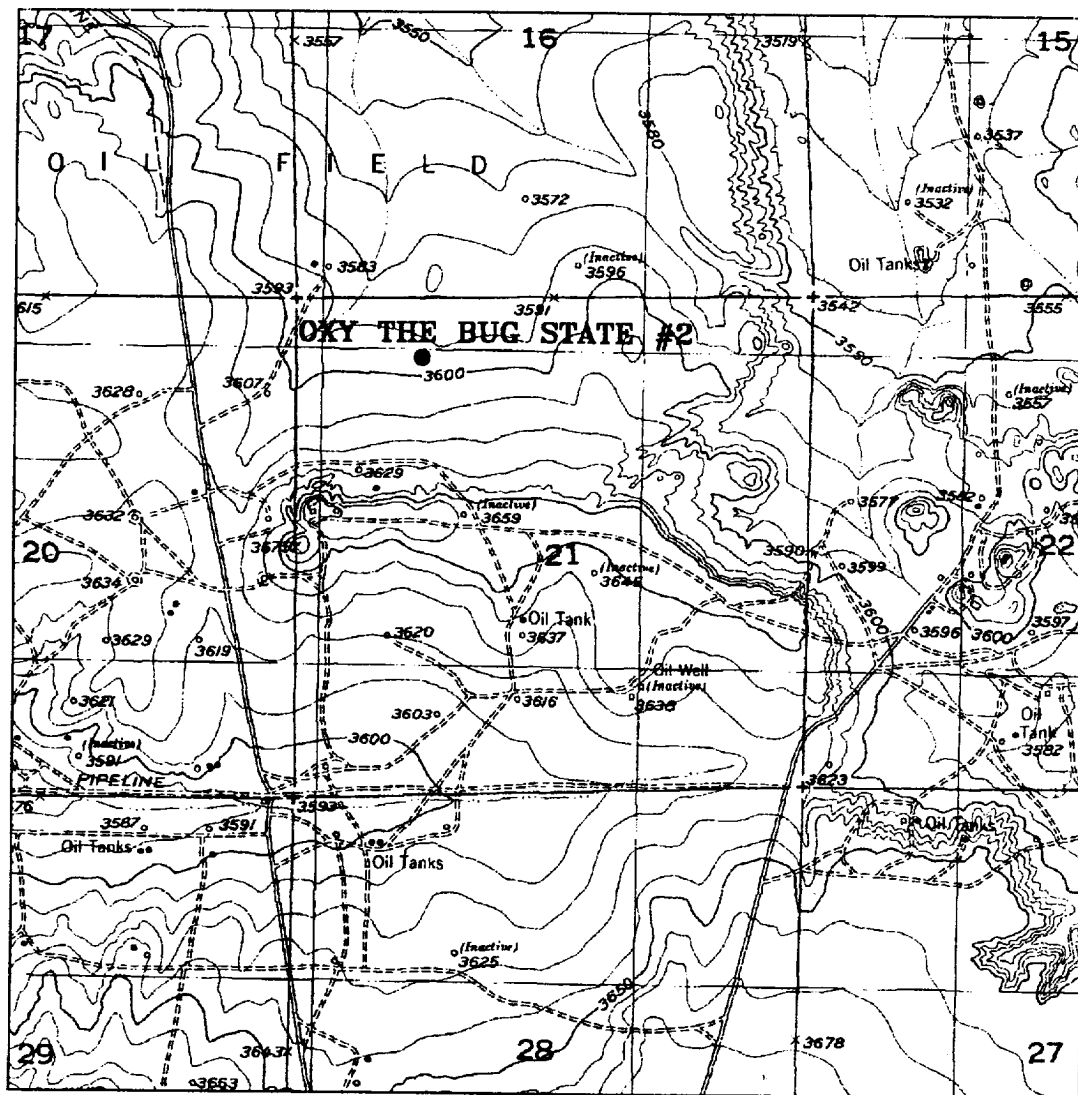
Drawn: "P. #1

1045A DWO

OXY USA INC.

REF: OXY TYHE BUG STATE #2 / Well Pad Topo

THE OXY THE BUG STATE No. 2 LOCATED 660' FROM THE NORTH LINE AND 1295' FROM THE WEST LINE OF SECTION 21, TOWNSHIP 17 SOUTH, RANGE 28 EAST, N.M.P.M., EDDY COUNTY, NEW MEXICO.



OXY THE BUG STATE #2

Located at 660' FNL and 1295' FWL

Section 21, Township 17 South, Range 28 East,
N.M.P.M., Eddy County, New Mexico.

Basin
surveys
focused on excellence

P.O. Box 1786
1120 N. West County Rd.
Hobbs, New Mexico 88241
(505) 393-7316 - Office
(505) 392-3074 - Fax
basinsurveys.com

W.O. Number: 1045AA - JLP #1

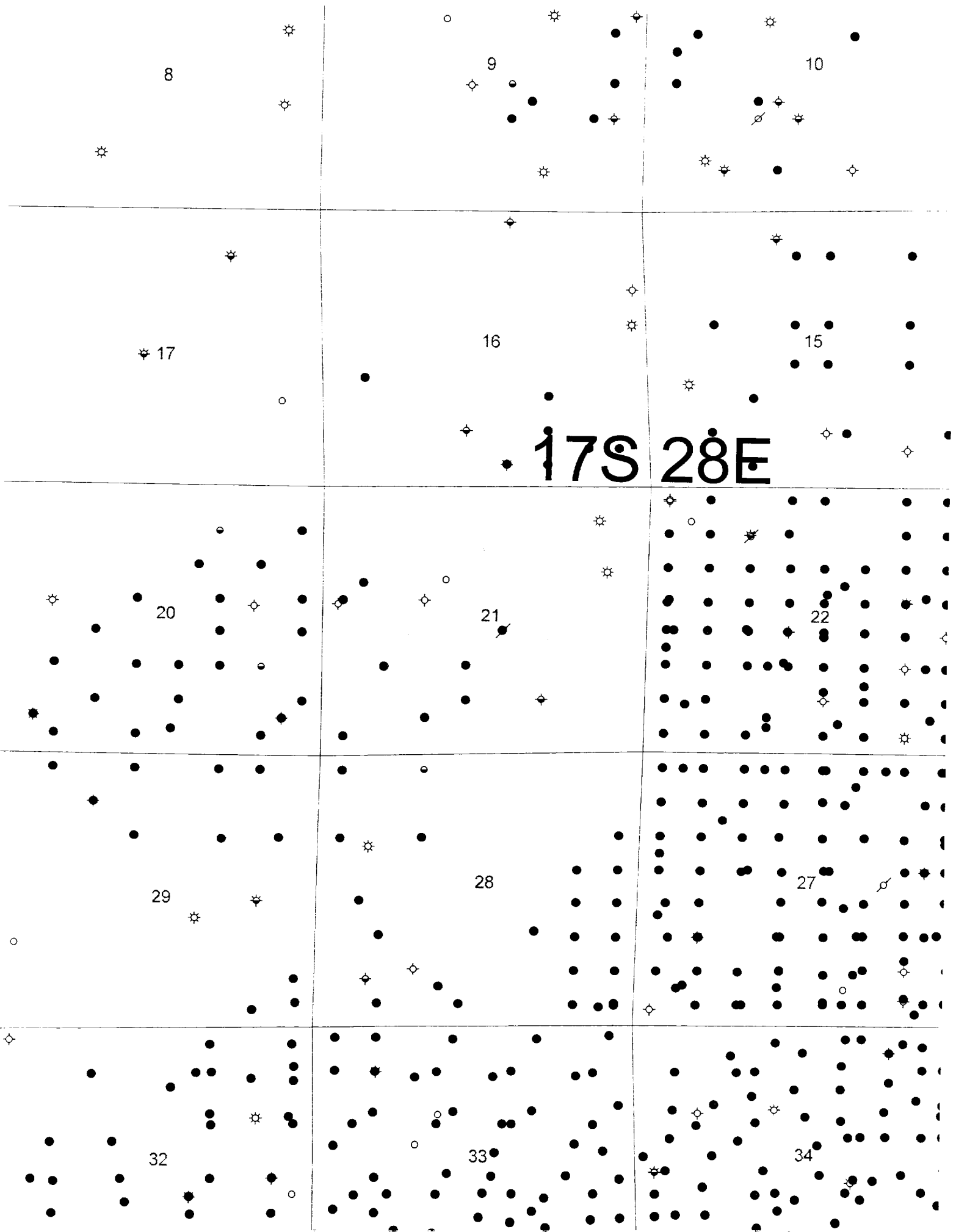
Survey Date: 01/17/01

Scale: 1" = 2000'

Date: 01/19/01

OXY USA INC.

EXHIBIT C



40' x 110' Borehole

40' x 110' Borehole

40' x 140' Borehole

40' x 40' Pad to Lay down Great Bed

Casing

Mud Pump

Mud

Trailer House

200'

United States Department of the Interior
Bureau of Land Management
Roswell District
2909 W. Second Street
Roswell, New Mexico 88202

Attention: Armando A. Lopez


RE: OXY The Bug Federal #2
Section 21, T17S-R28E
Eddy County, New Mexico

STATEMENT ACCEPTING RESPONSIBILITY FOR OPERATIONS

OPERATOR NAME: OXY USA WTP Limited Partnership
ADDRESS: P. O. Box 50250
Midland, Texas 79710

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

LEASE NO.: NM-048343
LEGAL DESCRIPTION: 660' FNL and 1295' FWL Section 21,
T17S-R28E
Eddy County, New Mexico
FORMATIONS: Rights below 3000'
BOND COVERAGE: Nationwide
BLM BOND FILE NO.: ES 0136

AUTHORIZED SIGNATURE: BY: 
David R. Evans
OXY USA WTP Limited Partnership *Dwt*

TITLE: Landman Advisor
DATE: February 9, 2001

cc: David Stewart

OXY USA WTP Limited Partnership
P.O. Box 50250, Midland, TX 79710-0250

February 12, 2001

United States Department of the Interior
Bureau of Land Management
Roswell District Office
2909 West Second Street
Roswell, New Mexico 88201

Re: Application for Permit to Drill
OXY USA WTP Limited Partnership
OXY The Bug Federal #2
Eddy County, New Mexico
Lease No. NM048343

Gentlemen:

OXY USA WTP Limited Partnership respectfully requests permission to drill our OXY The Bug Federal #2 located 660 FNL and 1295 FWL of Section 21, T17S, R28E, Eddy County, New Mexico, Federal Lease No. NM048343. The proposed well will be drilled to a TD of approximately 10100' (TVD). The location and work area has been staked. It is approximately 12 miles west of Artesia, 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 Gary L. Jones, Registered Land Surveyor No. 7977 in the State of New Mexico, dated January 17, 2001.
3. The elevation of the unprepared ground is 3596 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 10100' (TVD), and run casing. This equipment will then be rigged down and the well will be completed with a pulling unit.
6. Proposed total depth is 10100' TVD.
7. Estimated tops of important geologic markers.

Wolfcamp	6900' TVD
Strawn	9200' TVD
Atoka	9500' TVD
Morrow	9800' TVD

8. Estimated depths at which anticipated water, oil, gas or other mineral bearing formations are expected to be encountered:

Primary Objective: Morrow 9800' TVD

Secondary Objective: Atoka 9500' TVD

9. The proposed casing program is as follows:

Surface: 13-3/8" 48# H40 ST&C new casing set at 400'

Intermediate: 9-5/8" 36# K55 ST&C new casing from 0-2300'

Production: 5-1/2" 17# N80 LT&C new casing from 0-10100'

10. Casing setting depth and cementing program:

- A. 13-3/8" surface casing set at 400' in 17-1/2" hole.
Circulate cement with 160sx 35:65 POZ/C w/ 6% Bentonite + 2% CaCl_2 + .25#/sx Cello-Seal followed by 200sx Class C w/ 2% CaCl_2 .

If cement does not circulate, a temperature survey will be run to find the TOC and then finish cementing to surface through 1" using Class C with 2% CaCl_2 .

- B. 9-5/8" intermediate casing set at 2300' in 12 1/4" hole.
Circulate cement with 500sx 35:65 POZ/C w/ 6% Bentonite + 2% CaCl_2 + .25#/sx Cello-Seal followed by 200sx Class C w/ 2% CaCl_2 .

If hole conditions dictate, a DV tool may be run to ensure that the intermediate string is cemented to surface.

If cement does not circulate, a temperature survey will be run to find the TOC and then finish cementing to surface through 1" using Class C with 2% CaCl_2 .

Note: Cement volumes may be adjusted according to fluid caliper.

- C. 5-1/2" production casing set at 10100'. Cement with 700sx 15:61:11 POZ/C/CSE w/ .5% FL-25 + .5% FL-52 + 8#/sx Gilsonite followed by 75sx Class C w/ .7% FL-25.

Estimated top of cement is 6400'.

Note: Cement volumes may need to be adjusted to hole caliper.

11. Pressure Control Equipment

0' - 400' None

400' - 2300' 13-3/8" 3M annular preventer.

2300' - 10100' 11" 5000# ram type preventers with one set blind rams and one set pipe rams and a 5000# annular type preventer. A choke manifold and 120 gallon accumulator with floor and remote operating stations and auxiliary power system. Rotating head below 6900'. Exhibit A.

A kelly cock will be installed and maintained in operable condition and a drill string safety valve in the open position will be available on the rig floor.

After setting the 9-5/8" casing, the blowout preventers and related control equipment shall be pressure tested to 5000 psi. Any equipment failing to test satisfactorily shall be repaired or replaced. Results of the BOP test will be recorded in the Driller's Log. The BOP's will be maintained ready for use until drilling operations are completed.

BOP drills will be conducted as necessary to assure that equipment is operational and each crew is properly trained to carry out emergency duties.

Accumulator shall maintain a pressure capacity reserve at all times to provide for the close-open-close sequence of the blind and pipe rams of the hydraulic preventers.

12. Mud Program:

0 - 400'	Fresh water/native mud. Lime for pH control (9-10). Paper for seepage. Wt. 8.7-9.2 ppg, vis 32-34 sec.
400' - 2300'	Fresh/*brine water. Lime for pH control (10-10.5). Paper for seepage. Wt. 8.3-9.0/10.0-10.1ppg, vis 28-29 sec. *Fresh water will be used unless chlorides in the mud system increase to 20000PPM.
2300' - 6900'	Fresh water. Lime for pH control (9-9.5). Paper for seepage. Wt. 8.3-8.5 ppg, vis 28-29 sec.
6900' - 9300'	Cut brine. Lime for pH control (10-10.5). Wt. 9.6-10.0 ppg, vis 28-29 sec.
9300' - 10100'	Mud up with an Duo Vis/Flo Trol system. Wt. 9.6-10.0 ppg, Vis 32-36sec, WL<10cc.

Mud system monitoring equipment with derrick floor indicators and visual/audio alarms shall be installed and operative prior to drilling into the Wolfcamp formation. This equipment will remain in use until the production casing is run and cemented.

Monitoring equipment shall consist of the following:

- 1) A recording pit level indicator.
 - 2) A pit volume totalizer.
 - 3) A flowline sensor.
13. Testing, Logging and Coring Program:
- A. Testing program: No DST's are anticipated.
 - B. Mud logging program: One-man unit from 6000' to TD.
 - C. Electric logging program: CNL/LDT/CAL/GR, DLL/CAL/GR.
 - D. Coring program: Possible sidewall rotary cores.
14. No abnormal temperatures, or H₂S gas are anticipated. The highest anticipated pressure gradient would be .55psi/ft. Adequate flare lines will be installed off the mud/gas separator where gas may be flared safely.
15. Anticipated starting date is April 16, 2001. It should take approximately 28 days to drill the well and another 10 days to complete.
16. The Multi-Point Surface Use & Operation Plan is attached.
17. If the Bureau of Land Management needs additional information to evaluate this application, please advise.

Very truly yours,



David Stewart
Regulatory Analyst
OXY USA WTP Limited Partnership

DRS/drs

Attachments

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

OPERATOR'S COPY

FORM APPROVED
OMB No. 1004-0135
Expires July 31, 1996

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.

SUBMIT IN TRIPLICATE - Other instructions on reverse side

1. Type of Well
☐ Oil Well ☒ Gas Well ☐ Other

2. Name of Operator
OXY USA Inc. 16696

3a. Address
P.O. Box 50250 Midland, TX 79710-0250
3b. Phone No. (include area code)
915-685-5717

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
660 FNL 1295 FWL NWNW(D) Sec 21 T17S R28E

5. Lease Serial No.
NMO48343
6. If Indian, Allottee or Tribe Name
7. If Unit or CA/Agreement, Name and/or No.
8. Well Name and No.
OXY The Bug Federal #2
9. API Well No.
30-015-
10. Field and Pool, or Exploratory Area
Empire Penn
11. County or Parish, State
Eddy NM

(2. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input checked="" type="checkbox"/> Other CHANGE OF OPERATOR
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recomplet horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

AS REQUIRED BY 43 CFR 3100.0-5(a) AND 43 CFR 3162.3, WE ARE NOTIFYING YOU OF A CHANGE OF OPERATOR ON THE ABOVE REFERENCED LEASE.

OXY USA Inc. AS NEW OPERATOR ACCEPTS ALL APPLICABLE TERMS, CONDITIONS, STIPULATIONS AND RESTRICTIONS CONCERNING OPERATIONS CONDUCTED ON THE LEASE OR PORTION OF LEASE DESCRIBED.

OXY USA Inc. MEETS FEDERAL BONDING REQUIREMENTS AS FOLLOWS (43 CFR 3104):
NATIONWIDE OIL & GAS BOND NO. 9312774

APPROVED

14. I hereby certify that the foregoing is true and correct
Name (Printed/Typed)

David Stewart

Title

Regulatory Analyst

Signature

Date

5/24/01

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Title

Date

Conditions of approval, if any, are attached. Approval of this notice 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.

Office

Title 18 U.S.C. Section 1001, makes 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)