Form 3160-5
(August 1999)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

MAY 12 2009
OCD-ARTESIA

FORM APPROVED
OMB NO. 1004-0135
Expires: November 30, 2000

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.

SUBMIT IN TRIPLICATE - Other instructions on reverse side

5. Lease Serial No.
NM106304-SL NM1031441-BHL

6. If Indian, Allottee or Tribe Name

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

1 Type of Well
[X] Oil Well [ ] Gas Well [ ] Other

8. Well Name and No.
Goodnight 35 Federal #2H

2 Name of Operator
OXY USA Inc. 16696

9. API Well No.
30-015-36373

3a. Address
P.O. Box 50250, Midland, TX 79710-0250

3b. Phone No. *(include area code)*
432-685-5717

10. Field and Pool, or Exploratory Area
Cedar Canyon Bone Spring

4. Location of Well *(Footage, Sec., T, R., M., or Survey Description)*
SL - 180 FSL 490 FWL SWSW(M) Sec 35 T23S R29E
BHL - 330 FNL 660 FWL NWNW(D) Sec 35 T23S R29E

11. County or Parish, State
Eddy NM

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

TYPE OF SUBMISSION	TYPE OF ACTION			
[X] Notice of Intent	[ ] Acidize	[ ] Deepen	[ ] Production (Start/Resume)	[ ] Water Shut-Off
[ ] Subsequent Report	[ ] Alter Casing	[ ] Fracture Treat	[ ] Reclamation	[ ] Well Integrity
[ ] Final Abandonment Notice	[ ] Casing Repair	[ ] New Construction	[ ] Recomplete	[X] Other Amend Drilling Program
	[ ] Change Plans	[ ] Plug and Abandon	[ ] Temporarily Abandon	
	[ ] Convert to Injection	[ ] Plug Back	[ ] Water Disposal	

13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recomplete horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the final site is ready for final inspection)

SEE ATTACHED FOR
CONDITIONS OF APPROVAL

See Attached

SEE ATTACHED FOR
CONDITIONS OF APPROVAL

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

Title
Sr. Regulatory Analyst

Date
4/21/09

APPROVED
MAY 8 2009
WESLEY W. INGRAM
PETROLEUM ENGINEER

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Title

Date

Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Office

Title 18 U S C. Section 1001, and Title 43 U S.C. Section 1212, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

DRILLING PROGRAM

Operator Name/Number:	**OXY USA Inc.**	**16696**	
Lease Name/Number:	**Goodnight 35 Federal #2H**	**301039**	**Federal Lease No. NM103604**
Pool Name/Number:	**Cedar Canyon Bone Spring**	**11520**	
Surface Location:	**400 FSL 490 FWL SWSW(M) Sec 35 T23S R29E**		**NM103604**
Bottom Hole Location:	**330 FNL 660 FWL NWNW(D) Sec 35 T23S R29E**		**NM103141**

Proposed TD: **8000' TVD** **12400' TMD** **Elevation: 3080.4' GR**
SL - Lat: 32.2549614 Long: 103.9618227 X=614846.9 Y=456671.8 NAD - 1927
BH - Lat: 32.2675633 Long: 103.9613834 X=614966.8 Y=461256.5 NAD - 1927

1. Geologic Name of Surface Formation:

a. Permian

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

Geological Marker	Depth	Type
a. Upper Permian Sand	170'	Water
b. Top Salt	550'	---
c. Bottom Salt	2981'	---
d. Delaware	3221'	Oil
e. Cherry Canyon	4150'	Oil
f. Brushy Canyon	5330'	Oil
g. Bone Springs	6940'	Oil

3. Casing Program:

Hole Size	Interval	OD Csg	Weight	Collar	Grade	Condition	Collapse Design Factor	Burst Design Factor	Tension Design Factor
17-1/2"	550'	13-3/8"	48#	STC	H40	New	2.63	3.97	4.24
				LTC	L80				
12-1/4"	~~2950'~~	9-5/8"	47#	~~STC~~	~~J55~~	New	1.83	1.44	1.77
8-1/2"	12361'M	5-1/2"	17#	LTC	N or L80	New	1.26	1.21	2.28
	DVT-4800'								
	DVT-3250'								

See COA

4. Cement Program ← See COA

a. 13-3/8" Surface Circulate cement to Surface w/ 605sx PP w/ 4% Bentonite + .25#/sx PhenoSeal + 2% CaCl2, 13.5 ppg 1.75 yield

If cement is not circulated, the BLM will be notified, a temperature survey will be run and will be immediately followed by top jobs as necessary to circulate cement to surface.

b. 9-5/8" Intermediate Circulate cement to surface w/ 770sx HES light PP w/ 1#/sx PhenoSeal, 12.4ppg 2.11 yield followed by 200sx PP w/ 1% CaCl2, 14.8ppg 1.34 yield.

Intermediate -- Contingency

In the event that air pockets are encountered the following alternate cement design will be utilized. Circulate cement to surface w/DV & ECP tool @ +/-600'.

Stage 1:	Lead:	670sx Light PP w/ 5% Salt + .25#/sx Pol-E-Flake + 5#/sx Gilsonite Gilsonite 12.4ppg 2.12 yield
	Tail	200sx PP w/ 1% CaCl2 @ 14.8ppg 1.33 yield
Stage 2:	Lead:	200sx Light PP w/ 5% Salt + .25#/sx Pol-E-Flake + 5#/sx Gilsonite 12.4ppg 2.12 yield

c. 5-1/2" Production Cement 1st stage w/ 2200sx Super H w/ .5% LAP-1 + .4% CFR-3 + .25#/sx D-AIR 1 + .3% HR-601, 13.2ppg 1.59 yield
Cement 2nd stage w/ 160sx IFC w/ .5% LAP-1 + .25#/sx D-AIR 1 + .125#/sx Pol-E-Flake 11.7ppg 2.61 yield followed by 100sx PP w/ 1% CaCl2 14.8ppg 1.34 yield
Cement 3rd stage w/ 270sx IFC w/ .5% LAP-1 + .25#/sx D-AIR 1 + .125#/sx Pol-E-Flake 11.7ppg 2.61 yield followed by 100sx PP w/ 1% CaCl2 14.8ppg 1.34 yielc
Estimated TOC @ Surface.

See COA

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

5. Pressure Control Equipment:

Surface 0-550' None

Production 3190-~~12400'~~ 12361' 13-5/8" 10M two ram stack w/ 5M annular preventor, 10M Choke Manifold See COA

All BOP's and associated equipment will be tested to 1200psi ~~with the rig pump~~ before drilling out the 13-3/8" casing shoe. Prior to drilling out the 9-5/8" casing shoe, the BOP's and Hydril will be tested as per BLM Drilling Operations Order #2.

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

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

6. Proposed Mud Circulation System

Depth	Mud Wt. ppg	Visc sec	Fluid Loss	Type System
0-550'	8.4-8.9	32-34	NC	Fresh Water/MI Gel Spud Mud
550-3190'	9.8-10.0	28-29	NC	Brine Water
3190-7000'	8.8-9.0	28-29	NC	Fresh Water
7000-TD	9.0-9.8	32-36	10-15	Duo Vis/Poly Pac R

The necessary mud products for weight additional and fluid loss control will be on location at all times.

7. Auxiliary Well Control and Monitoring Equipment:

a. A Kelly cock will be in the drill string at all times.
b. A full opening drill pipe stabbing valve having the appropriate connections will be on the rig floor at all times.
c. Hydrogen Sulfide detection equipment will be in operation after drilling out the surface casing shoe until the production casing is cemented. Breathing equipment will be on location upon drilling the surface casing shoe until total depth is reached.

8. Logging, Coring and Testing Program:

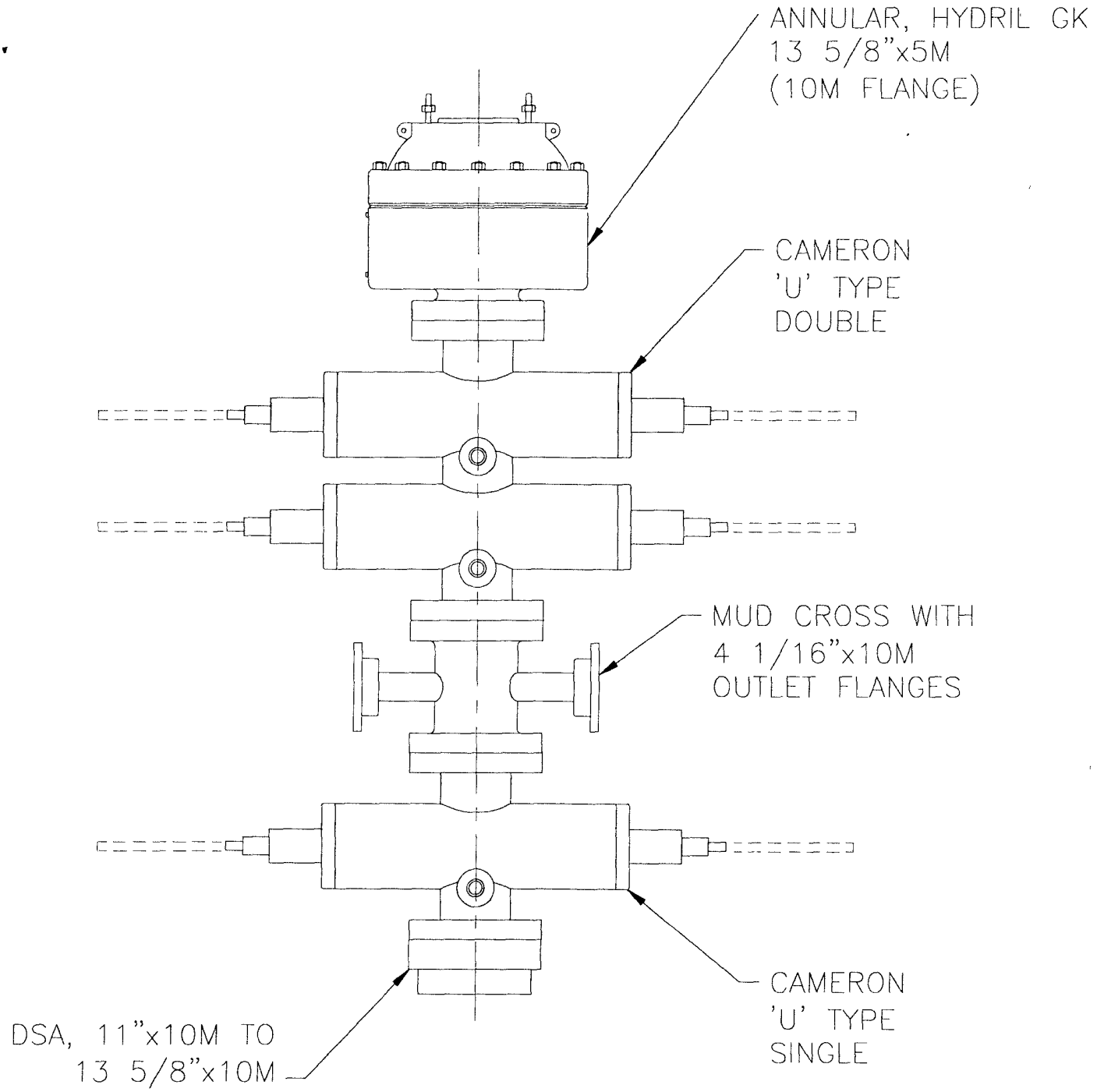
a. Drill stem tests are not anticipated but if done will be based on geological sample shows.
b. The open hole electrical logging program will consist of LWD GR from 6800-8300'.
c. No coring program is planned but if done will be sidewall rotary cores.
d. No mud loggers are currently programmed for this well.

9. Potential Hazards:

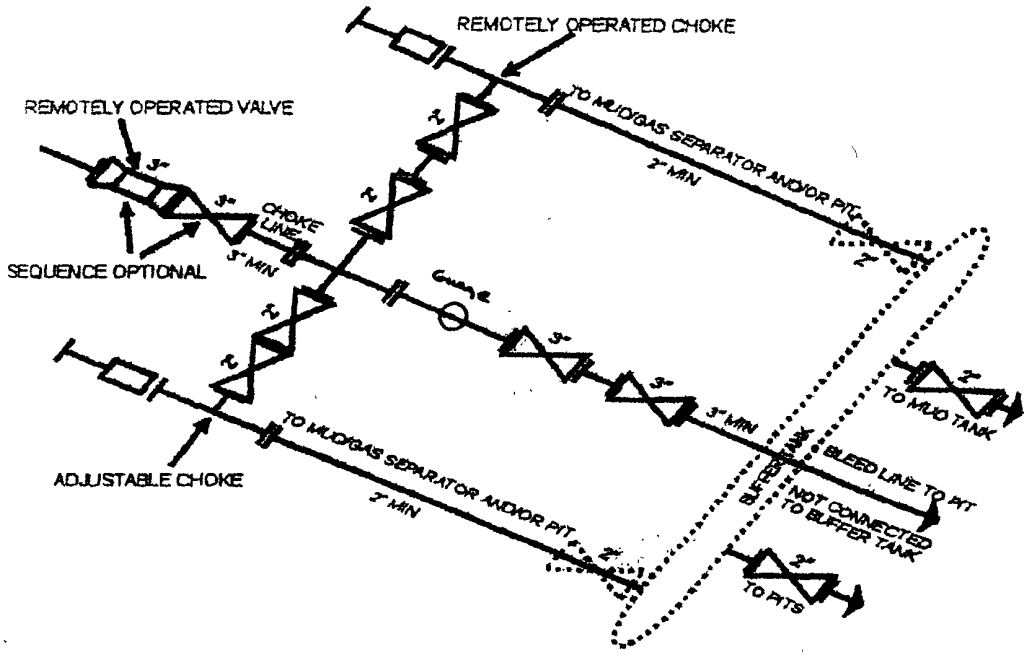
No abnormal pressures, temperatures or H_2S gas are expected. The highest anticipated pressure gradient would be .52 psi/ft or 4150psi. If H_2S is encountered the operator will comply with the provisions of Onshore Oil & Gas Order No.6. No lost circulation is expected to occur. All personnel will be familiar with all aspects of safe operation of equipment being used to drill this well. Adequate flare lines will be installed off the mud/gas separator where gas may be flared safely.

10. Anticipated Starting Date and Duration of Operations:

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


ANNULAR, HYDRIL GK
13 5/8"x5M
(10M FLANGE)
CAMERON
'U' TYPE
DOUBLE
MUD CROSS WITH
4 1/16"x10M
OUTLET FLANGES
CAMERON
'U' TYPE
SINGLE
DSA, 11"x10M TO
13 5/8"x10M

BOP STACK



5M CHOKE MANIFOLD EQUIPMENT - CONFIGURATION OF CHOKES MAY VARY

Although not required for any of the choke manifold systems, buffer tanks are sometimes installed downstream of the choke assemblies for the purpose of manifolding the bleed lines together. When buffer tanks are employed, valves shall be installed upstream to isolate a failure or malfunction without interrupting flow control. Though not shown on 2M, 3M, 10M, OR 15M drawings, it would also be applicable to those situations.

[54 FR 39528, Sept. 27, 1989]

Attachment I - 2

ENGINEERING CALCS

Permian
Goodnight 35 Federal #2H
Goodnight 35 Federal #2H
Goodnight 35 Federal #2H

Plan: Permitted Wellbore

Standard Planning Report

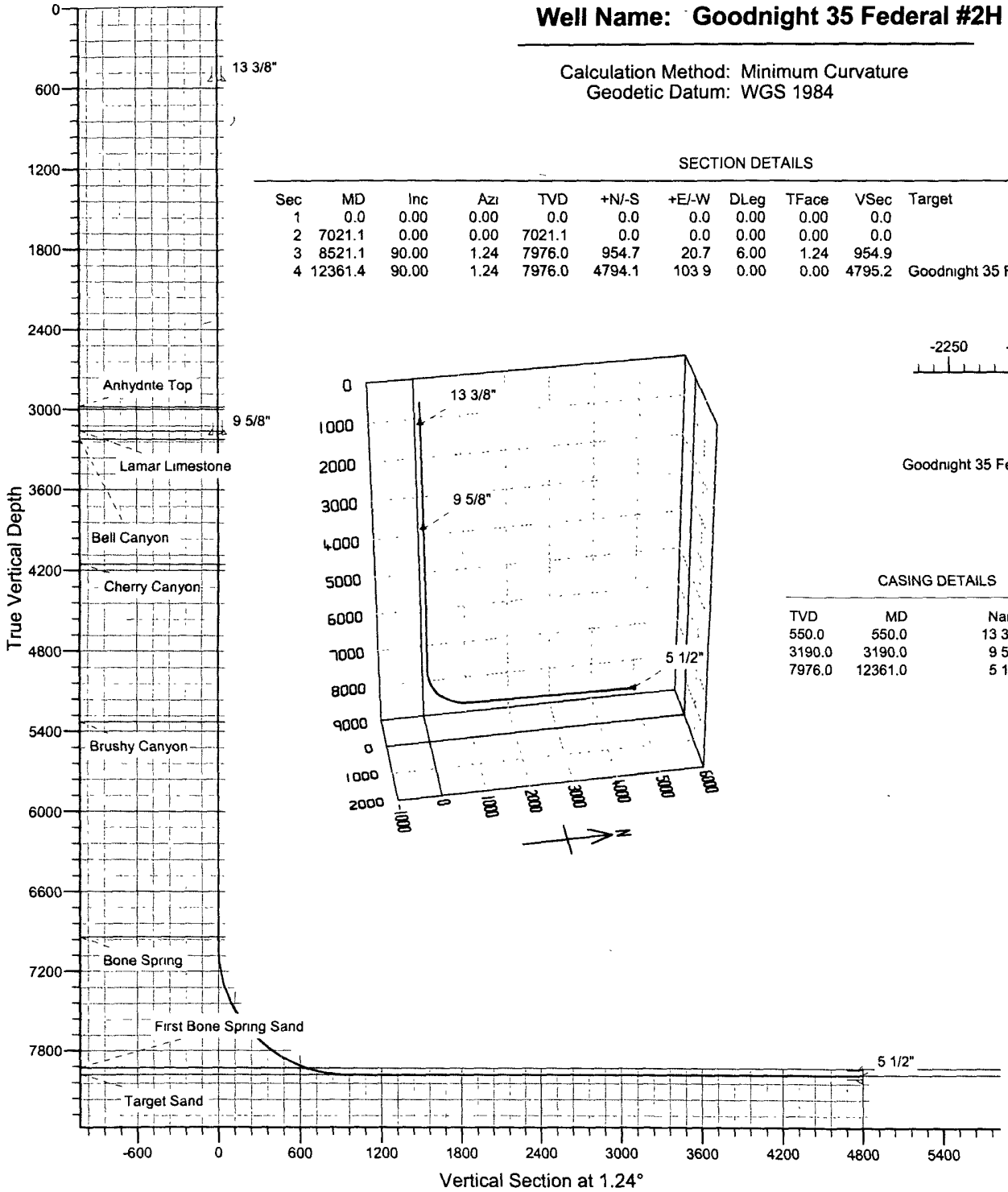
16 April, 2009

Well Name: Goodnight 35 Federal #2H

Calculation Method: Minimum Curvature
Geodetic Datum: WGS 1984

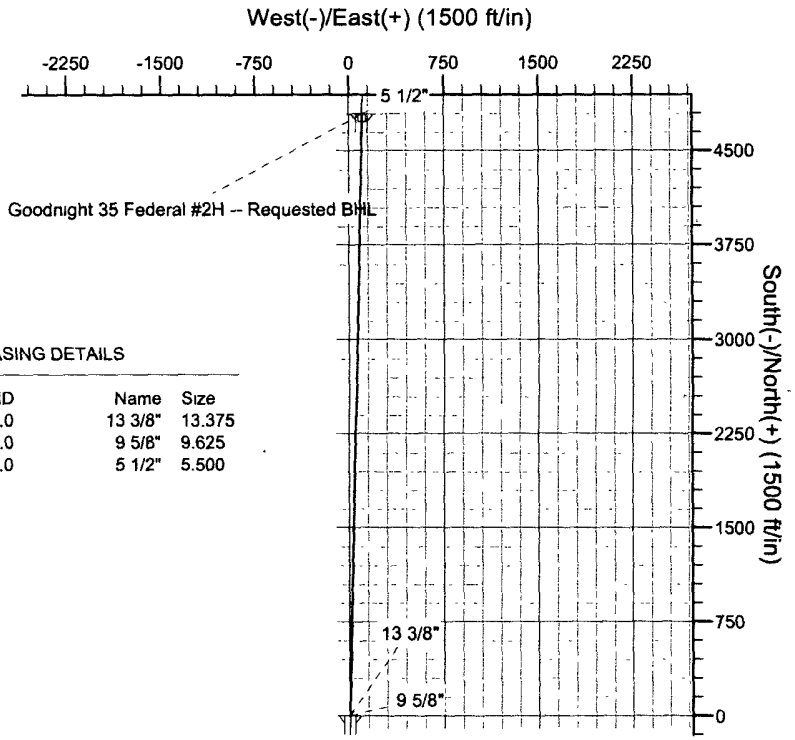
SECTION DETAILS

Sec	MD	Inc	Azi	TVD	+N/-S	+E/-W	DLeg	TFace	VSec	Target
1	0.0	0.00	0.00	0.0	0.0	0.0	0.00	0.00	0.0	
2	7021.1	0.00	0.00	7021.1	0.0	0.0	0.00	0.00	0.0	
3	8521.1	90.00	1.24	7976.0	954.7	20.7	6.00	1.24	954.9	
4	12361.4	90.00	1.24	7976.0	4794.1	103 9	0.00	0.00	4795.2	Goodnight 35 Federal #2H -- Requested BHL



CASING DETAILS

TVD	MD	Name	Size
550.0	550.0	13 3/8"	13.375
3190.0	3190.0	9 5/8"	9.625
7976.0	12361.0	5 1/2"	5.500



FORMATION TOP DETAILS

TVDPath	MDPath	Formation
2981.0	2981.0	Anhydrite Top
3161.0	3161.0	Lamar Limestone
3221.0	3221.0	Bell Canyon
4150.0	4150.0	Cherry Canyon
5330.0	5330.0	Brushy Canyon
6940.0	6940.0	Bone Spring
7926.0	8210.7	First Bone Spring Sand
7976.0	8521.1	Target Sand

Database:	HOPSPP	**Local Co-ordinate Reference:**	Well Goodnight 35 Federal #2H
Company:	ENGINEERING CALCS	**TVD Reference:**	Rig KB @ 3111.0ft (H&P 370)
Project:	Permian	**MD Reference:**	Rig KB @ 3111.0ft (H&P 370)
Site:	Goodnight 35 Federal #2H	**North Reference:**	True
Well:	Goodnight 35 Federal #2H	**Survey Calculation Method:**	Minimum Curvature
Wellbore:	Goodnight 35 Federal #2H		
Design:	Permitted Wellbore		

Project Permian

Map System:	Flat Earth	**System Datum:**	Mean Sea Level
Geo Datum:	WGS 1984		
Map Zone:	No Conversions		

Site Goodnight 35 Federal #2H, T23S, R29E

Site Position:		**Northing:**	456,467.58 ft	**Latitude:**	
From:	Map	**Easting:**	614,854.58 ft	**Longitude:**	
Position Uncertainty:	0.0 ft	**Slot Radius:**	in	**Grid Convergence:**	0.00 °

Well Goodnight 35 Federal #2H, First Bone Springs Horizontal Well

Well Position	**+N/-S**	0.0 ft	**Northing:**	456,467.58 ft	**Latitude:**	
	+E/-W	0.0 ft	**Easting:**	614,854.58 ft	**Longitude:**	
Position Uncertainty		0.0 ft	**Wellhead Elevation:**	3,086.0 ft	**Ground Level:**	3,086.0 ft

Wellbore Goodnight 35 Federal #2H

Magnetics	Model Name	Sample Date	Declination (°)	Dip Angle (°)	Field Strength (nT)
	User Defined	4/15/2009	0.00	0.00	0

Design Permitted Wellbore

Audit Notes:

Version:		**Phase:**	PROTOTYPE	**Tie On Depth:**	0.0

Vertical Section:	Depth From (TVD) (ft)	+N/-S (ft)	+E/-W (ft)	Direction (°)
	0.0	0.0	0.0	1.24

Plan Sections

Measured Depth (ft)	Inclination (°)	Azimuth (°)	Vertical Depth (ft)	+N/-S (ft)	+E/-W (ft)	Dogleg Rate (°/100ft)	Build Rate (°/100ft)	Turn Rate (°/100ft)	TFO (°)	Target
0.0	0 00	0.00	0.0	0.0	0 0	0.00	0.00	0.00	0.00	
7,021.1	0.00	0.00	7,021.1	0.0	0.0	0.00	0.00	0.00	0.00	
8,521.1	90.00	1 24	7,976.0	954.7	20.7	6.00	6.00	0.00	1.24	
12,361.4	90.00	1 24	7,976.0	4,794.1	103.9	0.00	0.00	0.00	0 00	Goodnight 35 Federal

Database:	HOPSPP	**Local Co-ordinate Reference:**	Well Goodnight 35 Federal #2H
Company:	ENGINEERING CALCS	**TVD Reference:**	Rig KB @ 3111.0ft (H&P 370)
Project:	Permian	**MD Reference:**	Rig KB @ 3111.0ft (H&P 370)
Site:	Goodnight 35 Federal #2H	**North Reference:**	True
Well:	Goodnight 35 Federal #2H	**Survey Calculation Method:**	Minimum Curvature
Wellbore:	Goodnight 35 Federal #2H		
Design:	Permitted Wellbore		

Planned Survey

Measured Depth (ft)	Inclination (°)	Azimuth (°)	Vertical Depth (ft)	+N/-S (ft)	+E/-W (ft)	Vertical Section (ft)	Dogleg Rate (°/100ft)	Build Rate (°/100ft)	Turn Rate (°/100ft)
0.0	0.00	0.00	0.0	0.0	0.0	0.0	0.00	0.00	0.00
100.0	0.00	0.00	100.0	0.0	0.0	0.0	0.00	0.00	0.00
200.0	0.00	0.00	200.0	0.0	0.0	0.0	0.00	0.00	0.00
300.0	0.00	0.00	300.0	0.0	0.0	0.0	0.00	0.00	0.00
400.0	0.00	0.00	400.0	0.0	0.0	0.0	0.00	0.00	0.00
500.0	0.00	0.00	500.0	0.0	0.0	0.0	0.00	0.00	0.00
550.0	0.00	0.00	550.0	0.0	0.0	0.0	0.00	0.00	0.00
13 3/8"									
600.0	0.00	0.00	600.0	0.0	0.0	0.0	0.00	0.00	0.00
700.0	0.00	0.00	700.0	0.0	0.0	0.0	0.00	0.00	0.00
800.0	0.00	0.00	800.0	0.0	0.0	0.0	0.00	0.00	0.00
900.0	0.00	0.00	900.0	0.0	0.0	0.0	0.00	0.00	0.00
1,000.0	0.00	0.00	1,000.0	0.0	0.0	0.0	0.00	0.00	0.00
1,100.0	0.00	0.00	1,100.0	0.0	0.0	0.0	0.00	0.00	0.00
1,200.0	0.00	0.00	1,200.0	0.0	0.0	0.0	0.00	0.00	0.00
1,300.0	0.00	0.00	1,300.0	0.0	0.0	0.0	0.00	0.00	0.00
1,400.0	0.00	0.00	1,400.0	0.0	0.0	0.0	0.00	0.00	0.00
1,500.0	0.00	0.00	1,500.0	0.0	0.0	0.0	0.00	0.00	0.00
1,600.0	0.00	0.00	1,600.0	0.0	0.0	0.0	0.00	0.00	0.00
1,700.0	0.00	0.00	1,700.0	0.0	0.0	0.0	0.00	0.00	0.00
1,800.0	0.00	0.00	1,800.0	0.0	0.0	0.0	0.00	0.00	0.00
1,900.0	0.00	0.00	1,900.0	0.0	0.0	0.0	0.00	0.00	0.00
2,000.0	0.00	0.00	2,000.0	0.0	0.0	0.0	0.00	0.00	0.00
2,100.0	0.00	0.00	2,100.0	0.0	0.0	0.0	0.00	0.00	0.00
2,200.0	0.00	0.00	2,200.0	0.0	0.0	0.0	0.00	0.00	0.00
2,300.0	0.00	0.00	2,300.0	0.0	0.0	0.0	0.00	0.00	0.00
2,400.0	0.00	0.00	2,400.0	0.0	0.0	0.0	0.00	0.00	0.00
2,500.0	0.00	0.00	2,500.0	0.0	0.0	0.0	0.00	0.00	0.00
2,600.0	0.00	0.00	2,600.0	0.0	0.0	0.0	0.00	0.00	0.00
2,700.0	0.00	0.00	2,700.0	0.0	0.0	0.0	0.00	0.00	0.00
2,800.0	0.00	0.00	2,800.0	0.0	0.0	0.0	0.00	0.00	0.00
2,900.0	0.00	0.00	2,900.0	0.0	0.0	0.0	0.00	0.00	0.00
2,981.0	0.00	0.00	2,981.0	0.0	0.0	0.0	0.00	0.00	0.00
Anhydrite Top									
3,000.0	0.00	0.00	3,000.0	0.0	0.0	0.0	0.00	0.00	0.00
3,100.0	0.00	0.00	3,100.0	0.0	0.0	0.0	0.00	0.00	0.00
3,161.0	0.00	0.00	3,161.0	0.0	0.0	0.0	0.00	0.00	0.00
Lamar Limestone									
3,190.0	0.00	0.00	3,190.0	0.0	0.0	0.0	0.00	0.00	0.00
9 5/8"									
3,200.0	0.00	0.00	3,200.0	0.0	0.0	0.0	0.00	0.00	0.00
3,221.0	0.00	0.00	3,221.0	0.0	0.0	0.0	0.00	0.00	0.00
Bell Canyon									
3,300.0	0.00	0.00	3,300.0	0.0	0.0	0.0	0.00	0.00	0.00
3,400.0	0.00	0.00	3,400.0	0.0	0.0	0.0	0.00	0.00	0.00
3,500.0	0.00	0.00	3,500.0	0.0	0.0	0.0	0.00	0.00	0.00
3,600.0	0.00	0.00	3,600.0	0.0	0.0	0.0	0.00	0.00	0.00
3,700.0	0.00	0.00	3,700.0	0.0	0.0	0.0	0.00	0.00	0.00
3,800.0	0.00	0.00	3,800.0	0.0	0.0	0.0	0.00	0.00	0.00
3,900.0	0.00	0.00	3,900.0	0.0	0.0	0.0	0.00	0.00	0.00
4,000.0	0.00	0.00	4,000.0	0.0	0.0	0.0	0.00	0.00	0.00
4,100.0	0.00	0.00	4,100.0	0.0	0.0	0.0	0.00	0.00	0.00
4,150.0	0.00	0.00	4,150.0	0.0	0.0	0.0	0.00	0.00	0.00

Database:	HOPSPP	**Local Co-ordinate Reference:**	Well Goodnight 35 Federal #2H
Company:	ENGINEERING CALCS	**TVD Reference:**	Rig KB @ 3111.0ft (H&P 370)
Project:	Permian	**MD Reference:**	Rig KB @ 3111.0ft (H&P 370)
Site:	Goodnight 35 Federal #2H	**North Reference:**	True
Well:	Goodnight 35 Federal #2H	**Survey Calculation Method:**	Minimum Curvature
Wellbore:	Goodnight 35 Federal #2H		
Design:	Permitted Wellbore		

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)
Cherry Canyon									
4,200.0	0.00	0.00	4,200.0	0.0	0.0	0.0	0.00	0.00	0.00
4,300.0	0.00	0.00	4,300.0	0.0	0.0	0.0	0.00	0.00	0.00
4,400.0	0.00	0.00	4,400.0	0.0	0.0	0.0	0.00	0.00	0.00
4,500.0	0.00	0.00	4,500.0	0.0	0.0	0.0	0.00	0.00	0.00
4,600.0	0.00	0.00	4,600.0	0.0	0.0	0.0	0.00	0.00	0.00
4,700.0	0.00	0.00	4,700.0	0.0	0.0	0.0	0.00	0.00	0.00
4,800.0	0.00	0.00	4,800.0	0.0	0.0	0.0	0.00	0.00	0.00
4,900.0	0.00	0.00	4,900.0	0.0	0.0	0.0	0.00	0.00	0.00
5,000.0	0.00	0.00	5,000.0	0.0	0.0	0.0	0.00	0.00	0.00
5,100.0	0.00	0.00	5,100.0	0.0	0.0	0.0	0.00	0.00	0.00
5,200.0	0.00	0.00	5,200.0	0.0	0.0	0.0	0.00	0.00	0.00
5,300.0	0.00	0.00	5,300.0	0.0	0.0	0.0	0.00	0.00	0.00
5,330.0	0.00	0.00	5,330.0	0.0	0.0	0.0	0.00	0.00	0.00
Brushy Canyon									
5,400.0	0.00	0.00	5,400.0	0.0	0.0	0.0	0.00	0.00	0.00
5,500.0	0.00	0.00	5,500.0	0.0	0.0	0.0	0.00	0.00	0.00
5,600.0	0.00	0.00	5,600.0	0.0	0.0	0.0	0.00	0.00	0.00
5,700.0	0.00	0.00	5,700.0	0.0	0.0	0.0	0.00	0.00	0.00
5,800.0	0.00	0.00	5,800.0	0.0	0.0	0.0	0.00	0.00	0.00
5,900.0	0.00	0.00	5,900.0	0.0	0.0	0.0	0.00	0.00	0.00
6,000.0	0.00	0.00	6,000.0	0.0	0.0	0.0	0.00	0.00	0.00
6,100.0	0.00	0.00	6,100.0	0.0	0.0	0.0	0.00	0.00	0.00
6,200.0	0.00	0.00	6,200.0	0.0	0.0	0.0	0.00	0.00	0.00
6,300.0	0.00	0.00	6,300.0	0.0	0.0	0.0	0.00	0.00	0.00
6,400.0	0.00	0.00	6,400.0	0.0	0.0	0.0	0.00	0.00	0.00
6,500.0	0.00	0.00	6,500.0	0.0	0.0	0.0	0.00	0.00	0.00
6,600.0	0.00	0.00	6,600.0	0.0	0.0	0.0	0.00	0.00	0.00
6,700.0	0.00	0.00	6,700.0	0.0	0.0	0.0	0.00	0.00	0.00
6,800.0	0.00	0.00	6,800.0	0.0	0.0	0.0	0.00	0.00	0.00
6,900.0	0.00	0.00	6,900.0	0.0	0.0	0.0	0.00	0.00	0.00
6,940.0	0.00	0.00	6,940.0	0.0	0.0	0.0	0.00	0.00	0.00
Bone Spring									
7,000.0	0.00	0.00	7,000.0	0.0	0.0	0.0	0.00	0.00	0.00
7,021.1	0.00	0.00	7,021.1	0.0	0.0	0.0	0.00	0.00	0.00
Start Build 6.00									
7,050.0	1.74	1.24	7,050.0	0.4	0.0	0.4	6.00	6.00	0.00
7,100.0	4.74	1.24	7,099.9	3.3	0.1	3.3	6.00	6.00	0.00
7,150.0	7.74	1.24	7,149.6	8.7	0.2	8.7	6.00	6.00	0.00
7,200.0	10.74	1.24	7,199.0	16.7	0.4	16.7	6.00	6.00	0.00
7,250.0	13.74	1.24	7,247.8	27.3	0.6	27.3	6.00	6.00	0.00
7,300.0	16.74	1.24	7,296.1	40.4	0.9	40.4	6.00	6.00	0.00
7,350.0	19.74	1.24	7,343.5	56.1	1.2	56.1	6.00	6.00	0.00
7,400.0	22.74	1.24	7,390.1	74.2	1.6	74.2	6.00	6.00	0.00
7,450.0	25.74	1.24	7,435.7	94.7	2.1	94.7	6.00	6.00	0.00
7,500.0	28.74	1.24	7,480.2	117.6	2.5	117.6	6.00	6.00	0.00
7,550.0	31.74	1.24	7,523.4	142.7	3.1	142.8	6.00	6.00	0.00
7,600.0	34.74	1.24	7,565.2	170.1	3.7	170.2	6.00	6.00	0.00
7,650.0	37.74	1.24	7,605.5	199.7	4.3	199.7	6.00	6.00	0.00
7,700.0	40.74	1.24	7,644.2	231.3	5.0	231.4	6.00	6.00	0.00
7,750.0	43.74	1.24	7,681.2	264.9	5.7	265.0	6.00	6.00	0.00
7,800.0	46.74	1.24	7,716.5	300.4	6.5	300.5	6.00	6.00	0.00
7,850.0	49.74	1.24	7,749.8	337.7	7.3	337.7	6.00	6.00	0.00

Database:	HOPSPP	**Local Co-ordinate Reference:**	Well Goodnight 35 Federal #2H
Company:	ENGINEERING CALCS	**TVD Reference:**	Rig KB @ 3111.0ft (H&P 370)
Project:	Permian	**MD Reference:**	Rig KB @ 3111.0ft (H&P 370)
Site:	Goodnight 35 Federal #2H	**North Reference:**	True
Well:	Goodnight 35 Federal #2H	**Survey Calculation Method:**	Minimum Curvature
Wellbore:	Goodnight 35 Federal #2H		
Design:	Permitted Wellbore		

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)
7,900.0	52.74	1.24	7,781.1	376.6	8.2	376.7	6.00	6.00	0.00
7,950.0	55.74	1.24	7,810.3	417.2	9.0	417.3	6.00	6.00	0.00
8,000.0	58.74	1.24	7,837.3	459.2	10.0	459.3	6.00	6.00	0.00
8,050.0	61.74	1.24	7,862.1	502.6	10.9	502.7	6.00	6.00	0.00
8,100.0	64.74	1.24	7,884.7	547.2	11.9	547.4	6.00	6.00	0.00
8,150.0	67.74	1.24	7,904.8	593.0	12.9	593.1	6.00	6.00	0.00
8,200.0	70.74	1.24	7,922.5	639.7	13.9	639.9	6.00	6.00	0.00
8,210.7	71.38	1.24	7,926.0	649.8	14.1	650.0	6.00	6.00	0.00
First Bone Spring Sand									
8,250.0	73.74	1.24	7,937.8	687.3	14.9	687.5	6.00	6.00	0.00
8,300.0	76.74	1.24	7,950.5	735.7	15.9	735.8	6.00	6.00	0.00
8,350.0	79.74	1.24	7,960.7	784.6	17.0	784.8	6.00	6.00	0.00
8,400.0	82.74	1.24	7,968.3	834.0	18.1	834.2	6.00	6.00	0.00
8,450.0	85.74	1.24	7,973.4	883.7	19.2	883.9	6.00	6.00	0.00
8,500.0	88.74	1.24	7,975.8	933.6	20.2	933.9	6.00	6.00	0.00
8,521.1	90.00	1.24	7,976.0	954.7	20.7	954.9	6.00	6.00	0.00
Start 3840.3 hold at 8521.1 MD - Target Sand									
8,600.0	90.00	1.24	7,976.0	1,033.6	22.4	1,033.9	0.00	0.00	0.00
8,700.0	90.00	1.24	7,976.0	1,133.6	24.6	1,133.9	0.00	0.00	0.00
8,800.0	90.00	1.24	7,976.0	1,233.6	26.7	1,233.9	0.00	0.00	0.00
8,900.0	90.00	1.24	7,976.0	1,333.5	28.9	1,333.9	0.00	0.00	0.00
9,000.0	90.00	1.24	7,976.0	1,433.5	31.1	1,433.9	0.00	0.00	0.00
9,100.0	90.00	1.24	7,976.0	1,533.5	33.2	1,533.9	0.00	0.00	0.00
9,200.0	90.00	1.24	7,976.0	1,633.5	35.4	1,633.9	0.00	0.00	0.00
9,300.0	90.00	1.24	7,976.0	1,733.5	37.6	1,733.9	0.00	0.00	0.00
9,400.0	90.00	1.24	7,976.0	1,833.4	39.7	1,833.9	0.00	0.00	0.00
9,500.0	90.00	1.24	7,976.0	1,933.4	41.9	1,933.9	0.00	0.00	0.00
9,600.0	90.00	1.24	7,976.0	2,033.4	44.1	2,033.9	0.00	0.00	0.00
9,700.0	90.00	1.24	7,976.0	2,133.4	46.2	2,133.9	0.00	0.00	0.00
9,800.0	90.00	1.24	7,976.0	2,233.3	48.4	2,233.9	0.00	0.00	0.00
9,900.0	90.00	1.24	7,976.0	2,333.3	50.6	2,333.9	0.00	0.00	0.00
10,000.0	90.00	1.24	7,976.0	2,433.3	52.7	2,433.9	0.00	0.00	0.00
10,100.0	90.00	1.24	7,976.0	2,533.3	54.9	2,533.9	0.00	0.00	0.00
10,200.0	90.00	1.24	7,976.0	2,633.2	57.1	2,633.9	0.00	0.00	0.00
10,300.0	90.00	1.24	7,976.0	2,733.2	59.2	2,733.9	0.00	0.00	0.00
10,400.0	90.00	1.24	7,976.0	2,833.2	61.4	2,833.9	0.00	0.00	0.00
10,500.0	90.00	1.24	7,976.0	2,933.2	63.6	2,933.9	0.00	0.00	0.00
10,600.0	90.00	1.24	7,976.0	3,033.1	65.7	3,033.9	0.00	0.00	0.00
10,700.0	90.00	1.24	7,976.0	3,133.1	67.9	3,133.9	0.00	0.00	0.00
10,800.0	90.00	1.24	7,976.0	3,233.1	70.1	3,233.9	0.00	0.00	0.00
10,900.0	90.00	1.24	7,976.0	3,333.1	72.2	3,333.9	0.00	0.00	0.00
11,000.0	90.00	1.24	7,976.0	3,433.1	74.4	3,433.9	0.00	0.00	0.00
11,100.0	90.00	1.24	7,976.0	3,533.0	76.6	3,533.9	0.00	0.00	0.00
11,200.0	90.00	1.24	7,976.0	3,633.0	78.7	3,633.9	0.00	0.00	0.00
11,300.0	90.00	1.24	7,976.0	3,733.0	80.9	3,733.9	0.00	0.00	0.00
11,400.0	90.00	1.24	7,976.0	3,833.0	83.1	3,833.9	0.00	0.00	0.00
11,500.0	90.00	1.24	7,976.0	3,932.9	85.2	3,933.9	0.00	0.00	0.00
11,600.0	90.00	1.24	7,976.0	4,032.9	87.4	4,033.9	0.00	0.00	0.00
11,700.0	90.00	1.24	7,976.0	4,132.9	89.6	4,133.9	0.00	0.00	0.00
11,800.0	90.00	1.24	7,976.0	4,232.9	91.8	4,233.9	0.00	0.00	0.00
11,900.0	90.00	1.24	7,976.0	4,332.8	93.9	4,333.9	0.00	0.00	0.00
12,000.0	90.00	1.24	7,976.0	4,432.8	96.1	4,433.9	0.00	0.00	0.00
12,100.0	90.00	1.24	7,976.0	4,532.8	98.3	4,533.9	0.00	0.00	0.00

Database:	HOPSPP	**Local Co-ordinate Reference:**	Well Goodnight 35 Federal #2H
Company:	ENGINEERING CALCS	**TVD Reference:**	Rig KB @ 3111.0ft (H&P 370)
Project:	Permian	**MD Reference:**	Rig KB @ 3111.0ft (H&P 370)
Site:	Goodnight 35 Federal #2H	**North Reference:**	True
Well:	Goodnight 35 Federal #2H	**Survey Calculation Method:**	Minimum Curvature
Wellbore:	Goodnight 35 Federal #2H		
Design:	Permitted Wellbore		

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)
12,200.0	90.00	1.24	7,976.0	4,632.8	100.4	4,633.9	0.00	0.00	0.00
12,300.0	90.00	1.24	7,976.0	4,732.7	102.6	4,733.9	0.00	0.00	0.00
12,361.0	90.00	1.24	7,976.0	4,793.7	103.9	4,794.9	0.00	0.00	0.00
5 1/2"									
12,361.4	90.00	1.24	7,976.0	4,794.1	103.9	4,795.2	0.00	0.00	0.00
TD at 12361.4 - Goodnight 35 Federal #2H – Requested BHL									

Targets

Target Name - hit/miss target - Shape	Dip Angle (°)	Dip Dir. (°)	TVD (ft)	+N/-S (ft)	+E/-W (ft)	Northing (ft)	Easting (ft)	Latitude	Longitude
Goodnight 35 Federal #2	0 00	0.00	7,976.0	4,794.1	103.9	461,261.68	614,958.50	0.000	0.000
- plan hits target									
- Rectangle (sides W60.0 H60 0 D30.0)									

Casing Points

Measured Depth (ft)	Vertical Depth (ft)	Name	Casing Diameter (in)	Hole Diameter (in)
550.0	550.0	13 3/8"	13.375	17.500
3,190.0	3,190.0	9 5/8"	9.625	12.250
12,361.0	7,976.0	5 1/2"	5.500	8.500

Formations

Measured Depth (ft)	Vertical Depth (ft)	Name	Lithology	Dip (°)	Dip Direction (°)
2,981.0	2,981.0	Anhydrite Top		0.00	
3,161.0	3,161.0	Lamar Limestone		0.00	
3,221.0	3,221.0	Bell Canyon		0.00	
4,150.0	4,150.0	Cherry Canyon		0.00	
5,330 0	5,330.0	Brushy Canyon		0.00	
6,940.0	6,940.0	Bone Spring		0.00	
8,210.7	7,926.0	First Bone Spring Sand		0.00	
8,521.1	7,976.0	Target Sand		0.00	

Plan Annotations

Measured Depth (ft)	Vertical Depth (ft)	Local Coordinates +N/-S (ft)	Local Coordinates +E/-W (ft)	Comment
7,021 1	7,021.1	0.0	0.0	Start Build 6.00
8,521.1	7,976.0	954.7	20.7	Start 3840 3 hold at 8521.1 MD
12,361 4	7,976.0	4,794.1	103.9	TD at 12361.4

Continental CONTITECH

Fluid Technology

Quality Document

CERTIFICATE OF CONFORMITY

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

STATEMENT OF CONFORMITY

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

COUNTRY OF ORIGIN HUNGARY/EU

Signed : .....

ContiTech Rubber Industrial Kft. Quality Control Dept.

Date: 04. April. 2008

Position: Q.C. Manager

PHOENIX Beattie

Material Identification Certificate

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

Part No	Description	Material Desc	Material Spec	Qty	WO No	Batch No	Test Cert No	Bin No	Drg No	Issue No
HP10CSA-35-4F1	3" 10K 16C CBK HOSE x 35ft OAL			1	2491	52777/HB84		WATER		
SEC03-HPF3	LIFTING & SAFETY EQUIPMENT TO			1	2440	002440		W/STK		
SC725-200CS	SAFETY CLAMP 200MM 7.25T	CARBON STEEL		1	2519	H566		22C		
SC725-132CS	SAFETY CLAMP 132MM 7.25T	CARBON STEEL		1	2242	H139		22		

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

05/03/08

Continental CONTITECH

Fluid Technology

Quality Document

QUALITY CONTROL INSPECTION AND TEST CERTIFICATE			CERT. N°: 746
PURCHASER: Phoenix Beattie Co.			P.O. N°: 002491
CONTITECH ORDER N°: 412638	HOSE TYPE: 3" ID	Choke and Kill Hose	
HOSE SERIAL N°: 52777	NOMINAL / ACTUAL LENGTH:	10,67 m	
W.P. 68,96 MPa 10000 psi	T.P. 103,4 MPa 15000 psi	Duration: 60 ~ min.	

Pressure test with water at ambient temperature

See attachment. (1 page)

↑ 10 mm = 10 Min.

→ 10 mm = 25 MPa

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

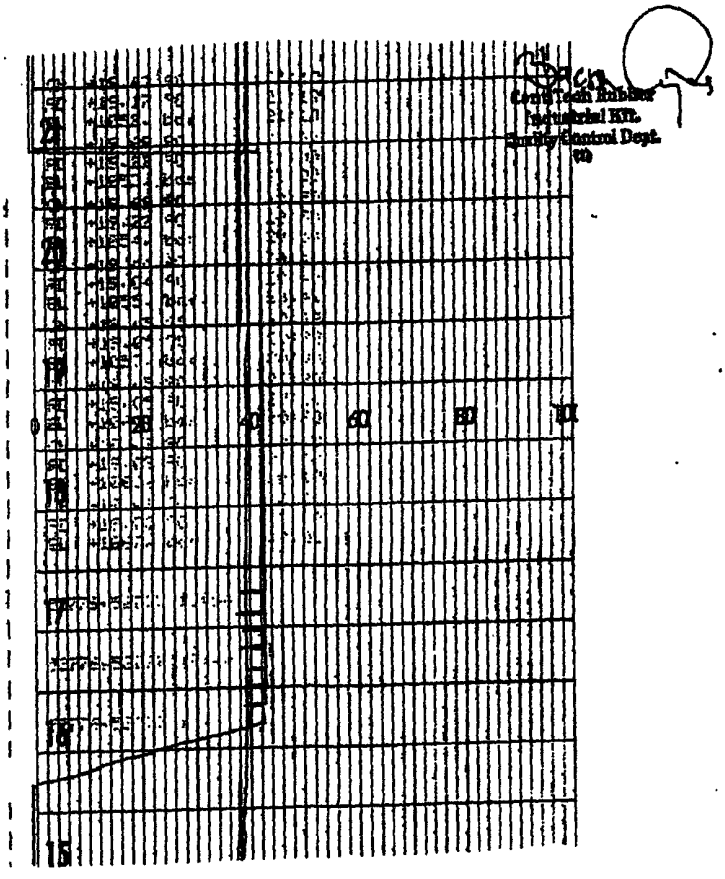
INFOCHIP INSTALLED

API Spec 16 C
Temperature rate:"B"

All metal parts are flawless

WE CERTIFY THAT THE ABOVE HOSE HAS BEEN MANUFACTURED IN ACCORDANCE WITH THE TERMS OF THE ORDER AND PRESSURE TESTED AS ABOVE WITH SATISFACTORY RESULT.

Date:	Inspector	Quality Control
04. April. 2008		ContiTech Rubber Industrial Kft. Quality Control Dept. (1)


Control Tech Rubber
Industrial Ltd.
Quality Control Dept.
0
20
40
60
80
100
15

Form No 100/12

PHOENIX Beattie

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

Delivery Note

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

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

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

Continued...

Form No 100/12

PHOENIX Beattie

Phoenix Beattie Corp
11536 Brittmoore Park Drive
Houston, TX 77041
Tel: (832) 327-0141
Fax: (832) 327-0148
E-mail sales@phoenixbeattie.com
www.phoenixbeattie.com

Delivery Note

Customer Order Number	370-369-001	Delivery Note Number	003078	Page	2

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

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

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

Phoenix Beattie Inspection Signature : _____

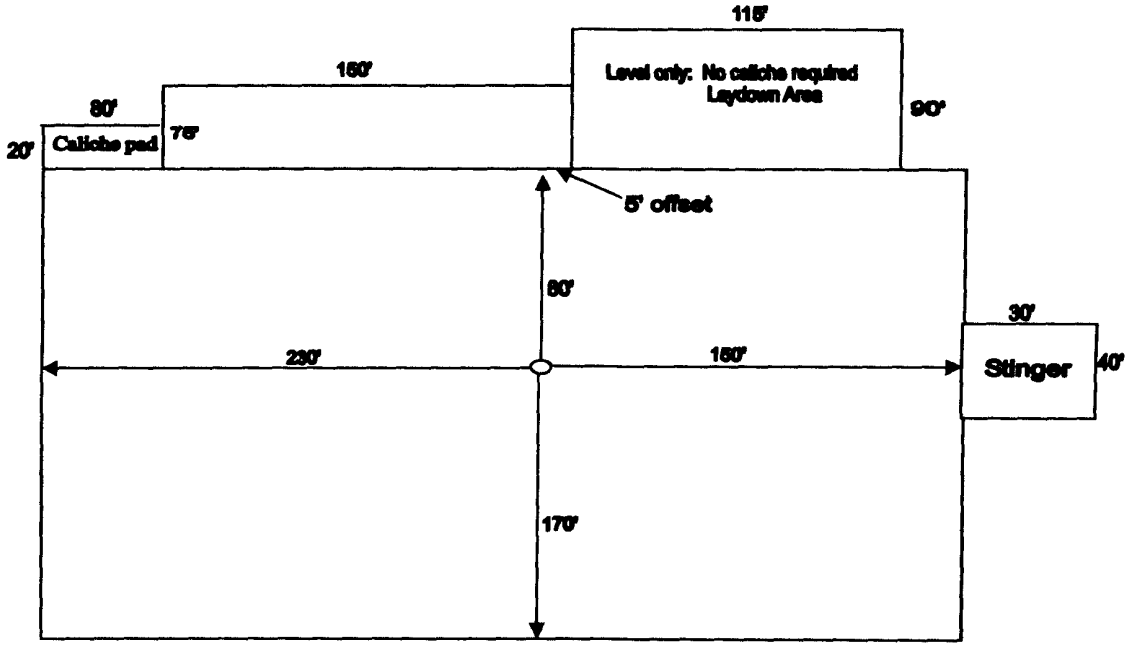
Received in Good Condition : Signature _____

Print Name _____

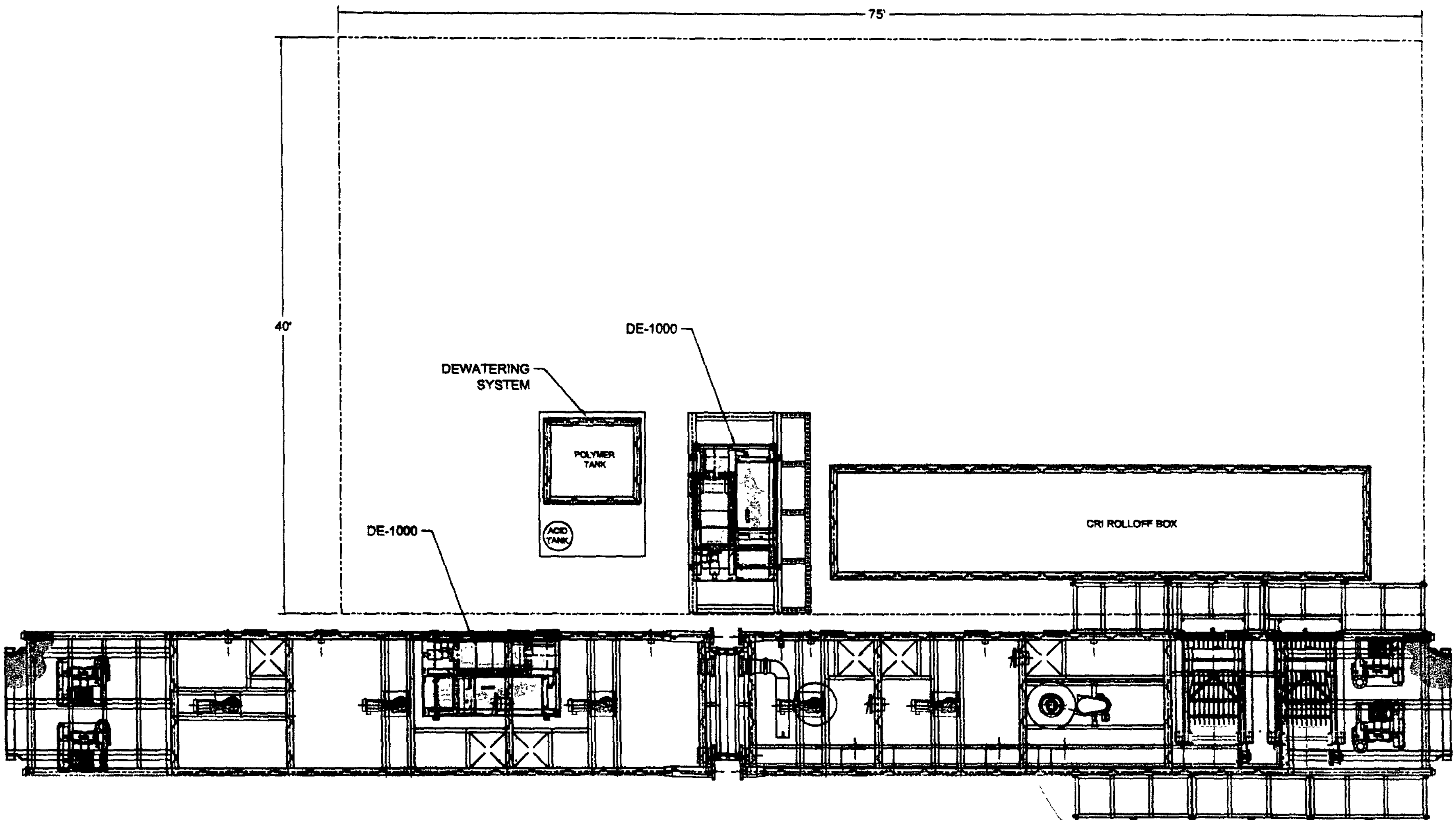
Date _____

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

Flex 3 Rig- H & P 212
(Oil Based)
(Closed loop)



BILL OF MATERIAL				
ITEM	QTY.	DESCRIPTION	LENGTH	WEIGHT



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

TITLE:

CLOSED LOOP SYSTEM BASIC LAYOUT AND TIE IN OXY - H&P 370

DRAWN BY	DATE	CHECKED BY	DATE
PDL	8/4/08		
APPROVED	DATE	SCALE NTS	ACAD SIZE D

Scomi

JOB NO.	DRAWING NO.	REV.
	521S-002	

District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Avenue, Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

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

Form C-144 CLEZ
July 21, 2008

For closed-loop systems *that only use above ground steel tanks or haul-off bins and propose to implement waste removal for closure*, submit to the appropriate NMOCD District Office.

Closed-Loop System Permit or Closure Plan Application

(that only use above ground steel tanks or haul-off bins and propose to implement waste removal for closure)

Type of action: [X] Permit [ ] Closure

Instructions: Please submit one application (Form C-144 CLEZ) per individual closed-loop system request. For any application request other than for a closed-loop system that only use above ground steel tanks or haul-off bins and propose to implement waste removal for closure, please submit a Form C-144.

Please be advised that approval of this request does not relieve the operator of liability should operations result in pollution of surface water, ground water or the environment. Nor does approval relieve the operator of its responsibility to comply with any other applicable governmental authority's rules, regulations or ordinances.

1.
Operator: OXY USA INC OGRID #: 16696
Address: PO Box 4294 Houston, TX 77210
Facility or well name: Goodnight 35 Federal #2H
API Number: 30-015-301039 OCD Permit Number:
U/L or Qtr/Qtr D,E,L,M Section 35 Township T23S Range R29E County: Eddy
Center of Proposed Design: Latitude 32.254361N Longitude 103.961805W NAD: [X] 1927 [ ] 1983
Surface Owner: [X] Federal [ ] State [ ] Private [ ] Tribal Trust or Indian Allotment

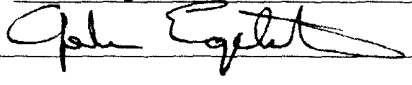
2.
[X] **Closed-loop System:** Subsection H of 19.15.17.11 NMAC
Operation: [X] Drilling a new well [ ] Workover or Drilling (Applies to activities which require prior approval of a permit or notice of intent) [ ] P&A
[ ] Above Ground Steel Tanks or [X] Haul-off Bins

3.
Signs: Subsection C of 19.15.17.11 NMAC
[X] 12"x 24", 2" lettering, providing Operator's name, site location, and emergency telephone numbers
[X] Signed in compliance with 19.15.3.103 NMAC

4.
Closed-loop Systems Permit Application Attachment Checklist: Subsection B of 19.15.17.9 NMAC
Instructions: Each of the following items must be attached to the application. Please indicate, by a check mark in the box, that the documents are attached.
[ ] Design Plan - based upon the appropriate requirements of 19.15.17.11 NMAC
[ ] Operating and Maintenance Plan - based upon the appropriate requirements of 19.15.17.12 NMAC
[ ] Closure Plan (Please complete Box 5) - based upon the appropriate requirements of Subsection C of 19.15.17.9 NMAC and 19.15.17.13 NMAC
[X] Previously Approved Design (attach copy of design) API Number: 30-015-36987
[X] Previously Approved Operating and Maintenance Plan API Number: 30-015-36987

5.
Waste Removal Closure For Closed-loop Systems That Utilize Above Ground Steel Tanks or Haul-off Bins Only: (19.15.17.13.D NMAC)
Instructions: Please indentify the facility or facilities for the disposal of liquids, drilling fluids and drill cuttings. Use attachment if more than two facilities are required.
Disposal Facility Name: Control Recovery Inc. Disposal Facility Permit Number: R9166
Disposal Facility Name: Sundance Landfill Disposal Facility Permit Number: NM-01-003
Will any of the proposed closed-loop system operations and associated activities occur on or in areas that *will not* be used for future service and operations?
[ ] Yes (If yes, please provide the information below) [X] No

Required for impacted areas which will not be used for future service and operations:
[ ] Soil Backfill and Cover Design Specifications - - based upon the appropriate requirements of Subsection H of 19.15.17.13 NMAC
[ ] Re-vegetation Plan - based upon the appropriate requirements of Subsection I of 19.15.17.13 NMAC
[ ] Site Reclamation Plan - based upon the appropriate requirements of Subsection G of 19.15.17.13 NMAC

6.
Operator Application Certification:
I hereby certify that the information submitted with this application is true, accurate and complete to the best of my knowledge and belief.
Name (Print): John Egelston Title: Drilling Engineer
Signature:  Date: April 7, 2009
e-mail address: John_Egelston@Oxy.com Telephone: 713.215.7849

7.
OCD Approval: ☐ Permit Application (including closure plan) ☐ Closure Plan (only)

OCD Representative Signature: _____ **Approval Date:** _____

Title: _____ **OCD Permit Number:** _____

8.
Closure Report (required within 60 days of closure completion): Subsection K of 19.15.17.13 NMAC

Instructions: Operators are required to obtain an approved closure plan prior to implementing any closure activities and submitting the closure report. The closure report is required to be submitted to the division within 60 days of the completion of the closure activities. Please do not complete this section of the form until an approved closure plan has been obtained and the closure activities have been completed.

☐ **Closure Completion Date:** _____

9.
Closure Report Regarding Waste Removal Closure For Closed-loop Systems That Utilize Above Ground Steel Tanks or Haul-off Bins Only:

Instructions: Please indentify the facility or facilities for where the liquids, drilling fluids and drill cuttings were disposed. Use attachment if more than two facilities were utilized.

Disposal Facility Name: _____ Disposal Facility Permit Number: _____

Disposal Facility Name: _____ Disposal Facility Permit Number: _____

Were the closed-loop system operations and associated activities performed on or in areas that *will not* be used for future service and operations?

☐ Yes (If yes, please demonstrate compliance to the items below) ☐ No

Required for impacted areas which will not be used for future service and operations:

☐ Site Reclamation (Photo Documentation)
☐ Soil Backfilling and Cover Installation
☐ Re-vegetation Application Rates and Seeding Technique

10.
Operator Closure Certification:

I hereby certify that the information and attachments submitted with this closure report is true, accurate and complete to the best of my knowledge and belief. I also certify that the closure complies with all applicable closure requirements and conditions specified in the approved closure plan.

Name (Print): _____ Title: _____

Signature: _____ Date: _____

e-mail address: _____ Telephone: _____

OXY Permian

New Mexico Drilling Daily Circulating System Inspection For Closed Loop Systems

Wellname:		Permit #:		Rig Mobe Date:	
County:				Rig Demobe Date:	

Inspection Date	Time	By Whom	Any drips or leaks from steel tanks, lines or pumps not contained?* Explain.	Has any hazardous waste been disposed of in system?

All circulating systems to be inspected DAILY during drilling operations.
***Any leak of the steel tanks, lines or pumps shall be reported to the NMOCD and repaired within 48 hours.**

PECOS DISTRICT
CONDITIONS OF APPROVAL

OPERATOR'S NAME:	**OXY USA Inc.**
LEASE NO.:	**NM-106304 SHL / NM-1031441 BHL**
WELL NAME & NO.:	**Goodnight 35 Federal 2H**
SURFACE HOLE FOOTAGE:	**0180' FSL & 0490' FWL**
BOTTOM HOLE FOOTAGE	**0330' FNL & 0660' FWL**
LOCATION:	**Section 35, T. 23 S., R 29 E., NMPM**
COUNTY:	**Eddy County, New Mexico**

I. DRILLING

A. DRILLING OPERATIONS REQUIREMENTS

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

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

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

1. **Although Hydrogen Sulfide has not been reported in this section, it is always a potential hazard. If Hydrogen Sulfide is encountered, please report measured amounts and formations to the BLM.**

2. Unless the production casing has been run and cemented or the well has been properly plugged, the drilling rig shall not be removed from over the hole without prior approval.

3. Floor controls are required for 3M or Greater systems. These controls will be on the rig floor, unobstructed, readily accessible to the driller and will be operational at all times during drilling and/or completion activities. Rig floor is defined as the area immediately around the rotary table; the area immediately above the substructure on which the draw works are located, this does not include the dog house or stairway area.

4. Gamma-Ray/Neutron logs shall be run from the base of the Salado formation to the surface. The logs shall be run at a speed which allows the logs to be legible and no faster than manufacturer of the logging tools recommended speed. (R-111-P area only)

B. CASING

Changes to the approved APD casing and cement program require submitting a sundry and receiving approval prior to work. Failure to obtain approval prior to work will result in an Incident of Non-Compliance being issued.

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

Wait on cement (WOC) time for a primary cement job will be a minimum 18 hours for a water basin, 24 hours in the potash area, or 500 pounds compressive strength, whichever is greater for all casing strings. Provide compressive strengths including hours to reach required 500 pounds compressive strength prior to cementing each casing string. See individual casing strings for details regarding lead cement slurry requirements.

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

R-111-P potash.
High cave/karst.
Possible lost circulation in the Delaware and Bone Spring formations.

1. The **13-3/8** inch surface casing shall be set **at approximately 550 feet (a minimum of 25 feet into the Rustler Anhydrite and above the salt)** and cemented to the surface. **If the salt occurs at a shallower depth, the casing is to be set a minimum of 25 feet above the salt.**

    a. If cement does not circulate to the surface, the appropriate BLM office shall be notified and a temperature survey utilizing an electronic type temperature survey with a surface log readout will be used or a cement bond log shall be run to verify the top of the cement.

    b. Wait on cement (WOC) time for a primary cement job is to include the lead cement slurry.

    c. Wait on cement (WOC) time for a remedial job will be a minimum of 4 hours after bringing cement to surface or 500 pounds compressive strength, whichever is greater.

d. If cement falls back, remedial cementing will be done prior to drilling out that string.

2. The minimum required fill of cement behind the **9-5/8** inch intermediate casing is: **Intermediate casing to be set in the Lamar Limestone below the salt at approximately 3000 feet. Casing is not to be set in the salt as proposed in the revised drilling plan.**

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

Contingency cementing program for 9-5/8" intermediate casing.

DV tool must be set a minimum of 50' below the surface casing.

a. First stage to DV tool, cement shall:

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

b. Second stage above DV tool, cement shall:

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

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

Centralizers required on horizontal leg, must be type for horizontal service and minimum of one every other joint.

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

a. First stage to DV tool, cement shall:

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

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

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

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

☒ Cement to circulate. If cement does not circulate, contact the appropriate BLM office. **Excess cement calculates to 5%. Additional cement will probably be needed.**

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

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

C. PRESSURE CONTROL

1. All blowout preventer (BOP) and related equipment (BOPE) shall comply with well control requirements as described in Onshore Oil and Gas Order No. 2 and API RP 53 Sec. 17.

2. **Variance approved to use flex line from BOP to choke manifold. Check condition of 3" flexible line from BOP to choke manifold, replace if exterior is damaged or if line fails test. Line to be as straight as possible with no hard bends.**

3. Minimum working pressure of the blowout preventer (BOP) and related equipment (BOPE) required for drilling below the surface casing shoe shall be **2000 (2M)** psi.

4. Minimum working pressure of the blowout preventer (BOP) and related equipment (BOPE) required for drilling below the **9-5/8"** intermediate casing shoe shall be **5000 (5M)** psi. **Operator installing system with 10M stack and 5M annular, which meets BLM standard for 5M. Operator will test as 5M system. 5M system requires an HCR valve, remote kill line and 5M annular. The remote kill line is to be installed prior to testing the system and tested to stack pressure.**

5. **Piping from choke manifold to closed loop system to be as straight as possible. Panic line should be routed away from wellbore.**

6. The appropriate BLM office shall be notified a minimum of 4 hours in advance for a representative to witness the tests.

   a. The tests shall be done by an independent service company.

   b. The results of the test shall be reported to the appropriate BLM office.

c. 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.

d. 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.

e. **Effective November 1, 2008, no variances will be granted on reduced pressure tests on the surface casing and BOP/BOPE. Onshore Order 2 requirements will be in effect.**

D. DRILL STEM TEST

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

WWI 050709