Submit 3 Copies To Appropriate District Office
District I
1625 N. French Dr., Hobbs, NM 87240
District II
1301 W. Grand Ave., 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 and Natural Resources

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

Form C-103
May 27, 2004

WELL API NO. 30-025-37155

5. Indicate Type of Lease STATE [X] FEE [ ]

6. State Oil & Gas Lease No. B-1481

SUNDRY NOTICES AND REPORTS ON WELLS

(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)

7. Lease Name or Unit Agreement Name: State AR

1. Type of Well: Oil Well [X] Gas Well [ ] Other

8. Well Number 3

2. Name of Operator: OXY USA WTP Limited Partnership

9. OGRID Number 192463

3. Address of Operator: P.O. Box 50250 Midland, TX 79710-0250

10. Pool name or Wildcat: *Skaggs Drinkard

4. Well Location

Unit Letter L : 1980 feet from the south line and 760 feet from the west line

Section 2 Township 20S Range 37E NMPM County Lea

11. Elevation *(Show whether DR, RKB, RT, GR, etc.)* 3605'

Pit or Below-grade Tank Application [ ] or Closure [ ]

Pit type _____ Depth to Groundwater _____ Distance from nearest fresh water well _____ Distance from nearest surface water _____

Pit Liner Thickness: _____ mil Below-Grade Tank: Volume _____ bbls; Construction Material _____

12. Check Appropriate Box to Indicate Nature of Notice, Report, or Other Data

NOTICE OF INTENTION TO:				SUBSEQUENT REPORT OF:			
PERFORM REMEDIAL WORK	[ ]	PLUG AND ABANDON	[ ]	REMEDIAL WORK	[ ]	ALTERING CASING	[ ]
TEMPORARILY ABANDON	[ ]	CHANGE PLANS	[ ]	COMMENCE DRILLING OPNS.	[ ]	PLUG AND ABANDONMENT	[ ]
PULL OR ALTER CASING	[ ]	MULTIPLE COMPLETION	[ ]	CASING TEST AND CEMENT JOB	[ ]		
OTHER:	[ ]			OTHER: Completion - DHC C-107A			[X]

13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

DHC Order No. HOB-0123
See Attachment

R-11363 pre-Approved pools for DHC

I hereby certify that the information above is true and complete to the best of my knowledge and belief. **I further certify that any pit or below-grade tank has been/will be constructed or closed according to NMOCD guidelines [ ], a general permit [ ] or an (attached) alternative OCD-approved plan [ ]**

SIGNATURE _____ TITLE Sr. Regulatory Analyst DATE 8/8/05

Type or print name David Stewart E-mail address: david_stewart@oxy.com Telephone No. 432-685-5717

For State Use Only

APPROVED BY _____ TITLE ORIGINAL SIGNED BY PAUL F. KAUTZ PETROLEUM ENGINEER DATE AUG 19 2005

Conditions of Approval, if any:

STATE AR #3

04/28/2005 CMIC: Davis
MIRU KEY #293. Unload and rack 160 jts. 2 7/8 tubing. NU BOP. SION.

04/29/2005 CMIC: Davis
RIH with 4 3/4 Varel Bit - bit sub - 6 3 1/2 od drill collars - top sub on 115 jts 2 7/8 tubing. Tag up at 3843'. RU swivel establish circulation. Drill out cement from 3843' to 4021'. Drill out DV tool at 4021'. RIH to 4052'. CHC. Test csg to 1000#. Held. Bleed off pressure. RIH with BHA on tubing. Tag up at 7291'. POOH w/ 3 jts 2 7/8 to 7197'. SDON

04/30/2005 CMIC: Davis
RIH drill out to 7361'. CHC w/ 2% KCL tested casing to 1000# held OK. POOH LD BHA. SI till Monday

05/01/2005 CMIC: Davis
SI till Monday

05/03/2005 CMIC: Davis\Aksehirli
MIRU Halliburton correlated back to Baker DSN/SDL log from 7340 to 500' TOC 900'. RIH correlated back to DSN/SDL log and select fired drinkard at the following depths 6905, 6895, 93, 67, 56, 53, 51, 49, 42, 26, 21, 17, 15, 13, 6797, 85, 78, 67, 57, 37, reshoot 6905 due to misfire total of 20 holes. RIH w/ second set of select fire guns shot @ 6609, 07, 6582, 77, 75, 73, 66, 63, 61, 55, 53, 51, 33, 26, 24, 22, 6500, 6474, 6467 total of 21 holes. RIH w/ third set guns 5893, 91, 71, 67, 53, 51, 50, 43, 31, 29, 26, 24, 22, 20, 13, 11, 5800, 5798. RIH reshoot 5893, 5891. total of 19 holes after one misfire and one discharge between recommendation. Shot a total of 60 0.41 holes on all three zones RD Halliburton SDON

05/04/2005 CMIC: Davis\Aksehirli
RIH with Baker 5 1/2 RBP, ball catcher and Packer. Set RBP at 6967'(217 jts). Pull up to 6667' and set pkr. On 208 jts. Rig up to swab. IFL at Surface. FFL at 6664'. Recovered 38 BW in 17 runs. SION

05/05/2005 CMIC: Davis\Aksehirli
Well on vacumn. RIH with swab to 6664'. No fluid entry overnite. Lay down swab. RU HES. Test lines to 7000#. Acidize the Drinkard formation per HES Recommendation. With 3000 gal 15% Fercheck acid dropping 30 1.3 sg ball sealers. Flush to top perf with 2% KCL water. ISIP=2252#. 5 min=1914#. 10 min=1858#. 15 min=1814#. Avg. rate 4.9 BPM. Max rate 5.2 BPM. Avg. pressure 2876#. Max pressure 6000#.(Balled out) Close well in. Rig down HES. Bleed press. off tubing. Unset packer and RIH and retrieve BP. Move RBP up to andset at 6680'. Set packer at 6644' and test RBP to 3000#. Held. Release packer and move up and set at 6358'. RU HES. Acidize the Tubb formation per HES recommendation using 3000 gal. 15% Fercheck acid. Dropping 30 1.3 sg ball sealers. Flush to top perf with 2%KCL water. ISIP=1984#. 5 min=1901#. 10 min=1823#. 15 min=1804#. Avg rate = 4.7BPM. Max rate = 5.2 BPM. Avg pressure = 2740#. Max pressure = 3263#. Rig down Halliburton. Bleed off tbg. Release packer and RIH and retrieve BP. Move RBP up hole and reset at 6362'. Set packer at 6326'. Test RBP to 3000#. Held. Move packer up to and set at 5718'. Acidize the Blindbry formation per HES recommendation using 2500 gal. 15% Fercheck acid. Dropping 27 1.3 sg ball sealers. Flush to top perf with 2% KCL water. ISIP=2731#. 5 min=2568#. 10 min=2502#. 15 min=2453#. Avg. rate = 5.1 BPM. Max. rate = 5.5 BPM. Avg press.=3136#. Max press.= 3737#. Close well in. Rig down HES. Bleed off tubing. Unset packer and RIH and retrieve RBP. POOH laying down 140 jts 2 7/8 tubing. Stand 100 joints in derrick. Lay down 5 1/2 packer and RBP. SION

05/06/2005 CMIC: Davis\Aksehirli
Unload and rack 227 jts 3 1/2 9.3# 8rd tubing. Tally tubing. Change rams in BOP. Rig up Bo-Monk tubing Testers. Test in hole(8000# below slips) with 5 1/2 Watson lok-set packer with bottom hole valve on 213 jts 3 1/2 eue tubing. Rig down Bo-Monk tubing testers. Set packer at 6660' in 14,000# compression. Nipple up Frac Stack. SI till Monday

05/10/2005 CMIC: Davis\Aksehirli
MIRU Halliburton to frac the Drinkard Perforations. Loaded well with 22 gals Water Frac G-R 15, 5411 gals SilverStim LT Basic 15, 17058 gals proppant Laden fluid 1-5 lbm/gal premium white 20/40, 15235 gals SilverStim LT basic 15 5 lbm/gal premium white 20/40. total of 65000 lbs of sand lacked 4200lbs sand from design. Switch to flush before stage 4 finished due to communication on backside. Flushed with 3103 gals water frac G-R 15. Max rate 32.7 bpm, Avg 29.7, Avg Press 5732, Max press 5940# Bleed tubing down to 1500#. Bleed pressure off backside. Try to shut down hole valve with no progress. Bleed pressure off tubing. Try to get off on/off tool with no progress. Try to unset 5 1/2 Loc-set packer with no progress. Secure well. SDON. (Could not get wireline truck untill Tuesday AM)

STATE AR #3

05/20/2005 CMIC: Davis

0 pressure on well. RIH with Baker 5 1/2 Model "G" RBP - on/off tool on 208 jts 2 7/8 tubing. Set RBP at 6664'. Get off on/off tool and POOH with 2 7/8 tubing. RIH with Baker 5 1/2 Model "M" packer and L-10 on/off tool with 2.31 profile - 2 7/8 X 10' pup jt. - Baker 5 1/2 Big Bore Retrieve-a-matic packer - 2 7/8 X 3 1/2 change over on 212 jts 3 1/2 tubing. Set Model "M" packer at 6647'. Test RBP to 1000# . Held. Release packer. POOH laying down 2 jts 3 1/2 tubing. Dump 1 sx. sand down tubing. POOH laying down 8 jts 3 1/2 tubing. Set Model "M" packer at 6335'. SION

05/24/2005 CMIC: Davis

Frac Tubb formation per Halliburtons recommendation. Loaded tbg pumped 16370 gals pad followed 13940 gals 1-5 lbs proppant laden silverstim basic, followed by 5304 gals 5 lbs propant laden silverstim basic flushed with 2366 gals flush. Pumped total of 730.14 100*lb proppant. ISIP = 2305#. Max treating pressure 6392#, Avg 5184#, Max slurry rate 39 bpm, Avg 34.5. Close well in. Rig up Pro Wireline to set plug in 2.31 profile. Plug stuck at 6296', Cut line with 5th cutter dropped. POOH with slickline. Unset packer and POOH with 3 1/2 tubing and packer. Recovered cutters and plug. SION.

05/25/2005 CMIC: Davis

0 pressure on well. RIH with 5 1/2 Baker model "G" RBP on 5 1/2 Retrieve-a-matic packer. Set RBP at 6166'. POOH with 1 jt. 3 1/2 tubing. Set 5 1/2 packer and test RBP to 1500#. Held. Release packer and POOH with 15 jts 3 1/2 tubing. Set packer at 5667'. Load backside with 2% KCL water. Test to 1500#. Held. Rig up Halliburton. Frac the "Blinberry" perforated interval with 45473 gal SilverStim LT. WHTP of 3500#. Approx 70,000# of 20/40 Ottawa placed during treatment coated with Expedite 225. Max treating pressure 7466#. Avg treating pressure 6226#. Max Slurry rate of 37.6 BPM. Avg slurry rate of 35.8 BPM. Flush to top perf. ISIP=3808#. 5 min=3454#. 10 min=3318#. 15 min=3128#.

05/26/2005 CMIC: Davis

Tubing on vacumn. Unset packer and POOH laying down 3 1/2 tubing on racks. Lay down packer. RIH with 4 3/4 Blade Bit - bit sub - 6 3 1/2 od drill collars - top sub on 178 jts 2 7/8 tubing. Tagged up at 5854'. Hook up to clean out sand. Establish circulation with 100 bll. 2% KCL water. Clean out sand from 5854' to 6166'.(312') CHC. POOH with 187 jts 2 7/8 tubing - drill collars and bit. SION

05/27/2005 CMIC: Davis

0 pressure on well. RIH with retrieving head for Baker RBP. Hook up to circulate. Establish circulation with 100 blls. 2% KCL water. Circulate sand off top of RBP. Latch onto RBP and unset. POOH with 193 jts 2 7/8 tubing - ret. Head and RBP. RIH with 4 3/4 Blade Bit - bit sub - 6 3 1/2 od drill collars - top sub on 200 jts 2 7/8 tubing. Tagged up at 6581'. Establish cir. with 75 bll. 2% KCL water. Clean out sand from 6581' to 6664'. CHC. POOH with 203 jts 2 7/8 tubing and BHA. RIH with Ret. head for RBP on 160 jts 2 7/8 tubing to 5133'. SION.

05/28/2005 CMIC: Davis

50# presssure on well. Bleed off pressure. Continue to RIH with Ret. Head for RBP on 208 jts 2 7/8 tubing. Hook up to drill. Establish circulation with 100 bll. 2% KCL water. Wash sand off top of RBP at 6664'. CHC. Unset RBP and POOH with 208 jts 2 7/8 tubing - ret. head and RBP. RIH with 4 3/4 blade bit - bit sub - 6 3 1/2 od drill collars - top sub - 2 7/8 seating nipple on 216 jts. Tagged up at 7105'. Hook up to clean out. Establish circulation with 130 bll. 2% KCL water. Wash sand from 7105' to 7361'(256') CHC. POOH with 74 jts 2 7/8 tubing to 5500'. SI Till Tuesday

06/01/2005 CMIC: Davis

140# on tubing and csg. Bleed off pressure. RIH with 2 7/8 tubing and tag up at 7361'. POOH to 6935'. Rig up to swab. IFL at 1200'. EFL at 1500'. Recovered 116 bbls in 19 runs.(4 hrs) 5% oil cut. Slight gas. Lay down swab. SION

06/02/2005 CMIC: Davis

400# on csg. Slight Blow on tubing. Bleed off pressure. RIH with swab. IFL at 1500'. 300' fluid entry overnite. Rig down swab. RIH with 2 7/8 tubing. Tag for fill. 0.Tagged up at 7361'. POOH laying down 24 jts total on pipe racks. Stand 108 stands in derrick. Laydown drill collars. RIH tubing as follow:

2 7/8 Dump Valve	.81
1 jt. 2 7/8 tubing	32.53
2 7/8 Cavins DeSander	20.20
X-over	.50
2 3/8 seating nipple	1.10
X-over	.50

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State of New Mexico
Energy, Minerals and Natural Resources Department

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

APPLICATION FOR DOWNHOLE COMMINGLING

Form C-107A
Revised June 10, 2003

APPLICATION TYPE
X Single Well
X Establish Pre-Approved Pools
EXISTING WELLBORE
X Yes ___ No

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

State AR — 3 — L - 2 - 20S - 37E — Lea
Lease — Well No. — Unit Letter-Section-Township-Range — County

OGRID No. 192463 Property Code 34708 API No. 30-025-37155 Lease Type: ___Federal X State ___Fee

DATA ELEMENT	UPPER ZONE	INTERMEDIATE ZONE	LOWER ZONE
Pool Name	Weir Blinebry	Monument Tubb	Skaggs Drinkard
Pool Code	63780	47090	57000
Top and Bottom of Pay Section (Perforated or Open-Hole Interval)	5798-5893'	6467-6609'	6737-6905'
Method of Production (Flowing or Artificial Lift)	Artificial Lift	Artificial Lift	Artificial Lift
Bottomhole Pressure (Note: Pressure data will not be required if the bottom perforation in the lower zone is within 150% of the depth of the top perforation in the upper zone)	----	----	----
Oil Gravity or Gas BTU (Degree API or Gas BTU)	38.2	38.2	38.2
Producing, Shut-In or New Zone	Producing	Producing	Producing
Date and Oil/Gas/Water Rates of Last Production. (Note: For new zones with no production history, applicant shall be required to attach production estimates and supporting data.)	Date: 7/1/05 Rates: 57/408/381	Date: 7/1/05 Rates: 57/408/381	Date: 7/1/05 Rates: 57/408/381
Fixed Allocation Percentage (Note: If allocation is based upon something other than current or past production, supporting data or explanation will be required.)	Oil 34 % Gas 11 %	Oil 21 % Gas 71 %	Oil 45 % Gas 18 %

ADDITIONAL DATA

Are all working, royalty and overriding royalty interests identical in all commingled zones? Yes X No
If not, have all working, royalty and overriding royalty interest owners been notified by certified mail? Yes ___ No ___

Are all produced fluids from all commingled zones compatible with each other? Yes X No

Will commingling decrease the value of production? Yes ___ No X

If this well is on, or communitized with, state or federal lands, has either the Commissioner of Public Lands or the United States Bureau of Land Management been notified in writing of this application? Yes X No

NMOCD Reference Case No. applicable to this well: Rule 303C(5)

Attachments:
C-102 for each zone to be commingled showing its spacing unit and acreage dedication.
Production curve for each zone for at least one year. (If not available, attach explanation.)
For zones with no production history, estimated production rates and supporting data.
Data to support allocation method or formula.
Notification list of working, royalty and overriding royalty interests for uncommon interest cases.
Any additional statements, data or documents required to support commingling.

PRE-APPROVED POOLS

If application is to establish Pre-Approved Pools, the following additional information will be required:

List of other orders approving downhole commingling within the proposed Pre-Approved Pools
List of all operators within the proposed Pre-Approved Pools
Proof that all operators within the proposed Pre-Approved Pools were provided notice of this application.
Bottomhole pressure data.

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE [signature] TITLE Sr. Regulatory Analyst DATE 8/8/05

TYPE OR PRINT NAME David Stewart TELEPHONE NO. (432) 685-5717

E-MAIL ADDRESS david_stewart@oxy.com