

OXY USA Inc. - Corral Fly 02-01 State #36H

1. Geologic Formations

TVD of target	10375'	Pilot Hole Depth	N/A
MD at TD:	20529'	Deepest Expected fresh water:	226'

Delaware Basin

Formation	TVD - RKB	Expected Fluids
Rustler	226	Brine
Salado	858	Losses
Castile	1456	
Lamar/Delaware	3270	Water
Bell Canyon	3300	Water
Cherry Canyon	4130	Oil/Gas
Brushy Canyon	5368	Losses
Bone Spring	6977	Oil/Gas
1st Bone Spring	6977	Oil/Gas
2nd Bone Spring	8204	Oil/Gas
3rd Bone Spring	9073	Oil/Gas
Wolcamp	10238	Oil/Gas

*H2S, water flows, loss of circulation, abnormal pressures, etc.

2. Casing Program

Hole Size (in)	Casing Interval		Csg. Size (in)	Weight (lbs)	Grade	Conn.	SF Collapse	SF Burst	Buoyant	Buoyant
	From (ft)	To (ft)							Body SF Tension	Joint SF Tension
17.5	0	400	13.375	54.5	J55	BTC	1.125	1.2	1.4	1.4
12.25	0	7500	9.625	43.5	HCL-80	BTC	1.125	1.2	1.4	1.4
12.25	7500	9716	9.625	47	HCL-80	BTC	1.125	1.2	1.4	1.4
8.5	0	20529	5.5	20	P-110	DQX	1.125	1.2	1.4	1.4
SF Values will meet or Exceed										

All casing strings will be tested in accordance with Onshore Oil and Gas Order #2 III.B.1.h

*Oxy requests the option to set casing shallower yet still below the salts if losses or hole conditions require this. Cement volumes may be adjusted if casing is set shallower and a DV tool may be run in case hole conditions merit pumping a second stage cement job to comply with permitted top of cement. If cement circulated to surface during first stage we will drop a cancellation cone and not pump the second stage.

	Y or N
Is casing new? If used, attach certification as required in Onshore Order #1	Y
Does casing meet API specifications? If no, attach casing specification sheet.	Y
Is premium or uncommon casing planned? If yes attach casing specification sheet.	Y
Does the above casing design meet or exceed BLM's minimum standards? If not provide justification (loading assumptions, casing design criteria).	Y
Will the intermediate pipe be kept at a minimum 1/3 fluid filled to avoid approaching the collapse pressure rating of the casing?	Y

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Is well located within Capitan Reef?	N
If yes, does production casing cement tie back a minimum of 50' above the Reef?	
Is well within the designated 4 string boundary.	
Is well located in SOPA but not in R-111-P?	N
If yes, are the first 2 strings cemented to surface and 3 rd string cement tied back 500' into previous casing?	
Is well located in R-111-P and SOPA?	N
If yes, are the first three strings cemented to surface?	
Is 2 nd string set 100' to 600' below the base of salt?	
Is well located in high Cave/Karst?	N
If yes, are there two strings cemented to surface?	
(For 2 string wells) If yes, is there a contingency casing if lost circulation occurs?	
Is well located in critical Cave/Karst?	N
If yes, are there three strings cemented to surface?	

3. Cementing Program

Casing	# Sks	Wt. (lb/gal)	Yld (ft ³ /sack)	H2O (gal/sk)	500# Comp. Strength (hours)	Slurry Description
Surface	332	14.2	1.68	6.53	6:50	Class C Cement, Accelerator
1st Stage	678	10.2	3.05	15.63	15:07	Pozzolan Cement, Retarder
Intermediate	228	13.2	1.65	8.45	12:57	Class H Cement, Retarder, Dispersant, Salt
DV/ECP Tool @ 3320' (We request the option to cancel the second stage if cement is circulated to surface during the first stage of cement operations)						
2nd Stage Int	855	12.9	1.85	9.86	12:44	Class C Cement, Accelerator, Retarder
Casing	142	14.8	1.33	6.34	6:31	Class C Cement
Production Casing	1835	13.2	1.631	8.37	15:15	Class H Cement, Retarder, Dispersant, Salt

Casing String	Top of Lead (ft)	Bottom of Lead (ft)	Top of Tail (ft)	Bottom of Tail (ft)	% Excess Lead	% Excess Tail
Surface	N/A	N/A	0	400	N/A	100%
1st Stage Intermediate Casing	3220	8716	8716	9716	20%	20%
2nd Stage Intermediate Casing	0	2820	2820	3320	75%	20%
Production Casing	N/A	N/A	9216	20529	N/A	15%

4. Pressure Control Equipment

BOP installed and tested before drilling which hole?	Size?	Min. Required WP	Type	✓	Tested to:
12.25" Hole	13-5/8"	5M	Annular	✓	70% of working pressure
			Blind Ram	✓	250/5000psi
			Pipe Ram		
			Double Ram	✓	
			Other*		

*Specify if additional ram is utilized.

BOP/BOPE will be tested by an independent service company to 250 psi low and the high pressure indicated above per Onshore Order 2 requirements. The System may be upgraded to a higher pressure but still tested to the working pressure listed in the table above. If the system is upgraded all the components installed will be functional and tested.

Pipe rams will be operationally checked each 24 hour period. Blind rams will be operationally checked on each trip out of the hole. These checks will be noted on the daily tour sheets. Other accessories to the BOP equipment will include a Kelly cock and floor safety valve (inside BOP) and choke lines and choke manifold. See attached schematics.

	Formation integrity test will be performed per Onshore Order #2. On Exploratory wells or on that portion of any well approved for a 5M BOPE system or greater, a pressure integrity test of each casing shoe shall be performed. Will be tested in accordance with Onshore Oil and Gas Order #2 III.B.1.i.
	A variance is requested for the use of a flexible choke line from the BOP to Choke Manifold. See attached for specs and hydrostatic test chart.
Y	Are anchors required by manufacturer?
	A multibowl or a unionized multibowl wellhead system will be employed. The wellhead and connection to the BOPE will meet all API 6A requirements. The BOP will be tested per Onshore Order #2 after installation on the surface casing which will cover testing requirements for a maximum of 30 days. If any seal subject to test pressure is broken the system must be tested. We will test the flange connection of the wellhead with a test port that is directly in the flange. We are proposing that we will run the wellhead through the rotary prior to cementing surface casing as discussed with the BLM on October 8, 2015. See attached schematics.

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5. Mud Program

Depth		Type	Weight (ppg)	Viscosity	Water Loss
From (ft)	To (ft)				
0	400	Water-Based Mud	8.4-8.6	40-60	N/C
400	3320	Brine	9.8-10.0	35-45	N/C
3320	9716	Water-Based Mud	8.8-9.6	38-50	N/C
9716	20529	Oil-Based Mud	9.6-11	35-50	N/C

Sufficient mud materials to maintain mud properties and meet minimum lost circulation and weight increase requirements will be kept on location at all times. The following is a general list of products: Barite, Bentonite, Gypsum, Lime, Soda Ash, Caustic Soda, Nut Plug, Cedar Fiber, Cotton Seed Hulls, Drilling Paper, Salt Water Clay, CACL2. Oxy will use a closed mud system.

OXY proposes to drill out the 13-3/8" surface casing shoe with a saturated brine system from 400' - 3320', which is the base of the salt system. At this point we will swap fluid systems to a high viscosity mixed metal hydroxide system or a fully saturated brine direct emulsion system. We will drill with this system to the intermediate TD @ 9716'.

What will be used to monitor the loss or gain of fluid?	PVT/MD Totco/Visual Monitoring
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6. Logging and Testing Procedures

Logging, Coring and Testing.	
Yes	Will run GR from TD to surface (horizontal well – vertical portion of hole). Stated logs run will be in the Completion Report and submitted to the BLM.
No	Logs are planned based on well control or offset log information.
No	Drill stem test? If yes, explain
No	Coring? If yes, explain

Additional logs planned		Interval
No	Resistivity	
No	Density	
No	CBL	
Yes	Mud log	ICP - TD
No	PEX	

7. Drilling Conditions

Condition	Specify what type and where?
BH Pressure at deepest TVD	5935 psi
Abnormal Temperature	No
BH Temperature at deepest TVD	163°F

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.

Hydrogen Sulfide (H2S) monitors will be installed prior to drilling out the surface shoe. If H2S is detected in concentrations greater than 100 ppm, the operator will comply with the provisions of Onshore Oil and Gas Order #6. If Hydrogen Sulfide is encountered, measured values and formations will be provided to the BLM.	
N	H2S is present
Y	H2S Plan attached

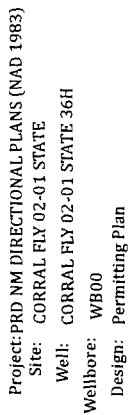
8. Other facets of operation

	Yes/No
Will the well be drilled with a walking/skidding operation? If yes, describe. <ul style="list-style-type: none"> We plan to drill the three well pad in batch by section: all surface sections, intermediate sections and production sections. The wellhead will be secured with a night cap whenever the rig is not over the well. 	Yes
Will more than one drilling rig be used for drilling operations? If yes, describe. <ul style="list-style-type: none"> Oxy requests the option to contract a Surface Rig to drill, set surface casing, and cement for this well. If the timing between rigs is such that Oxy would not be able to preset surface, the Primary Rig will MIRU and drill the well in its entirety per the APD. Please see the attached document for information on the spudder rig. 	Yes

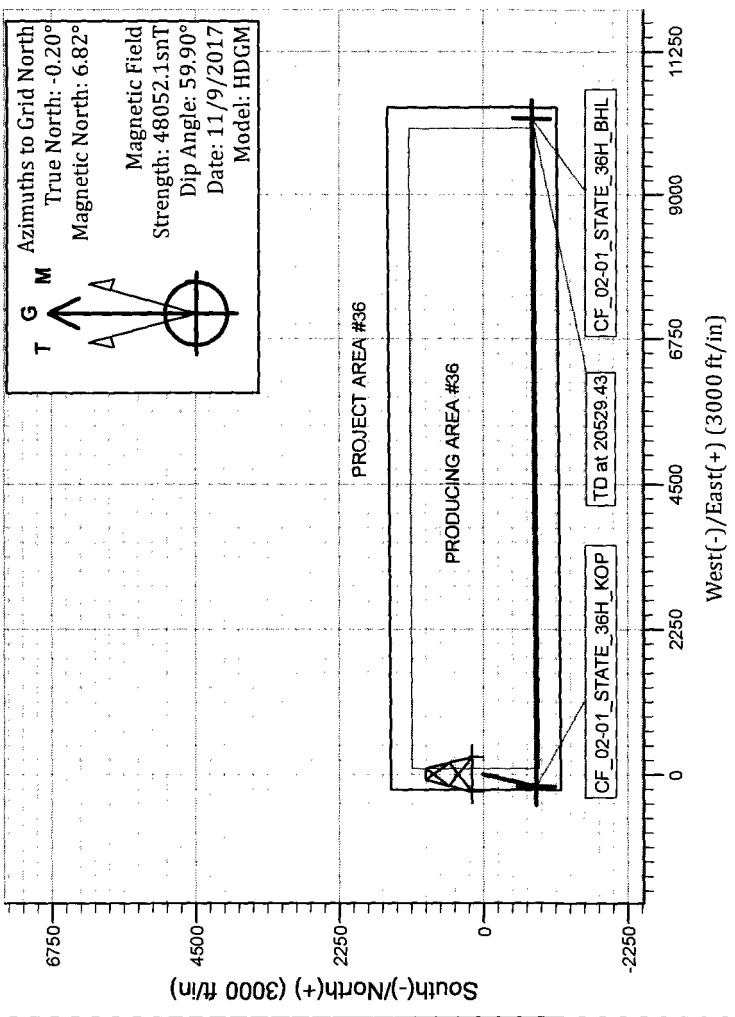
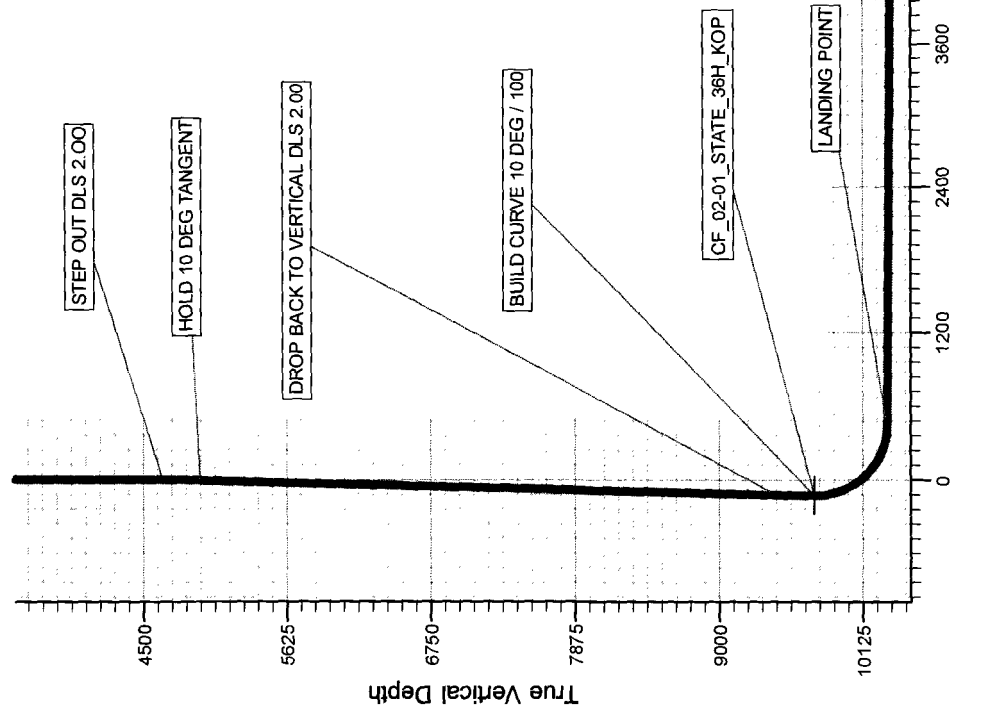
Total estimated cuttings volume: 2236 bbls.

9. Company Personnel

Name	Title	Office Phone	Mobile Phone
Philippe Haffner	Drilling Engineer	713-985-6379	832-767-9047
Diego Tellez	Drilling Engineer Supervisor	713-350-4602	713-303-4932
Simon Benavides	Drilling Superintendent	713-522-8652	281-684-6897
John Willis	Drilling Manager	713-366-5556	713-259-1417



+N/-S	+E/-W	Northing	Easting	Ground Level:
0.00	0.00	420423.15	655957.59	3028.50
			DATUM @ 3055.00ft	32



PROJECT DETAILS: NM DIRECTIONAL PLANS (NAD 1983)

Geodetic System:	US State Plane 1983
Datum:	North American Datum 1983
Ellipsoid:	GRS 1980
Zone:	New Mexico Eastern Zone
System Datum:	Mean Sea Level

[illegible]

Oxy

Planning Report

Database: HOPSPP	Local Co-ordinate Reference: Well CORRAL FLY 02-01 STATE 36H
Company: ENGINEERING DESIGNS	TVD Reference: DATUM @ 3055.00ft
Project: PRD NM DIRECTIONAL PLANS (NAD 1983)	MD Reference: DATUM @ 3055.00ft
Site: CORRAL FLY 02-01 STATE	North Reference: Grid
Well: CORRAL FLY 02-01 STATE 36H	Survey Calculation Method: Minimum Curvature
Wellbore: WB00	
Design: Permitting Plan	

Project	PRD NM DIRECTIONAL PLANS (NAD 1983)		
Map System:	US State Plane 1983	System Datum:	Mean Sea Level
Geo Datum:	North American Datum 1983		
Map Zone:	New Mexico Eastern Zone		Using geodetic scale factor

Site	CORRAL FLY 02-01 STATE			
Site Position:		Northing:	423,287.19 usft	Latitude: 32° 9' 47.353015 N
From: Map		Easting:	655,836.97 usft	Longitude: 103° 57' 47.917362 W
Position Uncertainty:	0.00 ft	Slot Radius:	13.200 in	Grid Convergence: 0.20 °

Well	CORRAL FLY 02-01 STATE 36H			
Well Position	+N/-S	-2,864.26 ft	Northing:	420,423.15 usft
	+E/-W	120.63 ft	Easting:	655,957.59 usft
Position Uncertainty	0.00 ft	Wellhead Elevation:	0.00 ft	Ground Level: 3,028.50 ft

Wellbore	WB00				
Magnetics	Model Name	Sample Date	Declination (°)	Dip Angle (°)	Field Strength (nT)
	HDGM	11/9/2017	7.02	59.90	48,052

Design	Permitting Plan			
Audit Notes:				
Version:	Phase:	PROTOTYPE	Tie On Depth:	0.00
Vertical Section:	Depth From (TVD) (ft)	+N/-S (ft)	+E/-W (ft)	Direction (°)
	0.00	0.00	0.00	94.28

Plan Sections										
Measured Depth (ft)	Inclination (°)	Azimuth (°)	Vertical Depth (ft)	+N/-S (ft)	+E/-W (ft)	Dogleg Rate (°/100ft)	Build Rate (°/100ft)	Turn Rate (°/100ft)	TFO (°)	Target
0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
4,650.00	0.00	0.00	4,650.00	0.00	0.00	0.00	0.00	0.00	0.00	
4,945.40	10.01	192.96	4,943.90	-25.09	-5.77	3.39	3.39	0.00	192.96	
9,521.31	10.01	192.96	9,450.14	-800.29	-184.18	0.00	0.00	0.00	0.00	
9,816.72	0.00	89.66	9,744.04	-825.37	-189.95	3.39	-3.39	0.00	180.00	CF_02-01_STATE_
10,712.72	89.60	89.66	10,316.99	-821.95	378.99	10.00	10.00	0.00	89.66	
20,529.43	89.72	89.66	10,375.00	-762.85	10,195.35	0.00	0.00	0.00	0.00	CF_02-01_STATE_

Oxy

Planning Report

Database: HOPSPP
Company: ENGINEERING DESIGNS
Project: PRD NM DIRECTIONAL PLANS (NAD 1983)
Site: CORRAL FLY 02-01 STATE
Well: CORRAL FLY 02-01 STATE 36H
Wellbore: WB00
Design: Permitting Plan

Local Co-ordinate Reference: Well CORRAL FLY 02-01 STATE 36H
TVD Reference: DATUM @ 3055.00ft
MD Reference: DATUM @ 3055.00ft
North Reference: Grid
Survey Calculation Method: Minimum Curvature

Planned Survey

Measured Depth (ft)	Inclination (°)	Azimuth (°)	Vertical Depth (ft)	+N/-S (ft)	+E/-W (ft)	Vertical Section (ft)	Dogleg Rate (°/100ft)	Build Rate (°/100ft)	Turn Rate (°/100ft)
0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
100.00	0.00	0.00	100.00	0.00	0.00	0.00	0.00	0.00	0.00
200.00	0.00	0.00	200.00	0.00	0.00	0.00	0.00	0.00	0.00
300.00	0.00	0.00	300.00	0.00	0.00	0.00	0.00	0.00	0.00
400.00	0.00	0.00	400.00	0.00	0.00	0.00	0.00	0.00	0.00
500.00	0.00	0.00	500.00	0.00	0.00	0.00	0.00	0.00	0.00
600.00	0.00	0.00	600.00	0.00	0.00	0.00	0.00	0.00	0.00
700.00	0.00	0.00	700.00	0.00	0.00	0.00	0.00	0.00	0.00
800.00	0.00	0.00	800.00	0.00	0.00	0.00	0.00	0.00	0.00
900.00	0.00	0.00	900.00	0.00	0.00	0.00	0.00	0.00	0.00
1,000.00	0.00	0.00	1,000.00	0.00	0.00	0.00	0.00	0.00	0.00
1,100.00	0.00	0.00	1,100.00	0.00	0.00	0.00	0.00	0.00	0.00
1,200.00	0.00	0.00	1,200.00	0.00	0.00	0.00	0.00	0.00	0.00
1,300.00	0.00	0.00	1,300.00	0.00	0.00	0.00	0.00	0.00	0.00
1,400.00	0.00	0.00	1,400.00	0.00	0.00	0.00	0.00	0.00	0.00
1,500.00	0.00	0.00	1,500.00	0.00	0.00	0.00	0.00	0.00	0.00
1,600.00	0.00	0.00	1,600.00	0.00	0.00	0.00	0.00	0.00	0.00
1,700.00	0.00	0.00	1,700.00	0.00	0.00	0.00	0.00	0.00	0.00
1,800.00	0.00	0.00	1,800.00	0.00	0.00	0.00	0.00	0.00	0.00
1,900.00	0.00	0.00	1,900.00	0.00	0.00	0.00	0.00	0.00	0.00
2,000.00	0.00	0.00	2,000.00	0.00	0.00	0.00	0.00	0.00	0.00
2,100.00	0.00	0.00	2,100.00	0.00	0.00	0.00	0.00	0.00	0.00
2,200.00	0.00	0.00	2,200.00	0.00	0.00	0.00	0.00	0.00	0.00
2,300.00	0.00	0.00	2,300.00	0.00	0.00	0.00	0.00	0.00	0.00
2,400.00	0.00	0.00	2,400.00	0.00	0.00	0.00	0.00	0.00	0.00
2,500.00	0.00	0.00	2,500.00	0.00	0.00	0.00	0.00	0.00	0.00
2,600.00	0.00	0.00	2,600.00	0.00	0.00	0.00	0.00	0.00	0.00
2,700.00	0.00	0.00	2,700.00	0.00	0.00	0.00	0.00	0.00	0.00
2,800.00	0.00	0.00	2,800.00	0.00	0.00	0.00	0.00	0.00	0.00
2,900.00	0.00	0.00	2,900.00	0.00	0.00	0.00	0.00	0.00	0.00
3,000.00	0.00	0.00	3,000.00	0.00	0.00	0.00	0.00	0.00	0.00
3,100.00	0.00	0.00	3,100.00	0.00	0.00	0.00	0.00	0.00	0.00
3,200.00	0.00	0.00	3,200.00	0.00	0.00	0.00	0.00	0.00	0.00
3,300.00	0.00	0.00	3,300.00	0.00	0.00	0.00	0.00	0.00	0.00
3,400.00	0.00	0.00	3,400.00	0.00	0.00	0.00	0.00	0.00	0.00
3,500.00	0.00	0.00	3,500.00	0.00	0.00	0.00	0.00	0.00	0.00
3,600.00	0.00	0.00	3,600.00	0.00	0.00	0.00	0.00	0.00	0.00
3,700.00	0.00	0.00	3,700.00	0.00	0.00	0.00	0.00	0.00	0.00
3,800.00	0.00	0.00	3,800.00	0.00	0.00	0.00	0.00	0.00	0.00
3,900.00	0.00	0.00	3,900.00	0.00	0.00	0.00	0.00	0.00	0.00
4,000.00	0.00	0.00	4,000.00	0.00	0.00	0.00	0.00	0.00	0.00
4,100.00	0.00	0.00	4,100.00	0.00	0.00	0.00	0.00	0.00	0.00
4,200.00	0.00	0.00	4,200.00	0.00	0.00	0.00	0.00	0.00	0.00
4,300.00	0.00	0.00	4,300.00	0.00	0.00	0.00	0.00	0.00	0.00
4,400.00	0.00	0.00	4,400.00	0.00	0.00	0.00	0.00	0.00	0.00
4,500.00	0.00	0.00	4,500.00	0.00	0.00	0.00	0.00	0.00	0.00
4,600.00	0.00	0.00	4,600.00	0.00	0.00	0.00	0.00	0.00	0.00
4,650.00	0.00	0.00	4,650.00	0.00	0.00	0.00	0.00	0.00	0.00
4,700.00	1.69	192.96	4,699.99	-0.72	-0.17	-0.11	3.39	3.39	0.00
4,800.00	5.08	192.96	4,799.80	-6.48	-1.49	-1.00	3.39	3.39	0.00
4,900.00	8.47	192.96	4,899.09	-17.98	-4.14	-2.78	3.39	3.39	0.00
4,945.40	10.01	192.96	4,943.90	-25.09	-5.77	-3.89	3.39	3.39	0.00
5,000.00	10.01	192.96	4,997.67	-34.34	-7.90	-5.32	0.00	0.00	0.00
5,100.00	10.01	192.96	5,096.15	-51.28	-11.80	-7.94	0.00	0.00	0.00

Oxy Planning Report

Database: HOPSP
Company: ENGINEERING DESIGNS
Project: PRD NM DIRECTIONAL PLANS (NAD 1983)
Site: CORRAL FLY 02-01 STATE
Well: CORRAL FLY 02-01 STATE 36H
Wellbore: WB00
Design: Permitting Plan

Local Co-ordinate Reference: Well CORRAL FLY 02-01 STATE 36H
TVD Reference: DATUM @ 3055.00ft
MD Reference: DATUM @ 3055.00ft
North Reference: Grid
Survey Calculation Method: Minimum Curvature

Planned Survey

Measured Depth (ft)	Inclination (°)	Azimuth (°)	Vertical Depth (ft)	+N/-S (ft)	+E/-W (ft)	Vertical Section (ft)	Dogleg Rate (°/100ft)	Build Rate (°/100ft)	Turn Rate (°/100ft)
5,200.00	10.01	192.96	5,194.62	-68.22	-15.70	-10.57	0.00	0.00	0.00
5,300.00	10.01	192.96	5,293.10	-85.16	-19.60	-13.19	0.00	0.00	0.00
5,400.00	10.01	192.96	5,391.58	-102.10	-23.50	-15.81	0.00	0.00	0.00
5,500.00	10.01	192.96	5,490.06	-119.04	-27.40	-18.44	0.00	0.00	0.00
5,600.00	10.01	192.96	5,588.53	-135.98	-31.30	-21.06	0.00	0.00	0.00
5,700.00	10.01	192.96	5,687.01	-152.92	-35.19	-23.69	0.00	0.00	0.00
5,800.00	10.01	192.96	5,785.49	-169.86	-39.09	-26.31	0.00	0.00	0.00
5,900.00	10.01	192.96	5,883.96	-186.80	-42.99	-28.93	0.00	0.00	0.00
6,000.00	10.01	192.96	5,982.44	-203.74	-46.89	-31.56	0.00	0.00	0.00
6,100.00	10.01	192.96	6,080.92	-220.69	-50.79	-34.18	0.00	0.00	0.00
6,200.00	10.01	192.96	6,179.40	-237.63	-54.69	-36.81	0.00	0.00	0.00
6,300.00	10.01	192.96	6,277.87	-254.57	-58.59	-39.43	0.00	0.00	0.00
6,400.00	10.01	192.96	6,376.35	-271.51	-62.49	-42.05	0.00	0.00	0.00
6,500.00	10.01	192.96	6,474.83	-288.45	-66.38	-44.68	0.00	0.00	0.00
6,600.00	10.01	192.96	6,573.31	-305.39	-70.28	-47.30	0.00	0.00	0.00
6,700.00	10.01	192.96	6,671.78	-322.33	-74.18	-49.93	0.00	0.00	0.00
6,800.00	10.01	192.96	6,770.26	-339.27	-78.08	-52.55	0.00	0.00	0.00
6,900.00	10.01	192.96	6,868.74	-356.21	-81.98	-55.17	0.00	0.00	0.00
7,000.00	10.01	192.96	6,967.22	-373.15	-85.88	-57.80	0.00	0.00	0.00
7,100.00	10.01	192.96	7,065.69	-390.10	-89.78	-60.42	0.00	0.00	0.00
7,200.00	10.01	192.96	7,164.17	-407.04	-93.68	-63.04	0.00	0.00	0.00
7,300.00	10.01	192.96	7,262.65	-423.98	-97.58	-65.67	0.00	0.00	0.00
7,400.00	10.01	192.96	7,361.13	-440.92	-101.47	-68.29	0.00	0.00	0.00
7,500.00	10.01	192.96	7,459.60	-457.86	-105.37	-70.92	0.00	0.00	0.00
7,600.00	10.01	192.96	7,558.08	-474.80	-109.27	-73.54	0.00	0.00	0.00
7,700.00	10.01	192.96	7,656.56	-491.74	-113.17	-76.16	0.00	0.00	0.00
7,800.00	10.01	192.96	7,755.04	-508.68	-117.07	-78.79	0.00	0.00	0.00
7,900.00	10.01	192.96	7,853.51	-525.62	-120.97	-81.41	0.00	0.00	0.00
8,000.00	10.01	192.96	7,951.99	-542.56	-124.87	-84.04	0.00	0.00	0.00
8,100.00	10.01	192.96	8,050.47	-559.50	-128.77	-86.66	0.00	0.00	0.00
8,200.00	10.01	192.96	8,148.95	-576.45	-132.67	-89.28	0.00	0.00	0.00
8,300.00	10.01	192.96	8,247.42	-593.39	-136.56	-91.91	0.00	0.00	0.00
8,400.00	10.01	192.96	8,345.90	-610.33	-140.46	-94.53	0.00	0.00	0.00
8,500.00	10.01	192.96	8,444.38	-627.27	-144.36	-97.16	0.00	0.00	0.00
8,600.00	10.01	192.96	8,542.86	-644.21	-148.26	-99.78	0.00	0.00	0.00
8,700.00	10.01	192.96	8,641.33	-661.15	-152.16	-102.40	0.00	0.00	0.00
8,800.00	10.01	192.96	8,739.81	-678.09	-156.06	-105.03	0.00	0.00	0.00
8,900.00	10.01	192.96	8,838.29	-695.03	-159.96	-107.65	0.00	0.00	0.00
9,000.00	10.01	192.96	8,936.77	-711.97	-163.86	-110.28	0.00	0.00	0.00
9,100.00	10.01	192.96	9,035.24	-728.91	-167.76	-112.90	0.00	0.00	0.00
9,200.00	10.01	192.96	9,133.72	-745.86	-171.65	-115.52	0.00	0.00	0.00
9,300.00	10.01	192.96	9,232.20	-762.80	-175.55	-118.15	0.00	0.00	0.00
9,400.00	10.01	192.96	9,330.67	-779.74	-179.45	-120.77	0.00	0.00	0.00
9,500.00	10.01	192.96	9,429.15	-796.68	-183.35	-123.40	0.00	0.00	0.00
9,521.31	10.01	192.96	9,450.14	-800.29	-184.18	-123.95	0.00	0.00	0.00
9,600.00	7.34	192.96	9,527.92	-811.86	-186.84	-125.75	3.39	-3.39	0.00
9,700.00	3.96	192.96	9,627.42	-821.45	-189.05	-127.23	3.39	-3.39	0.00
9,800.00	0.57	192.96	9,727.33	-825.29	-189.94	-127.83	3.39	-3.39	0.00
9,816.72	0.00	89.66	9,744.04	-825.37	-189.95	-127.84	3.39	-3.39	0.00
9,900.00	8.33	89.66	9,827.03	-825.34	-183.91	-121.82	10.00	10.00	0.00
10,000.00	18.33	89.66	9,924.22	-825.20	-160.89	-98.87	10.00	10.00	0.00
10,100.00	28.33	89.66	10,015.93	-824.96	-121.34	-59.45	10.00	10.00	0.00
10,200.00	38.33	89.66	10,099.37	-824.63	-66.47	-4.75	10.00	10.00	0.00
10,300.00	48.33	89.66	10,172.02	-824.22	2.06	63.56	10.00	10.00	0.00

Oxy Planning Report

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Project: PRD NM DIRECTIONAL PLANS (NAD 1983)
Site: CORRAL FLY 02-01 STATE
Well: CORRAL FLY 02-01 STATE 36H
Wellbore: WB00
Design: Permitting Plan

Local Co-ordinate Reference: Well CORRAL FLY 02-01 STATE 36H
TVD Reference: DATUM @ 3055.00ft
MD Reference: DATUM @ 3055.00ft
North Reference: Grid
Survey Calculation Method: Minimum Curvature

Planned Survey

Measured Depth (ft)	Inclination (°)	Azimuth (°)	Vertical Depth (ft)	+N-S (ft)	+E-W (ft)	Vertical Section (ft)	Dogleg Rate (°/100ft)	Build Rate (°/100ft)	Turn Rate (°/100ft)
10,400.00	58.33	89.66	10,231.67	-823.74	82.17	143.40	10.00	10.00	0.00
10,500.00	68.33	89.66	10,276.50	-823.20	171.41	232.36	10.00	10.00	0.00
10,600.00	78.33	89.66	10,305.15	-822.62	267.09	327.72	10.00	10.00	0.00
10,700.00	88.33	89.66	10,316.76	-822.03	366.28	426.59	10.00	10.00	0.00
10,712.72	89.60	89.66	10,316.99	-821.95	378.99	439.27	10.00	10.00	0.00
10,800.00	89.60	89.66	10,317.59	-821.42	466.27	526.26	0.00	0.00	0.00
10,900.00	89.60	89.66	10,318.29	-820.82	566.27	625.94	0.00	0.00	0.00
11,000.00	89.60	89.66	10,318.98	-820.22	666.27	725.61	0.00	0.00	0.00
11,100.00	89.60	89.66	10,319.67	-819.62	766.26	825.28	0.00	0.00	0.00
11,200.00	89.61	89.66	10,320.36	-819.02	866.26	924.95	0.00	0.00	0.00
11,300.00	89.61	89.66	10,321.05	-818.41	966.25	1,024.62	0.00	0.00	0.00
11,400.00	89.61	89.66	10,321.73	-817.81	1,066.25	1,124.30	0.00	0.00	0.00
11,500.00	89.61	89.66	10,322.41	-817.21	1,166.24	1,223.97	0.00	0.00	0.00
11,600.00	89.61	89.66	10,323.09	-816.61	1,266.24	1,323.64	0.00	0.00	0.00
11,700.00	89.61	89.66	10,323.77	-816.01	1,366.24	1,423.31	0.00	0.00	0.00
11,800.00	89.61	89.66	10,324.45	-815.40	1,466.23	1,522.99	0.00	0.00	0.00
11,900.00	89.61	89.66	10,325.12	-814.80	1,566.23	1,622.66	0.00	0.00	0.00
12,000.00	89.62	89.66	10,325.79	-814.20	1,666.22	1,722.33	0.00	0.00	0.00
12,100.00	89.62	89.66	10,326.46	-813.60	1,766.22	1,822.00	0.00	0.00	0.00
12,200.00	89.62	89.66	10,327.13	-813.00	1,866.22	1,921.68	0.00	0.00	0.00
12,300.00	89.62	89.66	10,327.79	-812.39	1,966.21	2,021.35	0.00	0.00	0.00
12,400.00	89.62	89.66	10,328.45	-811.79	2,066.21	2,121.02	0.00	0.00	0.00
12,500.00	89.62	89.66	10,329.11	-811.19	2,166.20	2,220.69	0.00	0.00	0.00
12,600.00	89.62	89.66	10,329.77	-810.59	2,266.20	2,320.36	0.00	0.00	0.00
12,700.00	89.62	89.66	10,330.43	-809.98	2,366.20	2,420.04	0.00	0.00	0.00
12,800.00	89.63	89.66	10,331.08	-809.38	2,466.19	2,519.71	0.00	0.00	0.00
12,900.00	89.63	89.66	10,331.73	-808.78	2,566.19	2,619.38	0.00	0.00	0.00
13,000.00	89.63	89.66	10,332.38	-808.18	2,666.18	2,719.05	0.00	0.00	0.00
13,100.00	89.63	89.66	10,333.03	-807.58	2,766.18	2,818.73	0.00	0.00	0.00
13,200.00	89.63	89.66	10,333.68	-806.97	2,866.18	2,918.40	0.00	0.00	0.00
13,300.00	89.63	89.66	10,334.32	-806.37	2,966.17	3,018.07	0.00	0.00	0.00
13,400.00	89.63	89.66	10,334.96	-805.77	3,066.17	3,117.74	0.00	0.00	0.00
13,500.00	89.63	89.66	10,335.60	-805.17	3,166.16	3,217.42	0.00	0.00	0.00
13,600.00	89.64	89.66	10,336.23	-804.57	3,266.16	3,317.09	0.00	0.00	0.00
13,700.00	89.64	89.66	10,336.87	-803.96	3,366.16	3,416.76	0.00	0.00	0.00
13,800.00	89.64	89.66	10,337.50	-803.36	3,466.15	3,516.43	0.00	0.00	0.00
13,900.00	89.64	89.66	10,338.13	-802.76	3,566.15	3,616.11	0.00	0.00	0.00
14,000.00	89.64	89.66	10,338.76	-802.16	3,666.15	3,715.78	0.00	0.00	0.00
14,100.00	89.64	89.66	10,339.38	-801.56	3,766.14	3,815.45	0.00	0.00	0.00
14,200.00	89.64	89.66	10,340.00	-800.95	3,866.14	3,915.12	0.00	0.00	0.00
14,300.00	89.64	89.66	10,340.63	-800.35	3,966.13	4,014.80	0.00	0.00	0.00
14,400.00	89.65	89.66	10,341.24	-799.75	4,066.13	4,114.47	0.00	0.00	0.00
14,500.00	89.65	89.66	10,341.86	-799.15	4,166.13	4,214.14	0.00	0.00	0.00
14,600.00	89.65	89.66	10,342.47	-798.55	4,266.12	4,313.81	0.00	0.00	0.00
14,700.00	89.65	89.66	10,343.09	-797.94	4,366.12	4,413.49	0.00	0.00	0.00
14,800.00	89.65	89.66	10,343.70	-797.34	4,466.12	4,513.16	0.00	0.00	0.00
14,900.00	89.65	89.66	10,344.30	-796.74	4,566.11	4,612.83	0.00	0.00	0.00
15,000.00	89.65	89.66	10,344.91	-796.14	4,666.11	4,712.51	0.00	0.00	0.00
15,100.00	89.65	89.66	10,345.51	-795.54	4,766.11	4,812.18	0.00	0.00	0.00
15,200.00	89.66	89.66	10,346.12	-794.93	4,866.10	4,911.85	0.00	0.00	0.00
15,300.00	89.66	89.66	10,346.71	-794.33	4,966.10	5,011.52	0.00	0.00	0.00
15,400.00	89.66	89.66	10,347.31	-793.73	5,066.09	5,111.20	0.00	0.00	0.00
15,500.00	89.66	89.66	10,347.91	-793.13	5,166.09	5,210.87	0.00	0.00	0.00
15,600.00	89.66	89.66	10,348.50	-792.53	5,266.09	5,310.54	0.00	0.00	0.00

Oxy Planning Report

Database: HOPSP
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Site: CORRAL FLY 02-01 STATE
Well: CORRAL FLY 02-01 STATE 36H
Wellbore: WB00
Design: Permitting Plan

Local Co-ordinate Reference: Well CORRAL FLY 02-01 STATE 36H
TVD Reference: DATUM @ 3055.00ft
MD Reference: DATUM @ 3055.00ft
North Reference: Grid
Survey Calculation Method: Minimum Curvature

Planned Survey

Measured Depth (ft)	Inclination (°)	Azimuth (°)	Vertical Depth (ft)	+N-S (ft)	+E-W (ft)	Vertical Section (ft)	Dogleg Rate (°/100ft)	Build Rate (°/100ft)	Turn Rate (°/100ft)
15,700.00	89.66	89.66	10,349.09	-791.92	5,366.08	5,410.21	0.00	0.00	0.00
15,800.00	89.66	89.66	10,349.68	-791.32	5,466.08	5,509.89	0.00	0.00	0.00
15,900.00	89.66	89.66	10,350.26	-790.72	5,566.08	5,609.56	0.00	0.00	0.00
16,000.00	89.67	89.66	10,350.85	-790.12	5,666.07	5,709.23	0.00	0.00	0.00
16,100.00	89.67	89.66	10,351.43	-789.52	5,766.07	5,808.91	0.00	0.00	0.00
16,200.00	89.67	89.66	10,352.01	-788.91	5,866.07	5,908.58	0.00	0.00	0.00
16,300.00	89.67	89.66	10,352.58	-788.31	5,966.06	6,008.25	0.00	0.00	0.00
16,400.00	89.67	89.66	10,353.16	-787.71	6,066.06	6,107.92	0.00	0.00	0.00
16,500.00	89.67	89.66	10,353.73	-787.11	6,166.06	6,207.60	0.00	0.00	0.00
16,600.00	89.67	89.66	10,354.30	-786.51	6,266.05	6,307.27	0.00	0.00	0.00
16,700.00	89.67	89.66	10,354.87	-785.90	6,366.05	6,406.94	0.00	0.00	0.00
16,800.00	89.68	89.66	10,355.44	-785.30	6,466.05	6,506.62	0.00	0.00	0.00
16,900.00	89.68	89.66	10,356.00	-784.70	6,566.04	6,606.29	0.00	0.00	0.00
17,000.00	89.68	89.66	10,356.56	-784.10	6,666.04	6,705.96	0.00	0.00	0.00
17,100.00	89.68	89.66	10,357.12	-783.50	6,766.04	6,805.63	0.00	0.00	0.00
17,200.00	89.68	89.66	10,357.68	-782.89	6,866.03	6,905.31	0.00	0.00	0.00
17,300.00	89.68	89.66	10,358.24	-782.29	6,966.03	7,004.98	0.00	0.00	0.00
17,400.00	89.68	89.66	10,358.79	-781.69	7,066.03	7,104.65	0.00	0.00	0.00
17,500.00	89.68	89.66	10,359.34	-781.09	7,166.02	7,204.33	0.00	0.00	0.00
17,600.00	89.69	89.66	10,359.89	-780.49	7,266.02	7,304.00	0.00	0.00	0.00
17,700.00	89.69	89.66	10,360.44	-779.88	7,366.02	7,403.67	0.00	0.00	0.00
17,800.00	89.69	89.66	10,360.98	-779.28	7,466.01	7,503.35	0.00	0.00	0.00
17,900.00	89.69	89.66	10,361.52	-778.68	7,566.01	7,603.02	0.00	0.00	0.00
18,000.00	89.69	89.66	10,362.06	-778.08	7,666.01	7,702.69	0.00	0.00	0.00
18,100.00	89.69	89.66	10,362.60	-777.48	7,766.00	7,802.37	0.00	0.00	0.00
18,200.00	89.69	89.66	10,363.14	-776.87	7,866.00	7,902.04	0.00	0.00	0.00
18,300.00	89.69	89.66	10,363.67	-776.27	7,966.00	8,001.71	0.00	0.00	0.00
18,400.00	89.70	89.66	10,364.20	-775.67	8,065.99	8,101.38	0.00	0.00	0.00
18,500.00	89.70	89.66	10,364.73	-775.07	8,165.99	8,201.06	0.00	0.00	0.00
18,600.00	89.70	89.66	10,365.26	-774.47	8,265.99	8,300.73	0.00	0.00	0.00
18,700.00	89.70	89.66	10,365.78	-773.86	8,365.98	8,400.40	0.00	0.00	0.00
18,800.00	89.70	89.66	10,366.31	-773.26	8,465.98	8,500.08	0.00	0.00	0.00
18,900.00	89.70	89.66	10,366.83	-772.66	8,565.98	8,599.75	0.00	0.00	0.00
19,000.00	89.70	89.66	10,367.35	-772.06	8,665.97	8,699.42	0.00	0.00	0.00
19,100.00	89.70	89.66	10,367.86	-771.46	8,765.97	8,799.10	0.00	0.00	0.00
19,200.00	89.71	89.66	10,368.38	-770.85	8,865.97	8,898.77	0.00	0.00	0.00
19,300.00	89.71	89.66	10,368.89	-770.25	8,965.96	8,998.44	0.00	0.00	0.00
19,400.00	89.71	89.66	10,369.40	-769.65	9,065.96	9,098.12	0.00	0.00	0.00
19,500.00	89.71	89.66	10,369.90	-769.05	9,165.96	9,197.79	0.00	0.00	0.00
19,600.00	89.71	89.66	10,370.41	-768.44	9,265.95	9,297.46	0.00	0.00	0.00
19,700.00	89.71	89.66	10,370.91	-767.84	9,365.95	9,397.14	0.00	0.00	0.00
19,800.00	89.71	89.66	10,371.41	-767.24	9,465.95	9,496.81	0.00	0.00	0.00
19,900.00	89.71	89.66	10,371.91	-766.64	9,565.95	9,596.48	0.00	0.00	0.00
20,000.00	89.72	89.66	10,372.41	-766.04	9,665.94	9,696.16	0.00	0.00	0.00
20,100.00	89.72	89.66	10,372.90	-765.43	9,765.94	9,795.83	0.00	0.00	0.00
20,200.00	89.72	89.66	10,373.39	-764.83	9,865.94	9,895.50	0.00	0.00	0.00
20,300.00	89.72	89.66	10,373.88	-764.23	9,965.93	9,995.18	0.00	0.00	0.00
20,400.00	89.72	89.66	10,374.37	-763.63	10,065.93	10,094.85	0.00	0.00	0.00
20,500.00	89.72	89.66	10,374.86	-763.03	10,165.93	10,194.52	0.00	0.00	0.00
20,529.43	89.72	89.66	10,375.00	-762.85	10,195.35	10,223.85	0.00	0.00	0.00

Oxy

Planning Report

Database: HOPSP
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Site: CORRAL FLY 02-01 STATE
Well: CORRAL FLY 02-01 STATE 36H
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Design: Permitting Plan

Local Co-ordinate Reference: Well CORRAL FLY 02-01 STATE 36H
TVD Reference: DATUM @ 3055.00ft
MD Reference: DATUM @ 3055.00ft
North Reference: Grid
Survey Calculation Method: Minimum Curvature

Design Targets

Target Name - hit/miss target - Shape	Dip Angle (°)	Dip Dir. (°)	TVD (ft)	+N/-S (ft)	+E/-W (ft)	Northing (usft)	Easting (usft)	Latitude	Longitude
CF_02-01_STATE_36 - plan hits target center - Point	0.00	0.00	9,744.04	-825.37	-189.95	419,597.84	655,767.65	32° 9' 10.845706 N	103° 57' 48.871246
CF_02-01_STATE_36 - plan hits target center - Point	0.00	0.00	10,375.00	-762.85	10,195.35	419,660.36	666,152.15	32° 9' 11.095442 N	103° 55' 48.071468

Plan Annotations

Measured Depth (ft)	Vertical Depth (ft)	Local Coordinates		Comment
		+N/-S (ft)	+E/-W (ft)	
4,650.00	4,650.00	0.00	0.00	STEP OUT DLS 2.00
4,945.40	4,943.90	-25.09	-5.77	HOLD 10 DEG TANGENT
9,521.31	9,450.14	-800.29	-184.18	DROP BACK TO VERTICAL DLS 2.00
9,816.72	9,744.04	-825.37	-189.95	BUILD CURVE 10 DEG / 100
10,712.72	10,316.99	-821.95	378.99	LANDING POINT
20,529.43	10,375.00	-762.85	10,195.35	TD at 20529.43



Permian Drilling Hydrogen Sulfide Drilling Operations Plan Corral Fly 02-01 State #36H

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 Southeast 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.



Briefing
will be p

A g



401=018701-0
REG OFFICE TRAILER

40-5110-2
MEETING/CHANGE HOUSE

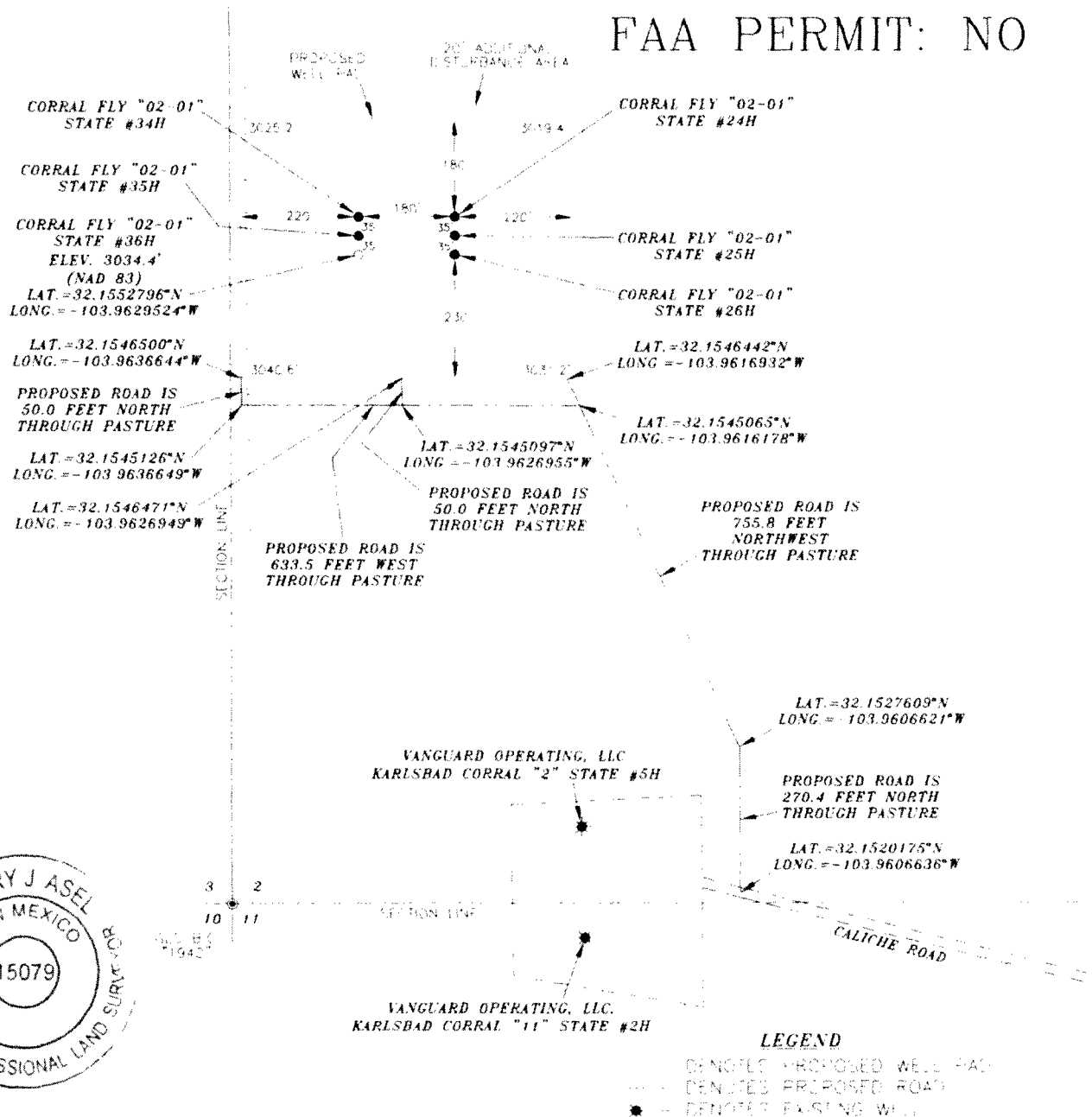
N



WIN

OXY USA INC. CORRAL FLY "02-01" STATE #36H SITE PLAN

FAA PERMIT: NO



SURVEYORS CERTIFICATE

I, TERRY J. ASEL, NEW MEXICO PROFESSIONAL SURVEYOR NO. 15079, DO HEREBY CERTIFY THAT I CONDUCTED AND AM RESPONSIBLE FOR THIS SURVEY, THAT THIS SURVEY IS TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF, AND MEETS THE "MINIMUM STANDARDS FOR SURVEYING IN NEW MEXICO" AS ADOPTED BY THE NEW MEXICO STATE BOARD OF REGISTRATION FOR PROFESSIONAL ENGINEERS AND SURVEYORS

Terry J. Asel 9/27/2017
Terry J. Asel, N.M. R.P.L.S. No 15079

Asel Surveying

P.O. BOX 393 • 211 W. TAYLOR
HOBBS, NEW MEXICO • 570 393 4144



OXY USA INC.

CORRAL FLY "02-01" STATE #36H LOCATED
AT 1205' ESD & 240' EWL IN SECTION 2,
TOWNSHIP 25 SOUTH, RANGE 29 EAST,
N.M.P.M. EDDY COUNTY, NEW MEXICO

Survey Date: 08/16/17	Sheet 1 of 1 Sheets
W.O. Number: 170816WL c	Drawn By: KA Rev:
Date: 09/20/17	170816WL c Scale: 1"=300'

District I
1625 N French Dr. Hobbs, NM 88240
District II
811 S First St., Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
1220 S St Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources Department
Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

Submit Original
to Appropriate
District Office

GAS CAPTURE PLAN

Date: 11/21/2017

☐ Original Operator & OGRID No.: OXY USA Inc. - 16696
☐ Amended - Reason for Amendment: _____

This Gas Capture Plan outlines actions to be taken by the Operator to reduce well/production facility flaring/venting for new completion (new drill, recomple to new zone, re-frac) activity.

Note: A C-129 must be submitted and approved prior to exceeding 60 days allowed by Rule (Subsection A of 19.15.18.12 NMAC).

Well(s)/Production Facility – Name of facility

The well(s) that will be located at the production facility are shown in the table below.

Well Name	API	Well Location (ULSTR)	Footages	Expected MCF/D	Flared or Vented	Comments
Corral Fly 02-01 State #31H	Pending	Lot 4, Sec 2, T25S, R29E	980 FNL 120 FWL	3200	0	
Corral Fly 02-01 State #32H	Pending	Lot 4, Sec 2, T25S, R29E	1015 FNL 120 FWL	3200	0	
Corral Fly 02-01 State #33H	Pending	Lot 4, Sec 2, T25S, R29E	1050 FNL 120 FWL	3200	0	
Corral Fly 02-01 State #34H	Pending	Ut M, Sec 2, T25S, R29E	1275 FSL 240 FWL	3200	0	
Corral Fly 02-01 State #35H	Pending	Ut M, Sec 2, T25S, R29E	1240 FSL 240 FWL	3200	0	
Corral Fly 02-01 State #36H	Pending	Ut M, Sec 2, T25S, R29E	1205 FSL 240 FWL	3200	0	

Gathering System and Pipeline Notification

Well(s) will be connected to a production facility after flowback operations are complete, if gas transporter system is in place. The gas produced from production facility is dedicated to ETC Texas Pipeline, LTD ("ETC") and will be connected to ETC's high pressure gathering system located in Eddy County, New Mexico. It will require 60,000' of pipeline to connect the facility to the high pressure gathering system. OXY USA WTP Limited Partnership ("OXY") provides (periodically) to ETC a drilling, completion and estimated first production date for wells that are scheduled to be drilled in the foreseeable future. In addition, OXY and ETC have periodic conference calls to discuss changes to drilling and completion schedules. Gas from these wells will be processed at ETC's Orla Processing Plant located in Reeves County, Texas. The actual flow of the gas will be based on compression operating parameters and gathering system pressures.

Flowback Strategy

After the fracture treatment/completion operations, well(s) will be produced to temporary production tanks and gas will be flared or vented. During flowback, the fluids and sand content will be monitored. When the produced fluids contain minimal sand, the wells will be turned to production facilities. Gas sales should start as soon as the wells start flowing through the production facilities, unless there are operational issues on ETC system at that time. Based on current information, it is Operator's belief the system can take this gas upon completion of the well(s).

Safety requirements during cleanout operations from the use of underbalanced air cleanout systems may necessitate that sand and non-pipeline quality gas be vented and/or flared rather than sold on a temporary basis.

Alternatives to Reduce Flaring

Below are alternatives considered from a conceptual standpoint to reduce the amount of gas flared.

- Power Generation – On lease
 - Only a portion of gas is consumed operating the generator, remainder of gas will be flared

- Compressed Natural Gas – On lease
 - Gas flared would be minimal, but might be uneconomical to operate when gas volume declines
- NGL Removal – On lease
 - Plants are expensive, residue gas is still flared, and uneconomical to operate when gas volume declines

OXY USA Inc
APD ATTACHMENT: SPUDDER RIG DATA

OPERATOR NAME / NUMBER: OXY USA Inc

1. SUMMARY OF REQUEST:

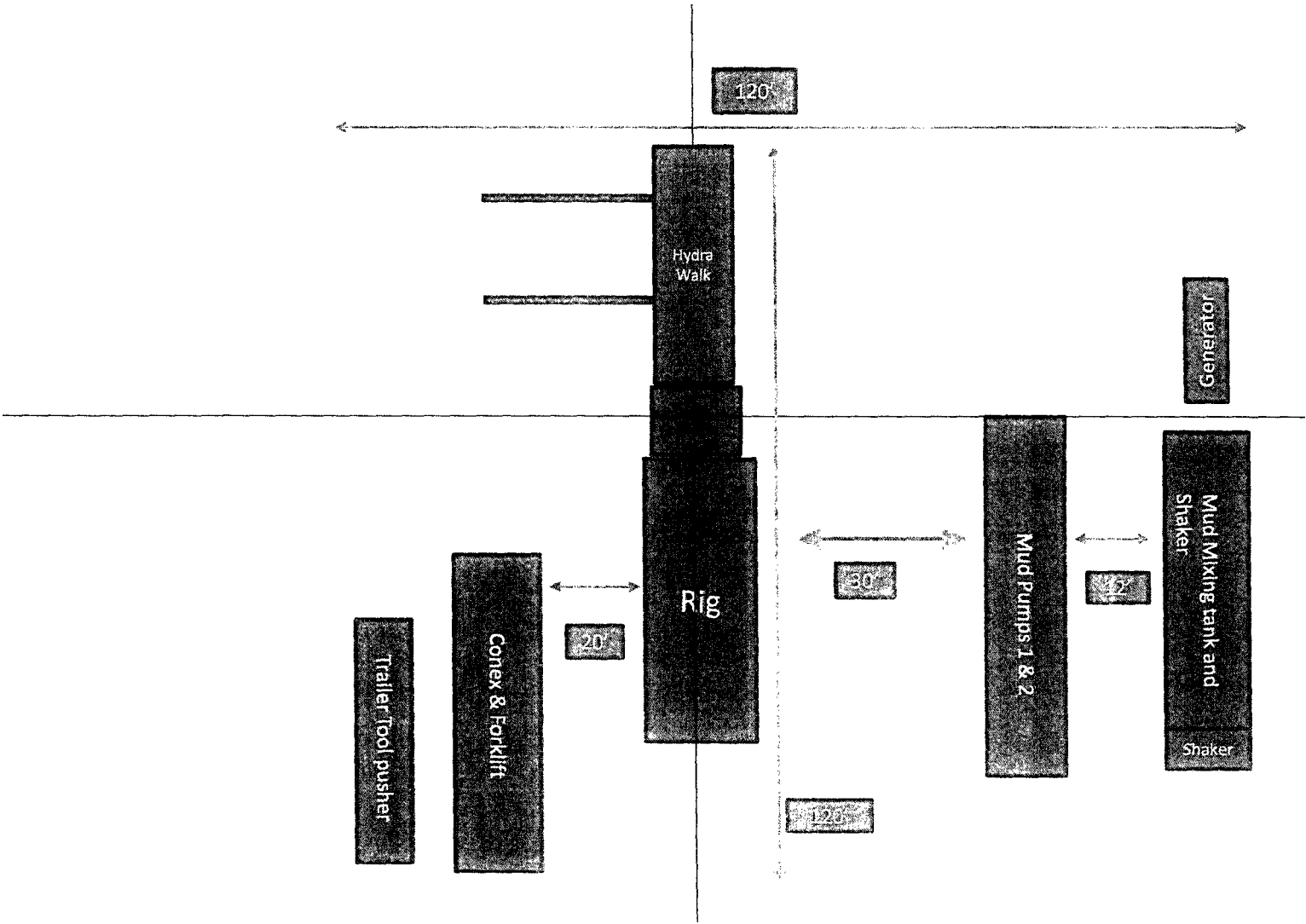
Oxy USA respectfully requests approval for the following operations for the surface hole in the drill plan:

1. Utilize a spudder rig to pre-set surface casing for time and cost savings.

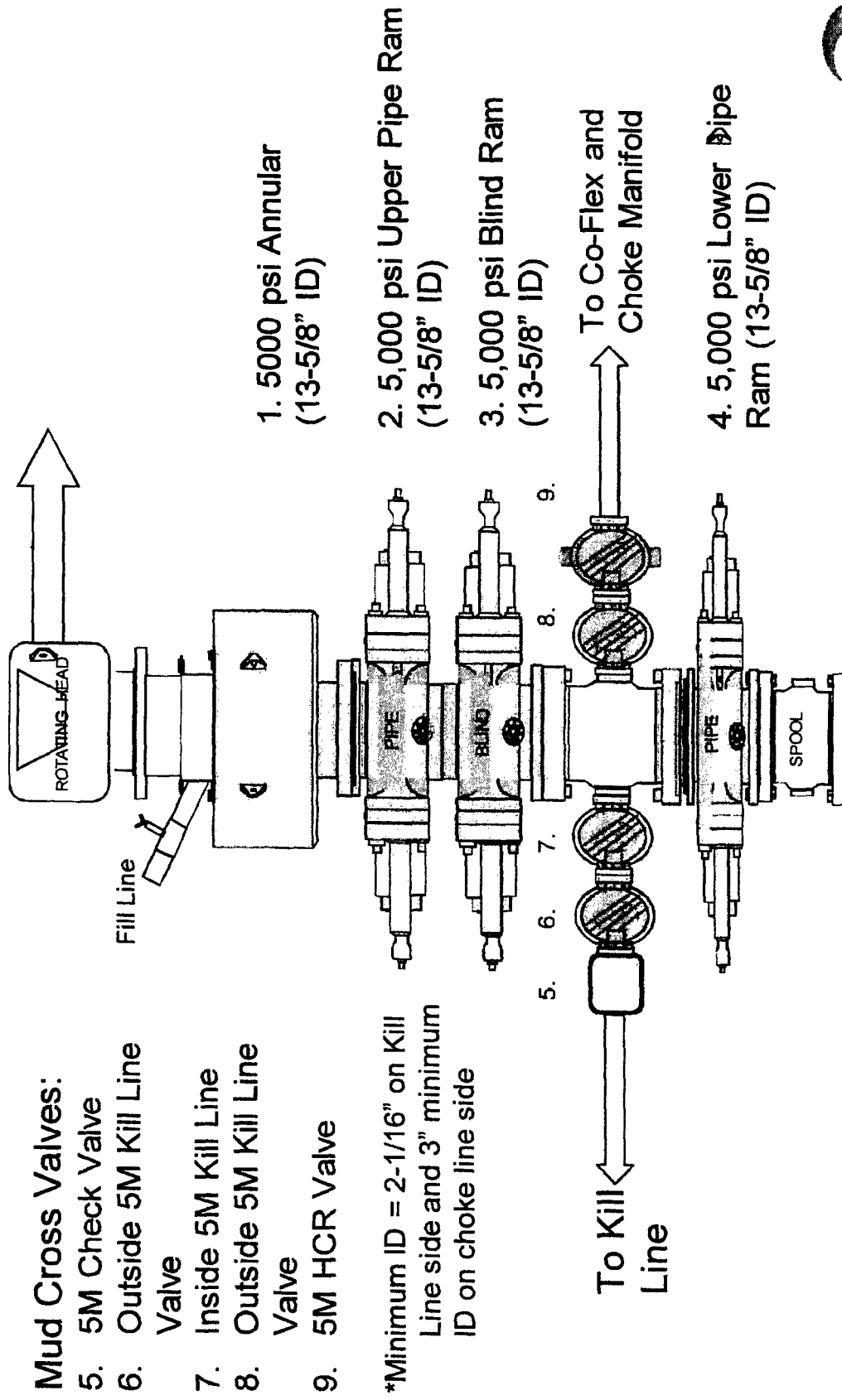
2. Description of Operations

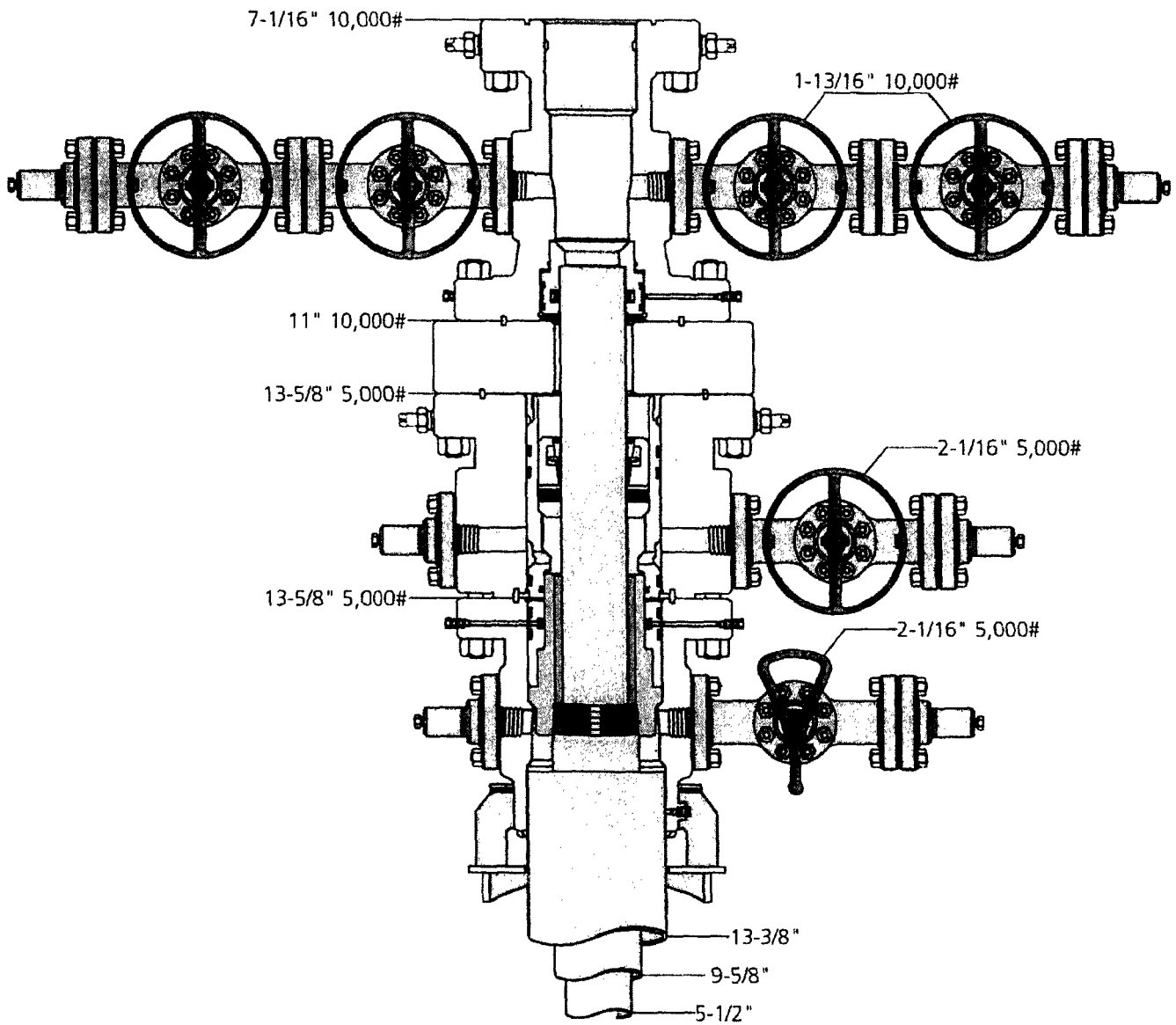
1. Spudder rig will move in to drill the surface hole and pre-set surface casing on the well.
 - a. After drilling the surface hole section, the spudder rig will run casing and cement following all of the applicable rules and regulations (OnShore Order 2, all COAs and NMOCD regulations).
 - b. The spudder rig will utilize fresh water-based mud to drill the surface hole to TD. Solids control will be handled entirely on a closed loop basis. No earth pits will be used.
2. The wellhead will be installed and tested as soon as the surface casing is cut off and the WOC time has been reached.
3. A blind flange at the same pressure rating as the wellhead will be installed to seal the wellbore. Pressure will be monitored with needle valves installed on two wingvalves.
 - a. A means for intervention will be maintained while the drilling rig is not over the well.
4. Spudder rig operations are expected to take 2-3 days per well on the pad.
5. The BLM will be contacted and notified 24 hours prior to commencing spudder rig operations.
6. Drilling operations will begin with a larger rig and a BOP stack equal to or greater than the pressure rating that was permitted will be nipped up and tested on the wellhead before drilling operations resume on each well.
 - a. The larger rig will move back onto the location within 90 days from the point at which the wells are secured and the spudder rig is moved off location.
 - b. The BLM will be contacted / notified 24 hours before the larger rig moves back on the pre-set locations.
7. Oxy will have supervision on the rig to ensure compliance with all BLM and NMOCD regulations and to oversee operations.
8. Once the rig is removed, Oxy will secure the wellhead area by placing a guard rail around the cellar area.

Spudder Rig Layout



5M BOP Stack

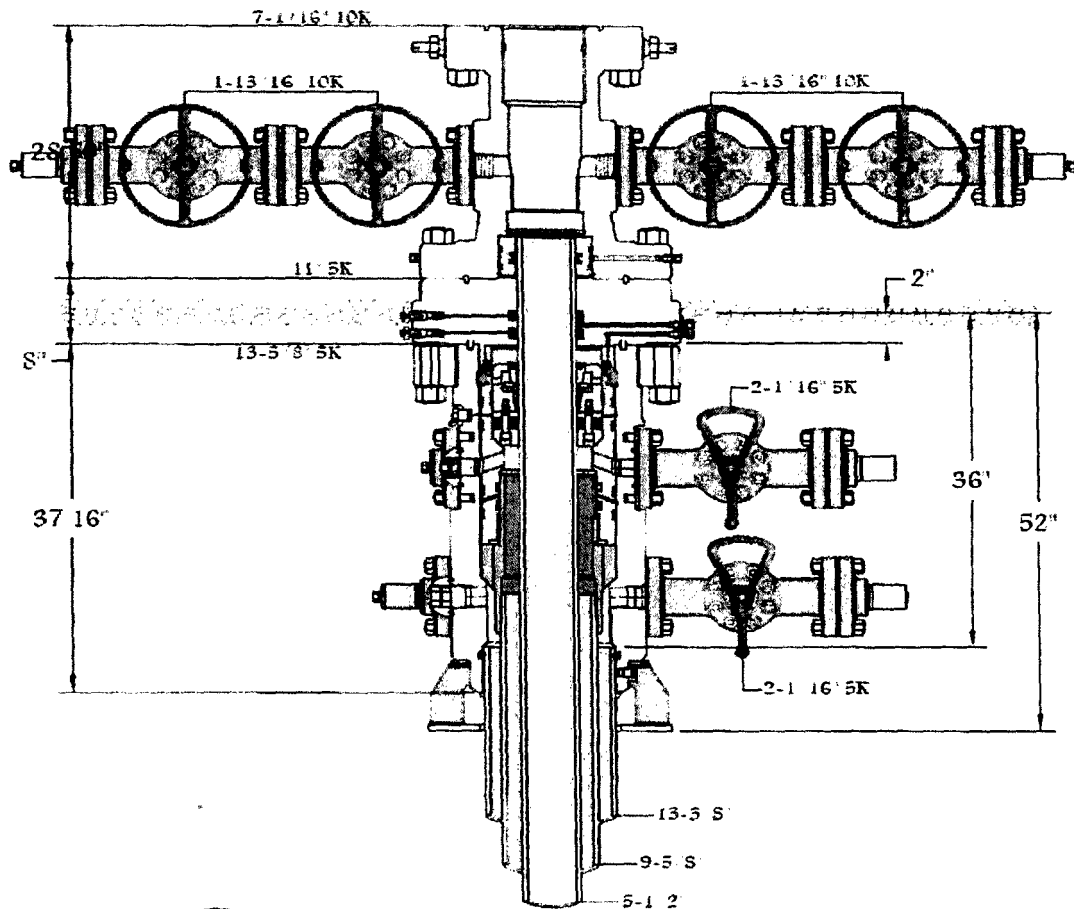




13" 5K MBS SL2 Wellhead



Jeanette	7-12-16	#	J-9786-4
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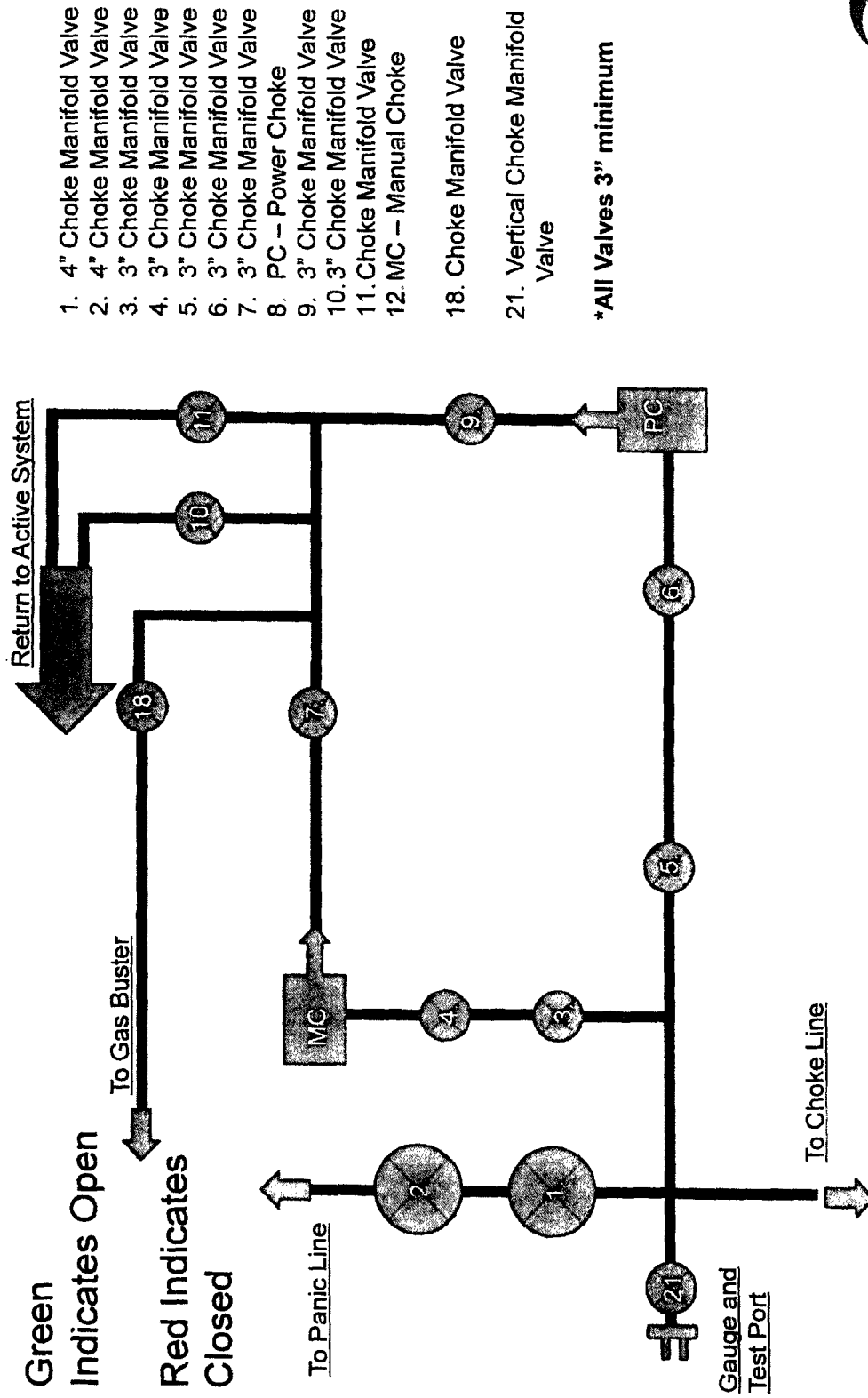


13-5 8" 5K MN-DS

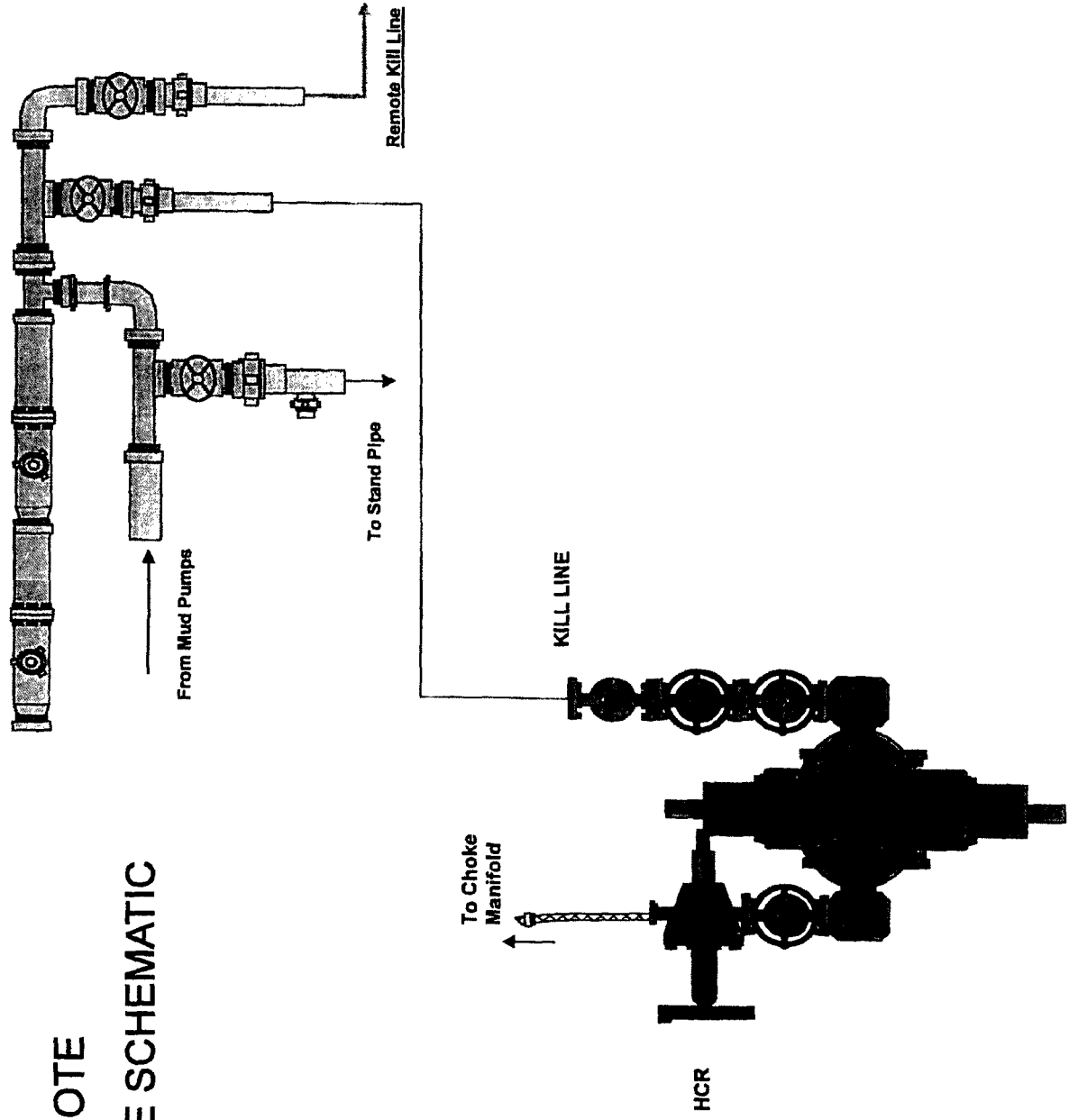


Brandon	5-10-17	1505172
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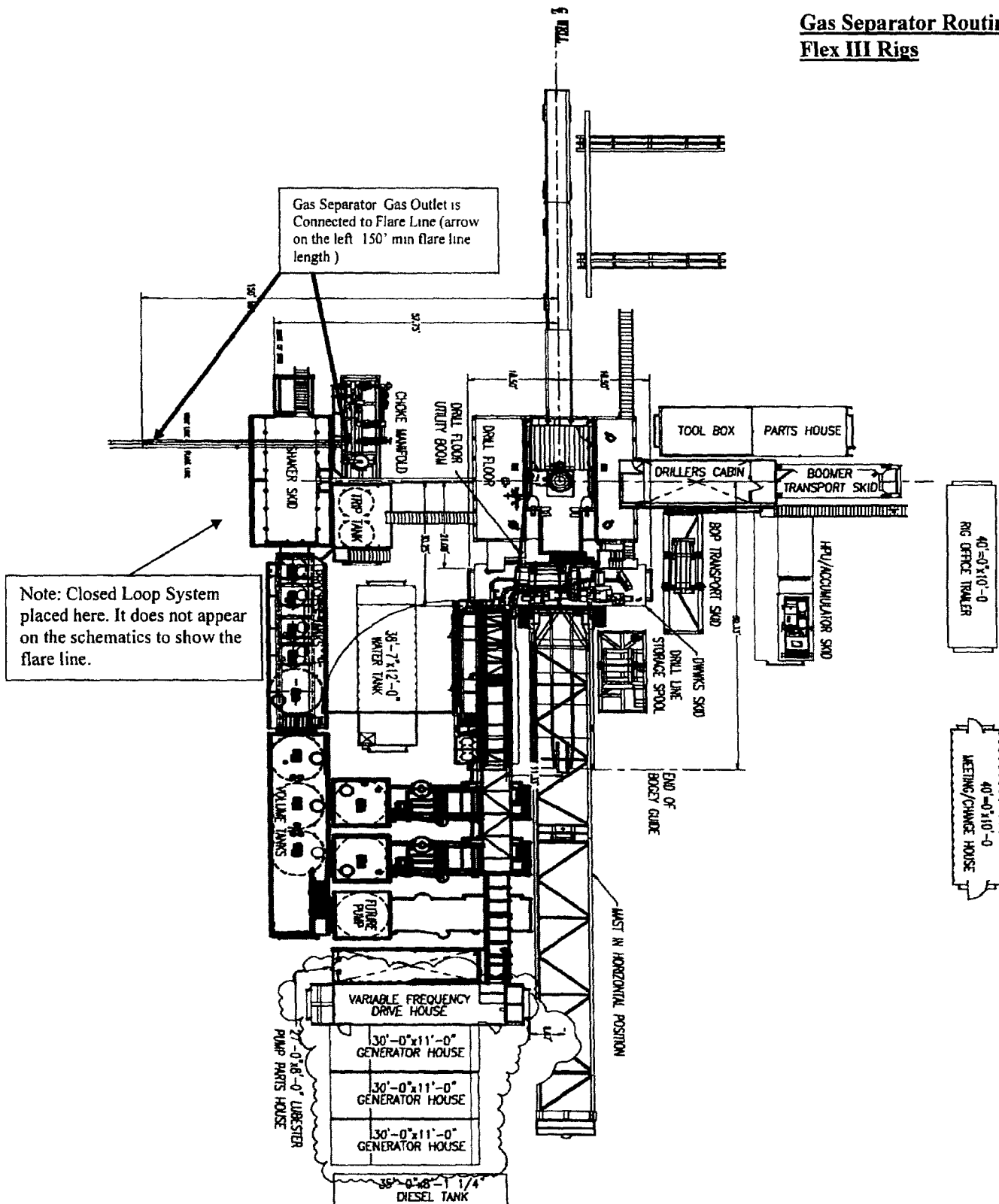
5M Choke Panel



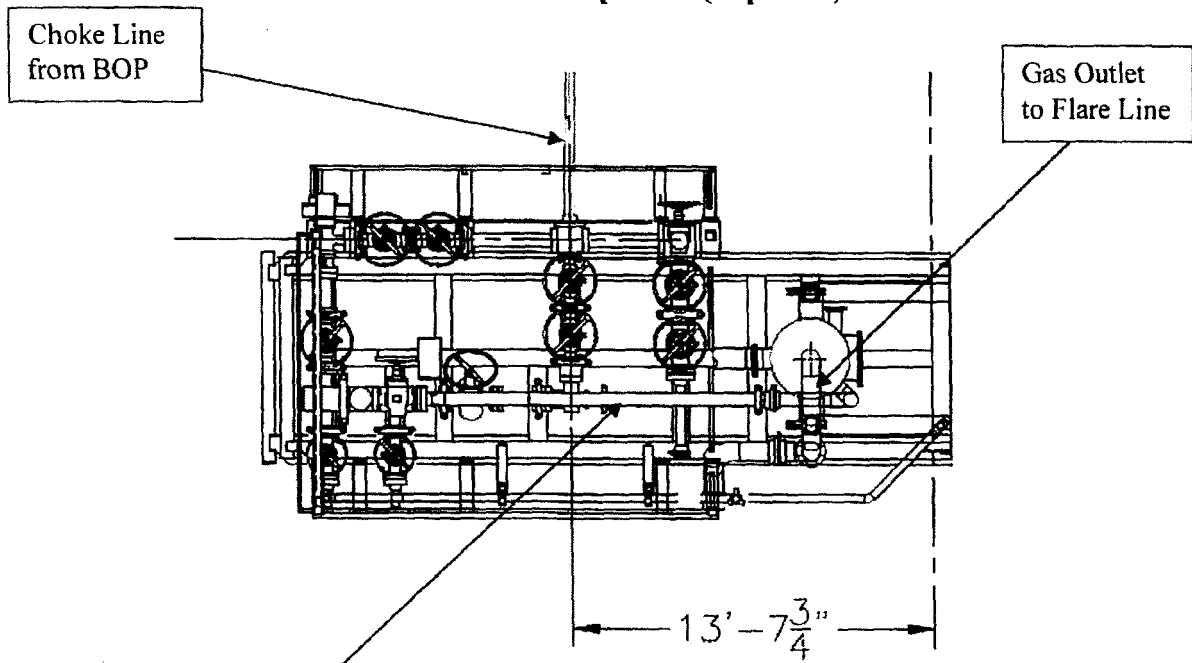
10M REMOTE KILL LINE SCHEMATIC



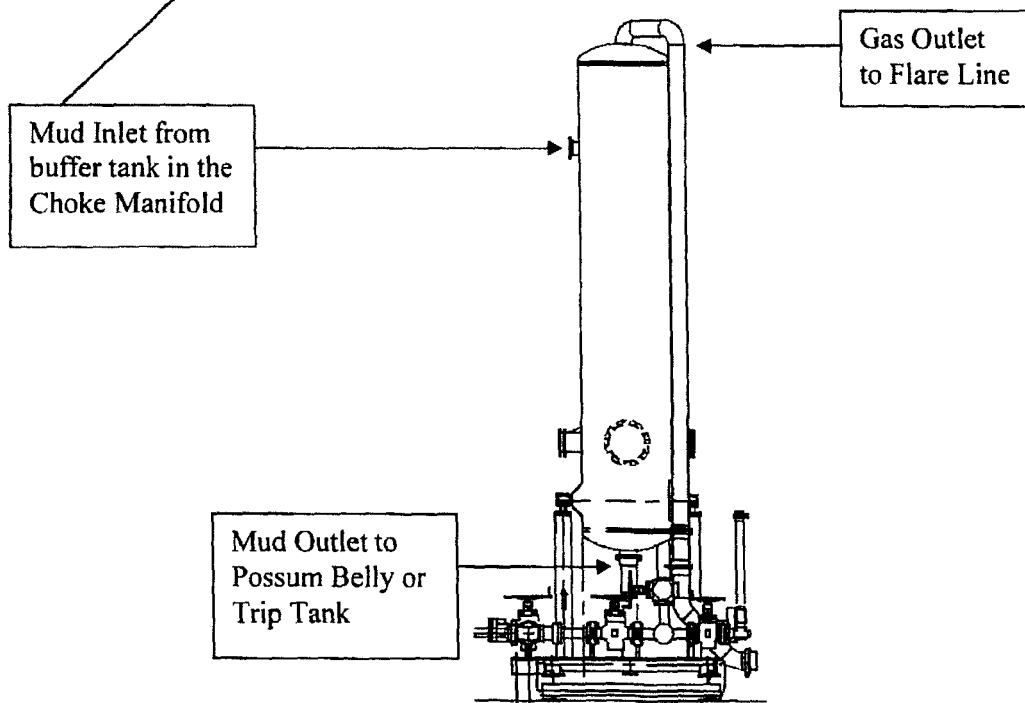
Gas Separator Routing Flex III Rigs



Choke Manifold – Gas Separator (Top View)



Choke Manifold – Gas Separator (Side View)





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 <u>commence</u> .
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. Remotely operated choke.
- 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: | <ol style="list-style-type: none"> 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: | <ol style="list-style-type: none"> 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: | <ol style="list-style-type: none"> 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: | <ol style="list-style-type: none"> 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 is 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

<u>Percent (%)</u>	<u>Ppm</u>	<u>Concentration</u> Grains <u>100 std. Ft3*</u>	<u>Physical effects</u>
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.

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