ATS-12-1203

R-111 Potash

RECEIVED
OCD Artesia
JAN 23 2013
NMOCD ARTESIA

Form 3160-3
(March 2012)

FORM APPROVED
OMB No. 1004-0137
Expires October 31, 2014

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR REENTER

5. Lease Serial No.
NMNM 0531277 A

6. If Indian, Allotee or Tribe Name

1a. Type of work: ☑ DRILL ☐ REENTER

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

1b. Type of Well: ☑ Oil Well ☐ Gas Well ☐ Other ☑ Single Zone ☐ Multiple Zone

8. Lease Name and Well No.
FNR 26 FEDERAL #4H 304826

2. Name of Operator OXY USA INC 16696

9. API Well No.
30-015-41012

3a. Address P.O. BOX 4294
HOUSTON, TX 77210

3b. Phone No. *(include area code)*
713-513-6640

10. Field and Pool, or Exploratory
FORTY NINER RIDGE DEL, SE 96497

4. Location of Well *(Report location clearly and in accordance with any State requirements.*)*
At surface 690' FSL & 373' FWL
At proposed prod. zone 690' FSL & 330' FEL

11. Sec., T. R. M. or Blk. and Survey or Area
M, SEC 26, T23S, R30E

14. Distance in miles and direction from nearest town or post office*
29 MILES SOUTHEAST OF CARLSBAD, NM

12. County or Parish
EDDY COUNTY, NM

13. State
NM

15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any)	16. No. of acres in lease	17. Spacing Unit dedicated to this well
373'	960	160
18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft.	**19. Proposed Depth**	**20. BLM/BIA Bond No. on file**
317'	12054' MD / 7766' TVD	NMB000862 / ESB00226
21. Elevations (Show whether DF, KDB, RT, GL, etc.)	**22. Approximate date work will start***	**23. Estimated duration**
3381.4'	02/15/2013	30 DAYS

24. Attachments

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

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

25. Signature	Name *(Printed/Typed)*	Date
	JENNIFER DUARTE (jennifer_duarte@oxy.com)	08/31/2012
Title: REGULATORY ANALYST		
Approved by *(Signature)*: /s/ Jesse J. Juen	Name *(Printed/Typed)*: /s/ Jesse J. Juen	Date: JAN 3 - 2013
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.

(Continued on page 2)

*(Instructions on page 2)

Carlsbad Controlled Water Basin

Approval Subject to General Requirements & Special Stipulations Attached

SEE ATTACHED FOR CONDITIONS OF APPROVAL

District I
1625 N. French Dr., Hobbs, NM 88240
Phone: (575) 393-6161 Fax: (575) 393-0720
District II
811 S. First St., Artesia, NM 88210
Phone: (575) 748-1283 Fax: (575) 748-9720
District III
1000 Rio Brazos Road, Aztec, NM 87410
Phone: (505) 334-6178 Fax: (505) 334-6170
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505
Phone: (505) 476-3460 Fax: (505) 476-3462

State of New Mexico
Energy, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-102
Revised August 1, 2011
Submit one copy to appropriate District Office

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number	Pool Code	Pool Name
30-015-41012	96477	Forty Niner Ridge; Delaware, SW

Property Code	Property Name	Well Number
304826	FNR "26" FED.	4H

OGRID No.	Operator Name	Elevation
161696	OXY USA INC.	3381.4'

Surface Location

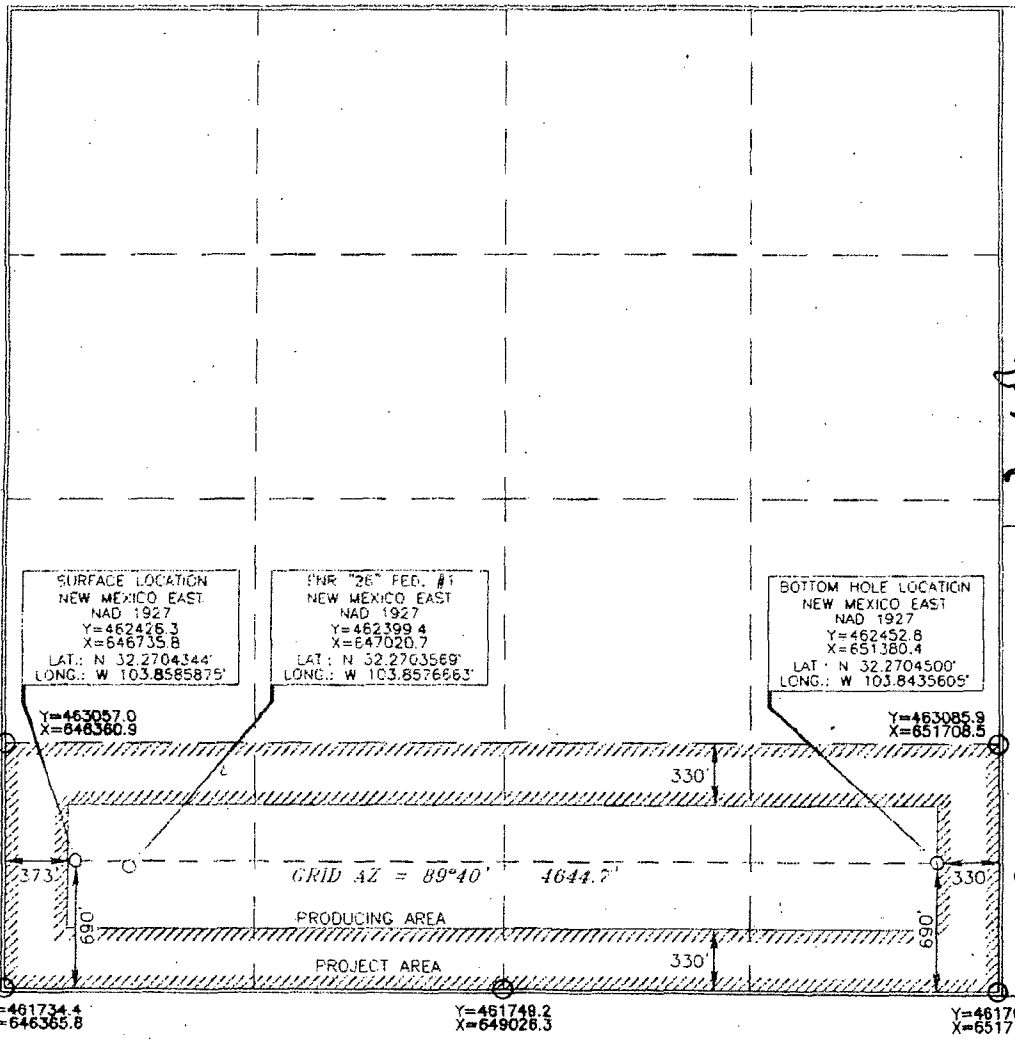
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
M	26	23 SOUTH	30 EAST, N.M.P.M.		690'	SOUTH	373'	WEST	EDDY

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
P	26	23 SOUTH	30 EAST, N.M.P.M.		690'	SOUTH	330'	EAST	EDDY

Dedicated Acres	Joint or Infill	Consolidation Code	Order No.
160			3 12054

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.

Jennifer Duarte 8/31/12
Signature Date

Jennifer Duarte
Printed Name

jennifer_duarte@oxy.com
E-mail Address

SURVEYOR CERTIFICATION

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

MARCH 9, 2012
Date of Survey

Signature and Seal of Professional Surveyor

NEW MEXICO 15079 PROFESSIONAL LAND SURVEYOR

Terry J. Asel 8/23/2012
Certificate Number 15079

WO# 120309WL-b-XY (Rev. A) (KA)

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Form C-102
Revised August 1, 2011
Submit one copy to appropriate District Office

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number	Pool Code	Pool Name
	96477	Forty Niner Ridge; Delaware SW

Property Code	Property Name	Well Number
	FNR "26" FED.	4H

OGRID No.	Operator Name	Elevation
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Dedicated Acres	Joint or Infill	Consolidation Code	Order No.

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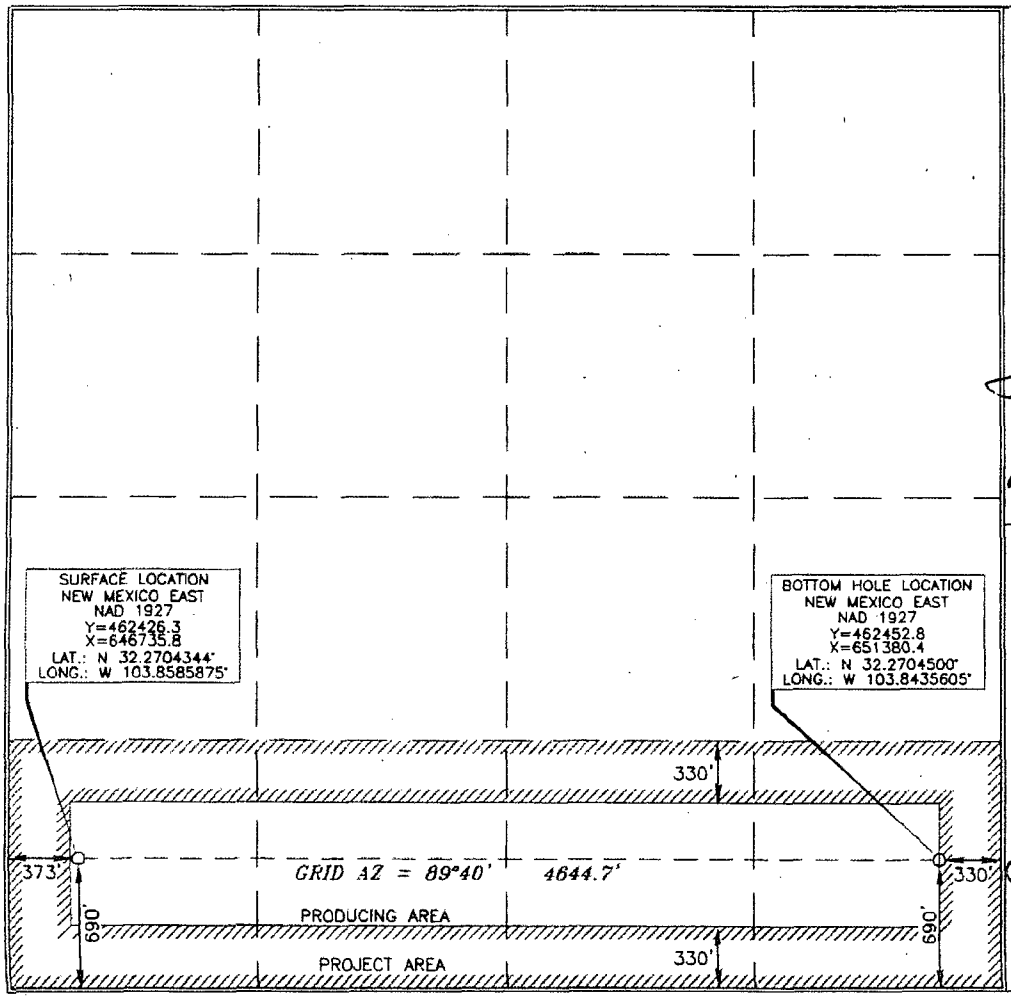

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Signature Date

Jennifer Duarte
Printed Name

jennifer_duarte@oxy.com
E-mail Address

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MARCH 9, 2012
Date of Survey

Signature and Seal of Professional Surveyor

NEW MEXICO PROFESSIONAL LAND SURVEYOR

Certificate Number 15079

8/17/12

WO# 120309WL-b (Rev. A) (KA)

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 31st day of August, 2012.

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

OXY USA Inc
FNR 26 Federal #4H
APD Data

OPERATOR NAME / NUMBER: OXY USA Inc
LEASE NAME / NUMBER: FNR 26 Federal #4H
STATE: NM COUNTY: Eddy
SURFACE LOCATION: 690' FSL & 373' FWL, Sec 26, T23S, R30E
BOTTOM HOLE LOCATION: 690' FSL & 330' FEL, Sec. 26, T23S, R30E
C-102 PLAT APPROX GR ELEV: 3381.4' EST KB ELEV: 3405.4' (24' KB)

1. GEOLOGIC NAME OF SURFACE FORMATION

a. Permian

2. ESTIMATED TOPS OF GEOLOGICAL MARKERS & DEPTHS OF ANTICIPATED FRESH WATER, OIL OR GAS

Formation Tops	TV Depth Top	Expected Fluids
Rustler	365	-
Salado	690	-
Lamar (B. Anhydrite)	3901	-
Bell Canyon	3931	-
Cherry Canyon	4876	-
Brushy Canyon	6161	Oil
Brushy Canyon A4	7586	Oil
TD	7772	Oil

A. Fresh water has been found above the Rustler. The surface casing will cover this fresh water.

GREATEST PROJECTED TD 12054' MD/ 7766' TVD OBJECTIVE: 1st Bone Spring

3. CASING PROGRAM (All Casing is in **NEW CONDITION**)

Surface Casing: 13.375" casing set at ± 400' MD/ 400' TVD in a 17.5" hole filled with 8.60 ppg mud

Interval	Length	Wt	Gr	Cplg	Coll Rating (psi)	Burst Rating (psi)	Jt Str (M-lbs)	ID (in)	Drift (in)	SF Coll	SF Burst	SF Ten
0'-~~400'~~	~~400'~~ 530	48	H-40	ST&C	770	1730	322	12.72	12.56	4.47	1.29	16.77

See COA

Intermediate Casing: 9 5/8" casing set at ± 4050 MD/ 4050' TVD in a 12.25" hole filled with 10 ppg mud

Interval	Length	Wt	Gr	Cplg	Coll Rating (psi)	Burst Rating (psi)	Jt Str (M-lbs)	ID (in)	Drift (in)	SF Coll	SF Burst	SF Ten
0'-~~4050'~~	~~4050'~~ 3885	40	J-55	LT&C	2570	3950	520	8.84	8.75	1.20	1.62	2.35

Production Casing: 5.5" casing set at ± 12054'MD / 7766'TVD in a 8.75" hole filled with 9.20 ppg mud

Interval	Length	Wt	Gr	Cplg	Coll Rating (psi)	Burst Rating (psi)	Jt Str (M-lbs)	ID (in)	Drift (in)	SF Coll	SF Burst	SF Ten
0-12054'	12054'	17	L-80	LTC	6290	7740	338	4.89	4.77	1.33	2.04	1.87

Collapse and burst loads calculated using Stress Check with actual anticipated loads.

4. CEMENT PROGRAM:

Interval	Amount sx	Ft of Fill	Type	Gal/Sk	PPG	Ft^3/sk	24 Hr Comp
Surface (TOC: 0')							
0' –400' (165% Excess)	580	400	Premium Plus cement with 2% Calcium Chloride - Flake, 4%	6.37	14.8	1.35	1608psi
Intermediate (TOC: 0')							
Lead: 0' – 3248' (105 % Excess)	1060	3248	Light Premium Plus cement with 1% Calcium Chloride - Flake, 0.5% Halad®-344, 0.125 lbm/sk Poly-E-Flake, 3 lbm/sk Kol-Seal, 5 % Salt	9.98	12.9	1.91	734 psi
Tail: 3248' – 4050' (105% Excess)	400	802	Premium Plus cement with 0.5% Well Life 734	6.36	14.8	1.33	2125 psi
Production (TOC: 6800') Stage 1			**DV Tool – 6800'**				
Lead: 6800–12054 (85 % Excess)	1480	5254	Super H Cement– 0.5% Halad®-344, 0.4% CFR-3, 3 lbm/sk Kol-Seal, 0.125 lbm/sk Poly-E-Flake, 0.2% HR-601, 3lbm/sk Salt	8.45	13.20	1.67	1515 psi
Production (TOC: 4100') Stage 2			**PO Stage Tool – 4100'**				
Lead: 4100' – 6450' (125 % Excess)	640	2350	Light Premium – 3 lbm/sk Salt, 3lbm/sk Kol-Seal, 0.3% HR-601	11.75	12.40	2.12	283 psi
Tail: 6450' – 6800' (125% Excess)	150	350	Premium Plus cement	6.49	14.80	1.34	1907 psi
Production (TOC: 0') Stage 3							
Lead: 0' – 3483' (10 % Excess)	490	3483	Light Premium Plus – 3 lbm/sk Salt	11.67	12.40	2.08	511 psi
Tail: 3483' – 4100' (10% Excess)	150	617	Premium Plus cement with 2% Calcium Chloride	6.39	14.80	1.35	2025 psi

Description of Cement Additives: Bentonite (Light Weight Additive), Poly-E-Flake (Lost Circulation Additive), Calcium Chloride – Flake (Accelerator), Kol-Seal (Lost Cirulation Additive), Well Life 734 (Cement Enhancer), Halad®-344 (Low Fluid Loss Control), CFR – 3 (Dispersant), HR – 601 (Retarder)

5. DIRECTIONAL PLAN
Please see attached directional plan

6. PRESSURE CONTROL EQUIPMENT
Surface: 0 – 400' None.

Intermediate: 0 - 4050' Intermediate hole will be drilled with a 13-5/8" 10M three ram stack w/ 5M annular preventer, & 5M Choke Manifold.

Production: 0 – 12054' Production hole will be drilled with a 13 5/8" 10M three ram stack w/ 5M annular preventer, & 5M Choke Manifold. Oxy requires the use of a 5M BOP stack for this well.

a. 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.

b. 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 5,000 psi WP rating. Oxy requests that the system be tested at 5,000 psi WP rating.

c. Oxy also requests a variance to connect the BOP choke outlet to the choke manifold using a co-flex hose made by Contitech Rubber Industrial KFT. It is a 3" ID x 35' flexible hose rated to 5,000 psi working pressure. It has been tested to 10,000 psi and is built to API Spec 16C. Once the flex line is installed it will be tied down with safety clamps. Please see attached certifications.

d. See attached BOP & Choke manifold diagrams.

7. MUD PROGRAM:

Depth	Mud Wt ppg	Vis Sec	Fluid Loss	Type System
0 – ~~400'~~ 530	8.4 – 8.6	32 – 34	NC	Fresh Water /Spud Mud
~~400'~~ – ~~4050'~~ 3885	9.8 – 10.0	28 – 29	NC	Brine Water
~~4050'~~ – 7016'	8.6 – 8.8	28 - 29	NC	Brine Water
7016' – TD'	8.8 – 9.2	40 - 50	8 - 15	Salt Gel

Remarks: 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.

Appropriately weighted mud will be used to isolate potential gas, oil, and water zones until such time as casing can be cemented into place for zonal isolation.

8. 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 unobstructed and readily accessible 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

9. LOGGING / CORING AND TESTING PROGRAM:

A. Mud Logger: Base of Intermediate Casing to TD.

B. DST's: None.

C. Open Hole Logs as follows: GR-NEU-DEN-RES from curve to surface. MWD-GR from kick-off point to TD.

See COA

10. POTENTIAL HAZARDS:

A. H2S detection equipment will be in operation after drilling out the surface casing shoe until the production casing has been cemented. Breathing equipment will be on location from drilling out the surface shoe until production casing is cemented. If H2S is encountered the operator will comply with Onshore Order #6.

B. The bottomhole pressure is anticipated to be between 3500 and 3700 psi

C. No abnormal temperatures or pressures are anticipated. **The highest anticipated pressure gradient is 0.47 psi/ft**. 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.

11. 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 35 days. If production casing is run, then an additional 35 days will be needed to complete the well and construct surface facilities and/or lay flow lines in order to place well on production.

12. COMPANY PERSONNEL:

Name	Title	Office Phone	Mobile Phone
Carlos Mercado	Drilling Engineer	713-366-5418	281-455-3481
Sebastian Millan	Drilling Engineer Supervisor	713-350-4950	832-528-3268
Roger Allen	Drilling Superintendent	713-215-7617	281-682-3919
Douglas Chester	Drilling Manager	713-366-9124	713-918-9124

Weatherford

Drilling Services

Proposal

OXY

OCCIDENTAL PERMIAN LTD.

FNR 26 FED #4H

EDDY CO., NM

WELL FILE: **PLAN 2**

AUGUST 29, 2012

Weatherford International, Ltd.
P.O. Box 61028
Midland, TX 79711 USA
+1.432.561.8892 Main
+1.432.561.8895 Fax
www.weatherford.com

FNR 26 Fed #4H
Eddy Co, New Mexico

KB ELEV: 3406.4
GL ELEV: 3381.4

SECTION DETAILS

Sec	MD	Inc	Azi	TVD	+N/-S	+E/-W	DLeg	TFace	VSec	Target
1	0.00	0.00	89.67	0.00	0.00	0.00	0.00	0.00	0.00	
2	6999.86	0.00	89.67	6999.86	0.00	0.00	0.00	0.00	0.00	
3	8115.77	89.27	89.67	7716.00	4.03	707.09	8.00	89.67	707.10	
4	12053.66	89.27	89.67	7766.00	26.50	4644.60	0.00	0.00	4644.68	PBHL

SITE DETAILS

FNR 26 Fed #4H

Site Centre Northing: 462426.30
Easting: 646735.80

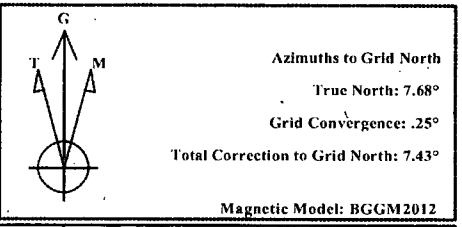
Ground Level: 3381.40
Positional Uncertainty: 0.00
Convergence: 0.25

WELL DETAILS

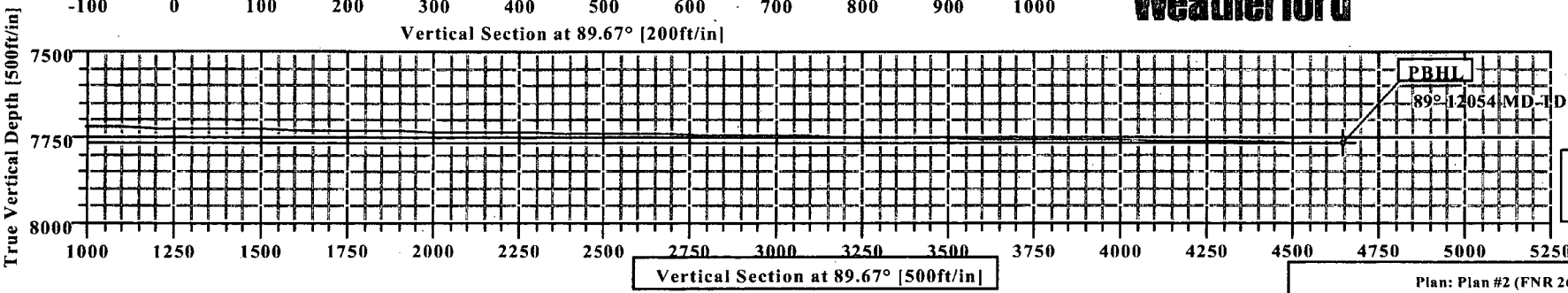
Name	+N/-S	+E/-W	Northing	Easting	Latitude	Longitude	Slot
FNR 26 Fed #4H	0.00	0.00	462426.30	646735.80	32°16'13.564N	103°51'30.915W	N/A

TARGET DETAILS

Name	TVD	+N/-S	+E/-W	Northing	Easting	Shape
Offset Well	0.00	-26.90	284.90	462399.40	647020.70	Circle (Radius: 25)
PBHL	7766.00	26.50	4644.60	462452.80	651380.40	Point



Azimuths to Grid North
True North: 7.68°
Grid Convergence: .25°
Total Correction to Grid North: 7.43°
Magnetic Model: BGGM2012



Weatherford

LEGEND
1
Plan #2

Plan: Plan #2 (FNR 26 Fed #4H/1)
Created By: Patrick Rudolph Date: 8/29/2012

Weatherford International Ltd.
WFT Plan Report - X & Y's

Company:	Occidental Permian Ltd.	**Date:** 8/29/2012	**Time:** 12:28:48	**Page:**	1
Field:	Eddy Co, NM (Nad 27)	**Co-ordinate(NE) Reference:**	Well: FNR 26 Fed #4H, Grid North		
Site:	FNR 26 Fed #4H	**Vertical (TVD) Reference:**	SITE 3406.4		
Well:	FNR 26 Fed #4H	**Section (VS) Reference:**	Well (0.00N,0.00E,89.67Azi)		
Wellpath:	1	**Survey Calculation Method:**	Minimum Curvature	**Db:**	Sybase

Plan:	Plan #2	**Date Composed:**	8/29/2012
		Version:	1
Principal:	Yes	**Tied-to:**	From Surface

Site: FNR 26 Fed #4H

Site Position:			**Northing:**	462426.30 ft	**Latitude:**	32	16	13.564 N
From:	Map		**Easting:**	646735.80 ft	**Longitude:**	103	51	30.915 W
Position Uncertainty:		0.00 ft			**North Reference:**			Grid
Ground Level:		3381.40 ft			**Grid Convergence:**			0.25 deg

Well: FNR 26 Fed #4H **Slot Name:**

Well Position:	+N/-S	0.00 ft	**Northing:**	462426.30 ft	**Latitude:**	32	16	13.564 N
	+E/-W	0.00 ft	**Easting :**	646735.80 ft	**Longitude:**	103	51	30.915 W
Position Uncertainty:		0.00 ft						

Wellpath: 1 **Drilled From:** Surface

Tie-on Depth: 0.00 ft

Current Datum:	SITE	**Height** 3406.40 ft	**Above System Datum:** Mean Sea Level
Magnetic Data:	12/15/2012		**Declination:** 7.54 deg
Field Strength:	48488 nT		**Mag Dip Angle:** 60.14 deg

Vertical Section:	**Depth From (TVD)** ft	**+N/-S** ft	**+E/-W** ft	**Direction** deg
	7766.00	0.00	0.00	89.67

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	89.67	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
6999.86	0.00	89.67	6999.86	0.00	0.00	0.00	0.00	0.00	0.00	
8115.77	89.27	89.67	7716.00	4.03	707.09	8.00	8.00	0.00	89.67	
12053.66	89.27	89.67	7766.00	26.50	4644.60	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
6900.00	0.00	89.67	6900.00	0.00	0.00	0.00	0.00	462426.30	646735.80	
6999.86	0.00	89.67	6999.86	0.00	0.00	0.00	0.00	462426.30	646735.80	KOP
7050.00	4.01	89.67	7049.96	0.01	1.75	1.75	8.00	462426.31	646737.55	
7100.00	8.01	89.67	7099.67	0.04	6.99	6.99	8.00	462426.34	646742.79	
7150.00	12.01	89.67	7148.90	0.09	15.68	15.68	8.00	462426.39	646751.48	
7200.00	16.01	89.67	7197.41	0.16	27.78	27.78	8.00	462426.46	646763.58	
7250.00	20.01	89.67	7244.95	0.25	43.24	43.24	8.00	462426.55	646779.04	
7300.00	24.01	89.67	7291.29	0.35	61.97	61.97	8.00	462426.65	646797.77	
7350.00	28.01	89.67	7336.22	0.48	83.90	83.90	8.00	462426.78	646819.70	
7400.00	32.01	89.67	7379.51	0.62	108.90	108.90	8.00	462426.92	646844.70	
7450.00	36.01	89.67	7420.94	0.78	136.86	136.86	8.00	462427.08	646872.66	
7500.00	40.01	89.67	7460.33	0.96	167.64	167.65	8.00	462427.26	646903.44	
7550.00	44.01	89.67	7497.47	1.15	201.10	201.10	8.00	462427.45	646936.90	
7600.00	48.01	89.67	7532.19	1.35	237.07	237.07	8.00	462427.65	646972.87	
7650.00	52.01	89.67	7564.32	1.57	275.37	275.37	8.00	462427.87	647011.17	
7687.12	54.98	89.67	7586.40	1.74	305.20	305.21	8.00	462428.04	647041.00	BC A4
7700.00	56.01	89.67	7593.69	1.80	315.81	315.82	8.00	462428.10	647051.61	
7750.00	60.01	89.67	7620.18	2.04	358.21	358.22	8.00	462428.34	647094.01	
7800.00	64.01	89.67	7643.64	2.30	402.36	402.36	8.00	462428.60	647138.16	
7850.00	68.01	89.67	7663.96	2.56	448.03	448.03	8.00	462428.86	647183.83	
7900.00	72.01	89.67	7681.05	2.82	495.00	495.01	8.00	462429.12	647230.80	
7950.00	76.01	89.67	7694.82	3.10	543.06	543.07	8.00	462429.40	647278.86	
8000.00	80.01	89.67	7705.20	3.38	591.96	591.97	8.00	462429.68	647327.76	

Weatherford International Ltd.
WFT Plan Report - X & Y's

Company:	Occidental Permian Ltd.	**Date:** 8/29/2012	**Time:** 12:28:48	**Page:**	2
Field:	Eddy Co, NM (Nad 27)	**Co-ordinate(NE) Reference:**	Well: FNR 26 Fed #4H, Grid North		
Site:	FNR 26 Fed #4H	**Vertical (TVD) Reference:**	SITE 3406.4		
Well:	FNR 26 Fed #4H	**Section (VS) Reference:**	Well (0.00N,0.00E,89.67Azi)		
Wellpath:	1	**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
8050.00	84.01	89.67	7712.15	3.66	641.46	641.47	8.00	462429.96	647377.26	
8100.00	88.01	89.67	7715.63	3.94	691.33	691.34	8.00	462430.24	647427.13	
8115.77	89.27	89.67	7716.00	4.03	707.09	707.10	8.00	462430.33	647442.89	LP
8200.00	89.27	89.67	7717.07	4.51	791.32	791.33	0.00	462430.81	647527.12	
8300.00	89.27	89.67	7718.34	5.09	891.31	891.32	0.00	462431.39	647627.11	
8400.00	89.27	89.67	7719.61	5.66	991.30	991.31	0.00	462431.96	647727.10	
8500.00	89.27	89.67	7720.88	6.23	1091.29	1091.31	0.00	462432.53	647827.09	
8600.00	89.27	89.67	7722.15	6.80	1191.28	1191.30	0.00	462433.10	647927.08	
8700.00	89.27	89.67	7723.42	7.37	1291.27	1291.29	0.00	462433.67	648027.07	
8800.00	89.27	89.67	7724.69	7.94	1391.26	1391.28	0.00	462434.24	648127.06	
8900.00	89.27	89.67	7725.96	8.51	1491.25	1491.27	0.00	462434.81	648227.05	
9000.00	89.27	89.67	7727.23	9.08	1591.24	1591.26	0.00	462435.38	648327.04	
9100.00	89.27	89.67	7728.50	9.65	1691.23	1691.26	0.00	462435.95	648427.03	
9200.00	89.27	89.67	7729.77	10.22	1791.22	1791.25	0.00	462436.52	648527.02	
9300.00	89.27	89.67	7731.04	10.79	1891.21	1891.24	0.00	462437.09	648627.01	
9400.00	89.27	89.67	7732.31	11.36	1991.20	1991.23	0.00	462437.66	648727.00	
9500.00	89.27	89.67	7733.58	11.93	2091.19	2091.22	0.00	462438.23	648826.99	
9600.00	89.27	89.67	7734.85	12.50	2191.18	2191.22	0.00	462438.80	648926.98	
9700.00	89.27	89.67	7736.12	13.07	2291.17	2291.21	0.00	462439.37	649026.97	
9800.00	89.27	89.67	7737.39	13.64	2391.16	2391.20	0.00	462439.94	649126.96	
9900.00	89.27	89.67	7738.66	14.21	2491.15	2491.19	0.00	462440.51	649226.95	
10000.00	89.27	89.67	7739.92	14.78	2591.14	2591.18	0.00	462441.08	649326.94	
10100.00	89.27	89.67	7741.19	15.35	2691.13	2691.18	0.00	462441.65	649426.93	
10200.00	89.27	89.67	7742.46	15.92	2791.12	2791.17	0.00	462442.22	649526.92	
10300.00	89.27	89.67	7743.73	16.50	2891.11	2891.16	0.00	462442.80	649626.91	
10400.00	89.27	89.67	7745.00	17.07	2991.10	2991.15	0.00	462443.37	649726.90	
10500.00	89.27	89.67	7746.27	17.64	3091.09	3091.14	0.00	462443.94	649826.89	
10600.00	89.27	89.67	7747.54	18.21	3191.08	3191.14	0.00	462444.51	649926.88	
10700.00	89.27	89.67	7748.81	18.78	3291.07	3291.13	0.00	462445.08	650026.87	
10800.00	89.27	89.67	7750.08	19.35	3391.06	3391.12	0.00	462445.65	650126.86	
10900.00	89.27	89.67	7751.35	19.92	3491.05	3491.11	0.00	462446.22	650226.85	
11000.00	89.27	89.67	7752.62	20.49	3591.05	3591.10	0.00	462446.79	650326.85	
11100.00	89.27	89.67	7753.89	21.06	3691.04	3691.10	0.00	462447.36	650426.84	
11200.00	89.27	89.67	7755.16	21.63	3791.03	3791.09	0.00	462447.93	650526.83	
11300.00	89.27	89.67	7756.43	22.20	3891.02	3891.08	0.00	462448.50	650626.82	
11400.00	89.27	89.67	7757.70	22.77	3991.01	3991.07	0.00	462449.07	650726.81	
11500.00	89.27	89.67	7758.97	23.34	4091.00	4091.06	0.00	462449.64	650826.80	
11600.00	89.27	89.67	7760.24	23.91	4190.99	4191.06	0.00	462450.21	650926.79	
11700.00	89.27	89.67	7761.51	24.48	4290.98	4291.05	0.00	462450.78	651026.78	
11800.00	89.27	89.67	7762.78	25.05	4390.97	4391.04	0.00	462451.35	651126.77	
11900.00	89.27	89.67	7764.05	25.62	4490.96	4491.03	0.00	462451.92	651226.76	
12000.00	89.27	89.67	7765.32	26.19	4590.95	4591.02	0.00	462452.49	651326.75	
12053.66	89.27	89.67	7766.00	26.50	4644.60	4644.68	0.00	462452.80	651380.40	PBHL

Targets

Name	Description Dip.	Dir.	TVD ft	+N/-S ft	+E/-W ft	Map Northing ft	Map Easting ft	<---- Latitude ----> Deg	Min	Sec	<--- Longitude ---> Deg	Min	Sec
Offset Well -Circle (Radius: 25)			0.00	-26.90	284.90	462399.40	647020.70	32	16	13.285 N	103	51	27.599 W
PBHL			7766.00	26.50	4644.60	462452.80	651380.40	32	16	13.620 N	103	50	36.818 W

Weatherford International Ltd.
WFT Plan Report - X & Y's

Company:	Occidental Permian Ltd.	**Date:**	8/29/2012	**Time:** 12:28:48	**Page:** 3
Field:	Eddy Co, NM (Nad 27)	**Co-ordinate(NE) Reference:**	Well: FNR 26 Fed #4H, Grid North		
Site:	FNR 26 Fed #4H	**Vertical (TVD) Reference:**	SITE 3406.4		
Well:	FNR 26 Fed #4H	**Section (VS) Reference:**	Well (0.00N,0.00E,89.67Azi)		
Wellpath:	1	**Survey Calculation Method:**	Minimum Curvature	**Db:**	Sybase

Targets

Name	Description Dip.	Dir.	TVD ft	+N/-S ft	+E/-W ft	Map Northing ft	Map Easting ft	<---- Latitude ----> Deg Min Sec	<--- Longitude ---> Deg Min Sec

Casing Points

MD ft	TVD ft	Diameter in	Hole Size in	Name
300.00	300.00	0.000	0.000	Csg
4050.00	4050.00	0.000	0.000	Csg

Annotation

MD ft	TVD ft	
6999.86	6999.86	KOP
8115.77	7716.00	LP
12053.65	7766.00	PBHL

Formations

MD ft	TVD ft	Formations	Lithology	Dip Angle deg	Dip Direction deg
7687.12	7586.40	BC A4		0.00	0.00

Weatherford Drilling Services

GeoDec v5.03

Report Date:	August 29, 2012
Job Number:	
Customer:	Occidental Permian Ltd.
Well Name:	FNR 26 Federal #4H
API Number:	
Rig Name:	
Location:	Eddy Co, NM (Nad 27)
Block:	
Engineer:	Patrick Rudolph

US State Plane 1927
System: New Mexico East 3001 (NON-EXACT)
Projection: SPC27 Transverse Mercator
Datum: NAD 1927 (NADCON CONUS)
Ellipsoid: Clarke 1866
North/South 462426.300 USFT
East/West 646735.800 USFT
Grid Convergence: .25°
Total Correction: +7.43°

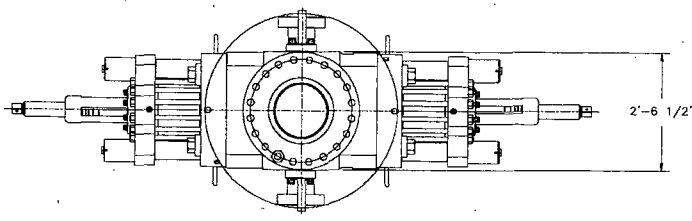
Geodetic Latitude / Longitude
System: Latitude / Longitude
Projection: Geodetic Latitude and Longitude
Datum: NAD 1927 (NADCON CONUS)
Ellipsoid: Clarke 1866
Latitude 32.2704345 DEG
Longitude -103.8585876 DEG

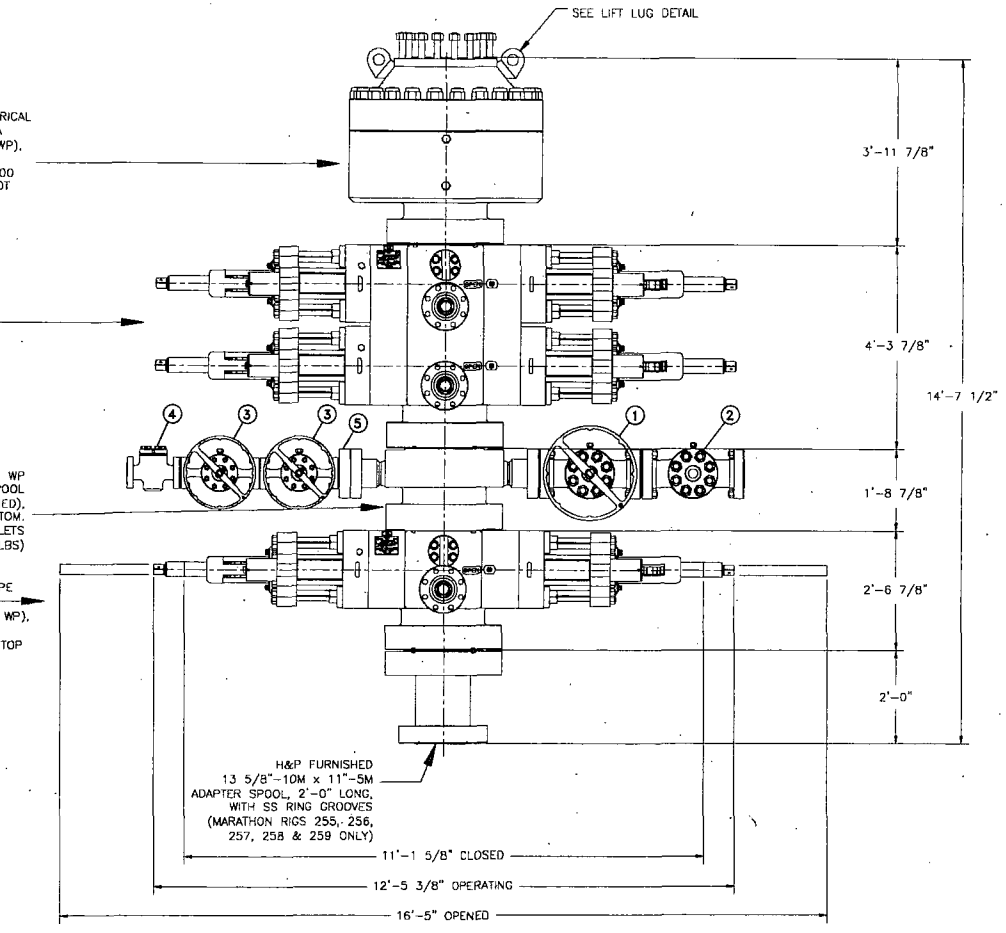
Geodetic Location WGS84		Elevation = 0.0 Meters
Latitude =	32.27043° N	32° 16 min 13.564 sec
Longitude =	103.85859° W	103° 51 min 30.915 sec

Magnetic Declination =	7.68°	[True North Offset]	
Local Gravity =	.9988 g	CheckSum =	6505
Local Field Strength =	48508 nT	Magnetic Vector X =	23956 nT
Magnetic Dip =	60.11°	Magnetic Vector Y =	3229 nT
Magnetic Model =	bggm2012	Magnetic Vector Z =	42056 nT
Spud Date =	Aug 29, 2012	Magnetic Vector H =	24172 nT

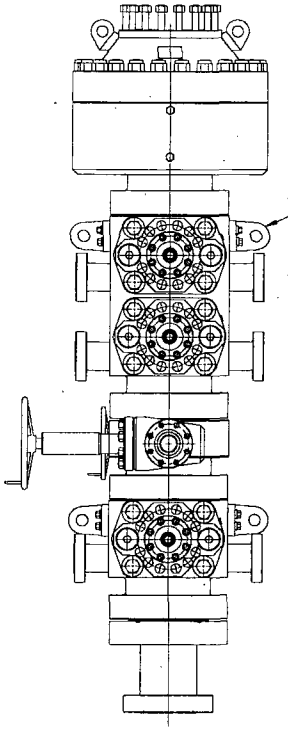
Signed:_____ Date:_____

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





13 5/8–10M STACK



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

REV	DATE	DESCRIPTION	BY
E	12/18/07	ADDED SHEET 03	JAV
D	4–10–07	ORIENTATION REVISED, DOUBLE STUDDED ADAPTER, VALVES 1, 2, & 3, AND MS CHECK VALVE ADDED	JBG
C	4–04–07	5" ADDED TO SPACER ADAPTER SPOOL	JBG
B	02–07–07	ADDED ADAPTER SPOOL	MWL
A	06–13–02	CORRECTED BOP STACK	MWL

ENGINEERING APPROVAL | DATE

HELMERICH & PAYNE
INTERNATIONAL DRILLING CO.

TITLE: 13 5/8"–10M BOP 3 RAM STACK FLEXRIG3

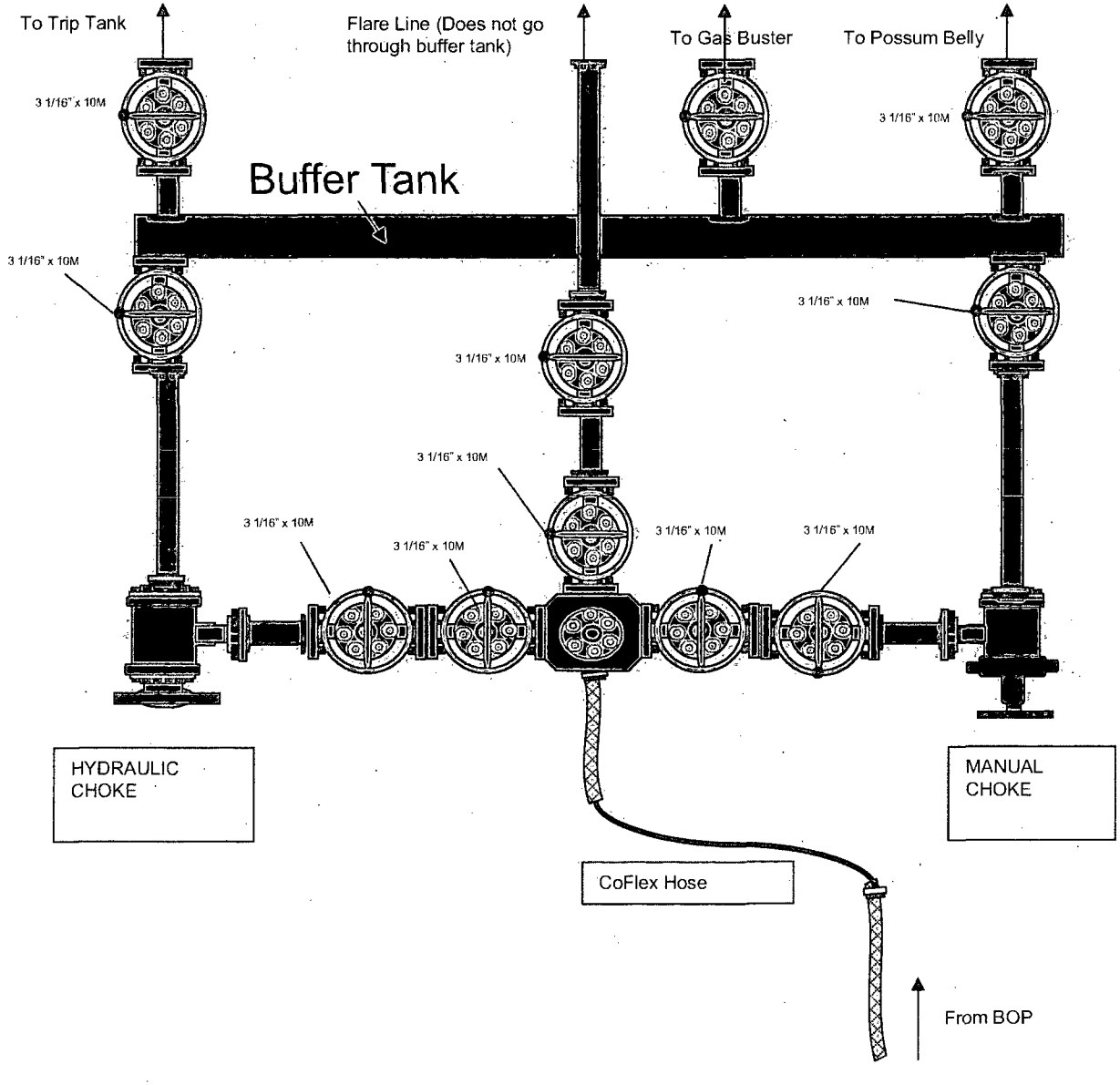
CUSTOMER: H&P

PROJECT: FLEXRIG3

DRAWN: MTS | DATE: 6–5–02 | DWG. NO.: 210–P1–07 | REV: E

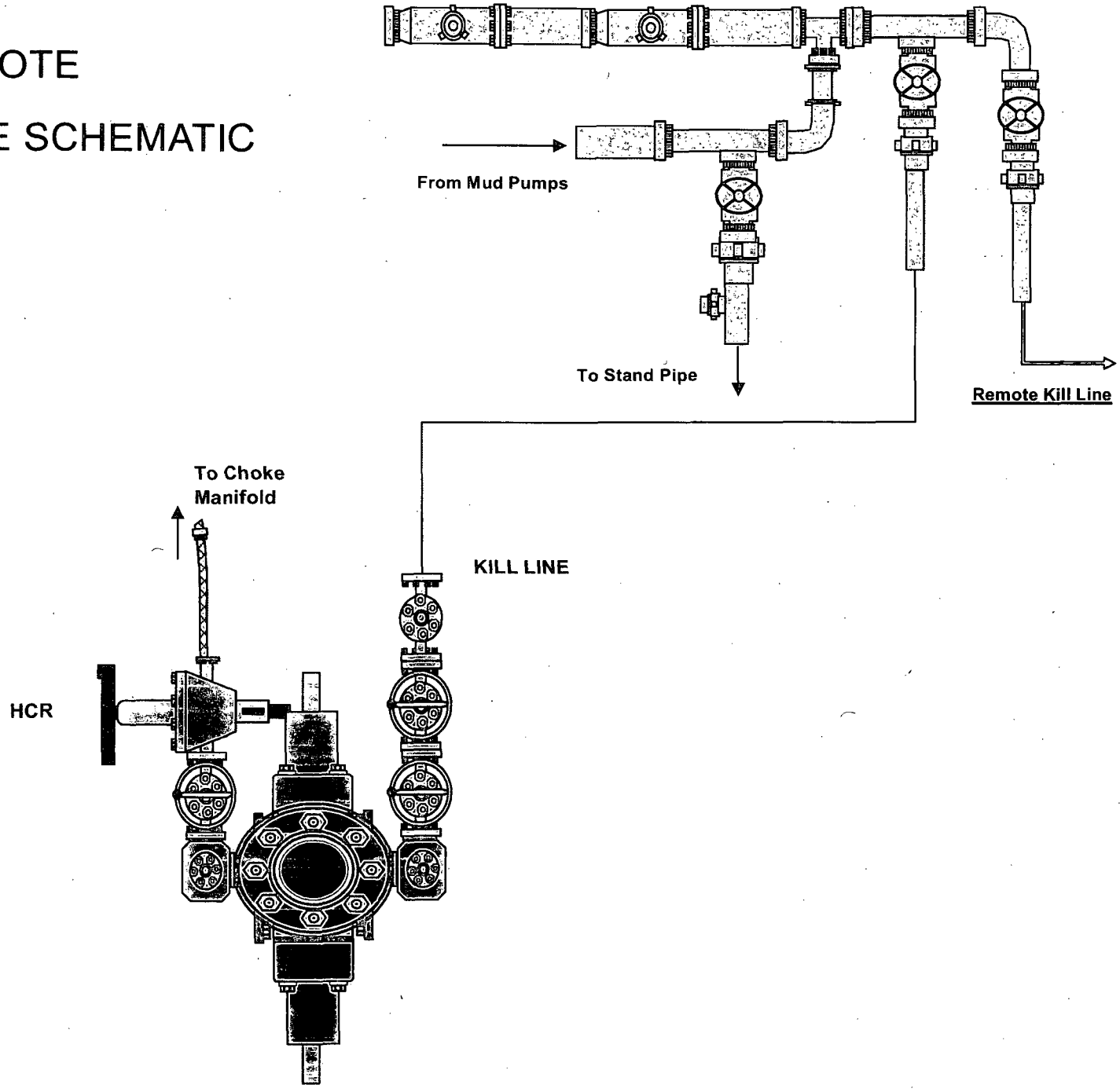
SCALE: 3/4"=1' | SHEET: 1 OF 3

FLEX3 STD CHOKE MANIFOLD (COMPREHENSIVE)



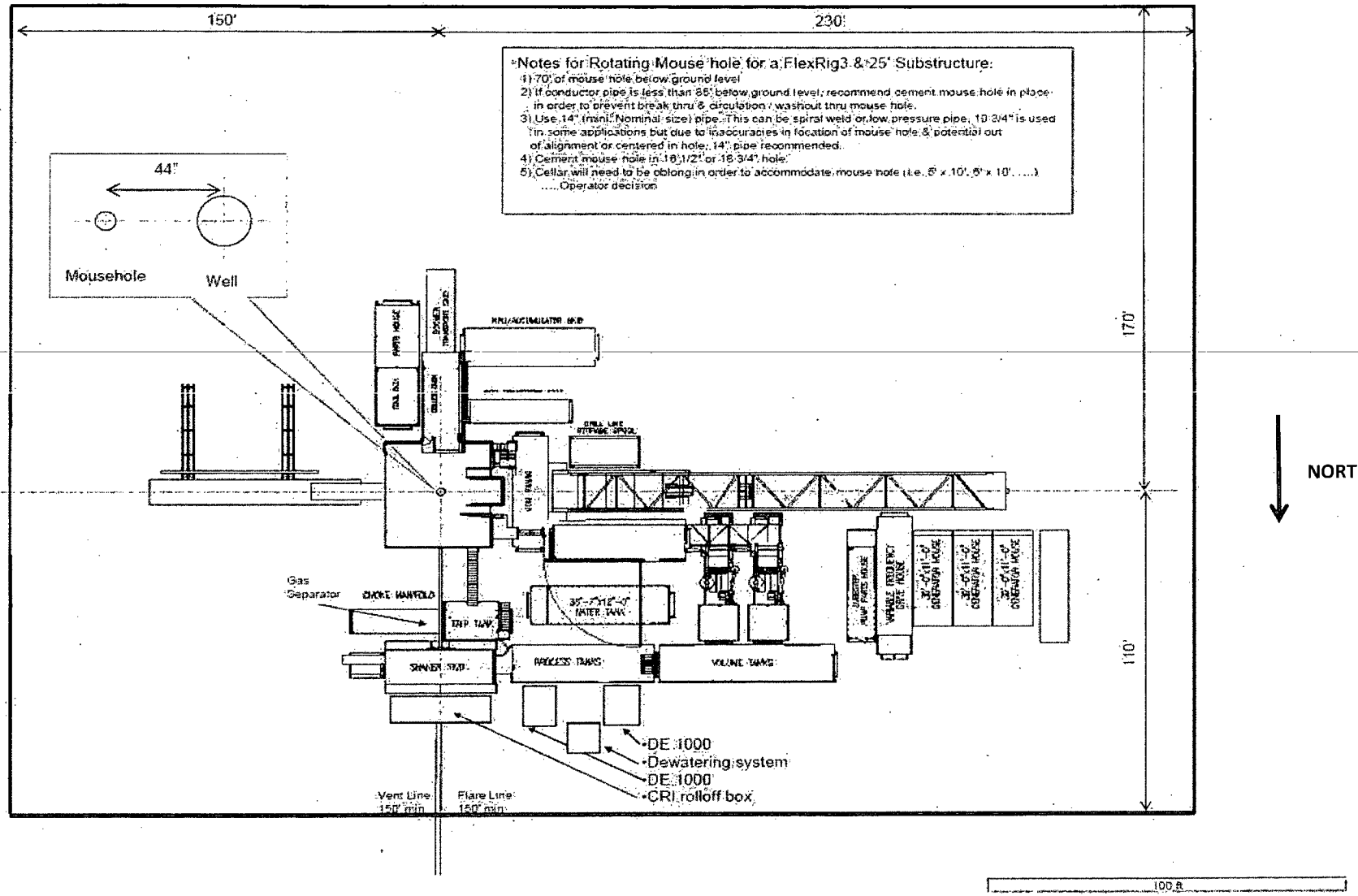
10M REMOTE

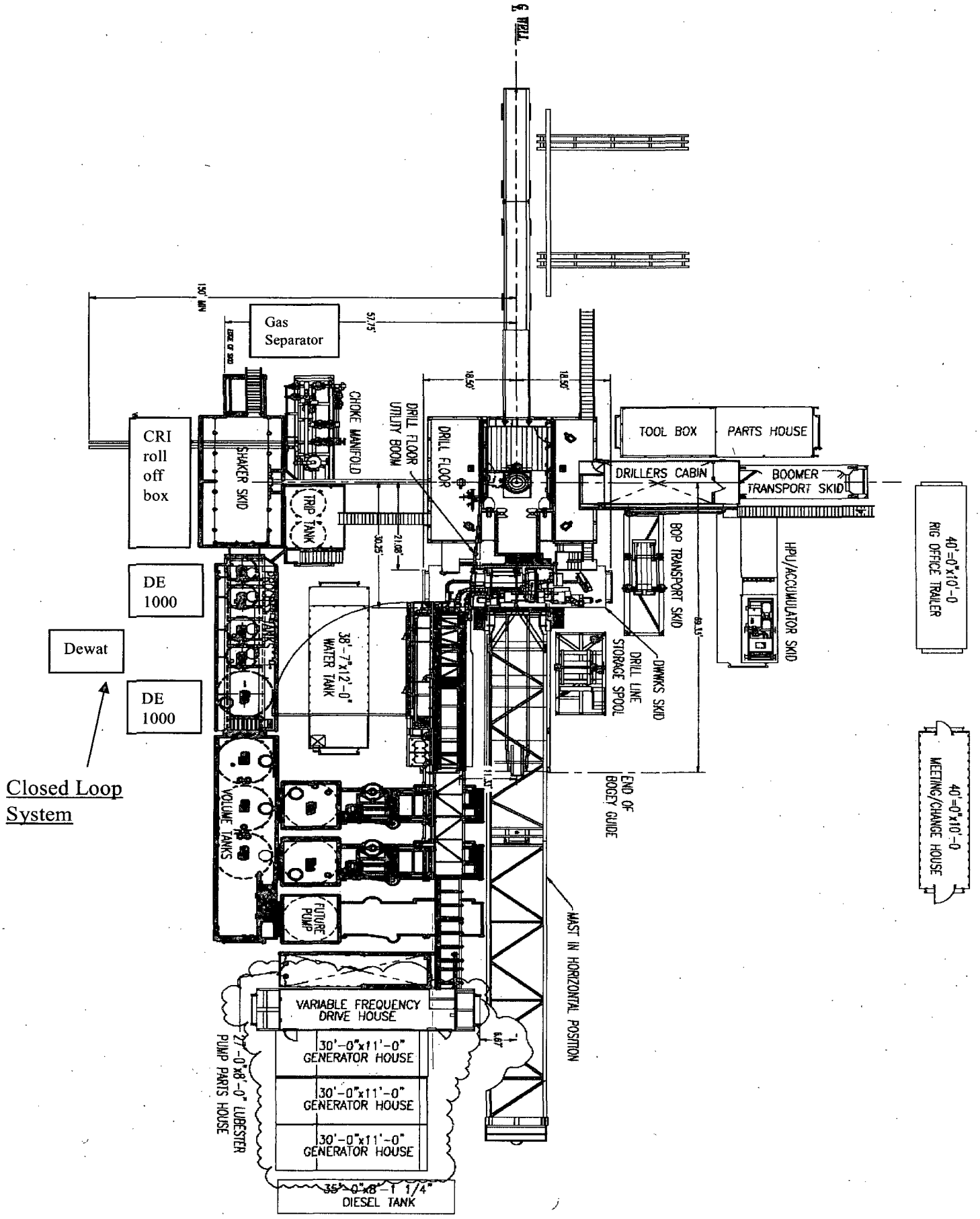
KILL LINE SCHEMATIC



OXY FLEX III PAD (SCOMI Closed Loop System)

Level Area-No Caliche-For Offices and Living Quarters




Gas Separator
CRI roll off box
DE 1000
Dewat
DE 1000
Closed Loop System
SHAKER SKID
TRIP TANK
CHOKE MANIFOLD
DRILL FLOOR UTILITY BOOM
DRILL FLOOR
38'-7"x12'-0" WATER TANK
VOLUME TANKS
FUTURE PUMP
TOOL BOX
PARTS HOUSE
DRILLERS CABIN
BOOMER TRANSPORT SKID
BOP TRANSPORT SKID
HPU/ACCUMULATOR SKID
DRILL LINE STORAGE SPOOL
DWWKS SKID
END OF BOGEY GUIDE
MAST IN HORIZONTAL POSITION
40'-0"x10'-0 RIG OFFICE TRAILER
40'-0"x10'-0 MEETING/CHANGE HOUSE
VARIABLE FREQUENCY DRIVE HOUSE
30'-0"x11'-0" GENERATOR HOUSE
30'-0"x11'-0" GENERATOR HOUSE
30'-0"x11'-0" GENERATOR HOUSE
35'-0"x8'-1 1/4" DIESEL TANK
27'-0"x8'-0" LUBESTER PUMP PARTS HOUSE

Continental CONTITECH

Fluid Technology

Quality Document

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

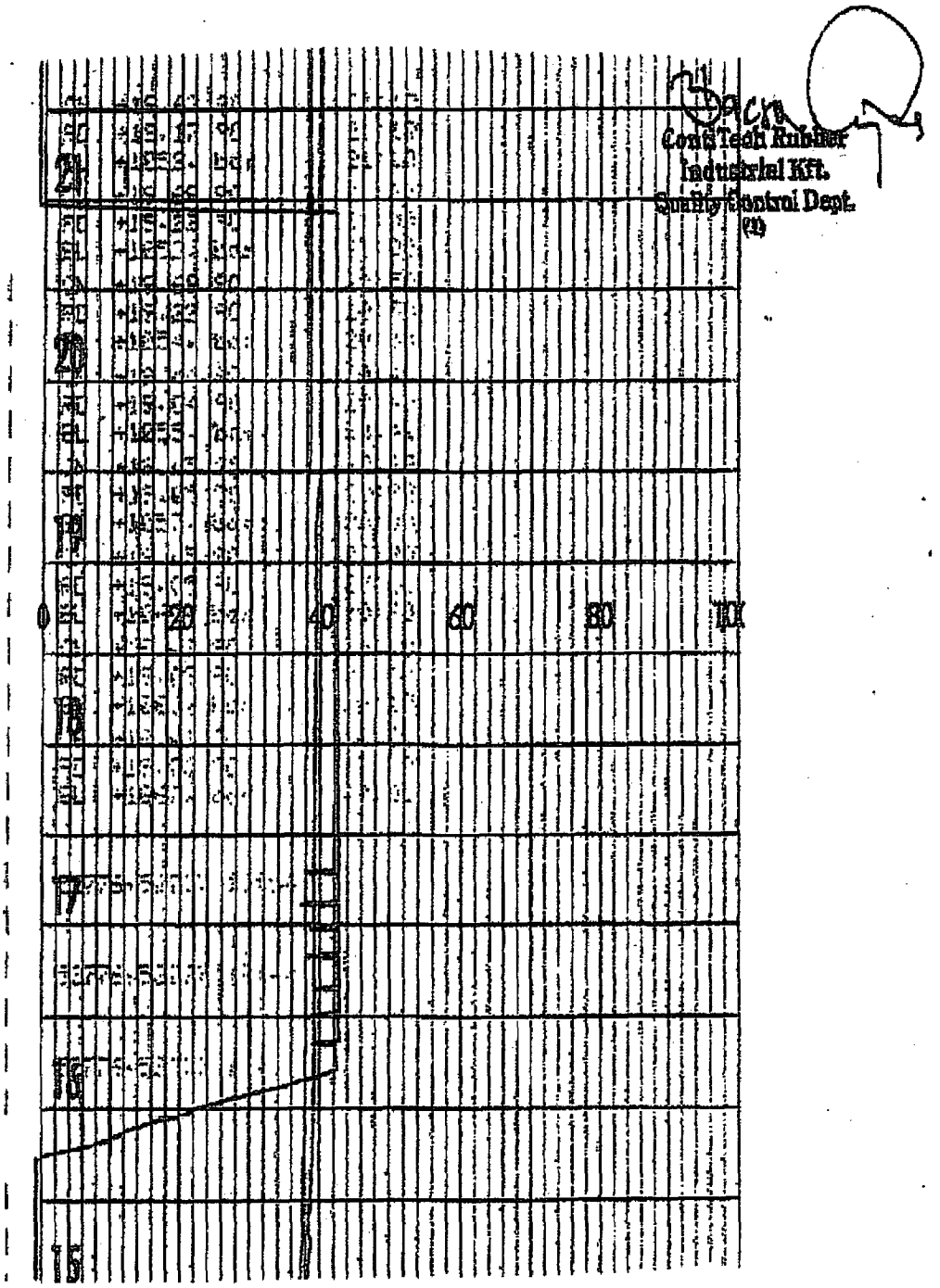
Signed : .....

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

Date: 04. April. 2008

Position: Q.C. Manager

Coflex Hose Certification



PHOENIX Beattie

Material Identification Certificate

PA No	006330	Client	HELMERICH & PAYNE INT'L DRILLING	Client Ref	370-369-001	Page	1

Part No	Description	Material Desc	Material Spec	Qty	WO No	Batch No	Test Cert No	Bin No	Drg No	Issue No
HP10CK3A-35-4F1	3" 10K 16C C&K HOSE x 35ft OAL			1	2491	52777/H884		WATER		
SECK3-HPF3	LIFTING & SAFETY EQUIPMENT TO			1	2440	002440		N/STK		
SC725-200CS	SAFETY CLAMP 200MM 7.25T	CARBON STEEL		1	2519	H665		22C		
SC725-132CS	SAFETY CLAMP 132MM 7.25T	CARBON STEEL		1	2242	H139		22		

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.

05/23/08

Coflex Hose Certification

Coflex Hose Certification

Form No 100/12

Phoenix Beattie Corp
11535 Brittmoore 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...

Coflex Hose Certification

Continental CONTITECH

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.

Pressure test with water at ambient temperature

See attachment. (1 page)

↑ 10 mm = 10 Min.

→ 10 mm = 25 MPa

COUPLINGS

Type	Serial N°	Quality	Heat N°
3" coupling with	917 913	AISI 4130	T7998A
4 1/16" Flange end		AISI 4130	26984

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

Phoenix Beattie Corp
11535 Brittmoore 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

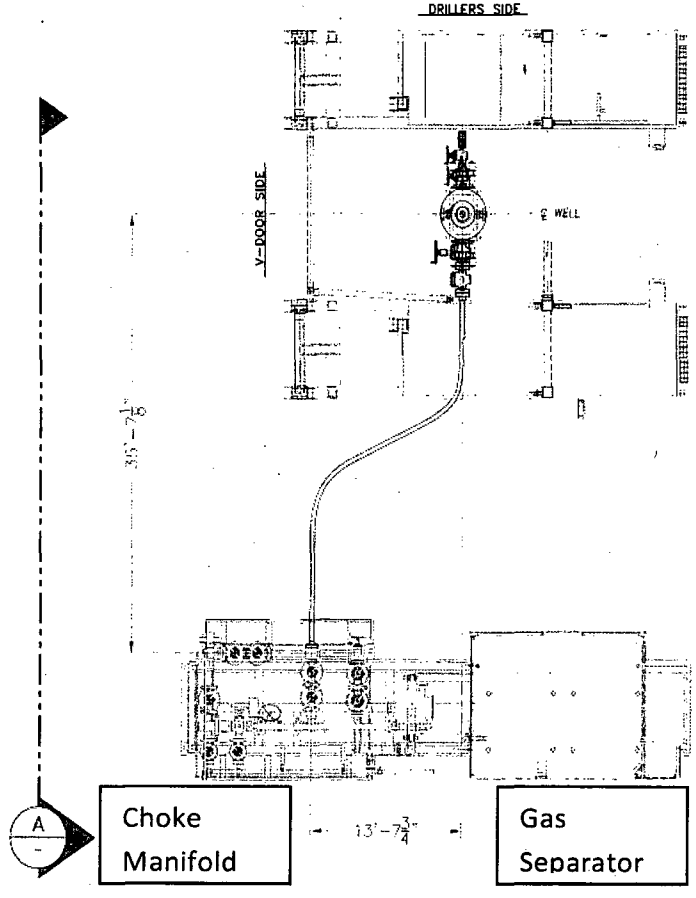
Item No	Beattie Part Number / Description	Qty Ordered	Qty Sent	Qty To Follow
4	SC725-132CS SAFETY CLAMP 132MM 7.25T C/S GALVANIZED C/W BOLTS	1	1	0
5	00CERT-HYDRO HYDROSTATIC PRESSURE TEST CERTIFICATE	1	1	0
6	00CERT-LOAD LOAD TEST CERTIFICATES	1	1	0
7	00FREIGHT INBOUND / OUTBOUND FREIGHT PRE-PAY & ADD 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 : _____

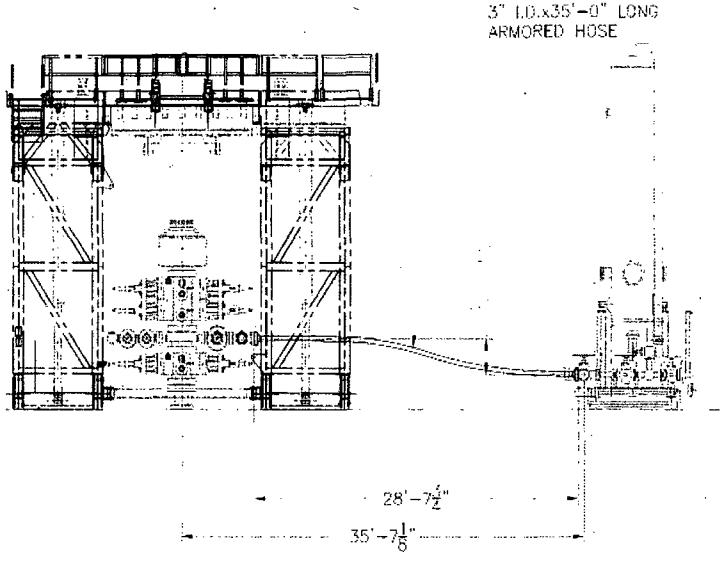
Received In Good Condition : Signature _____

Print Name _____

Date _____



PLAN VIEW



SECTION "A"

→ To Shakers

ISSUED FOR FABRICATION
December-19-2007
DRAFTSMAN
ENGINEER

HELMERICH & PAYNE
INTERNATIONAL DRILLING CO.

REV	DATE	DESCRIPTION	BY
A	12/18/07	REMOVED SHEET TOTAL CALLOUT	JAV

ENGINEERING APPROVAL | DATE

TITLE: CHOKE LINE SYSTEM FLEXRIG3

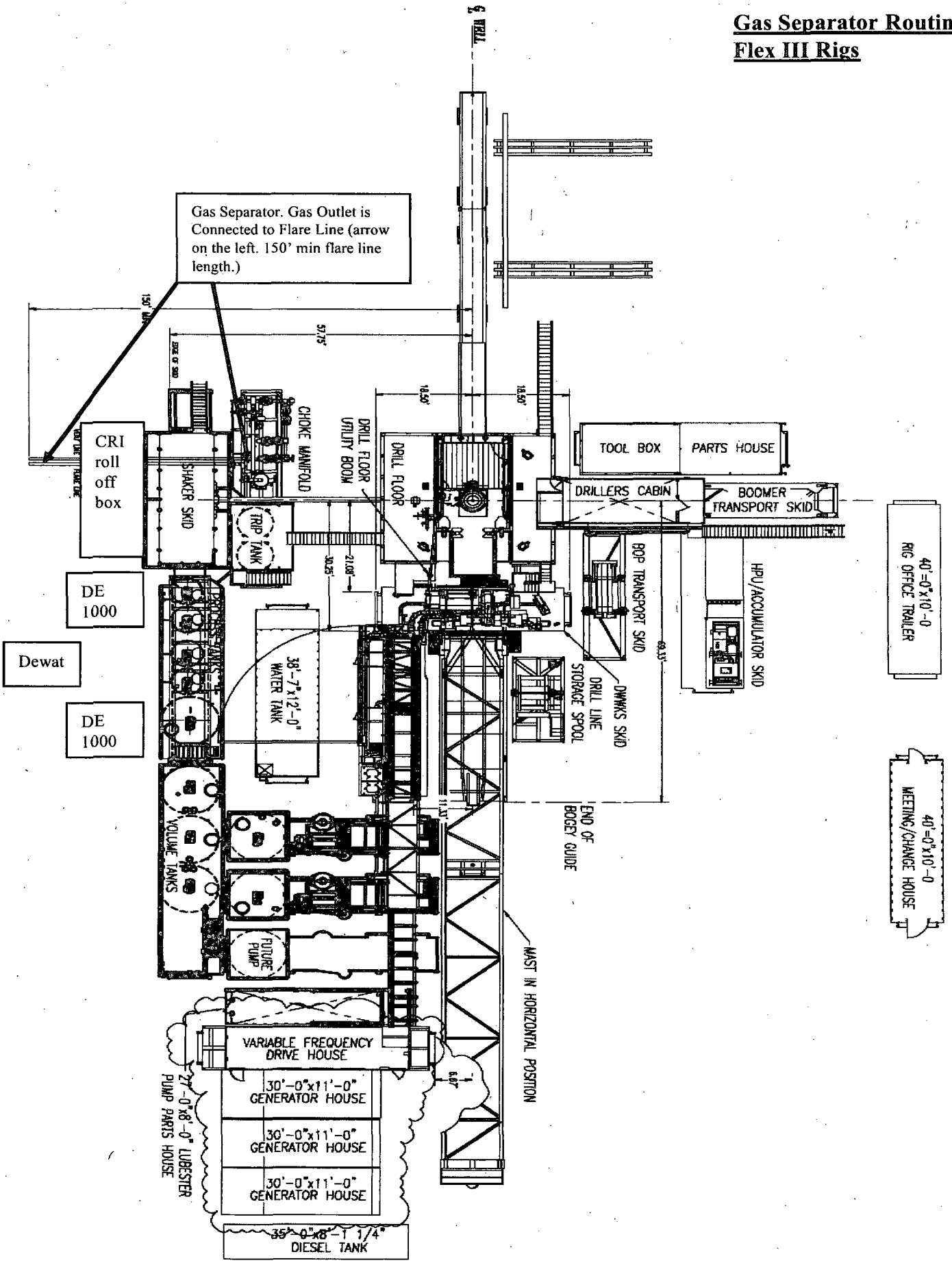
CUSTOMER:

PROJECT:

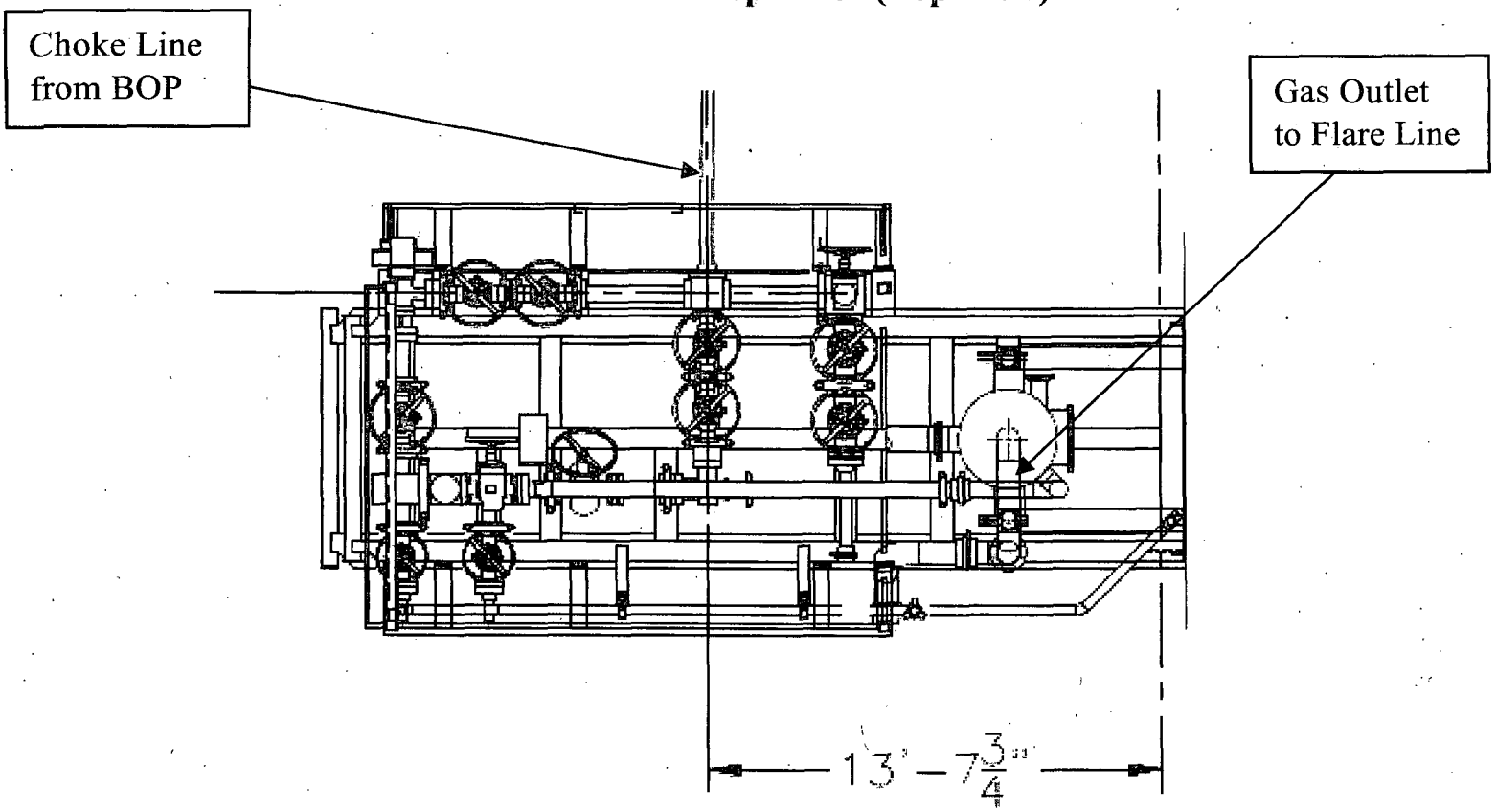
DRAWN: JBC | DATE: 4-10-07 | DWG. NO.: 210-P1-07 | REV: A

SCALE: 3/16"=1' | SHEET: 2 OF

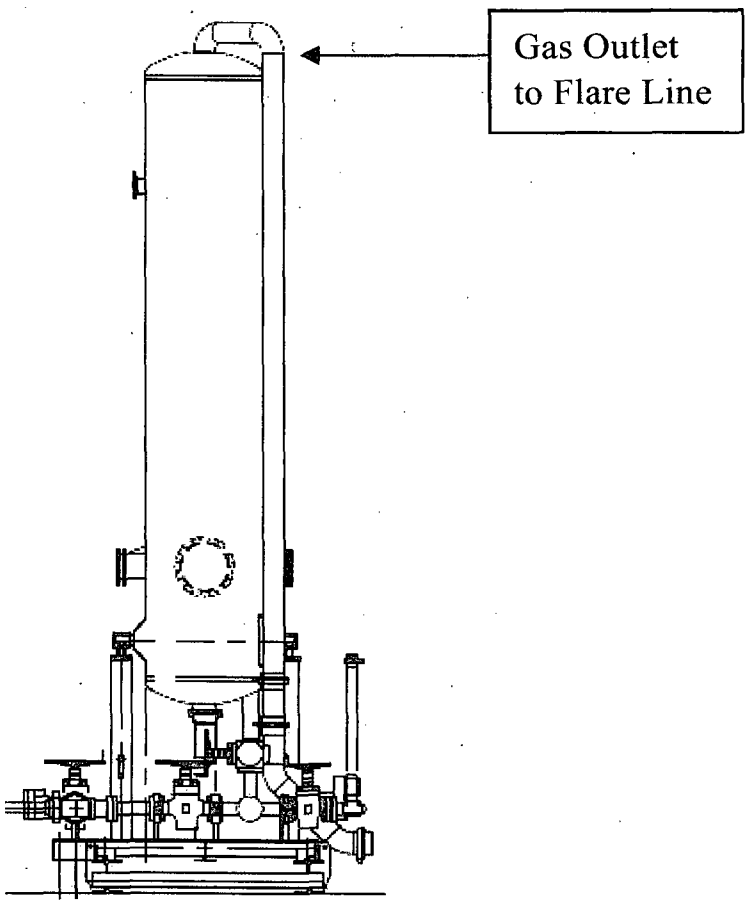
Gas Separator Routing
Flex III Rigs



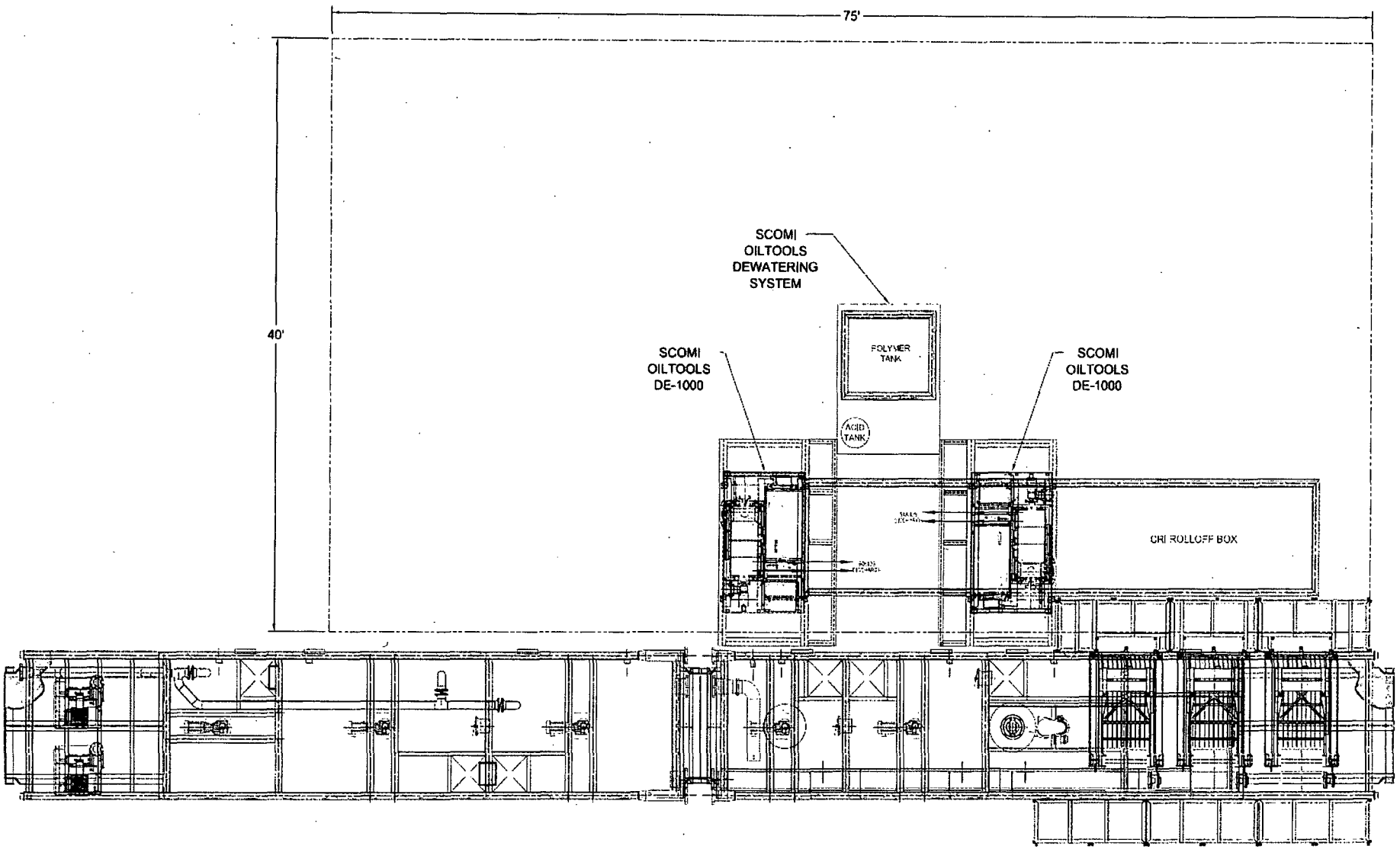
Choke Manifold – Gas Separator (Top View)



Choke Manifold – Gas Separator (Side View)



BILL OF MATERIAL				
ITEM	QTY.	DESCRIPTION	TENSILE	WEIGHT



1. ALL STRUCTURAL MATERIAL SHALL BE ASTM – A36.
2. ALL PIPE SCH. 40 MATERIAL SA 106 Gr. B
3. ALL FLANGES SHALL BE SORF, 150# & MATERIAL SA 105.
4. ALL FITTINGS SCH. 40 MATERIAL SHALL BE SA 234 GR. WPB
5. TANK FABRICATION SHALL BE IN ACCORDANCE WITH API-650

NO.	REVISIONS	BY	CHK'D	APP'D	DATE
A	ADDED PAGE 2 TO SHOW P&ID	PEL	EB		3/12/08

TITLE:
CLOSED LOOP SYSTEM BASIC LAYOUT AND TIE IN OXY - H&P - FLEX RIGS / PG 1 OF 2

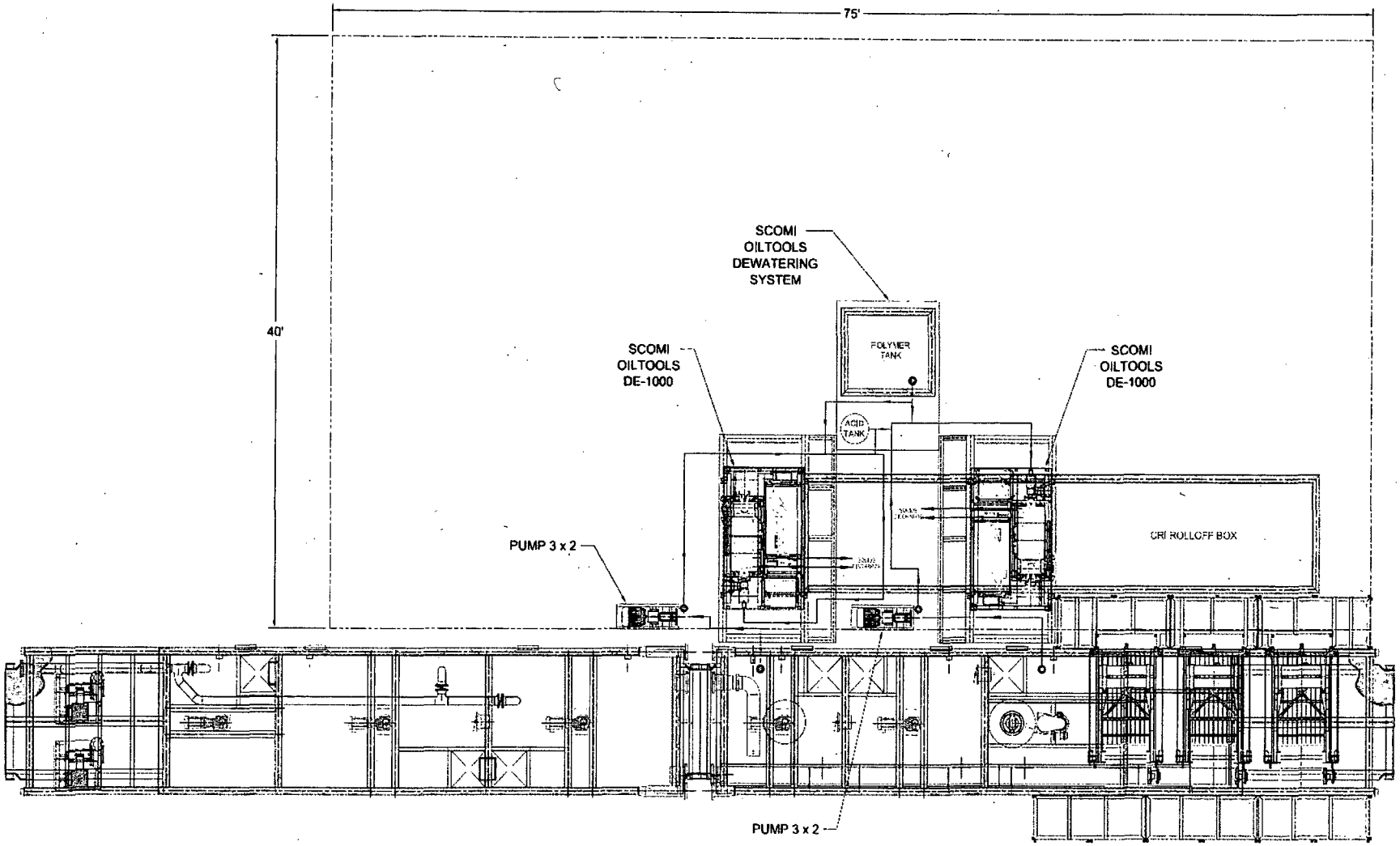
DRAWN BY	DATE	CHECKED BY	DATE
PEL	10/30/07		
APPROVED	DATE	SCALE	ADD DWG
		NTS	D

Scomi
521 N. Sam Houston Parkway East, Suite 300,
Houston, Texas 77060
PHONE: (281)-260-6010, FAX: (281)-260-6060

JOB NO.	DRAWING NO.	REV.
	521S-014	A

BILL OF MATERIAL

ITEM	QTY.	DESCRIPTION	TENSILE	WEIGHT



REV	DESCRIPTION	BY	CHK	APPD	DATE
A	ADDED PAGE 2 TO SHOW H&P	MCL	JW		9/12/02
40	REVISIONS	BY	CHK	APPD	DATE

1. ALL STRUCTURAL MATERIAL SHALL BE ASTM - A36.
2. ALL PIPE SCH. 40 MATERIAL SA 106 Gr. B.
3. ALL FLANGES SHALL BE SCRD. 150# & MATERIAL SA 105.
4. ALL FITTINGS SCH. 40 MATERIAL SHALL BE SA 234 GR. WPB
5. TANK FABRICATION SHALL BE IN ACCORDANCE WITH API-650

TITLE:
CLOSED LOOP SYSTEM
BASIC LAYOUT AND TIE IN
OXY - H&P - FLEX RIGS / PG 2 OF 2

DRAWN BY	DATE	CHECKED BY	DATE
PDV	10/30/02		
APPROVED	DATE	SCALE	ROAD DWG
		NTS	D

Scomi
821 N. Sam Houston Parkway East, Suite 300,
Houston, Texas 77060
PHONE: (281)-260-8018, FAX: (281)-260-8969

CON NO	DRAWING NO	REV
	521S-014	A

Permian Drilling
Hydrogen Sulfide Drilling Operations Plan
New Mexico

Scope

This contingency plan establishes guidelines for the public, all company employees, and contract employees who's work activities may involve exposure to hydrogen sulfide (H2S) gas.
While drilling this well, it is possible to encounter H2S bearing formations. At all times, the first barrier to control H2S emissions will be the drilling fluid, which will have a density high enough to control influx.

Objective

1. Provide an immediate and predetermined response plan to any condition when H2S is detected. All H2S detections in excess of 10 parts per million (ppm) concentration are considered an Emergency.

2. Prevent any and all accidents, and prevent the uncontrolled release of hydrogen sulfide into the atmosphere.

3. Provide proper evacuation procedures to cope with emergencies.

4. Provide immediate and adequate medical attention should an injury occur.

Discussion

Implementation:	This plan with all details is to be fully implemented before drilling to commence.
Emergency response Procedure:	This section outlines the conditions and denotes steps to be taken in the event of an emergency.
Emergency equipment Procedure:	This section outlines the safety and emergency equipment that will be required for the drilling of this well.
Training provisions:	This section outlines the training provisions that must be adhered to prior to drilling.
Drilling emergency call lists:	Included are the telephone numbers of all persons to be contacted should an emergency exist.
Briefing:	This section deals with the briefing of all people involved in the drilling operation.
Public safety:	Public safety personnel will be made aware of any potential evacuation and any additional support needed.
Check lists:	Status check lists and procedural check lists have been included to insure adherence to the plan.
General information:	A general information section has been included to supply support information.

Hydrogen Sulfide Training

All personnel, whether regularly assigned, contracted, or employed on an unscheduled basis, will receive training from a qualified instructor in the following areas prior to commencing drilling operations on the well:

1. The hazards and characteristics of H2S.
2. Proper use and maintenance of personal protective equipment and life support systems.
3. H2S detection.
4. Proper use of H2S detectors, alarms, warning systems, briefing areas, evacuation procedures and prevailing winds.
5. Proper techniques for first aid and rescue procedures.
6. Physical effects of hydrogen sulfide on the human body.
7. Toxicity of hydrogen sulfide and sulfur dioxide.
8. Use of SCBA and supplied air equipment.
9. First aid and artificial respiration.
10. Emergency rescue.

In addition, supervisory personnel will be trained in the following areas:

1. The effects of H2S on metal components. If high tensile strength tubular is to be used, personnel will be trained in their special maintenance requirements.
2. Corrective action and shut-in procedures when drilling a well, blowout prevention and well control procedures.
3. The contents and requirements of the H2S Drilling Operations Plan.

H2S training refresher must have been taken within one year prior to drilling the well. Specifics on the well to be drilled will be discussed during the pre-spud meeting. H2S and well control (choke) drills will be performed while drilling the well, at least on a weekly basis. This plan shall be available in the well site. All personnel will be required to carry the documentation proving that the H2S training has been taken.

Service company and visiting personnel

A. Each service company that will be on this well will be notified if the zone contains H2S.

B. Each service company must provide for the training and equipment of their employees before they arrive at the well site.

C. Each service company will be expected to attend a well site briefing

Emergency Equipment Requirements

1. Well control equipment

The well shall have hydraulic BOP equipment for the anticipated pressures. Equipment is to be tested on installation and follow Oxy Well Control standard, as well as BLM Onshore Order #2.

Special control equipment:

A. Hydraulic BOP equipment with remote control on ground.
B. Rotating head
C. Gas buster equipment shall be installed before drilling out of surface pipe.

2. Protective equipment for personnel

A. Four (4) 30-minute positive pressure air packs (2 at each briefing area) on location.

B. Adequate fire extinguishers shall be located at strategic locations.

C. Radio / cell telephone communication will be available at the rig.

- Rig floor and trailers.
- Vehicle.

3. Hydrogen sulfide sensors and alarms

A. H2S sensor with alarms will be located on the rig floor, at the bell nipple, and at the flow line. These monitors will be set to alarm at 10 ppm with strobe light, and audible alarm.
B. Hand operated detectors with tubes.
C. H2S monitor tester (to be provided by contract Safety Company.)
D. There shall be one combustible gas detector on location at all times.

4. Visual Warning Systems

A. One sign located at each location entrance with the following language:

Caution – potential poison gas
Hydrogen sulfide
No admittance without authorization

Wind sock – wind streamers:

A. One 36" (in length) wind sock located at protection center, at height visible from rig floor.
B. One 36" (in length) wind sock located at height visible from pit areas.

Condition flags

A. One each condition flag to be displayed to denote conditions.

green – normal conditions
yellow – potential danger
red – danger, H2S present

B. Condition flag shall be posted at each location sign entrance.

5. Mud Program

The mud program is designed to minimize the risk of having H2S and other formation fluids at surface. Proper mud weight and safe drilling practices will be applied. H2S scavengers will be used to minimize the hazards while drilling. Below is a summary of the drilling program.

Mud inspection devices:

Garrett gas train or hatch tester for inspection of sulfide concentration in mud system.

6. Metallurgy

A. Drill string, casing, tubing, wellhead, blowout preventers, drilling spools or adapters, kill lines, choke manifold, lines and valves shall be suitable for the H2S service.
B. All the elastomers, packing, seals and ring gaskets shall be suitable for H2S service.

7. Well Testing

No drill stem test will be performed on this well.

8. Evacuation plan

Evacuation routes should be established prior to well spud for each well and discussed with all rig personnel.

9. Designated area

A. Parking and visitor area: all vehicles are to be parked at a predetermined safe distance from the wellhead.
B. There will be a designated smoking area.
C. Two briefing areas on either side of the location at the maximum allowable distance from the well bore so they offset prevailing winds perpendicularly, or at a 45-degree angle if wind direction tends to shift in the area.

Emergency procedures

A. In the event of any evidence of H2S level above 10 ppm, take the following steps:

1. The Driller will pick up off bottom, shut down the pumps, slow down the pipe rotation.

2. Secure and don escape breathing equipment, report to the upwind designated safe briefing / muster area.

3. All personnel on location will be accounted for and emergency search should begin for any missing, the Buddy System will be implemented.

4. Order non-essential personnel to leave the well site, order all essential personnel out of the danger zone and upwind to the nearest designated safe briefing / muster area.

5. Entrance to the location will be secured to a higher level than our usual "Meet and Greet" requirement, and the proper condition flag will be displayed at the entrance to the location.

6. Take steps to determine if the H2S level can be corrected or suppressed and, if so, proceed as required.

B. If uncontrollable conditions occur:

1. Take steps to protect and/or remove any public in the down-wind area from the rig – partial evacuation and isolation. Notify necessary public safety personnel and appropriate regulatory entities (i.e. BLM) of the situation.

2. Remove all personnel to the nearest upwind designated safe briefing / muster area or off location.

3. Notify public safety personnel of safe briefing / muster area.

4. An assigned crew member will blockade the entrance to the location. No unauthorized personnel will be allowed entry to the location.

5. Proceed with best plan (at the time) to regain control of the well. Maintain tight security and safety procedures.

C. Responsibility:

1. Designated personnel.

a. Shall be responsible for the total implementation of this plan.
b. Shall be in complete command during any emergency.
c. Shall designate a back-up.

All personnel:

1. On alarm, don escape unit and report to the nearest upwind designated safe briefing / muster area upw
2. Check status of personnel (buddy system).
3. Secure breathing equipment.
4. Await orders from supervisor.

Drill site manager:

1. Don escape unit if necessary and report to nearest upwind designated safe briefing / muster area.
2. Coordinate preparations of individuals to return to point of release with tool pusher and driller (using the buddy system).
3. Determine H2S concentrations.
4. Assess situation and take control measures.

Tool pusher:

1. Don escape unit Report to up nearest upwind designated safe briefing / muster area.
2. Coordinate preparation of individuals to return to point of release with tool pusher drill site manager (using the buddy system).
3. Determine H2S concentration.
4. Assess situation and take control measures.

Driller:

1. Don escape unit, shut down pumps, continue rotating DP.

	2.	Check monitor for point of release.
	3.	Report to nearest upwind designated safe briefing / muster area.
	4.	Check status of personnel (in an attempt to rescue, use the buddy system).
	5.	Assigns least essential person to notify Drill Site Manager and tool pusher by quickest means in case of their absence.
	6.	Assumes the responsibilities of the Drill Site Manager and tool pusher until they arrive should they be absent.
Derrick man Floor man #1 Floor man #2	1.	Will remain in briefing / muster area until instructed by supervisor.
Mud engineer:	1.	Report to nearest upwind designated safe briefing / muster area.
	2.	When instructed, begin check of mud for ph and H2S level. (Garett gas train.)
Safety personnel:	1.	Mask up and check status of all personnel and secure operations as instructed by drill site manager.

Taking a kick

When taking a kick during an H2S emergency, all personnel will follow standard Well control procedures after reporting to briefing area and masking up.

Open-hole logging

All unnecessary personnel off floor. Drill Site Manager and safety personnel should monitor condition, advise status and determine need for use of air equipment.

Running casing or plugging

Following the same "tripping" procedure as above. Drill Site Manager and safety personnel should determine if all personnel have access to protective equipment.

Ignition procedures

The decision to ignite the well is the responsibility of the operator (Oxy Drilling Management). The decision should be made only as a last resort and in a situation where it is clear that:

1. Human life and property are endangered.
2. There is no hope controlling the blowout under the prevailing conditions at the well.

Instructions for igniting the well

1. Two people are required for the actual igniting operation. They must wear self-contained breathing units and have a safety rope attached. One man (tool pusher or safety engineer) will check the atmosphere for explosive gases with the gas monitor. The other man is responsible for igniting the well.
2. Primary method to ignite: 25 mm flare gun with range of approximately 500 feet.
3. Ignite upwind and do not approach any closer than is warranted.
4. Select the ignition site best for protection, and which offers an easy escape route.
5. Before firing, check for presence of combustible gas.
6. After lighting, continue emergency action and procedure as before.
7. All unassigned personnel will remain in briefing area until instructed by supervisor or directed by the Drill Site Manager.

Remember: After well is ignited, burning hydrogen sulfide will convert to sulfur dioxide, which is also highly toxic. **Do not assume the area is safe after the well is ignited.**

Status check list

Note: All items on this list must be completed before drilling to production casing point.

1. H2S sign at location entrance.

2. Two (2) wind socks located as required.

3. Four (4) 30-minute positive pressure air packs (2 at each Briefing area) on location for all rig personnel and mud loggers.

4. Air packs inspected and ready for use.

5. Cascade system and hose line hook-up as needed.

6. Cascade system for refilling air bottles as needed.

7. Condition flag on location and ready for use.

8. H2S detection system hooked up and tested.

9. H2S alarm system hooked up and tested.

10. Hand operated H2S detector with tubes on location.

11. 1 – 100' length of nylon rope on location.

12. All rig crew and supervisors trained as required.

13. All outside service contractors advised of potential H2S hazard on well.

14. No smoking sign posted and a designated smoking area identified.

15. Calibration of all H2S equipment shall be noted on the IADC report.

Checked by:_____ Date:_____

Procedural check list during H2S events

Perform each tour:

1. Check fire extinguishers to see that they have the proper charge.

2. Check breathing equipment to ensure that it in proper working order.

3. Make sure all the H2S detection system is operative.

Perform each week:

1. Check each piece of breathing equipment to make sure that demand or forced air regulator is working. This requires that the bottle be opened and the mask assembly be put on tight enough so that when you inhale, you receive air or feel air flow.

2. BOP skills (well control drills).

3. Check supply pressure on BOP accumulator stand by source.

4. Check breathing equipment mask assembly to see that straps are loosened and turned back, ready to put on.

5. Check pressure on breathing equipment air bottles to make sure they are charged to full volume. (Air quality checked for proper air grade "D" before bringing to location)

6. Confirm pressure on all supply air bottles.

7. Perform breathing equipment drills with on-site personnel.

8. Check the following supplies for availability.

   A. Emergency telephone list.
   B. Hand operated H2S detectors and tubes.

General evacuation plan

1. When the company approved supervisor (Drill Site Manager, consultant, rig pusher, or driller) determines the H2S gas cannot be limited to the well location and the public will be involved, he will activate the evacuation plan.

2. Drill Site Manager or designee will notify local government agency that a hazardous condition exists and evacuation needs to be implemented.

3. Company or contractor safety personnel that have been trained in the use of H2S detection equipment and self-contained breathing equipment will monitor H2S concentrations, wind directions, and area of exposure. They will delineate the outer perimeter of the hazardous gas area. Extension to the evacuation area will be determined from information gathered.

4. Law enforcement personnel (state police, police dept., fire dept., and sheriff's dept.) Will be called to aid in setting up and maintaining road blocks. Also, they will aid in evacuation of the public if necessary.

5. After the discharge of gas has been controlled, company safety personnel will determine when the area is safe for re-entry.

Important: Law enforcement personnel will not be asked to come into a contaminated area. Their assistance will be limited to uncontaminated areas. Constant radio contact will be maintained with them.

Emergency actions

Well blowout – if emergency

1. Evacuate all personnel to "Safe Briefing / Muster Areas" or off location if needed.
2. If sour gas – evacuate rig personnel.
3. If sour gas – evacuate public within 3000 ft radius of exposure.
4. Don SCBA and shut well in if possible using the buddy system.
5. Notify Drilling Superintendent and call 911 for emergency help (fire dept and ambulance) if needed.
6. Implement the Blowout Contingency Plan, and Drilling Emergency Action Plan.
6. Give first aid as needed.

Person down location/facility

1. If immediately possible, contact 911. Give location and wait for confirmation.
2. Don SCBA and perform rescue operation using buddy system.

Toxic effects of hydrogen sulfide

Hydrogen sulfide is extremely toxic. The acceptable ceiling concentration for eight-hour exposure is 10 ppm, which is .001% by volume. Hydrogen sulfide is heavier than air (specific gravity – 1.192) and colorless. It forms an explosive mixture with air between 4.3 and 46.0 percent by volume. Hydrogen sulfide is almost as toxic as hydrogen cyanide and is between five and six times more toxic than carbon monoxide. Toxicity data for hydrogen sulfide and various other gases are compared in table i. Physical effects at various hydrogen sulfide exposure levels are shown in table ii.

Table i
Toxicity of various gases

Common name	Chemical formula	Specific gravity (sc=1)	Threshold limit (1)	Hazardous limit (2)	Lethal concentration (3)
Hydrogen Cyanide	Hcn	0.94	10 ppm	150 ppm/hr	300 ppm
Hydrogen Sulfide	H2S	1.18	10 ppm	250 ppm/hr	600 ppm
Sulfur Dioxide	So2	2.21	5 ppm	-	1000 ppm
Chlorine	Cl2	2.45	1 ppm	4 ppm/hr	1000 ppm
Carbon Monoxide	Co	0.97	50 ppm	400 ppm/hr	1000 ppm
Carbon Dioxide	Co2	1.52	5000 ppm	5%	10%
Methane	Ch4	0.55	90,000 ppm	Combustible above 5% in air	

1) threshold limit – concentration at which it is believed that all workers may be repeatedly exposed day after day without adverse effects.

2) hazardous limit – concentration that will cause death with short-term exposure.

3) lethal concentration – concentration that will cause death with short-term exposure.

Toxic effects of hydrogen sulfide

Table ii
Physical effects of hydrogen sulfide

Concentration			Physical effects
Percent (%)	Ppm	Grains 100 std. Ft3*	
0.001	<10	00.65	Obvious and unpleasant odor.

0.002	10	01.30	Safe for 8 hours of exposure.
0.010	100	06.48	Kill smell in 3 – 15 minutes. May sting eyes and throat.
0.020	200	12.96	Kills smell shortly; stings eyes and throat.
0.050	500	32.96	Dizziness; breathing ceases in a few minutes; needs prompt artificial respiration.
0.070	700	45.36	Unconscious quickly; death will result if not rescued promptly.
0.100	1000	64.30	Unconscious at once; followed by death within minutes.

*at 15.00 psia and 60'f.

Use of self-contained breathing equipment (SCBA)

1. Written procedures shall be prepared covering safe use of SCBA's in dangerous atmosphere, which might be encountered in normal operations or in emergencies. Personnel shall be familiar with these procedures and the available SCBA.

2 SCBA's shall be inspected frequently at random to insure that they are properly used, cleaned, and maintained.

3. Anyone who may use the SCBA's shall be trained in how to insure proper face-piece to face seal. They shall wear SCBA's in normal air and then wear them in a test atmosphere. (note: such items as facial hair {beard or sideburns} and eyeglasses will not allow proper seal.) Anyone that may be reasonably expected to wear SCBA's should have these items removed before entering a toxic atmosphere. A special mask must be obtained for anyone who must wear eyeglasses or contact lenses.

4. Maintenance and care of SCBA's:

   a. A program for maintenance and care of SCBA's shall include the following:
      1. Inspection for defects, including leak checks.
      2. Cleaning and disinfecting.
      3. Repair.
      4. Storage.

   b. Inspection, self-contained breathing apparatus for emergency use shall be inspected monthly.
      1. Fully charged cylinders.
      2. Regulator and warning device operation.
      3. Condition of face piece and connections.
      4. Rubber parts shall be maintained to keep them pliable and prevent deterioration.

   c. Routinely used SCBA's shall be collected, cleaned and disinfected as frequently as necessary to insure proper protection is provided.

5. Persons assigned tasks that requires use of self-contained breathing equipment shall be certified physically fit (medically cleared) for breathing equipment usage at least annually.

6. SCBA's should be worn when:

   A. Any employee works near the top or on top of any tank unless test reveals less than 10 ppm of H2S.

B. When breaking out any line where H2S can reasonably be expected.

C. When sampling air in areas to determine if toxic concentrations of H2S exists.

D. When working in areas where over 10 ppm H2S has been detected.

E. At any time there is a doubt as to the H2S level in the area to be entered.

Rescue
First aid for H2S poisoning

Do not panic!

Remain calm – think!

1. Don SCBA breathing equipment.

2. Remove victim(s) utilizing buddy system to fresh air as quickly as possible. (go up-wind from source or at right angle to the wind. Not down wind.)

3. Briefly apply chest pressure – arm lift method of artificial respiration to clean the victim's lungs and to avoid inhaling any toxic gas directly from the victim's lungs.

4. Provide for prompt transportation to the hospital, and continue giving artificial respiration if needed.

5. Hospital(s) or medical facilities need to be informed, before-hand, of the possibility of H2S gas poisoning – no matter how remote the possibility is.

6. Notify emergency room personnel that the victim(s) has been exposed to H2S gas.

Besides basic first aid, everyone on location should have a good working knowledge of artificial respiration.

Revised CM 6/27/2012

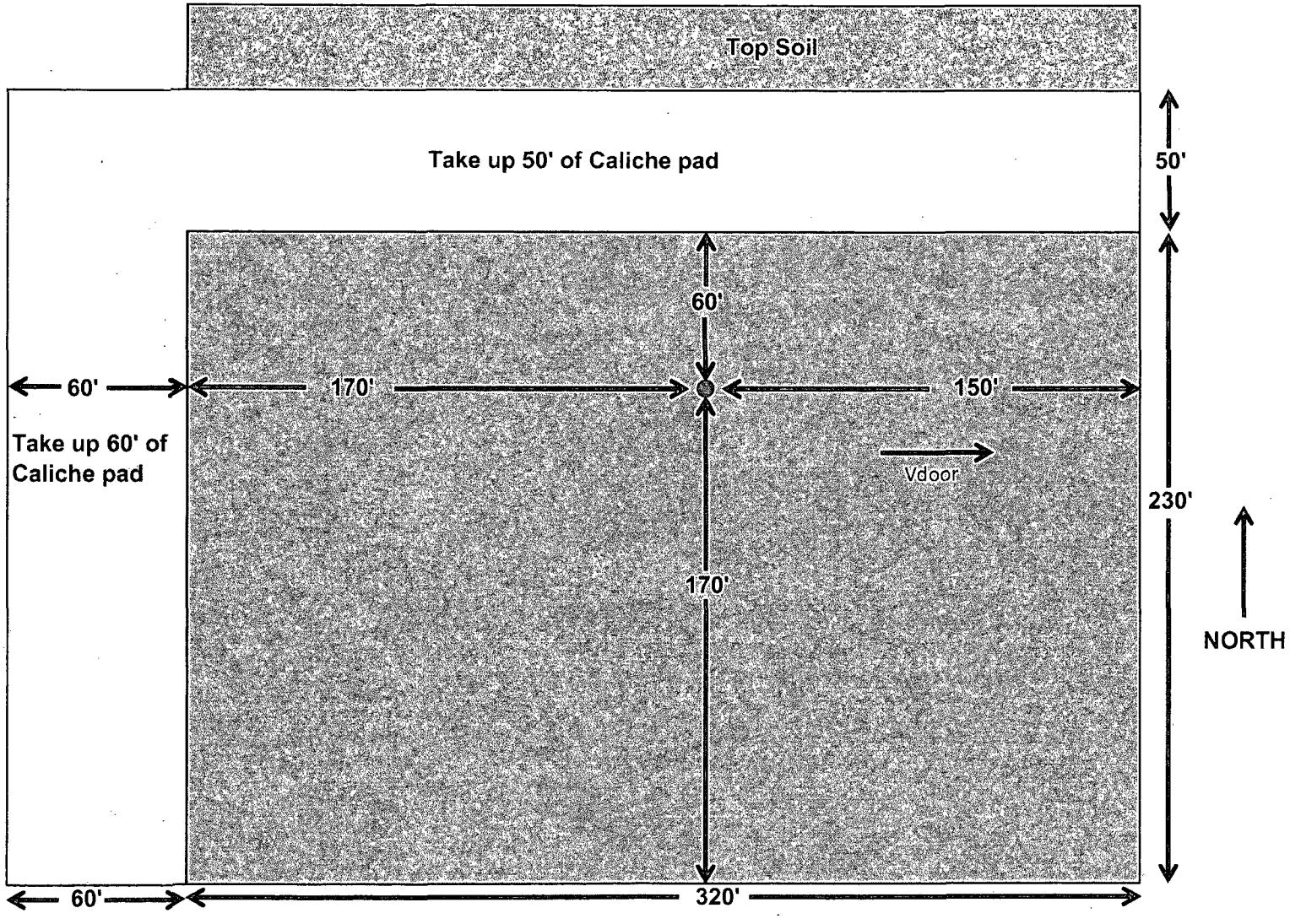
Permian Drilling
Hydrogen Sulfide Drilling Operations Plan
FNR 26 Federal #4H

Open drill site. No homes or buildings are near the proposed location.

1. Escape

   Personnel shall escape upwind of wellbore in the event of an emergency gas release. Escape can take place through the lease road on the South side of the location. Personnel need to move to a safe distance and block the entrance to location. If the primary route is not an option due to the wind direction, then a secondary egress route should be taken.

FLEX III PAD
FNR 26Federal # 4H



PECOS DISTRICT
CONDITIONS OF APPROVAL

OPERATOR'S NAME:	OXY USA INC.
LEASE NO.:	NM0531277A
WELL NAME & NO.:	4H-FNR 26 FEDERAL
SURFACE HOLE FOOTAGE:	690'/S. & 373'/W.
BOTTOM HOLE FOOTAGE	690'/S. & 330/.E.
LOCATION:	Section 26, T. 23 S., R. 30 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.