



OXY USA Inc.
9-POINT DRILLING PLAN

Well Information

Currey Federal A 15-4 Well
 Section 16, Township 9S, Range 94W
 Mesa County, Colorado

1. Geologic Markers and Formations

Names and estimated tops of all geologic groups, formations, members or zones are shown in the table below. Also indicated are probable gas-bearing horizons. The only anticipated water-bearing zones are in the Upper Wasatch. Standard drilling practice is to case off these zones to protect any useable water resources.

Geologic Prognosis

Prognosed Formation Tops			Ungraded GL: 5738 ft		KB: 18 ft TVDSS (ft)	Gas
Tops			MD (ft) Reference KB	TVD (ft) Reference KB		
Wasatch	Wasatch 'G' Sand					
	Fort Union		4060	3285	3625	
Mesaverde	Williams Fork	Ohio Creek	4710	3896	3014	
		Williams Fork	4965	4159	2751	●
		TOG	6242	5415	1495	
		Cameo Coal	7060	6222	688	●
	Iles	Rollins	7522	6695	215	●
TD	TD based upon structural control at top of Rollins in this area		8460	7611	-701	

2. Estimated Tops of Anticipated Water, Oil, Gas or Minerals and Operator's Plan for Protection

Upper Wasatch (freshwater)	120-500' possible lost circulation
Williams Fork (gas)	4159' TVD
Cameo Coal (gas)	6222' TVD

Casing and cementing will be designed to protect potentially productive hydrocarbons, lost circulation zones and prospectively valuable mineral deposits. All indications of usable water will be reported.

Casing will be tested to 0.22 psig/ft or 1500 psig, whichever is greater, but not to exceed 80% of the minimum internal yield pressure.

3. The Operators Minimum Specifications for Pressure Control

A schematic diagram of the BOP equipment is provided in Attachment "A".

An annular 11", 3M BOP along with one pipe ram and one blind ram, will be installed on the 8-5/8" surface casing. The BOP will be used, maintained and tested in accordance with requirements specified in Section III A-1 of Onshore Order 2.

The kill line will not be used as a fill up line.

This BOP will be attached to the surface casing and tested to 2000 psi before drilling out. The surface casing will be tested to 80% of the rated burst pressure before drilling out.

In addition, the BOP will be tested after any repairs made or breaks in the connections. The BOP will be fully tested at least every 21 days.

4. Proposed Casing Setting and Cementing Program

8-5/8" surface casing will be set ~ 1000', covering all freshwater zones and will be cemented to surface. Cement volume will be calculated to lift cement to surface plus 75% excess. The cement volume for the 4-1/2" production casing will be calculated to cover 500' above any commercial hydrocarbon zones encountered.

Casing Program:

<u>Hole Size</u>	<u>Casing Size</u>	<u>Wt.</u>	<u>Grade</u>	<u>Connection</u>	<u>Length</u>	<u>Setting Depth</u>	<u>Condition</u>
12-1/4"	8-5/8"	32.0#	K-55	LTC	1,000'	1,000'	New
7-7/8"	4-1/2"	11.6#	N-80	BTC	8,455'	8,455'	New

8-5/8", 32#, K-55, LTC	Collapse	Burst	Tensile	ID	Make-up Torque
100%	2020 psi	3520 psi	489,000 lb	8.921"	Optimum – 4350
80%	1616 psi	2816 psi	391,200 lb	8.765" Drift	

4-1/2", 11.6#, N-80, BTC	Collapse	Burst	Tensile	ID	Make-up Torque – Optimal (ft-lbs)
100%	6,350 psi	7,780 psi	267,000 lb	4.00"	Make up to mark
80%	5,080 psi	6,224 psi	213,600 lb	3.875" Drift	

Casing Program							
Item	From (ft)	To (ft)	Length (ft)	Weight (ppf)	Grade	Joint Type	Total Weight (lbs)
8-5/8"	0	1000'	1000'	32.0	K-55	LTC	36,000 lbs
4-1/2"	0	8,455'	8,455'	11.6	N-80	BTC	98,020 lbs

Minimum Safety Factors			
Item	External Pressure Collapse	Internal Yield Pressure	Tension Yield Strength
Target	1	1.1	1.3
8-5/8"	4.5	1.7	4.8
4-1/2"	1.9	1.6	3.2

Cementing Program:

Casing String:	8-5/8", 36#, K-55 Surface Casing		
Slurry Design Basis:	<p>Lead slurry: Halliburton Rockies Light Cement (see below for additives). 8-5/8" X 12-1/4" annulus with 75% excess, 60' of 8-5/8" X 16" annulus. Calculated top of cement = Surface'</p> <p>Tail slurry: Halliburton Standard Cement. 42' of 8-5/8", 36# shoe track; 200' of 8-5/8" X 12-1/4" annulus with 75% excess. Calculated top of cement = 800' MD</p>		
Fluids Sequence / Volume:	Spacer	10 bbls Water Spacer at 8.3 ppg	
	Lead Slurry	78.1 bbl / 438.6 cf / 185 sxs Rockies LT, 12.3 ppg; 2.37 cf/sx	
	Tail Slurry	23.3 bbl / 130.9 cf / 91.5 sxs Rockies HE, 14.2 ppg; 1.43 cf/sx	

SURFACE LEAD CEMENT

Rockies LT

94 lbm/sk Standard Cement (Cement)

Fluid Weight 12.30 lbm/gal
 Slurry Yield: 2.37 ft³/sk
 Total Mixing Fluid: 13.76 Gal/sk
 Top of Fluid: 0 ft
 Calculated Fill: 800 ft
 Volume: 80.62 bbl
 Calculated Sacks: 190.98 sks
 Proposed Sacks: 200 sks

SURFACE TAIL CEMENT

Standard Cement

0.1 % Versaset (Thixotropic Additive)

0.125 lbm/sk Poly-E-Flake (Lost Circulation Additive)

Fluid Weight 14.20 lbm/gal
 Slurry Yield: 1.43 ft³/sk
 Total Mixing Fluid: 6.82 Gal/sk
 Top of Fluid: 800 ft
 Calculated Fill: 200 ft
 Volume: 19.52 bbl
 Calculated Sacks: 76.49 sks
 Proposed Sacks: 80 sks

Casing String:	4-1/2", 11.6#, N-80 Production Casing	
Slurry Design Basis:	Lead slurry: Halliburton Light Standard; 4-1/2" X 8-3/4" annulus with 25% excess, 100' of 4-1/2" X 8-5/8" annulus. Calculated top of cement 900' MD Tail slurry: Halliburton 50/50 Poz Mix Premium; 42' of 4-1/2", 11.6# shoe track; 4-1/2" X 8-3/4" annulus with 40% excess. Calculated top of cement 500' MD above the top of Mesaverde	
Fluids Sequence / Volume:	Spacer	10 bbl Water
	Reactive Spacer	30 bbls SUPER FLUSH 101 at 10 ppg
	Spacer	10 bbl Water
	Lead Slurry	83.3 bbls / 467.5 cf / 275 sxs HLC-Type V/SJ 12.4 ppg; 1.89 cf/sx
	Tail Slurry	267.2 bbl / 1500.1 cf / 1191 sxs Premium Valley Tail, 13.6 ppg; 1.26 cf/sk.
	Displacement	89.8 bbls 2% KCl Water

PRODUCTION LEAD CEMENT

Halliburton Light Standard

61.1 lbm/sk Standard Cement (Cement)

21.84 lbm/sk Pozmix A (Light Weight Additive)

8 % Halliburton Gel (Light Weight Additive)

0.3 % Halad(R)-23 (Low Fluid Loss Control)

0.3 % Versaset (Thixotropic Additive)

0.15 % WG-17 (Gelling Agent)

0.1 % HR-5 (Retarder)

0.125 lbm/sk Poly-E-Flake (Lost Circulation Additive)

Fluid Weight 12.40 lbm/gal
 Slurry Yield: 1.89 ft³/sk
 Total Mixing Fluid: 10.17 Gal/sk
 Top of Fluid: 900 ft
 Calculated Fill: 2300 ft
 Volume: 174.25 bbl
 Calculated Sacks: 517.64 sks
 Proposed Sacks: 520 sks

PRODUCTION TAIL CEMENT

50/50 Poz Premium

47 lbm/sk Premium Cement (Cement)

31.2 lbm/sk Pozmix A (Light Weight Additive)

2 % Halliburton Gel (Light Weight Additive)

0.5 % Halad(R)-23 (Thixotropic Additive)

0.3 % Halad(R)-322 (Low Fluid Loss Control)

0.3 % Versaset (Low Fluid Loss Control)

0.1 % HR-5 (Retarder)

0.2 % Super CBL (Gas Migration Control)

0.3 % CFR-3 (Dispersant)

0.125 lbm/sk Poly-E-Flake (Lost Circulation Additive)

Fluid Weight 13.60 lbm/gal

Slurry Yield: 1.26 ft³/sk

Total Mixing Fluid: 5.67 Gal/sk

Top of Fluid: 3200 ft

Calculated Fill: 3800 ft

Volume: 291.64 bbl

Calculated Sacks: 1299.57 sks

Proposed Sacks: 1300 sks

5. Mud Program

The mud specifications described in Mud Table A will be used to drill surface to 1,000'. The system will be converted to the mud specifications described in Mud Table B for drilling below 1000'. Mud properties will generally follow the schedule below but may change as hole conditions dictate. Sufficient mud materials to maintain mud properties, control lost circulation and to contain blowout will be available at the wellsite. All mud additives are biodegradable and Material Safety Data Sheets will be kept on location at all times. No chrome constituent additives will be used in the mud system without prior BLM approval.

Mud Table A

Hole Section / operation:				Drill 12-1/4" Surface hole to 1,000' MD			
Type	Density (ppg)	Viscosity	PV	YP	API FL	Drill Solids	Gels 10 sec
WBM - LSND	8.4 - 8.8	36 - 42	12 - 18	12 - 16	10 - 15	4% - 6%	8 - 15

Mud Table B

Hole Section / operation:				Drilling 7-7/8" Production interval			
Type	Density (ppg)	Viscosity	PV	YP	API FL	pH	Drill Solids
WBM - LSND	8.7 - 9.5	45 - 55	12 - 18	16 - 24	< 8	9.5 - 10.0	4% - 6%

The mud will be checked several times daily to determine density, viscosity, chlorides, pH, fluid loss, and LCM.

In addition, the circulating system will contain a gas monitoring system to continuously monitor total hydrocarbon gas levels.

6. Logging Program

The logging program for the well is described in the table below. Due to the inherent instability of the wellbore, there is an increased risk of losing wireline logging tools. Consequently, wells are evaluated using cased hole logging to evaluate resource potential. Open hole logs may be run under specific circumstances (e.g. for geomechanical data).

Hole Section:	Logging Company	Required Sensors / Service
12-1/4" Surface:	Scientific Drilling	Real time MWD with inclination and azimuth, GR logs will be run.
7-7/8" Production:	Scientific Drilling	Real time MWD with inclination and azimuth, GR logs will be run.
Cased Hole:	Halliburton	cement bond, casing collar locator, spectral gamma ray, neutron, and temperature logs will be acquired from TD up to top of cement
Open Hole:	Halliburton	Neutron density, sonic, spectral gamma ray, spontaneous potential and resistivity

7. Anticipated Pressures and Temperatures

No abnormal pressures, temperatures or hazards are expected to be encountered. No overpressured intervals are expected. Proper mud weight will be maintained to drill at a balanced or slightly over-balanced condition.

The Williams Fork Shale zone has potential for lost circulation due to the fractured nature of the shale. In addition to drilling in a balanced or slightly over-balanced condition, the drilling fluid will contain various types of LCM to plug the fractures and prevent losses.

No H₂S or other hazardous gases have been encountered in offset wells.

8. Directional Program

Maximum Planned Hole Inclination:	45.71 deg
Proximity Issues:	None
Survey Program:	Real-Time MWD

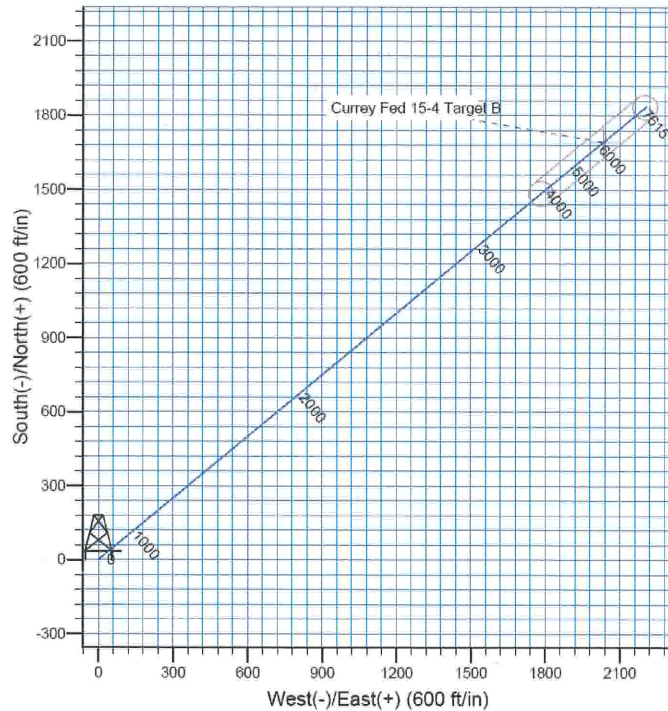
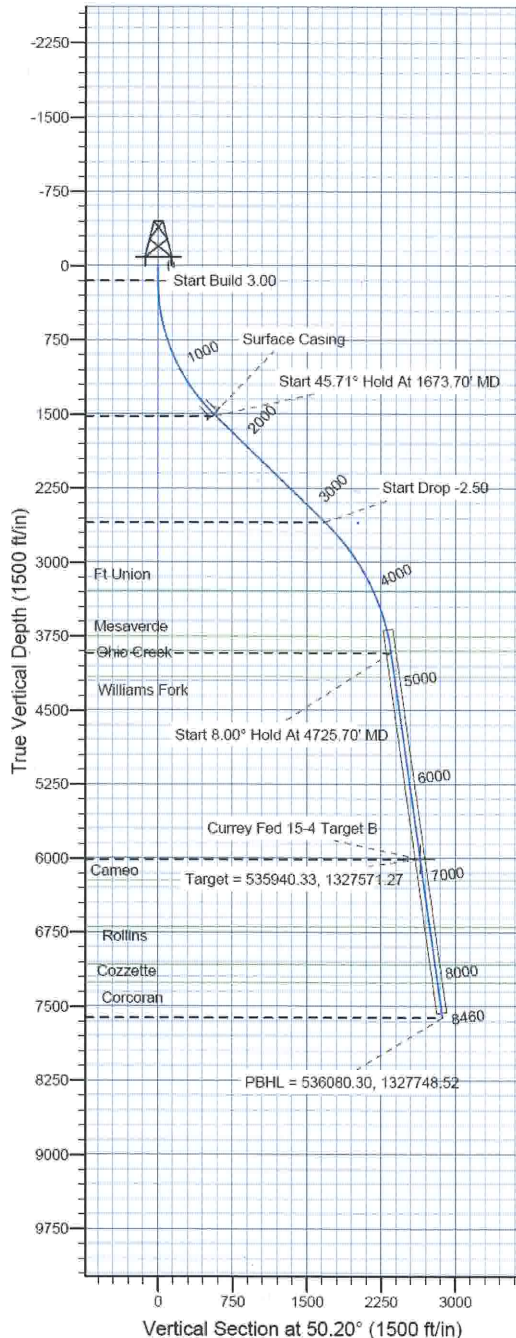
WELL DETAILS: Currey Federal 15-4

GL 6892' & RKB 18' @ 6910.00ft (Trinidad 217) 6892.00
+N/-S +E/-W Northing Easting Latitude Longitude Slot
0.00 0.00 534301.58 1325496.00 39° 16' 34.086 N 107° 52' 58.541 W



Azimuths to True North
Magnetic North: 10.44°

Magnetic Field
Strength: 52311.2snT
Dip Angle: 65.63°
Date: 12/31/2009
Model: IGRF2005-10



FORMATION TOP DETAILS

TVDPath	MDPath	Formation
3285.00	4065.58	Ft Union
3752.00	4558.52	Mesaverde
3896.00	4704.93	Ohio Creek
4159.00	4970.53	Williams Fork
6222.00	7053.80	Cameo
6695.00	7531.45	Rollins
7078.00	7918.21	Cozzette
7261.00	8103.01	Corcoran

Plan: Plan #2 (Currey Federal 15-4/OH)

Created By: Rex Hall Date: 2010-05-10

PROJECT DETAILS: Garfield County, CO NAD27

Geodetic System: US State Plane 1927 (Exact solution)
Datum: NAD 1927 (NADCON CONUS)
Ellipsoid: Clarke 1866
Zone: Colorado Central 502

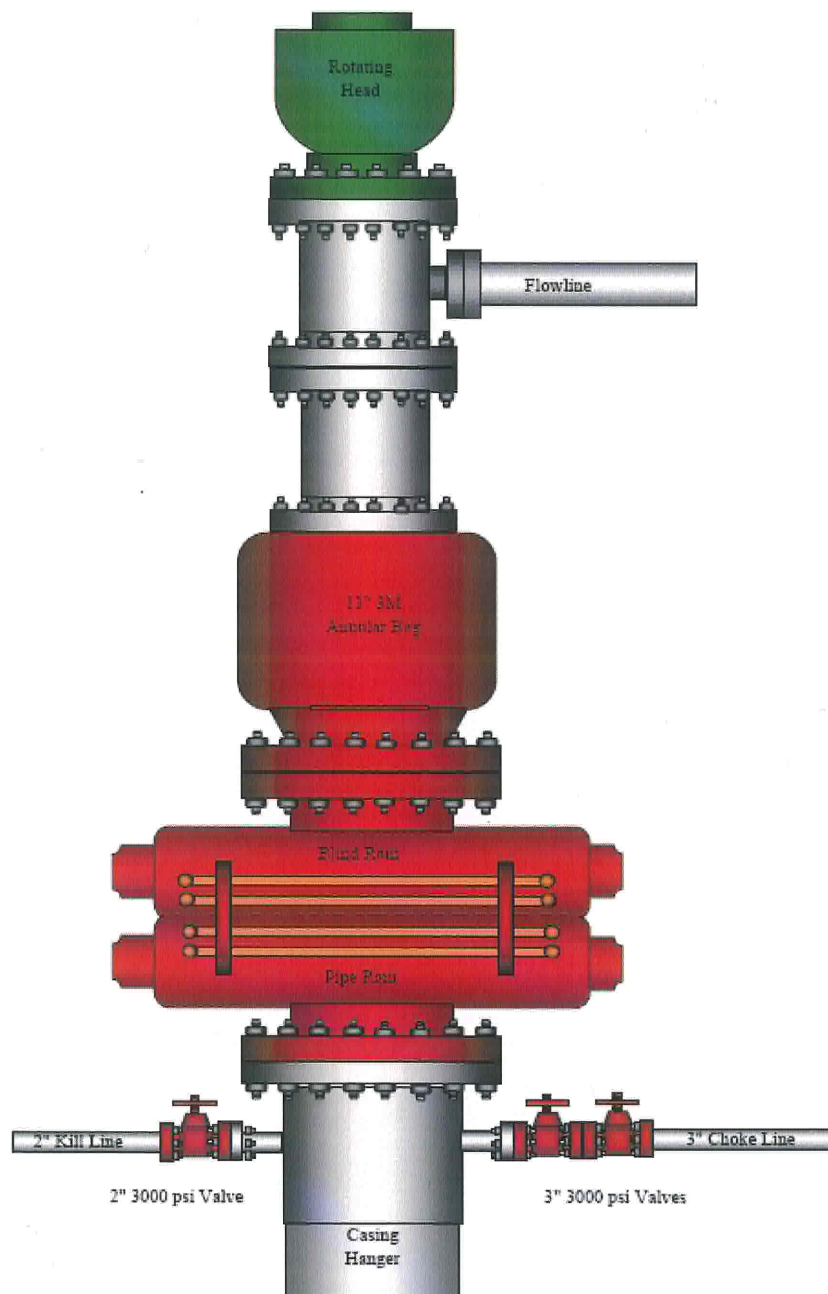
System Datum: Mean Sea Level
Local North: No north reference data is available

SECTION DETAILS

Sec	MD	Inc	Azi	TVDP	+N/-S	+E/-W	DLeg	TFace	VSec	Target
1	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
2	150.00	0.00	0.00	150.00	0.00	0.00	0.00	0.00	0.00	
3	1673.70	45.71	50.20	1517.13	368.86	442.72	3.00	50.20	576.25	
4	3217.26	45.71	50.20	2594.96	1076.12	1291.62	0.00	0.00	1681.17	
5	4725.70	8.00	50.20	3916.55	1504.47	1805.76	2.50	180.00	2350.36	
6	6837.70	8.00	50.20	6008.00	1692.62	2031.58	0.00	0.00	2644.29	Currey Fed 15-4 Target B
7	8460.49	8.00	50.20	7615.00	1937.19	2205.10	0.00	0.00	2870.14	

Attachments

a) BOP Schematic



b) Choke Manifold Schematic

