Form 3160-3
(November 1983)
(formerly 9-331C)

N.M. OIL CONS. COMM.
P.O. BOX 1980
HOBBS, NEW MEXICO 88240

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

SUBMIT IN TRIPLICATE*
(Other instructions on reverse side)

Form approved.
Budget Bureau No. 1004-0136
Expires August 31, 1985

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

5. LEASE DESIGNATION AND SERIAL NO.: 8910138170 - NM7488

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

1a. TYPE OF WORK: DRILL [X] DEEPEN [ ] PLUG BACK [ ]

7. UNIT AGREEMENT NAME: Myers Langlie Mattix Unit

b. TYPE OF WELL: OIL WELL [X] GAS WELL [ ] OTHER — SINGLE ZONE [X] MULTIPLE ZONE [ ]

8. FARM OR LEASE NAME:

2. NAME OF OPERATOR: OXY USA Inc.

9. WELL NO.: 274

3. ADDRESS OF OPERATOR: P.O. Box 50250 Midland, TX 79710

10. FIELD AND POOL, OR WILDCAT: Langlie Mattix 7 Rvr-Q-G

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.*)
At surface: 1300 FSL 120 FWL SW-SW
At proposed prod. zone: UNORTHODOX LOCATION:

Subject to Like Approval By State

11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA: Sec 5 T24S R37E

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*: 11 miles South from Eunice, NM

12. COUNTY OR PARISH: Lea — 13. STATE: NM

15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if any)	16. NO. OF ACRES IN LEASE	17. NO. OF ACRES ASSIGNED TO THIS WELL
4080'	9326.56	40
18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT.	**19. PROPOSED DEPTH**	**20. ROTARY OR CABLE TOOLS**
712'	3800'	Rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.): 3309'

22. APPROX. DATE WORK WILL START*: ASAP

23. PROPOSED CASING AND CEMENTING PROGRAM

Capitan Controlled Water Basin

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
12 1/4"	8 5/8"	24#	400'	260sx - Circulate to Surface
7 7/8"	5 1/2"	15.5#	3800'	810SX - Circulate to Surface

It is proposed to drill this well to a TD of 3800'.

OPER. OGRID NO. 16696
PROPERTY NO. 14953
POOL CODE 37240
EFF. DATE 7-1-94
API NO. 30-025-32567

Approval Subject to General Requirements and Special Stipulations Attached

See other side

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen or plug back, 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 [signature] TITLE Engineering Advisor DATE 5/27/94

(This space for Federal or State office use)

PERMIT NO. _____ APPROVAL DATE _____

APPROVED BY /s/ Timothy P. O'Brien TITLE for Area Manager DATE 6-29-94

CONDITIONS OF APPROVAL, IF ANY:

*See Instructions On Reverse Side

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.

Bit Program:	12-1/4" hole to 400' 7-7/8" hole to TD	
BOP Program:	0 - 400'	None
	400' - TD	3000# WP pipe and blind rams w/ 3000# WP annular preventer and choke manifold
Mud Program:	0 - 400'	Drill w/ a gel/lime slurry. Use paper to control seepage and for sweeps.
	400' - 3350'	Drill with 10# brine water. Circulate through the reserve pit to control solids. Use paper to control seepage and for sweeps.
	3350' - TD	Raise viscosity to 32-34 secs with salt gel. Reduce waterloss to < 15 cc's. Keep pH < 10.
Coring Program:		None planned
Logging Program:		GR-DLL-MSFL-caliper GR-CNL-lithodensity
DST Program:		None planned
Casing Program:	Surface	0 - 400' 8-5/8" 24# K55 STC
	Production	0 - TD 5-1/2" 15.5# K55 STC (roughcoat 500')
Cement program	Surface	Lead 260 sx Cl C + 2% $CaCl_2$ + 1/4 pps cellophane flakes
	Production	Lead 660 sx Premium Plus w/15 pps salt + 1/4 pps cellophane flakes Tail 150 sx 50/50 Poz/Cl C + 2% gel + 3 pps KCl + .3% Halad-9 Calculate annular volume from caliper log and adjust volumes if necessary.
Wellhead	8-5/8" 3000# WP Larken "Unistack" casing head 5-1/2" x 2-7/8" 3000# WP Larken "Unistack" tubing head	
H_2S safety	While drilling below 3000', protective breathing equipment at 2 sites, wind direction indicator, and automatic H_2S detection and alarm equipment shall be on location. All contractor and company personnel shall be trained in H_2S safety in accordance with TRC Rule 36.	