

OCD Artesia
R-111-POTASH

ARS-11-274

Form 3160-3
(April 2004)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
APPLICATION FOR PERMIT TO DRILL OR REENTER

FORM APPROVED
OMB No. 1004-0137
Expires March 31, 2007

1a. Type of work: <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER		5. Lease Serial No. NMNM103603
1b. Type of Well: <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other <input checked="" type="checkbox"/> Single Zone <input type="checkbox"/> Multiple Zone		6. If Indian, Allottee or Tribe Name
2. Name of Operator OXY USA Inc.		7. If Unit or CA Agreement, Name and No.
3a. Address P.O. Box 50250 Midland, TX 79710		8. Lease Name and Well No. Goodnight 26 Federal #1 [39107]
3b. Phone No. (include area code) 432-685-5717		9. API Well No. 30-015- 40007
4. Location of Well (Report location clearly and in accordance with any State requirements *) At surface 1803 FSL 31 FEL NESE(I) At proposed prod. zone 400 FNL 660 FWL NWNW(D)		10. Field and Pool, or Exploratory Laguna Sagrado South [96857]
11. Sec., T. R. M. or Blk. and Survey or Area Sec 26 T23S R29E		12. County or Parish Eddy
13. State NM		
14. Distance in miles and direction from nearest town or post office* 6 miles northeast from Loving, NM	15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) 31'	16. No. of acres in lease 640
17. Spacing Unit dedicated to this well 160	18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft N/A	19. Proposed Depth P-12453 12703'M 7664'V 8022 12604 7322
20. BLM/BIA Bond No. on file SA ESB000226	21. Elevations (Show whether DF, KDB, RT, GL, etc.) 3071.5' GL	22. Approximate date work will start* 01/15/2012
23. Estimated duration 45 days	24. Attachments	

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No.1, shall be attached to this form:

- Well plat certified by a registered surveyor.
- A Drilling Plan.
- A Surface Use Plan (if the location is on National Forest System Lands, the SUPO shall be filed with the appropriate Forest Service Office).
- Bond to cover the operations unless covered by an existing bond on file (see Item 20 above).
- Operator certification
- Such other site specific information and/or plans as may be required by the authorized officer.

25. Signature	Name (Printed/Typed) David Stewart	Date 2/1/11
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Title
Regulatory Advisor

Approved by (Signature) /s/ Jesse J. Juen	Name (Printed/Typed) /s/ Jesse J. Juen	Date 2/16/2012
Title STATE DIRECTOR	Office NM STATE OFFICE	

Application approval 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.

Conditions of approval, if any, are attached.

APPROVAL FOR TWO YEARS

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make 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.

*(Instructions on page 2)


CARLSBAD CONTROLLED WATER BASIN

SEE ATTACHED FOR
CONDITIONS OF APPROVAL

**APPROVAL SUBJECT TO
GENERAL REQUIREMENTS
AND SPECIAL STIPULATIONS
ATTACHED**

OPERATOR CERTIFICATION

I hereby certify that I, or someone under my direct supervision, have inspected the drill site and access route proposed herein; that I am familiar with the conditions that presently exist; that I have full knowledge of State and Federal laws applicable to this operation; that the statements made in this APD package are, to the best of my knowledge, true and correct; and that the work associated with the operations proposed herein will be performed in conformity with this APD package and the terms and conditions under which it is approved. I also certify that I, or the company I represent, am responsible for the operations conducted under this application. These statements are subject to the provisions of 18 U.S.C. 1001 for the filing of false statements. Executed this 6th day of SEPT, 2011.



Name: Peter Lawrence
Position: Reservoir Management Team Leader
Address: 5 Greenway Plaza, Suite 110, Houston, TX 77046
Telephone: 713-215-7644
E-mail: (optional): peter_lawrence@oxy.com
Company: OXY USA Inc.
Field Representative (if not above signatory): Dusty Weaver
Address (If different from above): P.O. Box 50250 Midland, TX 79710
Telephone (if different from above): 432-685-5723
E-mail (if different from above): calvin_weaver@oxy.com

OCD-ARTESIA

Form 3160-5
(August 2007)UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENTFORM APPROVED
OMB No 1004-0137
Expires: July 31, 2010**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.5. Lease Serial No.
NMNM-103603

6 If Indian, Allottee or Tribe Name

SUBMIT IN TRIPLICATE – Other instructions on page 2

1 Type of Well

☒ Oil Well ☐ Gas Well ☐ Other2 Name of Operator
Oxy USA Inc.3a Address
5 Greenway Plaza, Suite 110
Houston, TX 77046-05213b. Phone No. (include area code)
713-350-4816 Jeremy Murphrey

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

8. Well Name and No.
Goodnight 26 Federal #1H9. API Well No
30-015-

10 Field and Pool or Exploration Area

Li. *Bone Spring*
11. Country or Parish, State
Eddy County4 Location of Well (Footage, Sec., T., R., M., or Survey Description)
1803 FSL 31 FEL, NESE, Sec 26, T23S, R29E

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

TYPE OF SUBMISSION	TYPE OF ACTION			
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input checked="" type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input type="checkbox"/> Other _____
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> 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 recompleat 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 must be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompleat in a new interval, a Form 3160-4 must be filed once testing has been completed. Final Abandonment Notices must be filed only after all requirements, including reclamation, have been completed and the operator has determined that the site is ready for final inspection.)

The proposed plan is to construct an overhead powerline from the Goodnight 26 Fed 1H as laid out on the attached survey plat. The line will be located in Section 26, T-23-S, R-29-E, Eddy County, New Mexico. Construction should begin within 30 days of BLM approval.

*OK I Fast analyzed in APD EA-12-22
include with APD*

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

Jeremy Murphrey

Title Landman, Sr.

Signature

Date

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

/s/ James Stovall

FIELD MANAGER

Date

2/2/2012

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

CARLSBAD FIELD OFFICE

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make 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.

(Instructions on page 2)



Taylor Cann, RPL
Land Negotiator

OXY USA Inc.
Box 4294, Houston, TX 77210-4294

Phone (713) 366-5119
Cell (832) 291-9168
Fax (713) 985-1859
Taylor_Cann@oxy.com

United States Department of the Interior
Bureau of Land Management
Carlsbad Field Office
620 East Greene Street
Carlsbad, New Mexico 88220

Attention: Linda Denniston

RE: Goodnight 26 Federal # 1H

Eddy County, New Mexico

STATEMENT ACCEPTING RESPONSIBILITY FOR OPERATIONS

OPERATOR NAME: OXY USA Inc.
ADDRESS: P.O. Box 4294
Houston, Texas 77210-4294

The undersigned accepts all applicable terms, conditions, stipulations, and restrictions concerning operations conducted on the leased land or portion thereof, as described below:

LEASE NO.: NMNM 103603
LEGAL DESCRIPTION:
Surface Location: 1803' FSL & 31' FEL
Bottom Hole Location: 400' FNL & 660' FWL
Section 26-T23S-R29E
Eddy County, New Mexico

FORMATIONS: None

BOND COVERAGE: Nationwide

BLM BOND FILE NO.: ~~ES-0136~~ *ESB000226*

AUTHORIZED SIGNATURE: 
Taylor Cann

TITLE: Land Negotiator

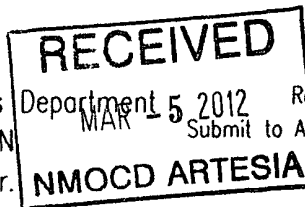
DATE: September 7, 2011

cc: David Stewart

11-976

District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Avenue, 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 & Natural Resources
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505



Form C-102
Revised October 12, 2005
Submit to Appropriate District Office
State Lease- 4 Copies
Fee Lease- 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-015-40007	Pool Code 96857	Pool No. Laguna Salado, Bone Spring
Property Code 39107	Property Name GOODNIGHT 26 FEDERAL	Well Number 1H
OCRID No. 16696	Operator Name OXY USA INC.	Elevation 3071.5'

Surface Location

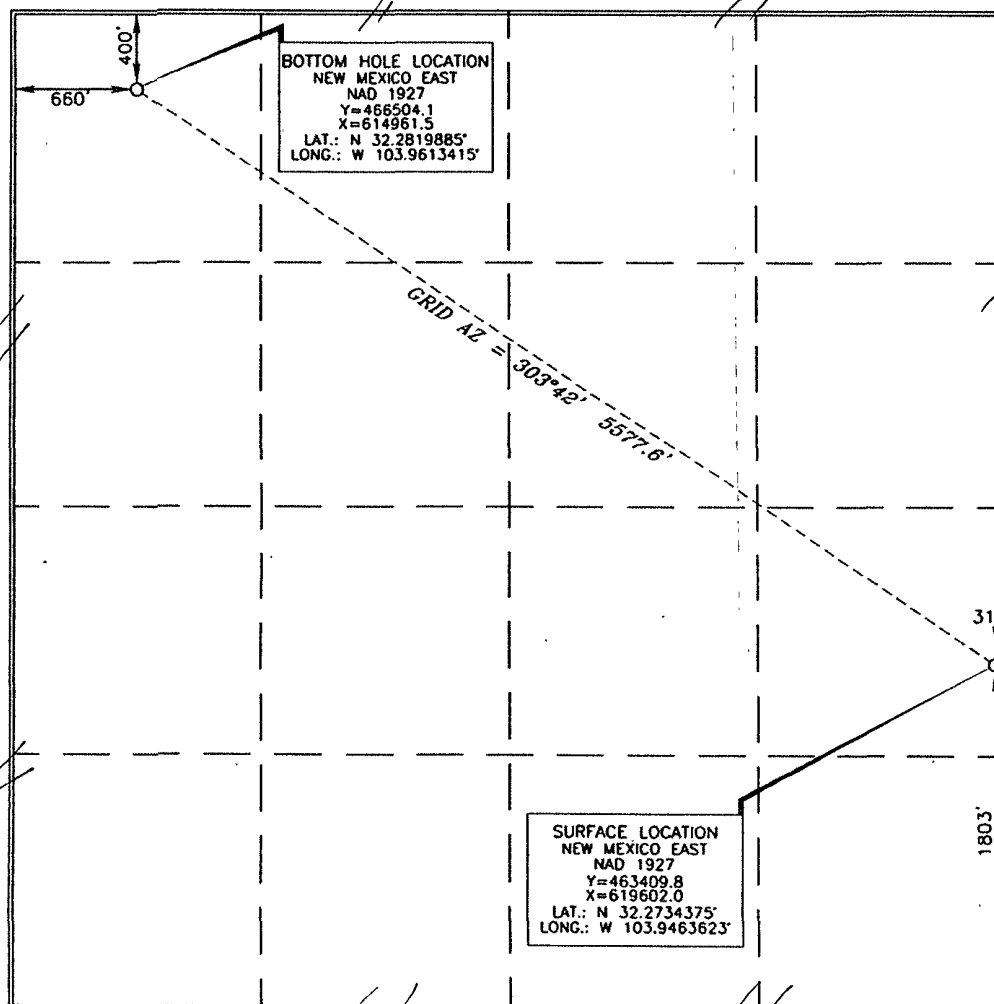
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
I	26	23 SOUTH	29 EAST, N.M.P.M.		1803'	SOUTH	31'	EAST	EDDY

Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
D	26	23 SOUTH	29 EAST, N.M.P.M.		400'	NORTH	660'	WEST	EDDY

Dedicated Acres 6.40	Joint or Infill N	Consolidation Code	Order No. NSL pending
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No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.



OPERATOR CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

David Stewart
Signature Date

David Stewart
Printed Name

SURVEYOR CERTIFICATION

I hereby certify that the well location shown on this plat was plotted from field notes or actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

SEPTEMBER 6, 2011
Date of Survey

Terry J. Asel
Signature and Seal of Professional Surveyor

15079
Certificate Number

AMENDED DRILLING PROGRAM

Operator Name/Number:	OXY USA Inc.	16696
Lease Name/Number:	Goodnight 26 Federal #1	Federal Lease No. NMNM103603
Pool Name/Number:	Laguna Salado Bone Springs, South	96857
Surface Location:	1803 FSL 31 FEL NESE(I) Sec 26 T23S R29E	
Bottom Hole Location:	400 FNL 660 FWL NWNW(D) Sec 26 T23S R29E	

Proposed TD:	Pilot Hole	8022'	TVD	Horizontal Lateral	7322'	TVD	12604'	TMD
SL - Lat: 32.2734375	Long: 103.9463623			X= 619602.0	Y= 463409.8		NAD - 1927	
BH - Lat: 32.2819885	Long: 103.9613415			X= 614961.5	Y= 466504.1		NAD - 1927	
Elevation:	3071.5' GL							

1. Geologic Name of Surface Formation:

a. Permian

2. Estimated Tops of Geological Markers & Depths of Anticipated Fresh Water, Oil or Gas:

<u>Geological Marker</u>	<u>Depth</u>	<u>Type</u>
a. Rustler Anhydrite	263'	Formation
b. Top Salt	321' 378	Formation
c. Bottom Salt	3051'	Formation
d. Delaware	3201'	Oil/Gas
e. Bell Canyon	3231'	Oil/Gas
f. Cherry Canyon	4101'	Oil/Gas
g. Brushy Canyon	5326'	Oil/Gas
h. Bone Spring	6936'	Oil/Gas
i. 1st Bone Spring	7636'	Oil/Gas

3. Casing Program:

<u>Hole Size</u>	<u>Interval</u>	<u>OD Csg</u>	<u>Weight</u>	<u>Collar</u>	<u>Grade</u>	<u>Condition</u>	<u>Collapse Design Factor</u>	<u>Burst Design Factor</u>	<u>Tension Design Factor</u>
17-1/2"	350'	13-3/8"	48	ST&C	H-40	New	2.69	2.33	2.16
				Hole filled with 8.6# Mud			770#	1730#	
12-1/4"	3150'	9-5/8"	40	LT&C	L-80	New	3.14	1.26	1.81
				Hole filled with 10.2# Mud			3090#	5750#	
8-1/2"	12604'	5-1/2"	17	BT&C	L-80	New	1.65	1.29	1.7
DVT @ 6000' - POST @ 3200'				Hole filled with 9.4# Mud			6290#	7740#	

Collapse and burst loads calculated using Stress Check with anticipated loads

4. Cement Program

- a. 13-3/8" Surface Circulate cement to surface w/ 480sx PP cmt w/ 2% CaCl₂, 14.8ppg 1.35 yield 1708# 24hr CS 150% Excess
- b. 9-5/8" Intermediate Circulate cement to surface w/ 820sx HES light PP cmt w/ 5% Salt + .125#/sx Poly-E-Flake + 5#/sx Gilsonite, 12.4ppg 2.10 yield 511# 24hr CS 105% Excess followed by 200sx PP cmt w/ 1% CaCl₂, 14.8ppg 1.34 yield 2125# 24hr CS 105% Excess

- c. 5-1/2" **Production** Cement 1st stage w/ 1770sx Super H w/ .5% Halad-344 + .4% CFR-3 + 3#/sx Gilsonite + .3% HR-800 + .125#/sx Poly-E-Flake, 13.2ppg 1.59 yield 1372# 24hr CS 85% Excess, Calc TOC-5995'
Cement 2nd stage w/ 570sx HES light PP cmt w/ 3#/sx salt + .125#/sx Pheno Seal + 5#/sx Gilsonite, 12.4ppg 2.09 yield 511# 24hr CS 125% Excess followed by 200sx PP cmt, 14.8ppg 1.33 yield 1925# 24hr CS 200% Excess Calc TOC-3195'
Cement 3rd stage w/ 480sx HES Light PP cmt w/ 3#/sx Salt, 12.4ppg 1.98 yield 511# 24hr CS 35% Excess followed by 150sx PP cmt w/ 2% CaCl₂, 14.8ppg 1.35 yield 2025# 24hr CS 35% Excess, Circ Surface
- d. Pilot Hole Plug Cement w/ 220sx CL H 50/50 Poz cmt w/ .5% CFR-3, 14.4ppg 1.25 yield 1960# 24hr CS 35% excess from 8022' to +/- 7522' followed by 220sx CL H 50/50 Poz cmt w/ .5% CFR-3, 14.4ppg 1.25 yield 1960# 24hr CS 35% Excess from 7522' to +/- 7022' followed by 300sx PP cmt w/ 3% KCl w/ .75% CFR-3 + .2% HR-601, 17.5ppg .97 yield 4594# 24hr CS 35% excess from 7022' to +/- 6500'.

The above cement volumes could be revised pending the caliper measurement.

5. Pressure Control Equipment:

Surface None

Production 13-5/8" 10M two ram stack w/ 5M annular preventer, 10M Choke Manifold

The 13 5/8" 10M blowout prevention equipment will be installed and operational after setting the 13 3/8" surface casing and the 5K conventional wellhead. Respectfully request that BOPE be treated as a 5M stack and tested as such.

All BOP's and associated equipment will be tested in accordance with Onshore Order #2 (250/5000 psi on rams for 10 minutes each and 250/3500 for 10 minutes for annular preventer, equal to 70% of working pressure) with a third party BOP testing service before drilling out the 13-3/8" casing shoe. Wellhead pressure rating will support this test and 13-3/8" casing will be protected from high pressure. Since the wellhead system is a multibowl design, this initial test will cover the requirements prior to drilling out the 9-5/8" casing shoe.

Pipe Rams will be operated and checked each 24-hour period and each time the drill pipe is out of the hole. These functional tests will be documented on the daily driller's log. A 2" kill line and 3" choke line will be accommodated on the drilling spool below the ram-type BOP. Other accessory BOP equipment will include a Kelly cock, floor safety valve, choke lines and choke manifold having a 5000 psi WP rating. OXY requests that the entire system be tested as a 5000psi WP rating.

OXY also requests a variance to connect the BOP outlet to the choke manifold using a co-flex hose that is manufactured by Contitech Rubber Industrial KFT. It is a 3" ID X 35' flexible hose rated to 10000psi working pressure. It has been tested to 15000psi and is built to API Spec 16C. Once the flex line is installed, it will be tied down with safety clamps, see attached for certifications.

6. Proposed Mud Circulation System

<u>Depth</u>	<u>Mud Wt.</u> <u>ppg</u>	<u>Visc</u> <u>sec</u>	<u>Fluid</u> <u>Loss</u>	<u>Type System</u>
0 - 350'	8.4-9.2	38-42	NC	Fresh Water/Spud Mud
350 - 3150'	9.8-10.2	--	NC	Brine Water
3150 - 6700'	8.8-9.0	--	NC	Cut Brine
6700 - 8022' (Pilot)	9.0-9.4	34-36	8-10	Cut Brine Gel/LSND
6700 - 12604' (Curve/Lateral)	9.0-9.4	34-36	8-10	Cut Brine Gel/LSND

Pump high viscosity sweeps as needed for hole cleaning. The mud system will be monitored visually/manually as well as with an electronic PVT. The necessary mud products for additional weight 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 stabbing valve having the appropriate connections will be on the rig floor at all times.
- c. Hydrogen Sulfide detection equipment will be in operation after drilling out the surface casing shoe until the production casing is cemented. Breathing equipment will be on location upon drilling the surface casing shoe until total depth is reached. If Hydrogen Sulfide is encountered, measured amounts and formations will be reported to the BLM.

8. Logging, Coring and Testing Program: *See COA*

- a. Drill stem tests are not anticipated but if done will be based on geological sample shows.
- b. The open hole electrical logging program will consist of GR/RES/DES/NEU in Production Section -Pilot.
- c. No coring program is planned but if done will be sidewall rotary cores.
- d. Mud logging program will be initiated from 4000' to TD.

9. Potential Hazards:

No abnormal pressures, temperatures or H₂S gas are expected. The highest anticipated pressure gradient would be .45psi/ft. If H₂S is encountered the operator will comply with the provisions of Onshore Oil & Gas Order No. 6. No lost circulation is expected to occur. All personnel will be familiar with all aspects of safe operation of equipment being used to drill this well. Adequate flare lines will be installed off the mud/gas separator where gas may be flared safely.

10. Anticipated Starting Date and Duration of Operations:

Road and location construction will begin after the BLM has approved the APD. Anticipated spud date will be as soon as possible after BLM approval and as soon as a rig will be available. Move in operations and drilling is expected to take 45 days. If production casing is run, then an additional 30 days will be needed to complete the well and construct surface facilities and/or lay flow lines in order to place well on production.



New Mexico Office of the State Engineer

Water Column/Average Depth to Water

(A CLW##### in the
POD suffix indicates the
POD has been replaced
& no longer serves a
water right file.)

(R=POD has
been replaced,
O=orphaned,
C=the file is

closed) (quarters are 1=NW 2=NE 3=SW 4=SE)

(quarters are smallest to largest) (NAD83 UTM in meters)

(In feet)

POD	Q	Q	Q	Depth	Depth	Water						
POD Number	Code	Subbasin	County	64 16 4	Sec	Tws	Rng	X	Y	Well	Water	Column

C 02797

ED

2

3

22

23S

29E

596540

3572895*

200

Average Depth to Water: --

Minimum Depth: --

Maximum Depth: --

Record Count: 1

PLSS Search:

Section(s): 22, 23, 24, 25,
26, 27, 34, 35,
36

Township: 23S

Range: 29E

*UTM location was derived from PLSS - see Help

The data is furnished by the NMOSE/ISC and is accepted by the recipient with the expressed understanding that the OSE/ISC make no warranties, expressed or implied, concerning the accuracy, completeness, reliability, usability, or suitability for any particular purpose of the data.

9/27/11 8:50 AM

Page 1 of 1

WATER COLUMN/ AVERAGE
DEPTH TO WATER

SECTION DETAILS

Sec	MD	Inc	Azi	TVD	+N/-S	+E/-W	DLeg	TFace	VSec	Target
1	0.00	0.00	303.70	0.00	0.00	0.00	0.00	0.00	0.00	
2	6699.07	0.00	303.70	6699.07	0.00	0.00	0.00	0.00	0.00	
3	7593.35	89.43	303.70	7272.00	314.69	-471.94	10.00	303.70	567.24	
4	12603.90	89.43	303.70	7322.00	3094.30	-4640.50	0.00	0.00	5577.54	Pbhl

WELL DETAILS

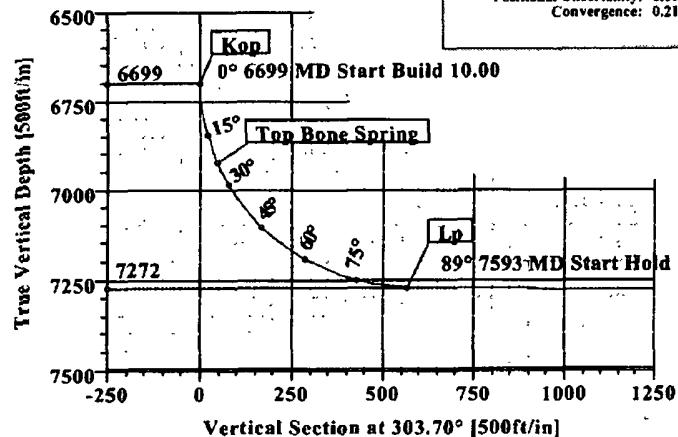
Name	+N/-S	+E/-W	Northing	Easting	Latitude	Longitude	Slot
Fed #1H	0.00	0.00	463409.80	619602.00	32°16'24.375N	103°56'46.904W	N/A

TARGET DETAILS

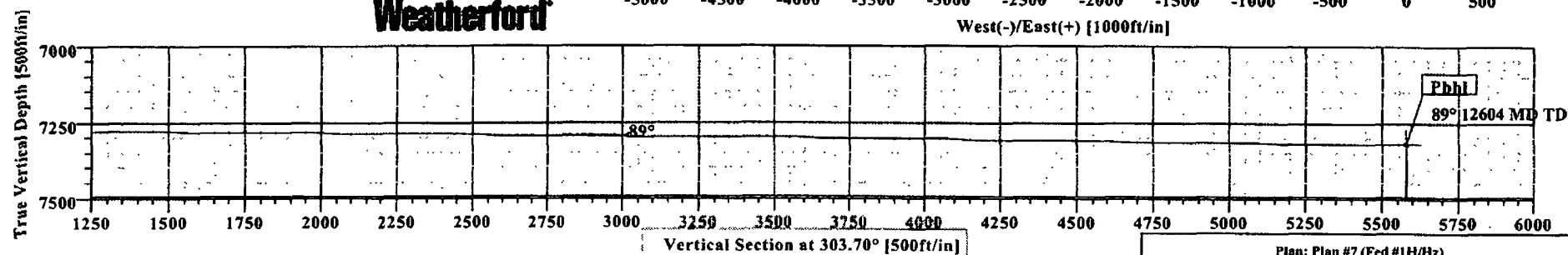
Name	TVD	+N/-S	+E/-W	Northing	Easting	Shape
Pbhl	7322.00	3094.30	-4640.50	466504.10	614961.50	Point

SITE DETAILS

Goodnight 26 Fed #1H

Site Centre Northing: 463409.80
Easting: 619602.00Ground Level: 3071.50
Positional Uncertainty: 0.00
Convergence: 0.21KB ELEV: 3096.5
GL ELEV: 3071.5

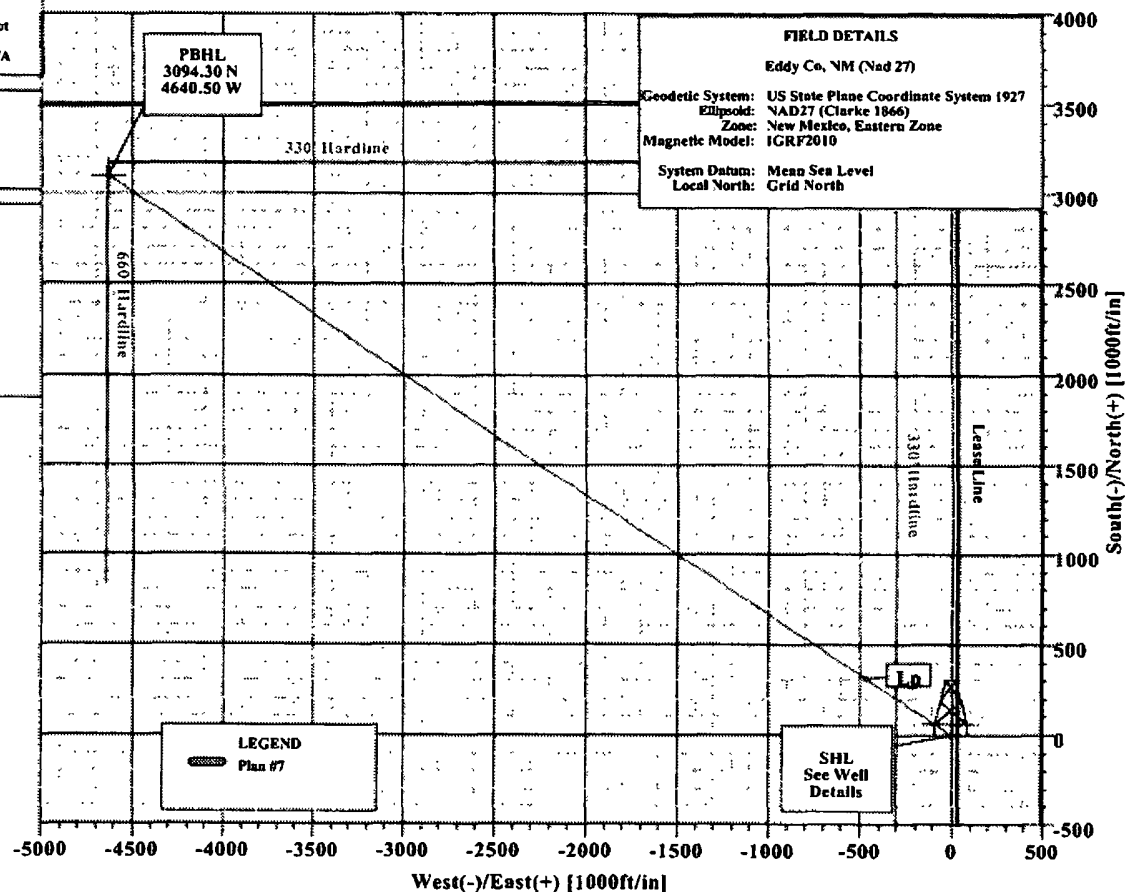
Weatherford

Goodnight 26 Fed #1H
Eddy Co, New MexicoAzimuths to Grid North
True North: -0.21°
Magnetic North: 7.52°Magnetic Field
Strength: 48601aT
Dip Angle: 60.16°
Date: 9/30/2011
Model: IGRF2010

Total Correction to Grid North: 7.52°

FIELD DETAILS

Eddy Co, NM (Nad 27)

Geodetic System: US State Plane Coordinate System 1927
Ellipsoid: NAD27 (Clarke 1866)
Zone: New Mexico, Eastern Zone
Magnetic Model: IGRF2010System Datum: Mean Sea Level
Local North: Grid North

Plan: Plan #7 (Fed #1H/HZ)

Created By: Keith Noack

Date: 9/19/2011



Weatherford International Ltd.

WFT Plan Report - X & Y's



Weatherford

Company: Occidental Permian Ltd.	Date: 9/19/2011	Time: 14:42:29	Page: 1
Field: Eddy Co, NM (Nad 27)	Co-ordinate(NE) Reference: Well: Fed #1H, Grid North		
Site: Goodnight 26 Fed #1H	Vertical (TVD) Reference: SITE 3096.5		
Well: Fed #1H	Section (VS) Reference: Well (0.00N,0.00E,303.70Azi)		
Wellpath: Hz	Survey Calculation Method: Minimum Curvature		
	Db: Sybase		

Plan: Plan #7	Date Composed: 8/30/2011
Principal: Yes	Version: 1
	Tied-to: From Surface

Field: Eddy Co, NM (Nad 27)

Map System: US State Plane Coordinate System 1927	Map Zone: New Mexico, Eastern Zone
Geo Datum: NAD27 (Clarke 1866)	Coordinate System: Well Centre
Sys Datum: Mean Sea Level	Geomagnetic Model: IGRF2010

Site: Goodnight 26 Fed #1H

Site Position:	Northing: 463409.80 ft	Latitude: 32 16 24.375 N
From: Map	Easting: 619602.00 ft	Longitude: 103 56 46.904 W
Position Uncertainty: 0.00 ft	North Reference: Grid	
Ground Level: 3071.50 ft	Grid Convergence: 0.21 deg	

Well: Fed #1H	Slot Name:
Well Position: +N/-S 0.00 ft	Latitude: 32 16 24.375 N
+E/-W 0.00 ft	Longitude: 103 56 46.904 W
Position Uncertainty: 0.00 ft	

Wellpath: Hz	Drilled From: Pilot
Current Datum: SITE	Tie-on Depth: 0.00 ft
Magnetic Data: 9/30/2011	Above System Datum: Mean Sea Level
Field Strength: 48601 nT	Declination: 7.73 deg
Vertical Section: Depth From (TVD)	Mag Dip Angle: 60.16 deg
ft	+E/-W Direction
	ft deg
7313.40	0.00 0.00 303.70

Plan Section Information

MD ft	Incl deg	Azim deg	TVD ft	+N/-S ft	+E/-W ft	DLS deg/100ft	Build deg/100ft	Turn deg/100ft	TFO deg	Target
0.00	0.00	303.70	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
6699.07	0.00	303.70	6699.07	0.00	0.00	0.00	0.00	0.00	0.00	
7593.35	89.43	303.70	7272.00	314.69	-471.94	10.00	10.00	0.00	303.70	
12603.90	89.43	303.70	7322.00	3094.30	-4640.50	0.00	0.00	0.00	0.00	Pbhl

Survey

MD ft	Incl deg	Azim deg	TVD ft	N/S ft	E/W ft	VS ft	DLS deg/100ft	MapN ft	MapE ft	Comment
6600.00	0.00	303.70	6600.00	0.00	0.00	0.00	0.00	463409.80	619602.00	Kop
6699.07	0.00	303.70	6699.07	0.00	0.00	0.00	0.00	463409.80	619602.00	
6750.00	5.09	303.70	6749.93	1.26	-1.88	2.26	10.00	463411.06	619600.12	
6800.00	10.09	303.70	6799.48	4.92	-7.38	8.87	10.00	463414.72	619594.62	
6850.00	15.09	303.70	6848.26	10.97	-16.44	19.77	10.00	463420.77	619585.56	
6900.00	20.09	303.70	6895.91	19.35	-29.01	34.87	10.00	463429.15	619572.99	Top Bone Spring
6929.57	23.05	303.70	6923.40	25.38	-38.06	45.74	10.00	463435.18	619563.94	
6950.00	25.09	303.70	6942.05	30.00	-44.99	54.08	10.00	463439.80	619557.01	
7000.00	30.09	303.70	6986.35	42.84	-64.25	77.23	10.00	463452.64	619537.75	
7050.00	35.09	303.70	7028.47	57.78	-86.66	104.15	10.00	463467.58	619515.34	
7100.00	40.09	303.70	7068.07	74.70	-112.03	134.65	10.00	463484.50	619489.97	
7150.00	45.09	303.70	7104.87	93.47	-140.17	168.48	10.00	463503.27	619461.83	
7200.00	50.09	303.70	7138.58	113.94	-170.88	205.38	10.00	463523.74	619431.12	
7250.00	55.09	303.70	7168.94	135.97	-203.91	245.09	10.00	463545.77	619398.09	
7300.00	60.09	303.70	7195.73	159.38	-239.02	287.29	10.00	463569.18	619362.98	
7350.00	65.09	303.70	7218.74	184.00	-275.94	331.66	10.00	463593.80	619326.06	
7400.00	70.09	303.70	7237.79	209.64	-314.39	377.87	10.00	463619.44	619287.61	



Weatherford International Ltd.

WFT Plan Report - X & Y's

**Weatherford**

Company: Occidental Permian Ltd.
Field: Eddy Co, NM (Nad 27)
Site: Goodnight 26 Fed #1H
Well: Fed #1H
Wellpath: Hz

Date: 9/19/2011 Time: 14:42:29 Page: 2
Co-ordinate(NE) Reference: Well: Fed #1H, Grid North
Vertical (TVD) Reference: SITE 3096.5
Section (VS) Reference: Well (0.00N,0.00E,303.70Azi)
Survey Calculation Method: Minimum Curvature Db: Sybase

Survey

MD ft	Incl deg	Azim deg	TVD ft	N/S ft	E/W ft	VS ft	DLS deg/100ft	MapN ft	MapE ft	Comment
7450.00	75.09	303.70	7252.74	236.10	-354.07	425.57	10.00	463645.90	619247.93	
7500.00	80.09	303.70	7263.48	263.18	-394.69	474.38	10.00	463672.98	619207.31	
7550.00	85.09	303.70	7269.93	290.68	-435.93	523.95	10.00	463700.48	619166.07	
7593.35	89.43	303.70	7272.00	314.89	-471.94	567.24	10.00	463724.49	619130.06	Lp
7600.00	89.43	303.70	7272.06	318.38	-477.48	573.89	0.00	463728.18	619124.52	
7700.00	89.43	303.70	7273.06	373.86	-560.67	673.89	0.00	463783.66	619041.33	
7800.00	89.43	303.70	7274.06	429.33	-643.87	773.88	0.00	463839.13	618958.13	
7900.00	89.43	303.70	7275.06	484.81	-727.06	873.88	0.00	463894.61	618874.94	
8000.00	89.43	303.70	7276.05	540.28	-810.26	973.87	0.00	463950.08	618791.74	
8100.00	89.43	303.70	7277.05	595.76	-893.45	1073.87	0.00	464005.56	618708.55	
8200.00	89.43	303.70	7278.05	651.23	-976.65	1173.86	0.00	464061.03	618625.35	
8300.00	89.43	303.70	7279.05	706.71	-1059.85	1273.86	0.00	464116.51	618542.15	
8400.00	89.43	303.70	7280.05	762.18	-1143.04	1373.85	0.00	464171.98	618458.96	
8500.00	89.43	303.70	7281.04	817.66	-1226.24	1473.85	0.00	464227.46	618375.76	
8600.00	89.43	303.70	7282.04	873.13	-1309.43	1573.84	0.00	464282.93	618292.57	
8700.00	89.43	303.70	7283.04	928.61	-1392.63	1673.84	0.00	464338.41	618209.37	
8800.00	89.43	303.70	7284.04	984.08	-1475.82	1773.83	0.00	464393.88	618126.18	
8900.00	89.43	303.70	7285.04	1039.56	-1559.02	1873.83	0.00	464449.36	618042.98	
9000.00	89.43	303.70	7286.03	1095.03	-1642.21	1973.82	0.00	464504.83	617959.79	
9100.00	89.43	303.70	7287.03	1150.51	-1725.41	2073.82	0.00	464560.31	617876.59	
9200.00	89.43	303.70	7288.03	1205.98	-1808.61	2173.81	0.00	464615.78	617793.39	
9300.00	89.43	303.70	7289.03	1261.46	-1891.80	2273.81	0.00	464671.26	617710.20	
9400.00	89.43	303.70	7290.03	1316.93	-1975.00	2373.80	0.00	464726.73	617627.00	
9500.00	89.43	303.70	7291.02	1372.41	-2058.19	2473.80	0.00	464782.21	617543.81	
9600.00	89.43	303.70	7292.02	1427.88	-2141.39	2573.79	0.00	464837.68	617460.61	
9700.00	89.43	303.70	7293.02	1483.36	-2224.58	2673.79	0.00	464893.16	617377.42	
9800.00	89.43	303.70	7294.02	1538.83	-2307.78	2773.78	0.00	464948.63	617294.22	
9900.00	89.43	303.70	7295.02	1594.31	-2390.98	2873.78	0.00	465004.11	617211.02	
10000.00	89.43	303.70	7296.01	1649.78	-2474.17	2973.77	0.00	465059.58	617127.83	
10100.00	89.43	303.70	7297.01	1705.26	-2557.37	3073.77	0.00	465115.06	617044.63	
10200.00	89.43	303.70	7298.01	1760.74	-2640.56	3173.76	0.00	465170.54	616961.44	
10300.00	89.43	303.70	7299.01	1816.21	-2723.76	3273.76	0.00	465226.01	616878.24	
10400.00	89.43	303.70	7300.01	1871.69	-2806.95	3373.75	0.00	465281.49	616795.05	
10500.00	89.43	303.70	7301.00	1927.16	-2890.15	3473.75	0.00	465336.96	616711.85	
10600.00	89.43	303.70	7302.00	1982.64	-2973.34	3573.74	0.00	465392.44	616628.66	
10700.00	89.43	303.70	7303.00	2038.11	-3056.54	3673.74	0.00	465447.91	616545.46	
10800.00	89.43	303.70	7304.00	2093.59	-3139.74	3773.73	0.00	465503.39	616462.26	
10900.00	89.43	303.70	7305.00	2149.06	-3222.93	3873.73	0.00	465558.86	616379.07	
11000.00	89.43	303.70	7305.99	2204.54	-3306.13	3973.72	0.00	465614.34	616295.87	
11100.00	89.43	303.70	7306.99	2260.01	-3389.32	4073.72	0.00	465669.81	616212.68	
11200.00	89.43	303.70	7307.99	2315.49	-3472.52	4173.71	0.00	465725.29	616129.48	
11300.00	89.43	303.70	7308.99	2370.96	-3555.71	4273.71	0.00	465780.76	616046.29	
11400.00	89.43	303.70	7309.99	2426.44	-3638.91	4373.70	0.00	465836.24	615963.09	
11500.00	89.43	303.70	7310.98	2481.91	-3722.11	4473.70	0.00	465891.71	615879.89	
11600.00	89.43	303.70	7311.98	2537.39	-3805.30	4573.69	0.00	465947.19	615796.70	
11700.00	89.43	303.70	7312.98	2592.86	-3888.50	4673.69	0.00	466002.66	615713.50	
11800.00	89.43	303.70	7313.98	2648.34	-3971.69	4773.68	0.00	466058.14	615630.31	
11900.00	89.43	303.70	7314.98	2703.81	-4054.89	4873.68	0.00	466113.61	615547.11	
12000.00	89.43	303.70	7315.97	2759.29	-4138.08	4973.67	0.00	466169.09	615463.92	
12100.00	89.43	303.70	7316.97	2814.76	-4221.28	5073.67	0.00	466224.56	615380.72	
12200.00	89.43	303.70	7317.97	2870.24	-4304.48	5173.66	0.00	466280.04	615297.52	
12300.00	89.43	303.70	7318.97	2925.71	-4387.67	5273.66	0.00	466335.51	615214.33	
12400.00	89.43	303.70	7319.97	2981.19	-4470.87	5373.65	0.00	466390.99	615131.13	



Weatherford International Ltd.

WFT Plan Report - X & Y's

**Weatherford**

Company: Occidental Permian Ltd. Date: 9/19/2011 Time: 14:42:29 Page: 3
Field: Eddy Co, NM (Nad 27) Co-ordinate(NE) Reference: Well: Fed #1H, Grid North
Site: Goodnight 26 Fed #1H Vertical (TVD) Reference: SITE 3096.5
Well: Fed #1H Section (VS) Reference: Well (0.00N,0.00E,303.70Azi)
Wellpath: Hz Survey Calculation Method: Minimum Curvature Db: Sybase

Survey

MD ft	Incl deg	Azim deg	TVD ft	N/S ft	E/W ft	VS ft	DLS deg/100ft	MapN ft	MapE ft	Comment
12500.00	89.43	303.70	7320.96	3036.66	-4554.06	5473.65	0.00	466446.46	615047.94	
12603.90	89.43	303.70	7322.00	3094.30	-4640.50	5577.54	0.00	466504.10	614961.50	Pbhl

Targets

Name	Description Dip	Dlr	TVD ft	+N/-S ft	+E/-W ft	Map Northing ft	Map Easting ft	Latitude Deg Min Sec	Longitude Deg Min Sec
Pbhl			7322.00	3094.30	-4640.50	466504.10	614961.50	32 16 55.159 N	103 57 40.830 W

Casing Points

MD	TVD	Diameter	Hole Size	Name

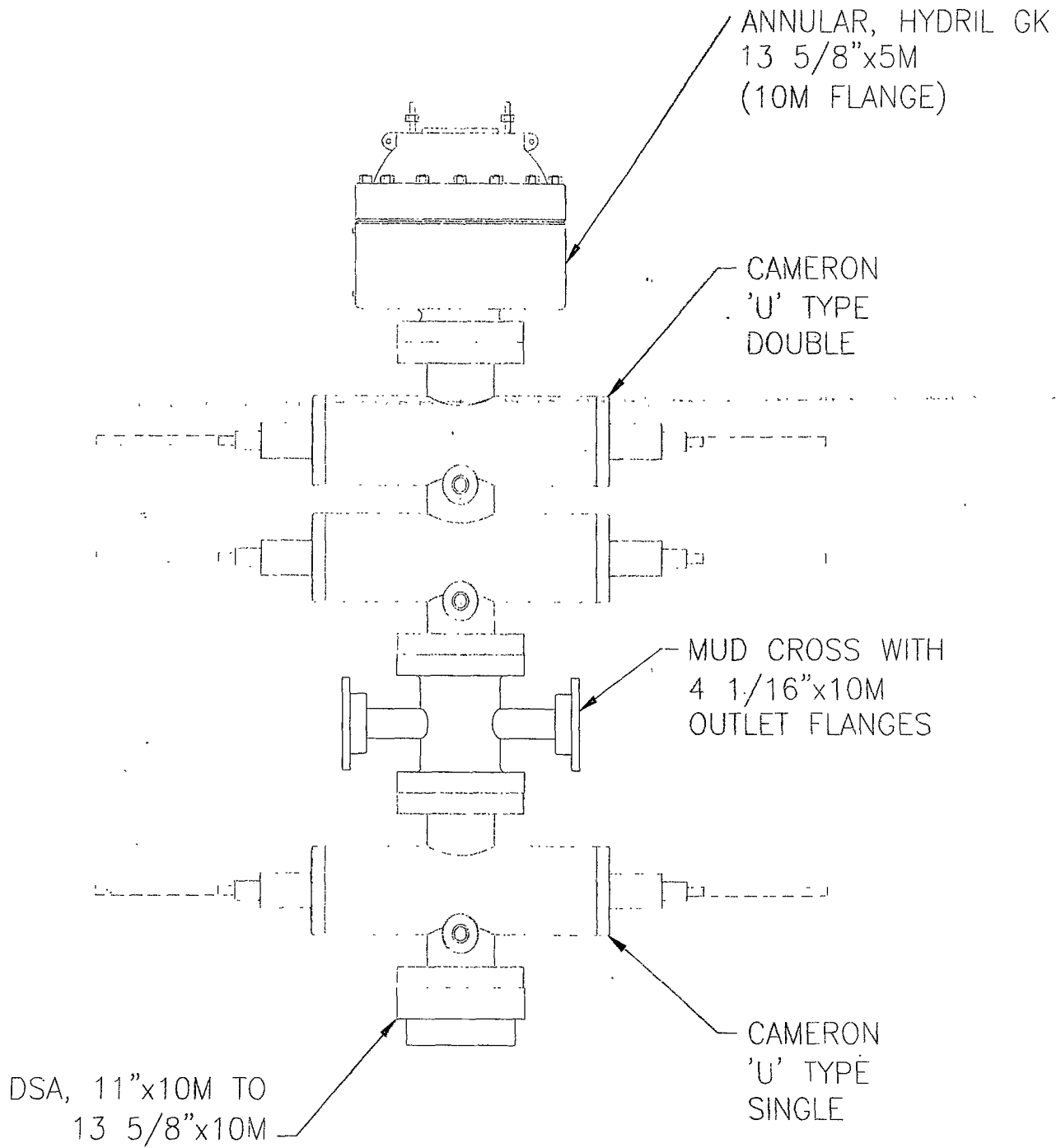
Annotation

MD ft	TVD ft	
6699.07	6699.07	Kop
7593.35	7272.00	Lp
12603.89	7322.00	Pbhl

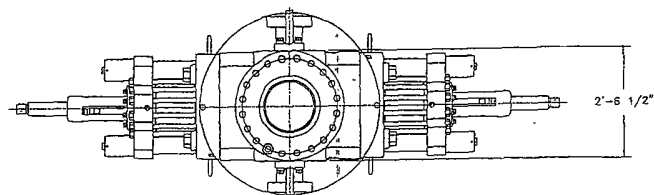
Formations

MD ft	TVD ft	Formations	Lithology	Dip Angle deg	Dip Direction deg
6929.57	6923.40	Top Bone Spring		0.00	0.00

BOP Diagram



BOP STACK



- LEGEND
- ① - 4 1/16"-10M FLANGED END GATE VALVE
 - ② - 4 1/16"-10M FLANGED END GATE VALVE WITH DOUBLE ACTING HYDRAULIC ACTUATOR
 - ③ - 2 1/16"-10M FLANGED END GATE VALVE
 - ④ - 2 1/16"-10M FLANGED END CHECK VALVE
 - ⑤ - DOUBLE STUDDED ADAPTER

SEE LIFT LUG DETAIL

SHAFFER BOLTED-COVER SPHERICAL ANNULAR PREVENTER (API 16A MONOGRAMMED, 13 5/8"-5M WP). 10M BOTTOM FLANGE x 5M STUDDED TOP (WEIGHT = 14,300 LBS WITH SHAFFER API 16A HOT OIL RESISTANT ACRYLONITRILE ELEMENT)

CAMERON UM DOUBLE RAM-TYPE PREVENTER (API 16A MONOGRAMMED, 13 5/8"-10M WP). WITH 5" CAMERON PIPE RAMS (CAMRAM FRONT PACKERS & TOP SEALS) IN TOP CAVITY AND CAMERON DS SHEARING BLIND RAMS IN BOTTOM CAVITY. BOTTOM FLANGE x STUDDED TOP (WEIGHT = 21,100 LBS, WITH RAMS)

13 5/8"-10M WP CAMERON DRILLING SPOOL (API 16A MONOGRAMMED). STUDDED TOP x FLANGED BOTTOM. WITH 4 1/16"-10M WP FLANGED OUTLETS (WEIGHT APPROXIMATELY 6,000 LBS)

CAMERON UM SINGLE RAM-TYPE PREVENTER (API 16A MONOGRAMMED, 13 5/8"-10M WP). WITH 5" CAMERON PIPE RAMS (CAMRAM FRONT PACKERS & TOP SEALS) BOTTOM FLANGE x STUDDED TOP (WEIGHT = 10,900 LBS)

H&P FURNISHED 13 5/8"-10M x 11"-5M ADAPTER SPOOL, 2'-0" LONG, WITH SS RING GROOVES (MARATHON RIGS 255, 256, 257, 258 & 259 ONLY)

11'-1 5/8" CLOSED

12'-5 3/8" OPERATING

16'-5" OPENED

13 5/8-10M STACK

3'-11 7/8"

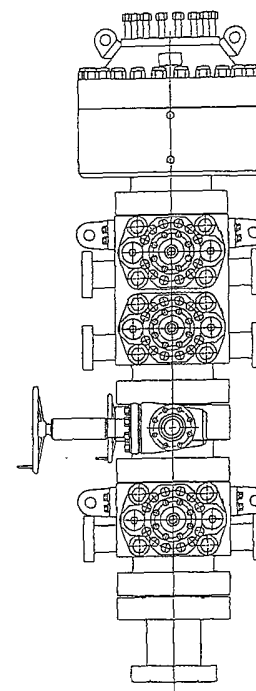
4'-3 7/8"

14'-7 1/2"

1'-8 7/8"

2'-6 7/8"

2'-0"



CAMERON LIFT EYES, 2 PER PREVENTER, 50 SHORT TON RATED CAPACITY EACH

ISSUED FOR FABRICATION
December-18-2007
DRAFTSMAN
ENGINEER

API 6A MONOGRAMMED CAMERON CHOKE AND KILL WING VALVE ASSEMBLIES ARE NOT SHOWN FOR CLARITY

WEIGHTS DO NOT INCLUDE HOSES, ADAPTER SPOOLS OR QUICK CONNECT FITTINGS

PROPRIETARY

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HELMERICH & PAYNE
INTERNATIONAL DRILLING CO.

ENGINEERING APPROVAL DATE

TITLE

13 5/8"-10M BOP 3 RAM STACK
FLEXRIG3

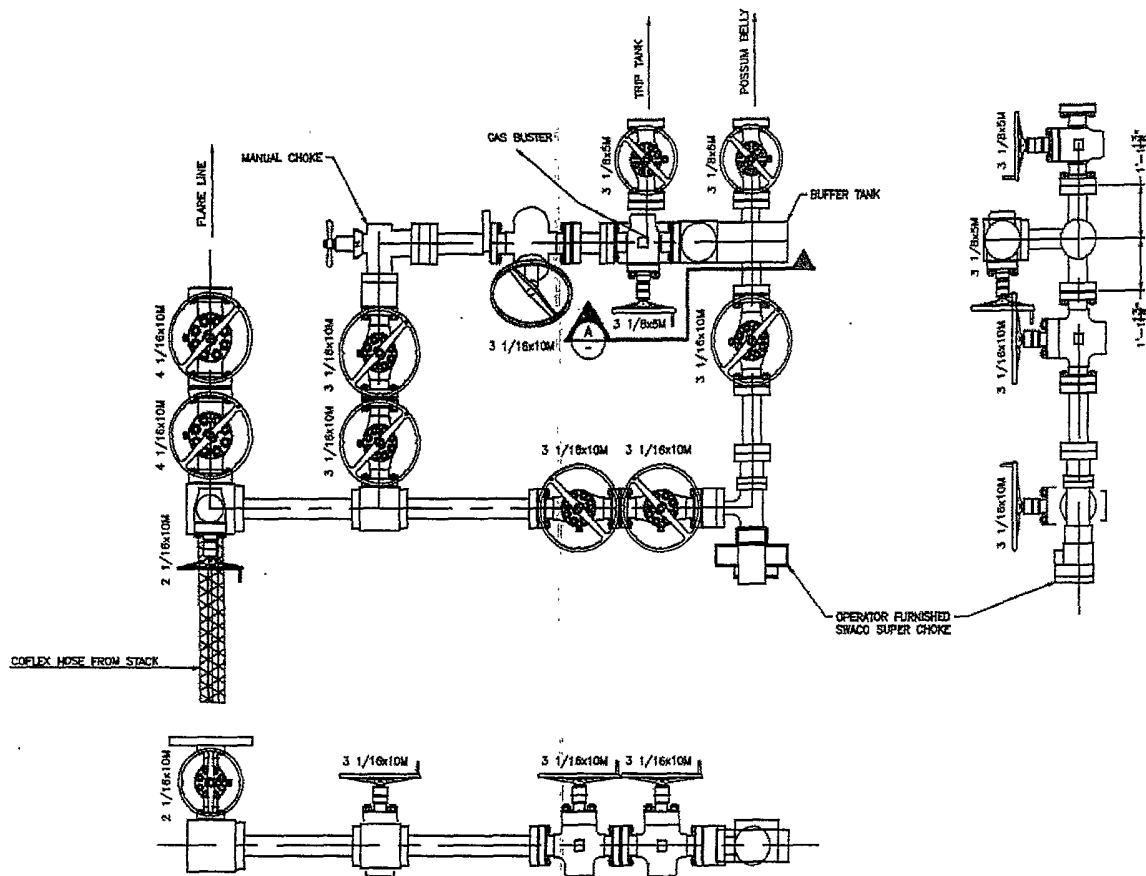
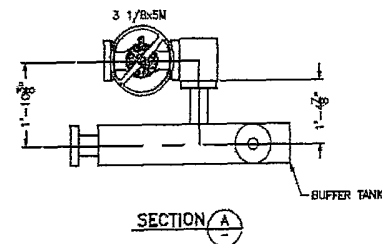
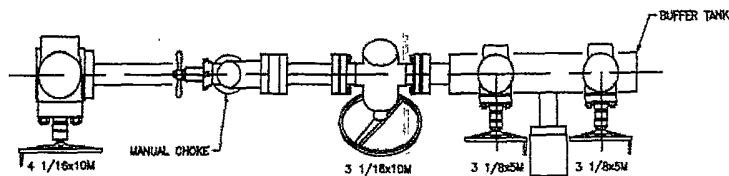
CUSTOMER: H&P

PROJECT: FLEXRIG3

DRAWN: MTS DATE: 6-5-02 DWG NO:

SCALE: 3/4"=1' SHEET 1 OF 1 210-P1-07 E

REV	DATE	DESCRIPTION	BY
1	12/18/07	ADDED SHEET 03	JAV
2	4-10-07	ORIGINAL REVISION: DOUBLE STUDDED ADAPTER VALVES 1, 2, & 3 AND DS CHECK VALVE ADDED	JBG
3	4-04-07	5" ADDED TO SPACER ADAPTER SPOOL	JBG
4	02-07-07	ADDED ADAPTER SPOOL	MWL
5	06-13-02	CORRECTED BOP STACK	MWL



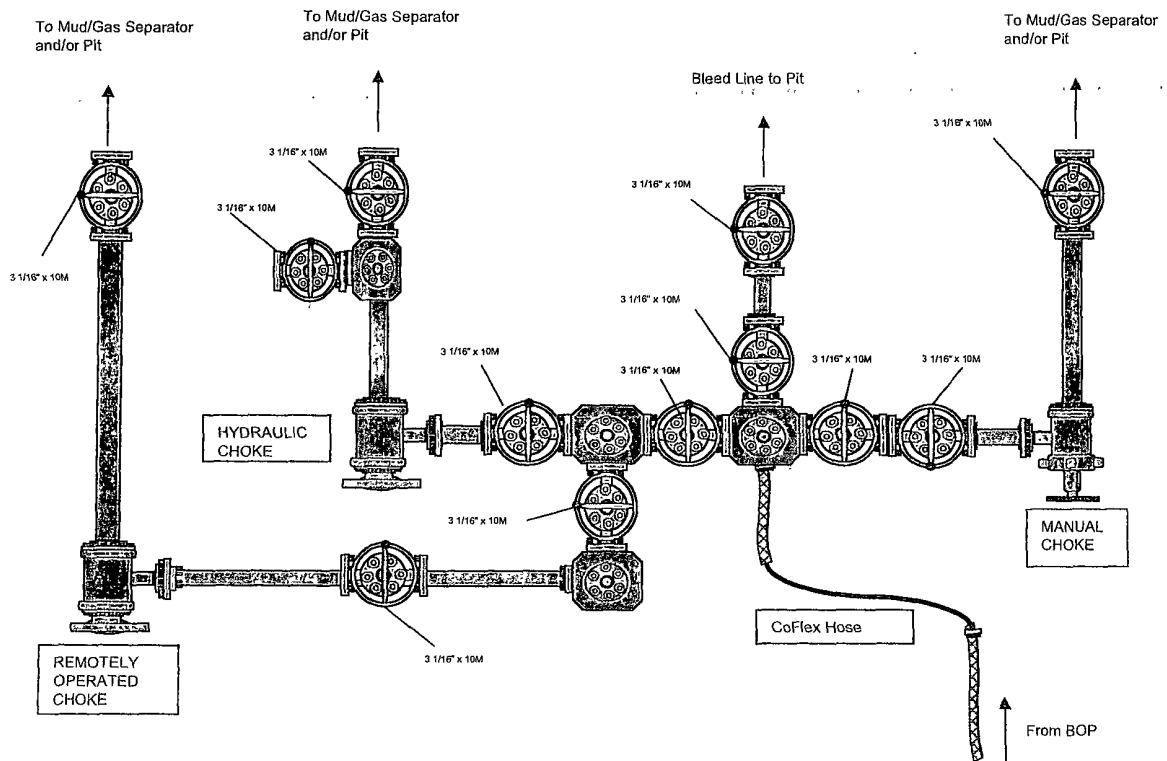
**ISSUED FOR
FABRICATION**
MARCH 9, 2003
DRAFTSMAN _____
ENGINEER _____

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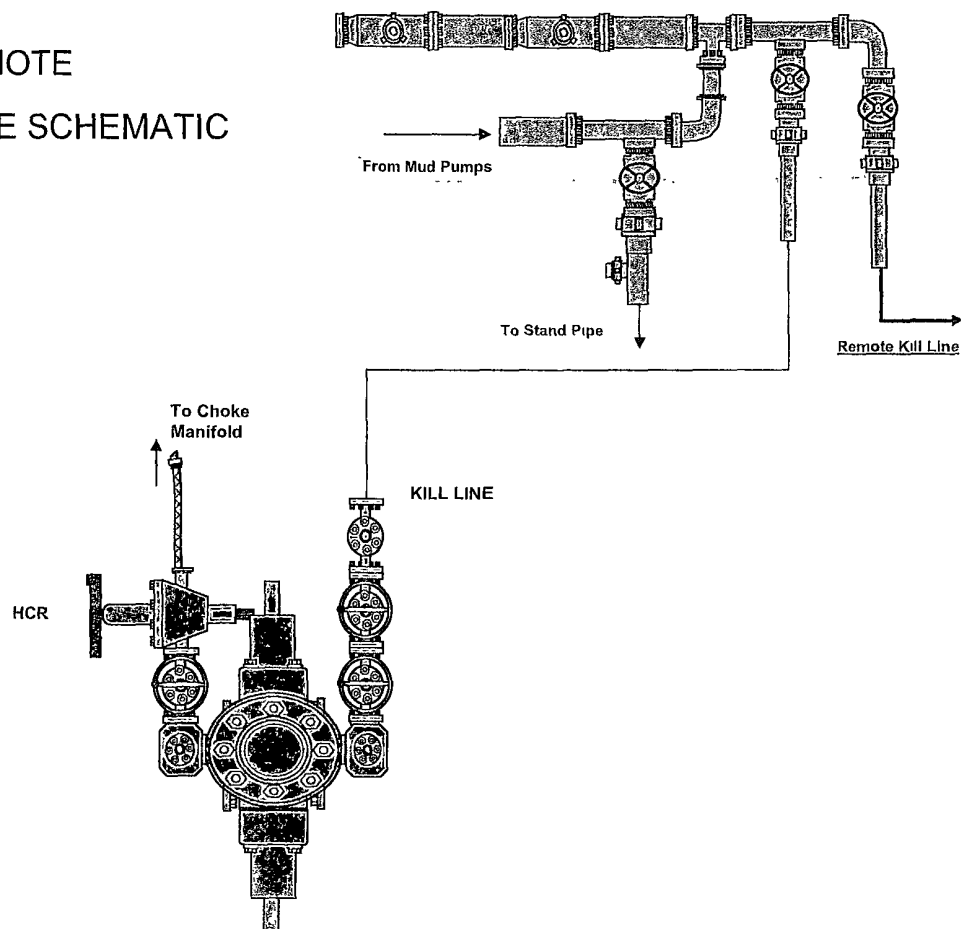
ENGINEERING APPROVAL		DATE	TITLE
△			CHOKE MANIFOLD
△			
△			
△			
△	10/15/02	ADJUST DIM TO FIELD CONFIRMED DIM	RAY
REV	DATE	DESCRIPTION	BY
1			
2			
3			
4			
5			
6			
7			
8			
9			
10			

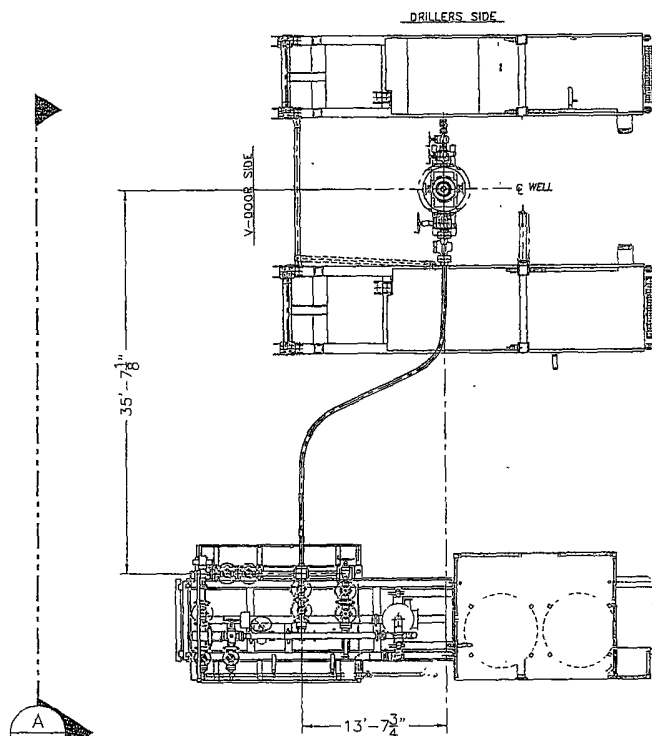
HELMERICH & PAYNE INTERNATIONAL DRILLING CO.	
CUSTOMER: H&P	
PROJECT: FLEXWIG3	
DRAWN: MTS	DATE: 2-28-02
SCALE: 3/4"=1'	SHEET: 1 OF 1
DWG. NO.: 216-P1-05	REV: A

10M CHOKE MANIFOLD CONFIGURATION

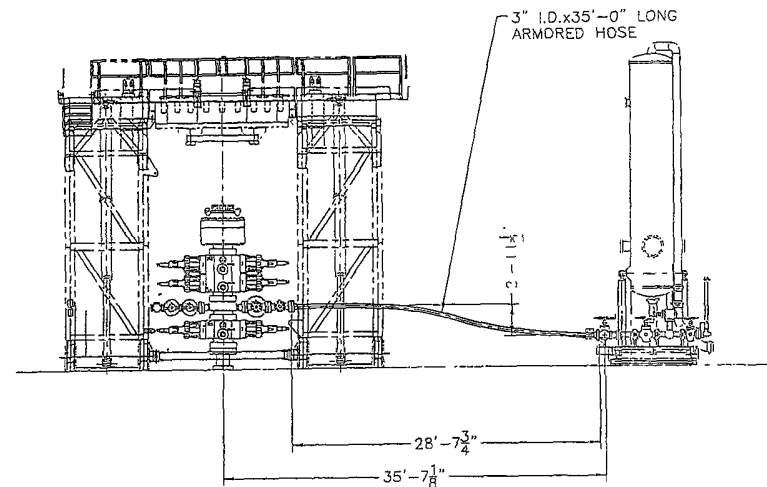


10M REMOTE
KILL LINE SCHEMATIC





PLAN VIEW



SECTION "A"

**ISSUED FOR
FABRICATION**
December-19-2007
DRAFTSMAN _____
ENGINEER _____

PROPRIETARY

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OFFICER OF HELMERICH & PAYNE INT'L DRILLING CO.

ENGINEERING APPROVAL		DATE	TITLE	
[Signature]			HELMERICH & PAYNE INTERNATIONAL DRILLING CO.	
CHOKE LINE SYSTEM FLEXRIG3				
CUSTOMER				
PROJECT				
REV	DATE	DESCRIPTION	BY	SCALE
1	12/18/07	REMOVED SHEET TOTAL CALLOUT	JAV	3/16"=1'
DRAWN		DATE	DWG. NO.	REV
JBG		4-10-07		
SHEET 2 OF 3		210-P1-07 A		

40' = 0" x 10' - 0
RIG OFFICE TRAILER

MEETING/CHANGE HOUSE
40'-0"x10'-0"

CERTIFICATE OF CONFORMITY

Supplier : CONTITECH RUBBER INDUSTRIAL KFT.
Equipment : 6 pcs. Choke and Kill Hose with installed couplings
Type : 3" x 10,67 m WP: 10000 psi
Supplier File Number : 412638
Date of Shipment : April. 2008
Customer : Phoenix Beattie Co.
Customer P.o. : 002491
Referenced Standards
/ Codes / Specifications : API Spec 16 C
Serial No.: 52754,52755,52776,52777,52778,52782

STATEMENT OF CONFORMITY

We hereby certify that the above items/equipment supplied by us are in conformity with the terms, conditions and specifications of the above Purchaser Order and that these items/equipment were fabricated inspected and tested in accordance with the referenced standards, codes and specifications and meet the relevant acceptance criteria and design requirements.

COUNTRY OF ORIGIN HUNGARY/EU

Signed :



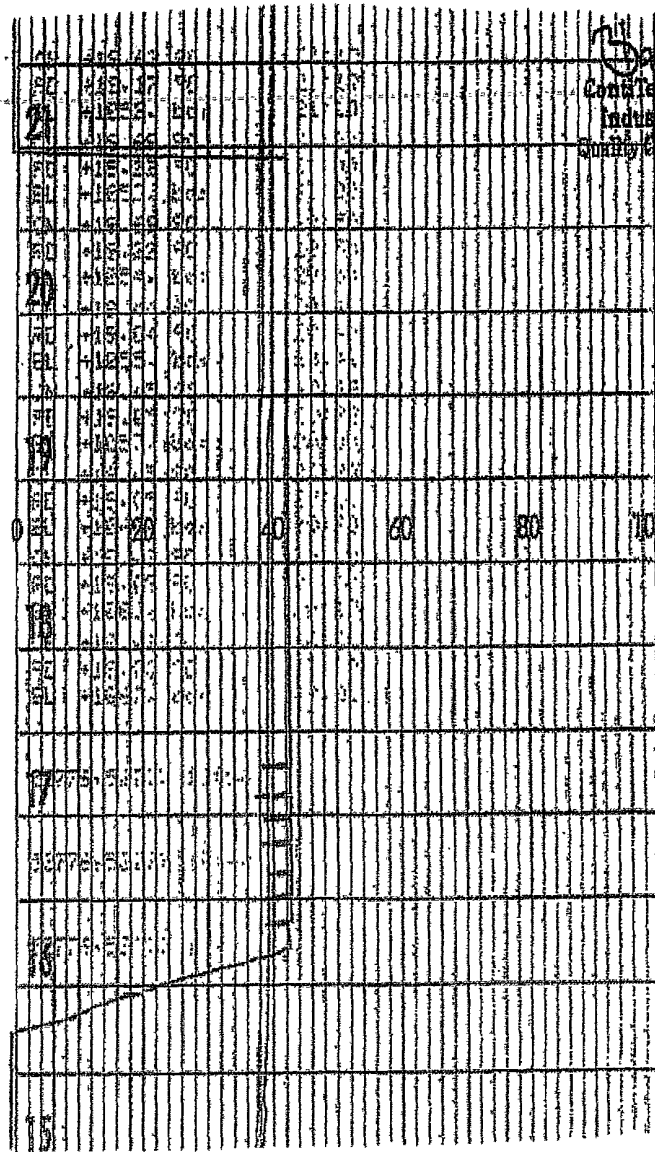
Position: Q.C. Manager

Contitech Rubber
Industrial Kft.
Quality Control Dept.
(1)

Date: 04. April. 2008

Coflex Hose Certification

Page: 1/1



Baca
ContiTech Rubber
Industrial Kft.
Quality Control Dept.
(3)

[illegible]

We hereby certify that these goods have been inspected by our Quality Management System, and to the best of our knowledge are found to conform to relevant industry standards within the requirements of the purchase order as issued to Phoenix Beattie Corporation.

06/03/02

Coflex Hose Certification

Coflex Hose Certification

Form No 100/12

**Phoenix Beattie Corp**

11636 Britton Park Drive
Houston, TX 77041
Tel: (832) 327-0141
Fax: (832) 327-0148
E-mail: mail@phoenixbeattie.com
www.phoenixbeattie.com

Delivery Note

Customer Order Number	370-369-001	Delivery Note Number	003078	Page	1
Customer / Invoice Address HELMERICH & PAYNE INT'L DRILLING CO 1437 SOUTH BOULDER TULSA, OK 74119		Delivery / Address HELMERICH & PAYNE IDC ATTN: JOE STEPHENSON - RIG 370 13609 INDUSTRIAL ROAD HOUSTON, TX 77015			

Customer Acc No	Phoenix Beattie Contract Manager	Phoenix Beattie Reference	Date
H01	JJL	006330	05/23/2008

Item No	Beattie Part Number / Description	Qty Ordered	Qty Sent	Qty To Follow
1	HP10CK3A-35-4F1 3" 10K 16C C&K HOSE x 35ft OAL CW 4.1/16" API SPEC FLANGE E/ End 1: 4.1/16" 10Kpsi API Spec 6A Type 6BX Flange End 2: 4.1/16" 10Kpsi API Spec 6A Type 6BX Flange c/w BX155 Standard ring groove at each end Suitable for H2S Service Working pressure: 10,000psi Test pressure: 15,000psi Standard: API 16C Full specification Armor Guarding: Included Fire Rating: Not Included Temperature rating: -20 Deg C to +100 Deg C	1	1	0
2	SECK3-HPF3 LIFTING & SAFETY EQUIPMENT TO SUIT HP10CK3-35-F1 2 x 160mm ID Safety Clamps 2 x 244mm ID Lifting Collars & element C's 2 x 7ft Stainless Steel wire rope 3/4" OD 4 x 7.75t Shackles	1	1	0
3	SC725-200CS SAFETY CLAMP 200MM 7.25T C/S GALVANISED	1	1	0

Continued...

All goods remain the property of Phoenix Beattie until paid for in full. Any damage or shortage on this delivery must be advised within 5 days.
Returns may be subject to a handling charge.

Coflex Hose Certification



Fluid Technology

Quality Document

QUALITY CONTROL INSPECTION AND TEST CERTIFICATE				CERT. N°: 746	
PURCHASER: Phoenix Beattie Co.				P.O. N°: 002491	
CONTITECH ORDER N°: 412638		HOSE TYPE: 3" ID Choke and Kill Hose			
HOSE SERIAL N°: 52777		NOMINAL / ACTUAL LENGTH: 10,67 m			
W.P. 68,96 MPa 10000 psi		T.P. 103,4 MPa 15000 psi		Duration: 60 ~ min.	
<p>Pressure test with water at ambient temperature</p> <p align="center">See attachment. (1 page)</p> <p>↑ 10 mm = 10 Min. → 10 mm = 25 MPa</p>					
COUPLINGS					
Type	Serial N°		Quality	Heat N°	
3" coupling with 4 1/16" Flange end	917 913		AISI 4130	T7998A	
			AISI 4130	28984	
INFOCHIP INSTALLED				API Spec 16 C Temperature rate: "B"	
All metal parts are flawless					
WE CERTIFY THAT THE ABOVE HOSE HAS BEEN MANUFACTURED IN ACCORDANCE WITH THE TERMS OF THE ORDER AND PRESSURE TESTED AS ABOVE WITH SATISFACTORY RESULT.					
Date:	Inspector		Quality Control		
04. April. 2008			Contitech Rubber Industrial Kft. Quality Control Dept. (1)		

Coflex Hose Certification

Form No 100/12



Phoenix Beattie Corp

11535 Brittanmore Park Drive
Houston, TX 77041
Tel: (832) 327-0141
Fax: (832) 327-0148
E-mail: mail@phoenixbeattie.com
www.phoenixbeattie.com

Delivery Note

Customer Order Number	370-369-001	Delivery Note Number	003078	Page	2
Customer / Invoice Address HELMERICH & PAYNE INT'L DRILLING CO 1437 SOUTH BOULDER TULSA, OK 74119		Delivery / Address HELMERICH & PAYNE IDC ATTN: JOE STEPHENSON - RIG 370 13609 INDUSTRIAL ROAD HOUSTON, TX 77015			

Customer Acc'No	Phoenix Beattie Contract Manager	Phoenix Beattie Reference	Date
H01	JJL	006330	05/23/2008

Item No	Beattie Part Number / Description	Qty Ordered	Qty Sent	Qty To Follow
4	SC725-132CS SAFETY CLAMP 132MM 7.25T C/S GALVANIZED C/W BOLTS	1	1	0
5	00CERT-HYDRO HYDROSTATIC PRESSURE TEST CERTIFICATE	1	1	0
6	00CERT-LOAD LOAD TEST CERTIFICATES	1	1	0
7	00FREIGHT INBOUND / OUTBOUND FREIGHT PRE-PAY & ADD TO FINAL INVOICE NOTE: MATERIAL MUST BE ACCOMPANIED BY PAPERWORK INCLUDING THE PURCHASE ORDER, RIG NUMBER TO ENSURE PROPER PAYMENT	1	1	0

Phoenix Beattie Inspection Signature :

Received in Good Condition : Signature

Print Name

Date

All goods remain the property of Phoenix Beattie until paid for in full. Any damage or shortage on this delivery must be advised within 5 days. Returns may be subject to a handling charge.

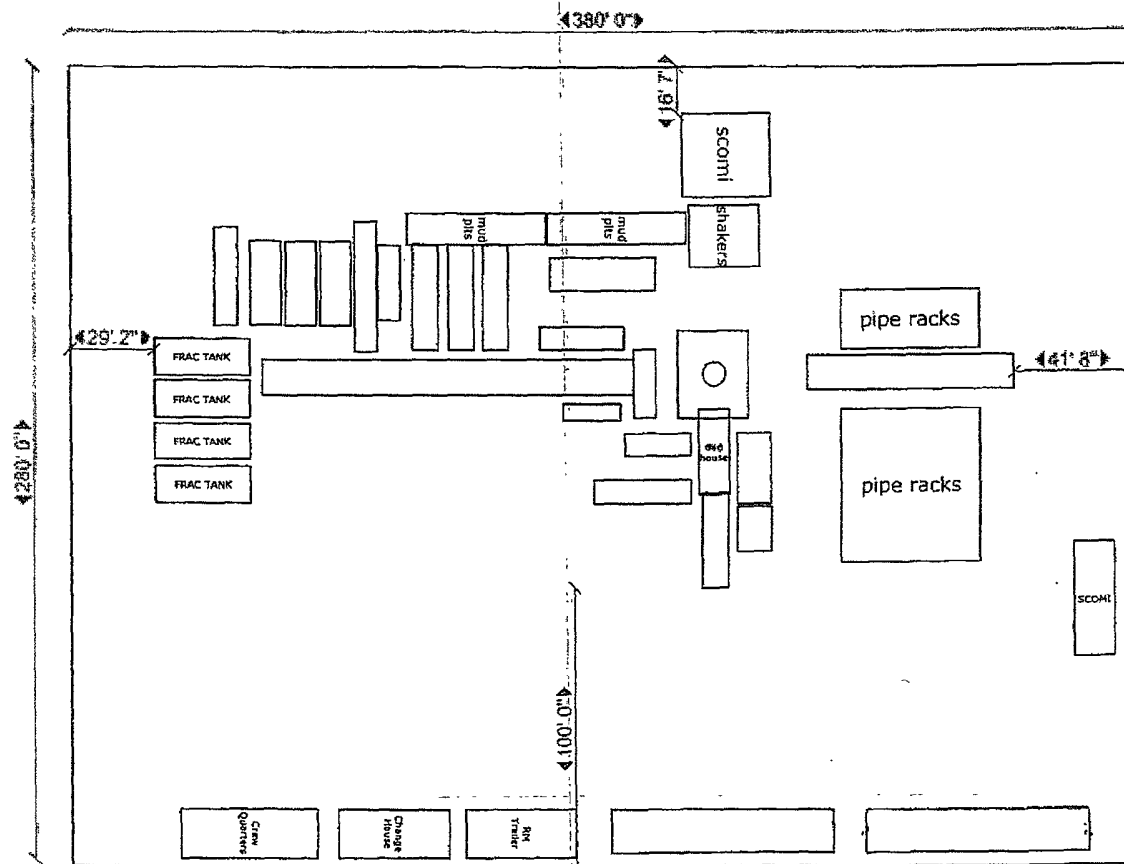
[illegible]



Wellname:		Permit #:		Rig Mohe Date:	
County:				Rig Demohbe Date:	

[illegible]

***Any leak of the steel tanks, lines or pumps shall be reported to the NMOCD and repaired within 48 hours.**



OXY Permian

EMERGENCY ACTION PLAN

Goodnight 26 Federal #1H

DRILLING/WORKOVER

DRILLING AND CRITICAL WELL OPERATIONS

**DRILLING/WORKOVER
DRILLING AND CRITICAL WELL OPERATIONS
EMERGENCY ACTION PLAN**

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PREFACE

An effective and viable Emergency Action Plan (EAP) is intended to provide prior planning and guidance in responding to emergency incidents. The primary considerations in its development are protection of personnel, the public, company and public property, and the environment.

Although the plan addresses varied emergency situations that may occur, it recognizes that flexibility and the use of the organization's knowledge and experience is critical to safe resolution of emergency incidents. Response actions outlined in the plan provide a framework, which may be placed into operation without confusion. These actions should promote quick and decisive actions during the critical initial period and immediately following an emergency. As the response progresses, additional guidelines and procedures may need to be implemented as the situation dictates. In addition, all emergency incidents must be properly reported per the Oxy Incident Reporting and Notification Policy, state and federal requirements, etc.

The following procedures are provided as Oxy Permian's minimum expectations. The Contractor's own procedures may be utilized in lieu of Oxy Permian's, provided that it meets or exceeds the minimum deliverables. It should be understood that this list is not all-inclusive, but the overall plan should assist in lateral application to similar incidents.

This EAP is intended for use on Oxy Drilling/Workover projects and the operations within their area of responsibility, such as drilling, critical well work, etc.

EMERGENCY RESPONSE ACTIVATION AND GENERAL RESPONSIBILITIES

Activation of the Emergency Action Plan

- A. In the event of any emergency situation, all personnel on location should first ensure that the following items are initiated. After that, they should refer to the appropriate Specific Emergency Guidance sections on pages five (5) through nine (9) in this document for further responsibilities:
1. Notify the senior ranking contract representative on site.
 2. Notify Oxy representative in charge.
 3. Notify civil authorities if the Oxy Representative cannot be contacted and the situation dictates.
 4. Perform rescue and first aid as required (without jeopardizing additional personnel).

General Responsibilities

Oxy Permian Personnel:

- A. Drill Site Manager: The Oxy Drilling/Critical Well Servicing Operations Specialist or contract personnel serving in that capacity will serve as Operations Chief Officer for all emergency incidents. The Operations Chief Officer is responsible for:
1. Notification to the Drilling/Workover Team Leader of the incident occurrence.
 2. Notification to the local RMT/PMT leader of the incident occurrence, and the need for the designated local RMT/PMT Incident Commander to act in that capacity for the response effort.
 3. Sole control of all tactical activities directed toward reducing the immediate hazard, establishing situational control and restoring the operations to a non-emergency state.
- B. Local RMT/PMT Designated Incident Commander: The Oxy local RMT/PMT Designated Incident Commander will serve as the overall Incident Commander for the drilling or critical well servicing emergency incident. The Incident Commander is responsible for:
1. Coordinating with the Drilling Manager for notification to the Oxy Crisis Management team of the incident occurrence.
 2. Establishing and managing the overall incident command structure and response from inception through restoration of normal activities in the area.
- C. Drilling/Workover HES Tech: The Drilling/Workover HES Tech (or his designate) is responsible for reporting to the incident as soon as reasonably possible, to provide support to the response effort as required by the Operations Chief Officer or the Incident Commander.

Contract Drilling Personnel will immediately report to their assigned stations and perform their duties as outlined in the appropriate Specific Emergency Guidance sections on pages five (5) through nine (9) in this document.

Other Contractor Personnel will report to the safe briefing area to assist Oxy personnel and civil authorities as requested when it is safe to do so and if they have been adequately trained in their assigned duties.

Civil Authorities (Law Enforcement, Fire, and EMS) will be responsible for:

1. Establishing membership in the Unified Incident Command.
2. As directed by the Incident Commander and the Unified Incident Command, control site access, re-route traffic, and provide escort services for response personnel.
3. Perform all fire control activities in coordination with the Unified Command.
4. Initiate public evacuation plans as instructed by the Incident Commander.
5. Perform rescue or recovery activities with coordination from the Unified Command.
6. Provide medical assistance as dictated by the situation at hand.

WELL CONTROL

The following procedures will be implemented when a loss of primary control is indicated. Indicators of loss of primary control are flow from the well, an increase in pit volume, or when the drilling fluid used to fill the hole on trips is less than the calculated pipe displacement volume. The emergency signal for well control procedures will be a single long blast of the rig air horn.

Kick While Drilling - Procedures And Responsibilities

Driller:

1. Stop the rotary and hoist the kelly above the rotary table.
2. Stop the mud pump(s).
3. Check for flow.
4. If flowing, sound the alarm immediately.
5. Ensure that all crew members fill their responsibilities to secure the well.
6. Record drill pipe and casing shut-in pressures and pit volume increase and begin kill sheet.

Derrickman:

1. Go to BOP/choke manifold area.
2. Open choke line valve on BOP.
3. Signal to Floorman #1 that the choke line is open.
4. Close chokes after annular or pipe rams are closed.
5. Record shut-in casing pressure and pit volume increase.
6. Report readings and observations to Driller.
7. Verify actual mud weight in suction pit and report to Driller.
8. Be readily available as required for additional tasks.

Floorman # 1:

1. Go to accumulator control station and await signal from Derrickman.
2. Close annular preventer and HCR on signal (if available, if not then close pipe rams).
3. Record accumulator pressures and check for leaks in the BOP or accumulator system.
4. Report to Driller, and be readily available as required for additional tasks.

Floorman # 2:

1. Start water on motor exhausts.
2. Notify Contractor Tool Pusher or Rig Manager of well control situation.
3. Check location for ignition sources and extinguish or turn off, and stop any welding in progress.
4. Report to Driller, and be readily available as required for additional tasks.

Floorman # 3:

1. Stand-by with Driller, and be readily available as required for additional tasks.

Tool Pusher/Rig Manager:

1. Notify Oxy Representative and report to rig floor.
2. Review and verify all pertinent information.
3. Communicate information to Oxy Representative, and confer on an action plan.
4. Finalize well control worksheets, calculations and preparatory work for action plan.
5. Initiate and ensure the action plan is carried out.
6. Communicate any changes in well or site conditions, or any indications that the action plan needs to be revised to the Oxy representative.

Oxy Representative:

1. Notify Drilling Superintendent or Drilling Manager and RMT Leader or Local Incident Commander, and Police, Fire Department, or other local emergency services as required.

WELL CONTROL (continued)

Kick While Tripping - Procedures and Responsibilities

Driller:

1. Sound the alarm immediately when pipe displacement volume is less than 75% of calculated.
2. Position the upper tool joint just above rotary table and set slips.
3. Check for flow.
4. Ensure that all crew members fill their responsibilities to secure the well.
5. Record drill pipe and casing shut-in pressures and pit volume increase, and begin kill sheets.

Derrickman: (same as while drilling)

Floor Man # 1:

1. Install full opening valve (with help from Floorman #2) in top drill string connection.
2. Tighten valve with make up tongs.
3. Go to accumulator control station and await signal from Derrickman.
4. Close annular preventer and HCR valve on signal (if available, if not then close pipe rams).
5. Record accumulator pressures and check for leaks in the BOP and accumulator system.
6. Report to Driller, and be readily available as required for additional tasks.

Floor Man # 2:

1. Assist installing full opening valve in drill string.
2. Position back-up tongs for valve make-up.
3. Start water on motor exhausts.
4. Notify Contractor Tool Pusher or Rig Manager of well control situation.
5. Check location for ignition sources and extinguish or turn off, and stop any welding in progress.
6. Report to Driller, and be readily available as required for additional tasks.

Floorman # 3, Rig Manager/Tool Pusher, and Oxy Representative: (same as while drilling)

H2S RELEASE

The following procedures and responsibilities will be implemented on activation of the H2S siren and lights.

All Personnel:

1. On alarm, don escape unit (if available) and report to upwind briefing area.

Rig Manager/Tool Pusher:

1. Check that all personnel are accounted for and their condition.
2. Administer or arrange for first aid treatment, and /or call EMTs as needed.
3. Identify two people best suited to secure well and perform rescue, and instruct them to don SCBA.
4. Notify Contractor management and Oxy Representative.
5. Remain at the briefing area, assess and monitor personnel and overall situation for hazards or conditions that might warrant a change in the action plan.

Two People Responsible For Shut-in and Rescue:

1. Don SCBA and acquire tools to secure well and perform rescue, i.e., wrenches, retrieval ropes, etc.
2. Utilize the buddy system to secure well and perform rescue(s).
3. Return to the briefing area and stand by for further instructions.

All Other Personnel:

1. Remain at the briefing area and await further instructions - do not leave unless instructed.

Oxy Representative:

1. Remain at the briefing area, assess and monitor personnel and overall situation for hazards or conditions that might warrant a change in the action plan.
2. Notify Drilling Superintendent or Drilling Manager and RMT Leader or Local Incident Commander, and Police, Fire Department, or other local emergency services as required.

PERSONAL INJURY OR DEATH

Call for assistance, and then administer first aid for the injured. Treatment should be prioritized by life-threatening conditions.

- A. Do not move injured personnel unless they are in imminent danger. An ambulance should be summoned for any injury that appears to be serious.

FIRE OR EXPLOSION

Fire Fighting Philosophy

It is Oxy Permian's intent that Oxy and contract personnel will only extinguish incipient or beginning stage fires and perform or assist in initial non-threatening rescue operations. The responding fire department will be given primacy when they arrive to control a fire on any Oxy property. Any Oxy or contract employee who participates in a fire response must be fully trained and qualified as such, and must be utilizing appropriate Personal Protective Equipment.

Contract and Oxy Personnel Deployment

In the event of a fire or explosion all personnel will report to the safe briefing area. The Senior Contract Representative on site will designate personnel for rescue as appropriate depending on their qualifications and the risks of the rescue. Any rescue which involves significant risk to those performing the rescue should be deferred to professional response personnel.

No personnel will leave the area without direction / permission from the Senior Contract Representative on-site.

The Senior Contract Representative on site will notify local emergency response personnel as required, along with the Contract Company management and the Oxy Representative as soon as reasonably possible.

SPILLS

In the event of a significant spill of any substance, the person discovering it should immediately notify the rig supervisor and the Oxy Representative. Personnel onsite should **NOT** attempt identification, control or containment unless they are absolutely sure of the product spilled, are fully aware of the hazard characteristics, and are equipped with the appropriate personal protective equipment.

HYDROCARBON VAPOR CLOUD RELEASE

Upon discovery of a Hydrocarbon Vapor Cloud (NGL) release, take immediate safety precautions to protect any company personnel or others that might be in the area. Other emergency actions should be initiated only by trained expert personnel from the appropriate pipeline company.

The following guidelines should be followed:

1. Immediately notify the rig supervisor and the Oxy Representative.
2. Determine wind direction, and evacuate upwind or at 90 degrees to the release.
3. Maintain a safe distance from the cloud.
4. Render first aid and call for an ambulance as necessary.
5. Attempt to warn approaching individuals of the hazard.

BOMB THREAT

In the event of a bomb threat, the person receiving the call, on or off site, should try to get as much information as possible from the caller. The person receiving the call should immediately contact the supervisor in charge. Evacuation of the field should be considered at this time. Roadblocks may need to be installed. The supervisor in charge should make all appropriate contacts.

The Supervisor contacted should:

- a. Realize that every bomb threat is serious.
- b. Notify Corporate Security
- c. Inform Police/Sheriff's Department and Fire Department
- d. Contact RMT Leader or his designated relief to coordinate search efforts with the assistance of the local law enforcement agencies.

BOMB THREAT CHECKLIST

Date _____ Name of person taking call _____ Phone # call came on _____

FILL OUT COMPLETELY IMMEDIATELY AFTER BOMB THREAT

1. When is the bomb set to explode? _____
2. Where is the bomb located? _____
3. What does the bomb look like? _____
4. What type of bomb is it? _____
5. What will cause the bomb to explode? _____
6. Did the caller place the bomb? _____
7. Why did the caller place the bomb? _____
8. What is the caller's name and address? _____

Callers: Sex _____ Age _____ Race _____ Length of call _____

DESCRIPTION OF CALLER'S VOICE (Check all that apply)

<input type="checkbox"/> Calm	<input type="checkbox"/> Rapid	<input type="checkbox"/> Laughing	<input type="checkbox"/> Lisp	<input type="checkbox"/> Disguised
<input type="checkbox"/> Angry	<input type="checkbox"/> Crying	<input type="checkbox"/> Raspy	<input type="checkbox"/> Accent	<input type="checkbox"/> Familiar? Who did
<input type="checkbox"/> Excited	<input type="checkbox"/> Normal	<input type="checkbox"/> Deep	<input type="checkbox"/> Stutter	it sound like?
<input type="checkbox"/> Slow	<input type="checkbox"/> Distinct	<input type="checkbox"/> Ragged	<input type="checkbox"/> Deep	<input type="checkbox"/> Deep Breathing
<input type="checkbox"/> Loud	<input type="checkbox"/> Slurred	<input type="checkbox"/> Nasal	<input type="checkbox"/> Clearing Throat	

BACKGROUND SOUNDS:

<input type="checkbox"/> Street	<input type="checkbox"/> House	<input type="checkbox"/> Factory	<input type="checkbox"/> Music	<input type="checkbox"/> Local Call
<input type="checkbox"/> Noises	<input type="checkbox"/> Noises	<input type="checkbox"/> Machinery	<input type="checkbox"/> Static	<input type="checkbox"/> Long Distance
<input type="checkbox"/> Voices	<input type="checkbox"/> Motor	<input type="checkbox"/> Animals	<input type="checkbox"/> PA System	<input type="checkbox"/> Phone Booth
<input type="checkbox"/> Office	<input type="checkbox"/> Clear	<input type="checkbox"/> Other		

THREAT LANGUAGE:

<input type="checkbox"/> Well-Spoken	<input type="checkbox"/> Foul	<input type="checkbox"/> Incoherent	<input type="checkbox"/> Irrational	<input type="checkbox"/> Taped
<input type="checkbox"/> Message Read by Threat Maker				

REMARKS:

NATURAL DISASTERS

Tornadoes

These general procedures should be followed by everyone seeking shelter from a severe storm or tornado:

Indoors:

1. Protect yourself from flying glass and debris.
2. Take refuge near the core of the building for maximum protection.
3. Do not smoke while taking shelter.
4. Shut all doors to offices, if time permits.

In the field:

1. Seek cover in a low-lying area, such as a culvert, ditch, pit, or water injection valve box.
2. Get out of and away from your vehicle.
3. Stay away from power lines.
4. Cover your head with your arms and clothing.

Thunderstorms

Indoors:

1. Avoid water pipes, sinks, showers, tubs, etc.
2. Stay away from doors and windows.
3. Do not use the telephone.
4. Take off head sets.
5. Turn off, unplug, and stay away from appliances, computers, power tools, & TV sets.

In the field:

1. Avoid water.
2. Avoid high ground and open spaces.
3. Avoid all metal objects including electric wires, fences, machinery, motors, power tools, etc. Unsafe places include underneath canopies, small picnic or rain shelters, or near trees. Where possible, find shelter in a substantial building or in a fully enclosed metal vehicle such as a car, truck or a van with the windows completely shut. If lightning is striking nearby when you are outside, you should:
 - a. Crouch down, feet together, hands over ears
 - b. Avoid proximity (minimum of 15 ft.) to other people.
4. SUSPEND ACTIVITIES for 30 minutes after the last observed lightning or thunder.

PUBLIC RELATIONS

Oxy recognizes that the news media have a legitimate interest in incidents at Oxy facilities that could affect the public. It is to the company's benefit to cooperate with the news media when incidents occur because these media are our best liaison with the public.

Our objective is to see that all reports of any emergency are factual and represent the company's position fairly and accurately. Cooperation with news media representatives is the most reliable guarantee that this objective will be met.

All contract and Oxy employees are instructed **NOT** to make any statement to the media concerning the emergency incident. If a media representative contacts any employee, they should refer them to the designated Emergency Command Center where they should contact the Incident Commander or his designated relief for any information concerning the incident.

Drilling Dept. Emergency Contact list

Drilling Manager Douglas Chester 713-366-9124 office
713-918-9124 cell

Drilling Superintendent Travis Smaford 713-215-7849 office
281-684-6897 cell

Drilling Superintendent Sergio Abauat 432-366-5689 office
432-893-3067 cell

Drilling Engr Supervisor Camilo Arias 713-366-5953 office
281-468-4652 cell

Drilling Engr Supervisor Frank Hutton 713-366-5325 office
713-855-4274 cell

HES Specialist-Drilling Robert Lovelady 432-685-5630 office
432-813-6332 cell

HES Specialist-Drilling Charles Bullard 432-685-5719 office
432-894-3769 cell

Construction Specialist Dusty Weaver 432-685-5723 office
806-893-3067 cell

OXY Permian Incident Reporting Phone List
OXY Permian Crisis Team Hotline Notification

(713) 935-7210

Person	Location	Office Phone	Cell/Mobile Phone
Asset Management-Operations Areas			
OXY Permian Primary President & General Manager: Michael Land	Houston	(310) 443-6255	
Asset Development Manager-Denise Woods	Houston	(713) 215-7154	(832) 830-5273
Operations Manager-Keith Sevin	Houston	(713) 366-5979	(432) 661-4121
OXY Permian CO2 President & General Manager: Vicki Hollub	Houston	(713)-215-7332	(713) 885-6347
Asset Development Manager-Andrew Falls	Houston	(713) 366-5148	(713) 918-9096
Operations Manager-Bob Barnes	Houston	(713) 215-7906	(832) 433-0763

Operations South-Frontier

RMT Lead North-David Schellstede	Houston	(713) 366-5013	(713) 560-8061
RMT Lead South-Peter Lawrence	Houston	(713) 215-7644	(832) 830-5273
Surface Operations Team Lead-Bill Elliott	Midland	(432) 685-5845	(432) 557-6736
Well Operations Team Lead-Wes Scott	Houston	(713) 215-7171	(713) 203-4050
Well Servicing Team Lead-Brit Meadows	Midland	(432) 685-5840	(432) 661-0387
WST Coord Frontier-Terrell Rowe	Midland	(432) 685-5821	(432) 664-8888
WST Coord South-Michael Roberts	Midland	(432) 685-5913	(806) 215-0073
NM Frontier Oper Coord -Scott Hedges	Hobbs	(575) 397-8211	(432) 238-4405
NM Frontier Oper Coord -Van Barton	Carlsbad	(575) 628-4111	(575) 706-7671

HES Staff & Areas of First Contact Support

HES Manager: John Kirby	Houston	(713) 366-5460	(281) 974-9523
Environmental Engineer, Air: Peggy Waisanen	Midland	(432) 685-5673	(432) 894-1968
Administrative Assistant: Debbie Robertson	Midland	(432) 685 5812	(432) 556-7495
Pipeline Safety: Don Bales	Midland	(432) 685-5844	(432) 894-1960
HES Lead-Pete Maciula	Midland	(432) 685-5667	(432) 557-2450
HES Lead-Chris Young	Midland	(432) 685-5952	(432) 967-8946
HES Specialist: Eddie Gonzales	Midland	(432) 685-5929	(432) 556-6790
HES Specialist-Drilling: Robert Lovelady	Midland	(432) 685-5630	(432) 813-6332

HES Tech & Area of Responsibility

Wasson San Andres RMT: Mark Andersen	Denver City	(806) 592-6299	(806) 215-0077
Hobbs RMT: Steve Bishop	Hobbs	(575) 397-8251	(575) 390-4784
Frontier-New Mexico: Rick Kerby	Carlsbad	(575) 887-8337	(575) 631-4972
South-New Mexico-CJ Summers	Hobbs	(575) 397-8236	(575) 390-9228

Regulatory Affairs

Lead-Karen Sinard	Houston	(713) 366-5485	713-857-6068
Regulatory Advisor-David Stewart	Midland	(432) 685-5717	
Sr, Regulatory Analyst-Mark Stephens	Houston	(713) 366-5158	

DOT-Pipeline Response Numbers

N. Hobbs Unit: Steve Bishop	Hobbs	(575) 397-8251	(575) 390-4784
Wasson PMT: Todd King	Denver City	(806) 592-6274	(806) 215-0183
Bravo/Slaughter PMT: Gary Polk	Levelland	(806) 229-9708	(806) 638-2425
Cogdell RMT: Dean Peevy	Cogdell	(325) 573-7272	(325) 207-3367
Sharon Ridge: Carl Morales	Sharon Ridge	(325) 573-6341	(325) 207-3374
All DOT Pipeline Support: Donald Bales	Midland	(432) 685-5844	(432) 894-1960

OOGC HES Contacts

Manager HES: Wes Scott	OOGC – Houston	(713) 215-7171	(713) 203-4050
Worldwide Safety Mgr: Greg Hardin alternate	OOGC – Houston	(713) 366-5324	(713) 560-8037
Worldwide Environ. Mgr: Ravi Ravishankar	OOGC – Houston	(713) 366-5039	(832) 863-2240

OOGC Risk Management

Jim Garrett	Los Angeles	(310) 443-6588	(310) 710-3233
Greg LaSalle, alternate	Los Angeles	(310) 443-6542	(310) 710-2255

OSI

Workers Comp. Claim Manager: Steve Jones	Dallas	(972) 404-3542	
Workers Comp. Claims: Mark Ryan	Dallas	(972) 404-3974	
Auto Claims: Steve Jones	Dallas	(972) 404-3542	

Gallagher Bassett

Workers Comp. & Property Damage Claims-OXY Permian Ltd.: Danny Ross		(972) 728-3600 X252	(800) 349-8492
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Axiom Medical Consulting

Medical Case Management		(877) 502-9466	
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OXY Permian Legal

Tom Janiszewski	Houston	(713) 366-5529	(713) 560-8049
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Human Resources

H.R. Manager: Barbara Bernhard	Houston	(713) 215-7150	(713) 702-7949
H.R. Consultant: Amy Thompson	Houston	(713) 215-7863	(281) 799-7348
H.R. Consultant: Laura Matthews	Houston	(713) 366-5137	(713) 569-0386
H.R. Consultant: Jill Williams	Midland	(432) 685-5818	(432) 661-4581

Corporate Security

Frank Zapalac	Houston	(713) 215-7157	(713) 829-5753
Hugh Moreno, alternate	Houston	(713) 215-7162	(713) 817-3322

Regulatory Agencies

Bureau of Land Management	Carlsbad, NM	(575) 887-6544	
Bureau of Land Management	Hobbs, NM	(575) 393-3612	
Bureau of Land Management	Roswell, NM	(575) 393-3612	
Bureau of Land Management	Santa Fe, NM	(505) 988-6030	

DOT Juisdictional Pipelines-Incident Reporting New Mexico Public Regulation Commission	Santa Fe, NM	(505) 827-3549 (505) 490-2375	
DOT Juisdictional Pipelines-Incident Reporting Texas Railroad Commission	Austin, TX	(512) 463-6788	
EPA Hot Line	Dallas, Texas	(214) 665-6444	
Federal OSHA, Area Office	Lubbock, Texas	(806) 472-7681	
National Response Center	Washington, D. C.	(800) 424-8802	
National Infrastructure Coordinator Center		(202) 282-9201	
New Mexico Air Quality Bureau	Santa Fe, NM	(505) 827-1494	
New Mexico Oil Conservation Division	Artesia, NM	(575) 748-1283	
New Mexico Oil Conservation Division	Hobbs, NM	(575) 393-6161	
New Mexico Oil Conservation Division	Santa Fe, NM	(505) 471-1068	
New Mexico OCD Environmental Bureau	Santa Fe, NM	(505) 827-7152 (505) 476-3470	
New Mexico Environmental Department	Hobbs, NM	(575) 827-9329	
NM State Emergency Response Center	Santa Fe, NM	(505) 827-9222	
Railroad Commission of TX	District 8, 8A Midland, TX	(432) 684-5581	
Texas Emergency Response Center	Austin, TX	(512) 463-7727	
TCEQ Air	Region 2 Lubbock, TX	(806) 796-3494	
TCEQ Water/Waste/Air	Region 7 Midland, TX	(432) 570-1359	

Medical Facilities

Artesia General Hospital	Artesia, NM	(575) 748-3333	
Guadalupe Medical Center	Carlsbad, NM	(575) 887-6633	
Lea Regional Hospital	Hobbs, NM	(575) 492-5000	
Medical Arts Hospital	Lamesa, TX	(806) 872-2183	
Medical Center Hospital	Odessa, TX	(432) 640-4000	
Memorial Hospital	Seminole, TX	(432) 758-5811	
Midland Memorial Hospital	Midland, TX	(432) 685-1111	
Nor-Lea General Hospital	Lovington, NM	(575) 396-6611	
Odessa Regional Hospital	Odessa, TX	(432) 334-8200	
St. Mary's Hospital	Lubbock, TX	(806) 796-6000	
Union County General Hospital	Clayton, NM	(575) 374-2585	
University Medical Center	Lubbock, TX	(806) 743-3111	

Local Emergency Planning Comm.

Richard H. Dolgener	Andrews County, TX	(432) 524-1401	
Joel Arnwine	Eddy County, NM	(575) 887-9511	
County Judge Judy House	Gaines County, TX	(432) 758-5411	
Myra Sande	Harding County, NM	(575) 673-2231	
Jerry Reynolds	Lea County, NM	(575) 396-8600	(575) 399-2376
Royce Creager	Loving County, TX	(432) 377-2231	
Mike Cherry	Quay County, NM	(575) 461-2476	
Della Wetsel	Union County, NM	(575) 374-8896	
Bonnie Leck	Winkler County, TX	(432) 586-6658	

Carl Whitaker	Yoakum County, TX	(806) 456-7491	
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Law Enforcement - Sheriff

Andrews Cty Sheriff's Department	Andrews County	(432) 523-5545	
Eddy Cty Sheriff's Department	Eddy County (Artesia)	(575) 746-2704	
Eddy Cty Sheriff's Department	Eddy County (Carlsbad)	(575) 887-7551	
Gaines Cty Sheriff's Department	Gaines County (Seminole)	(432) 758-9871	
Lea Cty Sheriff's Department	Lea County (Eunice)	(575) 384-2020	
Lea Cty Sheriff's Department	Lea County (Hobbs)	(575) 393-2515	
Lea Cty Sheriff's Department	Lea County (Lovington)	(575) 396-3611	
Union Cty Sheriff's Department	Union County (Clayton)	(505) 374-2583	
Yoakum City Sheriff's Department	Yoakum Co.	(806) 456-2377	

Law Enforcement - Police

Andrews City Police	Andrews, TX	(432) 523-5675	
Artesia City Police	Artesia, NM	(575) 746-2704	
Carlsbad City Police	Carlsbad, NM	(575) 885-2111	
Clayton City Police	Clayton, NM	(575) 374-2504	
Denver City Police	Denver City, TX	(806) 592-3516	
Eunice City Police	Eunice, NM	(575) 394-2112	
Hobbs City Police	Hobbs, NM	(575) 397-9265 (575) 393-2677	
Jal City Police	Jal, NM	(575) 395-2501	
Lovington City Police	Lovington, NM	(575) 396-2811	
Seminole City Police	Seminole, TX	(432) 758-9871	

Law Enforcement - FBI

FBI	Albuquerque, NM	(505) 224-2000	
FBI	Midland, TX	(432) 570-0255	

Law Enforcement - DPS

NM State Police	Artesia, NM	(575) 746-2704	
NM State Police	Carlsbad, NM	(575) 885-3137	
NM State Police	Eunice, NM	(575) 392-5588	
NM State Police	Hobbs, NM	(575) 392-5588	
NM State Police	Clayton, NM	(575) 374-2473; 911	
TX Dept of Public Safety	Andrews, TX	(432) 524-1443	
TX Dept of Public Safety	Seminole, TX	(432) 758-4041	
TX Dept of Public Safety	Yoakum County TX	(806) 456-2377	

Firefighting & Rescue

Amistad/Rosebud	Amistad/Rosebud, NM	(505) 633-9113	
Andrews	Andrews, TX	(432) 523-4820 (432) 523-3111	
Artesia	Artesia, NM	(575) 746-5051	
Carlsbad	Carlsbad, NM	(575) 885-3125	

Clayton	Clayton, NM	(575) 374-2435	
Denver City	Denver City, TX	(806) 592-5426	
Eunice	Eunice, NM	(575) 394-2111	
Hobbs	Hobbs, NM	(575) 397-9308	
Jal	Jal, NM	(575) 395-2221	
Kermit	Kermit, TX	(432) 586-3468	
Lovington	Lovington, NM	(575) 396-2359	
Maljamar	Maljamar, NM	(575) 676-4100	
Monahans	Monahans, TX	(432) 943-4343	
Nara Visa	Nara Visa, NM	(575) 461-3300	
Pecos	Pecos, TX	(432) 445-2421	
Seminole	Seminole, TX	(432) 758-3676 (432) 758-9871	

Ambulance

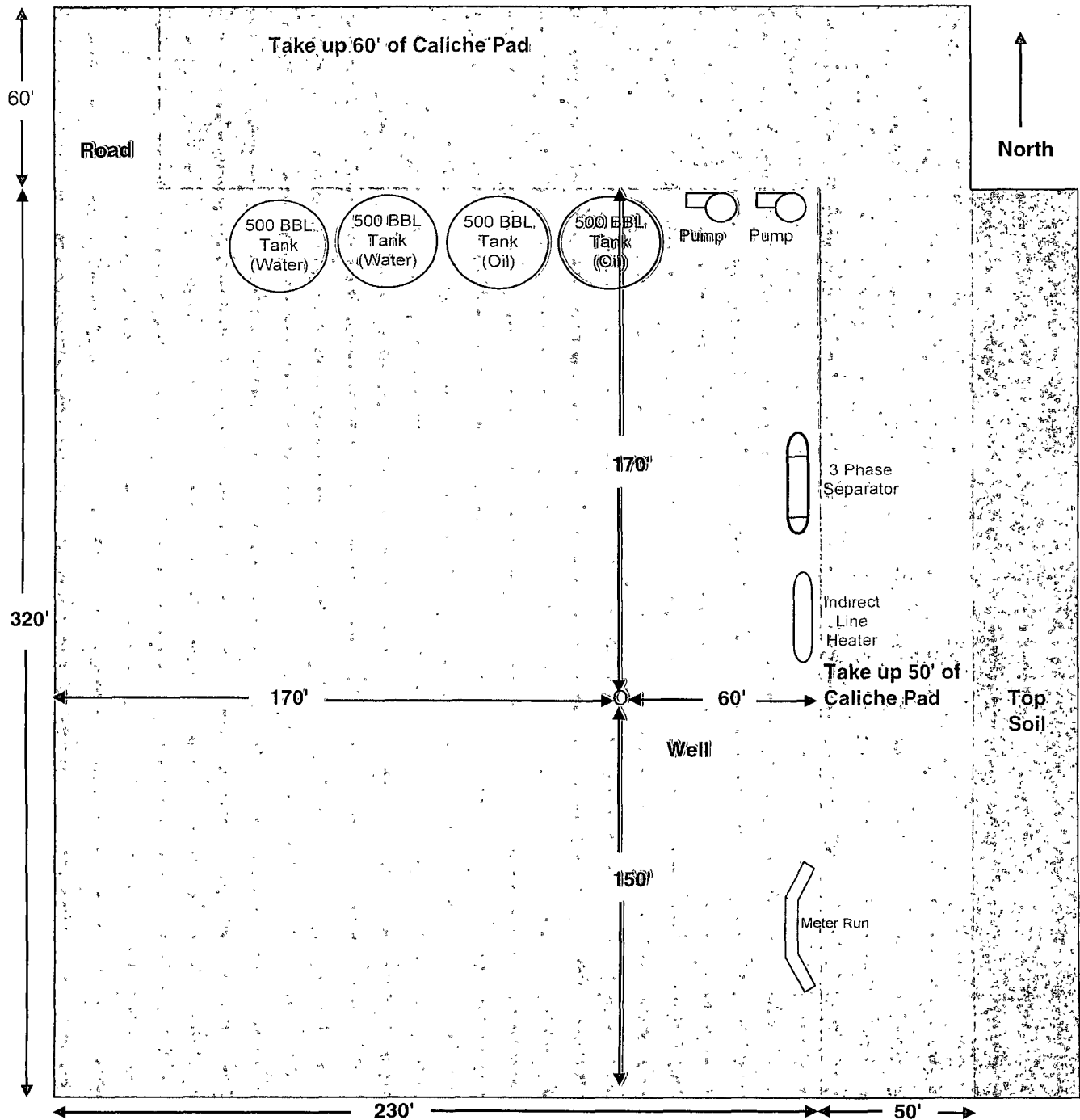
Amistad/Rosebud	Amistad/Rosebud, NM	(575) 633-9113	
Andrews Ambulance	Andrews, TX	(432) 523-5675	
Artesia Ambulance	Artesia, NM	(575) 746-2701	
Carlsbad Ambulance	Carlsbad, NM	(575) 885-2111; 911	
Clayton, NM	Clayton, NM	(575) 374-2501	
Denver City Ambulance	Denver City, TX	(806) 592-3516	
Eunice Ambulance	Eunice, NM	(575) 394-3258	
Hobbs, NM	Hobbs, NM	(575) 397-9308	
Jal, NM	Jal, NM	(575) 395-2501	
Lovington Ambulance	Lovington, NM	(575) 396-2811	
Nara Visa, NM	Nara Visa, NM	(575) 461-3300	
Pecos Ambulance	Pecos, TX	(432) 445-4444	
Seminole Ambulance	Seminole, TX	(432) 758-8816 (432) 758-9871	

Medical Air Ambulance Service

AEROCARE - Methodist Hospital	Lubbock, TX	(800) 627-2376	
San Angelo Med-Vac Air Ambulance	San Angelo, TX	(800) 277-4354	
Southwest Air Ambulance Service	Stanford, TX	(800) 242-6199	
Southwest MediVac	Snyder, TX	(800) 242-6199	
Southwest MediVac	Hobbs, NM	(800) 242-6199	
Odessa Care Star	Odessa, TX	(888) 624-3571	
NWTH Medivac	Amarillo, TX	(800) 692-1331	

H & P Flex 3 Rig

Goodnight 26 Federal #1



If road comes into the Northwest corner of pad Oxy will take up and re-seed 50' on east side and 60' on north side of pad

Equipment List

- 1 ea Indirect Line Heater
- 1 ea 3-Phase Separator
- 2 ea 500 BBL Carbon Steel Storage Tanks (Oil)
- 2 ea 500 BBL Fiberglass Storage Tanks (Water)
- 1 ea Gas Meter Run
- 2 ea Transfer Pump

PECOS DISTRICT

CONDITIONS OF APPROVAL

OPERATOR'S NAME:	OXY USA Inc
LEASE NO.:	NM-103603
WELL NAME & NO.:	Goodnight 26 Federal #1
SURFACE HOLE FOOTAGE:	1803' FSL & 0031' FEL
BOTTOM HOLE FOOTAGE:	0400' FNL & 0660' FWL
LOCATION:	Section 26, T.23 S., R.29 E., NMPM
COUNTY:	Eddy County, New Mexico

TABLE OF CONTENTS

Standard Conditions of Approval (COA) apply to this APD. If any deviations to these standards exist or special COAs are required, the section with the deviation or requirement will be checked below.

- ☐ **General Provisions**
- ☐ **Permit Expiration**
- ☐ **Archaeology, Paleontology, and Historical Sites**
- ☐ **Noxious Weeds**
- ☒ **Special Requirements**
 - Hydrology
 - Cave/Karst
- ☐ **Construction**
 - Notification
 - Topsoil
 - Closed Loop System
 - Federal Mineral Material Pits
 - Well Pads
 - Roads
- ☐ **Road Section Diagram**
- ☒ **Drilling**
 - R-111-P Potash
 - Logging Requirements
 - Waste Material and Fluids
- ☐ **Production (Post Drilling)**
 - Well Structures & Facilities
 - Pipelines
 - Electric Lines
- ☒ **Interim Reclamation**
- ☒ **Final Abandonment & Reclamation**

I. GENERAL PROVISIONS

The approval of the Application For Permit To Drill (APD) is in compliance with all applicable laws and regulations: 43 Code of Federal Regulations 3160, the lease terms, Onshore Oil and Gas Orders, Notices To Lessees, New Mexico Oil Conservation Division (NMOCD) Rules, National Historical Preservation Act As Amended, and instructions and orders of the Authorized Officer. Any request for a variance shall be submitted to the Authorized Officer on Form 3160-5, Sundry Notices and Report on Wells.

II. PERMIT EXPIRATION

If the permit terminates prior to drilling and drilling cannot be commenced within 60 days after expiration, an operator is required to submit Form 3160-5, Sundry Notices and Reports on Wells, requesting surface reclamation requirements for any surface disturbance. However, if the operator will be able to initiate drilling within 60 days after the expiration of the permit, the operator must have set the conductor pipe in order to allow for an extension of 60 days beyond the expiration date of the APD. (Filing of a Sundry Notice is required for this 60 day extension.)

III. ARCHAEOLOGICAL, PALEONTOLOGY & HISTORICAL SITES

Any cultural and/or paleontological resource discovered by the operator or by any person working on the operator's behalf shall immediately report such findings to the Authorized Officer. The operator is fully accountable for the actions of their contractors and subcontractors. The operator shall suspend all operations in the immediate area of such discovery until written authorization to proceed is issued by the Authorized Officer. An evaluation of the discovery shall be made by the Authorized Officer to determine the appropriate actions that shall be required to prevent the loss of significant cultural or scientific values of the discovery. The operator shall be held responsible for the cost of the proper mitigation measures that the Authorized Officer assesses after consultation with the operator on the evaluation and decisions of the discovery. Any unauthorized collection or disturbance of cultural or paleontological resources may result in a shutdown order by the Authorized Officer.

IV. NOXIOUS WEEDS

The operator shall be held responsible if noxious weeds become established within the areas of operations. Weed control shall be required on the disturbed land where noxious weeds exist, which includes the roads, pads, associated pipeline corridor, and adjacent land affected by the establishment of weeds due to this action. The operator shall consult with the Authorized Officer for acceptable weed control methods, which include following EPA and BLM requirements and policies.

V. SPECIAL REQUIREMENT(S)

Pad construction

- The well pad will be bermed to prevent oil, salt, and other chemical contaminants from leaving the well pad. Topsoil shall not be used to construct the berm. No water flow from the uphill side(s) of the pad shall be allowed to enter the well pad. The berm shall be maintained through the life of the well and after interim reclamation has been completed.
- Any water erosion that may occur due to the construction of the well pad during the life of the well will be quickly corrected and proper measures will be taken to prevent future erosion.
- Stockpiling of topsoil is required. The top soil shall be stockpiled in an appropriate location to prevent loss of soil due to water or wind erosion and not used for berming or erosion control.

Cave and Karst

- ** Depending on location, additional Drilling, Casing, and Cementing procedures may be required by engineering to protect critical karst groundwater recharge areas.

Cave/Karst Surface Mitigation

The following stipulations will be applied to minimize impacts during construction, drilling and production.

Construction:

In the advent that any underground voids are opened up during construction activities, construction activities will be halted and the BLM will be notified immediately.

No Blasting:

No blasting will be utilized for pad construction. The pad will be constructed and leveled by adding the necessary fill and caliche.

Tank Battery Liners and Berms:

Tank battery locations will be lined and bermed. A 20 mil permanent liner will be installed with a 4 oz. felt backing to prevent tears or punctures. Tank battery berms must be large enough to contain 1 ½ times the content of the largest tank.

Leak Detection System:

A method of detecting leaks is required. The method could incorporate gauges to measure loss, siting valves and lines so they can be visually inspected, or installing electronic sensors to alarm when a leak is present. Leak detection plan will be submitted to BLM for approval.

Automatic Shut-off Systems:

Automatic shut off, check valves, or similar systems will be installed for pipelines and tanks to minimize the effects of catastrophic line failures used in production or drilling.

Cave/Karst Subsurface Mitigation

The following stipulations will be applied to protect cave/karst and ground water concerns:

Rotary Drilling with Fresh Water:

Fresh water will be used as a circulating medium in zones where caves or karst features are expected. SEE ALSO: Drilling COAs for this well.

Directional Drilling:

Kick off for directional drilling will occur at least 100 feet below the bottom of the cave occurrence zone. SEE ALSO: Drilling COAs for this well.

Lost Circulation:

ALL lost circulation zones from the surface to the base of the cave occurrence zone will be logged and reported in the drilling report.

Regardless of the type of drilling machinery used, if a void of four feet or more and circulation losses greater than 70 percent occur simultaneously while drilling in any cave-bearing zone, the BLM will be notified immediately by the operator. The BLM will assess the situation and work with the operator on corrective actions to resolve the problem.

Abandonment Cementing:

Upon well abandonment in high cave karst areas additional plugging conditions of approval may be required. The BLM will assess the situation and work with the operator to ensure proper plugging of the wellbore.

Pressure Testing:

Annual pressure monitoring will be performed by the operator on all casing annuli and reported in a sundry notice. If the test results indicated a casing failure has occurred, remedial action will be undertaken to correct the problem to the BLM's approval.

VI. CONSTRUCTION

A. NOTIFICATION

The BLM shall administer compliance and monitor construction of the access road and well pad. Notify the Carlsbad Field Office at (575) 234-6235 at least 3 working days prior to commencing construction of the access road and/or well pad.

When construction operations are being conducted on this well, the operator shall have the approved APD and Conditions of Approval (COA) on the well site and they shall be made available upon request by the Authorized Officer.

B. TOPSOIL

The operator shall stockpile the topsoil in a low profile manner in order to prevent wind/water erosion of the topsoil. The topsoil to be stripped is approximately 4 inches in depth. The topsoil will be used for interim and final reclamation.

C. CLOSED LOOP SYSTEM

Tanks are required for drilling operations: No Pits.

The operator shall properly dispose of drilling contents at an authorized disposal site.

D. FEDERAL MINERAL MATERIALS PIT

Payment shall be made to the BLM prior to removal of any federal mineral materials. Call the Carlsbad Field Office at (575) 234-5972.

E. WELL PAD SURFACING

Surfacing of the well pad is not required.

If the operator elects to surface the well pad, the surfacing material may be required to be removed at the time of reclamation.

The well pad shall be constructed in a manner which creates the smallest possible surface disturbance, consistent with safety and operational needs.

F. ON LEASE ACCESS ROADS

Road Width

The access road shall have a driving surface that creates the smallest possible surface disturbance and does not exceed fourteen (14) feet in width. The maximum width of surface disturbance, when constructing the access road, shall not exceed twenty (20) feet.

Surfacing

Surfacing material is not required on the new access road driving surface. If the operator elects to surface the new access road or pad, the surfacing material may be required to be removed at the time of reclamation.

Where possible, no improvements should be made on the unsurfaced access road other than to remove vegetation as necessary, road irregularities, safety issues, or to fill low areas that may sustain standing water.

The Authorized Officer reserves the right to require surfacing of any portion of the access road at any time deemed necessary. Surfacing may be required in the event the road deteriorates, erodes, road traffic increases, or it is determined to be beneficial for future field development. The surfacing depth and type of material will be determined at the time of notification.

Crowning

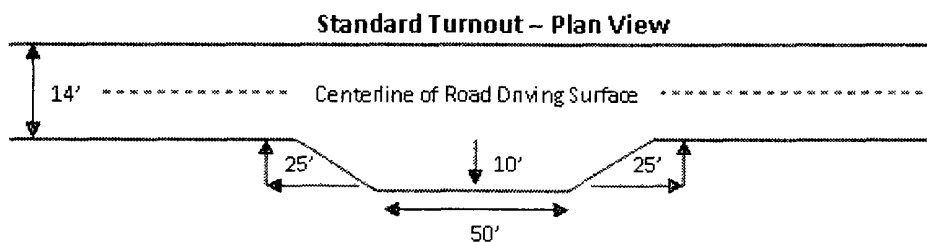
Crowning shall be done on the access road driving surface. The road crown shall have a grade of approximately 2% (i.e., a 1" crown on a 14' wide road). The road shall conform to Figure 1; cross section and plans for typical road construction.

Ditching

Ditching shall be required on both sides of the road.

Turnouts

Vehicle turnouts shall be constructed on the road. Turnouts shall be intervisible with interval spacing distance less than 1000 feet. Turnouts shall be constructed on all blind curves. Turnouts shall conform to the following diagram:

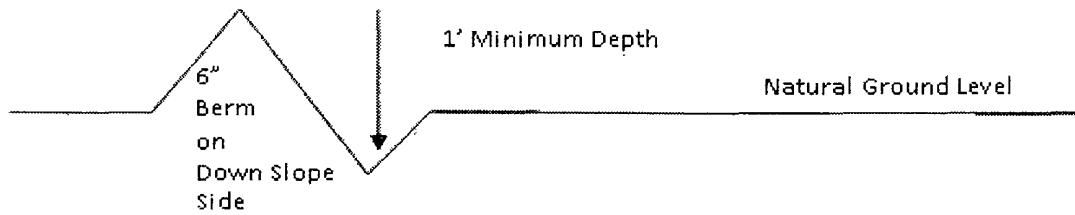


Drainage

Drainage control systems shall be constructed on the entire length of road (e.g. ditches, sidehill outslowing and insloping, lead-off ditches, culvert installation, and low water crossings).

A typical lead-off ditch has a minimum depth of 1 foot below and a berm of 6 inches above natural ground level. The berm shall be on the down-slope side of the lead-off ditch.

Cross Section of a Typical Lead-off Ditch



All lead-off ditches shall be graded to drain water with a 1 percent minimum to 3 percent maximum ditch slope. The spacing interval are variable for lead-off ditches and shall be determined according to the formula for spacing intervals of lead-off ditches, but may be amended depending upon existing soil types and centerline road slope (in %);

Formula for Spacing Interval of Lead-off Ditches

Example - On a 4% road slope that is 400 feet long, the water flow shall drain water into a lead-off ditch. Spacing interval shall be determined by the following formula:

$$400 \text{ foot road with } 4\% \text{ road slope: } \frac{400'}{4\%} + 100' = 200' \text{ lead-off ditch interval}$$

Culvert Installations

Appropriately sized culvert(s) shall be installed at the deep waterway channel flow crossing.

Cattleguards

An appropriately sized cattleguard(s) sufficient to carry out the project shall be installed and maintained at fence crossing(s).

Any existing cattleguard(s) on the access road shall be repaired or replaced if they are damaged or have deteriorated beyond practical use. The operator shall be responsible for the condition of the existing cattleguard(s) that are in place and are utilized during lease operations.

A gate shall be constructed and fastened securely to H-braces.

Fence Requirement

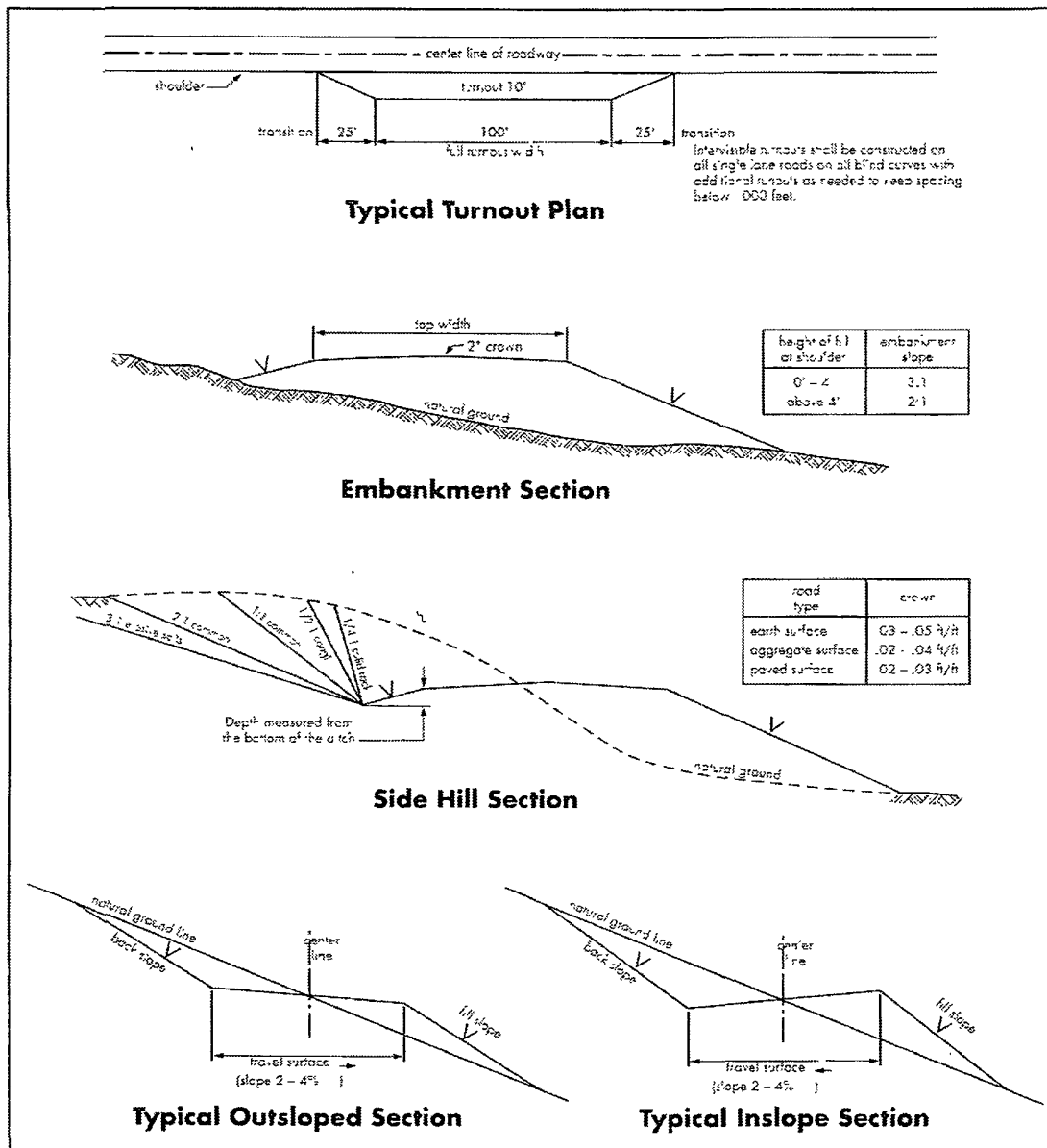
Where entry is required across a fence line, the fence shall be braced and tied off on both sides of the passageway prior to cutting.

The operator shall notify the private surface landowner or the grazing allotment holder prior to crossing any fence(s).

Public Access

Public access on this road shall not be restricted by the operator without specific written approval granted by the Authorized Officer.

Figure 1 – Cross Sections and Plans For Typical Road Sections



VII. DRILLING

A. DRILLING OPERATIONS REQUIREMENTS

The BLM is to be notified a minimum of 4 hours in advance for a representative to witness:

- a. Spudding well
- b. Setting and/or Cementing of all casing strings
- c. BOPE tests

☒ **Eddy County**

Call the Carlsbad Field Office, 620 East Greene St., Carlsbad, NM 88220,
(575) 361-2822

1. **Due to recent H2S encounters in the salt formation, it is recommended that monitoring equipment be onsite for potential Hydrogen Sulfide prior to drilling out the surface shoe. If Hydrogen Sulfide is encountered, please report measurements and formations to the BLM.**
2. Unless the production casing has been run and cemented or the well has been properly plugged, the drilling rig shall not be removed from over the hole without prior approval. **If the drilling rig is removed without approval – an Incident of Non-Compliance will be written and will be a “Major” violation.**
3. Floor controls are required for 3M or Greater systems. These controls will be on the rig floor, unobstructed, readily accessible to the driller and will be operational at all times during drilling and/or completion activities. Rig floor is defined as the area immediately around the rotary table; the area immediately above the substructure on which the draw works are located, this does not include the dog house or stairway area.
4. **The record of the drilling rate along with the GR/N well log run from TD to surface (horizontal well – vertical portion of hole) shall be submitted to the BLM office as well as all other logs run on the borehole 30 days from completion. If available, a digital copy of the logs is to be submitted in addition to the paper copies. The top and bottom of Salt are to be recorded on the Completion Report.**

B. CASING

Changes to the approved APD casing program need prior approval if the items substituted are of lesser grade or different casing size. The Operator can exchange the components of the proposal with that of superior strength (i.e. changing from J-55 to N-80, or from 36# to 40#).

Changes to the approved cement program need prior approval if the altered cement plan has less volume or strength or if the changes are substantial (i.e. Multistage tool, ECP, etc.).

Centralizers required on surface casing per Onshore Order 2.III.B.1.f.

Wait on cement (WOC) time prior to drilling out for a primary cement job will be a minimum 18 hours for a water basin, 24 hours in the potash area, or 500 pounds compressive strength, whichever is greater for all casing strings. DURING THIS WOC TIME, NO DRILL PIPE, ETC. SHALL BE RUN IN THE HOLE. Provide compressive strengths including hours to reach required 500 pounds compressive strength prior to cementing each casing string. See individual casing strings for details regarding lead cement slurry requirements.

No pea gravel permitted for remedial or fall back remedial without prior authorization from the BLM engineer.

R-111-P potash.

High cave/karst.

Possible lost circulation in the Rustler, Delaware and Bone Spring.

- 1. The 13-3/8 inch surface casing shall be set at approximately 350 feet (in a competent bed below potential fresh water zones and above the salt) and cemented to the surface. If the salt occurs at a shallower depth, the casing is to be set a minimum of 25 feet above the salt.**
 - a. If cement does not circulate to the surface, the appropriate BLM office shall be notified and a temperature survey utilizing an electronic type temperature survey with surface log readout will be used or a cement bond log shall be run to verify the top of the cement. Temperature survey will be run a minimum of six hours after pumping cement and ideally between 8-10 hours after completing the cement job.**
 - b. Wait on cement (WOC) time for a primary cement job is to include the lead cement slurry.**
 - c. Wait on cement (WOC) time for a remedial job will be a minimum of 4 hours after bringing cement to surface or 500 pounds compressive strength, whichever is greater.**
 - d. If cement falls back, remedial cementing will be done prior to drilling out that string.**

Formation below the 13-3/8" shoe to be tested according to Onshore Order 2.III.B.1.i. Test to be done as a mud equivalency test using the mud weight necessary for the pore pressure of the formation below the shoe and the mud weight for the bottom of the hole. Report results to BLM office.

2. The minimum required fill of cement behind the 9-5/8 inch intermediate casing is:

- ☒ Cement to surface. If cement does not circulate see B.1.a, c-d above.
Wait on cement (WOC) time for a primary cement job is to include the lead cement slurry due to cave/karst and potash concerns.

Formation below the 9-5/8" shoe to be tested according to Onshore Order 2.III.B.1.i. Test to be done as a mud equivalency test using the mud weight necessary for the pore pressure of the formation below the shoe (not the mud weight required to prevent dissolving the salt formation) and the mud weight for the bottom of the hole. Report results to BLM office

The pilot hole plugging procedure is approved as written.

3. The minimum required fill of cement behind the 5-1/2 inch production casing is:

a. First stage to DV tool, cement shall:

- ☒ Cement to circulate. If cement does not circulate, contact the appropriate BLM office, before proceeding with second stage cement job.

b. Second stage above first DV tool, cement shall:

- ☒ Cement to circulate. If cement does not circulate, contact the appropriate BLM office, before proceeding with third stage cement job.

c. Third stage above second DV tool, cement shall:

- ☒ Cement to surface. If cement does not circulate, contact the appropriate BLM office.

4. If hardband drill pipe is rotated inside casing, returns will be monitored for metal. If metal is found in samples, drill pipe will be pulled and rubber protectors which have a larger diameter than the tool joints of the drill pipe will be installed prior to continuing drilling operations.

5. Whenever a casing string is cemented in the R-111-P potash area, the NMOCD requirements shall be followed.

C. PRESSURE CONTROL

1. All blowout preventer (BOP) and related equipment (BOPE) shall comply with well control requirements as described in Onshore Oil and Gas Order No. 2 and API RP 53 Sec. 17.
2. **Variance approved to use flex line with Serial #52754, 52755, 52776, 52777, 52778, 52782 from BOP to choke manifold. Check condition of 3" flexible line from BOP to choke manifold, replace if exterior is damaged or if line fails test. Line to be as straight as possible with no hard bends and is to be anchored according to Manufacturer's requirements. Anchor requirements to be onsite for review. If the BLM inspector questions the straightness of the hose, a BLM engineer will be contacted and will review in the field or via picture supplied by inspector to determine if changes are required (operator shall expect delays if this occurs).**
3. Minimum working pressure of the blowout preventer (BOP) and related equipment (BOPE) required for drilling below the surface casing shoe shall be **5000 (5M) psi. 5M system requires an HCR valve, remote kill line and annular to match. The remote kill line is to be installed prior to testing the system and tested to stack pressure.**
4. The appropriate BLM office shall be notified a minimum of 4 hours in advance for a representative to witness the tests.
 - a. In potash areas, for all casing strings utilizing slips, these are to be set as soon as the crew and rig are ready and any fallback cement remediation has been done. For all casing strings, casing cut-off and BOP installation can be initiated at twelve hours after bumping the plug. However, **no tests** shall commence until the cement has had a minimum of 24 hours setup time.
 - b. The tests shall be done by an independent service company utilizing a test plug **not a cup or J-packer.**
 - c. The results of the test shall be reported to the appropriate BLM office.
 - d. All tests are required to be recorded on a calibrated test chart. **A copy of the BOP/BOPE test chart and a copy of independent service company test will be submitted to the appropriate BLM office.**
 - e. The BOP/BOPE test shall include a low pressure test from 250 to 300 psi. The test will be held for a minimum of 10 minutes if test is done with a test plug and 30 minutes without a test plug.

D. DRILL STEM TEST

If drill stem tests are performed, Onshore Order 2.III.D shall be followed.

E. WASTE MATERIAL AND FLUIDS

All waste (i.e. drilling fluids, trash, salts, chemicals, sewage, gray water, etc.) created as a result of drilling operations and completion operations shall be safely contained and disposed of properly at a waste disposal facility. No waste material or fluid shall be disposed of on the well location or surrounding area.

Porto-johns and trash containers will be on-location during fracturing operations or any other crew-intensive operations.

CRW 012812

VIII. PRODUCTION (POST DRILLING)

A. WELL STRUCTURES & FACILITIES

Placement of Production Facilities

Production facilities should be placed on the well pad to allow for maximum interim recontouring and revegetation of the well location.

Containment Structures

The containment structure shall be constructed to hold the capacity of the entire contents of the largest tank, plus 24 hour production, unless more stringent protective requirements are deemed necessary by the Authorized Officer.

Painting Requirement

All above-ground structures including meter housing that are not subject to safety requirements shall be painted a flat non-reflective paint color
Shale Green, Munsell Soil Color Chart # 5Y 4/2

B. PIPELINES (not applied for in APD)

C. ELECTRIC LINES

STANDARD STIPULATIONS FOR OVERHEAD ELECTRIC DISTRIBUTION LINES

A copy of the grant and attachments, including stipulations, survey plat and/or map, will be on location during construction. BLM personnel may request to you a copy of your permit during construction to ensure compliance with all stipulations.

Holder agrees to comply with the following stipulations to the satisfaction of the Authorized Officer:

1. The holder shall indemnify the United States against any liability for damage to life or property arising from the occupancy or use of public lands under this grant.
2. The holder shall comply with all applicable Federal laws and regulations existing or hereafter enacted or promulgated. In any event, the holder shall comply with the Toxic Substances Control Act of 1976 as amended, 15 USC 2601 et seq. (1982) with regards to any toxic substances that are used, generated by or stored on the right-of-way or on facilities authorized under this right-of-way grant. (See 40 CFR, Part 702-799 and especially, provisions on polychlorinated biphenyls, 40 CFR 761.1-761.193.) Additionally, any release of toxic substances (leaks, spills, etc.) in excess of the

reportable quantity established by 40 CFR, Part 117 shall be reported as required by the Comprehensive Environmental Response, Compensation, and Liability Act, section 102b. A copy of any report required or requested by any Federal agency or State government as a result of a reportable release or spill of any toxic substances shall be furnished to the authorized officer concurrent with the filing of the reports to the involved Federal agency or State government.

3. The holder agrees to indemnify the United States against any liability arising from the release of any hazardous substance or hazardous waste (as these terms are defined in the Comprehensive Environmental Response, Compensation and Liability Act of 1980, 42 U.S.C. 9601, et seq. or the Resource Conservation and Recovery Act, 42 U.S.C. 6901, et seq.) on the Right-of-Way (unless the release or threatened release is wholly unrelated to the Right-of-Way holder's activity on the Right-of-Way), or resulting from the activity of the Right-of-Way holder on the Right-of-Way. This agreement applies without regard to whether a release is caused by the holder, its agent, or unrelated third parties.

4. There will be no clearing or blading of the right-of-way unless otherwise agreed to in writing by the Authorized Officer.

5. Powerlines shall be constructed in accordance to standards outlined in "Suggested Practices for Raptor Protection on Powerlines, " Raptor Research Foundation, Inc., 1981. The holder shall assume the burden and expense of proving that pole designs not shown in the above publication are "raptor safe." Such proof shall be provided by a raptor expert approved by the Authorized Officer. The BLM reserves the right to require modification or additions to all powerline structures placed on this right-of-way, should they be necessary to ensure the safety of large perching birds. Such modifications and/or additions shall be made by the holder without liability or expense to the United States.

6. The holder shall minimize disturbance to existing fences and other improvements on public lands. The holder is required to promptly repair improvements to at least their former state. Functional use of these improvements will be maintained at all times. The holder will contact the owner of any improvements prior to disturbing them. When necessary to pass through a fence line, the fence shall be braced on both sides of the passageway prior to cutting the fence. No permanent gates will be allowed unless approved by the Authorized Officer.

7. The BLM serial number assigned to this authorization shall be posted in a permanent, conspicuous manner where the power line crosses roads and at all serviced facilities. Numbers will be at least two inches high and will be affixed to the pole nearest the road crossing and at the facilities served.

8. Upon cancellation, relinquishment, or expiration of this grant, the holder shall comply with those abandonment procedures as prescribed by the Authorized Officer.

9. All surface structures (poles, lines, transformers, etc.) shall be removed within 180 days of abandonment, relinquishment, or termination of use of the serviced facility or

facilities or within 180 days of abandonment, relinquishment, cancellation, or expiration of this grant, whichever comes first. This will not apply where the power line extends service to an active, adjoining facility or facilities.

10. Any cultural and/or paleontological resource (historic or prehistoric site or object) discovered by the holder, or any person working on his behalf, on public or Federal land shall be immediately reported to the Authorized Officer. Holder shall suspend all operations in the immediate area of such discovery until written authorization to proceed is issued by the Authorized Officer. An evaluation of the discovery will be made by the Authorized Officer to determine appropriate actions to prevent the loss of significant cultural or scientific values. The holder will be responsible for the cost of evaluation and any decision as to proper mitigation measures will be made by the Authorized Officer after consulting with the holder.

11. Special Stipulations:

- For reclamation remove poles, lines, transformer, etc. and dispose of properly.
- Fill in any holes from the poles removed.

Timing Limitation Stipulation/Condition of Approval for Lesser Prairie-Chicken: Oil and gas activities including 3-D geophysical exploration, and drilling will not be allowed in lesser prairie-chicken habitat during the period from March 1st through June 15th annually. During that period, other activities that produce noise or involve human activity, such as the maintenance of oil and gas facilities, geophysical exploration other than 3-D operations, and pipeline, road, and well pad construction, will be allowed except between 3:00 am and 9:00 am. The 3:00 am to 9:00 am restriction will not apply to normal, around-the-clock operations, such as venting, flaring, or pumping, which do not require a human presence during this period. Additionally, no new drilling will be allowed within up to 200 meters of leks known at the time of permitting. Normal vehicle use on existing roads will not be restricted. Exhaust noise from pump jack engines must be muffled or otherwise controlled so as not to exceed 75 db measured at 30 ft. from the source of the noise.

IX. INTERIM RECLAMATION

During the life of the development, all disturbed areas not needed for active support of production operations should undergo interim reclamation in order to minimize the environmental impacts of development on other resources and uses.

Within six (6) months of well completion, operators should work with BLM surface management specialists (Jim Amos: 575-234-5909) to devise the best strategies to reduce the size of the location. Interim reclamation should allow for remedial well operations, as well as safe and efficient removal of oil and gas.

During reclamation, the removal of caliche is important to increasing the success of revegetating the site. Removed caliche that is free of contaminants may be used for road repairs, fire walls or for building other roads and locations. In order to operate the well or

complete workover operations, it may be necessary to drive, park and operate on restored interim vegetation within the previously disturbed area. Disturbing revegetated areas for production or workover operations will be allowed. If there is significant disturbance and loss of vegetation, the area will need to be revegetated. Communicate with the appropriate BLM office for any exceptions/exemptions if needed.

All disturbed areas after they have been satisfactorily prepared need to be reseeded with the seed mixture provided below.

Upon completion of interim reclamation, the operator shall submit a Sundry Notices and Reports on Wells, Subsequent Report of Reclamation (Form 3160-5).

X. FINAL ABANDONMENT & RECLAMATION

At final abandonment, well locations, production facilities, and access roads must undergo "final" reclamation so that the character and productivity of the land are restored.

Earthwork for final reclamation must be completed within six (6) months of well plugging. All pads, pits, facility locations and roads must be reclaimed to a satisfactory revegetated, safe, and stable condition, unless an agreement is made with the landowner or BLM to keep the road and/or pad intact.

After all disturbed areas have been satisfactorily prepared, these areas need to be revegetated with the seed mixture provided below. Seeding should be accomplished by drilling on the contour whenever practical or by other approved methods. Seeding may need to be repeated until revegetation is successful, as determined by the BLM.

Operators shall contact a BLM surface protection specialist prior to surface abandonment operations for site specific objectives (Jim Amos: 575-234-5909).

Seed Mixture 2, for Sandy Sites

The holder shall seed all disturbed areas with the seed mixture listed below. The seed mixture shall be planted in the amounts specified in pounds of pure live seed (PLS)* per acre. There shall be no primary or secondary noxious weeds in the seed mixture. Seed will be tested and the viability testing of seed will be done in accordance with State law (s) and within nine (9) months prior to purchase. Commercial seed will be either certified or registered seed. The seed container will be tagged in accordance with State law(s) and available for inspection by the authorized officer.

Seed will be planted using a drill equipped with a depth regulator to ensure proper depth of planting where drilling is possible. The seed mixture will be evenly and uniformly planted over the disturbed area (smaller/heavier seeds have a tendency to drop the bottom of the drill and are planted first). The holder shall take appropriate measures to ensure this does not occur. Where drilling is not possible, seed will be broadcast and the area shall be raked or chained to cover the seed. When broadcasting the seed, the pounds per acre are to be doubled. The seeding will be repeated until a satisfactory stand is established as determined by the authorized officer. Evaluation of growth will not be made before completion of at least one full growing season after seeding.

Species to be planted in pounds of pure live seed* per acre:

<u>Species</u>	<u>lb/acre</u>
Sand dropseed (<i>Sporobolus cryptandrus</i>)	1.0
Sand love grass (<i>Eragrostis trichodes</i>)	1.0
Plains bristlegrass (<i>Setaria macrostachya</i>)	2.0

*Pounds of pure live seed:

Pounds of seed x percent purity x percent germination = pounds pure live seed