Form 3160-3 (June 2015) UNITED STATES	s JAN 1		FORM AP OMB No. 1 Expires: Janu	004-0137	
DEPARTMENT OF THE I BUREAU OF LAND MAN APPLICATION FOR PERMIT TO D	AGEMNRD-OC	DARTE	5. Lease Serial No. DWA M0546732A 6. If Indian, Allotee or	Tribe Name	
			7. If Unit or CA Agree		
	REENTER		7. If our of entigied	ment, Mane und No.	
	Other		8. Lease Name and We	ll No.	-
ic. Type of Completion: Hydraulic Fracturing	ingle Zone 🗸 Multiple Zo	one	ARKENSTONE 31 F	EDERAL	
	· .		зн 326/	50	
2. Name of Operator OXY USA INCORPORATED			9. API Well No. 30-0/5-	46618	
3a. Address5 Greenway Plaza, Suite 110 Houston TX 77046	3b. Phone No. (include are (713)366-5716	ea code)	10. Field and Pool, or I RATTLESNAKE-FLA 11. Sec., T. R. M. or B SEC 31 / T23S / R31	Exploratory	sqlewilk
4. Location of Well (Report location clearly and in accordance	with any State requirements."	り	11. Sec., T. R. M. or B	lk. and Survey or Arer	
At surface NWNE / 130 FNL / 2613 FEL / LAT 32.2678	822 / LONG -103.81681		SEC 31 / T23S / R31	E/NMP D	onespiny
At proposed prod. zone SWSE / 20 FSL / 2210 FEL / LA	AT 32.25371 / LONG -103.	815493		587	40
14. Distance in miles and direction from nearest town or post off8 miles	fice*		12. County or Parish EDDY	13. State NM	-
15. Distance from proposed* 20 feet	16. No of acres in lease	17. Spac	ing Unit dedicated to this	well	
property or lease line, ft. (Also to nearest drig. unit line, if any)	607.8	320			
 Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. 	19. Proposed Depth 10121 feet / 15728 feet		I/BIA Bond No. in file SB000226		
21. Elevations (Show whether DF, KDB, RT, GL, etc.)	22. Approximate date work	k will start*	23. Estimated duration		•
3344 feet	04/15/2020		15 days		
· ·	24. Attachments				-
The following, completed in accordance with the requirements o (as applicable)	of Onshore Oil and Gas Order	No. 1, and the	Hydraulic Fracturing rule	per 43 CFR 3162.3-3	
 Well plat certified by a registered surveyor. A Drilling Plan. 	4. Bond to co Item 20 ab		ns unless covered by an e	xisting bond on file (see	:
3. A Surface Use Plan (if the location is on National Forest Syste SUPO must be filed with the appropriate Forest Service Office			ormation and/or plans as m	ay be requested by the	
25. Signature	Name (Printed/Type			ate	:
(Electronic Submission)	David Stewart / Ph:	(432)685-571	7.0	1/29/2019	
Title Sr. Regulatory Advisor			· · · ·	•	_
Approved by (Signature) (Electronic Submission)	Name (Printed/Typed Christopher Walls /			ate 1/06/2020	-
Title Petroleum Engineer	Office CARLSBAD				
Application approval does not warrant or certify that the applicat applicant to conduct operations thereon.		le to those right:	s in the subject lease whic	h would entitle the	-
Conditions of approval, if any, are attached.			1	, 	:
Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, r of the United States any false, fictitious or fraudulent statements				department or agency	
	- 0.51	OFTIONS			
	WITH CON	MIN			

(Continued	on	page	2)
------------	----	------	----

APPROVED 11-Approval Date: 01/06/2020 *(Instructions on page 2) *RwP 1-22-2020*

INSTRUCTIONS

GENERAL: This form is designed for submitting proposals to perform certain well operations, as indicated on Federal and Indian lands and leases for action by appropriate Federal agencies, pursuant to applicable Federal laws and regulations. Any necessary special instructions concerning the use of this form and the number of copies to be submitted, particularly with regard to local, area, or regional procedures and practices, either are shown below or will be issued by, or may be obtained from local Federal offices.

ITEM I: If the proposal is to redrill to the same reservoir at a different subsurface location or to a new reservoir, use this form with appropriate notations. Consult applicable Federal regulations concerning subsequent work proposals or reports on the well.

ITEM 4: Locations on Federal or Indian land should be described in accordance with Federal requirements. Consult local Federal offices for specific instructions.

ITEM 14: Needed only when location of well cannot readily be found by road from the land or lease description. A plat, or plats, separate or on the reverse side, showing the roads to, and the surveyed location of, the wen, and any other required information, should be furnished when required by Federal agency offices.

ITEMS 15 AND 18: If well is to be, or has been directionany drilled, give distances for subsurface location of hole in any present or objective productive zone.

ITEM 22: Consult applicable Federal regulations, or appropriate officials, concerning approval of the proposal before operations are started.

ITEM 24: If the proposal will involve hydraulic fracturing operations, you must comply with 43 CFR 3162.3-3, including providing information about the protection of usable water. Operators should provide the best available information about all formations containing water and their depths. This information could include data and interpretation of resistivity logs run on nearby wells. Information may also be obtained from state or tribal regulatory agencies and from local BLM offices.

NOTICES

The Privacy Act of 1974 and regulation in 43 CFR 2.48(d) provide that you be furnished the following information in connection with information required by this application.

AUTHORITY: 30 U.S.C. 181 et seq., 25 U.S.C. 396; 43 CFR 3160

PRINCIPAL PURPOSES: The information will be used to: (1) process and evaluate your application for a permit to drill a new oil, gas, or service wen or to reenter a plugged and abandoned well; and (2) document, for administrative use, information for the management, disposal and use of National Resource Lands and resources including (a) analyzing your proposal to discover and extract the Federal or Indian resources encountered; (b) reviewing procedures and equipment and the projected impact on the land involved; and (c) evaluating the effects of the proposed operation on the surface and subsurface water and other environmental impacts.

ROUTINE USE: Information from the record and/or the record win be transferred to appropriate Federal, State, and local or foreign agencies, when relevant to civil, criminal or regulatory investigations or prosecution, in connection with congressional inquiries and for regulatory responsibilities.

EFFECT OF NOT PROVIDING INFORMATION: Filing of this application and disclosure of the information is mandatory only if you elect to initiate a drilling or reentry operation on an oil and gas lease.

The Paperwork Reduction Act of 1995 requires us to inform you that:

The BLM conects this information to anow evaluation of the technical, safety, and environmental factors involved with drilling for oil and/or gas on Federal and Indian oil and gas leases. This information will be used to analyze and approve applications. Response to this request is mandatory only if the operator elects to initiate drilling or reentry operations on an oil and gas lease. The BLM would like you to know that you do not have to respond to this or any other Federal agency-sponsored information collection unless it displays a currently valid OMB control number.

BURDEN HOURS STATEMENT: Public reporting burden for this form is estimated to average 8 hours per response, including the time for reviewing instructions, gathering and maintaining data, and completing and reviewing the form. Direct comments regarding the burden estimate or any other aspect of this form to U.S. Department of the Interior, Bureau of Land Management (1004-0137), Bureau Information Conection Clearance Officer (WO-630), 1849 C Street, N.W., Mail Stop 401 LS, Washington, D.C. 20240.

Additional Operator Remarks

Location of Well

 SHL: NWNE / 130 FNL / 2613 FEL / TWSP: 23S / RANGE: 31E / SECTION: 31 / LAT: 32.267822 / LONG: -103.81681 (TVD: 0 feet, MD: 0 feet) PPP: NWNE / 100 FNL / 2210 FEL / TWSP: 23S / RANGE: 31E / SECTION: 31 / LAT: 32.267904 / LONG: -103.815506 (TVD: 10166 feet, MD: 10564 feet) BHL: SWSE / 20 FSL / 2210 FEL / TWSP: 23S / RANGE: 31E / SECTION: 31 / LAT: 32.25371 / LONG: -103.815493 (TVD: 10121 feet, MD: 15728 feet)

BLM Point of Contact

Name: Deborah Ham Title: Legal Landlaw Examiner Phone: 5752345965 Email: dham@blm.gov

Approval Date: 01/06/2020

(Form 3160-3, page 3)

Review and Appeal Rights

A person contesting a decision shall request a State Director review. This request must be filed within 20 working days of receipt of the Notice with the appropriate State Director (see 43 CFR 3165.3). The State Director review decision may be appealed to the Interior Board of Land Appeals, 801 North Quincy Street, Suite 300, Arlington, VA 22203 (see 43 CFR 3165.4). Contact the above listed Bureau of Land Management office for further information.

Approval Date: 01/06/2020

.

PECOS DISTRICT DRILLING CONDITIONS OF APPROVAL

OPERATOR'S NAME:	Oxy USA Incorporated
LEASE NO.:	NMNM0546732A
WELL NAME & NO.:	Arkenstone 31 Federal 3H
SURFACE HOLE FOOTAGE:	130'/ N & 2613 ['] /E
BOTTOM HOLE FOOTAGE	20'/S & 2210'/E
LOCATION:	Section 31, T.23 S., R.31 E., NMPM
COUNTY:	Eddy County, New Mexico



H2S	O Yes	O No	
Potash	O None	C Secretary	• R-111-P
Cave/Karst Potential	C Low	C Medium	O High
Variance	O None	Sector Flex Hose	O Other
Wellhead	^O Conventional	C Multibowl	🖸 Both
Other	□4 String Area	Capitan Reef	□ WIPP
Other	Fluid Filled	🗹 Cement Squeeze	🗖 Pilot Hole
Special Requirements	🗖 Water Disposal	Г СОМ	🗖 Unit

Break Testing	O Yes	👁 No	

A. HYDROGEN SULFIDE

Hydrogen Sulfide (H2S) monitors shall be installed prior to drilling out the surface shoe. If H2S is detected in concentrations greater than 100 ppm, the Hydrogen Sulfide area shall meet Onshore Order 6 requirements, which includes equipment and personnel/public protection items. If Hydrogen Sulfide is encountered, provide measured values and formations to the BLM.

B. CASING

Primary Casing Design:

- 1. The 13-3/8 inch surface casing shall be set at approximately 416 feet (a minimum of 70 feet (Eddy County) into the Rustler Anhydrite and above the salt) and cemented to the surface.
 - a. If cement does not circulate to the surface, the appropriate BLM office shall be notified and a temperature survey utilizing an electronic type temperature survey with surface log readout will be used or a cement bond log shall be run to verify the top of the cement. Temperature survey will be run a minimum of

Page 1 of 10

six hours after pumping cement and ideally between 8-10 hours after completing the cement job.

- b. Wait on cement (WOC) time for a primary cement job will be a minimum of <u>24 hours in the Potash Area</u> or 500 pounds compressive strength, whichever is greater. (This is to include the lead cement)
- c. Wait on cement (WOC) time for a remedial job will be a minimum of 4 hours after bringing cement to surface or 500 pounds compressive strength, whichever is greater.
- d. If cement falls back, remedial cementing will be done prior to drilling out that string.
- 2. The 9-5/8 inch intermediate casing shall be set at approximately 4050 feet. The minimum required fill of cement behind the 9-5/8 inch intermediate casing is:

Option 1 (Single Stage):

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

Option 2:

Operator has proposed a DV tool, the depth may be adjusted as long as the cement is changed proportionally. The DV tool may be cancelled if cement circulates to surface on the first stage.

- a. First stage to DV tool: Cement to circulate. If cement does not circulate off the DV tool, contact the appropriate BLM office before proceeding with second stage cement job.
- b. Second stage above DV tool:
 - Cement to surface. If cement does not circulate, contact the appropriate BLM office.
 Wait on cement (WOC) time for a primary cement job is to include the lead cement slurry due to cave/karst or potash.
- 3. The minimum required fill of cement behind the 5 1/2 x 4 1/2 inch production casing is:

Option 1 (Single Stage):

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

Option 2:

Operator has proposed a DV tool, the depth may be adjusted as long as the cement is changed proportionally. The DV tool may be cancelled if cement circulates to surface on the first stage.

- a. First stage to DV tool: Cement to circulate. If cement does not circulate off the DV tool, contact the appropriate BLM office before proceeding with second stage cement job.
- b. Second stage above DV tool:
 - Cement to surface. If cement does not circulate, contact the appropriate BLM office.

Operator has proposed to pump down 9-5/8" X 5 1/2 x 4 1/2" annulus. <u>Operator</u> <u>must run a CBL or ECHO-METER from TD of the 5 1/2 x 4 1/2" casing to surface.</u> <u>Submit results to BLM.</u> Excess calculates to 7% - additional cement might be required.

Alternate Casing Design:

Intermediate casing must be kept fluid filled to meet BLM minimum collapse requirement.

3. The minimum required fill of cement behind the 7-5/8 inch intermediate casing is:

Option 1 (Single Stage):

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

Option 2:

Operator has proposed a DV tool, the depth may be adjusted as long as the cement is changed proportionally. The DV tool may be cancelled if cement circulates to surface on the first stage.

- c. First stage to DV tool: Cement to circulate. If cement does not circulate off the DV tool, contact the appropriate BLM office before proceeding with second stage cement job.
- d. Second stage above DV tool:
 - Cement to surface. If cement does not circulate, contact the appropriate BLM office.

Page 3 of 10

Wait on cement (WOC) time for a primary cement job is to include the lead cement slurry due to cave/karst or potash.

Operator has proposed to pump down 9-5/8" X 7-5/8" annulus. <u>Operator must run</u> a CBL or ECHO-METER from TD of the 7-5/8" casing to surface. Submit results to BLM. Excess calculates to 8% - additional cement might be required.

- 4. The minimum required fill of cement behind the 5 1/2 x 4 1/2 inch production casing is:
 - Cement should tie-back **500 feet** into the previous casing. Operator shall provide method of verification.

C. PRESSURE CONTROL

1. Variance approved to use flex line from BOP to choke manifold. Manufacturer's specification to be readily available. No external damage to flex line. Flex line to be installed as straight as possible (no hard bends).'

2.

Option 1:

a. Minimum working pressure of the blowout preventer (BOP) and related equipment (BOPE) required for drilling below the surface casing shoe shall be **3000 (3M)** psi.

Option 2:

- 1. Operator has proposed a multi-bowl wellhead assembly. This assembly will only be tested when installed on the surface casing. Minimum working pressure of the blowout preventer (BOP) and related equipment (BOPE) required for drilling below the surface casing shoe shall be **3000 (3M)** psi.
 - a. Wellhead shall be installed by manufacturer's representatives, submit documentation with subsequent sundry.
 - b. If the welding is performed by a third party, the manufacturer's representative shall monitor the temperature to verify that it does not exceed the maximum temperature of the seal.
 - c. Manufacturer representative shall install the test plug for the initial BOP test.
 - d. If the cement does not circulate and one inch operations would have been possible with a standard wellhead, the well head shall be cut off, cementing operations performed and another wellhead installed.
 - e. Whenever any seal subject to test pressure is broken, all the tests in OOGO2.III.A.2.i must be followed.

Page 4 of 10

D. SPECIAL REQUIREMENT (S)

Offline Cementing

• Contact the BLM prior to the commencement of any offline cementing procedure.

BOP Break Testing Variance

• BOP break testing is not permitted on this well pending submittion of a break testing sundry.

Page 5 of 10

GENERAL REQUIREMENTS

The BLM is to be notified in advance for a representative to witness:

- a. Spudding well (minimum of 24 hours)
- b. Setting and/or Cementing of all casing strings (minimum of 4 hours)
- c. BOPE tests (minimum of 4 hours)
 - Eddy County Call the Carlsbad Field Office, 620 East Greene St., Carlsbad, NM 88220, (575) 361-2822
 - Call the Hobbs Field Station, 414 West Taylor, Hobbs NM 88240, (575) 393-3612
- 1. Unless the production casing has been run and cemented or the well has been properly plugged, the drilling rig shall not be removed from over the hole without prior approval.
 - a. In the event the operator has proposed to drill multiple wells utilizing a skid/walking rig. Operator shall secure the wellbore on the current well, after installing and testing the wellhead, by installing a blind flange of like pressure rating to the wellhead and a pressure gauge that can be monitored while drilling is performed on the other well(s).
 - b. When the operator proposes to set surface casing with Spudder Rig
 - Notify the BLM when moving in and removing the Spudder Rig.
 - Notify the BLM when moving in the 2nd Rig. Rig to be moved in within 90 days of notification that Spudder Rig has left the location.
 - BOP/BOPE test to be conducted per Onshore Oil and Gas Order No. 2 as soon as 2nd Rig is rigged up on well.
- 2. Floor controls are required for 3M or Greater systems. These controls will be on the rig floor, unobstructed, readily accessible to the driller and will be operational at all times during drilling and/or completion activities. Rig floor is defined as the area immediately around the rotary table; the area immediately above the substructure on which the draw works are located, this does not include the dog house or stairway area.
- 3. The record of the drilling rate along with the GR/N well log run from TD to surface (horizontal well vertical portion of hole) shall be submitted to the BLM office as well as all other logs run on the borehole 30 days from completion. If available, a digital copy of the logs is to be submitted in addition to the paper copies. The Rustler top and top and bottom of Salt are to be recorded on the Completion Report.

Page 6 of 10

A. CASING

- 1. Changes to the approved APD casing program need prior approval if the items substituted are of lesser grade or different casing size or are Non-API. The Operator can exchange the components of the proposal with that of superior strength (i.e. changing from J-55 to N-80, or from 36# to 40#). Changes to the approved cement program need prior approval if the altered cement plan has less volume or strength or if the changes are substantial (i.e. Multistage tool, ECP, etc.). The initial wellhead installed on the well will remain on the well with spools used as needed.
- <u>Wait on cement (WOC) for Potash Areas:</u> After cementing but before commencing any tests, the casing string shall stand cemented under pressure until both of the following conditions have been met: 1) cement reaches a minimum compressive strength of 500 psi for all cement blends, 2) until cement has been in place at least <u>24 hours</u>. WOC time will be recorded in the driller's log. The casing intergrity test can be done (prior to the cement setting up) immediately after bumping the plug.
- 3. <u>Wait on cement (WOC) for Water Basin:</u> After cementing but before commencing any tests, the casing string shall stand cemented under pressure until both of the following conditions have been met: 1) cement reaches a minimum compressive strength of 500 psi at the shoe, 2) until cement has been in place at least <u>8 hours</u>. WOC time will be recorded in the driller's log. See individual casing strings for details regarding lead cement slurry requirements. The casing intergrity test can be done (prior to the cement setting up) immediately after bumping the plug.
- 4. Provide compressive strengths including hours to reach required 500 pounds compressive strength prior to cementing each casing string. Have well specific cement details onsite prior to pumping the cement for each casing string.
- 5. No pea gravel permitted for remedial or fall back remedial without prior authorization from the BLM engineer.
- 6. 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. Formation at the shoe shall be tested to a minimum of the mud weight equivalent anticipated to control the formation pressure to the next casing depth or at total depth of the well. This test shall be performed before drilling more than 20 feet of new hole.
- 7. If hardband drill pipe is rotated inside casing, returns will be monitored for metal. If metal is found in samples, drill pipe will be pulled and rubber protectors which have a larger diameter than the tool joints of the drill pipe will be installed prior to continuing drilling operations.
- 8. Whenever a casing string is cemented in the R-111-P potash area, the NMOCD requirements shall be followed.

Page 7 of 10

B. PRESSURE CONTROL

- 1. All blowout preventer (BOP) and related equipment (BOPE) shall comply with well control requirements as described in Onshore Oil and Gas Order No. 2 and API RP 53 Sec. 17.
- 2. If a variance is approved for a flexible hose to be installed from the BOP to the choke manifold, the following requirements apply: Check condition of flexible line from BOP to choke manifold, replace if exterior is damaged or if line fails test. Line to be as straight as possible with no hard bends and is to be anchored according to Manufacturer's requirements. The flexible hose can be exchanged with a hose of equal size and equal or greater pressure rating. Anchor requirements, specification sheet and hydrostatic pressure test certification matching the hose in service, to be onsite for review. These documents shall be posted in the company man's trailer and on the rig floor.
- 3. 5M or higher system requires an HCR valve, remote kill line and annular to match. The remote kill line is to be installed prior to testing the system and tested to stack pressure.
- 4. If the operator has proposed a multi-bowl wellhead assembly in the APD. The following requirements must be met:
 - a. Wellhead shall be installed by manufacturer's representatives, submit documentation with subsequent sundry.
 - b. If the welding is performed by a third party, the manufacturer's representative shall monitor the temperature to verify that it does not exceed the maximum temperature of the seal.
 - c. Manufacturer representative shall install the test plug for the initial BOP test.
 - d. Whenever any seal subject to test pressure is broken, all the tests in OOGO2.III.A.2.i must be followed.
 - e. If the cement does not circulate and one inch operations would have been possible with a standard wellhead, the well head shall be cut off, cementing operations performed and another wellhead installed.
- 5. The appropriate BLM office shall be notified a minimum of 4 hours in advance for a representative to witness the tests.
 - a. In a water basin, for all casing strings utilizing slips, these are to be set as soon as the crew and rig are ready and any fallback cement remediation has been done. The casing cut-off and BOP installation can be initiated four hours after installing the slips, which will be approximately six hours after bumping the plug. For those casing strings not using slips, the minimum wait time before cut-off is eight hours after bumping the plug. BOP/BOPE testing can begin after cut-off or once cement reaches 500 psi compressive strength (including

Page 8 of 10

lead when specified), whichever is greater. However, if the float does not hold, cut-off cannot be initiated until cement reaches 500 psi compressive strength (including lead when specified).

- b. In potash areas, for all casing strings utilizing slips, these are to be set as soon as the crew and rig are ready and any fallback cement remediation has been done. For all casing strings, casing cut-off and BOP installation can be initiated at twelve hours after bumping the plug. However, **no tests** shall commence until the cement has had a minimum of 24 hours setup time, except the casing pressure test can be initiated immediately after bumping the plug (only applies to single stage cement jobs).
- c. The tests shall be done by an independent service company utilizing a test plug not a cup or J-packer. The operator also has the option of utilizing an independent tester to test without a plug (i.e. against the casing) pursuant to Onshore Order 2 with the pressure not to exceed 70% of the burst rating for the casing. Any test against the casing must meet the WOC time for water basin (8 hours) or potash (24 hours) or 500 pounds compressive strength, whichever is greater, prior to initiating the test (see casing segment as lead cement may be critical item).
- d. The test shall be run on a 5000 psi chart for a 2-3M BOP/BOP, on a 10000 psi chart for a 5M BOP/BOPE and on a 15000 psi chart for a 10M BOP/BOPE. If a linear chart is used, it shall be a one hour chart. A circular chart shall have a maximum 2 hour clock. If a twelve hour or twenty-four hour chart is used, tester shall make a notation that it is run with a two hour clock.
- e. The results of the test shall be reported to the appropriate BLM office.
- f. All tests are required to be recorded on a calibrated test chart. A copy of the BOP/BOPE test chart and a copy of independent service company test will be submitted to the appropriate BLM office.
- g. The BOP/BOPE test shall include a low pressure test from 250 to 300 psi. The test will be held for a minimum of 10 minutes if test is done with a test plug and 30 minutes without a test plug. This test shall be performed prior to the test at full stack pressure.
- h. BOP/BOPE must be tested by an independent service company within 500 feet of the top of the Wolfcamp formation if the time between the setting of the intermediate casing and reaching this depth exceeds 20 days. This test does not exclude the test prior to drilling out the casing shoe as per Onshore Order No. 2.

Page 9 of 10

C. DRILLING MUD

Mud system monitoring equipment, with derrick floor indicators and visual and audio alarms, shall be operating before drilling into the Wolfcamp formation, and shall be used until production casing is run and cemented.

D. WASTE MATERIAL AND FLUIDS

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

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

NMK12302019

PECOS DISTRICT SURFACE USE CONDITIONS OF APPROVAL

OXY USA INCORP	ORATED
3H – ARKENSTON	E 31 FEDERAL
130'/N & 2613'/E	•
20'/S & 2300'/W	
SECTION 31, T23S,	R31E, NMPM
EDDY	
	3H – ARKENSTON 130'/N & 2613'/E 20'/S & 2300'/W SECTION 31, T23S,

TABLE OF CONTENTS

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

General Provisions	•		•	
Permit Expiration				
Archaeology, Paleontology, and Historical Sites				
🔀 Noxious Weeds				
Special Requirements				
Lesser Prairie-Chicken Timing Stipulations		•.	•	
Ground-level Abandoned Well Marker		,		
Range			٠	
Potash Minerals		. •		
Lesser Prairie Chicken exemption			•	
			•	
Construction				
Notification				
Topsoil				
Closed Loop System			•	
Federal Mineral Material Pits		·		
Well Pads				
Roads				
Road Section Diagram				
Production (Post Drilling)				
Well Structures & Facilities				
Pipelines				
Electric Lines			•	
Oil and Gas related sites				
Interim Reclamation			e.	
Final Abandonment & Reclamation				
,				

I. GENERAL PROVISIONS

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

II. PERMIT EXPIRATION

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

III. ARCHAEOLOGICAL, PALEONTOLOGY & HISTORICAL SITES

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

IV. NOXIOUS WEEDS

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

V. SPECIAL REQUIREMENT(S)

Timing Limitation Stipulation / Condition of Approval for lesser prairie-chicken:

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

Ground-level Abandoned Well Marker to avoid raptor perching: Upon the plugging and subsequent abandonment of the well, the well marker will be installed at ground level on a plate containing the pertinent information for the plugged well. For more installation details, contact the Carlsbad Field Office at 575-234-5972.

This authorization is subject to your Certificate of Participation and/or Certificate of Inclusion under the New Mexico Candidate Conservation Agreement. Because it involves surface disturbing activities covered under your Certificate, your Habitat Conservation Fund Account with the Center of Excellence for Hazardous Materials Management (CEHMM) will be debited according to Exhibit B Part 2 of the Certificate of Participation.

Timing Limitation Exceptions:

The Carlsbad Field Office will publish an annual map of where the LPC timing and noise stipulations and conditions of approval (Limitations) will apply for the identified year (between March 1 and June 15) based on the latest survey information. The LPC Timing Area map will identify areas which are Habitat Areas (HA), Isolated Population Area (IPA), and Primary Population Area (PPA). The LPC Timing Area map will also have an area in red crosshatch. The red crosshatch area is the only area where an operator is required to submit a request for exception to the LPC Limitations. If an operator is operating outside the red crosshatch area, the LPC Limitations do not apply for that year and an exception to LPC Limitations is not required.

Cattleguards

Where a permanent cattlegaurd is approved, an appropriately sized cattleguard(s) sufficient to carry out the project shall be installed and maintained at fence crossing(s). Any existing cattleguard(s) on the access road shall be repaired or replaced if they are damaged or have deteriorated beyond practical use. The operator shall be responsible for the condition of the existing cattleguard(s) that are in place and are utilized during lease operations. A gate shall be constructed on one side of the cattleguard and fastened securely to H-braces.

Fence Requirement

Where entry granted across a fence line, the fence must be braced and tied off on both sides of the passageway prior to cutting. Once the work is completed, the fence will be restored to its prior condition, or better. The operator shall notify the private surface landowner or the grazing allotment holder prior to crossing any fence(s).

Livestock Watering Requirement

Structures that provide water to livestock, such as windmills, pipelines, drinking troughs, and earthen reservoirs, will be avoided by moving the proposed action

Potash Minerals

Measures to minimize impacts to potash mineral reserves have been considered during the BLM's planning process by establishment of the Twin Wells Drill Island. No additional special mitigation or requirements have been identified by the BLM.

VI. CONSTRUCTION

A. NOTIFICATION

The BLM shall administer compliance and monitor construction of the access road and well pad. Notify the Carlsbad Field Office at (575) 234-5909 at least 3 working days prior to commencing construction of the access road and/or well pad.

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

B. TOPSOIL

The operator shall strip the top portion of the soil (root zone) from the entire well pad area and stockpile the topsoil along the edge of the well pad as depicted in the APD. The root zone is typically six (6) inches in depth. All the stockpiled topsoil will be redistributed over the interim reclamation areas. Topsoil shall not be used for berming the pad or facilities. For final reclamation, the topsoil shall be spread over the entire pad area for seeding preparation.

Other subsoil (below six inches) stockpiles must be completely segregated from the topsoil stockpile. Large rocks or subsoil clods (not evident in the surrounding terrain) must be buried within the approved area for interim and final reclamation.

C. CLOSED LOOP SYSTEM

Tanks are required for drilling operations: No Pits.

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

D. FEDERAL MINERAL MATERIALS PIT

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

E. WELL PAD SURFACING

Surfacing of the well pad is not required.

If the operator elects to surface the well pad, the surfacing material may be required to be removed at the time of reclamation. The well pad shall be constructed in a manner which creates the smallest possible surface disturbance, consistent with safety and operational needs.

F. EXCLOSURE FENCING (CELLARS & PITS)

Exclosure Fencing

The operator will install and maintain exclosure fencing for all open well cellars to prevent access to public, livestock, and large forms of wildlife before and after drilling operations until the pit is free of fluids and the operator initiates backfilling. (For examples of exclosure fencing design, refer to BLM's Oil and Gas Gold Book, Exclosure Fence Illustrations, Figure 1, Page 18.)

G. ON LEASE ACCESS ROADS

Road Width

The access road shall have a driving surface that creates the smallest possible surface disturbance and does not exceed fourteen (14) feet in width. The maximum width of surface disturbance, when constructing the access road, shall not exceed twenty-five (25) feet.

Surfacing

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

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

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

Crowning

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

Ditching

Ditching shall be required on both sides of the road.

Turnouts

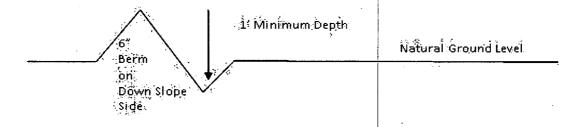
Vehicle turnouts shall be constructed on the road. Turnouts shall be intervisible with interval spacing distance less than 1000 feet. Turnouts shall conform to Figure 1; cross section and plans for typical road construction.

Drainage

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

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

Cross Section of a Typical Lead-off Ditch



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

Formula for Spacing Interval of Lead-off Ditches

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

400 foot road with 4% road slope: 400' + 100' = 200' lead-off ditch interval 4%

Cattle guards

An appropriately sized cattle guard sufficient to carry out the project shall be installed and maintained at fence/road crossings. Any existing cattle guards on the access road route shall be repaired or replaced if they are damaged or have deteriorated beyond practical use. The operator shall be responsible for the condition of the existing cattle guards that are in place and are utilized during lease operations.

Fence Requirement

Where entry is granted across a fence line, the fence shall be braced and tied off on both sides of the passageway prior to cutting. The operator shall notify the private surface landowner or the grazing allotment holder prior to crossing any fences.

Public Access

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

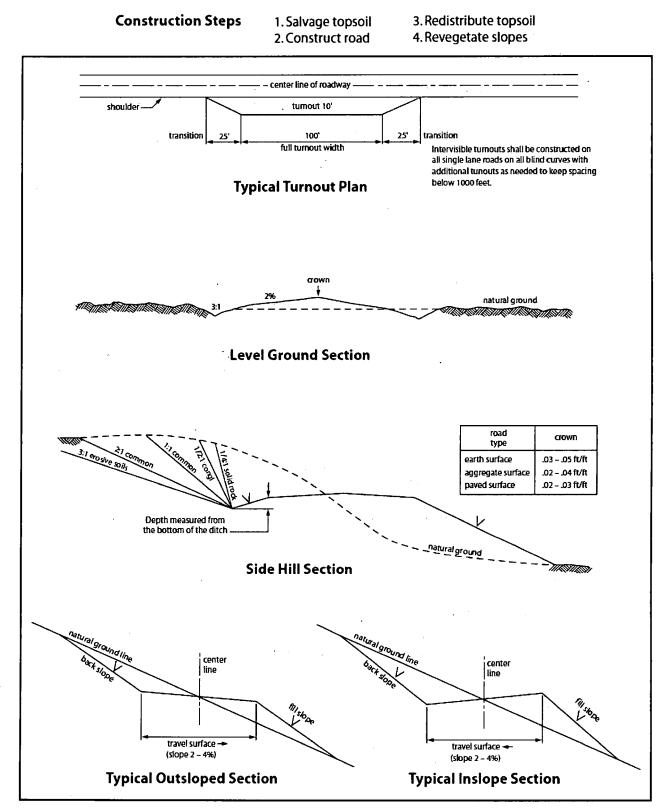


Figure 1. Cross-sections and plans for typical road sections representative of BLM resource or FS local and higher-class roads.

VII. PRODUCTION (POST DRILLING)

A. WELL STRUCTURES & FACILITIES

Placement of Production Facilities

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

Exclosure Netting (Open-top Tanks)

Immediately following active drilling or completion operations, the operator will take actions necessary to prevent wildlife and livestock access, including avian wildlife, to all open-topped tanks that contain or have the potential to contain salinity sufficient to cause harm to wildlife or livestock, hydrocarbons, or Resource Conservation and Recovery Act of 1976-exempt hazardous substances. At a minimum, the operator will net, screen, or cover open-topped tanks to exclude wildlife and livestock and prevent mortality. If the operator uses netting, the operator will cover and secure the open portion of the tank to prevent wildlife entry. The operator will net, screen, or cover the tanks until the operator removes the tanks from the location or the tanks no longer contain substances that could be harmful to wildlife or livestock. Use a maximum netting mesh size of 1 ½ inches. The netting must not be in contact with fluids and must not have holes or gaps.

Chemical and Fuel Secondary Containment and Exclosure Screening

The operator will prevent all hazardous, poisonous, flammable, and toxic substances from coming into contact with soil and water. At a minimum, the operator will install and maintain an impervious secondary containment system for any tank or barrel containing hazardous, poisonous, flammable, or toxic substances sufficient to contain the contents of the tank or barrel and any drips, leaks, and anticipated precipitation. The operator will dispose of fluids within the containment system that do not meet applicable state or U. S. Environmental Protection Agency livestock water standards in accordance with state law; the operator must not drain the fluids to the soil or ground. The operator will design, construct, and maintain all secondary containment systems to prevent wildlife and livestock exposure to harmful substances. At a minimum, the operator will install effective wildlife and livestock exclosure systems such as fencing, netting, expanded metal mesh, lids, and grate covers. Use a maximum netting mesh size of 1 ½ inches.

Open-Vent Exhaust Stack Exclosures

The operator will construct, modify, equip, and maintain all open-vent exhaust stacks on production equipment to prevent birds and bats from entering, and to discourage perching, roosting, and nesting. (*Recommended exclosure structures on open-vent exhaust stacks are in the shape of a cone.*) Production equipment includes, but may not be limited to, tanks, heater-treaters, separators, dehydrators, flare stacks, in-line units, and compressor mufflers.

Containment Structures

Page 9 of 26

Proposed production facilities such as storage tanks and other vessels will have a secondary containment structure that is constructed to hold the capacity of 1.5 times the largest tank, plus freeboard to account for precipitation, unless more stringent protective requirements are deemed necessary.

Painting Requirement

All above-ground structures including meter housing that are not subject to safety requirements shall be painted a flat non-reflective paint color, <u>Shale Green</u> from the BLM Standard Environmental Color Chart (CC-001: June 2008).

B. PIPELINES

BURIED PIPELINE STIPULATIONS

A copy of the application (Grant, APD, or Sundry Notice) and attachments, including conditions of approval, survey plat and/or map, will be on location during construction. BLM personnel may request to you a copy of your permit during construction to ensure compliance with all stipulations.

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

1. The Holder shall indemnify the United States against any liability for damage to life or property arising from the occupancy or use of public lands under this grant.

2. The Holder shall comply with all applicable Federal laws and regulations existing or hereafter enacted or promulgated. In any event, the holder shall comply with the Toxic Substances Control Act of 1976 as amended, 15 USC 2601 et seq. (1982) with regards to any toxic substances that are used, generated by or stored on the right-of-way or on facilities authorized under this right-of-way grant. (See 40 CFR Part 702-799 and especially, provisions on polychlorinated biphenyls, 40 CFR 761.1-761.193.) Additionally, any release of toxic substances (leaks, spills, etc.) in excess of the reportable quantity established by 40 CFR Part 117 shall be reported as required by the Comprehensive Environmental Response, Compensation, and Liability Act, section 102b. A copy of any report required or requested by any Federal agency or State government as a result of a reportable release or spill of any toxic substances shall be furnished to the authorized officer concurrent with the filing of the reports to the involved Federal agency or State government.

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

Page 10 of 26

4. If, during any phase of the construction, operation, maintenance, or termination of the pipeline, any oil or other pollutant should be discharged from the pipeline system, impacting Federal lands, the control and total removal, disposal, and cleaning up of such oil or other pollutant, wherever found, shall be the responsibility of holder, regardless of fault. Upon failure of holder to control, dispose of, or clean up such discharge on or affecting Federal lands, or to repair all damages resulting therefrom, on the Federal lands, the Authorized Officer may take such measures as he deems necessary to control and clean up the discharge and restore the area, including where appropriate, the aquatic environment and fish and wildlife habitats, at the full expense of the holder. Such action by the Authorized Officer shall not relieve holder of any responsibility as provided herein.

5. All construction and maintenance activity will be confined to the authorized right-of-way.

6. The pipeline will be buried with a minimum cover of 36 inches between the top of the pipe and ground level.

7. The maximum allowable disturbance for construction in this right-of-way will be $\underline{30}$ feet:

- Blading of vegetation within the right-of-way will be allowed: maximum width of blading operations will not exceed <u>20</u> feet. The trench is included in this area. (*Blading is defined as the complete removal of brush and ground vegetation.*)
- Clearing of brush species within the right-of-way will be allowed: maximum width of clearing operations will not exceed <u>30</u> feet. The trench and bladed area are included in this area. (Clearing is defined as the removal of brush while leaving ground vegetation (grasses, weeds, etc.) intact. Clearing is best accomplished by holding the blade 4 to 6 inches above the ground surface.)

• The remaining area of the right-of-way (if any) shall only be disturbed by compressing the vegetation. (Compressing can be caused by vehicle tires, placement of equipment, etc.)

8. The holder shall stockpile an adequate amount of topsoil where blading is allowed. The topsoil to be stripped is approximately 6_{--} inches in depth. The topsoil will be segregated from other spoil piles from trench construction. The topsoil will be evenly distributed over the bladed area for the preparation of seeding.

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

Page 11 of 26

10. Vegetation, soil, and rocks left as a result of construction or maintenance activity will be randomly scattered on this right-of-way and will not be left in rows, piles, or berms, unless otherwise approved by the Authorized Officer. The entire right-of-way shall be recontoured to match the surrounding landscape. The backfilled soil shall be compacted and a 6 inch berm will be left over the ditch line to allow for settling back to grade.

11. In those areas where erosion control structures are required to stabilize soil conditions, the holder will install such structures as are suitable for the specific soil conditions being encountered and which are in accordance with sound resource management practices.

12. The holder will reseed all disturbed areas. Seeding will be done according to the attached seeding requirements, using the following seed mix.

() seed mixture 1	() seed mixture 3
() seed mixture 2	() seed mixture 4
(X) seed mixture 2/LPC	() Aplomado Falcon Mixture

13. All above-ground structures not subject to safety requirements shall be painted by the holder to blend with the natural color of the landscape. The paint used shall be color which simulates "Standard Environmental Colors" – Shale Green, Munsell Soil Color No. 5Y 4/2.

14. The pipeline will be identified by signs at the point of origin and completion of the right-ofway and at all road crossings. At a minimum, signs will state the holder's name, BLM serial number, and the product being transported. All signs and information thereon will be posted in a permanent, conspicuous manner, and will be maintained in a legible condition for the life of the pipeline.

15. The holder shall not use the pipeline route as a road for purposes other than routine maintenance as determined necessary by the Authorized Officer in consultation with the holder before maintenance begins. The holder will take whatever steps are necessary to ensure that the pipeline route is not used as a roadway. As determined necessary during the life of the pipeline, the Authorized Officer may ask the holder to construct temporary deterrence structures.

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

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

18. <u>Escape Ramps</u> - The operator will construct and maintain pipeline/utility trenches that are not otherwise fenced, screened, or netted to prevent livestock, wildlife, and humans from becoming entrapped. At a minimum, the operator will construct and maintain escape ramps, ladders, or other methods of avian and terrestrial wildlife escape in the trenches according to the following criteria:

- a. Any trench left open for eight (8) hours or less is not required to have escape ramps; however, before the trench is backfilled, the contractor/operator shall inspect the trench for wildlife, remove all trapped wildlife, and release them at least 100 yards from the trench.
- b. For trenches left open for eight (8) hours or more, earthen escape ramps (built at no more than a 30 degree slope and spaced no more than 500 feet apart) shall be placed in the trench.

19. Special Stipulations:

Lesser Prairie-Chicken

Oil and gas activities will not be allowed in lesser prairie-chicken habitat during the period from March 1st through June 15th annually. During that period, other activities that produce noise or involve human activity, such as the maintenance of oil and gas facilities, geophysical exploration other than 3-D operations, and pipeline, road, and well pad construction, will be allowed except between 3:00 am and 9:00 am. The 3:00 am to 9:00 am restriction will not apply to normal, around-the-clock operations, such as venting, flaring, or pumping, which do not require a human presence during this period. Normal vehicle use on existing roads will not be restricted. Exhaust noise from pump jack engines must be muffled or otherwise controlled so as not to exceed 75 db measured at 30 ft. from the source of the noise.

Timing Limitation Exceptions:

The Carlsbad Field Office will publish an annual map of where the LPC timing and noise stipulations and conditions of approval (Limitations) will apply for the identified year (between March 1 and June 15) based on the latest survey information. The LPC Timing Area map will identify areas which are Habitat Areas (HA), Isolated Population Area (IPA), and Primary Population Area (PPA). The LPC Timing Area map will also have an area in red crosshatch. The red crosshatch area is the only area where an operator is required to submit a request for exception to the LPC Limitations. If an operator is operating outside the red crosshatch area, the LPC Limitations do not apply for that year and an exception to LPC Limitations is not required.

STANDARD STIPULATIONS FOR SURFACE INSTALLED PIPELINES

A copy of the application (Grant, Sundry Notice, APD) and attachments, including stipulations, survey plat and/or map, will be on location during construction. BLM

Page 13 of 26

personnel may request to you a copy of your permit during construction to ensure compliance with all stipulations.

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

1. The holder shall indemnify the United States against any liability for damage to life or property arising from the occupancy or use of public lands under this grant.

2. The holder shall comply with all applicable Federal laws and regulations existing or hereafter enacted or promulgated. In any event, the holder shall comply with the Toxic Substances Control Act of 1976 as amended, 15 USC 2601 <u>et seq</u>. (1982) with regards to any toxic substances that are used, generated by or stored on the right-of-way or on facilities authorized under this right-of-way grant. (See 40 CFR, Part 702-799 and especially, provisions on polychlorinated biphenyls, 40 CFR 761.1-761.193.) Additionally, any release of toxic substances (leaks, spills, etc.) in excess of the reportable quantity established by 40 CFR, Part 117 shall be reported as required by the Comprehensive Environmental Response, Compensation, and Liability Act, section 102b. A copy of any report required or requested by any Federal agency or State government as a result of a reportable release or spill of any toxic substances shall be furnished to the authorized officer concurrent with the filing of the reports to the involved Federal agency or State government.

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

4. The holder shall be liable for damage or injury to the United States to the extent provided by 43 CFR Sec. 2883.1-4. The holder shall be held to a standard of strict liability for damage or injury to the United States resulting from pipe rupture, fire, or spills caused or substantially aggravated by any of the following within the right-of-way or permit area:

- a. Activities of the holder including, but not limited to construction, operation, maintenance, and termination of the facility.
- b. Activities of other parties including, but not limited to:
 - (1) Land clearing.
 - (2) Earth-disturbing and earth-moving work.
 - (3) Blasting.
 - (4) Vandalism and sabotage.
- c. Acts of God.

The maximum limitation for such strict liability damages shall not exceed one million dollars (\$1,000,000) for any one event, and any liability in excess of such amount shall be determined by the ordinary rules of negligence of the jurisdiction in which the damage or injury occurred.

This section shall not impose strict liability for damage or injury resulting primarily from an act of war or from the negligent acts or omissions of the United States.

5. If, during any phase of the construction, operation, maintenance, or termination of the pipeline, any oil, salt water, or other pollutant should be discharged from the pipeline system, impacting Federal lands, the control and total removal, disposal, and cleaning up of such oil, salt water, or other pollutant, wherever found, shall be the responsibility of the holder, regardless of fault. Upon failure of the holder to control, dispose of, or clean up such discharge on or affecting Federal lands, or to repair all damages resulting therefrom, on the Federal lands, the Authorized Officer may take such measures as he deems necessary to control and clean up the discharge and restore the area, including, where appropriate, the aquatic environment and fish and wildlife habitats, at the full expense of the holder. Such action by the Authorized Officer shall not relieve the holder of any responsibility as provided herein.

6. All construction and maintenance activity will be confined to the authorized right-ofway width of 20 feet. If the pipeline route follows an existing road or buried pipeline right-of-way, the surface pipeline must be installed no farther than 10 feet from the edge of the road or buried pipeline right-of-way. If existing surface pipelines prevent this distance, the proposed surface pipeline must be installed immediately adjacent to the outer surface pipeline. All construction and maintenance activity will be confined to existing roads or right-of-ways.

7. No blading or clearing of any vegetation will be allowed unless approved in writing by the Authorized Officer.

8. The holder shall install the pipeline on the surface in such a manner that will minimize suspension of the pipeline across low areas in the terrain. In hummocky of duney areas, the pipeline will be "snaked" around hummocks and dunes rather then suspended across these features.

9. The pipeline shall be buried with a minimum of <u>24</u> inches under all roads, "two-tracks," and trails. Burial of the pipe will continue for 20 feet on each side of each crossing. The condition of the road, upon completion of construction, shall be returned to at least its former state with no bumps or dips remaining in the road surface.

10. The holder shall minimize disturbance to existing fences and other improvements on public lands. The holder is required to promptly repair improvements to at least their former state. Functional use of these improvements will be maintained at all times. The holder will contact the owner of any improvements prior to disturbing them. When

Page 15 of 26

necessary to pass through a fence line, the fence shall be braced on both sides of the passageway prior to cutting of the fence. No permanent gates will be allowed unless approved by the Authorized Officer.

11. In those areas where erosion control structures are required to stabilize soil conditions, the holder will install such structures as are suitable for the specific soil conditions being encountered and which are in accordance with sound resource management practices.

12. Excluding the pipe, all above-ground structures not subject to safety requirement shall be painted by the holder to blend with the natural color of the landscape. The paint used shall be a color which simulates "Standard Environmental Colors" – Shale Green, Munsell Soil Color No. 5Y 4/2; designated by the Rocky Mountain Five State Interagency Committee.

13. The pipeline will be identified by signs at the point of origin and completion of the right-of-way and at all road crossings. At a minimum, signs will state the holder's name, BLM serial number, and the product being transported. Signs will be maintained in a legible condition for the life of the pipeline.

14. The holder shall not use the pipeline route as a road for purposes other than routine maintenance as determined necessary by the Authorized Officer in consultation with the holder. The holder will take whatever steps are necessary to ensure that the pipeline route is not used as a roadway.

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

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

17. Surface pipelines must be less than or equal to 4 inches and a working pressure below 125 psi.

18. Special Stipulations:

Page 16 of 26

a. <u>Lesser Prairie-Chicken:</u> Oil and gas activities will not be allowed in lesser prairie-chicken habitat during the period from March 1st through June 15th annually. During that period, other activities that produce noise or involve human activity, such as the maintenance of oil and gas facilities and pipeline, road, and well pad construction, will be allowed except between 3:00 am and 9:00 am. The 3:00 am to 9:00 am restriction will not apply to normal, around-the-clock operations, such as venting, flaring, or pumping, which do not require a human presence during this period. Normal vehicle use on existing roads will not be restricted.

b. **<u>Timing Limitation Exceptions:</u>**

The Carlsbad Field Office will publish an annual map of where the LPC timing and noise stipulations and conditions of approval (Limitations) will apply for the identified year (between March 1 and June 15) based on the latest survey information. The LPC Timing Area map will identify areas which are Habitat Areas (HA), Isolated Population Area (IPA), and Primary Population Area (PPA). The LPC Timing Area map will also have an area in red crosshatch. The red crosshatch area is the only area where an operator is required to submit a request for exception to the LPC Limitations. If an operator is operating outside the red crosshatch area, the LPC Limitations do not apply for that year and an exception to LPC Limitations is not required.

C. ELECTRIC LINES

STANDARD STIPULATIONS FOR OVERHEAD ELECTRIC DISTRIBUTION LINES

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

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

1. The holder shall indemnify the United States against any liability for damage to life or property arising from the occupancy or use of public lands under this grant.

2. The holder shall comply with all applicable Federal laws and regulations existing or hereafter enacted or promulgated. In any event, the holder shall comply with the Toxic Substances Control Act of 1976 as amended, 15 USC 2601 <u>et seq</u>. (1982) with regards to any toxic substances that are used, generated by or stored on the right-of-way or on facilities authorized under this right-of-way grant. (See 40 CFR, Part 702-799 and especially, provisions on polychlorinated biphenyls, 40 CFR 761.1-761.193.) Additionally, any release of toxic substances (leaks, spills, etc.) in excess of the reportable quantity established by 40 CFR, Part 117 shall be reported as required by the Comprehensive Environmental Response, Compensation, and Liability Act, section 102b. A copy of any report required or requested by any Federal agency or State government as

Page 17 of 26

a result of a reportable release or spill of any toxic substances shall be furnished to the authorized officer concurrent with the filing of the reports to the involved Federal agency or State government.

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

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

5. Power lines shall be constructed and designed in accordance to standards outlined in "Suggested Practices for Avian Protection on Power lines: The State of the Art in 2006" Edison Electric Institute, APLIC, and the California Energy Commission 2006. The holder shall assume the burden and expense of proving that pole designs not shown in the above publication deter raptor perching, roosting, and nesting. Such proof shall be provided by a raptor expert approved by the Authorized Officer. The BLM reserves the right to require modification or additions to all powerline structures placed on this right-of-way, should they be necessary to ensure the safety of large perching birds. Such modifications and/or additions shall be made by the holder without liability or expense to the United States.

Raptor deterrence will consist of but not limited to the following: triangle perch discouragers shall be placed on each side of the cross arms and a nonconductive perching deterrence shall be placed on all vertical poles that extend past the cross arms.

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

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

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

Page 18 of 26

9. All surface structures (poles, lines, transformers, etc.) shall be removed within 180 days of abandonment, relinquishment, or termination of use of the serviced facility or facilities or within 180 days of abandonment, relinquishment, cancellation, or expiration of this grant, whichever comes first. This will not apply where the power line extends service to an active, adjoining facility or facilities.

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

11. Special Stipulations:

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

Timing Limitation Stipulation/Condition of Approval for Lesser Prairie-Chicken:

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

Timing Limitation Exceptions:

The Carlsbad Field Office will publish an annual map of where the LPC timing and noise stipulations and conditions of approval (Limitations) will apply for the identified year (between March 1 and June 15) based on the latest survey information. The LPC Timing Area map will identify areas which are Habitat Areas (HA), Isolated Population Area (IPA), and Primary Population Area (PPA). The LPC Timing Area map will also have an area in red crosshatch. The red crosshatch area is the only area where an operator is required to submit a request for exception to the LPC Limitations. If an operator is operating outside the red crosshatch area, the LPC Limitations do not apply for that year and an exception to LPC Limitations is not required.

Page 19 of 26

D. OIL AND GAS RELATED SITES

STANDARD STIPULATIONS FOR OIL AND GAS RELATED SITES

A copy of the application (Grant/Sundry Notice) and attachments, including stipulations and map, will be on location during construction. BLM personnel may request to view a copy of your permit during construction to ensure compliance with all stipulations.

The holder agrees to comply with the following stipulations to the satisfaction of the Authorized Officer, BLM.

1. The holder shall indemnify the United States against any liability for damage to life or property arising from the occupancy or use of public lands under this grant and for all response costs, penalties, damages, claims, and other costs arising from the provisions of the Resource Conservation and Recovery Act (RCRA), 42 U.S.C. Chap. 82, Section 6901 et. seq., from the Comprehensive Environmental Response, Compensation and Liability Act (CERCLA), 42 U.S.C. Chap. 109, Section 9601 et. seq., and from other applicable environmental statues.

2. The holder shall comply with all applicable Federal laws and regulations existing or hereafter enacted or promulgated. In any event, the holder shall comply with the Toxic Substances Control Act of 1976, as amended (15 U.S.C. 2601, et. seq.) with regard to any toxic substances that are used, generated by or stored on the right-of-way or on facilities authorized by this grant. (See 40 CFR, Part 702-799 and especially, provisions on polychlorinated biphenyls, 40 CFR 761.1-761.193.) Additionally, any release of toxic substances (leaks, spills, etc.) in excess of the reportable quantity established by 40 CFR, Part 117 shall be reported as required by the Comprehensive Environmental Response, Compensation and Liability Act, Section 102b. A copy of any report required or requested by any Federal agency or State government as a result of a reportable release or spill of any toxic substances shall be furnished to the Authorized Officer concurrent with the filing of the reports to the involved Federal agency or State government.

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

4. If, during any phase of the construction, operation, maintenance, or termination of the site or related pipeline(s), any oil or other pollutant should be discharged from site facilities, the pipeline(s) or from containers or vehicles impacting Federal lands, the control and total removal, disposal, and cleanup of such oil of other pollutant, wherever found, shall be the responsibility of the holder, regardless of fault. Upon failure of the

Page 20 of 26

holder to control, dispose of, or clean up such discharge on or affecting Federal lands, or to repair all damages to Federal lands resulting therefrom, the Authorized Officer may take such measures as deemed necessary to control and cleanup the discharge and restore the area, including, where appropriate, the aquatic environment and fish and wildlife habitats, at the full expense of the holder. Such action by the Authorized Officer shall not relieve the holder of any liability or responsibility.

5. Sites shall be maintained in an orderly, sanitary condition at all times. Waste materials, both liquid and solid, shall be disposed of promptly at an appropriate, authorized waste disposal facility in accordance with all applicable State and Federal laws. "Waste" means all discarded matter including, but not limited to, human waste, trash, garbage, refuse, petroleum products, brines, chemicals, oil drums, ashes, and equipment.

6. The operator will notify the Bureau of Land Management (BLM) authorized officer and nearest Fish and Wildlife Service (FWS) Law Enforcement office within 24 hours, if the operator discovers a dead or injured federally protected species (i.e., migratory bird species, bald or golden eagle, or species listed by the FWS as threatened or endangered) in or adjacent to a pit, trench, tank, exhaust stack, or fence. (If the operator is unable to contact the FWS Law Enforcement office, the operator must contact the nearest FWS Ecological Services office.)

7. All above-ground structures not subject to safety requirements shall be painted by the holder to blend with the natural color of the landscape. The paint used shall be a color which simulates "Standard Environmental Colors" designated by the Rocky Mountain Five-State Interagency Committee. The color selected for this project is **Shale Green**, Munsell Soil Color Chart Number 5Y 4/2.

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

9. A sales contract for removal of mineral material (caliche, sand, gravel, fill dirt) from an authorized pit, site, or on location must be obtained from the BLM prior to commencing construction. There are several options available for purchasing mineral material: contact the BLM office (575-234-5972).

10. The operator shall be held responsible if noxious weeds become established within the areas of operations. Weed control shall be required on the disturbed land where

Page 21 of 26

noxious weeds exist, which includes the roads, pads, associated pipeline corridor, and adjacent land affected by the establishment of weeds due to this action. The operator shall consult with the Authorized Officer for acceptable weed control methods, which include following EPA and BLM requirements and policies.

11. Once the site is no longer in service or use, the site must undergo final abandonment. At final abandonment, the site and access roads must undergo "final" reclamation so that the character and productivity of the land are restored. Earthwork for final reclamation must be completed within six (6) months of the abandonment of the site. All pads and facility locations and roads must be reclaimed to a satisfactory revegetated, safe, and stable condition, unless an agreement is made with the landowner or BLM to keep the road and/or pad intact. After all disturbed areas have been satisfactorily prepared, these areas need to be revegetated with the seed mixture provided. Seeding should be accomplished by drilling on the contour whenever practical or by other approved methods. Seeding may need to be repeated until revegetation is successful, as determined by the BLM.

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

12. The holder shall stockpile an adequate amount of topsoil where blading occurs. The topsoil to be stripped is approximately 6_{---} inches in depth. The topsoil will be segregated from other spoil piles. The topsoil will be used for final reclamation.

13. The holder will reseed all disturbed areas. Seeding will be done according to the attached seeding requirements, using the following seed mix.

() seed mixture 1	() seed mixture 3
() seed mixture 2	() seed mixture 4
(X) seed mixture 2/LPC	() Aplomado Falcon Mixture

14. In those areas where erosion control structures are required to stabilize soil conditions, the holder shall install such structures as are suitable for the specific soil conditions being encountered and which are in accordance with sound management practices. Any earth work will require prior approval by the Authorized Officer.

15. Open-topped Tanks - The operator will take actions necessary to prevent wildlife and livestock access, including avian wildlife, to all open-topped tanks that contain or have the potential to contain salinity sufficient to cause harm to wildlife or livestock, hydrocarbons, or Resource Conservation and Recovery Act of 1976-exempt hazardous substances. At a minimum, the operator will net, screen, or cover open-topped tanks to exclude wildlife and livestock and prevent mortality. If the operator uses netting, the operator will cover and secure the open portion of the tank to prevent wildlife entry. The operator will net, screen, or cover the tanks until the operator removes the tanks from the

location or the tanks no longer contain substances that could be harmful to wildlife or livestock. Use a maximum netting mesh size of 1 ½ inches. The netting must not be in contact with fluids and must not have holes or gaps

16. The operator will prevent all hazardous, poisonous, flammable, and toxic substances from coming into contact with soil and water. At a minimum, the operator will install and maintain an

impervious secondary containment system for any tank or barrel containing hazardous, poisonous, flammable, or toxic substances sufficient to contain the contents of the tank or barrel and any drips, leaks, and anticipated precipitation. The operator will dispose of fluids within the containment system that do not meet applicable state or U. S. Environmental Protection Agency livestock water standards in accordance with state law; the operator must not drain the fluids to the soil or ground. The operator will design, construct, and maintain all secondary containment systems to prevent wildlife and livestock exposure to harmful substances. At a minimum, the operator will install effective wildlife and livestock exclosure systems such as fencing, netting, expanded metal mesh, lids, and grate covers. Use a maximum netting mesh size of 1 ½ inches.

17. Open-Vent Exhaust Stack Exclosures – The operator will construct, modify, equip, and maintain all open-vent exhaust stacks on production equipment to prevent birds and bats from entering, and to discourage perching, roosting, and nesting. (Recommended exclosure structures on open-vent exhaust stacks are in the shape of a cone.) Production equipment includes, but may not be limited to, tanks, heater-treaters, separators, dehydrators, flare stacks, in-line units, and compressor mufflers.

18. Containment Structures - Proposed production facilities such as storage tanks and other vessels will have a secondary containment structure that is constructed to hold the capacity of 1.5 times the largest tank, plus freeboard to account for precipitation, unless more stringent protective requirements are deemed necessary.

19. Special Stipulations:

• The entire well pad will be bermed to prevent oil, salt, and other chemical contaminants from leaving the well pad. Topsoil shall not be used to construct the berm. No water flow from the uphill side(s) of the pad shall be allowed to enter the well pad. The berm shall be maintained through the life of the well and after interim reclamation has been completed.

 Any water erosion that may occur due to the construction of the well pad during the life of the well will be corrected within two weeks and proper measures will be taken to prevent future erosion.

Lesser Prairie-Chicken

Oil and gas activities will not be allowed in lesser prairie-chicken habitat during the period from March 1st through June 15th annually. During that period, other activities that produce noise or

Page 23 of 26

involve human activity, such as the maintenance of oil and gas facilities, geophysical exploration other than 3-D operations, and pipeline, road, and well pad construction, will be allowed except between 3:00 am and 9:00 am. The 3:00 am to 9:00 am restriction will not apply to normal, around-the-clock operations, such as venting, flaring, or pumping, which do not require a human presence during this period. Normal vehicle use on existing roads will not be restricted. Exhaust noise from permanent engines must be muffled or otherwise controlled so as not to exceed 75 db measured at 30 ft. from the source of the noise.

Timing Limitation Exceptions:

The Carlsbad Field Office will publish an annual map of where the LPC timing and noise stipulations and conditions of approval (Limitations) will apply for the identified year (between March 1 and June 15) based on the latest survey information. The LPC Timing Area map will identify areas which are Habitat Areas (HA), Isolated Population Area (IPA), and Primary Population Area (PPA). The LPC Timing Area map will also have an area in red crosshatch. The red crosshatch area is the only area where an operator is required to submit a request for exception to the LPC Limitations. If an operator is operating outside the red crosshatch area, the LPC Limitations do not apply for that year and an exception to LPC Limitations is not required.

VIII. INTERIM RECLAMATION

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

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

During reclamation, the removal of caliche is important to increasing the success of revegetating the site. Removed caliche that is free of contaminants may be used for road repairs, fire walls or for building other roads and locations. In order to operate the well or complete workover operations, it may be necessary to drive, park and operate on restored interim vegetation within the previously disturbed area. Disturbing revegetated areas for production or workover operations will be allowed. If there is significant disturbance and loss of vegetation, the area will need to be revegetated. Communicate with the appropriate BLM office for any exceptions/exemptions if needed.

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

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

IX. FINAL ABANDONMENT & RECLAMATION

Page 24 of 26

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

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

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

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

Ground-level Abandoned Well Marker to avoid raptor perching: Upon the plugging and subsequent abandonment of the well, the well marker will be installed at ground level on a plate containing the pertinent information for the plugged well.

Page 25 of 26

Seed Mixture for LPC Sand/Shinnery Sites

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

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

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

<u>Species</u>	<u>lb/acre</u>
Plains Bristlegrass Sand Bluestem Little Bluestem Big Bluestem Plains Coreopsis Sand Dropseed	51bs/A 51bs/A 31bs/A 61bs/A 21bs/A 11bs/A
Sund Dropseed	1100/11

*Pounds of pure live seed:

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

Page 26 of 26



01/07/2020

U.S. Department of the Interior BUREAU OF LAND MANAGEMENT

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 which currently 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.

NAME: David Stewart		Signed on: 08/29/2019
Title: Sr. Regulatory Advisor		
Street Address: 6001 Deauville		
City: Midland	State: TX	Zip: 79706
Phone: (432)685-5717	<i>.</i>	
Email address: david_stewart@	oxy.com	
Field Representativ	/e	
Representative Name:		
Street Address: 6001 Deauville		
City: Midland	State: TX	Zip : 79706
Phone: (575)631-2442		
Email address: iim wilson@oxy	com	·



U.S. Department of the Interior BUREAU OF LAND MANAGEMENT

Application Data Report

01/07/2020

A	PD	ID:	10400038574

Operator Name: OXY USA INCORPORATED

Well Name: ARKENSTONE 31 FEDERAL

Well Type: OIL WELL

Well Number: 3H

Submission Date: 01/29/2019

Well Work Type: Drill

Highlighted data reflects the most recent changes Show Final Text

Section 1 - General		
APD ID: 10400038574	Tie to previous NOS?	Submission Date: 01/29/2019
BLM Office: CARLSBAD	User: David Stewart	Title: Sr. Regulatory Advisor
Federal/Indian APD: FED	Is the first lease penetra	ted for production Federal or Indian? FED
Lease number: NMNM0546732A	Lease Acres: 607.8	
Surface access agreement in place?	Allotted?	Reservation:
Agreement in place? NO	Federal or Indian agreen	nent:
Agreement number:	•	
Agreement name:		
Keep application confidential? NO		
Permitting Agent? NO	APD Operator: OXY USA	INCORPORATED
Operator letter of designation:		
Operator Info		
Operator Organization Name: OXY USA	INCORPORATED	

٠.

Operator Address: 5 Greenway Plaza, Suite 110

Operator PO Box:

Operator City: Houston State: TX

Zip: 77046

Operator Phone: (713)366-5716

Operator Internet Address:

Section 2 - Well Information

Well in Master Development Plan? NO

Well in Master SUPO? NO

Well in Master Drilling Plan? NO

Well Name: ARKENSTONE 31 FEDERAL

Field/Pool or Exploratory? Field and Pool

Master Development Plan name: Master SUPO name:

Master Drilling Plan name:

Field Name: RATTLESNAKE

Well Number: 3H

FLAT

Well API Number:

Pool Name: WOLFCAMP

Is the proposed well in an area containing other mineral resources? POTASH

Operator Name: OXY USA INCORPORATED	· · · ·
Well Name: ARKENSTONE 31 FEDERAL	Well Number: 3H
·	
Is the proposed well in an area containing ot	ther mineral resources? POTASH
Is the proposed well in a Helium production a	area? N Use Existing Well Pad? NO New surface disturbance?
Type of Well Pad: MULTIPLE WELL	Multiple Well Pad Name: Number: 3H
Well Class: HORIZONTAL	ARKENSTONE 31 FEDERAL Number of Legs:
Well Work Type: Drill	
Well Type: OIL WELL	
Describe Well Type:	
Well sub-Type: INFILL	
Describe sub-type:	
Distance to town: 8 Miles Distan	Ince to nearest well: 35 FT Distance to lease line: 20 FT
Reservoir well spacing assigned acres Meas	surement: 320 Acres
Well plat: Arkenstone31Fd3H_C102Amd_2	20190829073212.pdf
Arkenstone31Fd3H_SitePlanAmd	d_20190829073229.pdf
Well work start Date: 04/15/2020	Duration: 15 DAYS
Section 3 - Well Location Table	
Survey Type: RECTANGULAR	

Describe Survey Type:

1

Datum: NAD83

Survey number:

Vertical Datum: NAVD88

Reference Datum:

Wellbore	NS-Foot	NS Indicator	EW-Foot	EW Indicator	Twsp	Range	Section	Aliquot/Lot/Tract	Latitude	Longitude	County	State	Meridian	Lease Type	Lease Number	Elevation	MD	DVT	Will this well produce from this lease?
SHL Leg #1	130	FNL	261 3	FEL	235	31E		Aliquot NWNE	32.26782 2	- 103.8168 1	EDD Y	NEW MEXI CO				334 4	0	0	
KOP Leg #1	50	FNL	221 0	FEL	235	31E	31	Aliquot NWNE	32.26804 1	- 103.8155 06	EDD Y	NEW MEXI CO	NEW MEXI CO		NMNM 054673 2A	- 634 8	975 9	969 2	

Well Name: ARKENSTONE 31 FEDERAL

Well Number: 3H

Wellbore	NS-Foot	NS Indicator	EW-Foot	EW Indicator	Twsp	Range	Section	Aliquot/Lot/Tract	Latitude	Longitude	County	State	Meridian	Lease Type	Lease Number	Elevation	QW	TVD	Will this well produce from this lease?
PPP Leg #1-1	100	FNL	221 0	FEL	235	31E		Aliquot NWNE		- 103.8155 06	EDD Y	NEW MEXI CO	NEW MEXI CO	F	NMNM 054673 2A	- 682 2	105 64	101 66	ĺ
EXIT Leg #1	100	FSL	221 0	FEL	235	31E	31	Aliquot SWSE	32.25393	- 103.8154 93	EDD Y	NEW MEXI CO	NEW MEXI CO	F	NMNM 054673 2A	- 677 7	156 48	101 21	
BHL Leg #1	20	FSL	221 0	FEL	235	31E	31	Aliquot SWSE	32.25371	- 103.8154 93	EDD Y		NEW MEXI CO	F	NMNM 054673 2A	- 677 7	157 28	101 [.] 21	

FAFMSS

U.S. Department of the Interior BUREAU OF LAND MANAGEMENT

Drilling Plan Data Report

01/07/2020

APD ID: 10400038574

Operator Name: OXY USA INCORPORATED

Well Name: ARKENSTONE 31 FEDERAL

Well Number: 3H

Highlighted data reflects the most recent changes

Show Final Text

Well Type: OIL WELL

Well Work Type: Drill

Submission Date: 01/29/2019

Section 1 - Geologic Formations

Formation			True Vertical	Measured			Producing
ID	Formation Name	Elevation	Depth	Depth	Lithologies	Mineral Resources	Formation
384564	RUSTLER	3344	366	366	ANHYDRITE, DOLOMITE, SHALE	USEABLE WATER	N
384565	SALADO	· 2659	685	685	ANHYDRITE, DOLOMITE, HALITE, SHALE	OTHER : SALT	N
384562	CASTILE	739	2605	2605	ANHYDRITE	OTHER : sait	N
384566	LAMAR	-711	4055	4055	LIMESTONE, SANDSTONE, SILTSTONE	NATURAL GAS, OIL, OTHER : BRINE	N
384567 '	BELL CANYON	-750	4094 .	4094	SANDSTONE, SILTSTONE	NATURAL GAS, OIL, OTHER, USEABLE WATER : BRINE	N
384568	CHERRY CANYON	-1636	4980	4980	SANDSTONE, SILTSTONE	NATURAL GAS, OIL, OTHER : BRINE	N
• 384569	BRUSHY CANYON	-2923	6267	6290	LIMESTONE, SANDSTONE, SILTSTONE	NATURAL GAS, OIL, OTHER : BRINE	N
384563	BONE SPRING	-4608	7952	8001 :	LIMESTONE, SANDSTONE, SILTSTONE	NATURAL GAS, OIL	N
384559	BONE SPRING 1ST	-5641	89,85	9048	LIMESTONE, SANDSTONE, SILTSTONE	NATURAL GAS, OIL	Y
384570	BONE SPRING 2ND	-6282	9626	9692	LIMESTONE, SANDSTONE, SILTSTONE	NATURAL GAS, OIL	Y

Section 2 - Blowout Prevention

Pressure Rating (PSI): 3M

Rating Depth: 10165

Equipment: 13-5/8" 5M/10M Annular, Blind Ram, Double Ram

Requesting Variance? YES

Variance request: Request for the use of a flexible choke line from the BOP to Choke Manifold.

Testing Procedure: 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. A multibowl wellhead 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

Well Name: ARKENSTONE 31 FEDERAL

Well Number: 3H

maximum of 30 days. If any seal subject to test pressure is broken the system will be tested. We will test the flange connection of the wellhead with a test port that is directly in the flange. BOP Break Testing Request - As per the agreement reached in the OXY/BLM meeting on Feb 22, 2018, OXY requests permission to allow BOP Break Testing under the following conditions: 1. After a full BOP test is conducted on the first well on the pad. 2. When skidding to drill an intermediate section that the casing point is either shallower than the 3rd Bone Spring or 10000' TVD. 3. Full BOP test will be required prior to drilling any production section.

Choke Diagram Attachment:

Arkenstone31Fd3H_ChkManifold_20190129100655.pdf

BOP Diagram Attachment:

Arkenstone31Fd3H_FlexHoseCert_20190129100750.pdf

Arkenstone31Fd3H_BOPAmd_20190829075322.pdf

Casing ID	ng Type	e Size	Size	Condition	Standard	Tapered String	Set MD	Bottom Set MD	Set TVD	Bottom Set TVD	Set MSL	Bottom Set MSL	Calculated casing length MD	de	Weight	it Type	Collapse SF	st SF	it SF Type	It SF	ly SF Type	ly SF
Cas	String	Hole	Csg	S. D	Stal	Tap	Top	Bot	Top	Bot	Top	Bot	Calc lengt	Grade	We	Joint	Col Col	Burst	Joint	Joint	Body	Body
1	SURFACE	17.5	13.375	NEW	API	N	0	416	0	416			416	J-55	54.5	BUTT	1.12 5	1.2	BUOY	1.4	BUOY	1.4
2	INTERMED IATE	12.2 5	9.625	NEW	ΑΡΙ	N	0	4105	0	4105			4105	L-80	43.5	BUTT	1.12 5	1.2	BUOY	1.4	BUOY	1.4
3	INTERMED IATE	8.5	7.625	NEW	API	N	0	9658	0.	9593			9658	HCL -80		OTHER - SF/FJ	1.12 5	1.2	BUOY	1.4	BUOY	1.4
4	PRODUCTI ON	6.75	5.5	NEW	API	N	0	10208	0	10065			10208	₽- 110		OTHER - DQX/SFTO RQ/DQWTO RQ	1.12 5	1.2	BUOY	1.4	BUOY	1.4
5	PRODUCTI ON	6.75	4.5	NEW	API	N	10208	15727	10065	10121				P- 110		OTHER - DQX	1.12 5	1.2	BUOY	1.4	BUOY	1.4

Casing Attachments

Operator Name: OXY USA INCORPORATED Vell Name: ARKENSTONE 31 FEDERAL Well Num	ber: 3H
asing Attachments	
Casing ID: 1 String Type:SURFACE Inspection Document:	
Spec Document:	
Tapered String Spec:	
Casing Design Assumptions and Worksheet(s): Arkenstone31Fd3H_CsgCriteria_20190129101433.pdf	
Casing ID: 2 String Type:INTERMEDIATE Inspection Document:	
Spec Document:	
Tapered String Spec:	
Casing Design Assumptions and Worksheet(s): Arkenstone31Fd3H_CsgCriteria_20190129101504.pdf	
Casing ID: 3 String Type:INTERMEDIATE Inspection Document:	
Spec Document:	
Tapered String Spec:	
Casing Design Assumptions and Worksheet(s):	
Arkenstone31Fd3H_CsgCriteria_20190129101538.pdf	
Arkenstone31Fd3H_7.625_26.4_HCL80_TMKUPFJ_2019012	9101552.pdf
Arkenstone31Fd3H_7.625_26.4_HCL80_TMKUPSF_2019012	9101601.pdf

.

Well Number: 3H

Casing Attachments

Casing ID: 4

String Type: PRODUCTION

Inspection Document:

Spec Document:

Tapered String Spec:

Casing Design Assumptions and Worksheet(s):

Arkenstone31Fd3H_CsgCriteria_20190129101640.pdf

Arkenstone31Fd3H_5.5_20_P110_DQX_20190129101651.pdf

Arkenstone31Fd3H_5.5_20_P110HC_TMKUPSFTORQ_20190129101702.pdf

Arkenstone31Fd3H_5.5_20_P110CY_TMKUPDQWTORQ_20190625153756.pdf

Casing ID: 5 String Type: PRODUCTION

Inspection Document:

Spec Document:

Tapered String Spec:

Casing Design Assumptions and Worksheet(s):

Arkenstone31Fd3H_CsgCriteria_20190829075956.pdf

Arkenstone31Fd3H_4.5_13.5_P110_DQX_20190829080012.pdf

Section	4 - Ce	emen	t								
String Type	Lead/Tail	Stage Tool Depth	Top MD	Bottom MD	Quantity(sx)	Yield	Density	Cu Ft	Excess%	Cement type	Additives
SURFACE	Lead		0	416	446	1.33	14.8	593	100	CIC	Accelerator

Well Name: ARKENSTONE 31 FEDERAL

Well Number: 3H

String Type	Lead/Tail	Stage Tool Depth	Top MD	Bottom MD	Quantity(sx)	Yield	Density	Cu Ft	Excess%	Cement type	Additives
INTERMEDIATE	Lead		0	3605	878	1.88	12.9	1651	50	Pozzolan/C	Retarder
INTERMEDIATE	Tail		3605	4105	155	1.33	14.8	206	20	CIC	Accelerator
INTERMEDIATE	Lead		0	6517	359	1.92	12.9	689	25	CIC	Accelerator
INTERMEDIATE	Tail		6517	9658	154	1.65	13.2	254	5	СІН	Retarder, Dispersant, Salt
PRODUCTION	Lead		6517	1572 7	1840	1.38	13.2	2539	5	СІН	Retarder, Dispersant, Salt
PRODUCTION	Tail		0	6517	1015	1.87	12.9	1898	50	CIC	Accelerator
PRODUCTION	Lead		6517	1572 7	1840	1.38	13.2	2539	5	СІН	Retarder, Dispersant, Salt
PRODUCTION	Tail		0	6517	1015	1.87	12.9	1898	50	CIC	Accelerator

Section 5 - Circulating Medium

Mud System Type: Closed

Will an air or gas system be Used? NO

Description of the equipment for the circulating system in accordance with Onshore Order #2:

Diagram of the equipment for the circulating system in accordance with Onshore Order #2:

Describe what will be on location to control well or mitigate other conditions: Sufficient mud materials to maintain mud properties and meet minimum lost circulation and weight increase requirements. 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.

Describe the mud monitoring system utilized: PVT/MD Totco/Visual Monitoring

 · · · · · · · · · · · · · · · · · · ·	Circ	ulating Medi	um Ta	able			T			1	- -
Top Depth	Bottom Depth	Mud Type	Min Weight (Ibs/gal)	Max Weight (Ibs/gal)	Density (lbs/cu ft)	Gel Strength (lbs/100 sqft)	Hd	Viscosity (CP)	Salinity (ppm)	Filtration (cc)	Additional Characteristics

Well Name: ARKENSTONE 31 FEDERAL

Well Number: 3H

Top Depth	Bottom Depth	Mud Type	Min Weight (Ibs/gal)	Max Weight (Ibs/gal)	Density (Ibs/cu ft)	Gel Strength (lbs/100 sqft)	Н	Viscosity (CP)	Salinity (ppm)	Filtration (cc)	Additional Characteristics	
416	4105	OTHER : Saturated Brine Based Mud	9.8	10	· ·		1	-				
4105	1572 7	OTHER : Water- Based and/or Oil-Based Mud	8	9.6		-						
0	416	WATER-BASED MUD	8.6	8.8								

Section 6 - Test, Logging, Coring

List of production tests including testing procedures, equipment and safety measures:

GR from TD to surface (horizontal well - vertical portion of hole). Mud Log from intermediate shoe to TD.

List of open and cased hole logs run in the well:

GR,MUDLOG

Coring operation description for the well:

No coring is planned at this time.

Section 7 - Pressure

Anticipated Bottom Hole Pressure: 5075

Anticipated Surface Pressure: 2838.48

Anticipated Bottom Hole Temperature(F): 162

Anticipated abnormal pressures, temperatures, or potential geologic hazards? NO

Describe:

Contingency Plans geoharzards description:

Contingency Plans geohazards attachment:

Hydrogen Sulfide drilling operations plan required? YES

Hydrogen sulfide drilling operations plan:

Arkenstone31Fd3H_H2S1_20190129102117.pdf Arkenstone31Fd3H_H2S2_20190129102126.pdf Arkenstone31Fd3H_EmergencyContactList_20190129102136.pdf

Well Name: ARKENSTONE 31 FEDERAL

Well Number: 3H

Section 8 - Other Information

Proposed horizontal/directional/multi-lateral plan submission:

Arkenstone31Fd3H_DirectPlanAmd_20190829080746.pdf

Arkenstone31Fd3H_DirectPlotAmd_20190829080747.pdf

Other proposed operations facets description:

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 will be run in case a contingency second stage is required for cement to reach surface. If cement circulated to surface during first stage we will drop a cancelation cone and not pump the second stage.

OXY requests the option to run the 7.625" Intermediate II as a contingency string to be run only if severe hole conditions dictate an additional casing string necessary.

OXY respectfully requests a variance to cement the 9-5/8" and/or 7-5/8" intermediate casing strings offline, see attached for additional information.

OXY requests the option to run production casing with DQX, SF TORQ, and/or DQW TORQ connections to accommodate hole conditions or drilling operations.

OXY requests to pump a two stage cement job on the Intermediate II / Production casing string with the first stage being pumped conventionally with the calculated TOC @ the Bone Spring and the second stage performed as a bradenhead squeeze with planned cement from the Bone Spring to surface.

Annular Clearance Variance Request - As per the agreement reached in the OXY/BLM meeting on Feb 22, 2018, Oxy requests permission to allow deviation from the 0.422" annular clearance requirement from Onshore Order #2 under the following conditions:

1. Annular clearance to meet or exceed 0.422" between intermediate casing ID and production casing coupling only on the first 500' overlap between both casings.

2. Annular clearance less than 0.422" is acceptable for the curve and lateral portions of the production open hole section.

Well will be drilled with a walking/skidding operation. Plan to drill the multiple 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.

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.

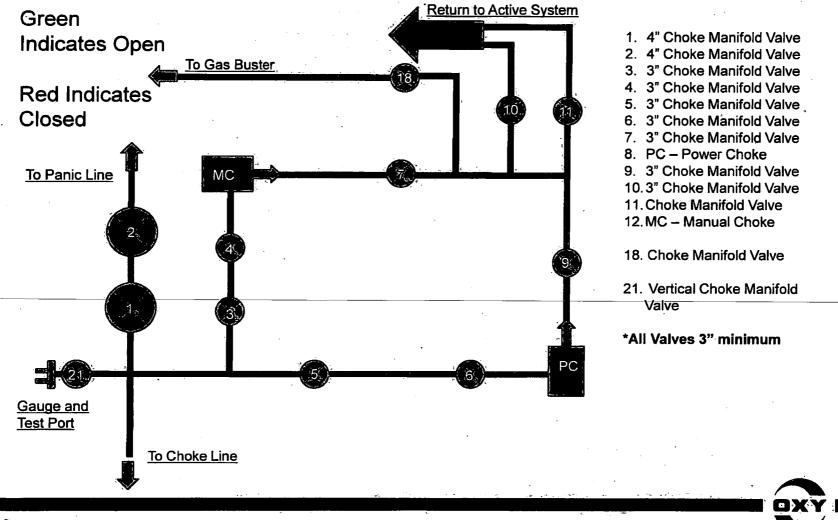
Other proposed operations facets attachment:

Arkenstone31Fd3H_SpudRigData_20190129102401.pdf Arkenstone31Fd3H_DrillPlanAmd_20190829080944.pdf Arkenstone31Fd3H_GasCapPlanAmd_20190829080958.pdf Arkenstone31Fd3H_CementingProgramAmd_20190924115620.pdf

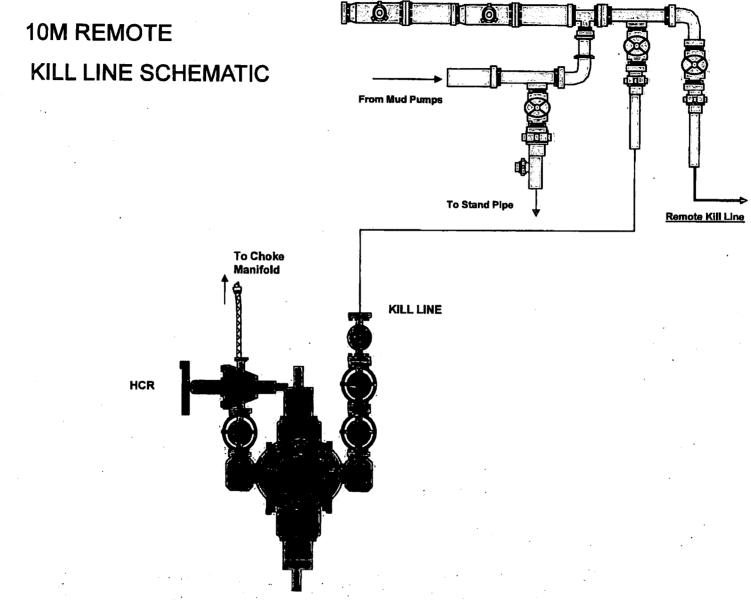
Other Variance attachment:

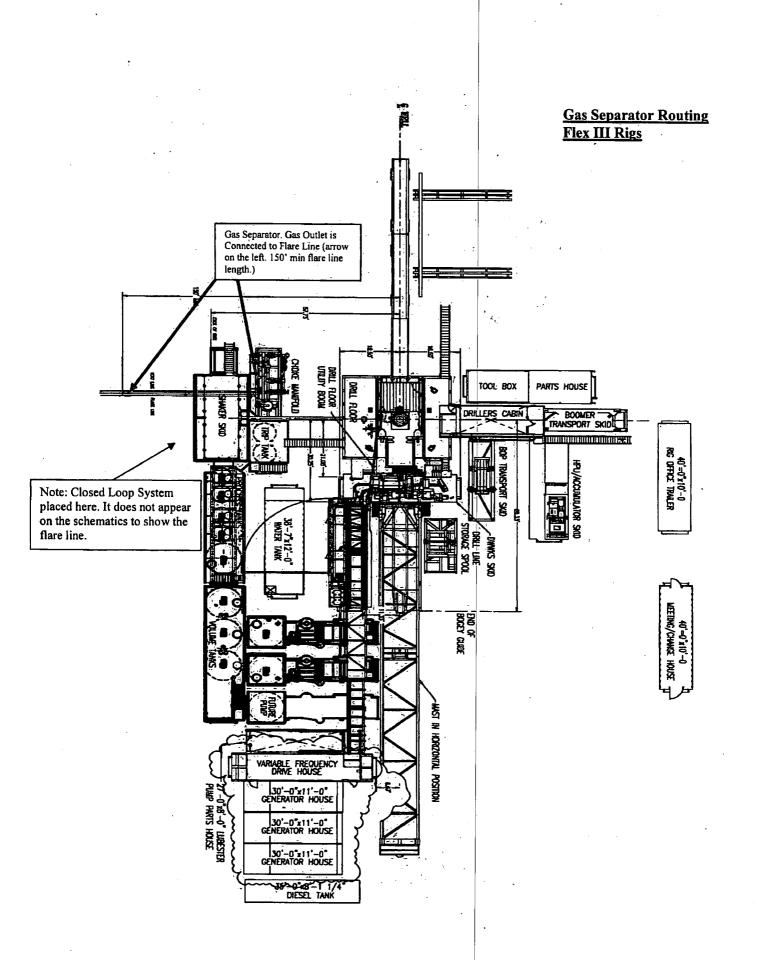
Arkenstone31Fd3H_OfflineCmtgDetail_20190625153930.pdf

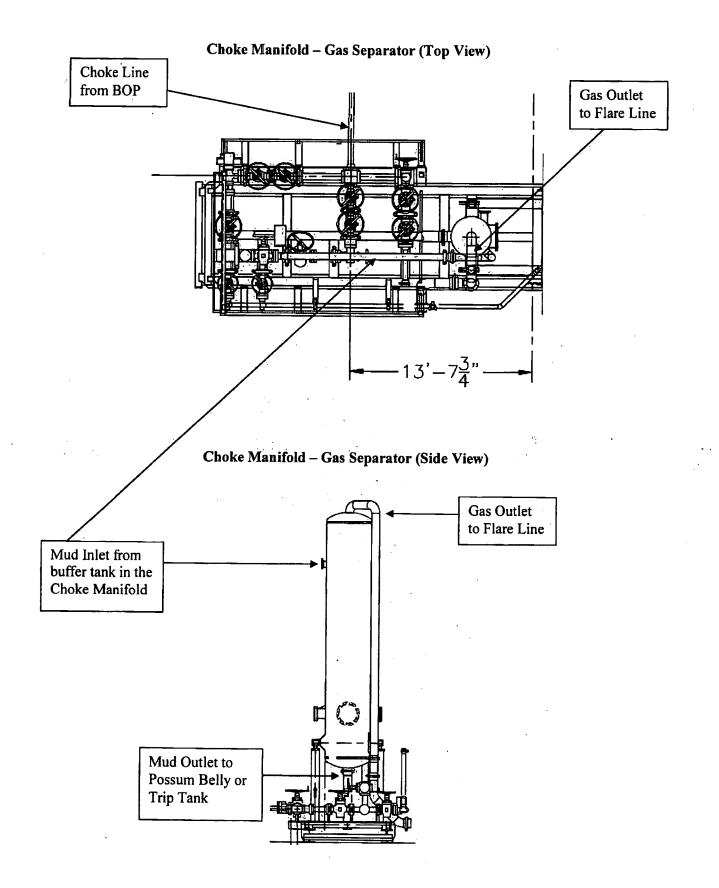
5M Choke Panel



2









Fluid Technology

Quality Document

ź

QUALI	TY CONT		CATE	CERT. Nº:	746
PURCHASER:	Phoenix Bea	ttie Co.		P,O. №:	002491
CONTITECH ORDER Nº:	412638	HOSE TYPE:	3° 1D	Choke a	nd Kill Hose
HO8E SERIAL Nº:	52777	NOMINAL / AC	TUAL LENG	тн: 10,6	57 m
W.P. 68,98 MPa 1	0000 psi	T.P. 103,4	MPa 15	000 psi Dura	tion: 60 ~ min
Pressure test with water at ambient temperature		2		••••••••••••••••••••••••••••••••••••••	
•		•			•
	See	attachment.	(1 page)	• •	•
			•	Î	
10 mm = 10 Min. → 10 mm = 25 MPa		· · · · · · · · · · · · · · · · · · ·	•		i j
		COUP	LINGS	; .	
Тура		Serial Nº		Quality	Heat N°
3" coupling with	917	913		AISI 4130	T7998A
4 1/16" Flange end		•		AISI 4130	26984
INFOCHIP INSTALLI	ED	<u> </u>			API Spec 16 C Temperature rate:"B"
WE CERTIFY THAT THE ABOVE PRESSURE TEBTED AS ABOVE	e hose has be with satisfac	en Manufactu JTORY Result.	red in acci	ORDANCE WITH THE	E TERMS OF THE ORDER AND
Date:	Inspector	•	Quality Co	ntrol	hiber
04. April. 2008			300	industria (Juality Contr ()	KR.

• .

\$

.

Page: 1/1

.

;,

;;

---- PHOENIX Beattie

Form No 100/12

Phoenix Beattle Corp 11535 Britanore Ferk Drive Houston, TX 77041 Tel: (522) 327-0140 Fer: (532) 327-0140 Fer: (532) 327-0140 Fer: (532) 127-0140 Fer

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, CK 74119	Delivery / Address Helmerich & Payne IDC Attn: Joe Stephenson - Rig 13609 Industrial Road Houston, Tx 77015	3 370	- b -	1

Customer Acc No	Phoenix Beattie Contract Manager	Phoenix Beattle Reference	Date
HO1	JJL	006330	05/23/2008

item No	Beattie Part Number / Description	Oty Ordered	Oty Sent	Qty To Follow
1	HP10CK3A-35-4F1 3" 10K 16C C&K HDSE 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	3	l	0
2	SECK3-HPF3 LIFTING & SAFETY EQUIPMENT TO SUIT HP10CK3-35-F1 2 x 160mm ID Safety Clamps 2 x 244mm IO Lifting Collars & element C's 2 x 7ft Stainless Steel wire rope 3/4" OD 4 x 7.75t Shackles	1	1	0
3	SC725-200CS SAFETY CLAMP 200MM 7.25T C/S GALVANISED	1	1	0

Continued...

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

Form No 100/12 Phoenix Beattie Corp IISS Britimore Part Drive Houston, 12 77041 Tel: (632) 327-0441 Fex: (632) 327-0469 E-esii suillphonisidesttis.con ww.phomisidesttis.con

Delivery Note

Customer Order Number	370-369-001	Delivery Note Number	003078	Page	2
Customer / Invoice Addres Helmerich & Payne Int'l I 1437 South Boulder Tulsa, OK 74119		Delivery / Address Helmerich & Payne IDC Attn: Joe Stephenson - Rig 13609 Industrial Road Houston, Tx 77015	370		

Customer Acc No	Phoenix Beattle Contract Manager	Phoenix Beattle Reference	Date
KO1	JJL	006330	05/23/2008

Beattle Part Number / Description	Qty Ordered	Qty Sent	Qty To Follow
SC725-132CS SAFETY CLANP 132MM 7.25T C/S GALVANIZED C/W BOLTS	1	1	0
OOCERT-HYDRO HYDROSTATIC PRESSURE TEST CERTIFICATE	1	1	. 0
ODCERT-LOAD LOAD TEST CERTIFICATES	.1	1	0
OUFREIGHT INBOUND / OUTBOUND FREIGHT PRE-PAY & ADD TO FINAL INVOICE NOTE: MATERIAL MUST BE ACCOMPANIED BY PAPERBORK INCLUDING THE PURCHASE ORDER, RIG NUMBER TO ENSURE PROPER PAYMENT			0
	TAAL		
-		WICK	
	V	\mathcal{H}	
Print Name			
	SC725-132CS SAFETY CLAMP 132MM 7.25T C/S GALVANIZED C/M BOLTS DOCERT-HYDRD HYDROSTATIC PRESSURE TEST CERTIFICATE ODCERT-LOAD LOAD TEST CERTIFICATES ODFREIGHT INBOUND / OUTBOUND FREIGHT PRE-PAY & ADD TO FINAL INVOICE NOTE: MATERIAL MUST BE ACCOMPANIED BY PAPERHORK INCLUDING THE PURCHASE ORDER, RIG NUMBER TO ENSURE PROPER PAYMENT Phoenix Beattle Inspection Signature : Received In Good Condition : Bignature	Ordered SC725-132CS 1 SAFETY CLAMP 132M 7.2ST C/S GALVANIZED C/M BOLTS 1 DOCERT-HYDRO 1 HYDROSTATIC PRESSURE TEST CERTIFICATE 1 DOCERT-LOAD 1 LOAD TEST CERTIFICATES 1 OOFREIGHT 1 INBOURD / OUTBOUND FREIGHT 1 PRE-PAY & ADD TO FINAL INVOICE 1 NOTE: MATERIAL MUST BE ACCOMPANIED BY PAPERKORK INCLUDING 1 THE PURCHASE ORDER, RIG NUMBER TO ENSURE PROPER PAYMENT 1 Phoenix Beattle Inspection Signature : 1 Received In Good Condition : Bigneture Print Name	Ordered Sent SC725-132CS 1 1 SAFETY CLANP 132MI 7.2ST C/S GALVANIZED C/M BOLTS 1 1 DOCERT-HYDRD 1 1 1 HYDROSTATIC PRESSURE TEST CERTIFICATE 1 1 1 DOCERT-LOAD 1 1 1 1 LOAD TEST CERTIFICATES 1 1 1 1 OUFREIGHT 1 1 1 1 1 INBOUND / OUTBOUND FREIGHT PRE-PAY & ADD TO FINAL INVOICE 1 1 1 1 NOTE: MATERIAL MUST BE ACCOMPANIED BY PAPERBORK INCLUDING THE PURCHASE ORDER, RIG NUMBER TO ENSURE PROPER PAYMENT 1 1 1 Phoenix Beattie Inspection Signature : Phoenix Beattie Inspection Signature : 1 1

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

	330 Client HE		YNE INT'L DRILLING	a coent	Het [·3	70-369-001			Page	1
Part No	Description	Material Desc	Material Spec	Qty	WO No	Batch No	Test Cert No	Bin No	Drg No	L Innin M
P100K3A-35-4F1	3" 10K 16C CHK HOSE x 35TE CAL			i	2491	52777 AHEBA		WATER	DIGINO	Issue N
ECK3-HPF3	LIFTING & SAFETY EQUIPHENT TO		· · · · · · · · · · · · · · · · · · ·	1	2440	002440		M/STK		┢────
C726-200C5	SAFETY CLAMP 200MN 7.25T	CARBON STEED.		1.	2519	14665		220		<u> </u>
C725-132CS	SAFETY CLAMP 132MI 7.26T	CARBON STEEL		1	2242	H139 ·		22		<u> </u>
										<u> </u>
<u> </u>										<u> </u>
					1					
					I					
	-						······································			
	· · · · · · · · · · · · · · · · · · ·				I					├
								·····		
		•	•							<u> </u>
				1						ŀ
			•		· · · · ·					<u> </u>
				1	l		·			
·						·····				L
			······································	<u> </u>	<u> </u>					<u> </u>
				<u> </u>						
		······							· · · · · · · · · · · · · · · · · · ·	ļ
				<u>+</u>					i	ļ
			······							
				<u> </u>						
	5 · · ·			<u> </u>		-,	•			
	the second se								. 1	
		T							• · ·	

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 Beattle Corporation.

Coflex Hose Certification



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

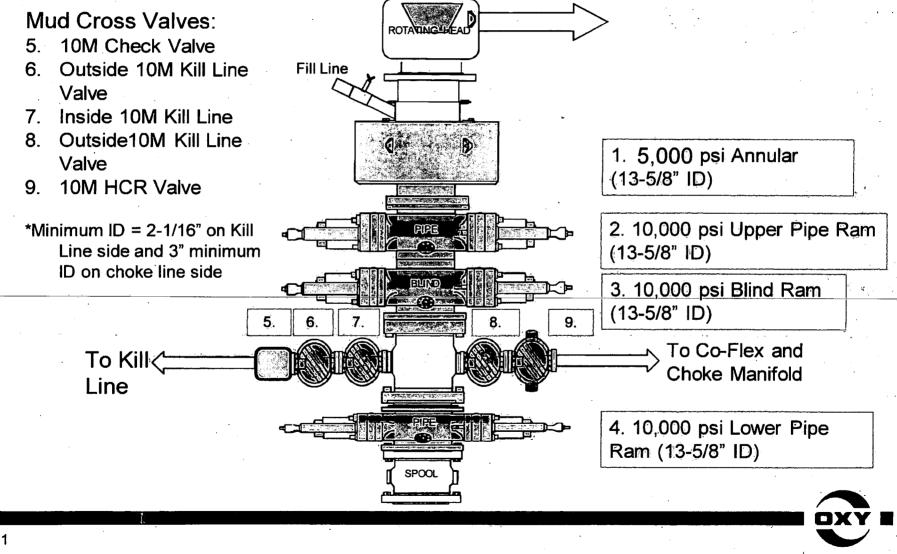
Signed :

Position: Q.C. Manager

_antiTech Rubbur Industrial KR. Quality Control Dept. (1)

Date: 04. April. 2008

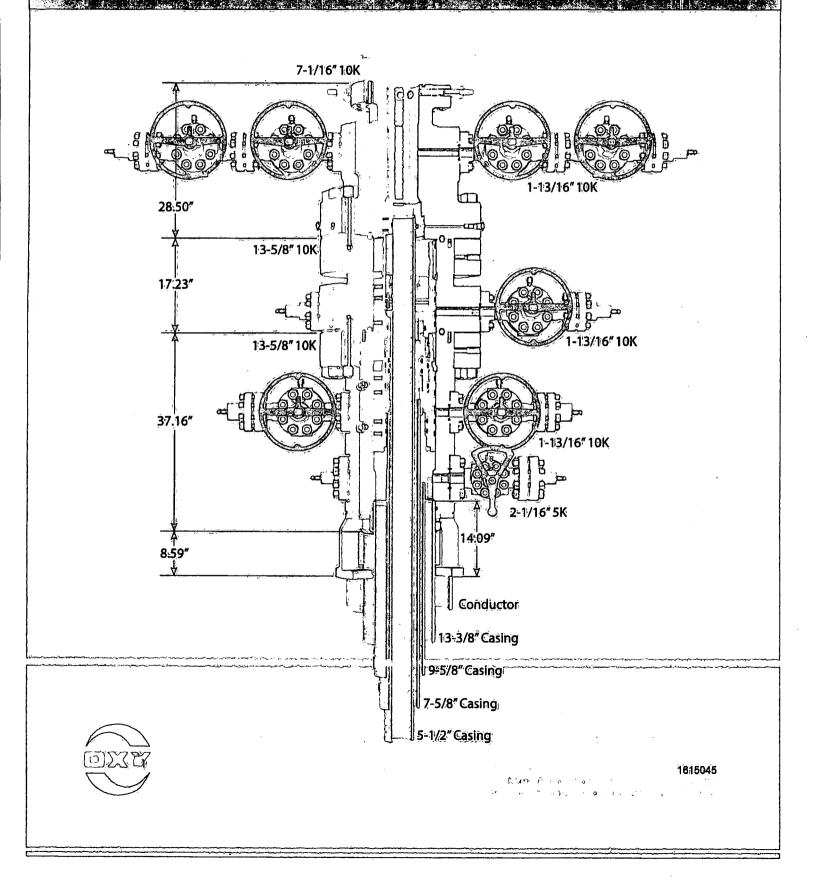
5/10M BOP Stack



.

.

13-5/8" 10K MN-DS Wellhead Four String



OXY's Minimum Design Criteria

Burst, Collapse, and Tensile SF are calculated using Landmark's Stress Check (Casing Design) software. A sundry will be requested if any lesser grade or different size casing is substituted.

- **1)** Casing Design Assumptions
 - a) Burst Loads

CSG Test (Surface)

- Internal: Displacement fluid + pressure required to comply with regulatory casing test pressures. This will comply with both Onshore Oil and Gas Order No. 2 and 19.15.16 of the OCD Rules.
- External: Pore pressure in open hole.

CSG Test (Intermediate)

- Internal: Displacement fluid + pressure required to comply with regulatory casing test pressures. This will comply with both Onshore Oil and Gas Order No. 2 and 19.15.16 of the OCD Rules.
- External: Mud Weight to TOC, cement mix water gradient (8.4 ppg) below TOC, and pore pressure in open hole.

CSG Test (Production)

- o Internal:
 - For Drilling: Displacement fluid + pressure required to comply with regulatory casing test pressures. This will comply with both Onshore Oil and Gas Order No. 2 and 19.15.16 of the OCD Rules.
 - For Production: The design pressure test should be the greater of (1) the planned test pressure prior to stimulation down the casing. (2) the regulatory test pressure, and (3) the expected gas lift system pressure. The design test fluid should be the fluid associated with pressure test having the greatest pressure.
- **External**:
 - For Drilling: Mud Weight to TOC, cement mix water gradient (8.4 ppg) below TOC, and pore pressure in open hole.
 - For Production: Mud base-fluid density to TOC, cement mix water gradient (8.4 ppg) below TOC, and pore pressure in open hole.

Gas Column (Surface)

- Internal: Assumes a full column of gas in the casing with a Gas/Oil Gradient of 0.1 psi/ft in the absence of better information. It is limited to the controlling pressure based on the fracture pressure at the shoe or the maximum expected pore pressure within the next drilling interval, whichever results in a lower surface pressure.
- External: Fluid gradient below TOC, pore pressure from the TOC to the Intermediate CSG shoe (if applicable), and MW of the drilling mud that was in the hole when the CSG was run from Intermediate CSG shoe to surface.

Bullheading (Surface / Intermediate)

- Internal: The string must be designed to withstand a pressure profile based on the fracture pressure at the casing shoe with a column of water above the shoe plus an additional surface pressure (in psi) of 0.02 X MD of the shoe to account for pumping friction pressure.
- External: Mud weight to TOC, cement mix water gradient (8.4 ppg) below TOC, and pore pressure in open hole.

Gas Kick (Intermediate)

- The string must be designed to at least a gas kick load case unless the rig is unable to detect a kick. For the gas kick load case, the internal pressure profile must be based on a minimum volume of 50 bbl or the minimum kick detection capability of the rig, whichever is greater, and a kick intensity of 2.0 ppg for Class 1, 1.0 ppg of Class 2, and 0.5 ppg for Class 3 and 4 wells.
- Internal: Influx depth of the maximum pore pressure of 0.55 "gas kick gravity" of gas to surface while drilling the next hole section.
- External: Mud weight to the TOC, cement mix water gradient below TOC, and pore pressure in open hole.

Tubing Leak Near Surface While Producing (Production)

- Internal: SITP plus a packer fluid gradient to the shoe or top of packer.
- External: Mud base-fluid density to TOC, cement mix water gradient (8.4 ppg) below TOC, and pore pressure in open hole.

Tubing Leak Near Surface While Stimulating (Production)

- Internal: Surface pressure or pressure-relief system pressure, whichever is lower plus packer fluid gradient.
- External: Mud base-fluid density to TOC, cement mix water gradient (8.4 ppg) below TOC, and pore pressure in open hole.

Injection / Stimulation Down Casing (Production)

- Internal: Surface pressure plus injection fluid gradient.
- External: Mud base-fluid density to TOC, cement mix water gradient (8.4 ppg) below TOC, and pore pressure in open hole.
- **b)** Collapse Loads

Lost Circulation (Surface / Intermediate)

- Internal: Lost circulation at the TD of the next hole section, and the fluid level falls to a depth where the hydrostatic of the mud equals pore pressure at the depth of the lost circulation zone.
- External: MW of the drilling mud that was in the hole when the casing was run.

Cementing (Surface / Intermediate / Production)

- o Internal: Displacement fluid density.
- External: Mud weight from TOC to surface and cement slurry weight from TOC to casing shoe.

Full Evacuation (Production)

- o Internal: Full void pipe.
- External: MW of drilling mud in the hole when the casing was run.

c) Tension Loads

Running Casing (Surface / Intermediate / Production)

• Axial: Buoyant weight of the string plus the lesser of 100,000 lb or the string weight in air.

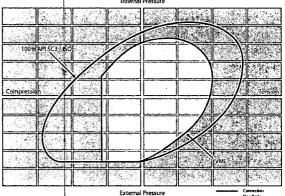
Green Cement (Surface / Intermediate / Production)

o Axial: Buoyant weight of the string plus cement plug bump pressure load.

TECHNICAL DATA SHEET TMK UP FJ 7.625 X 26.4 L80 HC

TUBULAR PARAMETERS	•	PIPE BODY PROPERTIES	
Nominal OD, (inch)	7.625	PE Weight, (lbs/ft)	25.56
Wall Thickness, (inch)	0.328	Nominal Weight, (lbs/ft)	26.40
Pipe Grade	L80 HC	Nominal ID, (inch)	6.969
Drift .	Standard	Drift Diameter, (inch)	6.844
CONNECTION PARAMETERS		Nominal Pipe Body Area, (sq inch)	7.519
		Yield Strength in Tension, (klbs)	601
Connection OD (inch)	7.63	Min. Internal Yield Pressure, (psi)	6 020
Connection ID, (inch)	6.975	Collapse Pressure, (psi)	3 910
Make-Up Loss, (inch)	4.165		
Connection Critical Area, (sq inch)	2.520	Internal Pressure	

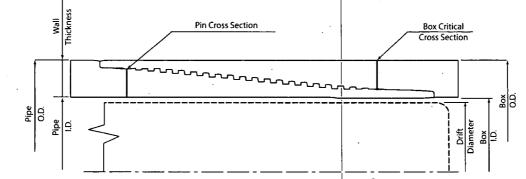
Yield Strength in Tension, (klbs)	347	
Yeld Strength in Compression, (klbs)	347	
Tension Efficiency	· 58%	
Compression Efficiency	58%	
Min. Internal Yield Pressure, (psi)	6 020	
Collapse Pressure, (psi)	3 910	
Uniaxial Bending (deg/100ft)	⁻ 28.0	



MAKE-UP TORQUES

Yield Torque, (ft-lb)	22 200
Minimum Make-Up Torque, (ft-lb)	12 500
Optimum Make-Up Torque, (ft-lb)	13 900
Maximum Make-Up Torque, (ft-lb)	15 300





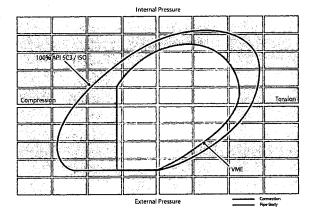
NOTE: The content of this Technical Data Sheet is for general information only and does not guarantee performance or imply fitness for a particular purpose, which only a competent drilling professional can determine considering the specific installation and operation parameters. This information supersede all prior versions for this connection. Information that is printed or downloaded is no longer controlled by TMK and might not be the latest it chonical information, please contact PAO 'TMK' Technical Sales in Russia (Tel: +7 (495) 775-76-00, Email: techsales@tmk-ipsco.com).

Print date: 07/10/2018 20:11

TECHNICAL DATA SHEET TMK UP SF 7.625 X 26.4 L80 HC

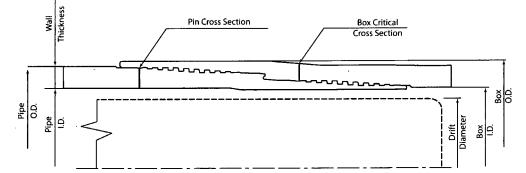
TUBULAR PARAMETERS		PIPE BODY PROPERTIES	
Nominal OD, (inch)	7.625	.PE Weight, (lbs/ft)	25.56
Wall Thickness, (inch)	0.328	[•] Nominal Weight, (lbs/ft)	26.40
Pipe Grade	L80 HC	Nominal ID, (inch)	6.969
Drift	Standard	Drift Diameter, (inch)	6.844
		Nominal Pipe Body Area, (sq inch)	7.519
CONNECTION PARAMETERS		Yield Strength in Tension, (klbs)	601
Connection OD (inch)	7.79 、	Min. Internal Yield Pressure, (psi)	6 020
Connection ID, (inch)	6.938	Collapse Pressure, (psi)	3 910
Make-Up Loss, (inch)	6.029		

Make-up Loss, (mon)	0.029
Connection Critical Area, (sq inch)	5.948
Yield Strength in Tension, (klbs)	533
Yeld Strength in Compression, (klbs)	533
Tension Efficiency	89%
Compression Efficiency	89%
Min. Internal Yield Pressure, (psi)	6 020
Collapse Pressure, (psi)	3 910
Uniaxial Bending (deg/100ft)	42.7



MAKE-UP TORQUES

MARCE OF FORGOED	
Yield Torque, (ft-lb)	22 600
Minimum Make-Up Torque, (ft-lb)	. 15 000
Optimum Make-Up Torque, (ft-lb)	16 500
Maximum Make-Up Torque, (ft-lb)	18 200



NOTE: The content of this Technical Data Sheet is for general information only and does not guarantee performance or imply fitness for a particular purpose, which only a competent drilling professional can determine considering the specific installation and operation parameters. This information supersede all prior versions for this connection. Information that is printed or downloaded is no longer controlled by TMK and might not be the latest information. Anyone using the information enter index so at their own risk. To verify that you have the latest technical information, please contact PAO 'TMK' Technical Sales in Russia (Tel: +7 (495) 775-76-00, Email: techsales@tmk-group.com) and TMK IPSCO in North America (Tel: +1 (281)949-1044, Email: techsales@tmk-ipsco.com).

Print date: 07/10/2018 20:00

OXY's Minimum Design Criteria

Burst, Collapse, and Tensile SF are calculated using Landmark's Stress Check (Casing Design) software. A sundry will be requested if any lesser grade or different size casing is substituted.

- 1) Casing Design Assumptions
 - a) Burst Loads
 - CSG Test (Surface)
 - Internal: Displacement fluid + pressure required to comply with regulatory casing test pressures. This will comply with both Onshore Oil and Gas Order No. 2 and 19.15.16 of the OCD Rules.
 - External: Pore pressure in open hole.

CSG Test (Intermediate)

- Internal: Displacement fluid + pressure required to comply with regulatory casing test pressures. This will comply with both Onshore Oil and Gas Order No. 2 and 19.15.16 of the OCD Rules.
- External: Mud Weight to TOC, cement mix water gradient (8.4 ppg) below TOC, and pore pressure in open hole.

CSG Test (Production)

- o Internal:
 - For Drilling: Displacement fluid + pressure required to comply with regulatory casing test pressures. This will comply with both Onshore Oil and Gas Order No. 2 and 19.15.16 of the OCD Rules.
 - For Production: The design pressure test should be the greater of (1) the planned test pressure prior to stimulation down the casing. (2) the regulatory test pressure, and (3) the expected gas lift system pressure. The design test fluid should be the fluid associated with pressure test having the greatest pressure.
- External:
 - For Drilling: Mud Weight to TOC, cement mix water gradient (8.4 ppg) below TOC, and pore pressure in open hole.
 - For Production: Mud base-fluid density to TOC, cement mix water gradient (8.4 ppg) below TOC, and pore pressure in open hole.

Gas Column (Surface)

- Internal: Assumes a full column of gas in the casing with a Gas/Oil Gradient of 0.1 psi/ft in the absence of better information. It is limited to the controlling pressure based on the fracture pressure at the shoe or the maximum expected pore pressure within the next drilling interval, whichever results in a lower surface pressure.
- External: Fluid gradient below TOC, pore pressure from the TOC to the Intermediate CSG shoe (if applicable), and MW of the drilling mud that was in the hole when the CSG was run from Intermediate CSG shoe to surface.

Bullheading (Surface / Intermediate)

- Internal: The string must be designed to withstand a pressure profile based on the fracture pressure at the casing shoe with a column of water above the shoe plus an additional surface pressure (in psi) of 0.02 X MD of the shoe to account for pumping friction pressure.
- External: Mud weight to TOC, cement mix water gradient (8.4 ppg) below TOC, and pore pressure in open hole.

Gas Kick (Intermediate)

- The string must be designed to at least a gas kick load case unless the rig is unable to detect a kick. For the gas kick load case, the internal pressure profile must be based on a minimum volume of 50 bbl or the minimum kick detection capability of the rig, whichever is greater, and a kick intensity of 2.0 ppg for Class 1, 1.0 ppg of Class 2, and 0.5 ppg for Class 3 and 4 wells.
- Internal: Influx depth of the maximum pore pressure of 0.55 "gas kick gravity" of gas to surface while drilling the next hole section.
- External: Mud weight to the TOC, cement mix water gradient below TOC, and pore pressure in open hole.

Tubing Leak Near Surface While Producing (Production)

- Internal: SITP plus a packer fluid gradient to the shoe or top of packer.
- External: Mud base-fluid density to TOC, cement mix water gradient (8.4 ppg) below TOC, and pore pressure in open hole.

Tubing Leak Near Surface While Stimulating (Production)

- Internal: Surface pressure or pressure-relief system pressure, whichever is lower plus packer fluid gradient.
- External: Mud base-fluid density to TOC, cement mix water gradient (8.4 ppg) below TOC, and pore pressure in open hole.

Injection / Stimulation Down Casing (Production)

- o Internal: Surface pressure plus injection fluid gradient.
- External: Mud base-fluid density to TOC, cement mix water gradient (8.4 ppg) below TOC, and pore pressure in open hole.
- **b)** Collapse Loads

Lost Circulation (Surface / Intermediate)

- Internal: Lost circulation at the TD of the next hole section, and the fluid level falls to a depth where the hydrostatic of the mud equals pore pressure at the depth of the lost circulation zone.
- External: MW of the drilling mud that was in the hole when the casing was run.

Cementing (Surface / Intermediate / Production)

- o Internal: Displacement fluid density.
- External: Mud weight from TOC to surface and cement slurry weight from TOC to casing shoe.

Full Evacuation (Production)

- o Internal: Full void pipe.
- o External: MW of drilling mud in the hole when the casing was run.

c) Tension Loads

Running Casing (Surface / Intermediate / Production)

- Axial: Buoyant weight of the string plus the lesser of 100,000 lb or the string weight in air.
- Green Cement (Surface / Intermediate / Production)
- Axial: Buoyant weight of the string plus cement plug bump pressure load.

OXY's Minimum Design Criteria

Burst, Collapse, and Tensile SF are calculated using Landmark's Stress Check (Casing Design) software. A sundry will be requested if any lesser grade or different size casing is substituted.

1) Casing Design Assumptions

a) Burst Loads

CSG Test (Surface)

- Internal: Displacement fluid + pressure required to comply with regulatory casing test pressures. This will comply with both Onshore Oil and Gas Order No. 2 and 19.15.16 of the OCD Rules.
- External: Pore pressure in open hole.

CSG Test (Intermediate)

- Internal: Displacement fluid + pressure required to comply with regulatory casing test pressures. This will comply with both Onshore Oil and Gas Order No. 2 and 19.15.16 of the OCD Rules.
- External: Mud Weight to TOC, cement mix water gradient (8.4 ppg) below TOC, and pore pressure in open hole.

CSG Test (Production)

- o Internal:
 - For Drilling: Displacement fluid + pressure required to comply with regulatory casing test pressures. This will comply with both Onshore Oil and Gas Order No. 2 and 19.15.16 of the OCD Rules.
 - For Production: The design pressure test should be the greater of (1) the planned test pressure prior to stimulation down the casing. (2) the regulatory test pressure, and (3) the expected gas lift system pressure. The design test fluid should be the fluid associated with pressure test having the greatest pressure.
- o External:

1

- For Drilling: Mud Weight to TOC, cement mix water gradient (8.4 ppg) below TOC, and pore pressure in open hole.
- For Production: Mud base-fluid density to TOC, cement mix water gradient (8.4 ppg) below TOC, and pore pressure in open hole.

Gas Column (Surface)

- Internal: Assumes a full column of gas in the casing with a Gas/Oil Gradient of 0.1 psi/ft in the absence of better information. It is limited to the controlling pressure based on the fracture pressure at the shoe or the maximum expected pore pressure within the next drilling interval, whichever results in a lower surface pressure.
- External: Fluid gradient below TOC, pore pressure from the TOC to the Intermediate CSG shoe (if applicable), and MW of the drilling mud that was in the hole when the CSG was run from Intermediate CSG shoe to surface.

Bullheading (Surface / Intermediate)

- Internal: The string must be designed to withstand a pressure profile based on the fracture pressure at the casing shoe with a column of water above the shoe plus an additional surface pressure (in psi) of 0.02 X MD of the shoe to account for pumping friction pressure.
- External: Mud weight to TOC, cement mix water gradient (8.4 ppg) below TOC, and pore pressure in open hole.

Gas Kick (Intermediate)

- The string must be designed to at least a gas kick load case unless the rig is unable to detect a kick. For the gas kick load case, the internal pressure profile must be based on a minimum volume of 50 bbl or the minimum kick detection capability of the rig, whichever is greater, and a kick intensity of 2.0 ppg for Class 1, 1.0 ppg of Class 2, and 0.5 ppg for Class 3 and 4 wells.
- Internal: Influx depth of the maximum pore pressure of 0.55 "gas kick gravity" of gas to surface while drilling the next hole section.
- External: Mud weight to the TOC, cement mix water gradient below TOC, and pore pressure in open hole.

Tubing Leak Near Surface While Producing (Production)

- Internal: SITP plus a packer fluid gradient to the shoe or top of packer.
- External: Mud base-fluid density to TOC, cement mix water gradient (8.4 ppg) below TOC, and pore pressure in open hole.

Tubing Leak Near Surface While Stimulating (Production)

- Internal: Surface pressure or pressure-relief system pressure, whichever is lower plus packer fluid gradient.
- External: Mud base-fluid density to TOC, cement mix water gradient (8.4 ppg) below TOC, and pore pressure in open hole.

Injection / Stimulation Down Casing (Production)

- Internal: Surface pressure plus injection fluid gradient.
- External: Mud base-fluid density to TOC, cement mix water gradient (8.4 ppg) below TOC, and pore pressure in open hole.
- **b)** Collapse Loads

Lost Circulation (Surface / Intermediate)

- Internal: Lost circulation at the TD of the next hole section, and the fluid level falls to a depth where the hydrostatic of the mud equals pore pressure at the depth of the lost circulation zone.
- External: MW of the drilling mud that was in the hole when the casing was run.

Cementing (Surface / Intermediate / Production)

- Internal: Displacement fluid density.
- External: Mud weight from TOC to surface and cement slurry weight from TOC to casing shoe.

Full Evacuation (Production)

- o Internal: Full void pipe.
- External: MW of drilling mud in the hole when the casing was run.

c) Tension Loads

Running Casing (Surface / Intermediate / Production)

- Axial: Buoyant weight of the string plus the lesser of 100,000 lb or the string weight in air.
- Green Cement (Surface / Intermediate / Production)
 - o Axial: Buoyant weight of the string plus cement plug bump pressure load.

OXY's Minimum Design Criteria

Burst, Collapse, and Tensile SF are calculated using Landmark's Stress Check (Casing Design) software. A sundry will be requested if any lesser grade or different size casing is substituted.

- 1) Casing Design Assumptions
 - a) Burst Loads

CSG Test (Surface)

- Internal: Displacement fluid + pressure required to comply with regulatory casing test pressures. This will comply with both Onshore Oil and Gas Order No. 2 and 19.15.16 of the OCD Rules.
- External: Pore pressure in open hole.

CSG Test (Intermediate)

- Internal: Displacement fluid + pressure required to comply with regulatory casing test pressures. This will comply with both Onshore Oil and Gas Order No. 2 and 19.15.16 of the OCD Rules.
- External: Mud Weight to TOC, cement mix water gradient (8.4 ppg) below TOC, and pore pressure in open hole.

CSG Test (Production)

- o Internal:
 - For Drilling: Displacement fluid + pressure required to comply with regulatory casing test pressures. This will comply with both Onshore Oil and Gas Order No. 2 and 19.15.16 of the OCD Rules.
 - For Production: The design pressure test should be the greater of (1) the planned test pressure prior to stimulation down the casing. (2) the regulatory test pressure, and (3) the expected gas lift system pressure. The design test fluid should be the fluid associated with pressure test having the greatest pressure.
- External:
 - For Drilling: Mud Weight to TOC, cement mix water gradient (8.4 ppg) below TOC, and pore pressure in open hole.
 - For Production: Mud base-fluid density to TOC, cement mix water gradient (8.4 ppg) below TOC, and pore pressure in open hole.

Gas Column (Surface)

- Internal: Assumes a full column of gas in the casing with a Gas/Oil Gradient of 0.1 psi/ft in the absence of better information. It is limited to the controlling pressure based on the fracture pressure at the shoe or the maximum expected pore pressure within the next drilling interval, whichever results in a lower surface pressure.
- External: Fluid gradient below TOC, pore pressure from the TOC to the Intermediate CSG shoe (if applicable), and MW of the drilling mud that was in the hole when the CSG was run from Intermediate CSG shoe to surface.

Bullheading (Surface / Intermediate)

- Internal: The string must be designed to withstand a pressure profile based on the fracture pressure at the casing shoe with a column of water above the shoe plus an additional surface pressure (in psi) of 0.02 X MD of the shoe to account for pumping friction pressure.
- External: Mud weight to TOC, cement mix water gradient (8.4 ppg) below TOC, and pore pressure in open hole.

Gas Kick (Intermediate)

- The string must be designed to at least a gas kick load case unless the rig is unable to detect a kick. For the gas kick load case, the internal pressure profile must be based on a minimum volume of 50 bbl or the minimum kick detection capability of the rig, whichever is greater, and a kick intensity of 2.0 ppg for Class 1, 1.0 ppg of Class 2, and 0.5 ppg for Class 3 and 4 wells.
- Internal: Influx depth of the maximum pore pressure of 0.55 "gas kick gravity" of gas to surface while drilling the next hole section.
- External: Mud weight to the TOC, cement mix water gradient below TOC, and pore pressure in open hole.

Tubing Leak Near Surface While Producing (Production)

- Internal: SITP plus a packer fluid gradient to the shoe or top of packer.
- External: Mud base-fluid density to TOC, cement mix water gradient (8.4 ppg) below TOC, and pore pressure in open hole.

Tubing Leak Near Surface While Stimulating (Production)

- Internal: Surface pressure or pressure-relief system pressure, whichever is lower plus packer fluid gradient.
- External: Mud base-fluid density to TOC, cement mix water gradient (8.4 ppg) below TOC, and pore pressure in open hole.

Injection / Stimulation Down Casing (Production)

- Internal: Surface pressure plus injection fluid gradient.
- External: Mud base-fluid density to TOC, cement mix water gradient (8.4 ppg) below TOC, and pore pressure in open hole.
- **b)** Collapse Loads

Lost Circulation (Surface / Intermediate)

- Internal: Lost circulation at the TD of the next hole section, and the fluid level falls to a depth where the hydrostatic of the mud equals pore pressure at the depth of the lost circulation zone.
- External: MW of the drilling mud that was in the hole when the casing was run.

Cementing (Surface / Intermediate / Production)

- o Internal: Displacement fluid density.
- External: Mud weight from TOC to surface and cement slurry weight from TOC to casing shoe.
- Full Evacuation (Production)
- o Internal: Full void pipe.
- External: MW of drilling mud in the hole when the casing was run.

c) Tension Loads

Running Casing (Surface / Intermediate / Production)

 Axial: Buoyant weight of the string plus the lesser of 100,000 lb or the string weight in air.

Green Cement (Surface / Intermediate / Production)

• Axial: Buoyant weight of the string plus cement plug bump pressure load.

PERFORMANCE DATA

Minimum Yield

Yield Load

Tensile Load

Minimum Tensile

Size	5.500	in
Nominal Weight	20.00	lbs/ft
Grade	P-110	
PE Weight	19.81	lbs/ft
Wall Thickness	0.361	in
Nominal ID	4.778	in
Drift Diameter	4.653	in
Nom. Pipe Body Area	5.828	in²
	•	I
Connection Parameters		
Connection OD	6.050	in
Connection ID	4.778	in
Make-Up Loss	4.122	in
Critical Section Area	5.828	in²
Tension Efficiency	100.0	%
Compression Efficiency	100.0	%
Yield Load In Tension		

ondour ocodon Area	0.020	11
Tension Efficiency	100.0	% '
Compression Efficiency	100.0	%
Yield Load In Tension	641,000	lbs
Min. Internal Yield Pressure	12,600	psi
Collapse Pressure	11,100	psi
	1	•
Make-Up Torques		

mane of tordage		
Min. Make-Up Torque	11,600	ft-lbs
Opt. Make-Up Torque	12,900	ft-lbs
Max. Make-Up Torque	14,100	ft-lbs
Yield Torque	20,600	ft-lbs

Printed on: July-29-2014

NOTE:

The content of this Technical Data Sheet is for general information only and does not guarantee performance or imply fitness for a particular purpose, which only a competent drilling professional can determine considering the specific installation and operation parameters. Information that is printed or downloaded is no longer controlled by TMK IPSCO and might not be the latest information. Anyone using the information herein does so at their own risk. To verify that you have the latest TMK IPSCO technical information, please contact TMK IPSCO Technical Sales toll-free at 1-888-258-2000.



ردانه در من منها محجود و مد

	120,000	105
Min. Internal Yield Pressure	12,6Ò0	psi
Collapse Pressure	11,100	psi

à -

110,000

125,000

641,000

729,000

psi

psi

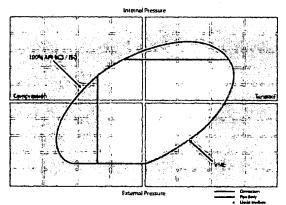
lbs

lbs

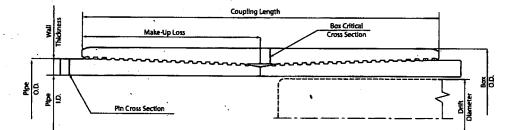
TECHNICAL DATA SHEET TMK UP DOX 5.5 X 20 P110

TUBULAR PARAMETERS		PIPE BODY PROPERTIES	
Nominal OD, (inch)	5.500	PE Weight, (ibs/ft)	19.81
Wall Thickness, (inch)	0.361	Nominal Weight, (lbs/ft)	20.00
Pipe Grade	P110	Nominal ID, (inch)	4.778
Coupling	Regular	Drift Diameter, (inch)	4.653
Coupling Grade	P110	Nominal Pipe Body Area, (sq inch)	5.828
Drift	Standard	Yield Strength in Tension, (klbs)	641
		Min. Internal Yield Pressure, (psi)	12 640
CONNECTION PARAMETERS		Collapse Pressure, (psi)	11 110
		and the second	التواج والمحاصف الحمام بالمعيد المتعام

Connection OD (inch)	6.05
Connection ID, (inch)	4.778
Make-Up Loss, (inch)	4.122
Connection Critical Area, (sq inch)	5.828
Yield Strength in Tension, (kibs)	641
Yeld Strength in Compression, (klbs)	641
Tension Efficiency	100%
Compression Efficiency	100%
Min. Internal Yield Pressure, (psi)	12 640
Collapse Pressure, (psi)	11 170
Uniaxial Bending (deg/100ft)	91.7



Yield Torque, (ft-lb)		20 600
Minimum Make-Up Torque, (ft-lb)	···· · · · · ·	11 600
Optimum Make-Up Torque, (ft-lb)	·····	12 900
Maximum Make-Up Torque, (ft-lb)		14 100



-

NOTE: The content of this Technical Data Steet is for general Information only and does not guarantee performance or imply fitness for a particular purpose, which only a competent drilling professional can determine considering the specific installation and operation parameters. This information suberseds all prior versions for this connection. Information that is primted or downloaded is no longer controlled by TMK and might not be the latest information. Approx. using the information for so at their own risk To versions for this connection. Information, please contact PAO "TMK" Technical Sales in Russia (Tel. +7 (495) 775-76 00, Email: techsoles@tmk group.com) and TMK IPSC0 in North America (Tel. +1 (281)949-1044, Email: techsoles@tmk.ipsco.com)

. .

.

Print date: 12/07/2017 18:09

PERFORMANCE DATA

TMK UP SF TORQ™ Technical Data Sheet	•	5.500 in	20.00 lbs/ft	P110 HC
Tubular Parameters	. <u></u>			
Size	5.500	in	Minimum Yield	110,000
Nominal Weight	20.00	lbs/ft	Minimum Tensile	125,000
Grade	P110 HC	· · · ·	Yield Load	641,000
PE Weight	19.81	lbs/ft	Tensile Load	728,000
Wall Thickness	0.361	in	Min. Internal Yield Pressure	12,640
Nominal ID	4.778	in	Collapse Pressure	12,780
Drift Diameter	4.653	in		
Nom. Pipe Body Area	5.828	in²		
Connection Parameters				
Connection OD	5.777	in		
Connection ID	4.734	in		
Make-Up Loss	5.823	in		
Critical Section Area	5.875	iń² ·		
Tension Efficiency	90.0	%	,	
Compression Efficiency	90.0	%		
Yield Load In Tension	576,000	lbs		159 a
Min. Internal Yield Pressure	12,640	psi		
Collapse Pressure	12,780	psi		
Uniaxial Bending	83	°/ 100 ft		
Make-Up Torques				
Min. Make-Up Torque	15,700	ft-lbs		
Opt. Make-Up Torque	19,600	ft-lbs		
Max. Make-Up Torque	21,600	. ft-lbs		L. C
Operating Torque	29,000	ft-lbs		
Yield Torque	36,000	ft-lbs		

Printed on: February-22-2018

NOTE:

The content of this Technical Data Sheet is for general information only and does not guarantee performance or imply fitness for a particular purpose, which only a competent drilling professional can determine considering the specific installation and operation parameters. Information that is printed or downloaded is no longer controlled by TMK IPSCO and might not be the latest information. Anyone using the information herein does so at their own risk. To verify that you have the latest TMK IPSCO technical information, please contact TMK IPSCO Technical Sales toll-free at 1-888-258-2000.



psi

psi

lbs

lbs

psi

psi

PERFORMANCE DATA

5.500 in

TMK UP TORQ[™] DQW Technical Data Sheet

Tubular Parameters

Tubulai Talameters		1
Size	5.500	in
Nominal Weight	20.00	lbs/ft
Grade	P110 CY	
PE Weight	19.81	lbs/ft
Wall Thickness	0.361	in
Nominal ID	4.778	in
Drift Diameter	4.653	in
Nom. Pipe Body Area	5.828	in²
	-	-

Connection Parameters

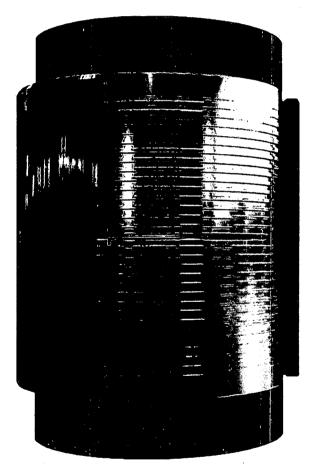
Connection OD '	6.050	in	
Connection ID	4.778	in	
Make-Up Loss	4.324	in	
Critical Section Area	5.828	in²	
Tension Efficiency	100.0	%	
Compression Efficiency	100.0	%	
Yield Load In Tension	641,000	lbs	
Min. Internal Yield Pressure	12,640	psi	
Collapse Pressure	11,110	psi	
Uniaxial Bending	92	°/ 100 ft	
Make-Up Torques			
Min. Make-Up Torque	14,000	ft-lbs	
		1 .	

· ·	,	1
Opt. Make-Up Torque	16,000	ft-lbs
Max. Make-Up Torque	18,000	ft-lbs
Operating Torque	36,800	ft-lbs
Yield Torque	46,000	ft-lbs

Minimum Yield 110,000 psi **Minimum Tensile** 125,000 psi 641,000 Yield Load lbs 729,000 Tensile Load lbs 12.640 Min. Internal Yield Pressure psi **Collapse Pressure** 11,110 psi

P110 CY

20.00 lbs/ft



Printed on: March-05-2019

NOTE:

The content of this Technical Data Sheet is for general information only and does not guarantee performance or imply fitness for a particular purpose, which only a competent drilling professional can determine considering the specific installation and operation parameters. Information that is printed or downloaded is no longer controlled by TMK IPSCO and might not be the latest information. Anyone using the information herein does so at their own risk. To verify that you have the latest TMK IPSCO technical information, please contact TMK IPSCO Technical Sales toll-free at 1-888-258-2000.



OXY's Minimum Design Criteria

Burst, Collapse, and Tensile SF are calculated using Landmark's Stress Check (Casing Design) software. A sundry will be requested if any lesser grade or different size casing is substituted.

1) Casing Design Assumptions

a) Burst Loads

CSG Test (Surface)

- Internal: Displacement fluid + pressure required to comply with regulatory casing test pressures. This will comply with both Onshore Oil and Gas Order No. 2 and 19.15.16 of the OCD Rules.
- External: Pore pressure in open hole.

CSG Test (Intermediate)

- Internal: Displacement fluid + pressure required to comply with regulatory casing test pressures. This will comply with both Onshore Oil and Gas Order No. 2 and 19.15.16 of the OCD Rules.
- External: Mud Weight to TOC, cement mix water gradient (8.4 ppg) below TOC, and pore pressure in open hole.

CSG Test (Production)

- o Internal:
 - For Drilling: Displacement fluid + pressure required to comply with regulatory casing test pressures. This will comply with both Onshore Oil and Gas Order No. 2 and 19.15.16 of the OCD Rules.
 - For Production: The design pressure test should be the greater of (1) the planned test pressure prior to stimulation down the casing. (2) the regulatory test pressure, and (3) the expected gas lift system pressure. The design test fluid should be the fluid associated with pressure test having the greatest pressure.
- o External:
 - For Drilling: Mud Weight to TOC, cement mix water gradient (8.4 ppg) below TOC, and pore pressure in open hole.
 - For Production: Mud base-fluid density to TOC, cement mix water gradient (8.4 ppg) below TOC, and pore pressure in open hole.

Gas Column (Surface)

- Internal: Assumes a full column of gas in the casing with a Gas/Oil Gradient of 0.1 psi/ft in the absence of better information. It is limited to the controlling pressure based on the fracture pressure at the shoe or the maximum expected pore pressure within the next drilling interval, whichever results in a lower surface pressure.
- External: Fluid gradient below TOC, pore pressure from the TOC to the Intermediate CSG shoe (if applicable), and MW of the drilling mud that was in the hole when the CSG was run from Intermediate CSG shoe to surface.

Bullheading (Surface / Intermediate)

- Internal: The string must be designed to withstand a pressure profile based on the fracture pressure at the casing shoe with a column of water above the shoe plus an additional surface pressure (in psi) of 0.02 X MD of the shoe to account for pumping friction pressure.
- External: Mud weight to TOC, cement mix water gradient (8.4 ppg) below TOC, and pore pressure in open hole.

Gas Kick (Intermediate)

- The string must be designed to at least a gas kick load case unless the rig is unable to detect a kick. For the gas kick load case, the internal pressure profile must be based on a minimum volume of 50 bbl or the minimum kick detection capability of the rig, whichever is greater, and a kick intensity of 2.0 ppg for Class 1, 1.0 ppg of Class 2, and 0.5 ppg for Class 3 and 4 wells.
- Internal: Influx depth of the maximum pore pressure of 0.55 "gas kick gravity" of gas to surface while drilling the next hole section.
- External: Mud weight to the TOC, cement mix water gradient below TOC, and pore pressure in open hole.

Tubing Leak Near Surface While Producing (Production)

- Internal: SITP plus a packer fluid gradient to the shoe or top of packer.
- External: Mud base-fluid density to TOC, cement mix water gradient (8.4 ppg) below TOC, and pore pressure in open hole.

Tubing Leak Near Surface While Stimulating (Production)

- Internal: Surface pressure or pressure-relief system pressure, whichever is lower plus packer fluid gradient.
- External: Mud base-fluid density to TOC, cement mix water gradient (8.4 ppg) below TOC, and pore pressure in open hole.

Injection / Stimulation Down Casing (Production)

- Internal: Surface pressure plus injection fluid gradient.
- External: Mud base-fluid density to TOC, cement mix water gradient (8.4 ppg) below TOC, and pore pressure in open hole.
- **b)** Collapse Loads

Lost Circulation (Surface / Intermediate)

- Internal: Lost circulation at the TD of the next hole section, and the fluid level falls to a depth where the hydrostatic of the mud equals pore pressure at the depth of the lost circulation zone.
- External: MW of the drilling mud that was in the hole when the casing was run.

Cementing (Surface / Intermediate / Production)

- o Internal: Displacement fluid density.
- External: Mud weight from TOC to surface and cement slurry weight from TOC to casing shoe.

Full Evacuation (Production)

- o Internal: Full void pipe.
- External: MW of drilling mud in the hole when the casing was run.

c) Tension Loads

Running Casing (Surface / Intermediate / Production)

 Axial: Buoyant weight of the string plus the lesser of 100,000 lb or the string weight in air.

Green Cement (Surface / Intermediate / Production)

- o Axial: Buoyant weight of the string plus cement plug bump pressure load.

PERFORMANCE DATA

TMK UP ULTRA™ DQX Technical Data Sheet

1

4.500 in

13.50 lbs/ft

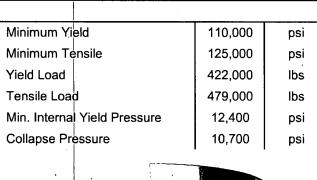
P-110

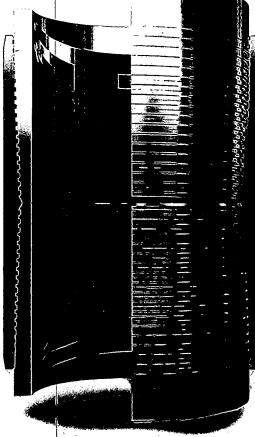
Tubular Parameters	4		
Size	4.500	in	Minimum Yield
Nominal Weight	13.50	lbs/ft	Minimum Tensile
Grade	P-110		Yield Load
PE Weight	13.04	lbs/ft	Tensile Load
Wall Thickness	0.290	in	Min. Internal Yield
Nominal ID	3.920	in	Collapse Pressure
Drift Diameter	3.795	in	
Nom. Pipe Body Area	3.836	in²	

Connection Parameters		
Connection OD	5.000	in
Connection ID	3.920	in
Make-Up Loss	3.772	in
Critical Section Area	3.836	in²
Tension Efficiency	100.0	%
Compression Efficiency	100.0	%
Yield Load In Tension	422,000	lbs
Min. Internal Yield Pressure	12,400	psi
Collapse Pressure	10,700	psi
Uniaxial Bending	112	°/ 100 ft

Make-	Uc) Ta	rai	Jes

Min. Make-Up Torque	6,000	ft-lbs
Opt. Make-Up Torque	6,700	ft-lbs
Max. Make-Up Torque	7,300	ft-lbs
Yield Torque	10,800	ft-lbs





Printed on: October-22-2014

NOTE:

The content of this Technical Data Sheet is for general information only and does not guarantee performance or imply fitness for a particular purpose, which only a competent drilling professional can determine considering the specific installation and operation parameters. Information that is printed or downloaded is no longer controlled by TMK IPSCO and might not be the latest information. Anyone using the information herein does so at their own risk. To verify that you have the latest TMK IPSCO technical information, please contact TMK IPSCO Technical Sales toll-free at 1-888-258-2000.



.

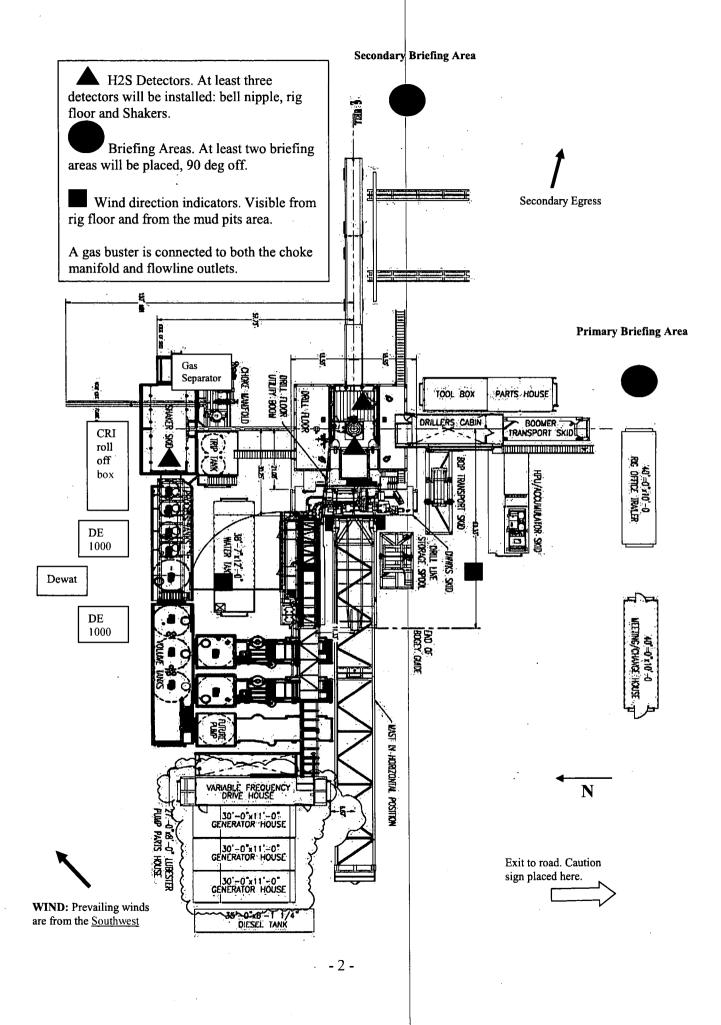


Permian Drilling Hydrogen Sulfide Drilling Operations Plan Arkenstone 31 Federal 3H

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.



DXYPermian

Permian Drilling Hydrogen Sulfide Drilling Operations Plan New Mexico

<u>Scope</u>

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:

Emergency response Procedure:

Emergency equipment Procedure:

Training provisions:

Drilling emergency call lists:

Briefing:

Public safety:

Check lists:

General information:

This plan with all details is to be fully implemented before drilling to <u>commence</u>.

This section outlines the conditions and denotes steps to be taken in the event of an emergency.

This section outlines the safety and emergency equipment that will be required for the drilling of this well.

This section outlines the training provisions that must be adhered to prior to drilling.

Included are the telephone numbers of all persons to be contacted should an emergency exist.

This section deals with the briefing of all people involved in the drilling operation.

Public safety personnel will be made aware of any potential evacuation and any additional support needed.

Status check lists and procedural check lists have been included to insure adherence to the plan.

A general information section has been included to supply support information.

- 2 -

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. <u>Well control equipment</u>

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. <u>Protective equipment for personnel</u>

- 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. <u>Hydrogen sulfide sensors and alarms</u>
 - 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:

۰.

Caution – potential poison gas Hydrogen sulfide No admittance without authorization

- 4 -

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. <u>Mud Program</u>

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. <u>Metallurgy</u>

- 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. <u>Evacuation plan</u>

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.

- 6 -

- 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:

- On alarm, don escape unit and report to the nearest upwind designated safe briefing / muster area upw
 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.
- 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:

Tool pusher:

1. Don escape unit, shut down pumps, continue

rotating DP.

- Check monitor for point of release.
 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

Mud engineer:

1. Will remain in briefing / muster area until instructed by supervisor.

- 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.

- 8 -

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.

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

<u>Status check list</u>

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:	

;

4

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.

<u>Important:</u> 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	C12	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	Combustibl	e 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 (%)	<u> Ppm</u>	Grains	
		100 std. Ft3*	· · · · ·
0.001	<10	00.65	Obvious and unpleasant odor.

- 14 -

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.

۰.

۰.

*at 15.00 psia and 60'f.

<u>Use of self-contained breathing equipment (SCBA)</u>

- 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 facepiece 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.

- 16 -

- 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

OXY Permian Delaware NM Basin Drilling & Completions Incident Reporting OXY Permian Crisis Team Hotline Notification

Person	Location		Office Phone	Cell/Mobile Phone
Drilling & Completions Department				
Drilling & Completions Manager: John Willis	Houston		(713) 366-5556	(713) 259-1417
Drilling Superintendent: Simon Benavides	Houston	1	(713) 215-7403	(832) 528-3547
Completions Superintendent: Chris Winter	Houston	:	(713) 366-5212	(806) 239-8774
Drilling Eng. Supervisor: Diego Tellez	Houston		(713) 350-4602	(713) 303-4932
Drilling Eng. Supervisor: Randy Neel	Houston		(713) 215-7987	(713) 517-5544
Completions Eng. Supervisor: Evan Hinkel	Houston		(713) 366-5436	(281) 236-6153
Drilling & Completions HES Lead. Ryan Green	Houston		713-336-5753	281-520-5216
Drilling & Completions HES Advisor:Kenny Williams	Carlsbad		(432) 686-1434	(337) 208-0911
Drilling & Completions HES Advisor:Kyle Holden	Carlsbad		(432) 686-1435	(661) 369-5328
Drilling & Completions HES Advisor Sr:Dave Schmidt	Carlsbad			(559) 310-8572
Drilling & Completions HES Advisor. :Seth Doyle	Carlsbad			(337) 499-0756
HES / Enviromental & Regulatory Departmer	nt Location		Office	Cell Phone
Jon Hamil-HES Manager	Houston		(713) 497-2494	(832) 537-9885
Mark Birk-HES Manager	Houston		(713) 350-4615	(949) 413-3127
Austin Tramell	Midland		(432) 699-4208	(575) 499-4919
Rico Munoz	Midland		(432) 699-8366	(432) 803-4116
Amber DuckWorth	Midland	 		(832) 966-1879
Kelley Montgomery- Regulatory Manager	Houston		(713) 366-5716	(832) 454-8137
Sandra Musallam -Regulatory Lead	Houston		+1 (713) 366-5106	+1 (713) 504-8577
Bishop, Steve-DOT Pipeline Coordinator	Midland		432-685-5614	
Wilson, Dusty-Safety Advisor	Midland	<u> </u>	432-685-5771	(432) 254-2336
John W Dittrich Eniromental Advisor	Midland			(575) 390-2828
William (Jack) Calhoun-Environmental Lead	Houston		+713 (350) 4906	(281) 917-8571
Robert Barrow-Risk Engineer Manager	Houston		(713) 366-5611	(832) 867-5336
Sarah Holmes-HSE Cordinator	Midland		432-685-5758	
Administrative	Location	 	Office	
Sarah Holmes	Midland		432-685-5830	
Robertson, Debbie	Midland		432-685-5812	
Laci Hollaway	Midland		(432) 685-5716	(432) 631-6341
Administrative	Location		Office	
Rosalinda Escajeda	Midland		432-685-5831	· ·

• •

Location	Office Phone	Cell/Mobile Phone
Hobbs	575-397-8247	
Levelland	806-894-8347	
North Cowden	432-385-3120	
Location	Office	•
Orla, TX	(337) 205-9314	·
Location	Office	
· · · · · · · · · · · · · · · · · · ·	(877) 502-9466	
	4	
Carlsbad, NM	(505) 887-6544	
Hobbs, NM	(505) 393-3612	
Roswell, NM	(505) 393-3612	· ·
Santa Fe, NM	(505) 988-6030	
	(505) 827-3549	
Santa Fe, NM	(505) 490-2375	
	· · · · ·	· ·
	<u> </u>	
Washington, D. C.		
Santa Fe, NM	(505) 827-1494	After Hours (505) 370
Artesia, NM	(505) 748-1283	7545
	(505) 471-1068	
	(505) 476-3470	
	(505) 827-9329	
	(505) 827-9222	
District 1 San Antonio	(210) 227-1313	
Austin, TX	(512) 463-7727	
		· · · · · · · · · · · · · · · · · · ·
Region 3 Abilene, TX		
Region 8 San Angelo	(325) 655-9479	
Abernathy TX	(806) 298-2524	
		<u> </u>
		-
Brownfield, TX	(806) 637-3551	
	Hobbs Levelland North Cowden Location Orla, TX Location Orla, TX Location Orla, TX Location Orla, TX Location Garlsbad, NM Hobbs, NM Roswell, NM Santa Fe, NM Santa Fe, NM Austin, TX Dallas, Texas Lubbock, Texas Washington, D. C. Santa Fe, NM Artesia, NM Hobbs, NM Santa Fe, NM Santa Fe, NM Santa Fe, NM District 1 San Antonio District 2 San Angelo District 7C San Angelo District 7C San Angelo District 8, 8A Midland Austin, TX Region 2 Lubbock, TX Region 7 Midland, TX Region 7 Midland, TX	Hobbs 575-397-8247 Levelland 806-894-8347 North Cowden 432-385-3120 Location Office Orla, TX (337) 205-9314 Location Office Orla, TX (337) 205-9314 Location Office Carlsbad, NM (505) 887-6544 Hobbs, NM (505) 393-3612 Roswell, NM (505) 988-6030 Santa Fe, NM (505) 988-6030 Santa Fe, NM (505) 988-6030 Santa Fe, NM (505) 490-2375 Austin, TX (512) 463-6788 Dallas, Texas (214) 665-6444 Lubbock, Texas (806) 472-7681 Washington, D. C. (800) 424-8802 (202) 282-9201 Santa Fe, NM Santa Fe, NM (505) 748-1283 Hobbs, NM (505) 393-6161 Santa Fe, NM (505) 471-1068 Santa Fe, NM (505) 827-9222 District 1 San Antonio (210) 227-1313 District 7C San Angelc (325) 657-7450 District 7C San Angelc <td< td=""></td<>

Person	Location	Office Phone	Cell/Mobile Phone
Cogdell Memorial Hospital	Snyder, TX	(325) 573-6374	
Covenant Hospital Levelland	Levelland, TX	(806) 894-4963	
Covenant Medical Center	Lubbock, TX	(806) 725-1011	
Covenant Medical Center Lakeside	Lubbock, TX	(806) 725-6000	,
Covenant Family Health	Synder, TX	(325) 573-1300	
Crockett County Hospital	Ozona, TX	(325) 392-2671	
Guadalupe Medical Center	Carlsbad, NM	(505) 887-6633	•
Lea Regional Hospital	Hobbs, NM	(505) 492-5000	
McCamey Hospital	McCamey, TX	(432) 652-8626	
Medical Arts Hospital	Lamesa, TX	(806) 872-2183	
Medical Center Hospital	Odessa, TX	(432) 640-4000	
Medi Center Hospital	San Angelo, TX	(325) 653-6741	
Memorial Hospital	Ft. Stockton	(432) 336-2241	
Memorial Hospital	Seminole, TX	(432) 758-5811	
Midland Memorial Hospital	Midland, TX	(432) 685-1111	
Nor-Lea General Hospital	Lovington, NM	(505) 396-6611	
Odessa Regional Hospital	Odessa, TX	(432) 334-8200	
Permian General Hospital	Andrews, TX	(432) 523-2200	
Reagan County Hospital	Big Lake, TX	(325) 884-2561	
Reeves County Hospital	Pecos, TX	(432) 447-3551	
Shannon Medical Center	San Angelo, TX	(325) 653-6741	
Union County General Hospital	Clayton, NM	(505) 374-2585	
University Medical Center	Lubbock, TX	(806) 725-8200	
Val Verde Regional Medical Center	Del Rio, TX	(830) 775-8566	
Ward Memorial Hospital	Monahans, TX	(432) 943-2511	
Yoakum County Hospital	Denver City, TX	(806) 592-5484	
Law Enforcement - Sheriff	and a second s		
Andrews Cty Sheriff's Department	Andrews County(Ar	ndr (432) 523-5545	
Crane Cty Sheriff's Department	Crane, County (Crar	ne) (432) 558-3571	
Crockett Cty Sheriff's Department	Crockett County (Oz	zor (325) 392-2661	
Dawson Cty Sheriff's Department	Dawson County (La	me (806) 872-7560	
Ector Cty Sheriff's Department	Ector County (Odes	sa) (432) 335-3050	
Eddy Cty Sheriff's Department	Eddy County (Artes	ia) (505) 746-2704	
Eddy Cty Sheriff's Department	Eddy County (Carls	bac (505) 887-7551	
Gaines Cty Sheriff's Department	Gaines County (Sen	nin (432) 758-9871	
Hockley Cty Sheriff's Department	Hockley County(Let	vel (806) 894-3126	
Kent Cty (Jayton City Sheriff's Dept.)	Kent County(Jayton	(806) 237-3801	
Kent Cty (Sayton City Bhernis Dept.)	Lea County (Eunice	(505) 384-2020	
	Lou County (Lunico		1
Lea Cty Sheriff's Department	Lea County (Hobbs)) (505) 393-2515	
Lea Cty Sheriff's Department Lea Cty Sheriff's Department			
Lea Cty Sheriff's Department Lea Cty Sheriff's Department Lea Cty Sheriff's Department Lubbock Cty Sheriff's Department	Lea County (Hobbs)	tor (505) 396-3611	· · · · · · · · · · · · · · · · · · ·

Person	Location	Office Phone	Cell/Mobile Phone
		(432) 639-2251	
Pecos Cty Sheriff's Department	Pecos County (Iraan)		·
Reeves Cty Sheriff's Department	Reeves County (Pecos)		
Scurry Cty Sheriff's Department	Scurry County (Snyder		
Terry Cty Sheriff's Department	Terry County (Brownfi		
Union Cty Sheriff's Department	Union County (Clayton		·
Upton Cty Sheriff's Department	Upton County (Rankin		
Ward Cty Sheriff's Department	Ward County (Monaha		
Yoakum City Sheriff's Department	Yoakum Co. (Denever	(806) 456-2377	
Law Enforcement - Police			×
Abernathy City Police	Abernathy, TX	(806) 298-2545	
Andrews City Police	Andrews, TX	(432) 523-5675	
Artesia City Police	Artesia, NM	(505) 746-2704	
Brownfield City Police	Brownfield, TX	(806) 637-2544	
Carlsbad City Police	Carlsbad, NM	(505) 885-2111	· · · · · · · · · · · · · · · · · · ·
Clayton City Police	Clayton, NM	(505) 374-2504	
Denver City Police	Denver City, TX	(806) 592-3516	
Eunice City Police	Eunice, NM	(505) 394-2112	
Hobbs City Police	Hobbs, NM	393-2677	
Jal City Police	Jal, NM	(505) 395-2501	· ,
Jayton City Police	Jayton, TX	(806) 237-3801	
Lamesa City Police	Lamesa, TX	(806) 872-2121	
Levelland City Police	Levelland, TX	(806) 894-6164	
Lovington City Police	Lovington, NM	(505) 396-2811	1
Midland City Police	Midland, TX	(432) 685-7113	
Monahans City Police	Monahans, TX	(432) 943-3254	<u> </u>
Odessa City Police	Odessa, TX	(432) 335-3378	
Seminole City Police	Seminole, TX	(432) 758-9871	
Snyder City Police	Snyder, TX	(325) 573-2611	
Sundown City Police	Sundown, TX	(806) 229-8241	· · · ·
· · · · · · · · · · · · · · · · · · ·	· · · · · · · · · · · · · · · · · · ·	()	··· · · · · · · · · · · · · · · · · ·
Law Enforcement - FBI			••
FBI	Alburqueque, NM	(505) 224-2000	
FBI	Midland, TX	(432) 570-0255	
Low Exformant DDS			
Law Enforcement - DPS			
NM State Police	Artesia, NM	(505) 746-2704	· · · · · · · · · · · · · · · · · · ·
NM State Police	Carlsbad, NM	(505) 885-3137	
NM State Police	Eunice, NM	(505) 392-5588	
NM State Police	Hobbs, NM	(505) 392-5588	
NM State Police	Clayton, NM	(505) 374-2473; 911	
TX Dept of Public Safety	Andrews, TX	(432) 524-1443	
TX Dept of Public Safety	Big Lake, TX	(325) 884-2301	

· · · · · ·

.

Rerson	Location	No. A	Office Phone St.	Cell/Mobile Phone
	Brownfield, TX		(806) 637-2312	
TX Dept of Public Safety	Iraan, TX		(432) 639-3232	
TX Dept of Public Safety	Lamesa, TX		(806) 872-8675	
TX Dept of Public Safety	Levelland, TX		(806) 894-4385	
TX Dept of Public Safety	Lubbock, TX		(806) 747-4491	
TX Dept of Public Safety	Midland, TX		(432) 697-2211	
TX Dept of Public Safety	Monahans, TX		(432) 943-5857	
TX Dept of Public Safety	Odessa, TX	:	(432) 332-6100	
TX Dept of Public Safety	Ozona, TX		(325) 392-2621	
TX Dept of Public Safety	Pecos, TX		(432) 447-3533	
TX Dept of Public Safety	Seminole, TX		(432) 758-4041	
TX Dept of Public Safety	Snyder, TX		(325) 573-0113	
	Terry County TX		(806) 637-8913	
	Yoakum County T		(806) 456-2377	
· · · · · · · · · · · · · · · · · · ·				
Firefighting & Rescue				
Abernathy	Abernathy, TX	1	(806) 298-2022	
Amistad/Rosebud	Amistad/Rosebud,	, NM	(505) 633-9113	
Andrews	Andrews, TX		523-3111	
Artesia	Artesia, NM		(505) 746-5051	
Big Lake	Big Lake, TX		(325) 884-3650	
Brownfield-Administrative & other calls	Brownfield, TX		(816) 637-4547	· · ·
Brownfield emergency only	Brownfield, TX		-911	
Carlsbad	Carlsbad, NM		(505) 885-3125	
Clayton	Clayton, NM		(505) 374-2435	
	Cotton Center, TX	k	(806) 879-2157	•
Crane	Crane, TX		(432) 558-2361	
Del Rio	Del Rio, TX		(830) 774-8650	
Denver City	Denver City, TX		(806) 592-3516	
Eldorado	Eldorado, TX		(325) 853-2691	
Eunice	Eunice, NM		(505) 394-2111	
Garden City	Garden City, TX		(432) 354-2404	:
Goldsmith	Goldsmith, TX		(432) 827-3445	
Hale Center	Hale Center, TX		(806) 839-2411	· ·
Halfway	Halfway, TX	·		
Hobbs	Hobbs, NM		(505) 397-9308	
Jal	Jal, NM		(505) 395-2221	
	Jayton, TX	İ	(806) 237-3801	
	Kermit, TX		(432) 586-3468	
	Lamesa, TX		(806) 872-4352	
Lamesa	· · · · · · · · · · · · · · · · · · ·	i		
	Levelland, TX		[000] 094-0104	
Levelland	Levelland, TX Lovington, NM		(806) 894-3154 (505) 396-2359	

Person	Location	Office Phone	Cell/Mobile Phone
McCamey	McCamey, TX	(432) 652-8232	
Midland	Midland, TX	(432) 685-7346	
Monahans	Monahans, TX	(432) 943-4343	
Nara Visa	Nara Visa, NM	(505) 461-3300	
Notrees	Notress, TX	(432) 827-3445	
Odessa	Odessa, TX	(432) 335-4659	
Ozona	Ozona, TX	(325) 392-2626	
Pecos	Pecos, TX	(432) 445-2421	
Petersburg	Petersburg, TX	(806) 667-3461	
Plains	Plains, TX	(806) 456-8067	
Plainview	Plainview, TX	(806) 296-1170	
Rankin	Rankin, TX	(432) 693-2252	
San Angelo	San Angelo, TX	(325) 657-4355	
Sanderson	Sanderson, TX	(432) 345-2525	
Seminole	Seminole, TX	758-9871	
Smyer	Smyer, TX	(806) 234-3861	
Snyder	Snyder, TX	(325) 573-6215	
Sundown	Sundown, TX	911	
Tucumcari	Tucumcari, NM	911	
West Odessa	Odessa, TX	(432) 381-3033	
Ambulance			
Abernathy Ambulance	Abernathy, TX	(806) 298-2241	
Amistad/Rosebud	Amistad/Rosebud, NM	(505) 633-9113	
Andrews Ambulance	Andrews, TX	(432) 523-5675	
Artesia Ambulance	Artesia, NM	(505) 746-2701	
Big Lake Ambulance	Big Lake, TX	(325) 884-2423	
Big Spring Ambulance	Big Spring, TX	(432) 264-2550	
Brownfield Ambulance	Brownfield, TX	(806) 637-2511	
Carlsbad Ambulance	Carlsbad, NM	(505) 885-2111; 911	
Clayton, NM	Clayton, NM	(505) 374-2501	
Denver City Ambulance	Denver City, TX	(806) 592-3516	
Eldorado Ambulance	Eldorado, TX	(325) 853-3456	
Eunice Ambulance	Eunice, NM	(505) 394-3258	
Goldsmith Ambulance	Goldsmith, TX	(432) 827-3445	
Hobbs, NM	Hobbs, NM	(505) 397-9308	
Jal, NM	Jal, NM	(505) 395-2501	
Jayton Ambulance	Jayton, TX	(806) 237-3801	
Lamesa Ambulance	Lamesa, TX	(806) 872-3464	
Levelland Ambulance	Levelland, TX	(806) 894-8855	
Lovington Ambulance	Lovington, NM	(505) 396-2811	
McCamey Hospital	McCamey, TX	(432) 652-8626	
Midland Ambulance	Midland, TX	(432) 685-7499	

Person	Location	• Office Phone	Cell/Mobile Phone		
Monahans Ambulance	Monahans, TX	3731			
Nara Visa, NM	Nara Visa, NM	(505) 461-3300			
Odessa Ambulance	Odessa, TX	(432) 335-3378			
Ozona Ambulance	Ozona, TX	(325) 392-2671			
Pecos Ambulance	Pecos, TX	(432) 445-4444			
Rankin Ambulance	Rankin, TX	(432) 693-2443			
San Angelo Ambulance	San Angelo, TX	(325) 657-4357			
Seminole Ambulance	Seminole, TX	758-9871			
Snyder Ambulance	Snyder, TX	(325) 573-1911			
Stanton Ambulance	Stanton, TX	(432) 756-2211			
Sundown Ambulance	Sundown, TX	911 .			
Tucumcari, NM	Tucumcari, NM	911			
		:			
Medical Air Ambulance Service					
AEROCARE - Methodist Hospital	Lubbock, TX	(800) 627-2376			
San Angelo Med-Vac Air Ambulance	San Angelo, TX	(800) 277-4354			
Southwest Air Ambulance Service	Stanford, TX	(800) 242-6199			
Southwest MediVac	Snyder, TX	(800) 242-6199			
Southwest MediVac	Hobbs, NM	(800) 242-6199			
Odessa Care Star	Odessa, TX	(888) 624-3571			
NWTH Medivac	Amarillo, TX	(800) 692-1331			

. .

. •

OXY

PRD NM DIRECTIONAL PLANS (NAD 1983) Arkenstone 31 Federal Arkenstone 31 Federal 3H

WB00

Plan: Permitting Plan

Standard Planning Report

31 July, 2019

Oxy Planning Report

Database: Company: Project: Site: Well: Wellbore: Design:	PRD Arken Arken WB00 Permi	NEERING DES NM DIRECTIO Istone 31 Fede (stone 31 Fede (stone 31 Fede (stone 31 Fede (stone 31 Fede	NAL PLANS (ral ral 3H		TVD Refe MD Refer North Ref	ence:		Well Arkenston RKB=26.5' @ 3 RKB=26.5' @ 3 Grid Minimum Curva	370.90ft 370.90ft	ЗН	
Project	PRDN	IM DIRECTION	AL PLANS (N	IAD 1983)	<u></u>						
Map System: Geo Datum: Map Zone:	eo Datum: North American Datum 1983						Mean Sea Level Using geodetic scale factor				
Site	Arkens	stone 31 Feder	al								
Site Position: From: Position Uncertair	Ma _l nty:		North Eastir 00 ft Slot R	•		540.55 usft 187.86 usft 13.200 in	Latitude: Longitude: Grid Conve	rgence:		32° 16' 4.142175 N 103° 49' 21.474809 W 0.27 °	
Well	Arkens	tone 31 Federa	al 3H								
Well Position	+N/-S +E/-W			orthing: sting:		461,550.8		titude: ngitude:	••	32° 16' 4.158375 N 103° 49' 0.514076 W	
Position Uncertair	nty.	:	2.00 ft We	ellhead Eleva	tion:	(ound Level:		. 3,344.40 ft	
Wellbore	WB00						1				
Magnetics	etics Model Name Sample Date Declination (°)				tion	Dip Angle Field Strength (°) (nT)					
		HDGM	1	1/13/2018		6.88	· · · · · · · · · · · · · · · · · · ·	60.00		48,012	
Design	Permit	ting Plan		·····							
Audit Notes: Version:			Phas	e: P	ROTOTYPE	T	ie On Depth:	an a tha tha tha an an 1986 tha fa an	0.00		
Vertical Section:			+N/-S (ft) -	+	E/-W (ft)		ection (°)				
			0.00		0.00		0.00	17	75.19		
Plan Sections					· · · · · · · · · · · · · · · · · · ·						
Measured Depth Incl (ft)	lination (°)	Azimuth (°)	Vertical Depth (ft)	+N/-S (ft)	+E/-W (ft)	Dogleg Rate (°/100ft)	Build Rate (°/100ft)	Turn Rate (°/100ft)	TFO (°)	Target	
0.00 4,465.00	0.00	0.00	0.00 4,465.00	0.00	0.00	0.00	1		0.00		
4,965.17 8,794.23	10.00 10.00	30.20 30.20	4,962.64 8,733.48	37.64 612.49	21.91 356.51	2.00 0.00	2.00 0.00	0.00	30.20 0.00	•	
9,758.79 10,563.78	10.00 90.50	179.68 179 <i>.</i> 68	9,692.46 10,165.90	601.04 31.80	399.53 402.73	2.00 10.00	d 10.00	0.00		FTP (Arkenstone 31	
15,727.89	90.50	179.68	10,120.90	-5,132.03	431.73	0.0	0.00	0.00	0.00	PBHL (Arkenstone	

*

COMPASS 5000.1 Build 74

Oxy Planning Report

Database:	HOPSPP	Local Co-ordinate Reference:	Well Arkenstone 31 Federal 3H
Company:	ENGINEERING DESIGNS	TVD Reference:	RKB=26.5' @ 3370.90ft
Project:	PRD NM DIRECTIONAL PLANS (NAD 1983)	MD Reference:	RKB=26.5' @ 3370.90ft
Site:	Arkenstone 31 Federal	North Reference:	Grid
Well:	Arkenstone 31 Federal 3H	Survey Calculation Method:	Minimum Curvature
Wellbore:	WB00		· .
Design:	Permitting Plan		

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)	P.,
• • • • • • • • • • • • • • • • • • • •	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	ľ
	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	ŗ
	400.00	0.00		400.00	0.00	0.00	0.00	0.00	0.00	0.00	1
	500.00	0.00	0.00	500.00	0.00	0.00	0.00	0.00	0.00	0.00	I
	600.00	0.00	0.00	600.00	0.00	0.00	0.00	0.00	0.00	0.00	I
	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	I
	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	l
	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
	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	I
	2,100.00	0.00	0.00	2,100.00	0.00	0.00	0.00	0.00	0.00	0.00	I
	2,200.00	0.00	0.00	2,200.00	0.00	0.00	0.00	0.00	0.00	0.00	I
	2,300.00	0.00	0.00	2,300.00	0.00	0.00	0.00	0.00	0.00	0.00	ł
							0.00	0.00	0.00	0.00	1
	2,400.00	0.00	0.00	2,400.00	0,00	0.00	0.00	0.00	0.00	0.00	I
	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	1
	2,800.00	0.00	0.00	2,800.00	0.00	0.00	0.00	0.00	0.00	0.00	1
	2,900.00	0.00	0.00	2,900.00	0.00	0.00	0.00	0.00	0.00	0.00	l
	3,000.00	0.00	0.00	3,000.00	0.00	0.00	0.00	0.00	0.00	0.00	l
	3,100.00	0.00	0.00	3,100.00	0.00	0.00	0.00	0.00	0.00	0.00	I
	3,200.00	0.00	0.00	3,200.00	0.00	0.00	0.00	0.00	0.00	0.00	I
	3,300.00	0.00	0.00	3,300.00	0.00	0.00	0.00	0.00	0.00	0.00	I
	3,400.00	0.00	0.00	3,400.00	0.00	0.00	0.00	0.00	0.00	0.00	l
	3,400.00		0.00								l
	3,500.00	0.00	0.00	3,500.00	0.00	0.00	0.00	0.00	0.00	0.00	I
	3,600.00	0.00	0.00	3,600.00	0.00	0.00	0.00	0.00	0.00	0.00	i
	3,700.00	0.00	0.00	3,700.00	0.00	0.00	0.00	0.00	0.00	0.00	I
	3,800.00	0.00	0.00	3,800.00	0.00	0.00	0.00	0.00	0.00	0.00	1
	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	i
	4,000.00	0.00	0.00	4,000.00	0.00	0.00	0.00	0.00	0.00	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	I
	4,300.00	0.00	0.00	4,300.00	0.00	0.00			0.00	0.00	l
	4,400.00	0.00	0.00	4,400.00	0.00	0.00	0.00	0.00	0.00		
	4,465.00	0.00	0.00	4,465.00	0.00	0.00	0.00	0.00	0.00	0.00	
	4,500.00	0.70	30.20	4,500.00	0.18	0.11	-0.18	2.00	2.00	. 0.00	
	4,600.00	2.70	30.20	4,599.95	2.75	1.60	-2.60	2.00	2.00	0.00	
	4,700.00	4.70	30.20	4,699.74	8.33	4.85	-7,89	2.00	2.00	0.00	
	4,800.00	6.70	30.20	4,799.24	16.91	9.84	-16.02	2.00	2.00	0.00	
	4,900.00	8.70	30.20	4,898.33	28.49	16.58	-27.00	2.00	2.00	0.00	
	4,965.17	10.00	30.20	4,962.64	37.64	21.91	-35.67	2.00	2.00	0.00	1
	5,000.00	10.00	30.20	4,996.93	42.87	24.95	-40.63	0.00	0.00	0.00	
	5,100.00	10.00	30.20	5,095.41	57.88	33,69	-54.85	0.00	0.00	0.00	

Оху Planning Report

Database: Company:	HOPSPP ENGINEERING DESIGNS	Local Co-ordinate Reference: TVD Reference:	Well Arkenstone 31 Federal 3H RKB=26.5' @ 3370.90ft
Project:	PRD NM DIRECTIONAL PLANS (NAD 1983)	MD Reference:	RKB=26.5' @ 3370.90ft
Site:	Arkenstone 31 Federal	North Reference:	Grid
Well: Wellbore:	Arkenstone 31 Federal 3H WB00	Survey Calculation Method:	Minimum Curvature
Design:	Permitting Plan		

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	10.00	30.20	5,193.89	72.89	42.43	-69.08	0.00	0.00	0.00	
5,300.00	10.00	30.20	5,292.37	87.91	51.17	-83.31	0.00	0.00	0.00	
5,400.00	10.00	30.20	5,390.85	102.92	59.91	-97.54	0.00	0,00	0.00	
5,500.00	10.00	30.20	5,489.33	117.93	68,64	-111.76	0.00	0.00	0.00	
5,600.00	10.00	30.20	5,587.81	132.95		-125.99	0.00			
					77.38			0.00	0.00	
.5,700.00	10.00	30.20	5,686.29	147.96	86.12	-140.22	0.00	0.00	0.00	
5,800.00	10.00	30.20	5,784.77	162.97	94.86	-154.45	0.00	0.00	0.00	
5,900.00	10.00	30.20	5,883.25	177.98	103.60	-168.67	0.00	0.00	0.00	
6,000.00	10.00	30.20	5,981.73	193.00	112.34	-182.90	0,00	0.00	0.00	
6,100.00	10.00	30.20	6,080.21	208.01	121.07	-197.13	0.00	· 0.00	0.00	
6,200.00	10.00	30.20	6,178.69	223.02	129.81	-211.36	0.00	0.00	0.00	
6,300.00	10.00	30.20	6,277.17	238.04	138.55	-225.58	0.00	² 0.00	0.00	
6,400.00	10.00	30.20	6,375.65	253.05	147.29	-239.81	0.00	0.00	0.00	
6,500.00	10.00	30.20	6,474.13	268.06	156.03	-254.04	0.00	0.00	0.00	
6,600.00	10.00	30.20	6,572.61	283.07	164.77	-268.27	0.00	0.00	0.00	
6,700.00	10.00	30.20	6,671.09	298.09	173.51	-282.49	0.00	0.00	0.00	
C 800 00	10.00	20.00	0 700 57		400.04	1000 70		0.00	· 0.00	
6,800.00	10.00	30.20	6,769.57	313.10	182.24	-296.72	0.00	0.00	0.00	
6,900.00	10.00	30.20	6,868.05	328.11	190.98	-310.95	0.00	0.00	0.00	
7,000.00	10.00	30.20	6,966.53	343.12	199.72	-325.18	0.00	0.00	0.00	
7,100.00	10.00	30.20	7,065.01	358.14	208,46	-339.40	0.00	0.00	0.00	
7,200.00	10.00	30.20	7,163.49	.373.15	217.20	-353.63	0.00	0.00	0.00	
7,300.00	10.00	20.20	7 004 07					0.00	0.00	
	10.00	30.20	7,261.97	388.16	225.94	-367.86	0.00	0.00	0.00	
7,400.00	10.00	30.20	7,360.45	403.18	234.67	-382.08	0.00	0.00	0.00	
7,500.00	10.00	30.20	7,458.93	418.19	243.41	-396.31	0.00	0.00	0.00	
7,600.00	10.00	30.20	7,557.41	433.20	252.15	· -410.54	0.00	0.00	0.00	
7,700.00	10.00	30.20	7,655.89	448.21	260.89	-424.77	0.00	0.00	0.00	
7,800.00	10.00	30.20	7,754,37	463.23	269.63	-438,99	0.00	0.00	0.00	
7,900.00	10.00	30.20	7,852.85	403.23		-453.22		0.00	0.00	
,			,		278.37		0.00			
8,000.00	10.00	. 30.20	7,951.33	493.25	287.10	-467.45	0.00	0.00	0.00	
8,100.00	10.00	- 30.20	8,049.80	508.27	295.84	-481.68	0.00	0.00	0.00	
8,200.00	10.00	30.20	' 8,148.28	523.28	304.58	-495.90	0.00	0.00	0.00	
8,300.00	10.00	30.20	8,246.76	538.29	313.32	-510.13	0.00	0.00	0.00	
8,400.00	10.00	30.20	8,345.24	· 553.30	322.06	-524.36	0.00	0.00	0.00	
,										
8,500.00	10.00	30.20	8,443.72	568.32	330.80	-538.59	0.00	0.00	0.00	
8,600.00	10.00	30.20	8,542.20	583.33	339.53	-552.81	0.00	0.00	· 0.00	
8,700.00	10.00	.30.20	8,640.68	\$98.34	348.27	-567.04	. 0.00	0.00	0.00	
8,794.23	10.00	30.20	8,733.48	612.49	356.51	-580.45	0.00	0.00	0.00	
8,800.00	9.89	30.38	8,739.16	613.35	357.01	-581.26	2.00	-1.93	3.11	
8,900.00	7.98	34.27	8,837.95	626.50	365.27	-593.68	2.00	-1.91	3.89	
9,000.00	6.14	40.53	8,937.18	636.30	372.65	-602.83	2.00	-1.85	6.26	
9,000.00	4.42	51.86	9,036.76	642.75	372.65	-608.70	2.00	-1.85	11.33	
			,							
9,200.00	3.07	74.97	9,136.55	645.82	384.77	-611.29	2.00	-1.35	23.11	
9,300.00	2.70	114.93	9,236.43	645.52	389:49	-610.60	2.00	-0.37	39.96	
9,400.00	3.63	147.85	9,336.29	. 641.85	393.31	-606.62	2.00	0.93	32.92	
9,500,00	5,20	164.26	9,435.99	634.81	396.22	-599.36	2.00	1.57	16.41	
9,600.00	6.99	172.70	9,535.42	624.42	398.22	-588.84	2.00	1.79	8.44	
						1.1				
9,700.00	8.87	177.64	9,634.46	610.67	399.31	-575.05	2.00	1.88	4.95	
9,758.79	10.00	179.68	9,692.46	601.04	399.53	-565.43	2.00	1.92	3.46	
9,800.00	14.12	179.68	9,732.75	592.43	399.58	-556.85	10.00	10.00	. 0.00	
9,900.00	24.12	179.68	9,827.11	559.72	399.76	-524.23	10.00	10.00	0.00	
10,000.00	34.12	179.68	9,914.36	511.11	400.03	-475.78	10.00	10.00	0.00	
10,000.00		179.00		511.11			10.00	,		
10,100.00	44.12	179.68	9,991.84	448.10	400.39	-412.96	10.00	10.00	0.00	
10,200.00	54.12	179.68	10,057.21	372.58	400.81	-337.67	10.00	10.00	0.00	
10,300.00	64.12	179.68	10,108.47	286.87	401.29	-252.22	10.00	10.00	. 0.00	

١

ł

COMPASS 5000.1 Build 74

Oxy Planning Report

Database:	HOPSPP	Local Co-ordinate Reference:	Well Arkenstone 31 Federal 3H
Company:	ENGINEERING DESIGNS	TVD Reference:	RKB=26.5' @ 3370.90ft
Project:	PRD NM DIRECTIONAL PLANS (NAD 1983)	MD Reference:	RKB=26.5' @ 3370.90ft
Site:	Arkenstone 31 Federal	North Reference:	Grid
Well:	Arkenstone 31 Federal 3H	Survey Calculation Method:	Minimum Curvature
Wéllbore:	WB00		
Design:	Permitting Plan		

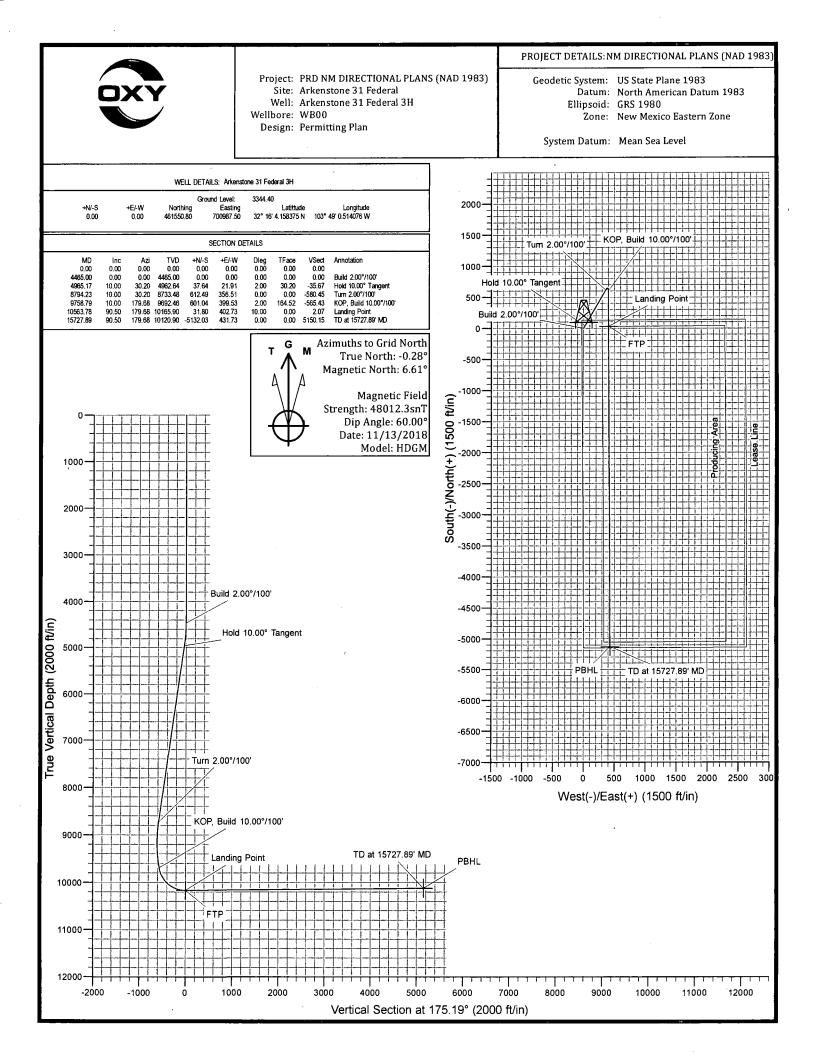
Planned Survey

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	74.12	179.68	10,144.06	193.56	401.82	-159.19	10.00	10.00	0.00
10,500.00	84.12	179.68	10,162.91	95.48	402.37	-61.41	10.00	10.00	0.00
10,563.78	90.50	179.68	10,165.90	31.80	402.73	2.07	10.00	10.00	0.00
10,600.00	90.50	179.68	10,165.58	-4.41	402.93	38.18	0.00	0.00	0.00
10,700.00	90.50	179.68	10,164.71	-104.41	403,49	137.87	0.00	0.00	0.00
10,800.00	90.50	179.68	10,163.84	-204.40	404.05	237.56	0.00	0.00	0.00
10,900.00	90.50	179.68	10,162.97	-304.40	404.61	337.24	0.00	0.00	0.00
11,000.00	90.50	179.68	10,162.10	-404.39	405.18	436.93	0.00	0.00	0.00
,	90.50	179.68	10,161.23	-504.39	405.74	536.62	0.00	0.00	0.00
11,100.00				-604.38	405.74	636.31	0.00	0.00	0.00
11,200.00	90.50	179.68	10,160.36					· 0.00	0.00
11,300.00	90.50	179.68 179.68	10,159.48	-704.38 -804.37	406.86 407.42	736.00 835.69	0.00 0.00	0.00	0.00
11,400.00	90.50		10,158.61						-
11,500.00	90.50	179.68	10,157.74	-904.37	407.98	935.38	0.00	0.00	0.00
11,600.00	90.50	179.68	10,156.87	-1,004.36	408.55	1,035.07	0.00	0.00	0.00
11,700.00	90.50	179.68	10,156.00	-1,104.36	409.11	1,134.76	0.00	0.00	0.00
11,800.00	90.50	179.68	10,155.13	-1,204.35	409.67	1,234.45	0.00	0.00	0.00
11,900.00	90.50	179.68	10,154.26	-1,304.34	410.23	1,334.14	0.00	0.00	0.00
12,000.00	90.50	179.68	10,153.39	-1,404.34	410.79	1,433.83	0.00	· 0.00	0.00
12,100.00	90.50	179.68	10,152.51	-1,504.33	411.35	1,533.52	0.00	0.00	0.00
12,200.00	90.50	179.68	10,151.64	-1,604.33	411.91	1,633.21	0.00	0.00	0.00
12,300.00	90.50	179.68	10,150.77	-1,704.32	412.48	1,732.90	0.00	0.00	0.00
12,400.00	90.50	179.68	10,149.90	-1,804.32	413.04	1,832.59	0.00	0.00	0.00
12,500.00	90.50	179.68	10,149.03	-1,904.31	413.60	1,932.28	0.00	0.00	0.00
12,600.00	90.50	179.68	10,149.03	-2,004.31	413.00	2,031.97	0.00	0.00	0.00
			,		414.18		0.00	0.00	0.00
12,700.00	90.50	179.68	10,147.29	-2,104.30		2,131.66		0.00	0.00
12,800.00 12,900.00	90.50 90.50	179.68 179.68	10,146.41 10,145.54	-2,204.30 -2,304.29	415.28 415.85	2,231.35 2,331.04	0.00 0.00	0.00	0.00
13,000.00	90.50	179.68	10,144.67	-2,404.29	416.41	2,430.73	· 0.00	0.00	0.00 0.00
13,100.00	90.50	179.68	10,143.80	-2,504.28	416.97	2,530.42	0.00	0.00	
13,200.00	90.50	179.68	10,142.93	-2,604.27	417.53	2,630.11	0.00	0.00	0.00
13,300.00	90.50	179.68	10,142.06	-2,704.27	418.09	2,729.80	0.00	0.00	0.00
13,400.00	90.50	179.68	10,141.19	-2,804.26	418.65	2,829.49	0.00	0.00	0.00
13,500.00	90.50	179,68	10,140.31	-2,904.26	419.22	2,929.18	0.00	0.00	0.00
13,600.00	90.50	179.68	10,139.44	-3,004.25	419.78	3,028.87	0.00	0.00	0.00
13,700.00	90.50	179.68	10,138.57	-3,104.25	420.34	3,128.56	0.00	0.00	0.00
13,800.00	90.50	179.68	10,137.70	-3,204.24	420.90	3,228.25	0.00	0.00	- 0.00
13,900.00	90.50	179.68	10,136.83	-3,304.24	421.46	3,327.94	0.00	0.00	0.00
14,000.00	90.50	179.68	10,135.96	-3,404.23	422.02	3,427.63	0.00	0.00	0.00
14,100.00	90.50	179.68	10,135.09	-3,504.23	422.59	3,527.32	0.00	0.00	0.00
14,200.00	90.50	179.68	10,134.21	-3,604.22	423.15	3,627.01	0.00	0.00	0.00
14,300.00	90.50	179.68	10,133.34	-3,704.22	423.71	3,726.70	0.00	0.00	0.00
14,400.00	90.50	179.68	10,132.47	-3,804.21	424.27	3,826.39	0.00	0.00	0.00
14,500.00	90.50	179.68	10,131.60	-3,904.20	424.83	3,926.08	0.00	0.00	0.00
14,500.00	90.50 90.50	179.68	10,131.60	-3,904.20	424.83 425.39	3,926.08 4,025.77	0.00	0.00	0.00
14,800.00					425.39		0.00	0.00	0.00
	90,50	179.68	10,129.86	-4,104.19		4,125.46			
14,800.00 14,900.00	90.50 90.50	179.68 179.68	10,128.99 10,128.11	-4,204.19 -4,304.18	426.52 427.08	4,225.15 4,324.83	0.00 0.00	0.00 0.00	· 0.00 0.00
15,000.00	90.50	179.68	10,127.24	-4,404.18	427.64	4,424.52	0.00	0.00	0.00
15,100.00	90.50	179.68	10,126.37	-4,504.17	428.20	4,524.21	0.00	0.00	0.00
15,200.00	90,50	179.68	10,125.50	-4,604.17	428.76	4,623.90	0.00	0.00	0.00
15,300.00	90.50	179.68	10,124.63	-4,704.16	429.32	4,723.59	0.00	0.00	0.00
15,400.00	90.50	179.68	10,123.76	-4,804.16	429.89	4,823.28	0.00	0.00	0.00
15,500.00	90.50	179.68	10,122.89	-4,904.15	430.45	4,922.97	0.00	0.00	0.00
15,600.00	90.50	179.68	10,122.01	-5,004.15	431.01	5,022.66	,0.00	0.00	0.00

Oxy Planning Report

<u> </u>								
Project: PRD Site: Arke Well: Arke Wellbore: WBC	INEERING DESIGN NM DIRECTIONAL nstone 31 Federal nstone 31 Federal 3	PLANS (NAD 1983)	TVD Refe MD Refe North Re	rence:		Well Arkenst RKB=26.5' (RKB=26.5' (Grid Minimum Cu) 3370.90ft	Н
Planned Survey								
	nation 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 15,727.89	90.50179.690.50179.6		-5,104.14 -5,132.03	431.57 431.73	5,122.35 5,150,15	0.00 0.00	- 0.00 0.00	0.00 0.00
Target Name - hit/miss target Dip - Shape PBHL (Arkenstone 31	Angle Dip Dir. (°) (°) 0.00 0.00	TVD +N/-S (ft) (ft) 10,120.90 -5,132.0	+E/-W (ft) 03 431.73	Northin (usft) 456.4	(L	sting Isft)	Latitude	Longitude 103° 48' 55.774473
- plan hits target center - Point	0.00 0.00	10,120.90 -3,132.0	33 431.73	400,4		01,419.20 32	15 13.336320 N	103 40 33.114410
FTP (Arkenstone 31 - plan hits target center - Point	0.00 0.00	10,165.90 31.8	80 402.73	, 461,58	32.60 7	01,390.20 32°	' 16' 4.453851 N	103° 48' 55.822099
Plan Annotations		مەدەبەت ھەرەپ يەرە قەرىپ مەلەر قەرىپ م مەدەبەپ مەلەر قەرىپ ق			· · · · · · · · · · · · · · · · · · ·			
Measured Depth (ft)	Vertical Depth (ft)	Local Coordin +N/-S , (ft)	ates +E/-W (ft)	Comment				
4,465.00 4,965.17 8,794.23 9,758.79 10,563.78 15,727.89	4,465.00 4,962.64 8,733.48 9,692.46 10,165.90 10,120.90	0.00 37.64 612.49 601.04 31.80 -5,132.03	0.00 21.91 356.51 399.53 402.73 431.73	Turn 2.00°	[°] Tangent /100' 10.00°/100' oint			·

1



OXY USA Inc APD ATTACHMENT: SPUDDER RIG DATA

OPERATOR NAME / NUMBER: <u>OXY USA Inc</u>

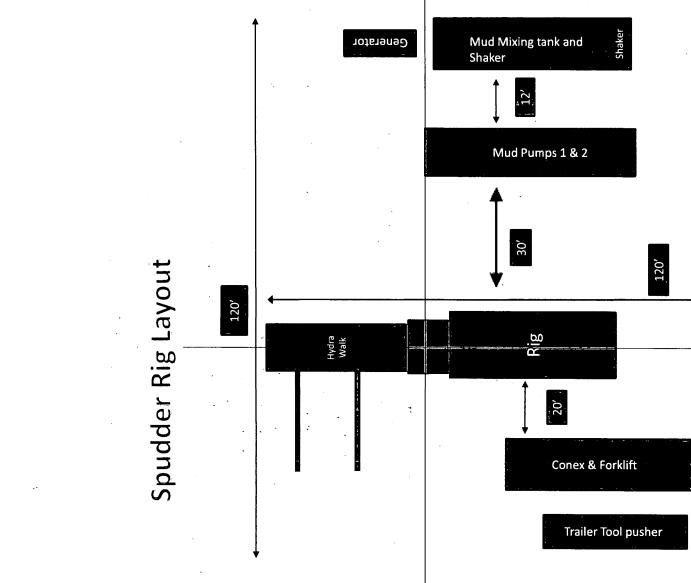
1. SUMMARY OF REQUEST:

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 nippled 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.



OXY USA Inc. - Arkenstone 31 Federal 3H – Amended Drill Plan

1. Geologic Formations

TVD of target	10165'	Pilot Hole Depth	N/A
MD at TD:	15727'	Deepest Expected fresh water:	366'

Delaware Basin

Formation	TVD - RKB	Expected Fluids
Rustler	366	4
Salado	685	Salt
Castile	2,605	Salt
Lamar/Delaware	4,055	Oil/Gas/Brine
Bell Canyon	4,094	Oil/Gas/Brine
Cherry Canyon	4,980	Oil/Gas/Brine
Brushy Canyon	6,267	Losses
Bone Spring	7,952	Oil/Gas
1st Bone Spring	8,985	Oil/Gas
2nd Bone Spring	9,626	Oil/Gas

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

2. Casing Program

Primary Plan:

			•						Buoyant	Buoyant
Π-1-0	Casing Ir	iterval	Csg. Size	Weight			SF	0.0.0.0	Body SF	Joint SF
Hole Size (in)	From (ft)	To (ft)	(in)	(lbs)	Grade	Cónn.	Collapse	SF Burst	Tension	Tension
17.5	0	416	13.375	54.5	J-55	BTC	1.125	1.2 ·	1.4	1.4
12.25	0	4105	9.625	40	L-80	BTC	1.125	1.2	1.4	1.4
8.5	0	10208	5.5	20	P-110	DQX	1.125	1.2	1.4	1.4
8.5	10208	15727	4.5	13.5	P-110	DQX	1.125	1.2	1.4	1.4
	•							SF Values will	meet or Exceed	

Contingency Plan:

									Buoyant	Buoyant
H -1-(2-)	Casing	Casing Interval		Weight		SF	0 0 D	Body SF	Joint SF	
Hole Size (in)	From (ft)	To (ft)	(in)	(lbs)	Grade	Conn.	Collapse	SF Burst	Tension	Tension
17.5	0	416	13.375	54.5	J-55	BTC	1.125	1.2	1.4	1.4 .
12.25	0	4105	9.625	40	L-80	BTC	1.125	1.2	1.4	1.4
8.5	0	9658	7.625	26.4	L-80 HC	SF (0 ft to 4000 ft) FJ (4000 ft to 9658 ft)	1.125	1.2	1.4	1.4
6.75	0	10208	5.5	20	P-110	DQX	1.125	1.2	. 1.4	1.4
6.75	10208	15727	4.5	-13.5	P-110	DÓX	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 run the 7.625" Intermediate II as a contingency string to be run only if severe hole conditions dictate an additional casing string necessary.

*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 cancelation cone and not pump the second stage.

*Oxy requests the option to run production casing with DQX, SF TORQ and/or DQW TORQ connections to accommodate hole conditions or drilling operations.

Annular Clearance Variance Request

As per the agreement reached in the Oxy/BLM meeting on Feb 22, 2018, Oxy requests permission to allow deviation from the 0.422" annular clearance requirement from Onshore Order #2 under the following conditions:

1. Annular clearance to meet or exceed 0.422" between intermediate casing ID and production casing coupling only on the first 500' overlap between both casings.

2. Annular clearance less than 0.422" is acceptable for the curve and lateral portions of the production open hole section.

	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
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?	Y
If yes, are the first three strings cemented to surface?	Y
Is 2 nd string set 100' to 600' below the base of salt?	Y
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

Primary Plan:

Casing String	# Sks	Wt. (lb/gal)	Yld (ft3/sack)	H20 (gal/sk)	500# Comp. Strength (hours)		escription
Surface (Lead)	N/A	N/A	N/A	N/A	N/A	N/A	
Surface (Tail)	446	14.8	1.33	6.365	5:26	Class C Cement, Acce	lerator
Intermediate (Lead)	954	· 12.9	1.73	8.784	15:26	Pozzolan Cement, Ret	arder
Intermediate (Tail)	155	14.8	1.33	6.368	7:11	Class C Cement, Acce	lerator
Production 1st Stage (Lead)	251	13.2	1.38	6.692	17:50	Class H Cement, Retarder, Dispersar	
Production 1st Stage (Tail)	1363	13.2	1.38	6.686	3:49	Class H Cement, Reta	rder, Dispersant, Salt
2nd Stage Produc Production 2nd Stage (Tail)	tion Lead Shu 941	ry to be pump	ed as Bradenhe	ead Squeeze	e from surface, do	wn the Production an Class C Cement, Acce	
	Casing S	tring	Top) (ft)	Bottom (ft)	% Excess	
	Surface (Lead)		N	/A	N/A	N/A	
	Surface (Tail)		0	416	100%	
Īm	termediate	(Lead)		0	3605	50%	

Surface (Tail)	0	416	100%
Intermediate (Lead)	0	3605	50%
Intermediate (Tail)	3605	4105	20%
Production 1st Stage (Lead)	6517	7952	5%
Production 1st Stage (Tail)	7952	15727	5%
Production 2nd Stage (Tail)	0	6517	25%

Contingency Plan:

Casing String	# Sks	Wt. (lb/gal)	Yld (ft3/sack)	H20 (gal/sk)	500# Comp. Strength (hours)	Slurry Description
Surface (Lead)	N/A	N/A	N/A	N/A	N/A	N/A
Surface (Tail)	446	14.8	• 1.33	6.365	5:26	Class C Cement, Accelerator
Intermediate (Lead)	878	12.9	1.88	10.130	14:22	Pozzolan Cement, Retarder
Intermediate (Tail)	155	14.8	1.33	6.370	12:45	Class C Cement, Accelerator
Intermediate II 1st Stage (Lead)	N/A	N/A	N/A	N/A	N/A	N/Å
Intermediate II 1st Stage (Tail)	154	13.2	1.65	8.640	11:54	Class H Cement, Retarder, Dispersant, Salt
<u> </u>					,	vn the Intermediate annulus
Intermediate II 2nd Stage (Lead)	<u>N/A</u>	<u>N/A</u>	N/A	N/A	N/A	N/A
Intermediate II 2nd Stage (Tail)	359	12.9	1.92	10.410	23:10	Class C Cement, Accelerator
Production (Lead)	N/A	N/A	N/A ·	N/A	N/A	N/A
Production (Tail)	744	13.2	1.38	6.686	3:49	Class H Cement, Retarder, Dispersant, Salt

Casing String	Top (ft)	Bottom (ft)	% Excess
Surface (Lead)	N/A	N/A	N/A
Surface (Tail)	0	416	100%
Intermediate (Lead)	0	3605	50%
Intermediate (Tail)	3605	4105	20%
Intermediate II 1st Stage (Lead)	N/A	N/A	N/A
Intermediate II 1st Stage (Tail)	6517	9658	5%
Intermediate II 2nd Stage (Lead)	N/A	N/A	N/A
Intermediate II 2nd Stage (Tail)	0	6517	25%
Production (Lead)	N/A	N/A	N/A
Production (Tail)	9158	15727	20%

*Contingency design will only be employed if Oxy elects to run 7.625" Intermediate II string.

*OXY requests a variance to cement the 7-5/8" intermediate casing strings offline, see attached for additional information.

BOP installed and tested before drilling which hole?	Size?	Min. Required WP	Tj	pe	*	Tested to:
		3M	Anr	Annular		70% of working pressure
10.058 11.1.	12 6/02		Blind	l Ram	1	
12.25" Hole	13-5/8"		Pipe	Ram		250 psi / 3000 psi
		3M	Doubl	le Ram	1	
		r	Other*			
	13-5/8"	3M	Anr	Annular		70% of working pressure
8.5" Hole		3М	Blind Ram Pipe Ram Double Ram		✓	– 250 psi / 3000 psi
8.5 Hole						
		JM			✓	
			Other*			7
		3M	Anr	nular	~	70% of working pressure
6.75" Hole	13-5/8"		Blind	Blind Ram		
(Contingency)		3M	Pipe	Ram		
			Double Ram		1	250 psi / 3000 psi
		· · · ·	Other*		·. ·	1

4. Pressure Control Equipment

*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.

Forma	ation 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						
	r, a pressure integrity test of each casing shoe shall be performed. Will be tested in					
accord	lance with Onshore Oil and Gas Order #2 III.B.1.i.					
A var	iance is requested for the use of a flexible choke line from the BOP to Choke					
Manif	fold. See attached for specs and hydrostatic test chart.					
Y	Are anchors required by manufacturer?					
A mu	tibowl or a unionized multibowl wellhead system will be employed. The wellhead					
and co	onnection to the BOPE will meet all API 6A requirements. The BOP will be tested					
per O	nshore Order #2 after installation on the surface casing which will cover testing					
requir	ements 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 at	tached schematics.					

OXY USA Inc. - Arkenstone 31 Federal 3H – Amended Drill Plan

BOP Break Testing Request

As per the agreement reached in the Oxy/BLM meeting on Feb 22, 2018, Oxy requests permission to allow BOP Break Testing under the following conditions:

- After a full BOP test is conducted on the first well on the pad.
- When skidding to drill an intermediate section that casing point is either shallower than the third Bone Spring or 10,000 feet TVD.
- Full BOP test will be required prior to drilling any production hole.

5. Mud Program

Depth From (ft) To (ft)		The second secon		* 7	Water Loss
		Туре	Weight (ppg)	Viscosity	
0	416	Water-Based Mud	8.6 8.8	40-60	N/C
416	4105	Saturated Brine-Based Mud	9.8-10.0	35-45	N/C
4105	15727	Water-Based or Oil- Based Mud	8.0-9.6	38-50	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.

What will be used to monitor the loss or gain	PVT/MD Totco/Visual Monitoring
of fluid?	

6. Logging and Testing Procedures

Logg	ing, 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	····	

5 Amended Drilling Plan

OXY USA Inc. - Arkenstone 31 Federal 3H – Amended Drill Plan

7. Drilling Conditions

Condition	Specify what type and where?		
BH Pressure at deepest TVD	5075 psi		
Abnormal Temperature	No		
BH Temperature at deepest TVD	162°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.	Yes
• 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.	
Will more than one drilling rig be used for drilling operations? If yes, describe.	Yes
• 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.	

Total estimated cuttings volume: 1477.2 bbls.

9. Company Personnel

Name	Title	Office Phone	<u>Mobile Phone</u>
Linsay Earle	Drilling Engineer	713-350-4921	832-596-5507
Margaret Giltner	Drilling Engineer Supervisor	713-366-5026	210-683-8480
Simon Benavides	Drilling Superintendent	713-522-8652	281-684-6897
Diego Tellez	Drilling Manager	713-350-4602	713-303-4932

OXY USA Inc. – Arkenstone 31 Federal #3H – Amended Cementing Program

3. Cementing Program - Amended

Primary Plan:

Casing String	# Sks	Wt. (lb/gal)	Yld (ft3/sack)	H20 (gal/sk)	500# Comp. Strength (hours)	Slurry Description
Surface (Lead)	N/A	N/A	N/A	N/A	N/A	N/A
Surface (Tail)	446	14.8	1.33	6.365	5:26	Class C Cement, Accelerator
Intermediate (Lead)	954	12.9	1.73	8.784	15:26	Pozzolan Cement, Retarder
Intermediate (Tail)	155	14.8	1.33	6.368	7:11	Class C Cement, Accelerator
Production 1st Stage (Lead)	N/A	N/A	N/A	N/A	N/A	N/A
Production 1st Stage (Tail)	1840	13.2	1.38	6.686	3:49	Class H Cement, Retarder, Dispersant, Salt
2nd Stage Product	ion Lead Shurry	to be pumped	l as Bradenhea	d Squeeze fro	om surface, dow	n the Production annulus.
Production 2nd Stage (Tail)	1015	12.9	1.872	10.11 ⁻	21:54	Class C Cement, Accelerator

Casing String	Top (ft)	Bottom (ft)	% Excess
Surface (Lead)	N/A	Ň/A	N/A
Surface (Tail)	0	416	100%
Intermediate (Lead)	0	3605	50%
Intermediate (Tail)	3605	4105	20%
Production 1st Stage (Lead)	N/A	N/A	N/A
Production 1st Stage (Tail)	6517	15727	5%
Production 2nd Stage (Tail)	0	6517	50%

OXY USA Inc. APD Attachment Offline Cementing

OXY respectfully requests a variance to cement the 9-5/8" and/or 7-5/8" intermediate casing strings offline.

The summarized operational sequence will be as follows:

- 1. Run casing as per normal operations. While running casing, conduct negative pressure test and confirm integrity of the float equipment (float collar and shoe).
- 2. Land casing.
- 3. Fill pipe with kill weight fluid, and confirm well is static.
 - a. If well is not static notify BLM and kill well.
 - b. Once well is static notify BLM with intent to proceed with nipple down and offline cementing.
- 4. Set and pressure test annular packoff.
- 5. After confirmation of both annular barriers and internal barriers, nipple down BOP and install cap flange. If any barrier fails to test, the BOP stack will not be nippled down until after the cement job is completed.
- 6. Skid rig to next well on pad.
- 7. Confirm well is static before removing cap flange.
- 8. If well is not static notify BLM and kill well prior to cementing or nippling up for further remediation.
- 9. Install offline cement tool.
- 10. Rig up cement equipment.
 - a. Notify BLM prior to cement job.
- 11. Perform cement job.
- 12. Confirm well is static and floats are holding after cement job.
- 13. Remove cement equipment, offline cement tools and install night cap with pressure gauge for monitoring.

FMSS

U.S. Department of the Interior BUREAU OF LAND MANAGEMENT

SUPO Data Report

01/07/2020

APD ID: 10400038574

Operator Name: OXY USA INCORPORATED

Well Name: ARKENSTONE 31 FEDERAL

Submission Date: 01/29/2019

Row(s) Exist? NO

Well Number: 3H Well Work Type: Drill Highlighted data reflects the most recent changes Show Final Text

Well Type: OIL WELL

Section 1 - Existing Roads

Will existing roads be used? YES

Existing Road Map:

Arkenstone31Fd3H_VicinityMapAmd_20190829081229.pdf Arkenstone31Fd3H_LocDrillPathAmd_20190829081249.pdf Arkenstone31Fd3H_NewRoadAmd_20190829081302.pdf Existing Road Purpose: FLUID TRANSPORT

ROW ID(s)

ID:

Do the existing roads need to be improved? NO Existing Road Improvement Description:

Existing Road Improvement Attachment:

Section 2 - New or Reconstructed Access Roads

Will new roads be needed? YES

New Road Map:

Arkenstone31Fd3H_NewRoadAmd_20190829081356.pdf

New road type: LOCAL

Length: 2902 Feet Width (ft.): 25

Max slope (%): 0

3

Max grade (%): 0

Army Corp of Engineers (ACOE) permit required? NO

ACOE Permit Number(s):

New road travel width: 14

New road access erosion control: Watershed Diversion every 200' if needed.

New road access plan or profile prepared? YES

New road access plan attachment:

Operator Name: OXY USA INCORPORATED Well Name: ARKENSTONE 31 FEDERAL

Well Number: 3H

Arkenstone31Fd3H_NewRoadAmd_20190829081415.pdf

Access road engineering design? NO

Access road engineering design attachment:

Turnout? N

Access surfacing type: OTHER

Access topsoil source: ONSITE

Access surfacing type description: Caliche

Access onsite topsoil source depth: 0

Offsite topsoil source description:

Onsite topsoil removal process: If available

Access other construction information: None

Access miscellaneous information: The access road will run from an existing road going 184' southwest, then 1659' northwest, then 261' east through pasture to the southwest corner of the pad. Number of access turnouts: Access turnout map:

Drainage Control

New road drainage crossing: CULVERT

Drainage Control comments: Watershed Diversion every 200' if needed.

Road Drainage Control Structures (DCS) description: Watershed Diversion every 200' if needed.

Road Drainage Control Structures (DCS) attachment:

Access Additional Attachments

Section 3 - Location of Existing Wells

Existing Wells Map? YES

Attach Well map:

Arkenstone31Fd3H_ExistWells_20190128163021.pdf

Section 4 - Location of Existing and/or Proposed Production Facilities

Submit or defer a Proposed Production Facilities plan? SUBMIT

Production Facilities description: a. In the event the well is found productive, the Sand Dunes Precious Central Tank Battery would be utilized and the necessary production equipment will be installed at the well site. See proposed facilities layout diagram. b. All flow lines will adhere to API standards. They will consist of 3 – 4" composite flowlines operating 75% MAWP, surface to follow surveyed route. Survey of a strip of land 30' wide and 2151.4' in length crossing USA land in Sections 30 & 31, T23S R31E, NMPM, Eddy County, NM and being 15' left and 15' right of the centerline survey. Two–6" steel gas lift hp line operating 1500 psig, buried, lines to follow surveyed route. Survey of a strip of land 30' wide and 2654.2'

perator Name: OXY USA INCO	RPORATED	
Vell Name: ARKENSTONE 31 FE	EDERAL Well N	lumber: 3H
nterline survey. See attached. c. 92.6' in length crossing USA land	Electric line will follow a route app 1 in Sections 31 T23S R31E NMPI . d. See attached for additional infe	Eddy County, NM and being 15' left and 15' right of th roved by the BLM. Survey of a strip of land 30' wide a A, Eddy County, NM and being 15' left and 15' right of prmation on the Sand Dunes Precious/Arkenstone
kenstone31Fd3H_FacilityPLELA	md_20190829081711.pdf	
kenstone31Fd3H_LeaseFacilityIr	nfoAmd_20190829081726.pdf	
Section 5 - Location	and Types of Water Sup	pply
Water Source T	able	
Water source type: GW WELL		
Water source use type:	SURFACE CASING	
	INTERMEDIATE/PRODUCT CASING	ION
	OTHER	Describe use type: Drilling
Source latitude:		Source longitude:
Source datum:		
Water source permit type:	WATER WELL	
Water source transport metho	d: PIPELINE	
	TRUCKING	
	INCOMING	
Source land ownership: COM	MERCIAL	
Source transportation land ow	nership: COMMERCIAL	
Water source volume (barrels)	: 2000	Source volume (acre-feet): 0.25778618
Source volume (gal): 84000		

Water source and transportation map:

Arkenstone31Fd3H_GRRWtrSrc_20190128163531.pdf

Arkenstone31Fd3H_MesqWtrSrc_20190128163541.pdf

Water source comments: This well will be drilled using a combination of water mud systems. It will be obtained from commercial water stations (Gregory Rockhouse, Mesquite) in the area and will be hauled to location by transport truck using existing and proposed roads.

New Water Well Info

Well latitude:

Well Longitude:

Well datum:

Operator Name: OXY USA INCORPORATED Well Name: ARKENSTONE 31 FEDERAL

Well Number: 3H

Well target aquifer:	·.
Est. depth to top of aquifer(ft):	Est thickness of aquifer:
Aquifer comments:	· · · ·
Aquifer documentation:	•
Well depth (ft):	Well casing type:
Well casing outside diameter (in.):	Well casing inside diameter (in.):
New water well casing?	Used casing source:
Drilling method:	Drill material:
Grout material:	Grout depth:
Casing length (ft.):	Casing top depth (ft.):
Well Production type:	Completion Method:
Water well additional information:	,
State appropriation permit:	
Additional information attachment:	

Section 6 - Construction Materials

Using any construction materials: YES

Construction Materials description: Primary - All caliche utilized for the drilling pad and proposed access road will be obtained from an existing BLM/State/Fee approved pit or from prevailing deposits found on the location. Will use BLM recommended extra caliche from other locations close by for roads, if available. Secondary - The secondary way of obtaining caliche to build locations and roads will be by "turning over" the location. This means, caliche will be obtained from the actual well site. A caliche permit will be obtained from BLM prior to pushing up any caliche. 2400 cubic yards is max amount of caliche needed for pad and roads. Amount will vary for each pad. The procedure below has been approved by BLM personnel: a. The top 6" of topsoil is pushed off and stockpiled along the side of the location. b. An approximate 120' X 120' area is used within the proposed well site to remove caliche. c. Subsoil is removed and piled alongside the 120' X 120' within the pad site. d. When caliche is found, material will be stockpiled within the pad site to build the location and road. e. Then subsoil is pushed back in the hole and caliche is spread accordingly across entire location and road. f. Once the well is drilled the stockpiled top soil will be used for interim reclamation and spread along areas where caliche is picked up and the location size is reduced. Neither caliche nor subsoil will be stockpiled outside of the well pad. Topsoil will be stockpiled along the edge of the pad. Caliche will be provided from a pit located in Section 7 T24S R31E. Water will be provided from a frac pond located in Sections 7 T24S R31E.

Construction Materials source location attachment:

Section 7 - Methods for Handling Waste

Waste type: DRILLING

Waste content description: Water-Based Cuttings, Water-Based Mud, Oil-Based Cuttings, Oil-Based Mud, Produced Water

Amount of waste: 1477.2 barrels

Waste disposal frequency : Daily

Safe containment description: Haul-Off Bins

Safe containmant attachment:

· · · · · · · · · · · · · · · · · · ·	
Operator Name: OXY USA INCORPORATED	
Well Name: ARKENSTONE 31 FEDERAL	Well Number: 3H
Waste disposal type: HAUL TO COMMERCIAL Dispos FACILITY Disposal type description:	sal location ownership: COMMERCIAL
Disposal location description: An approved facility that c water, contaminated soils, and other non-hazardous waster	an process drill cuttings, drill fluids, flowback water, produced s.
Decemue Dit	
Reserve Pit	
Reserve Pit being used? NO	
Temporary disposal of produced water into reserve pit	?
Reserve pit length (ft.) Reserve pit width (ft.)	
Reserve pit depth (ft.)	Reserve pit volume (cu. yd.)
Is at least 50% of the reserve pit in cut?	
Reserve pit liner	
Reserve pit liner specifications and installation descrip	otion
Cuttingo Aroo	
Cuttings Area	
Cuttings Area being used? NO	
Are you storing cuttings on location? YES	
Description of cuttings location A closed loop system wi bins. Disposal of liquids, drilling fluids and cuttings will be d Cuttings area length (ft.)	
Cuttings area depth (ft.)	Cuttings area volume (cu. yd.)
s at least 50% of the cuttings area in cut?	
WCuttings area liner	
Cuttings area liner specifications and installation desc	ription
	•
Section 8 - Ancillary Facilities	
Are you requesting any Ancillary Facilities?: NO	
Ancillary Facilities attachment:	
Anomary i domineo ataonment.	
Commenter	
Comments:	

.

Well Name: ARKENSTONE 31 FEDERAL

Well Number: 3H

Section 9 - Well Site Layout

Well Site Layout Diagram:

Arkenstone31Fd3H_WellSiteCLAmd_20190829081912.pdf

Comments: V-Door-East - CL Tanks-North - 330' X 1240' - 9 Well Pad

Section 10 - Plans for Surface Reclamation

Type of disturbance: New Surface Disturbance

Multiple Well Pad Name: ARKENSTONE 31 FEDERAL

Multiple Well Pad Number: 3H

Recontouring attachment:

Drainage/Erosion control construction: Reclamation to be wind rowed as needed to control erosion

Drainage/Erosion control reclamation: Reclamation to be wind rowed as needed to control erosion

Well pad proposed disturbance (acres): 9.39	Well pad interim reclamation (acres): 2.13	Well pad long term disturbance (acres): 7.26
	Road interim reclamation (acres): 1.07	0.02
Powerline proposed disturbance (acres): 1.03 Pipeline proposed disturbance (acres): 3.31 Other proposed disturbance (acres): 0	Powerline interim reclamation (acres): 1.03 Pipeline interim reclamation (acres): 2.21 Other interim reclamation (acres): 0.33	Powerline long term disturbance (acres): 0 Pipeline long term disturbance (acres): 1.1 Other long term disturbance (acres): 0
Total proposed disturbance: 15.73	Total interim reclamation: 6.77	Total long term disturbance: 9.29

Disturbance Comments: See Below

Reconstruction method: If the well is deemed commercially productive, caliche from the areas of the pad site not required for operations will be reclaimed. The original topsoil will be returned to the area of the drill pad not necessary to operate the well. These unused areas of the drill pad will be contoured, as close as possible, to match the original topography, and the area will be seeded with an approved BLM mixture to re-establish vegetation. After concluding the drilling and/or completion operations, if the well is found non-commercial, the caliche will be reclaimed as directed by the BLM. The original topsoil will again be returned to the pad and contoured, as close as possible, to the original topography, and the area will be seeded with an approved BLM mixture to re-establish vegetation.

Topsoil redistribution: The original topsoil will be returned to the area of the drill pad not necessary to operate the well.

Soil treatment: To be determined by the BLM.

Existing Vegetation at the well pad: To be determined by the BLM at Onsite.

Existing Vegetation at the well pad attachment:

Existing Vegetation Community at the road: To be determined by the BLM at Onsite.

Existing Vegetation Community at the road attachment:

Well Name: ARKENSTONE 31 FEDERAL

Well Number: 3H

Existing Vegetation Community at the pipeline: To be determined by the BLM at Onsite.

Existing Vegetation Community at the pipeline attachment:

Existing Vegetation Community at other disturbances: To be determined by the BLM at Onsite.

Existing Vegetation Community at other disturbances attachment:

Non native seed used? NO

Non native seed description:

Seedling transplant description:

Will seedlings be transplanted for this project? NO

Seedling transplant description attachment:

Will seed be harvested for use in site reclamation? NO Seed harvest description:

Seed harvest description attachment:

Seed Management

Seed Table

Seed Summary
Seed Type Pounds/Acre

Total pounds/Acre:

Seed reclamation attachment:

Operator Contact/Responsible Official Contact Info

First Name: Jim

Phone: (575)631-2442

Last Name: Wilson

Seedbed prep:

Seed BMP:

Seed method:

Existing invasive species? NO

Existing invasive species treatment description:

Existing invasive species treatment attachment:

Well Name: ARKENSTONE 31 FEDERAL

Well Number: 3H

Weed treatment plan description: To be determined by the BLM.

Weed treatment plan attachment:

Monitoring plan description: To be determined by the BLM.

Monitoring plan attachment:

Success standards: To be determined by the BLM.

Pit closure description: NA

Pit closure attachment:

Section 11 - Surface Ownership

Disturbance type: WELL PAD Describe: Surface Owner: BUREAU OF LAND MANAGEMENT Other surface owner description: BIA Local Office: BOR Local Office: COE Local Office: DOD Local Office: NPS Local Office: State Local Office: USFWS Local Office: Other Local Office: USFS Region:

USFS Forest/Grassland:

USFS Ranger District:

Disturbance type: PIPELINE Describe: Surface Owner: BUREAU OF LAND MANAGEMENT Other surface owner description: BIA Local Office:

BOR Local Office:

Operator Name: OXY USA INCORPORATED			
Well Name: ARKENSTONE 31 FEDERAL	Well Numbe	r: 3H	
COE Local Office:			
OOD Local Office:			
NPS Local Office:			
State Local Office:			
filitary Local Office:			
JSFWS Local Office:			
Other Local Office:			
JSFS Region:			
JSFS Forest/Grassland:	USFS Range	er District:	
			2
	•		
Disturbance type: OTHER			
Describe: Electric Line	х		:
Surface Owner: BUREAU OF LAND MANAGEMENT			
Other surface owner description:			
BIA Local Office:			
BOR Local Office:			
COE Local Office:			
OOD Local Office:			
NPS Local Office:			
State Local Office:			
Ailitary Local Office:			
JSFWS Local Office: Other Local Office:			
JSFS Region:			
JSFS Forest/Grassland:	USFS Range	r District	
	UUFU NANYE		•
· · · · ·			Page 9 of 11
		1	Page 9 of 11

Well Name: ARKENSTONE 31 FEDERAL

Well Number: 3H

Disturbance type: NEW ACCESS ROAD	
Describe:	
Surface Owner: BUREAU OF LAND MANAGEMENT	
Other surface owner description:	
BIA Local Office:	
BOR Local Office:	
COE Local Office:	
DOD Local Office:	
NPS Local Office:	
State Local Office:	
Military Local Office:	
USFWS Local Office:	
Other Local Office:	
USFS Region:	
USFS Forest/Grassland:	USFS Ranger District:

Section 12 - Other Information

Right of Way needed? YES

Use APD as ROW? YES

ROW Type(s): 281001 ROW - ROADS,285003 ROW - POWER TRANS,288100 ROW - O&G Pipeline,289001 ROW- O&G Well Pad

ROW Applications

SUPO Additional Information: Permian Basin MOA - To be submitted after APD acceptance. GIS Shapefiles available for BLM download from shared FTP site after APD submittal. **Use a previously conducted onsite?** NO

Previous Onsite information:

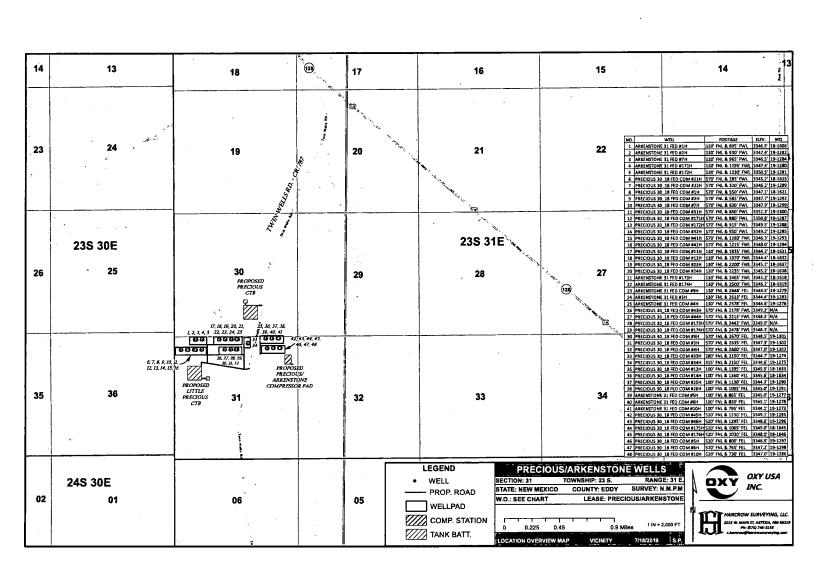
Other SUPO Attachment

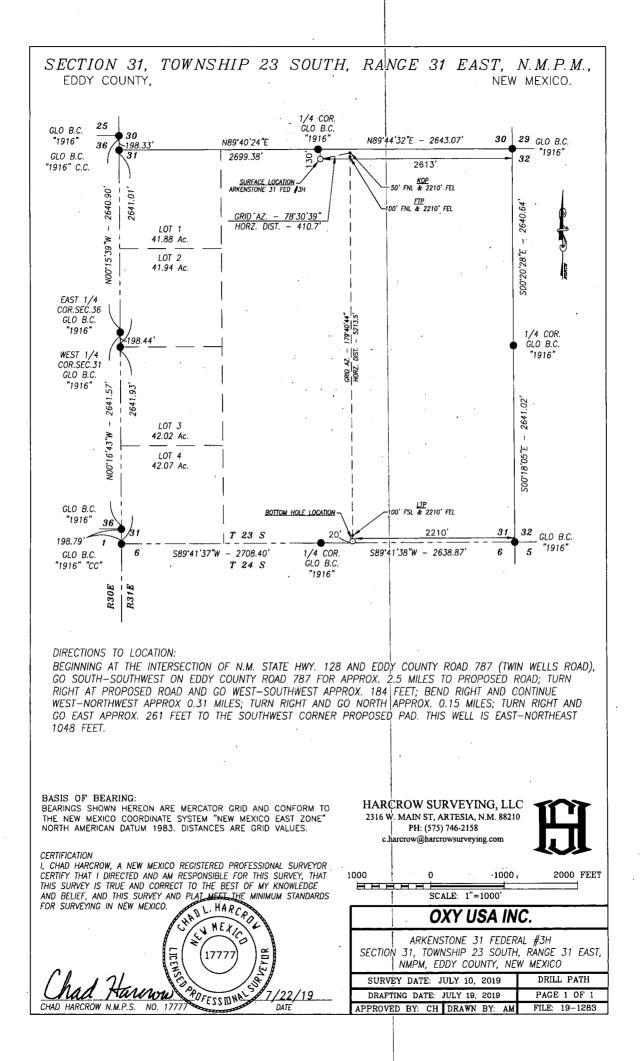
Arkenstone31Fd3H_StakeForm_20190129095405.pdf Arkenstone31Fd3H_GasCapPlanAmd_20190829082226.pdf Arkenstone31Fd3H_ImageryMapAmd_20190829082227.pdf Arkenstone31Fd3H_LandStatusMapAmd_20190829082230.pdf

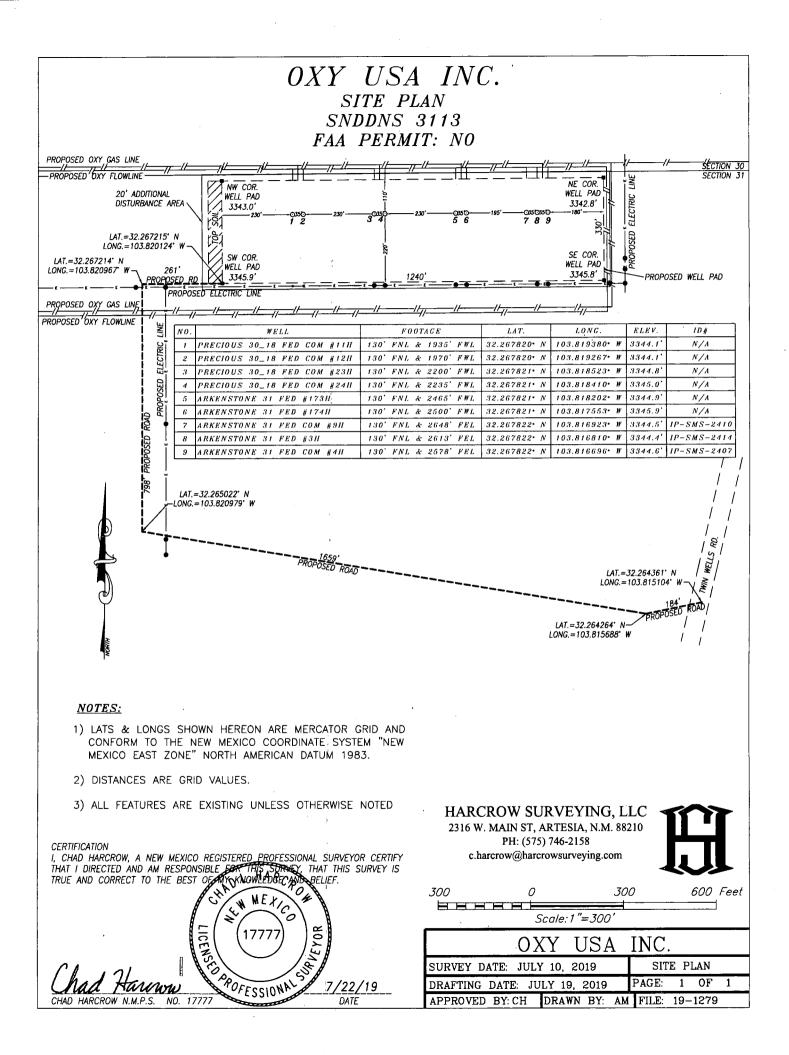
Well Name: ARKENSTONE 31 FEDERAL

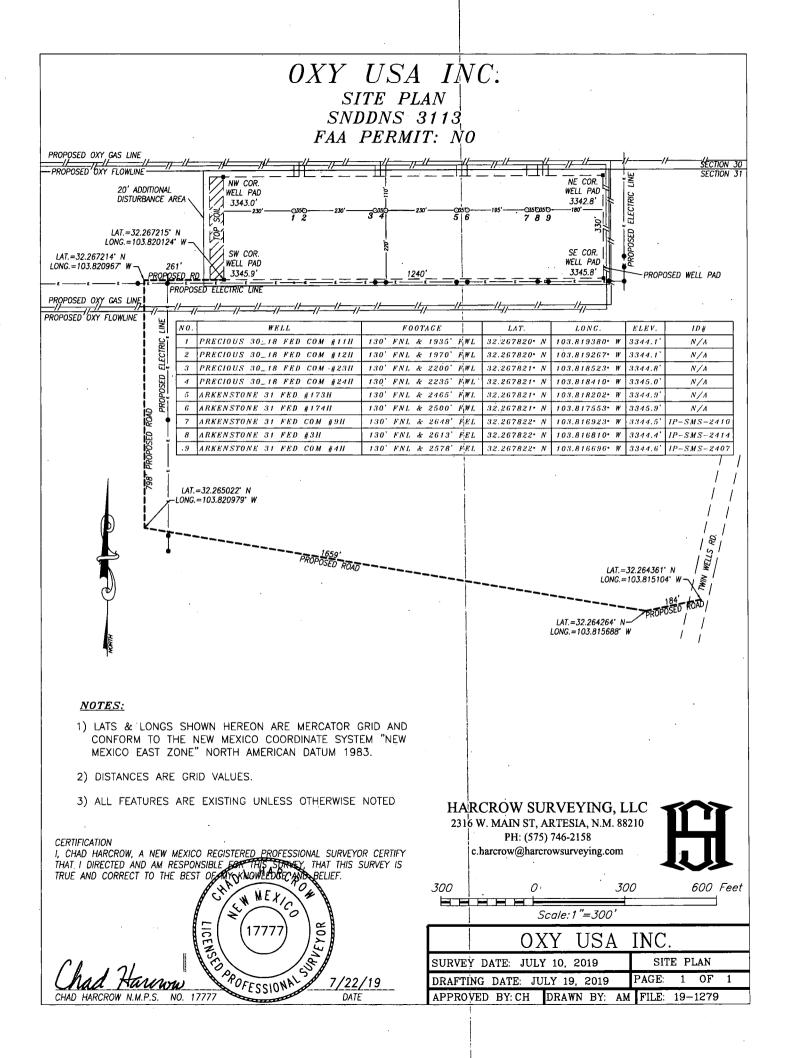
Well Number: 3H

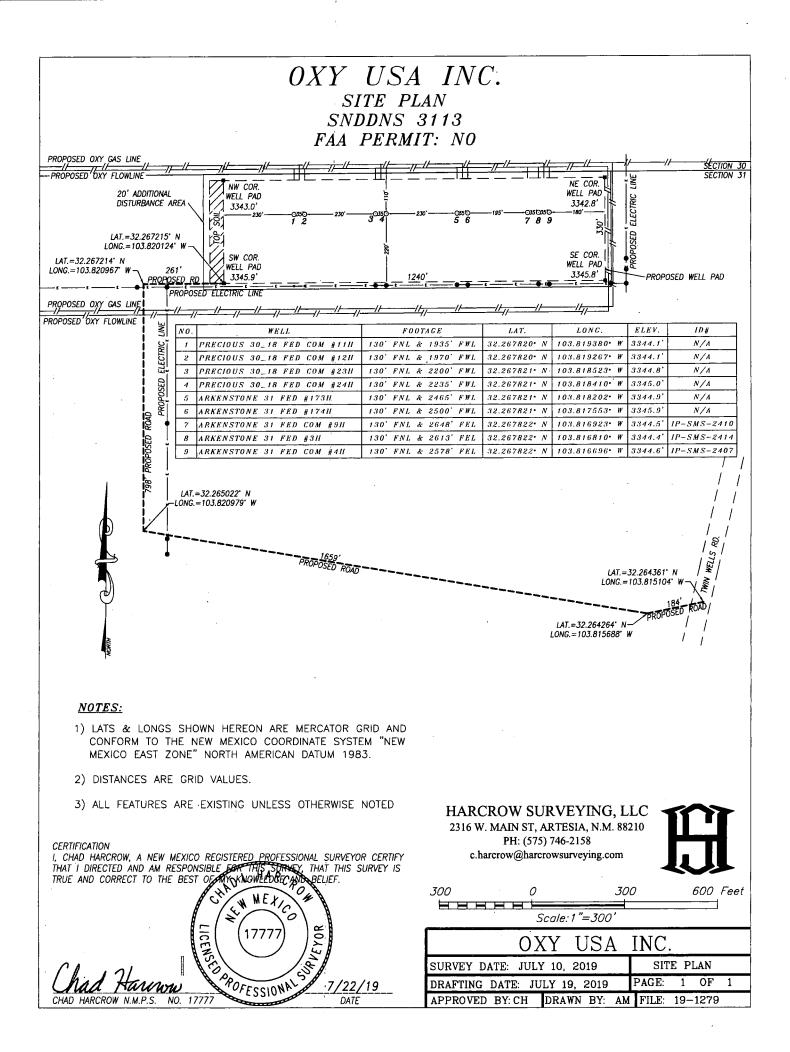
Arkenstone31Fd3H_SUPOAmd_20190829082247.pdf Arkenstone31Fd3H_TopoMapAmd_20190829082250.pdf Arkenstone31Fd3H_VicinityMapAmd_20190829082251.pdf



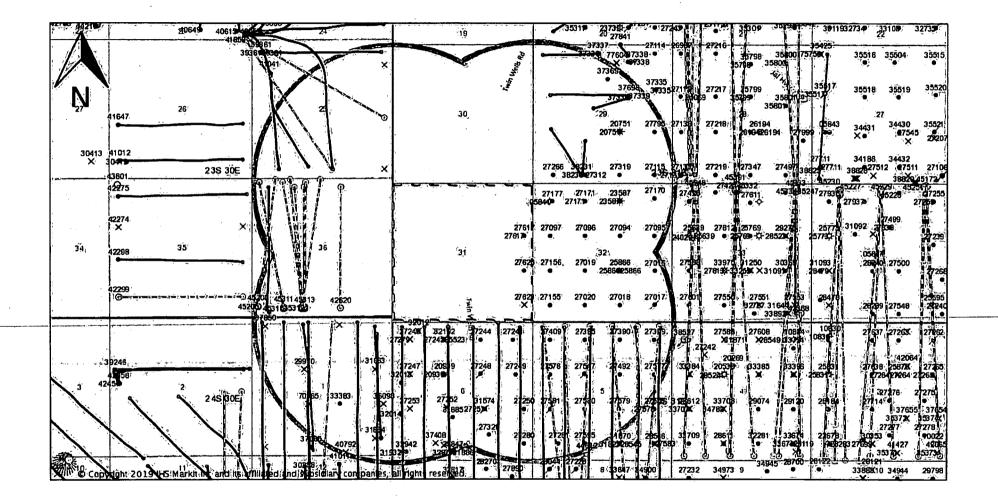






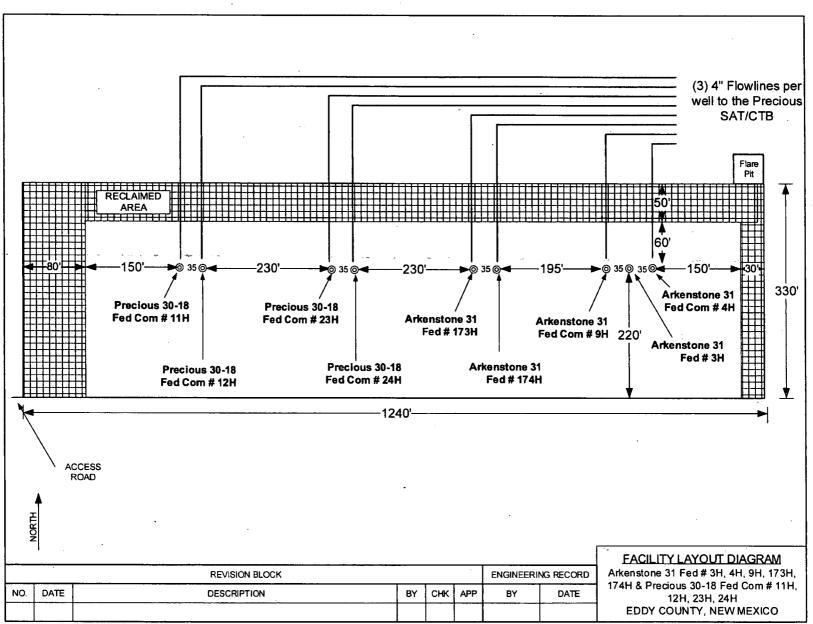


Arkenstone 31 Federal - 1 Mile AOR

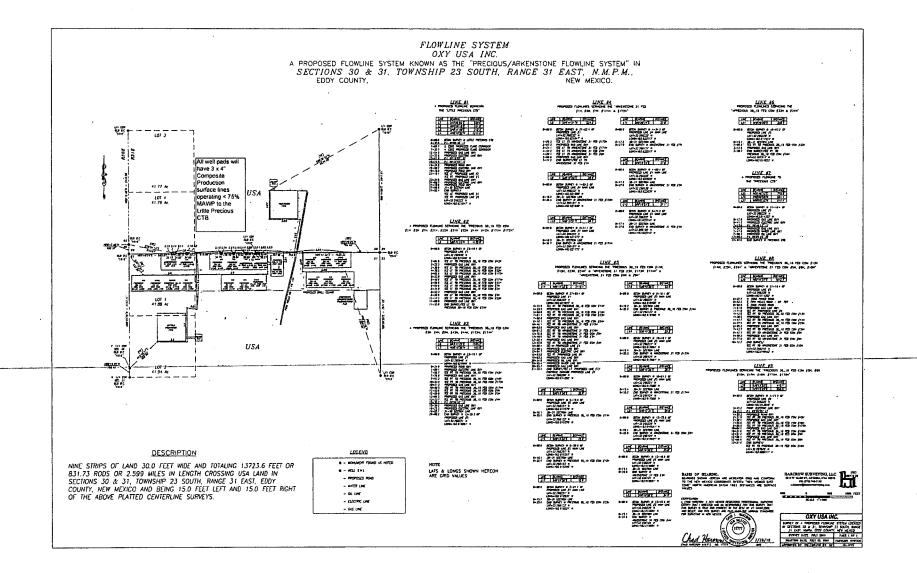


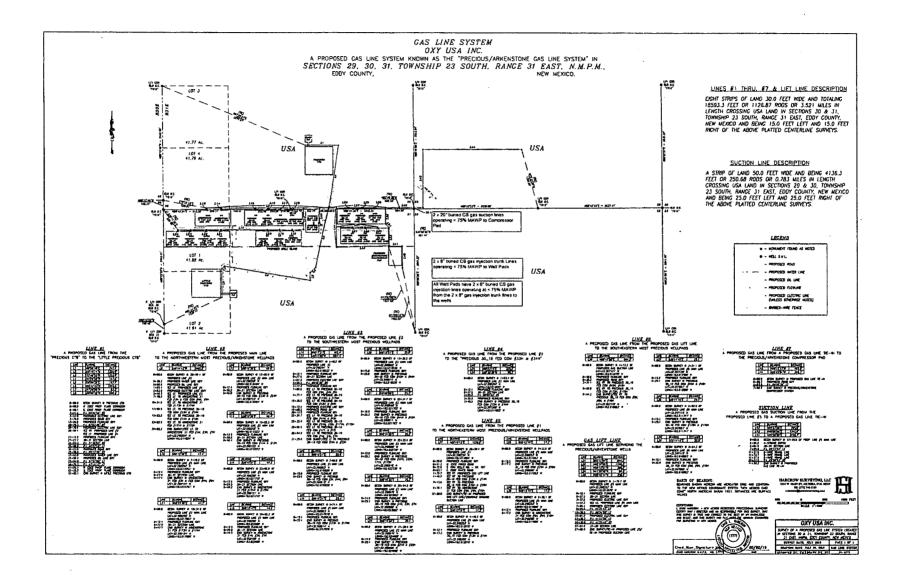
-4 F

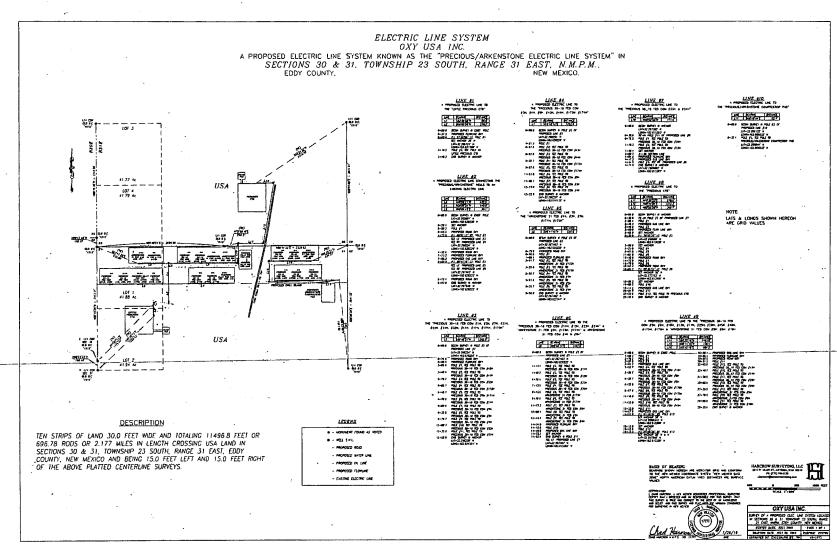
•



.







τ,

Sand Dunes Precious/Arkenstone Development – Surface Production Facilities – Amended 2

CTB/Satellite Site

Two new Central Tank Batteries in SE section 30 and in NW section 31 are required which will be composed of (3) tracts each with the following dimensions: 600'x600', 200'x30', and 150'x150' and access roads. These will be called the Precious CTB and Little Precious CTB respectively.

Reference plats:

- (1) John West Surveying Company W.O. No: 18110359 Survey: 3/26/18 CAD: 4/11/18
- (1) Harcrow Surveying, LLC File No: 19-1406 Site Easement Survey: 7/10/19 CAD: 7/29/19
- (1) Harcrow Surveying, LLC File No: 19-1273 Access Road Survey: 7/19 CAD: 7/25/19

Production Flowlines

Each well will have (3) surface laid flowlines operating at less than 75% of the MAWP of the flowline per the survey plats from the well site to the CTB following access roads. The flowlines will be routed to both CTBs and have the potential to be scrubbed of gas initially at the Precious CTB and the fluid may be transferred to the Little Precious CTB via two (2) 16" buried HDPE lines operating at < 300 PSIG for further liquid separation.

Reference plats per well APD package

- (1) Harcrow Surveying, LLC File No: No: 19-1273 Water line System Survey: 7/19 CAD: 7/26/19
- (2) Harcrow Surveying, LLC File No: No: 19-1273 Flowline System Survey: 7/19 CAD: 7/25/19

Gas Lift

A new Centralized Gas Lift Station will be required in NE section 31 with two (2) 20" CS buried suction lines operating at < 250 PSIG and two (2) 8" CS buried gas lift injection trunk lines operating at < 1500 PSIG. Each well pad will have two

- (2) 6" CS buried gas lift supply lines operating at < 1500 PSIG branching off the 2 common 8" CS main lines. Reference plats per well APD package
- (1) Harcrow Surveying, LLC File No: 19-1273 Gas Line System Survey: 7/19 CAD: 7/26/19
- (1) Harcrow Surveying, LLC File No: 19-46 Survey: 11/18 CAD: 1/9/19

Gas Sales

The Precious CTB in Section 30 and the Little Precious CTB in Section 31 will require gas sales pipelines to existing 3rd party compression. Gas will flow into two (2) 20" CS buried sales line operating at < 250 PSIG.

Reference plats:

(1) John West Surveying Company W.O. No: 18110384 Survey: 3/29/18 CAD: 4/11/18

Oil Sales

The Little Precious CTB will require an oil sales pipeline. Oil will be pumped into two (2) 12" buried pipelines operating less than 750 PSIG and will be sold via pipeline through a 3rd Party Processor.

Reference plats:

(1) John West Surveying Company W.O. No: 18110384 Survey: 3/29/18 CAD: 4/11/18

Water Disposal

The Precious CTB and Little Precious CTB will require a Water Disposal pipeline to the existing water disposal system. Water will be pumped through two (2) 16" HDPE buried lines operating at less than 300 PSIG.

Reference plats:

- (1) John West Surveying Company W.O. No: 18110360 Survey: 3/28/18 CAD: 4/11/18
- (1) Harcrow Surveying, LLC File No: 19-1273 Water Line Survey: 7/19 CAD: 7/26/19

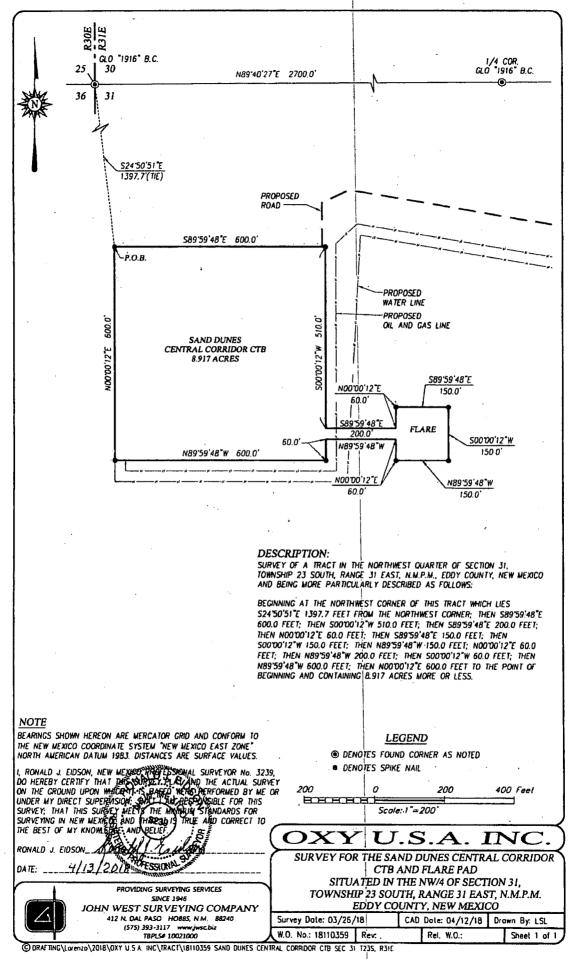
Electrical Systems

The new Precious CTB and Little Precious CTB will require electricity for site lighting, PLC, pumps, etc. Overhead electrical will be taken from the main electrical lines. Electrical overhead connections are required from the existing electrical infrastructure to connect to each individual well pad.

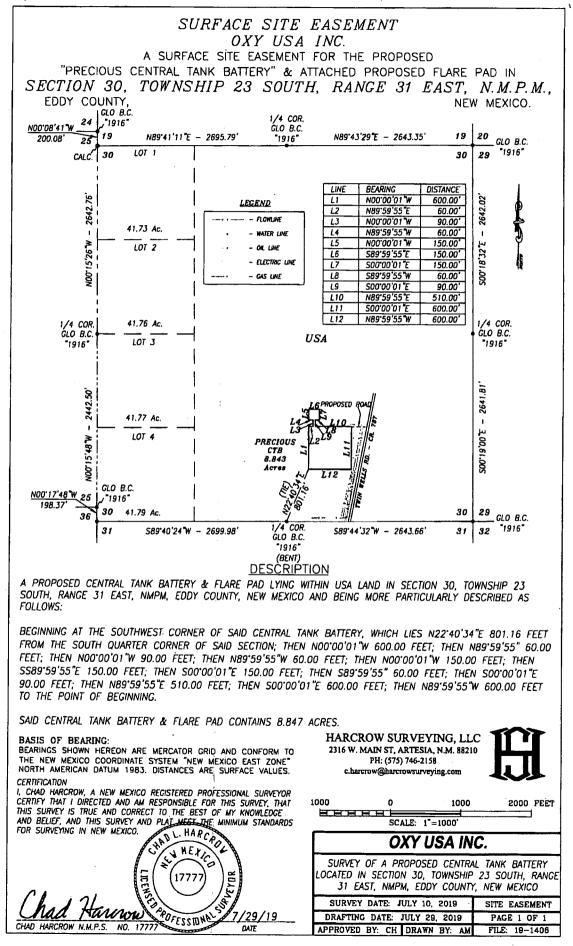
Reference plats:

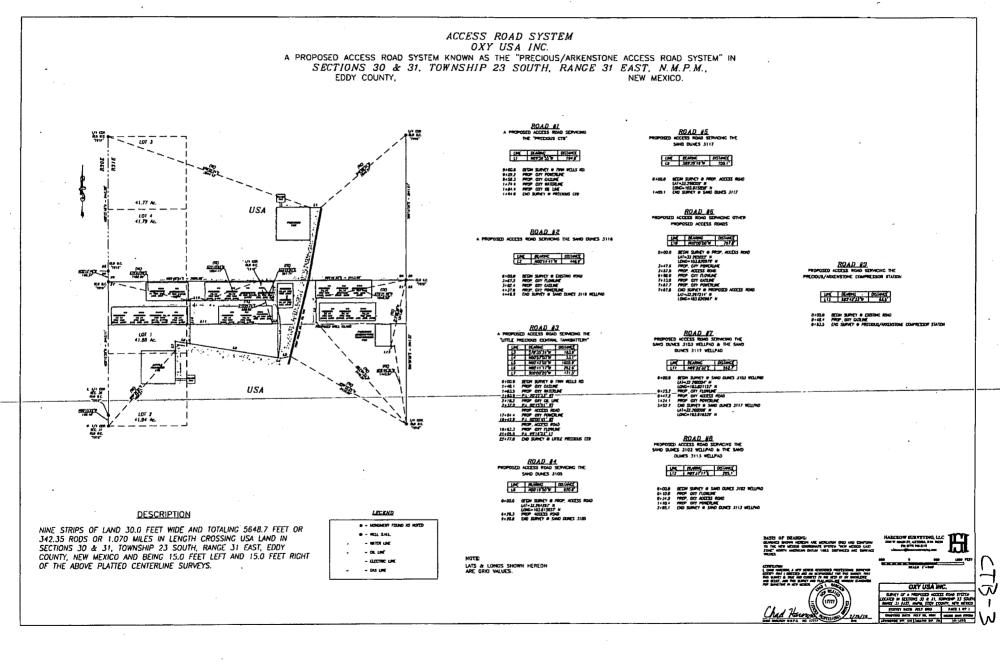
(1) Harcrow Surveying, LLC File No: 19-1273 Electrical System Survey: 7/19 CAD: 7/26/19

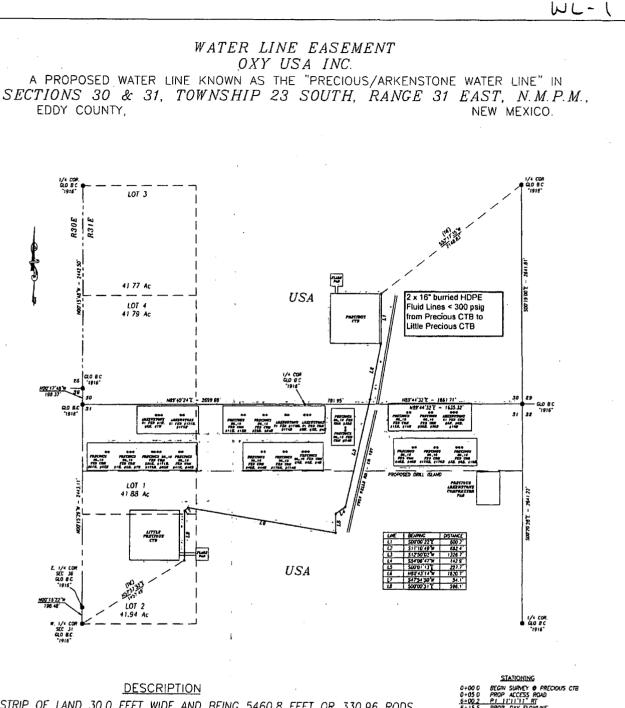
CTB-1



CTB-2

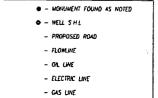






A STRIP OF LAND 30.0 FEET WIDE AND BEING 5460.8 FEET OR 330.96 RODS OR 1.034 MILES IN LENGTH CROSSING USA LAND IN SECTIONS 30 & 31, TOWNSHIP 23 SOUTH, RANGE 31 EAST, EDDY COUNTY, NEW MEXICO AND BEING 15.0 FEET LEFT AND 15.0 FEET RIGHT OF THE ABOVE PLATTED CENTERLINE SURVEY.





BASIS OF BEARING. BURNESS SHOW HEREON ARE UPCATOR GRID AND CONTORN ID THE HAW MEXICO CONTAILE SYSTEM YOR MARKO LAST ID THE HAW MEXICO CONTAILE SYSTEM YOR MARKO LAST IN THE HAW MAN BE ADDINAL TO THE SYSTEM OF
30 48

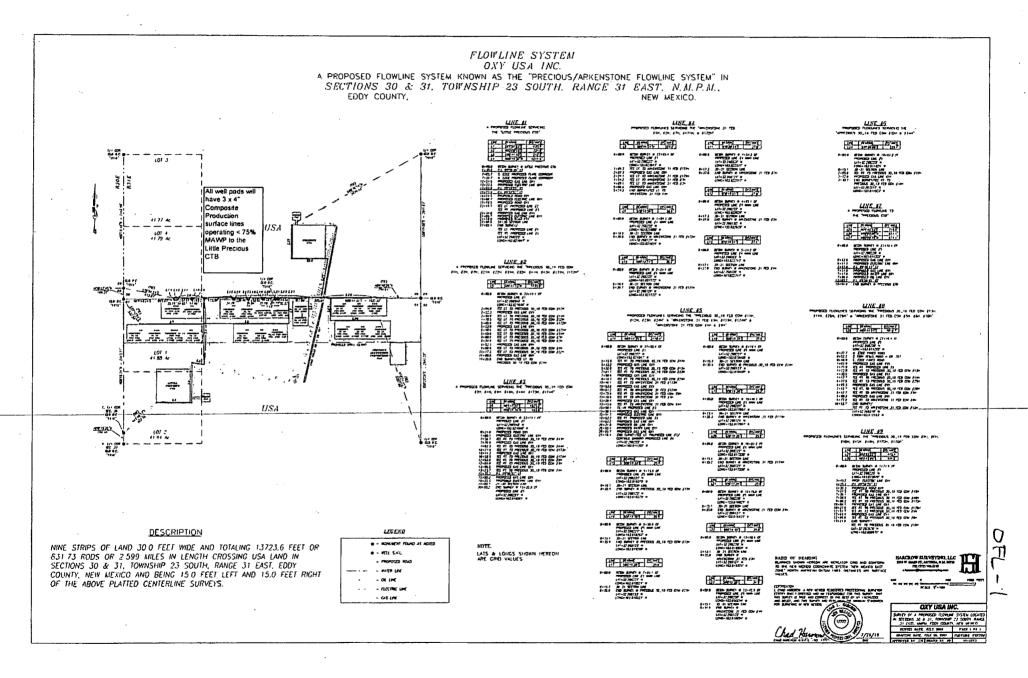


0 0 500 1000

O LITTLE PRECIOUS CTB

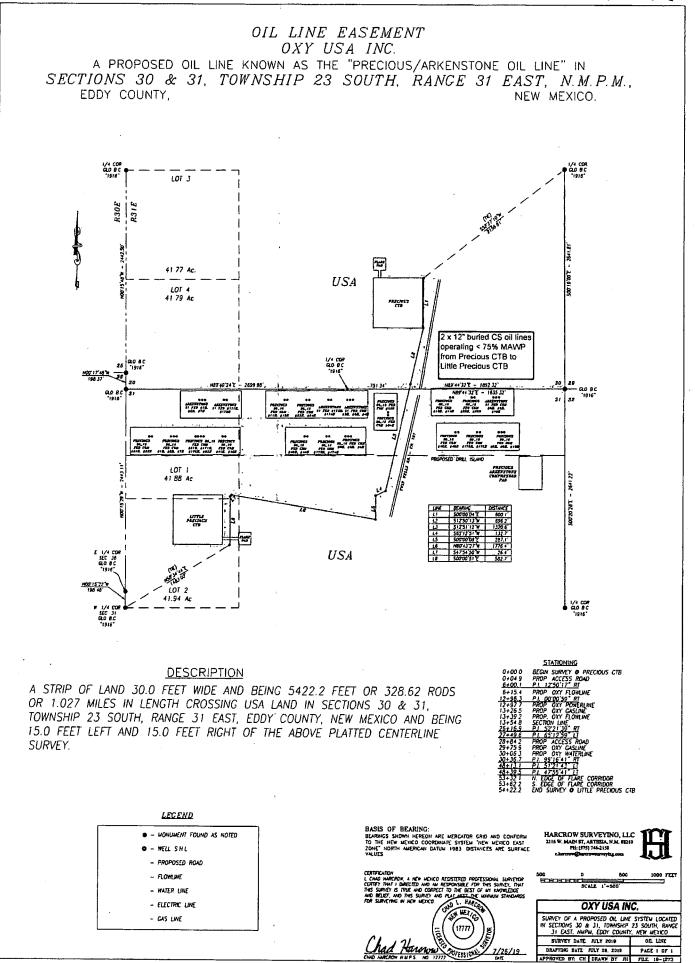
OXY USA INC. SURVEY OF A PROPOSED WATER LIVE LOCATED W IECTIONS 30 & 31, TOMBEDE 23 SOUTH, RAWE 3 EAST, NUPM, EDDY COUNTY, NEW MEXICO SURVEY DATE TOLY 2019 RATE LORE SURVEY DATE TOLY 2019 RATE LORE DATTED DATE TOLY 30, 2019 PAGE 1 OF 1

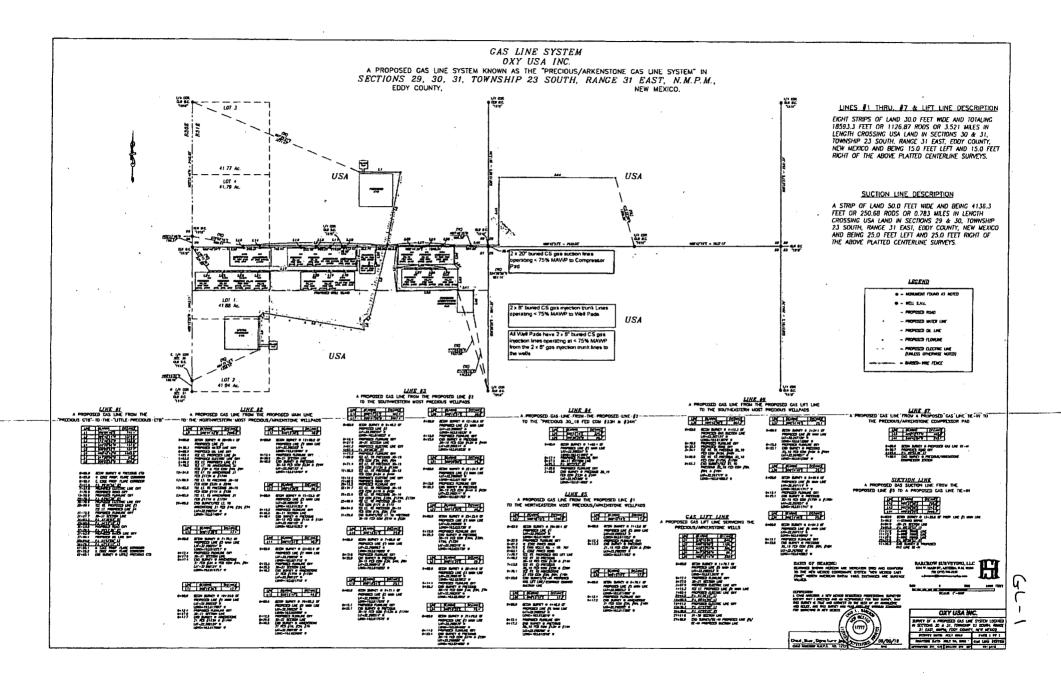
PPROVED BY CH DRAWN BY JH

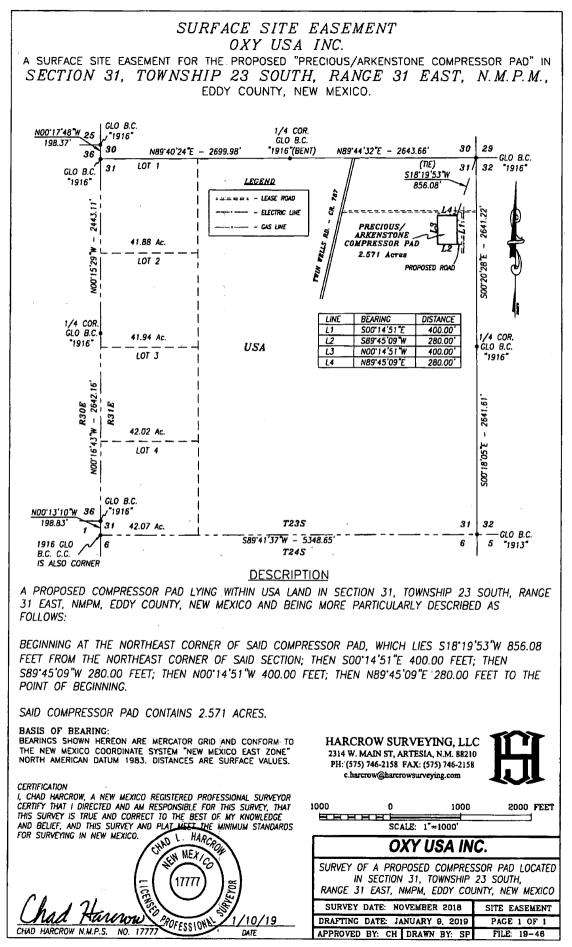


.

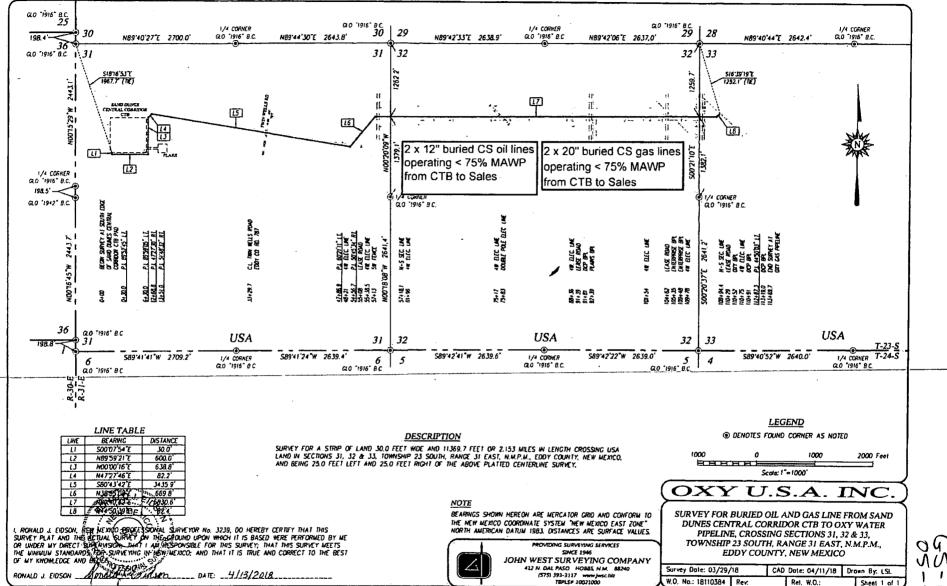
OFL-2





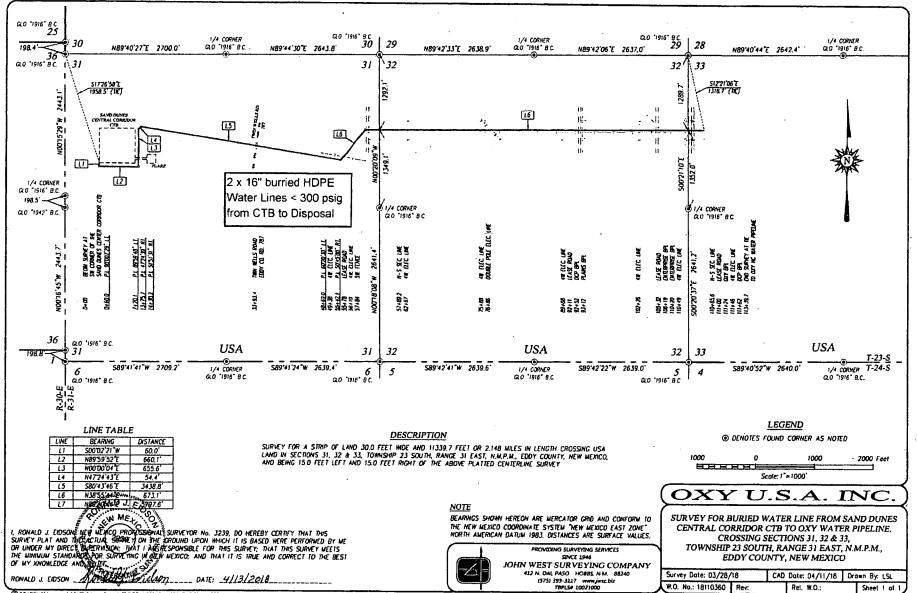


GL-2



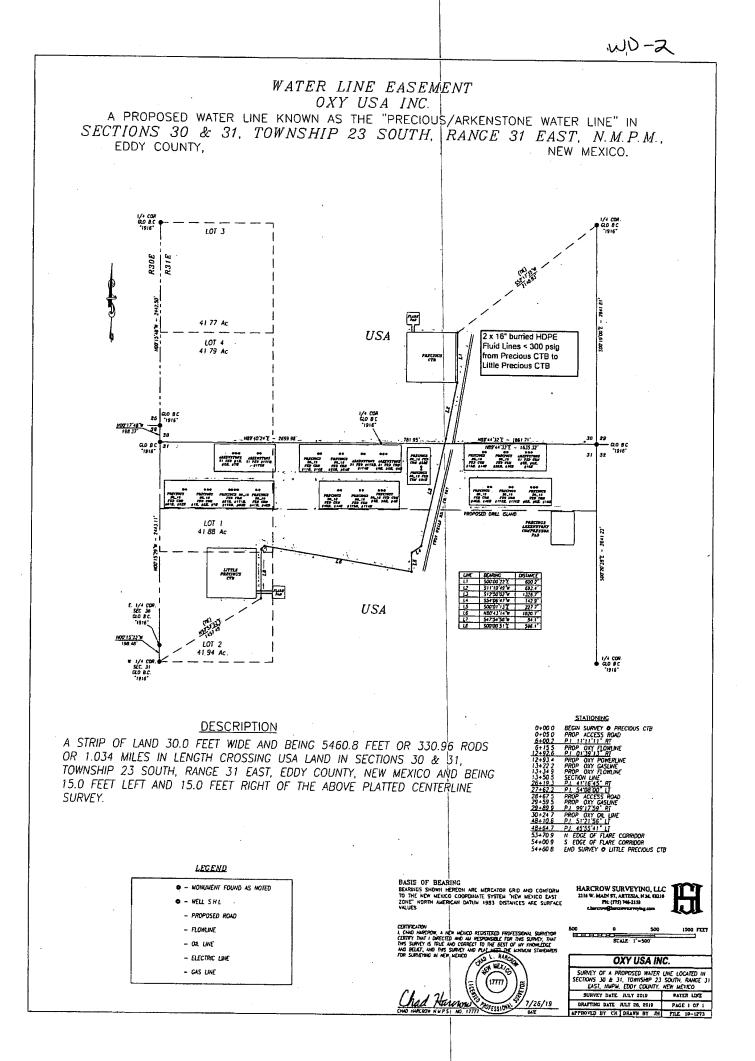
CORAF ING LOTENZO 2018 OXY U S A. INC MPELWES 18110384 BURED OL & GAS 10 OXY GAS ROW SEC 33 1235 R31E

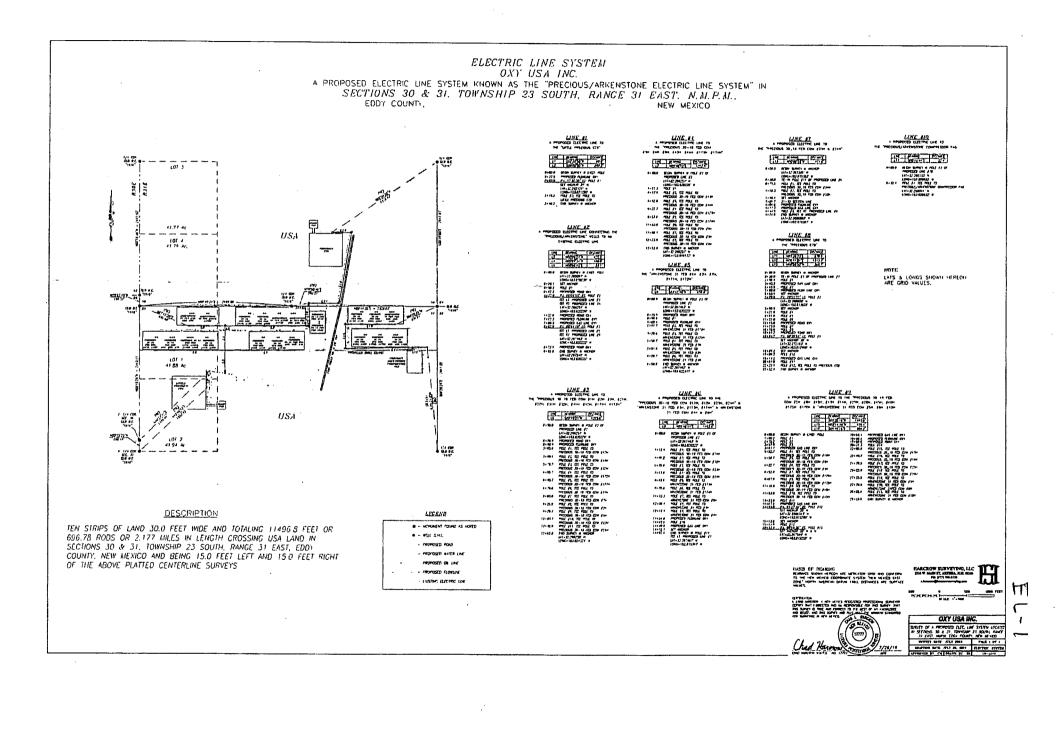
ふい 1



ODRAFTING/LOVENTO/2018/OXY USA INC/PPELINES/18110360 BURED WATER LINE TO OXY WHATER ROW SEC 13 1235, RJIE

20-1





GRR, INC. WATER SOURCES FOR OXY CERTAIN POND LOCATIONS

Pond Name	Water Source1	Water Source2	Water Source3	Water Source4
Cedar Canyon	<u>Mine_Industrial</u>	<u>C-3478</u>	<u>C-2772</u>	<u>C-1360</u>
Corral Fly	<u>C-1360</u>	<u>C-1361</u>	<u>C-3358</u>	<u>C-3836</u>
Cypress	<u>Mine_Industrial</u>	<u>C-3478</u>	<u>C-2772</u>	<u>C-1361</u>
Mesa Verde	<u>C-2571</u>	<u>C-2574</u>	<u>J-27</u>	<u>J-5</u>
Peaches	<u>C-906</u>	<u>C-3200</u>	I <u>SP-55 & SP-1279</u> <u>A</u>	<u>C-100</u>

.

֥ .

۰.

NMOSE WELL NUMBER	WELL COMMON NAME	IC. LAND OWNERSHIP	GPS LOCATION
C-100	Tres Rios - Next to well shack	PRIVATE	32.201921° -104.254317°
C-100-A	Tres Rios - Center of turnaround	PRIVATE	32.201856° -104.254443°
C-272-B	Tres Rios - Northwest	PRIVATE	32.202315° -104.254812°
2-906	Whites City Commercial	PRIVATE	32.176949°-104.374371°
C-1246-AC & C-1246-AC-S	Lackey	PRIVATE	32.266978°-104.271212°
2-1886	1886 Tank	BLM	32.229316° -104.312930°
C-1083	Petska	PRIVATE	32.30904° -104.16979°
C-1142	Winston West	BLM	32.507845-104.177410
-1360	ENG#1	PRIVATE	32.064922° -103.908818°
0-1361	ENG#2	PRIVATE	32.064908° -103.906266°
-1573	Cooksey	PRIVATE	32.113463° -104.108092°
2-1575	ROCKHOUSE Ranch Well - Wildcat	BLM	32.493190° -104.444163°
-2270	CW#1 (Oliver Kiehne)	PRIVATE	32.021440° -103.559208°
-2242	Walterscheid	PRIVATE	32.39199° -104.17694°
-2492POD2	Stacy Mills	PRIVATE	32.324203° -103.812472°
-2569	Paduca well #2	BLM	32.160588 -103.742051
-2569POD2	Paduca well replacement	BLM	32.160588 -103.742051
-2570	Paduca (tank) well #4	BLM	32.15668 -103.74114
-2571	Paduca (road) well	BLM	32.163993° -103.745457°
-2572	Paduca well #6	BLM	32.163985 -103.7412
-2573	Paduca (in the bush) well	BLM	32.16229 -103.74363
-2574	Paduca well (on grid power)	BLM	32.165777° -103.747590°
-2701	401 Water Station	BLM	32.458767° -104.528097°
-2772	Mobley Alternate	BLM	32.305220° -103.852360°
-3011	ROCKY ARROYO - MIDDLE	BLM	32.409046° -104.452045°
-3060	Max Vasquez	PRIVATE	32.31291° -104.17033°
-3095	ROCKHOUSE Ranch Well - North of Rockcrusher	PRIVATE	32.486794° -104.426227°
-3200	Beard East	PRIVATE	32.168720 -104.276600
-3260	Hayhurst	PRIVATE	32.227110° -104.150925°
-3350	Winston Barn	PRIVATE	32.511871° -104.139094°
-3358	Branson	PRIVATE	32.19214° -104.06201°
-3363	Watts#2	PRIVATE	32.444637° -103.931313°
-3453	ROCKY ARROYO - FIELD	PRIVATE	32.458657° -104.460804°
-3478	Mobley Private	PRIVATE	32.294937° -103.888656°
-3483pod1	ENG#3	BLM	32.065556° -103.894722°
-3483pod3	ENG#5	BLM	32.06614° -103.89231°
-3483POD4	CW#4 (Oliver Kiehne)	PRIVATE	32.021803° -103.559030°
-3483POD5	CW#5 (Oliver Kiehne)	PRIVATE	32.021692° -103.560158°
-3554	Jesse Baker #1 well	PRIVATE	32.071937° -103.723030°
-3577	CW#3 (Oliver Kiehne)	PRIVATE	32.021773° -103.559738°
-3581	ENG#4	BLM	32.066083° -103.895024°
-3595	Oliver Kiehne house well #2	The second se	A CONTRACT AND AND AND A A A
- TRANSMERING TO ANALYSING AN	1. A second s	PRIVATE	32.025484° -103.682529°
-3596	CW#2 (Oliver Kiehne)	PRIVATE	32.021793° -103.559018°

-

.

19 20 Martin Da Latte and June - was Dennis Development and an and a second				
NMOSE WELL NUMBER	WELL COMMON NAME	LAND OWNE	RSHIP	GPS LOCATION
C-3614	Dale Hood #2 well	PRIVA	ΓE	32.449290° -104.214500°
C-3639	Jesse Baker #2 well	PRIVA	TE	32.073692° -103.727121°
C-3679	McCloy-Batty	PRIVAT	re re	32.215790° -103.537690°
C-3689	Winston Barn_South	PRIVAT	FE	32.511504° -104.139073°
C-3731	Ballard Construction	PRIVAT	re FE	32.458551° -104.144219°
C-3764	Watts#4	PRIVAT	FE	32.443360° -103.942890°
C-3795	Beckham#6	BLM	CONTRACT SHELLER	32.023434°-103.321968°
C-3821	Three River Trucking	PRIVAT	Ê	32.34636° -104.21355
C-3824	Collins	PRIVAT	E	32.224053° -104.090129°
C-3829	Jesse Baker #3 well	PRIVAT	те ГЕ	32.072545°-103.722258°
C-3830	Paduca	BLM	ar . Constationa	32.156400° -103.742060°
C-3836	Granger	PRIVAT	Ē	32.10073° -104.10284°
C-384	ROCKHOUSE Ranch Well - Rockcrusher	PRIVAT	TE	32.481275° -104.420706°
C-459	Walker	PRIVAT	Ē	32.3379° -104.1498°
C-496pod2	Munoz #3 Trash Pit Well	PRIVAT	E.	32.34224° -104.15365°
C-496pod3&4	Munoz #2 Corner of Porter & Derrick	PRIVAT	TE	32.34182° -104.15272°
C-552	Dale Hood #1 well	PRIVAT	E s	32.448720° -104.214330°
C-764	Mike Vasquez	PRIVAT	E	32.230553° -104.083518°
C-766(old)	Grandi	PRIVAT	E	32.32352° -104.16941°
C-93-S	Don Kidd well	PRIVAT	E services	32.344876 -104.151793
C-987	ROCKY ARROYO - HOUSE	PRIVAT	Ē	32.457049° -104.461506°
C-98-A	Bindel well	PRIVAT		32.335125° -104.187255°
CP-1170POD1	Beckham#1	PRIVAT	Ē	32.065889° -103.312583°
CP-1201	Winston Ballard	BLM		32.580380° -104.115980°
CP-1202	Winston Ballard	BLM		32.538178° -104.046024°
CP-1231	Winston Ballard	PRIVAT	Ē	32.618968° -104.122690°
CP-1263POD5	Beckham#5	PRIVAT	E	32.065670° -103.307530°
CP-1414	Crawford #1	PRIVAT	E	32.238380° -103.260890°
CP-1414 POD 1	RRR	PRIVAT		32.23911° -103.25988°
CP-1414 POD 2	IRRR	PRIVAT	E	32.23914° -103.25981°
CP-519	Bond_Private	PRIVAT	E	32.485546 -104.117583
CP-556	Jimmy Mills (Stacy)	STATE		32.317170° -103.495080°
CP-626	OI Loco (W)	STATE		32.692660° -104.068064°
CP-626-S	Beach Exploration/ OI Loco (E)	STATE		32.694229° -104.064759°
CP-73	Laguna #1	BLM		32.615015°-103.747615°
CP-74	Laguna #2	BLM		32.615255°-103.747688°
CP-741	Jimmy Richardson	BLM		32.61913° -104.06101°
CP-742	Jimmy Richardson	BLM	•	32.614061° -104.017211°
CP-742	Hidden Well	BLM	······································	32.614061 -104.017211
CP-745	Leaning Tower of Pisa	BLM	- 1542 15538	32.584619° -104.037179°
CP-75	Laguna #3	BLM		32.615499°-103.747715°
CP-924	Winston Ballard	BLM		32.545888° -104.110114°
CP-926	Winchester well (Winston)	BLM		32.601125° -104.128358°

NMOSE WELL NUMBER	GRR I	LAND OWNERSHIP	GPS LOCATION
J-27	Beckham	PRIVATE	32.020403° -103.299333°
U-5	EPNG Jal Well	PRIVATE	32.050232° •103.313117°
J-33	Beckham	PRIVATE	32.016443° -103.297714°
J-34	Beckham	PRIVATE	32.016443° -103.297714°
J-34	- Statement of the Common service of the Statement of		- Arresta contraction - exception of the second of the sec
J-JJ Li nder Tene n Linder (* 710 - Konstant Kausser) Linder	Beckham	PRIVATE	32.016443° -103.297714°
L-10167	Angell Ranch well	PRIVATE	32.785847° -103.644705°
L-10613	Northcutt3 (2nd House well)	PRIVATE	[32.687922°-103.472452°
L-11281	Northcutt4	PRIVATE	132.687675°-103.471512°
L-12459	Northcutt1 (House well)	PRIVATE	32.689498°-103.472697°
L-12462	Northcutt8 Private Well	PRIVATE	32.686238°-103.435409°
L-13049	EPNG Maljamar well	PRIVATE	'32.81274° -103.67730°
L-13129	Pearce State	STATE	32.726305°-103.553172°
L-13179	Pearce Trust	STATE	32.731304°-103.548461°
L-13384	Northcutt7 (State) CAZA	STATE	32.694651°-103.434997°
L-1880S-2	HB Intrepid well #7	PRIVATE	32.842212° -103.621299°
L-1880S-3	HB Intrepid well #8	PRIVATE	32.852415° -103.620405°
L-1881	HB Intrepid well #1	PRIVATE	32.829124° -103.624139°
L-1883	HB Intrepid well #4	PRIVATE	32.828041° -103.607654°
L-3887	Northcutt2 (Tower or Pond well)	PRIVATE	'32.689036°-103.472437°
L-5434	Northcutt5 (State)	STATE	,32.694074°-103.405111°
L-5434-S	Northcutt6 (State)	STATE	32.693355°-103.407004°
and the second	(a) A second construction of the constructi	and the second	3. State of the
RA-14	Horner Can	PRIVATE	32.89348° -104.37208°
RA-1474	Irvin Smith	PRIVATE	32.705773° -104.393043°
	NLake WS / Jack Clayton	PRIVATE	32.561221°-104.293095°
RA-9193	NLake WS / Jack Clayton	PRIVATE	32.885162° -103.676376°
en erne Maar hill in heer of andress of the andress of the second	n fan fan de skrieter fan de s Nederlânse	- 41 1.1.≊ ≇ - ₩ -	 Construction of the state of th
SP-55 & SP-1279-A	Blue Springs Surface POD	PRIVATE	32.181358° -104.294009°
SP-55 & SP-1279 (Bounds)	Bounds Surface POD	PRIVATE	32.203875° -104.247076°
SP-55 & SP-1279 (Wilson)	Wilson Surface POD	PRIVATE	32.243010° -104.052197°
and the second secon	н <mark>а страна 2000 година се ни</mark> .		n Construction and the state of the Construction of the state of the
City Treated Effluent	City of Carlsbad Waste Treatment	PRIVATE	32.411122° -104.177030°
Vine Industrial	Mosaic Industrial Water	PRIVATE	32.370286° -103.947839°
Mobley State Well (NO DSE)	Mobley Ranch	STATE	32.308859° -103.891806°
EPNG Industrial	Monument Water Well Pipeline (Oil Center, Eunice)	PRIVATE	32.512943° -103.290300°
MCOX Commercial	Matt Cox Commercial	PRIVATE	32.529431° -104.188017°
AMAX Mine Industrial	Mosaic Industrial Water	NI/A	VARIOUS TAPS
WAG Mine Industrial	Mosaic Industrial Water	N/A	VARIOUS TAPS
HB Mine Industrial	Intrepid Industrial Water	N/A	VARIOUS TAPS

Mesquite

Cedar Canyon

Major Source: C464 (McDonald) Sec. 13 T24S R28E

Secondary Source: C-00738 (McDonald/Faulk) Sec. 12 T24S R28E

Corral Fly – South of Cedar Canyon

Major Source: C464 (McDonald) Sec. 13 T24S R28E Secondary Source: C-00738 (McDonald/Faulk) Sec. 12 T24S R28E

Cypress - North of Cedar Canyon

Major Source: Caviness B: C-501-AS2 Sec 23 T28S R15E Secondary Source: George Arnis; C-1303

Sand Dunes – new frac pond

Major Source: 128 Fresh Water Pond (Mesquite/Mosaic) – located at MM 4 on 128; 240,000 bbl pond

Secondary Source: George Arnis; C-1303

Mesa Verde – east of Sand Dunes

Major Source: 128 Fresh Water Pond (Mesquite/Mosaic) – located at MM 4 on 128; 240,000 bbl pond

Secondary Source: Unknown at this time; needs coordinates to determine secondary source

Smokey Bits/Ivore/Misty – had posiden tanks before

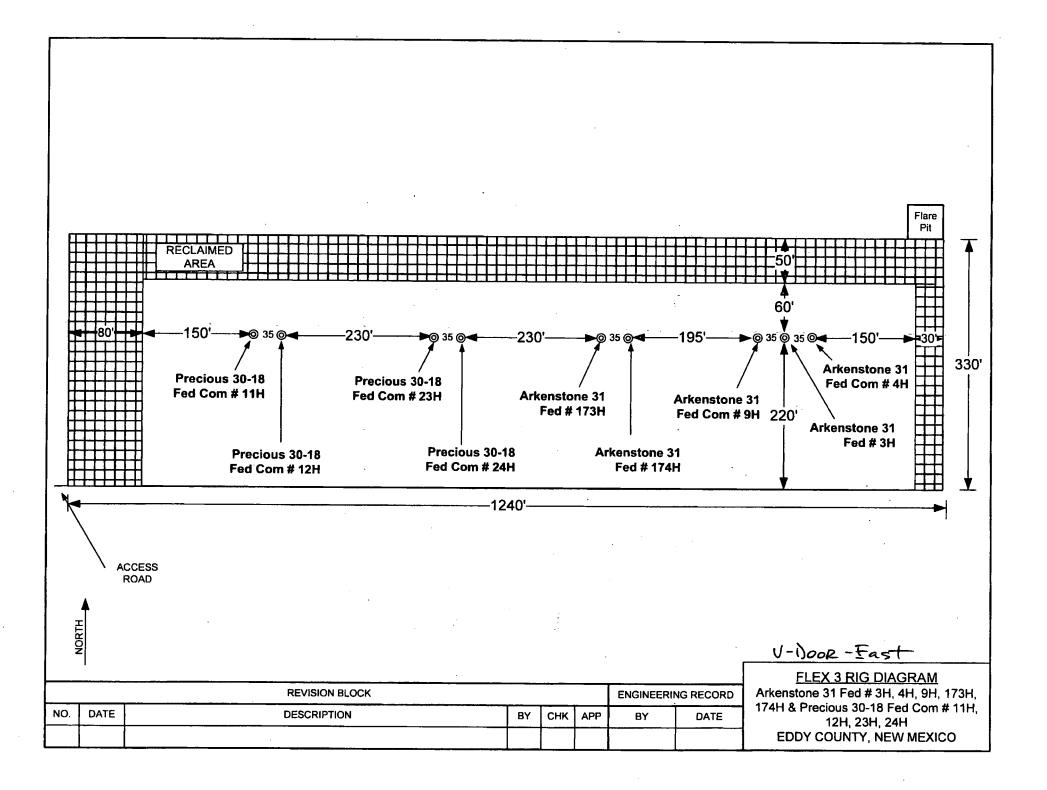
Major Source: Unknown at this time; need coordinates to determine major source Secondary Source: Unknown at this time; needs coordinates to determine secondary source

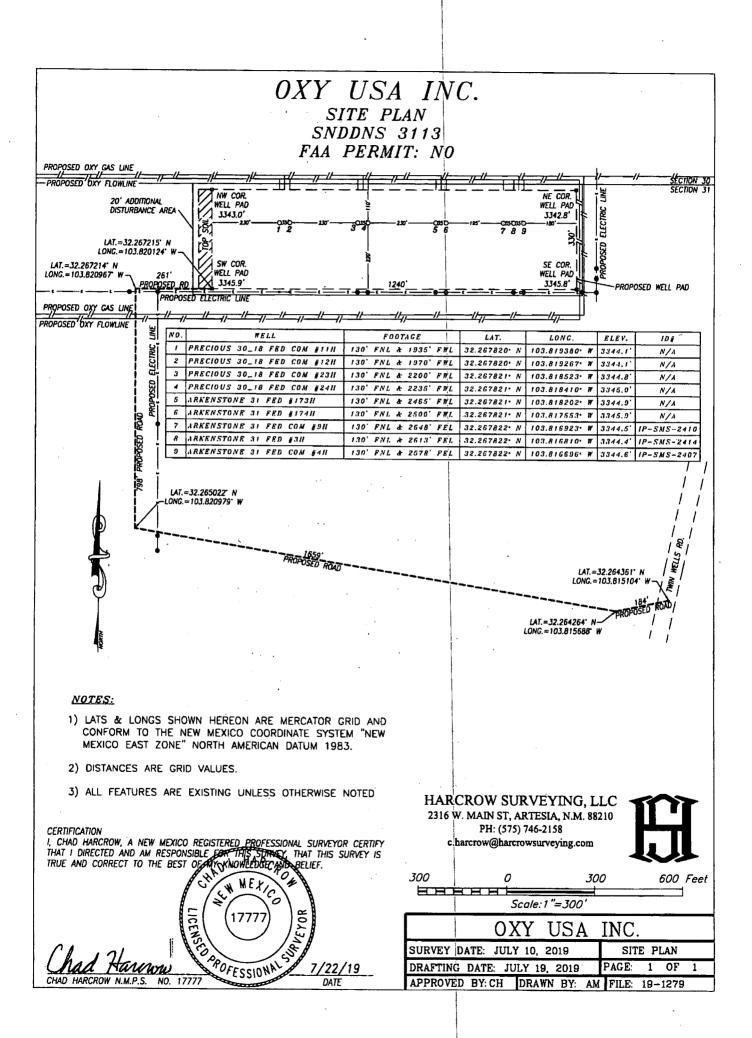
Red Tank/Lost Tank

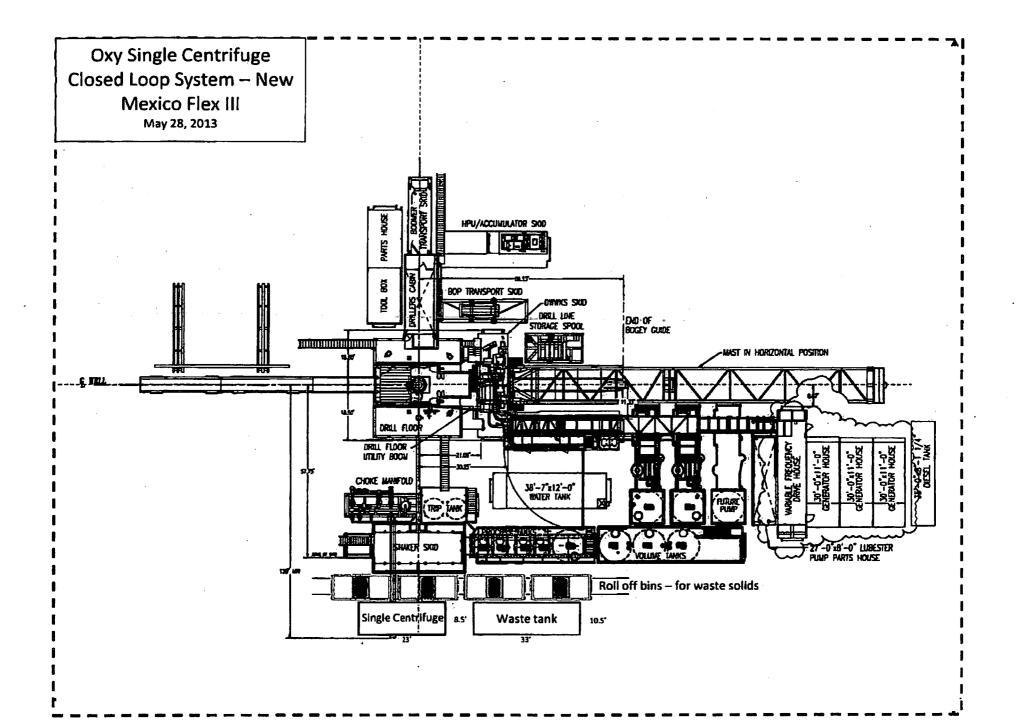
Major Source: Unknown at this time; need coordinates to determine major source Secondary Source: Unknown at this time; needs coordinates to determine secondary source

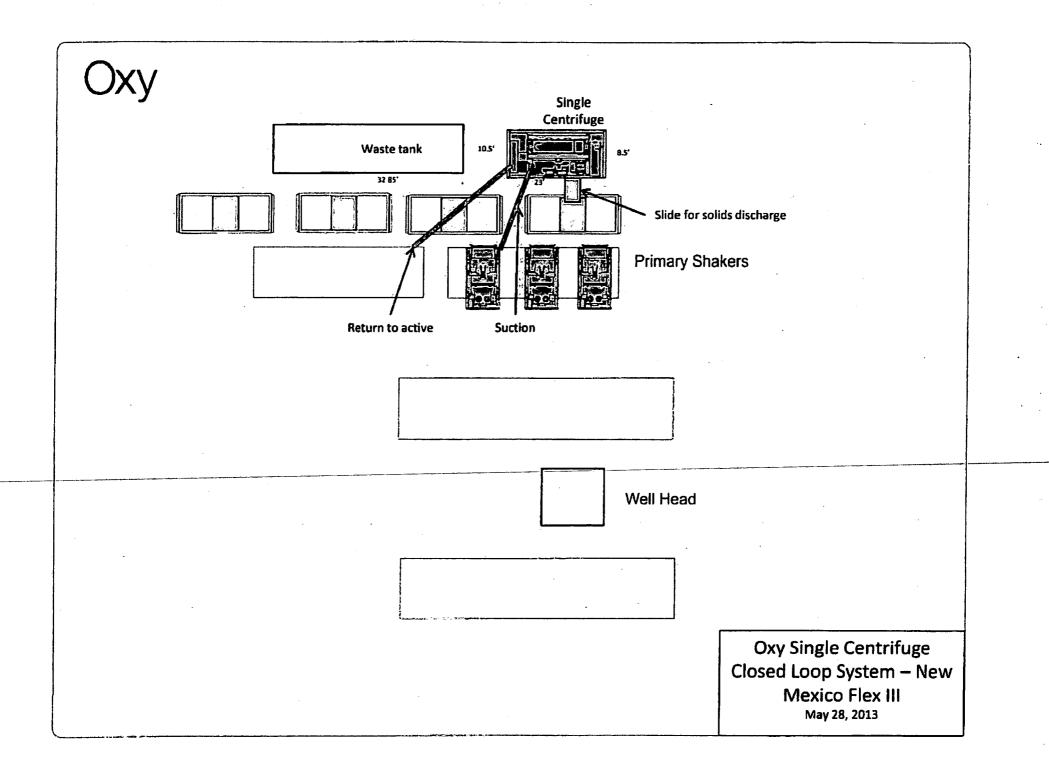
Peaches

Major Source: Unknown at this time; need coordinates to determine major source Secondary Source: Unknown at this time; needs coordinates to determine secondary source



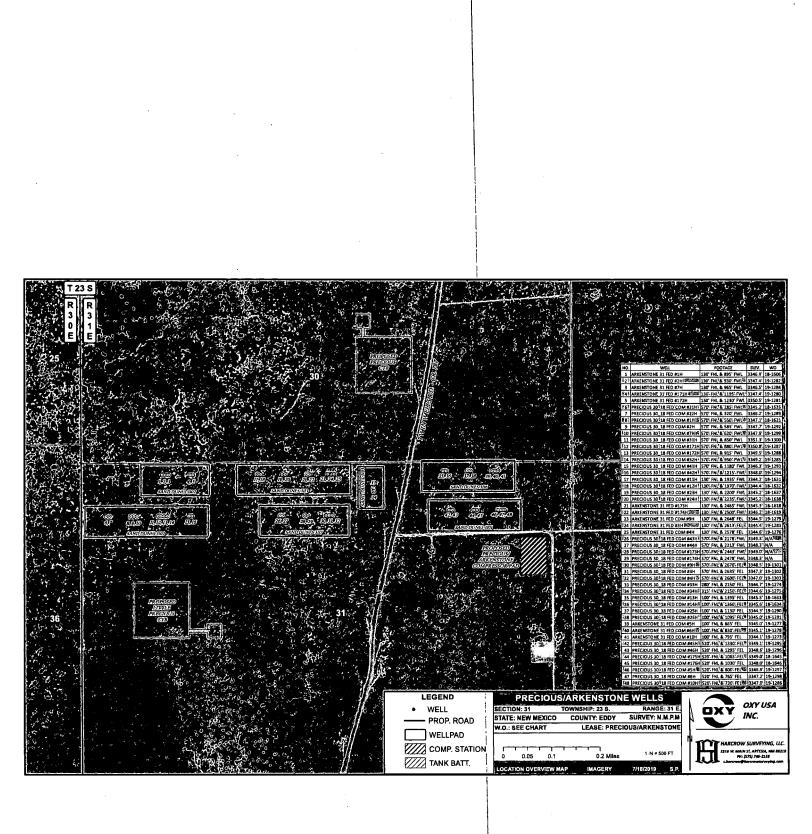


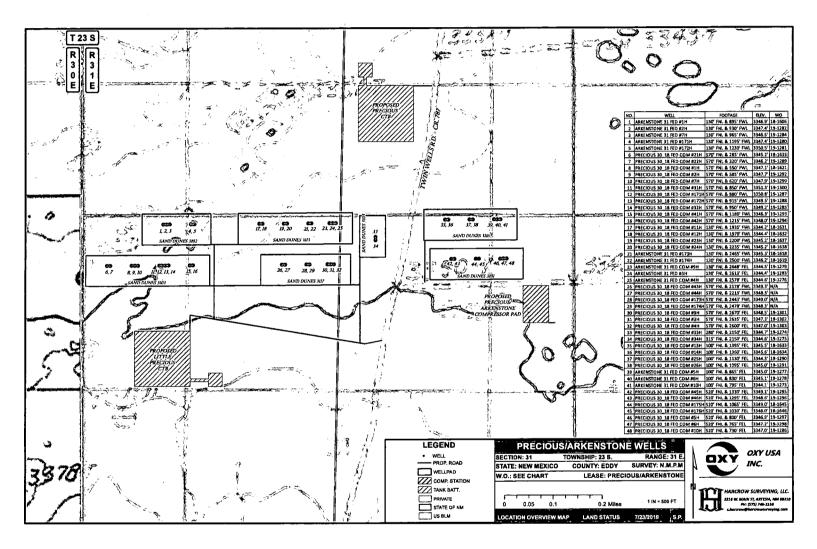




Pad		
3113		
	OXY U.S.A. INC. NEW MEXICO STAKING FORM	Ś
Date Staked:	μ. 11 1σ	
Lease / Well Name:	Arkenstone 31 Fed # 3 H	
Legal Description:	130' FNL 2613' FEL Sec 31 T235 R3	RIE
	320 16' 04.16''	NAD 83
Longitude:	-1030 49' 00.51"	NAD 83
Х:	700987.53	NAD 83
	461550.78	
Elevation:	3344.1	NAD 83
Move information:		NAD 83
County:	Eddy	
Surface Owner		
Nearest Residence:	?	
Nearest Water Well:		
- V-Door:	EAST	· · · · · · · · · · · · · · · · · · ·
Top soil:	West	
	Sw Cor From SouTH	
New Road:		
Upgrade Existing Road:		
-	50' NORTH	
Source of Caliche:	50 NORTH	
Vess	KE BASSETT-BLM JIM WILSOM - DXU	
Onsite Attendees:	SWCH ASEL SURVEY	
<u>, , , , , , , , , , , , , , , , , , , </u>		

- 5





Surface Use Plan of Operations

Operator Name/Number:	<u>OXY USA Inc. – 16696</u>
_ease Name/Number:	Arkenstone 31 Federal #3H
Pool Name/Number:	Wildcat Bone Spring
Surface Location:	<u> 130 FNL 2613 FEL NWNE (B) Sec 31 T23S R31E – NMNM0546732A</u>
Bottom Hole Location:	20 FSL 2210 FEL SWSE (O) Sec 31 T23S R31E - NMNM0546732A

1. Existing Roads

- a. A copy of the USGS "Los Medanos, NM" quadrangle map is attached showing the proposed location. The well location is spotted on the map, which shows the existing road system.
- b. The well was staked by Terry J. Asel, Certificate No. 15079 on 7/10/19, certified 7/22/19.
- c. Directions to Location: From the intersection of NM State Hwy 128 and CR 787 (Twin Wells Rd), go south-southwest on CR 787 for 2.5 miles. Turn right on proposed road and go southwest 184', turn right and go northwest for 1659', turn right and go north 798', turn right and go east for 261' to location.

2. New or Reconstructed Access Roads:

- a. A new access road will be built. The access road will run from an existing road going 184' southwest, then 1659' northwest, then 798' north, then 261' east through pasture to the southwest corner of the pad.
- b. The maximum width of the road will be 14'. It will be crowned and made up of 6" of rolled and compacted caliche. Water will be deflected, as necessary, to avoid accumulation and prevent surface erosion.
- c. Surface material will be native caliche. This material will be obtained from a BLM approved pit nearest in proximity to the location. The average grade will be approximately 1%.
- d. No cattle guards, grates or fence cuts will be required. Turnouts every 1000' as needed.
- e. Blade, water and repair existing caliche roads as needed.
- f. Water Bars will be incorporated every 200' during the construction of the road.

3. Location of Existing Wells:

Existing wells within a one mile radius of the proposed well are shown on attached plat.

4. Location of Existing and/or Proposed Facilities:

- a. In the event the well is found productive, the Sand Dunes Precious Central Tank Battery would be utilized and the necessary production equipment will be installed at the well site. See proposed facilities layout diagram.
- All flow lines will adhere to API standards. They will consist of 3 4" composite flowlines operating < 75% MAWP, surface to follow surveyed route. Survey of a strip of land 30' wide and 2151.4' in length crossing USA land in Sections 30 & 31, T23S R31E, NMPM, Eddy County, NM and being 15' left and 15' right of the centerline survey. Two–6" steel gas lift hp line operating <1500 psig, buried, lines to follow surveyed route. Survey of a strip of land 30' wide and 2654.2' in length crossing USA land in Section 30 & 31, T23S R31E, NMPM, Eddy County, NM and being 15' left and 15' right of the centerline survey. See attached.
- c. Electric line will follow a route approved by the BLM. Survey of a strip of land 30' wide and 1492.6' in length crossing USA land in Sections 31 T23S R31E NMPM, Eddy County, NM and being 15' left and 15' right of the centerline survey, see attached.
- d. See attached for additional information on the Sand Dunes Precious/Arkenstone Central Corridor Surface Production Facilities.

5. Location and types of Water Supply

This well will be drilled using a combination of water mud systems. It will be obtained from commercial water stations in the area and will be hauled to location by transport truck using existing and proposed roads.

6. Construction Materials:

Primary

All caliche utilized for the drilling pad and proposed access road will be obtained from an existing BLM/State/Fee approved pit or from prevailing deposits found on the location. Will use BLM recommended extra caliche from other locations close by for roads, if available.

Secondary

The secondary way of obtaining caliche to build locations and roads will be by "turning over" the location. This means, caliche will be obtained from the actual well site. A caliche permit will be obtained from BLM prior to pushing up any caliche. 2400 cubic yards is max amount of caliche needed for pad and roads. Amount will vary for each pad. The procedure below has been approved by BLM personnel:

- a. The top 6" of topsoil is pushed off and stockpiled along the side of the location.
- b. An approximate 120' X 120' area is used within the proposed well site to remove caliche.
- c. Subsoil is removed and piled alongside the 120' X 120' within the pad site.
- d. When caliche is found, material will be stockpiled within the pad site to build the location and road.
- e. Then subsoil is pushed back in the hole and caliche is spread accordingly across entire location and road.
- f. Once the well is drilled the stockpiled top soil will be used for interim reclamation and spread along areas where caliche is picked up and the location size is reduced. Neither caliche nor subsoil will be stockpiled outside of the well pad. Topsoil will be stockpiled along the edge of the pad as depicted in the attached plat.

7. Methods of Handling Waste Material:

- a. A closed loop system will be utilized consisting of above ground steel tanks and haul-off bins. Disposal of liquids, drilling fluids and cuttings will be disposed of at an approved facility. Solids-CRI, Liquids-Laguna
- b. All trash, junk and other waste material will be contained in trash cages or bins to prevent scattering. When the job is completed, all contents will be removed and disposed of in an approved sanitary landfill.
- c. The supplier, including broken sacks, will pickup slats remaining after completion of well.
- d. A Porto-john will be provided for the rig crews. This equipment will be properly maintained during the drilling and completion operations and will be removed when all operations are complete.
- e. Disposal of fluids to be transported will be by the following companies. TFH Ltd, Laguna SWD Facility

8. Ancillary Facilities: None needed.

9. Well Site Layout:

The proposed well site layout with dimensions of the pad layout and equipment location.

V-Door – East CL Tanks – North

Pad - 330' X 1240' - 9 Well Pad

10. Plans for Surface Reclamation:

a. After concluding the drilling and/or completion operations, if the well is found non-commercial, the caliche will be removed from the pad and transported to the original caliche pit or used for other drilling locations. The road will be reclaimed as directed by the BLM. The original topsoil will again be returned to the pad and contoured, as close as possible, to the original topography, and the area will be seeded with an approved BLM mixture to re-establish vegetation.

b. If the well is deemed commercially productive, caliche from the areas of the pad site not required for operations will be reclaimed. The original topsoil will be returned to the area of the drill pad not necessary to operate the well. These unused areas of the drill pad will be contoured, as close as possible, to match the original topography, and the area will be seeded with an approved BLM mixture to re-establish vegetation.

11. Surface Ownership:

The surface is owned by the U.S. Government and is administered by the BLM. The surface is multiple use with the primary uses of the region for the grazing of livestock and the production of oil and gas. The surface is leased to: Slash 46 Inc., P.O. Box 1358, Loving, NM 88256. They will be notified of our intention to drill prior to any activity.

12. Other Information:

- a. The vegetation cover is generally sparse consisting of mesquite, yucca, shinnery oak, sandsage and perennial native range grass. The topsoil is sandy in nature. Wildlife in the area is also sparse consisting of deer, coyotes, rabbits, rodents, reptiles, dove and quail.
- b. There is no permanent or live water in the general proximity of the location.
- c. There are no dwellings within one mile of the proposed well site.
- Cultural Resources Examination–This well is located in the Permian Basin PA. Payment to be determined by BLM. This well shares the same pad as the Arkenstone 31 Federal #4H, 9H, 173H, 174H, Precious 30-18 Federal Com #11H, 12H, 23H, 24H.

Copy of this application will be furnished to SWCA Environmental Consultants, 5647 Jefferson St. NE, Albuquerque, NM 87109. Potash lessee within one mile of surface location, Mosaic Potash Carlsbad, Inc., 1361 Potash Mines Rd., Carlsbad, NM 88220.

13. Bond Coverage:

Bond coverage is Individual-NMB000862, Nationwide-ESB00226.

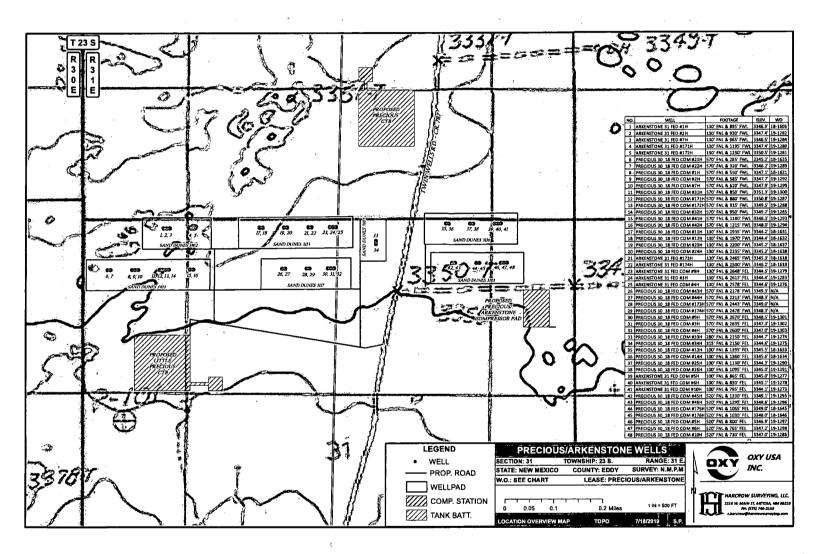
14. Operators Representatives:

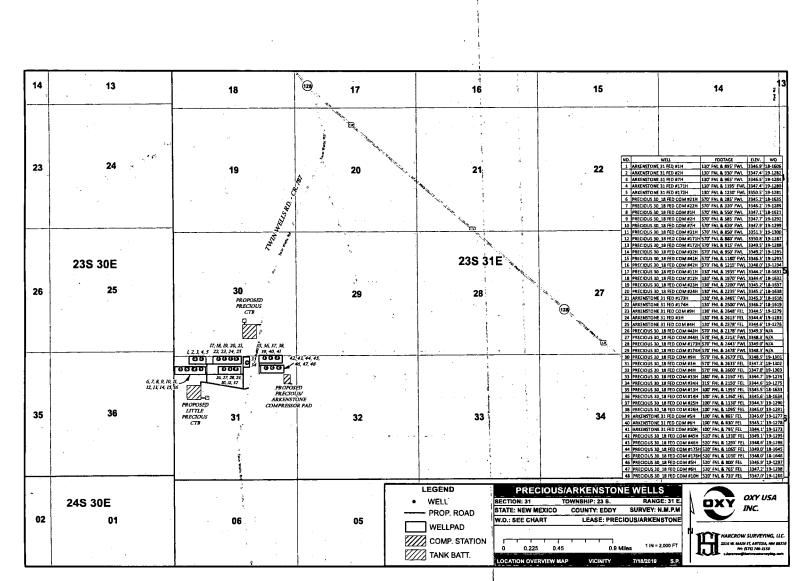
The OXY Permian representatives responsible for ensuring compliance of the surface use plan are listed below:

Leo Ortega Operations Superintendent 1502 West Commerce Dr. Carlsbad, NM 88220 Office – 575-628-4012 Cellular – 575-706-8995

Jim Wilson Operation Specialist P.O. Box 50250 Midland, TX 79710 Cellular – 575-631-2442 Cuong Q. Phan Asset Manager P.O. Box 4294 Houston, TX Carlsbad, NM 88220 Office – 713-513-6645 Cellular – 281-832-0978

Michael Walton RMT Lead P.O. Box 4294 Houston, TX 77210 Office – 713-366-5526 Cellular – 281-814 2971





FMSS

U.S. Department of the Interior BUREAU OF LAND MANAGEMENT



APD ID: 10400038574

Operator Name: OXY USA INCORPORATED

Well Name: ARKENSTONE 31 FEDERAL

Well Type: OIL WELL

Well Number: 3H Well Work Type: Drill

Submission Date: 01/29/2019

Section 1 - General

Would you like to address long-term produced water disposal? NO

Section 2 - Lined Pits

Would you like to utilize Lined Pit PWD options? NO Produced Water Disposal (PWD) Location: **PWD surface owner:** Lined pit PWD on or off channel: Lined pit PWD discharge volume (bbl/day): Lined pit specifications: Pit liner description: Pit liner manufacturers information: Precipitated solids disposal: Decribe precipitated solids disposal: Precipitated solids disposal permit: Lined pit precipitated solids disposal schedule: Lined pit precipitated solids disposal schedule attachment: Lined pit reclamation description: Lined pit reclamation attachment: Leak detection system description: Leak detection system attachment:

PWD disturbance (acres):

Operator Name: O>	Y USA INCORPORATED
--------------------------	--------------------

Well Name: ARKENSTONE 31 FEDERAL

Well Number: 3H

Lined pit Monitor description: Lined pit Monitor attachment: Lined pit: do you have a reclamation bond for the pit? Is the reclamation bond a rider under the BLM bond? Lined pit bond number: Lined pit bond amount: Additional bond information attachment: Section 3 - Unlined Pits Would you like to utilize Unlined Pit PWD options? NO Produced Water Disposal (PWD) Location: PWD disturbance (acres): PWD surface owner: Unlined pit PWD on or off channel: Unlined pit PWD discharge volume (bbl/day):

Unlined pit specifications:

Precipitated solids disposal:

Decribe precipitated solids disposal:

Precipitated solids disposal permit:

Unlined pit precipitated solids disposal schedule:

Unlined pit precipitated solids disposal schedule attachment:

Unlined pit reclamation description:

Unlined pit reclamation attachment:

Unlined pit Monitor description:

Unlined pit Monitor attachment:

Do you propose to put the produced water to beneficial use?

Beneficial use user confirmation:

Estimated depth of the shallowest aquifer (feet):

Does the produced water have an annual average Total Dissolved Solids (TDS) concentration equal to or less than that of the existing water to be protected?

TDS lab results:

Geologic and hydrologic evidence:

State authorization:

Unlined Produced Water Pit Estimated percolation:

Unlined pit: do you have a reclamation bond for the pit?

Operator Name: OXY USA INCORPORATED

Well Name: ARKENSTONE 31 FEDERAL

Well Number: 3H

Is the reclamation bond a rider under the BLM bond?

Unlined pit bond number:

Unlined pit bond amount:

Additional bond information attachment:

Section 4 - Injection

Would you like to utilize Injection PWD options? NO

Produced Water Disposal (PWD) Location:

PWD surface owner:

Injection PWD discharge volume (bbl/day):

Injection well mineral owner:

Injection well type:

Injection well number:

Assigned injection well API number?

Injection well new surface disturbance (acres):

Minerals protection information:

Mineral protection attachment:

Underground Injection Control (UIC) Permit?

UIC Permit attachment:

Section 5 - Surface Discharge

Would you like to utilize Surface Discharge PWD options? NO

Produced Water Disposal (PWD) Location:

PWD surface owner:

Surface discharge PWD discharge volume (bbl/day):

Surface Discharge NPDES Permit?

Surface Discharge NPDES Permit attachment:

Surface Discharge site facilities information:

Surface discharge site facilities map:

Section 6 - Other

Would you like to utilize Other PWD options? NO

Produced Water Disposal (PWD) Location:

PWD surface owner:

Other PWD discharge volume (bbl/day):

PWD disturbance (acres):

Injection well name:

Injection well API number:

PWD disturbance (acres):

PWD disturbance (acres):

Operator Name: OXY USA INCORPORATED	فأ	
Well Name: ARKENSTONE 31 FEDERAL	Well Number: 3H	
Other PWD type description:		

K

Other PWD type attachment:

Have other regulatory requirements been met?

Other regulatory requirements attachment:

FMSS

U.S. Department of the Interior BUREAU OF LAND MANAGEMENT

Bond Info Data Report

APD ID: 10400038574

Operator Name: OXY USA INCORPORATED

Well Name: ARKENSTONE 31 FEDERAL

Well Type: OIL WELL

Submission Date: 01/29/2019

Highlighted data reflects the most recent changes Show Final Text

Well Work Type: Drill

Well Number: 3H

Ħ

Bond Information

Federal/Indian APD: FED

BLM Bond number: ESB000226

BIA Bond number:

Do you have a reclamation bond? NO

Is the reclamation bond a rider under the BLM bond?

Is the reclamation bond BLM or Forest Service?

BLM reclamation bond number:

Forest Service reclamation bond number:

Forest Service reclamation bond attachment:

Reclamation bond number:

Reclamation bond amount:

Reclamation bond rider amount:

Additional reclamation bond information attachment: