

OXY USA Inc.

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

April 19, 2000

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 Inc. OXY Waky Pack Federal #1 Eddy County, New Mexico Lease No. LC048491-B

Gentlemen:

OXY USA Inc. respectfully requests permission to drill our OXY Waky Pack Federal #1 located 990 FSL and 660 FWL of Section 13, T17S, R27E, Eddy County, New Mexico, Federal Lease No. LC048491-B. The proposed well will be drilled to a TD of approximately 9200'(TVD). The location and work area has been staked. It is approximately 10 miles east 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.
 - 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 March 23, 2000.
 - 3. The elevation of the unprepared ground is 3499 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	6300'	TVD
Strawn	8500'	TVD
Atoka	8800'	TVD
Morrow	9000'	TVD

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

Primary Objective:	Morrow	9000'	TVD
Secondary Objective:	Atoka	88001	TVD