

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

## APPLICATION FOR PERMIT TO DRILL OR DEEPEN

## 1a. TYPE OF WORK

DRILL ☒DEEPEN ☐

## b. TYPE OF WELL

OIL  
WELL ☐GAS  
WELL ☒

OTHER

SINGLE  
ZONE ☒MULTIPLE  
ZONE ☐

## 2. NAME OF OPERATOR

OXY USA WTP Limited Partnership

192463

## 3. ADDRESS AND TELEPHONE NO.

P.O. Box 50250 Midland, TX 79710-0250

915-685-5717

## 4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)\*

At surface

660 FNL 1980 FEL NWNE(B)

At proposed prod. zone

Unit B

## 14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE\*

6 miles west from Artesia, NM

## 15. DISTANCE FROM PROPOSED\*

LOCATION TO NEAREST  
PROPERTY OR LEASE LINE, FT.  
(Also to nearest drlg. unit line, if any)

660'

## 16. NO. OF ACRES IN LEASE

320

17. NO. OF ACRES ASSIGNED  
TO THIS WELL

320

## 18. DISTANCE FROM PROPOSED LOCATION\*

TO NEAREST WELL, DRILLING, COMPLETED,  
OR APPLIED FOR, ON THIS LEASE, FT.

1867'

## 19. PROPOSED DEPTH

9200'

## 20. ROTARY OR CABLE TOOLS

R

## 21. ELEVATIONS (Show whether DF, RT, GR, etc.)

3381'

## 22. APPROX. DATE WORK WILL START\*

6/5/01

## 23.

## PROPOSED CASING AND CEMENTING PROGRAM

Return Controlled Water Basin

SIZE OF HOLE	GRADE, SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
11"	8-5/8" K55	32#	1000' / 1450'	550sx - Circulate
7-7/8"	4-1/2" N80	11.6#	9200'	825sx - EST TOC 5300'

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

TITLE

David Stewart  
Regulatory Analyst

DATE

3/25/01

(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/ LESLIE A. THEISS

TITLE

FIELD MANAGER

DATE

JUN 28 2001

\*See Instructions On Reverse Side

APPROVAL FOR 1 YEAR

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

PROPOSED TD: 9200' TVD

BOP PROGRAM: 0'-1800' None

1800'-9200' 11" 5M blind pipe rams with 5M annular  
preventer and rotating head below 6000'.

CASING: Surface: 8-5/8" OD 32# K55 ST&C new casing from 0-1800'  
11" hole  
Production: 4-1/2"OD 11.6# N80 LT&C new casing from 0-9200'  
7-7/8" hole

CEMENT: Surface - Circulate cement with 350 35:65 POZ/C with 6%  
Bentonite + 2% CaCl<sub>2</sub> + .25#/sx Cello-Seal followed by 200sx Cl  
C with 2% CaCl<sub>2</sub>.

Production - Cement with 750sx 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 5300'.

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

MUD: 0-1800' Fresh water/native mud. Lime for pH control  
(9-10). Paper for seepage.  
Wt 8.7-9.2 ppg, Vis 32-34 sec  
1800'-5800' Fresh water. Lime for pH control (9-9.5).  
Paper for seepage.  
Wt 8.3-8.5 ppg, Vis 28-29 sec  
5800'-8100' Cut brine. Lime for pH control (10-10.5).  
Wt 9.6-10.0 ppg, Vis 28-29sec  
8100'-9200' Mud up with an Duo Vis/Flo Trol mud system.  
Wt 9.6-10.0ppg, Vis 32-36sec, WL<10cc

RECEIVED  
APR 02 01  
ROSWELL, NM

DISTRICT I  
P.O. Box 1980, Hobbs, NM 88240

State of New Mexico  
Energy, Minerals and Natural Resources Department

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

DISTRICT II  
P.O. Drawer DD, Artesia, NM 88210

OIL CONSERVATION DIVISION

DISTRICT III  
1000 Rio Brazos Rd., Aztec, NM 87410

P.O. Box 2088  
Santa Fe, New Mexico 87504-2088

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-015-	Pool Code 75720	Pool Name Crow Flats Morrow
Property Code 23248	Property Name OXY WALLACE FEDERAL Com.	Well Number 4
OGRID No. 192463	Operator Name OXY USA WTP Limited Partnership	Elevation 3381

Surface Location

UL or lot No. B	Section 9	Township 17 S	Range 27 E	Lot Idn	Feet from the 660	North/South line NORTH	Feet from the 1980	East/West line EAST	County EDDY
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Bottom Hole Location If Different From Surface

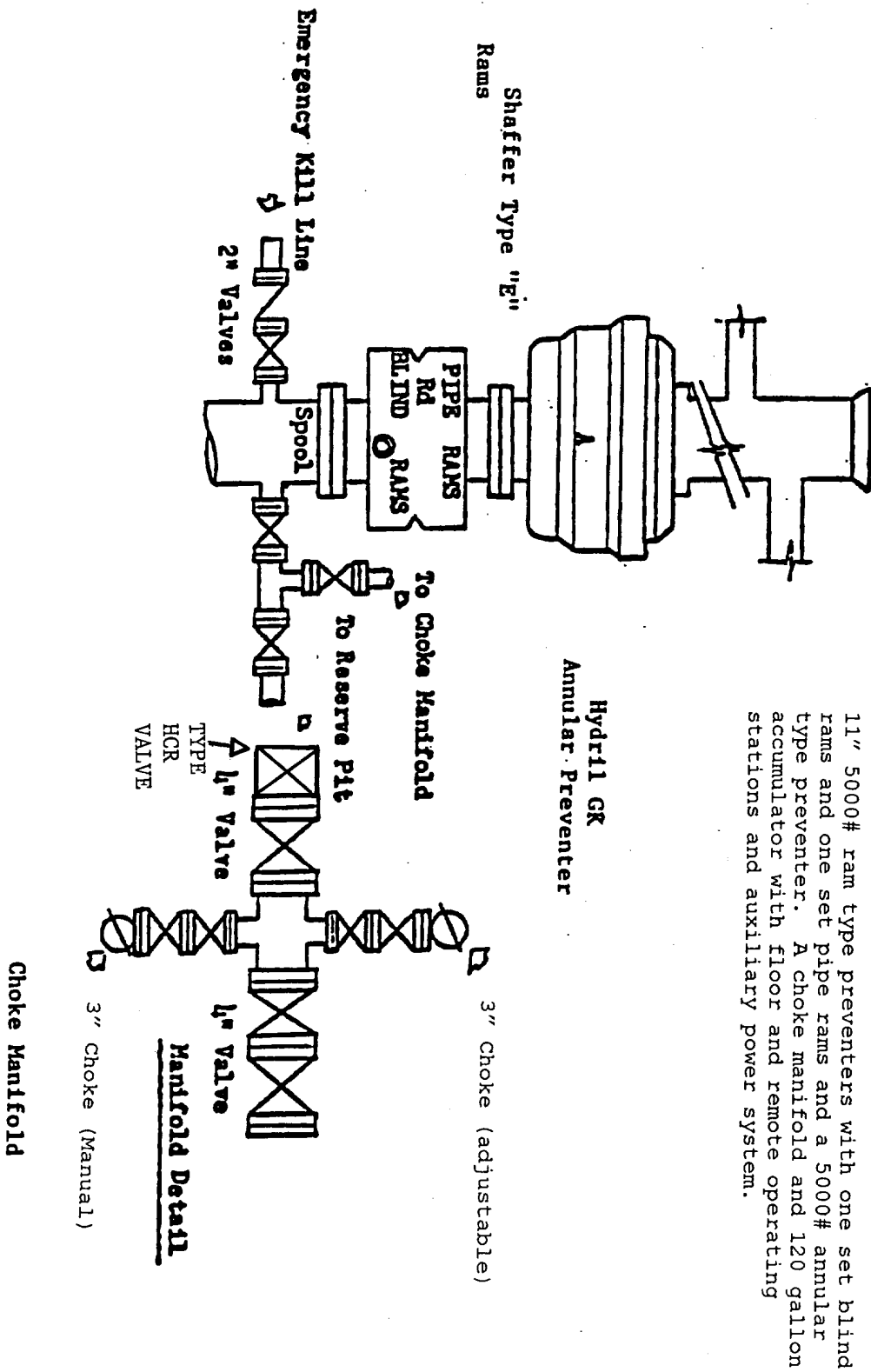
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
Dedicated Acres 320	Joint or Infill Y	Consolidation Code	Order No.						

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

	<p>OPERATOR CERTIFICATION</p> <p>I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief.</p> <p></p> <p>Signature David Stewart</p> <p>Printed Name Regulatory Analyst</p> <p>Title 3/29/01</p> <p>Date</p>
	<p>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>NOVEMBER 15, 2000</p> <p>Date Surveyed</p> <p>Signature &amp; Seal of Professional Surveyor</p> <p></p> <p>Certificate No. Gary Jones 7977</p>

# EXHIBIT A

## BLOWOUT PREVENTOR SCHEME



## MULTI-POINT SURFACE USE AND OPERATIONS PLAN

OXY USA WTP Limited Partnership  
OXY Wallace Federal Com. #4  
Eddy County, New Mexico  
Lease No. LC028375

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 200. Go east on USH 82 approximately 2 miles to a lease road. Go north on lease road approximately 2 miles to a lease road. Go west on lease road approximately  $\frac{1}{4}$  mile to a lease road. Go north on lease road approximately 800' to the proposed lease road.

### 2. Planned Access Road

- A. A new access road will be built. The access road will run approximately 83' west 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 Wallace Federal Com. #4 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 3381'.
- 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 Wallace Federal Com. #4

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

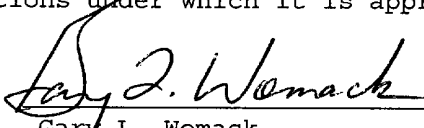
Calvin C. (Dusty) Weaver  
Operation Specialist  
P.O. Box 2000  
Levelland, TX 79336  
Office Phone: 806-229-9467  
Cellular: 806-893-3067

Terry Asel  
Operation Specialist  
1017 W. Stanolind Rd.  
Hobbs, NM 88240  
Office Phone: 505-397-8217  
Cellular: 505-631-0393

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.

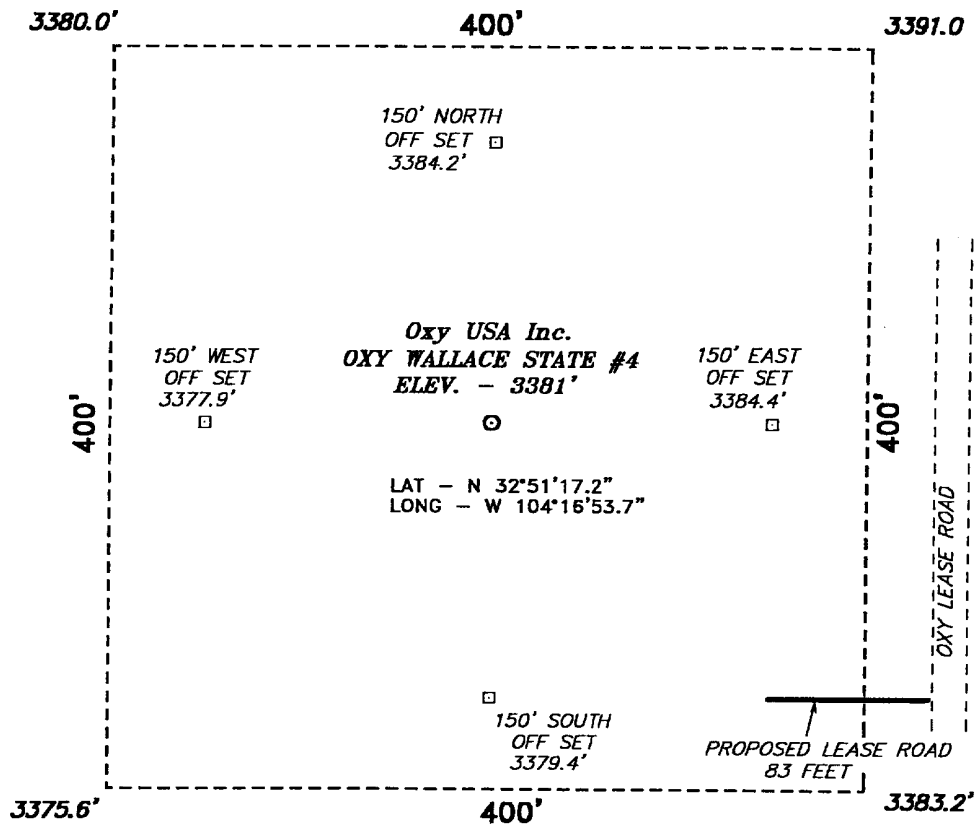
DATE

3/29/01

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



**SECTION 9, TOWNSHIP 17 SOUTH, RANGE 27 EAST, N.M.P.M.,  
EDDY COUNTY, NEW MEXICO.**



**DIRECTIONS TO LOCATION**

FROM THE JUNCTION OF CO. RD. 200 AND US HWY 82, GO EAST ON HWY 82 APPROX. 2 MILES TO A LEASE ROAD; THENCE NORTH ON LEASE ROAD APPROX. 2 MILES TO A LEASE ROAD; THENCE WEST ON LEASE ROAD APPROX. 0.75 MILE TO A LEASE ROAD; THENCE NORTH ON LEASE ROAD APPROX. 800 FEET TO THE PROPOSED LEASE ROAD.



SCALE: 1" = 100'

**OXY USA INC.**

REF: Oxy WALLACE STATE. No. 4 / Well Pad Topo

THE OXY WALLACE STATE No. 4 LOCATED 660' FROM THE NORTH LINE AND 1980' FROM THE EAST LINE OF SECTION 9, TOWNSHIP 17 SOUTH, RANGE 27 EAST, N.M.P.M., EDDY COUNTY, NEW MEXICO.

**Basin Surveys** P.O. BOX 1786—HOBBS, NEW MEXICO

W.O. Number: 0634

Drawn By: **C. JONES**

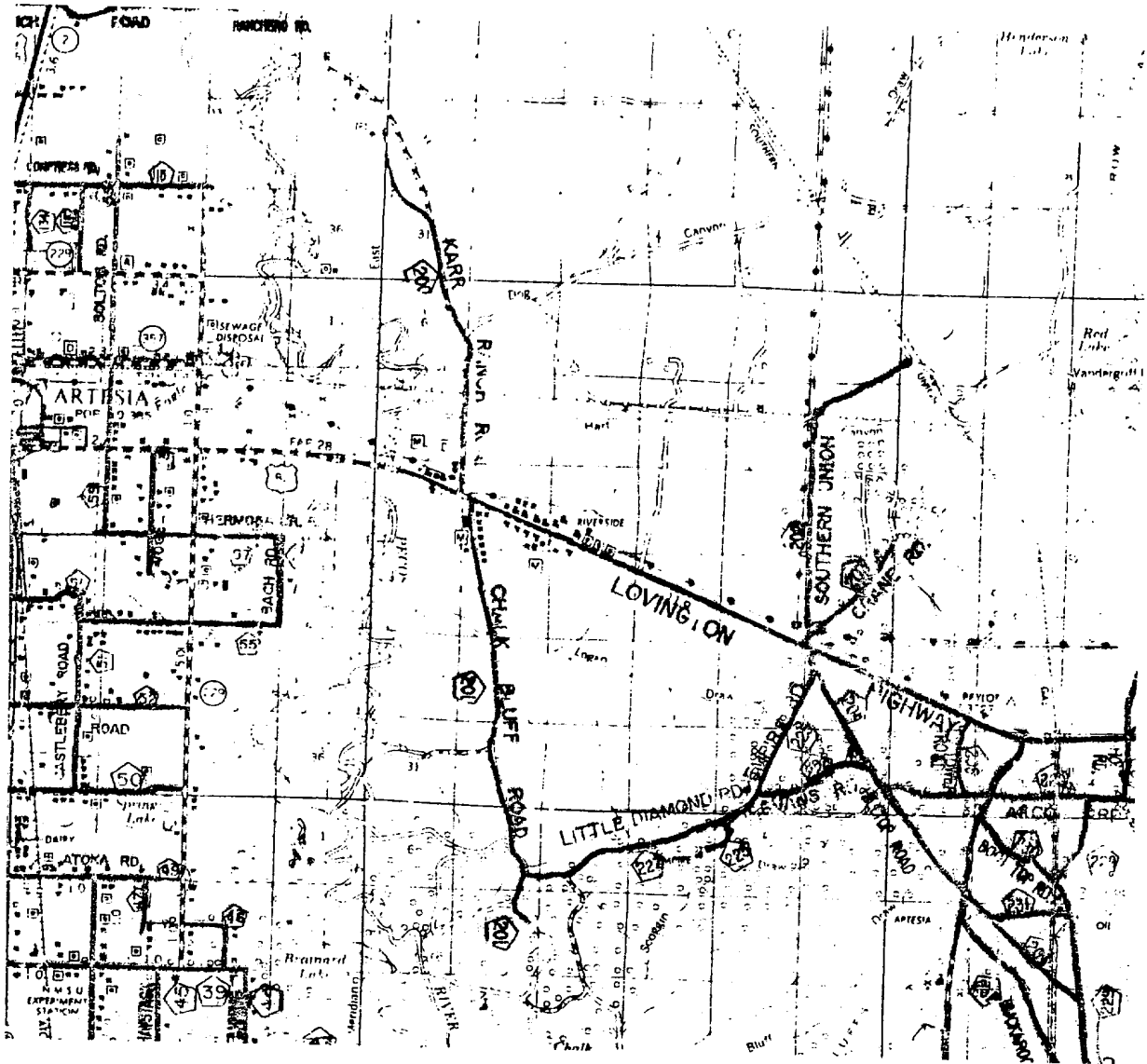
Date: 11-17-00

Disk: C:\#1 - 0601A.DWG

Survey Date: 11-15-00

Sheet 1 of 1 Sheets

EXHIBIT B



**OXY WALLACE STATE #4**

Located at 660' FNL and 1980' FEL  
Section 9, Township 17 South, Range 27 East,  
N.M.P.M., Eddy County, New Mexico.



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: 0601AA - KJG #122

Survey Date: 11-15-2000

Scale: 1" = 2 MILES

Date: 11-17-2000

**OXY USA INC.**

Located at 660' FNL and 1980' FEL  
Section 9, Township 17 South, Range 27 East,  
N.M.P.M., Eddy County, New Mexico.



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

Date: 11-17-2000

OXY USA INC.

EXHIBIT C

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14. a. Records Search; ARMS: Date(s): 11-22-00 Name(s): C. Burt  
BLM Office: Date(s): 11-27-00 Name(s): D. Boone  
List Sites within .25 miles of Project: LA 120699 LA 120671, LA 120672, LA 120674  
LA 125846  
Show sites within 500' on Project Map

b. Description of Undertaking:

The project is two well pads and access roads. The road for well No. 4 enters the pad in the southeast portion and connects to an existing caliche capped road. The road for the No. 5 well connects to an existing caliche capped road, and it enters the pad in the northwest portion.

c. Environmental Setting (NRCS soil designation; vegetative community; etc.):

Vegetation cover varies from 15-30 % and consists of creosote, mesquite, rainbow cactus, prickly pear cactus, broom snakeweed, mormon tea, yucca cactus, assorted grasses and other flora.

NRCS: Reeves-Gypsum land-Cottonwood association: Loamy soils that are very shallow to moderately deep over gypsum beds, and Gypsum land.

d. Field Methods:

For the pad, a grid of parallel transects spaced 15 meters apart; and for the road, transects spaced 15 meters either side of flagged center line.

15. Cultural Resource Findings:

a. Identification and description

Two isolated manifestations were recorded in T17S, R27E, Sec. 9. One was located within the Well No. 4 survey area (NW SE SE). It consisted of one quartzite decortification flake, 80 % cortex, crushed platform, successful termination, 42mm x 35mm x 10 mm. The second IM was located within the Well No. 5 survey area ( NE NW NE). It consisted of one quartzite decortification flake, 85% cortex, 85mm x 60mmx 40mm.

16. Management Summary (Recommendations):

Archaeological clearance for OXY USA INC's proposed Wallace State wells No. 4 and No. 5 in Section 9 and access roads in Sections 4 and 9, T17S, R27E, NMPM, in Eddy County, NM as presently staked is recommended. The BLM and Geo-Marine, INC. should be notified immediately if any cultural resources are encountered at any time.

I certify that the information provided above is correct and accurate and meets all appreciable BLM standards.

Responsible Archaeologist

Chad Burt  
Signature

12-7-00  
Date

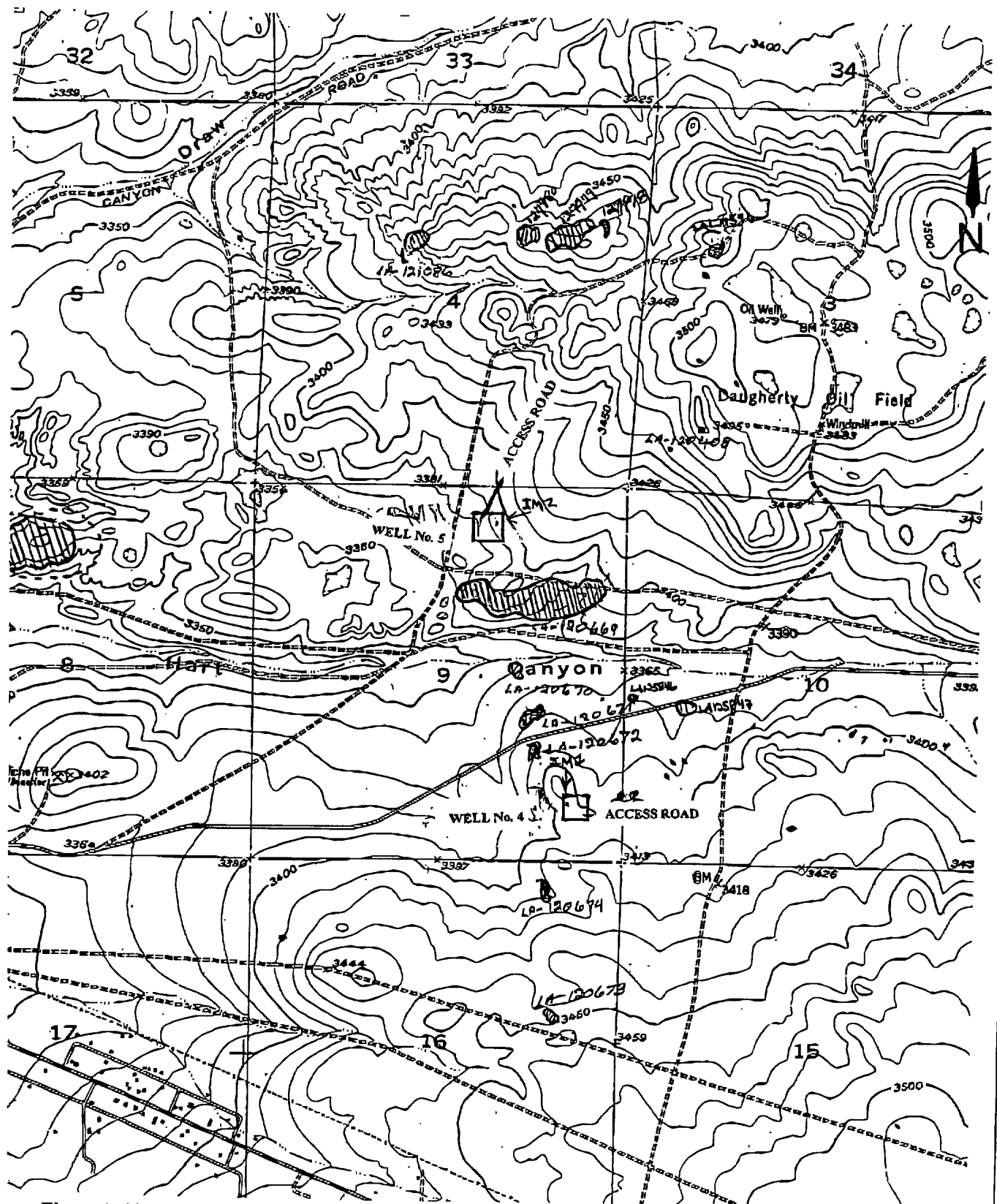


Figure 1. Showing the location of OXY USA, INC. proposed well pads for the Wallace State wells No. 4 and No. 5 in Section 9 and access roads in Sections 4 and 9, T17S, R27E, NMPM, EDDY County, NM. Map Reference: USGS 7.5' Series; SPRING LAKE, NM (1955, Photo Rev. 1975) 32104-G3

**TITLE PAGE/ABSTRACT/  
NEGATIVE SITE REPORT  
CFO/RFO**

1/95

1. BLM Report No.	2. (ACCEPTED) (REJECTED)	3. NMCRIS No. 72708
4. Title of Report (Project Title)  Class III Archaeological Survey of OXY USA INC's Proposed Well Pads for the Wallace State Wells No. 4 and No. 5 in Section 9 and Access Roads in Sections 4 and 9, T17S, R27E, NMPM, Eddy County, New Mexico.		5. Project Date(s) 11-29-00 to -----
		6. Report Date 12-07-00
7. Consultant Name & Address: Direct Charge: Mark C. Slaughter Name: Geo-Marine Inc. Address: 150-A N. Festival Drive, El Paso, TX 79912 Authors Name: Danny Boone Field Personnel Names: Chad Burt and Danny Boone Phone: (915)585-0168		8. Permit No. 3-2920-00-K
		9. Consultant Report No. 269-EP
10. Sponsor Name and Address: Indiv. Responsible: OXY USA, INC. Name: Dusty Weaver Address: 2028 Buffalo, Loveland, TX, 70336 Phone: (806)894-8307		11. For BLM Use Only.
		12. ACREAGE: Total No. of acres surveyed: 9.2 SURFACE OWNERSHIP: Federal: 9.2 State: 0, Private: 0
13. Location: (Maps Attached if Negative Survey)		
a. State: New Mexico		
b. County: Eddy		
c. BLM Office Carlsbad		
d. Nearest City or Town: Artesia, NM		
e. Legal Location: T <u>17S</u> R <u>27E</u> Sec. <u>9</u> from the SW corner: Well Pad No. 5: SE SE & Access Road: NE SE SE, SE SE SE; Well Pad No. 4: NW NE & Access Road in Section 4 from the SW corner, SE SW SE		
Well Footages: Well No. 4, 660' FNL, 1980' FEL, Well No. 5, 760' FSL, 660' FEL		
f. USGS 7.5 Map Name(s) and Code Number(s): SPRING LAKE, NM (1955, Photo Rev. 1975) 32104-G3		
g. Area: Block: surveyed: 400' x 400' (times two pads)		
Impact: within survey area		
Linear: Surveyed: 100' x 801'		
Impact: 50' x 801'		

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

March 29, 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 Wallace Federal Com. #4  
Eddy County, New Mexico  
Lease No. LC028375

Gentlemen:

OXY USA WTP Limited Partnership respectfully requests permission to drill our OXY Wallace Federal Com. #4 located 660 FNL and 1980 FEL of Section 9, T17S, R27E, Eddy County, New Mexico, Federal Lease No. LC028375. The proposed well will be drilled to a TD of approximately 9200' (TVD). The location and work area has been staked. It is approximately 6 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 November 15, 2000.
3. The elevation of the unprepared ground is 3381 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 9200' (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 9200' TVD.
7. Estimated tops of important geologic markers.

Wolfcamp	5900' TVD
Strawn	8200' TVD
Atoka	8500' TVD
Morrow	8800' TVD



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

Primary Objective: Morrow 8800' TVD

Secondary Objective: Atoka 8500' TVD

9. The proposed casing program is as follows:

Surface: 8-5/8" 32# K55 ST&C new casing from 0-1800'

Production: 4-1/2" 11.6# N80 LT&C new casing from 0-9200'

10. Casing setting depth and cementing program:

- A. 8-5/8" intermediate casing set at 1800' in 11" hole. Circulate cement with 350sx 35:65 POZ/C w/ 6% Bentonite + 2% CaCl<sub>2</sub> + .25#/sx Cello-Seal followed by 200sx Class C w/ 2% CaCl<sub>2</sub>.

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<sub>2</sub>.

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

- B. 4-1/2" production casing set at 9200'. Cement with 750sx 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 5300'.

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

11. Pressure Control Equipment

0' - 1800' None

1800' - 9200' 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 6000'. 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 8-5/8" 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 - 1800'	Fresh water/native mud. Lime for pH control (9-10). Paper for seepage. Wt. 8.7-9.2 ppg, vis 32-34 sec.
1800' - 5800'	Fresh water. Lime for pH control (9-9.5). Paper for seepage. Wt. 8.3-8.5 ppg, vis 28-29 sec.
5800' - 8100'	Cut brine. Lime for pH control (10-10.5). Wt. 9.6-10.0 ppg, vis 28-29 sec.
8100' - 9200'	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 June 5, 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  
Roswell District  
2909 W. Second Street  
Roswell, New Mexico 88202

Attention: Armando A. Lopez

RE: OXY Wallace Federal Com #4  
Section 9, T17S-R27E  
Eddy County, New Mexico

**STATEMENT ACCEPTING RESPONSIBILITY FOR OPERATIONS**

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

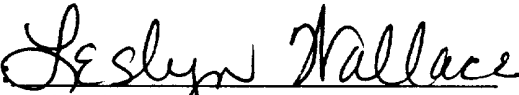
**The undersigned accepts all applicable terms, conditions, stipulations, and restrictions concerning operations conducted on the leased land or portion thereof, as described below:**

**LEASE NO.:** LC-028375  
**LEGAL DESCRIPTION:** 660' FNL and 1980' FEL Section 9,  
T17S-R27E  
Eddy County, New Mexico  
**FORMATIONS:** All  
**BOND COVERAGE:** Nationwide  
**BLM BOND FILE NO.:** ES 0136

**Partnership**

**OXY USA WTP Limited**

**AUTHORIZED SIGNATURE:**

BY:   
Leslyn M. Wallace

**TITLE:** Landman Advisor  
**DATE:** March 27, 2001

cc: David Stewart