Form 3160-5
(August 1999)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB NO. 1004-0135
Expires: November 30, 2000

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

5. Lease Serial No.
LC061374A

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No.

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

8. Well Name and No.
Bell Lake 29

2. Name of Operator
OXY USA Inc. 16696

9. API Well No.
30-025-38566

3a. Address
P.O. Box 50250, Midland, TX 79710-0250

3b. Phone No. *(include area code)*
432-685-5717

10. Field and Pool, or Exploratory Area
Bell Lake Delaware, South

4. Location of Well *(Footage, Sec., T., R., M., or Survey Description)*
2310 FSL 1980 FWL NESW(K) Sec 5 T24S R34E

11. County or Parish, State
Lea NM

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

TYPE OF SUBMISSION	TYPE OF ACTION			
[X] Notice of Intent	[ ] Acidize	[ ] Deepen	[ ] Production (Start/Resume)	[ ] Water Shut-Off
[ ] Subsequent Report	[ ] Alter Casing	[ ] Fracture Treat	[ ] Reclamation	[ ] Well Integrity
[ ] Final Abandonment Notice	[ ] Casing Repair	[ ] New Construction	[ ] Recomplete	[X] Other Amend Drilling Plan
	[X] Change Plans	[ ] Plug and Abandon	[ ] Temporarily Abandon	
	[ ] Convert to Injection	[ ] Plug Back	[ ] 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 recomplete 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 final site is ready for final inspection.)

RECEIVED
JAN 06 2009
HOBBSOCD

See attached

SEE ATTACHED FOR
CONDITIONS OF APPROVAL

Approved subject to resolution of unit concerns

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

Title
Sr. Regulatory Analyst

Date 12/22/08

APPROVED
DEC 31 2008
WESLEY W. INGRAM
PETROLEUM ENGINEER

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, and Title 43 U.S.C. Section 1212, 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.

OXY USA Inc.
Bell Lake #29
2310 FSL 1980 FWL Sec 5 T24S R34E
Lea County, New Mexico
DRILLING PROGRAM

1. **Geologic Name of Surface Location:**

   A. Permian

2. **Estimated Tops of Geological Markers and Depth of Anticipated Fresh Water, Oil or Gas:**

Formation	Depth	Expected Fluid
Permian Sands	0' – 700'	Water
Rustler	1190'	
Salt	1365'	
Anhydrite	3340'	
Salt	4075'	
Delaware	5120'	
Cherry Canyon	6050'	
Bs Manzanita	6185'	
Target Sand	7365' – 7380'	Oil
Target Sand	8465' – 8505'	Oil
Bone Spring	8780'	Oil
Total Depth	8950'	

Only the target Delaware Sands are expected to yield oil or gas in measurable quantities. All freshwater sands will be protected by setting 113/4 casing @ 1225' and circulating cement. The salt section will be protected by setting 8 5/8" intermediate casing @ 5100' and circulating cement to surface. Production casing will be 5½" and the cement will be tied-back into the 8 5/8" casing with TOC @ 4800' = 300' above the intermediate shoe.

3. **Casing Program:**

Hole Size	Depth Interval	Casing OD	Weight PPF	Grade	Conn
14 ¾"	0' - 1225'	11 ¾"	42	H-40	STC
10 5/8"	0' - 3700'	8 5/8"	32	J-55	LTC
10 5/8"	3700' - 5100'	8 5/8"	32	HCK-55	LTC
7 7/8"	0' - 8950'	5½"	17	L-80	LTC

Minimum Design Factors:
Collapse = 1.3 Burst = 1.0 Tensile = 2.0
All pipe will be new and manufactured to API specs.

4. **Cementing Program:**

A. 11-3/4" Surface
Cement with 395 sx Light Premium Plus w/ 5% Salt, 0.125 lbm/sk Poly-E-Flake, (12.8 ppg, 1.91 yield) followed by 250 sx Premium Plus containing 2% $CaCl_2$ (14.8 ppg, 1.35 yield). Excess cement volume = 100%.
If lost circulation occurs during drilling of surface hole the program may be revised to increase volumes, increase the amount of LCM used and / or add a lead slurry of "thixatropic" cement.

B. 8 5/8" Intermediate
Cement to surface with 700 sx Interfil C containing 5 lbm/sk Gilsonite, 0.125 lbm/sk Poly-E-Flake (11.9 ppg, 2.48 yield) followed by 200 sx Premium Plus (14.8 ppg, 1.33 yield). Excess cement volume = 100%. A fluid caliper may be run to more accurately determine required volumes.

C. **5½" Production**
Cement with 145 sx Interfil H (11.9 ppg, 2.48 yield) followed by 550 sx 50/50 POZ Premium containing 0.6% LAP-1, 0.5% CFR-3, 0.25 lbm/sx D-Air 3000, and 5 lbm/sx Gilsonite (14.1 ppg, 1.30 yield). Excess cement volume = 50% and this design objective is to bring the TOC to 4800' = 300' above the 8 5/8" intermediate shoe. The volumes will be adjusted based on an open hole caliper log.

5. **Pressure Control Equipment**
Based on the maximum expected BHP of 4050 psi at 8950' TD (7 7/8" hole size), the blowout prevention equipment will have a minimum working pressure rating of 5000 psi (11") and will consist of (1) a double ram blowout preventer (BOP) with the bottom rams as the blinds and the top rams sized for 4½" drill pipe; (2) annular preventer; (3) rotating head; and (4) choke manifold. Both the ram and annular preventer will be hydraulically operated.

The 11" 5000 psi blowout prevention equipment will be installed and operational after setting the 113/4" surface casing; the rotating head body will be installed but the rubber will be installed when it becomes operationally necessary.

The BOP and ancillary BOPE will be tested by a third party upon installation to the 113/4" surface casing. All equipment will be tested to 5000 psi (high) and 250 psi (low), except the annular will be tested to one-half of its rated working pressure (high) and also to 250 psi (low).

The BOP and ancillary BOPE will be tested by a third party upon installation to the 8 5/8" intermediate casing at 5100'. All equipment will be tested to 5000 psi (high) and 250 psi (low), except the annular will be tested to one-half of its rated working pressure (high) and also to 250 psi (low).

The pipe rams will be functionally tested during each 24 hour period; the blind rams will be functionally tested on each trip out of the hole. These functional tests will be documented on the Daily Driller's Log.

Other accessory equipment (BOPE) will include an upper Kelly cock valve, safety valve and subs as needed to fit all drill strings, and a 2" kill line and valve.

6. **Mud Program**

Interval	Type	MW	VIS	FL
0 – 1225'	FW - Spud	8.4 - 9.2	32 – 34	NC
1225' – 5100'	Brine w/ sweeps	10.0	28 – 30	NC
5100' – 8950'	FW / Cut Brine	8.4 - 9.2	28 – 30	NC

The necessary mud products for weight addition and fluid loss control will be on location at all times.

7. Auxiliary Well Control and Monitoring Equipment:

A. A Kelly cock will be in the drill string at all times.

B. A full opening drill pipe safety valve having the correct connections for the string in use will be on the floor at all times.

C. Hydrogen Sulfide monitoring equipment will be installed and operational before drilling out the surface casing shoe and remain operational until production casing is cemented. A H_2S Contingency Plan was included with the original permit filing.

8. Logging, Coring & Testing Program

A. No drill stem testing is planned.

B. Open Hole Logging

Total Depth to Intermediate Casing Shoe: Dual Laterlog – Micro Laterlog, Compensated Neutron / Density log with GR and Caliper. SWC's may be taken after evaluating OH logs.

C. No conventional coring operations are planned.

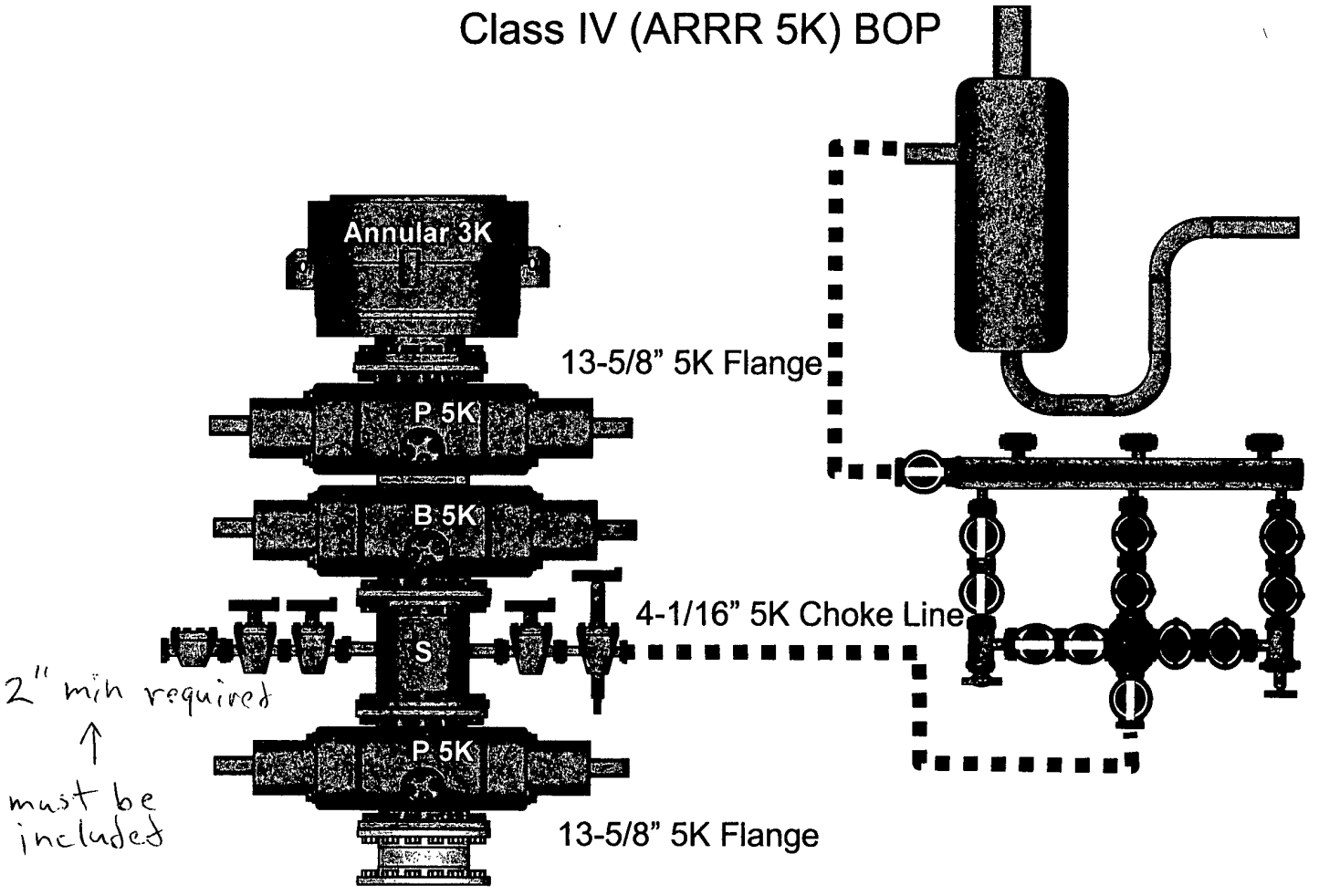
9. Potential Hazards

No abnormally high pressured zones are expected. Hydrogen Sulfide is not expected to be encountered in this wellbore, however should this occur operations will comply with the provisions of Onshore Oil and Gas Order No. 6.

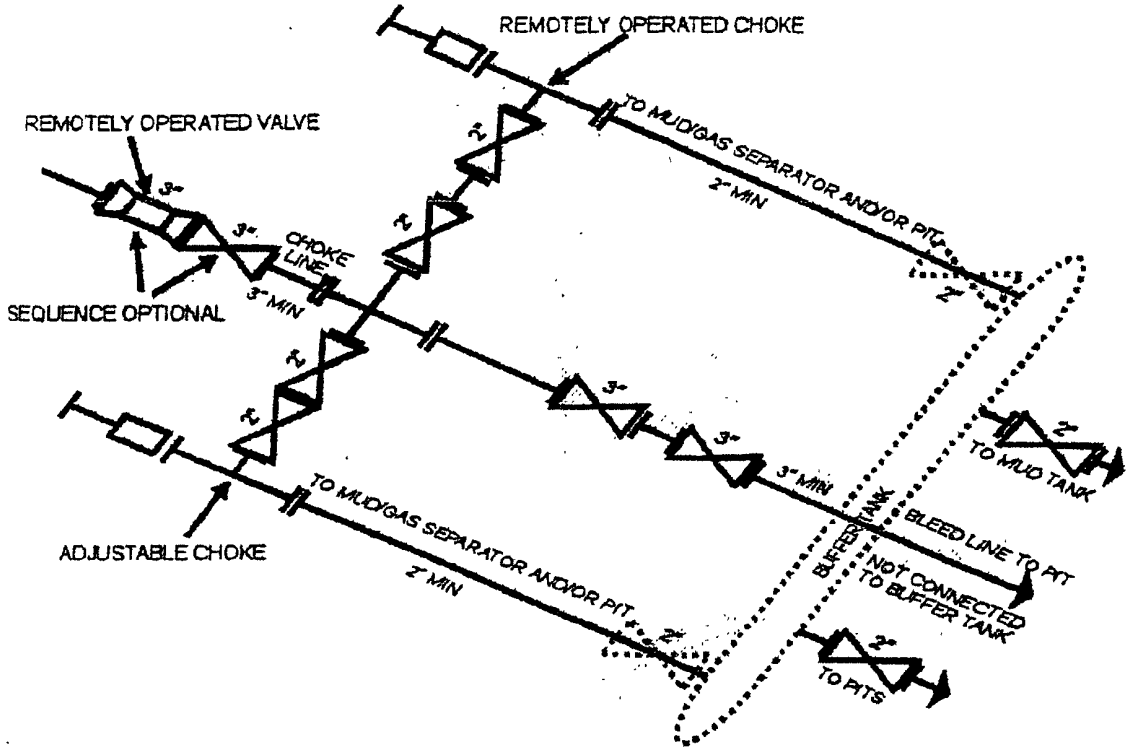
10. Anticipated Starting Date and Duration of Operations

Road and location construction have been completed. Commencement of operations will be dependent upon the availability of suitable equipment but may begin as early as the second week of January, 2009. Drilling operations are expected to require 23 days from spud to rig release. An additional 30 days may be needed for completion operations and construction of surface production facilities.

Class IV (ARRR 5K) BOP



See attached for choke manifold.



5M CHOKE MANIFOLD EQUIPMENT - CONFIGURATION OF CHOKES MAY VARY

Although not required for any of the choke manifold systems, buffer tanks are sometimes installed downstream of the choke assemblies for the purpose of manifolding the bleed lines together. When buffer tanks are employed, valves shall be installed upstream to isolate a failure or malfunction without interrupting flow control. Though not shown on 2M, 3M, 10M, OR 15M drawings, it would also be applicable to those situations.

[54 FR 39528, Sept. 27, 1989]

Attachment I - 2