

Form 3160-3  
(June 2015)FORM APPROVED  
OMB No. 1004-0137  
Expires: January 31, 2018UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT  
**APPLICATION FOR PERMIT TO DRILL OR REENTER**

|   |                                       |   |
|---|---------------------------------------|---|
| 1a. Type of work: <input type="checkbox"/> DRILL <input type="checkbox"/> REENTER   |                                       | 5. Lease Serial No.                               |
| 1b. Type of Well: <input type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other                              |                                       | 6. If Indian, Allottee or Tribe Name              |
| 1c. Type of Completion: <input type="checkbox"/> Hydraulic Fracturing <input type="checkbox"/> Single Zone <input type="checkbox"/> Multiple Zone |                                       | 7. If Unit or CA Agreement, Name and No.          |
|   |                                       | 8. Lease Name and Well No.<br><b>[335225]</b>     |
| 2. Name of Operator<br><b>[16696]</b>   |                                       | 9. API Well No.<br><b>30-025-52490</b>            |
| 3a. Address   | 3b. Phone No. (include area code)     | 10. Field and Pool, or Exploratory <b>[98313]</b> |
| 4. Location of Well (Report location clearly and in accordance with any State requirements. *)<br>At surface<br>At proposed prod. zone            |                                       | 11. Sec., T. R. M. or Blk. and Survey or Area     |
| 14. Distance in miles and direction from nearest town or post office*   |                                       | 12. County or Parish                              |
|   |                                       | 13. State   |
| 15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any)                             | 16. No of acres in lease              | 17. Spacing Unit dedicated to this well           |
| 18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft.  | 19. Proposed Depth                    | 20. BLM/BIA Bond No. in file                      |
| 21. Elevations (Show whether DF, KDB, RT, GL, etc.)   | 22. Approximate date work will start* | 23. Estimated duration                            |
| 24. Attachments   |                                       |   |

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No. 1, and the Hydraulic Fracturing rule per 43 CFR 3162.3-3 (as applicable)

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

|                         |                      |      |
|-------------------------|----------------------|------|
| 25. Signature           | Name (Printed/Typed) | Date |
| Title                   |                      |      |
| Approved by (Signature) | Name (Printed/Typed) | Date |
| Title                   | Office               |      |

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

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

NGMP Rec 01/29/2024

SL

(Continued on page 2)

KZ  
01/31/2024

\*(Instructions on page 2)

## Additional Operator Remarks

### Location of Well

0. SHL: SESW / 303 FSL / 2659 FWL / TWSP: 21S / RANGE: 32E / SECTION: 31 / LAT: 32.428648 / LONG: -103.714309 ( TVD: 0 feet, MD: 0 feet )  
PPP: SENW / 2636 FSL / 2182 FWL / TWSP: 21S / RANGE: 32E / SECTION: 19 / LAT: 32.464102 / LONG: -103.715848 ( TVD: 11581 feet, MD: 25159 feet )  
PPP: SESW / 5 FNL / 2182 FWL / TWSP: 21S / RANGE: 32E / SECTION: 19 / LAT: 32.456843 / LONG: -103.715851 ( TVD: 11594 feet, MD: 22518 feet )  
PPP: SESW / 1 FSL / 2179 FWL / TWSP: 21S / RANGE: 32E / SECTION: 30 / LAT: 32.442327 / LONG: -103.715857 ( TVD: 11621 feet, MD: 17237 feet )  
PPP: SENW / 2640 FNL / 2179 FWL / TWSP: 21S / RANGE: 32E / SECTION: 31 / LAT: 32.435069 / LONG: -103.715861 ( TVD: 11635 feet, MD: 14596 feet )  
PPP: SESW / 1 FSL / 2180 FWL / TWSP: 21S / RANGE: 32E / SECTION: 31 / LAT: 32.427812 / LONG: -103.715864 ( TVD: 11645 feet, MD: 12570 feet )  
PPP: SESW / 100 FSL / 2180 FWL / TWSP: 21S / RANGE: 32E / SECTION: 31 / LAT: 32.428084 / LONG: -103.715863 ( TVD: 11648 feet, MD: 12055 feet )  
BHL: NENW / 20 FNL / 2180 FWL / TWSP: 21S / RANGE: 32E / SECTION: 19 / LAT: 32.471315 / LONG: -103.715844 ( TVD: 11568 feet, MD: 27784 feet )

### BLM Point of Contact

Name: TENILLE C MOLINA  
Title: Land Law Examiner  
Phone: (575) 234-2224  
Email: TCMOLINA@BLM.GOV

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

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

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

☐ AMENDED REPORT

| WELL LOCATION AND ACERAGE DEDICATION PLAT |   |  |
|---|---|--|
| <sup>1</sup> API Number<br>30-025-        | <sup>2</sup> Pool Code<br>98313                         | <sup>3</sup> Pool Name<br>WC-025 G-09 S213232A, UPR WOLFCAMP |
| <sup>4</sup> Property Code<br>335225      | <sup>5</sup> Property Name<br>REGAL LAGER 31 19 FED COM | <sup>6</sup> Well Number<br>33H                              |
| <sup>7</sup> OGRID No.<br>16696           | <sup>8</sup> Operator Name<br>OXY USA INC.              | <sup>9</sup> Elevation<br>3623'                              |

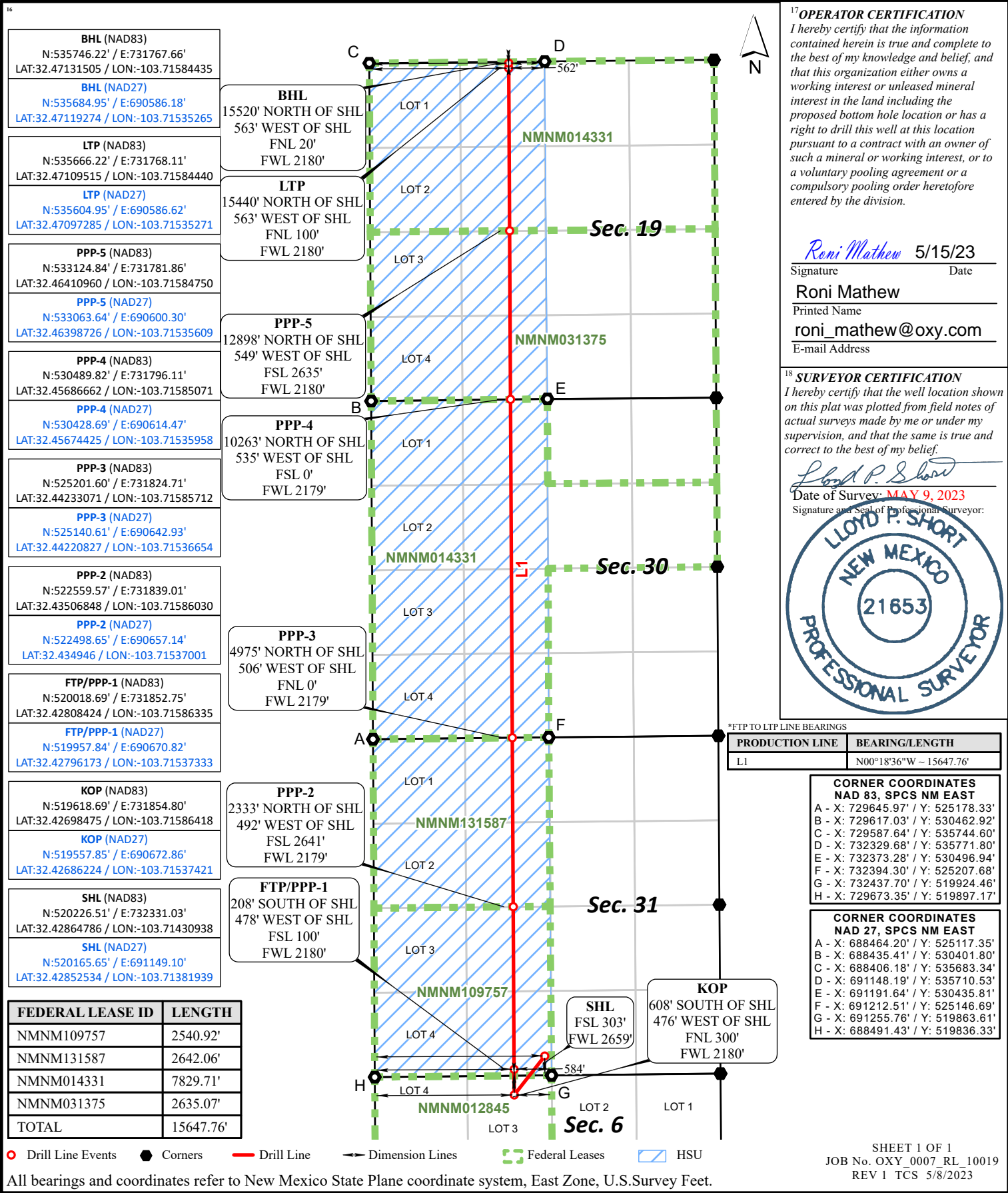
<sup>10</sup> Surface Location

| UL or lot no. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| N             | 31      | 21S      | 32E   |         | 303           | South            | 2659          | West           | LEA    |

<sup>11</sup> Bottom Hole Location If Different From Surface

| UL or lot no.                             | Section | Township                      | Range | Lot Idn                          | Feet from the | North/South line        | Feet from the | East/West line | County |
|---|---------|-------------------------------|-------|----------------------------------|---------------|-------------------------|---------------|----------------|--------|
| C   | 19      | 21S                           | 32E   |                                  | 20            | North                   | 2180          | West           | LEA    |
| <sup>12</sup> Dedicated Acres<br>1,002.32 |         | <sup>13</sup> Joint or Infill |       | <sup>14</sup> Consolidation Code |               | <sup>15</sup> Order No. |               |                |        |

No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.



State of New Mexico  
Energy, Minerals and Natural Resources Department

Submit Electronically  
Via E-permitting

Oil Conservation Division  
1220 South St. Francis Dr.  
Santa Fe, NM 87505

## NATURAL GAS MANAGEMENT PLAN

This Natural Gas Management Plan must be submitted with each Application for Permit to Drill (APD) for a new or recompleted well.

### Section 1 – Plan Description

Effective May 25, 2021

**I. Operator:** OXY USA INC. **OGRID:** 16696 **Date:** 0 5/ 1 5/ 2 3

**II. Type:** ☒ Original ☐ Amendment due to ☐ 19.15.27.9.D(6)(a) NMAC ☐ 19.15.27.9.D(6)(b) NMAC ☐ Other.

If Other, please describe: \_\_\_\_\_

**III. Well(s):** Provide the following information for each new or recompleted well or set of wells proposed to be drilled or proposed to be recompleted from a single well pad or connected to a central delivery point.

| Well Name    | API | ULSTR | Footages | Anticipated Oil BBL/D | Anticipated Gas MCF/D | Anticipated Produced Water BBL/D |
|--------------|-----|-------|----------|-----------------------|-----------------------|----------------------------------|
| SEE ATTACHED |     |       |          |                       |                       |                                  |
|              |     |       |          |                       |                       |                                  |

**IV. Central Delivery Point Name:** LOST TANK 5 CPF [See 19.15.27.9(D)(1) NMAC]

**V. Anticipated Schedule:** Provide the following information for each new or recompleted well or set of wells proposed to be drilled or proposed to be recompleted from a single well pad or connected to a central delivery point.

| Well Name    | API | Spud Date | TD Reached Date | Completion Commencement Date | Initial Flow Back Date | First Production Date |
|--------------|-----|-----------|-----------------|------------------------------|------------------------|-----------------------|
| SEE ATTACHED |     |           |                 |                              |                        |                       |
|              |     |           |                 |                              |                        |                       |

**VI. Separation Equipment:** ☒ Attach a complete description of how Operator will size separation equipment to optimize gas capture.

**VII. Operational Practices:** ☒ Attach a complete description of the actions Operator will take to comply with the requirements of Subsection A through F of 19.15.27.8 NMAC.

**VIII. Best Management Practices:** ☒ Attach a complete description of Operator's best management practices to minimize venting during active and planned maintenance.



**Section 2 – Enhanced Plan**  
**EFFECTIVE APRIL 1, 2022**

Beginning April 1, 2022, an operator that is not in compliance with its statewide natural gas capture requirement for the applicable reporting area must complete this section.

☒ Operator certifies that it is not required to complete this section because Operator is in compliance with its statewide natural gas capture requirement for the applicable reporting area.

**IX. Anticipated Natural Gas Production:**

| Well | API | Anticipated Average Natural Gas Rate MCF/D | Anticipated Volume of Natural Gas for the First Year MCF |
|------|-----|--|--|
|      |     |  |  |
|      |     |  |  |

**X. Natural Gas Gathering System (NGGS):**

| Operator | System | ULSTR of Tie-in | Anticipated Gathering Start Date | Available Maximum Daily Capacity of System Segment Tie-in |
|----------|--------|-----------------|----------------------------------|---|
|          |        |                 |                                  |   |
|          |        |                 |                                  |   |

**XI. Map.** ☐ Attach an accurate and legible map depicting the location of the well(s), the anticipated pipeline route(s) connecting the production operations to the existing or planned interconnect of the natural gas gathering system(s), and the maximum daily capacity of the segment or portion of the natural gas gathering system(s) to which the well(s) will be connected.

**XII. Line Capacity.** The natural gas gathering system ☐ will ☐ will not have capacity to gather 100% of the anticipated natural gas production volume from the well prior to the date of first production.

**XIII. Line Pressure.** Operator ☐ does ☐ does not anticipate that its existing well(s) connected to the same segment, or portion, of the natural gas gathering system(s) described above will continue to meet anticipated increases in line pressure caused by the new well(s).

☐ Attach Operator's plan to manage production in response to the increased line pressure.

**XIV. Confidentiality:** ☐ Operator asserts confidentiality pursuant to Section 71-2-8 NMSA 1978 for the information provided in Section 2 as provided in Paragraph (2) of Subsection D of 19.15.27.9 NMAC, and attaches a full description of the specific information for which confidentiality is asserted and the basis for such assertion.

### **Section 3 - Certifications**

**Effective May 25, 2021**

Operator certifies that, after reasonable inquiry and based on the available information at the time of submittal:

☒ Operator will be able to connect the well(s) to a natural gas gathering system in the general area with sufficient capacity to transport one hundred percent of the anticipated volume of natural gas produced from the well(s) commencing on the date of first production, taking into account the current and anticipated volumes of produced natural gas from other wells connected to the pipeline gathering system; or

☐ Operator will not be able to connect to a natural gas gathering system in the general area with sufficient capacity to transport one hundred percent of the anticipated volume of natural gas produced from the well(s) commencing on the date of first production, taking into account the current and anticipated volumes of produced natural gas from other wells connected to the pipeline gathering system.

***If Operator checks this box, Operator will select one of the following:***

**Well Shut-In.** ☐ Operator will shut-in and not produce the well until it submits the certification required by Paragraph (4) of Subsection D of 19.15.27.9 NMAC; or

**Venting and Flaring Plan.** ☐ Operator has attached a venting and flaring plan that evaluates and selects one or more of the potential alternative beneficial uses for the natural gas until a natural gas gathering system is available, including:

- (a) power generation on lease;
- (b) power generation for grid;
- (c) compression on lease;
- (d) liquids removal on lease;
- (e) reinjection for underground storage;
- (f) reinjection for temporary storage;
- (g) reinjection for enhanced oil recovery;
- (h) fuel cell production; and
- (i) other alternative beneficial uses approved by the division.

### **Section 4 - Notices**

1. If, at any time after Operator submits this Natural Gas Management Plan and before the well is spud:

(a) Operator becomes aware that the natural gas gathering system it planned to connect the well(s) to has become unavailable or will not have capacity to transport one hundred percent of the production from the well(s), no later than 20 days after becoming aware of such information, Operator shall submit for OCD's approval a new or revised venting and flaring plan containing the information specified in Paragraph (5) of Subsection D of 19.15.27.9 NMAC; or

(b) Operator becomes aware that it has, cumulatively for the year, become out of compliance with its baseline natural gas capture rate or natural gas capture requirement, no later than 20 days after becoming aware of such information, Operator shall submit for OCD's approval a new or revised Natural Gas Management Plan for each well it plans to spud during the next 90 days containing the information specified in Paragraph (2) of Subsection D of 19.15.27.9 NMAC, and shall file an update for each Natural Gas Management Plan until Operator is back in compliance with its baseline natural gas capture rate or natural gas capture requirement.

2. OCD may deny or conditionally approve an APD if Operator does not make a certification, fails to submit an adequate venting and flaring plan which includes alternative beneficial uses for the anticipated volume of natural gas produced, or if OCD determines that Operator will not have adequate natural gas takeaway capacity at the time a well will be spud.

Page 8

I certify that, after reasonable inquiry, the statements in and attached to this Natural Gas Management Plan are true and correct to the best of my knowledge and acknowledge that a false statement may be subject to civil and criminal penalties under the Oil and Gas Act.

|  |
|--|
| Signature: <i>Roni Mathew</i>  |
| Printed Name: Roni Mathew  |
| Title: Regulatory Advisor  |
| E-mail Address: roni_mathew@oxy.com  |
| Date: 05/15/2023   |
| Phone: 713-215-7827  |
| <b>OIL CONSERVATION DIVISION</b><br><b>(Only applicable when submitted as a standalone form)</b> |
| Approved By:   |
| Title:   |
| Approval Date:   |
| Conditions of Approval:  |

## III. Well(s)

| Well Name                     | API     | WELL LOCATION (ULSTR) | Footages          | ANTICIPATED OIL BBL/D | ANTICIPATED GAS MCF/D | ANTICIPATED PROD WATER BBL/D |
|-------------------------------|---------|-----------------------|-------------------|-----------------------|-----------------------|------------------------------|
| REGAL LAGER 31_19 FED COM 11H | PENDING | G-6-T22-R32E          | 1639 FNL 2452 FEL | 1024                  | 3,302                 | 1864                         |
| REGAL LAGER 31_19 FED COM 12H | PENDING | G-6-T22-R32E          | 1639 FNL 2422 FEL | 1024                  | 3,302                 | 1864                         |
| REGAL LAGER 31_19 FED COM 13H | PENDING | G-6-T22-R32E          | 1639 FNL 2392 FEL | 1024                  | 3,302                 | 1864                         |
| REGAL LAGER 31_19 FED COM 14H | PENDING | L 1-6-T22-R32E        | 763 FNL 976 FEL   | 1024                  | 3,302                 | 1864                         |
| REGAL LAGER 31_19 FED COM 1H  | PENDING | N-31-T21-R32E         | 178 FSL 2689 FWL  | 861                   | 1,476                 | 2531                         |
| REGAL LAGER 31_19 FED COM 21H | PENDING | N-31-T21-R32E         | 179 FSL 2599 FWL  | 1086                  | 1,283                 | 2187                         |
| REGAL LAGER 31_19 FED COM 22H | PENDING | N-31-T21-R32E         | 178 FSL 2629 FWL  | 1086                  | 1,283                 | 2187                         |
| REGAL LAGER 31_19 FED COM 23H | PENDING | L 1-6-T22-R32E        | 764 FNL 857 FEL   | 1086                  | 1,283                 | 2187                         |
| REGAL LAGER 31_19 FED COM 24H | PENDING | L 1-6-T22-R32E        | 764 FNL 827 FEL   | 1086                  | 1,283                 | 2187                         |
| REGAL LAGER 31_19 FED COM 2H  | PENDING | N-31-T21-R32E         | 177 FSL 2687 FEL  | 861                   | 1,476                 | 2531                         |
| REGAL LAGER 31_19 FED COM 31H | PENDING | N-31-T21-R32E         | 304 FSL 2599 FWL  | 2163                  | 3,555                 | 5014                         |
| REGAL LAGER 31_19 FED COM 32H | PENDING | N-31-T21-R32E         | 303 FSL 2629 FWL  | 2040                  | 3,358                 | 4730                         |
| REGAL LAGER 31_19 FED COM 33H | PENDING | N-31-T21-R32E         | 303 FSL 2659 FWL  | 2040                  | 3,358                 | 4730                         |
| REGAL LAGER 31_19 FED COM 34H | PENDING | L 1-6-T22-R32E        | 889 FNL 887 FEL   | 2040                  | 3,358                 | 4730                         |
| REGAL LAGER 31_19 FED COM 35H | PENDING | L 1-6-T22-R32E        | 889 FNL 858 FEL   | 2040                  | 3,358                 | 4730                         |
| REGAL LAGER 31_19 FED COM 36H | PENDING | L 1-6-T22-R32E        | 889 FNL 827 FEL   | 1731                  | 2849                  | 4014                         |
| REGAL LAGER 31_19 FED COM 3H  | PENDING | L 1-6-T22-R32E        | 763 FNL 947 FEL   | 861                   | 1,476                 | 2531                         |
| REGAL LAGER 31_19 FED COM 4H  | PENDING | L 1-6-T22-R32E        | 763 FNL 917 FEL   | 861                   | 1,476                 | 2531                         |
| REGAL LAGER 31_19 FED COM 71H | PENDING | N-31-T21-R32E         | 302 FSL 2686 FEL  | 1055                  | 1833                  | 1609                         |
| REGAL LAGER 31_19 FED COM 72H | PENDING | N-31-T21-R32E         | 302 FSL 2656 FEL  | 1055                  | 1833                  | 1609                         |
| REGAL LAGER 31_19 FED COM 73H | PENDING | L 1-6-T22-R32E        | 888 FNL 977 FEL   | 1055                  | 1833                  | 1609                         |
| REGAL LAGER 31_19 FED COM 74H | PENDING | L 1-6-T22-R32E        | 888 FNL 948 FEL   | 1055                  | 1833                  | 1609                         |

## V. Anticipated Schedule

| Well Name                     | API     | Spud Date | TD Reached Date | Completion Commencement Date | Initial Flow Back Date | First Production Date |
|-------------------------------|---------|-----------|-----------------|------------------------------|------------------------|-----------------------|
| REGAL LAGER 31_19 FED COM 11H | PENDING | TBD       | TBD             | TBD                          | TBD                    | TBD                   |
| REGAL LAGER 31_19 FED COM 12H | PENDING | TBD       | TBD             | TBD                          | TBD                    | TBD                   |
| REGAL LAGER 31_19 FED COM 13H | PENDING | TBD       | TBD             | TBD                          | TBD                    | TBD                   |
| REGAL LAGER 31_19 FED COM 14H | PENDING | TBD       | TBD             | TBD                          | TBD                    | TBD                   |
| REGAL LAGER 31_19 FED COM 1H  | PENDING | TBD       | TBD             | TBD                          | TBD                    | TBD                   |
| REGAL LAGER 31_19 FED COM 21H | PENDING | TBD       | TBD             | TBD                          | TBD                    | TBD                   |
| REGAL LAGER 31_19 FED COM 22H | PENDING | TBD       | TBD             | TBD                          | TBD                    | TBD                   |
| REGAL LAGER 31_19 FED COM 23H | PENDING | TBD       | TBD             | TBD                          | TBD                    | TBD                   |
| REGAL LAGER 31_19 FED COM 24H | PENDING | TBD       | TBD             | TBD                          | TBD                    | TBD                   |
| REGAL LAGER 31_19 FED COM 2H  | PENDING | TBD       | TBD             | TBD                          | TBD                    | TBD                   |
| REGAL LAGER 31_19 FED COM 31H | PENDING | 23-Dec    | TBD             | Mar-2024                     | Apr-2024               | Apr-2024              |
| REGAL LAGER 31_19 FED COM 32H | PENDING | 23-Dec    | TBD             | Mar-2024                     | Apr-2024               | Apr-2024              |
| REGAL LAGER 31_19 FED COM 33H | PENDING | 23-Dec    | TBD             | Mar-2024                     | Apr-2024               | Apr-2024              |
| REGAL LAGER 31_19 FED COM 34H | PENDING | 23-Dec    | TBD             | Mar-2024                     | Apr-2024               | Apr-2024              |
| REGAL LAGER 31_19 FED COM 35H | PENDING | 23-Dec    | TBD             | Mar-2024                     | Apr-2024               | Apr-2024              |
| REGAL LAGER 31_19 FED COM 36H | PENDING | 23-Dec    | TBD             | Mar-2024                     | Apr-2024               | Apr-2024              |
| REGAL LAGER 31_19 FED COM 3H  | PENDING | TBD       | TBD             | TBD                          | TBD                    | TBD                   |
| REGAL LAGER 31_19 FED COM 4H  | PENDING | TBD       | TBD             | TBD                          | TBD                    | TBD                   |
| REGAL LAGER 31_19 FED COM 71H | PENDING | TBD       | TBD             | TBD                          | TBD                    | TBD                   |
| REGAL LAGER 31_19 FED COM 72H | PENDING | TBD       | TBD             | TBD                          | TBD                    | TBD                   |
| REGAL LAGER 31_19 FED COM 73H | PENDING | TBD       | TBD             | TBD                          | TBD                    | TBD                   |
| REGAL LAGER 31_19 FED COM 74H | PENDING | TBD       | TBD             | TBD                          | TBD                    | TBD                   |

**Central Delivery Point: Lost Tank 5 CPF**

**Part VI. Separation Equipment**

Operator will size the flowback separator to handle 12,000 Bbls of fluid and 6-10MMscfd which is more than the expected peak rates for these wells. Each separator is rated to 1440psig, and pressure control valves and automated communication will cause the wells to shut in in the event of an upset at the facility, therefore no gas will be flared on pad during an upset. Current Oxy practices avoid use of flare or venting on pad, therefore if there is an upset or emergency condition at the facility, the wells will immediately shut down, and reassume production once the condition has cleared.



## **VII. Operational Practices**

### **Gathering System and Pipeline Notification**

Well(s) will be connected to a production facility and fluids will be sent to the facility after initial flowback operations are complete, where a gas transporter system is in place. The gas produced from production facility will be dedicated to MarkWest Energy West Texas Gas Company LLC ("MarkWest") and will be connected to MarkWest's high pressure gathering system located in Lea and Eddy Counties, New Mexico and Loving and Culberson Counties, TX. OXY USA INC. ("OXY") will provide (periodically) to MarkWest a production forecast for wells being sent to their system. In addition, OXY and MarkWest will have periodic conference calls to discuss changes to production forecasts arising out of changes to drilling and completion schedules. Gas from these wells will be processed at MarWest's Preakness and Tornado Processing Plants located in Culberson County, TX and Loving County, Texas respectively. The actual flow of the gas will be based on compression operating parameters and gathering system pressures.

### **Flowback Strategy**

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

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

### **VIII. Best Management Practices**

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

#### **Power Generation – On lease**

- o Only a portion of gas is consumed operating the generator, remainder of gas will be flared

#### **Compressed Natural Gas – On lease**

- o Gas flared would be minimal, but might be uneconomical to operate when gas volume declines

#### **NGL Removal – On lease**

- o Plants are expensive, residue gas is still flared, and uneconomical to operate when gas volume declines

# Oxy USA Inc. - Regal Lager 31\_19 Fed Com 33H

## Drill Plan

### 1. Geologic Formations

|                            |       |                                    |     |
|----------------------------|-------|------------------------------------|-----|
| TVD of Target (ft):        | 11648 | Pilot Hole Depth (ft):             |     |
| Total Measured Depth (ft): | 27784 | Deepest Expected Fresh Water (ft): | 795 |

### Delaware Basin

| Formation       | MD-RKB (ft) | TVD-RKB (ft) | Expected Fluids |
|-----------------|-------------|--------------|-----------------|
| Rustler         | 795         | 795          |                 |
| Salado          | 1048        | 1048         | Salt            |
| Castile         | 2580        | 2580         | Salt            |
| Delaware        | 4523        | 4523         | Oil/Gas/Brine   |
| Bell Canyon     | 4601        | 4601         | Oil/Gas/Brine   |
| Cherry Canyon   | 5453        | 5453         | Oil/Gas/Brine   |
| Brushy Canyon   | 6710        | 6702         | Losses          |
| Bone Spring     | 8534        | 8498         | Oil/Gas         |
| Bone Spring 1st | 9586        | 9534         | Oil/Gas         |
| Bone Spring 2nd | 10266       | 10203        | Oil/Gas         |
| Bone Spring 3rd | 11279       | 11202        | Oil/Gas         |
| Wolfcamp        | 11882       | 11623        | Oil/Gas         |
| Penn            |             |              | Oil/Gas         |
| Strawn          |             |              | Oil/Gas         |

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

### 2. Casing Program

| Section      | Hole Size (in) | MD        |         | TVD       |         | Csg. OD (in) | Csg Wt. (ppf) | Grade   | Conn.     |
|--------------|----------------|-----------|---------|-----------|---------|--------------|---------------|---------|-----------|
|              |                | From (ft) | To (ft) | From (ft) | To (ft) |              |               |         |           |
| Surface      | 17.5           | 0         | 855     | 0         | 855     | 13.375       | 54.5          | J-55    | BTC       |
| Salt         | 12.25          | 0         | 4623    | 0         | 4623    | 9.625        | 40            | L-80 HC | BTC       |
| Intermediate | 8.75           | 0         | 10965   | 0         | 10890   | 7.625        | 26.4          | L-80 HC | Wedge 425 |
| Production   | 6.75           | 0         | 27784   | 0         | 11648   | 5.5          | 20            | P-110   | Wedge 461 |

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 production casing with DQX, TORQ DQW, Wedge 425, Wedge 461, and/or Wedge 441 connections to accommodate hole conditions or drilling operations.

| All Casing SF Values will meet or exceed those below |          |                 |                  |
|--|----------|-----------------|------------------|
| SF Collapse  | SF Burst | Body SF Tension | Joint SF Tension |
| 1.125  | 1.2      | 1.4             | 1.4              |

## Annular Clearance Variance Request

As per the agreement reached in the Oxy/BLM face-to-face 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?<br>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 <sup>rd</sup> 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 <sup>nd</sup> 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

| Section | Stage | Slurry:                   | Sacks | Yield<br>(ft <sup>3</sup> /ft) | Density<br>(lb/gal) | Excess: | TOC    | Placement            | Description                   |
|---------|-------|---------------------------|-------|--------------------------------|---------------------|---------|--------|----------------------|-------------------------------|
| Surface | 1     | Surface - Tail            | 893   | 1.33                           | 14.8                | 100%    | -      | Circulate            | Class C+Accel.                |
| Int.1   | 1     | Intermediate - Tail       | 141   | 1.33                           | 14.8                | 20%     | 4,123  | Circulate            | Class C+Accel.                |
| Int.1   | 1     | Intermediate - Lead       | 1067  | 1.73                           | 12.9                | 50%     | -      | Circulate            | Class Pozz+Ret.               |
| Int. 2  | 1     | Intermediate 1S - Tail    | 256   | 1.65                           | 13.2                | 5%      | 6,960  | Circulate            | Class H+Accel., Disper., Salt |
| Int. 2  | 2     | Intermediate 2S - Tail BH | 465   | 1.71                           | 13.3                | 25%     | -      | Bradenhead Post-Frac | Class C+Accel.                |
| Prod.   | 1     | Production - Tail         | 1309  | 1.38                           | 13.2                | 25%     | 10,465 | Circulate            | Class H+Ret., Disper., Salt   |

## Offline Cementing

Oxy requests a variance to cement the 9.625" and/or 7.625" intermediate casing strings offline in accordance to the approved variance, EC Tran 461365.

The summarized operational sequence will be as follows:

Run casing as per normal operations. While running casing, conduct negative pressure test and confirm integrity of the float equipment (float collar and shoe).

Land casing.

Fill pipe with kill weight fluid, and confirm well is static.

If well Oxy requests a variance to cement the 9.625" and/or 7.625" intermediate casing strings offline in accordance to the approved variance, EC Tran 461365.

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 nipped 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 nipping 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.

Oxy requests permission to adjust the CBL requirement after bradenhead cement jobs, on 7-5/8" intermediate casings, as per the agreement reached in the OXY/BLM meeting on September 5, 2019.

### Four string wells:

- CBL is not required
- If the pumped volume of cement is less than permitted in the APD, BLM will be notified and a CBL may be run
- Echometer will be used after bradenhead cement job to determine TOC before pumping top-out cement



#### 4. Pressure Control Equipment

| BOP installed and tested before drilling which hole? | Size?   | Min. Required WP | Type       |  | ✓ | Tested to:               | TVD Depth (ft) per Section: |
|--|---------|------------------|------------|--|---|--------------------------|-----------------------------|
| 12.25" Hole  | 13-5/8" | 5M               | Annular    |  | ✓ | 70% of working pressure  | 4623                        |
|  |         | 5M               | Blind Ram  |  | ✓ | 250 psi / 5000 psi       |                             |
|  |         |                  | Pipe Ram   |  |   |                          |                             |
|  |         |                  | Double Ram |  | ✓ |                          |                             |
|  |         |                  | Other*     |  |   |                          |                             |
| 8.75" Hole   | 13-5/8" | 5M               | Annular    |  | ✓ | 70% of working pressure  | 10890                       |
|  |         | 5M               | Blind Ram  |  | ✓ | 250 psi / 5000 psi       |                             |
|  |         |                  | Pipe Ram   |  |   |                          |                             |
|  |         |                  | Double Ram |  | ✓ |                          |                             |
|  |         |                  | Other*     |  |   |                          |                             |
| 6.75" Hole   | 13-5/8" | 5M               | Annular    |  | ✓ | 100% of working pressure | 11648                       |
|  |         | 10M              | Blind Ram  |  | ✓ | 250 psi / 10000 psi      |                             |
|  |         |                  | Pipe Ram   |  |   |                          |                             |
|  |         |                  | Double Ram |  | ✓ |                          |                             |
|  |         |                  | Other*     |  |   |                          |                             |

\*Specify if additional ram is utilized

Per BLM's Memorandum No. NM-2017-008: *Decision and Rationale for a Variance Allowing the Use of a 5M Annular Preventer with a 10M BOP Stack*, Oxy requests to employ a 5M annular with a 10M BOPE stack in the pilot and lateral sections of the well and will ensure that two barriers to flow are maintained at all times. Please see attached Well Control Plan.

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.

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

## BOP Break Testing Request

Oxy requests permission to adjust the BOP break testing requirements as per the agreement reached in the OXY/BLM meeting on September 5, 2019.

BOP break test under the following conditions:

- After a full BOP test is conducted
- When skidding to drill an intermediate section where ICP is set into the third Bone Spring or shallower.

If the kill line is broken prior to skid, two tests will be performed.

- 1) Wellhead flange, co-flex hose, kill line connections and upper pipe rams
- 2) Wellhead flange, HCR valve, check valve, upper pipe rams

If the kill line is not broken prior to skid, only one test will be performed.

- 1) Wellhead flange, co-flex hose, check valve, upper pipe rams

**Oxy will use Cameron ADAPT wellhead system that uses an OEC top flange connection. This connection has been fully vetted and verified by API to Spec 6A and carries an API monogram.**

## 5. Mud Program

| Section        | Depth     |         | Depth - TVD |         | Type                                   | Weight (ppg) | Viscosity | Water Loss |
|----------------|-----------|---------|-------------|---------|--|--------------|-----------|------------|
|                | From (ft) | To (ft) | From (ft)   | To (ft) |  |              |           |            |
| Surface        | 0         | 855     | 0           | 855     | Water-Based Mud                        | 8.6 - 8.8    | 40-60     | N/C        |
| Intermediate 1 | 855       | 4623    | 855         | 4623    | Saturated Brine-Based or Oil-Based Mud | 8.0 - 10.0   | 35-45     | N/C        |
| Intermediate 2 | 4623      | 10965   | 4623        | 10890   | Water-Based or Oil-Based Mud           | 8.0 - 10.0   | 38-50     | N/C        |
| Production     | 10965     | 27784   | 10890       | 11648   | Water-Based or Oil-Based Mud           | 9.5 - 12.5   | 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 of fluid? | PVT/MD Totco/Visual Monitoring |
|---|--------------------------------|

## 6. Logging and Testing Procedures

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

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

## 7. Drilling Conditions

| Condition                     | Specify what type and where? |
|-------------------------------|------------------------------|
| BH Pressure at deepest TVD    | 7572 psi                     |
| Abnormal Temperature          | No                           |
| BH Temperature at deepest TVD | 174°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

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.<br>We plan to drill the 3 well pad in batch by section: all surface sections, intermediate sections and production sections. The wellhead will be secured with a night cap whenever the rig is not over the well.   | Yes    |
| Will more than one drilling rig be used for drilling operations? If yes, describe.<br>Oxy requests the option to contract a Surface Rig to drill, set surface casing, and cement for this well. If the timing between rigs is such that Oxy would not be able to preset surface, the Primary Rig will MIRU and drill the well in its entirety per the APD. Please see the attached document for information on the spudder rig. | Yes    |

**Total Estimated Cuttings Volume:** 2020 bbls

### Attachments

- ☒ Directional Plan
- ☒ H2S Contingency Plan
- ☒ Flex III Attachments
- ☒ Spudder Rig Attachment
- ☒ Premium Connection Specs

## 9. Company Personnel

| Name             | Title                        | Office Phone | Mobile Phone |
|------------------|------------------------------|--------------|--------------|
| Garrett Granier  | Drilling Engineer            | 713-513-6633 | 832-265-0581 |
| Derek Adam       | Drilling Engineer Supervisor | 713-366-5170 | 916-802-8873 |
| Casey Martin     | Drilling Superintendent      | 713-497-2530 | 337-764-4278 |
| Kevin Threadgill | Drilling Manager             | 713-366-5958 | 361-815-0788 |

**OXY USA Inc**  
**APD ATTACHMENT: SPUDDER RIG DATA**

**OPERATOR NAME / NUMBER:** OXY USA Inc

**1. SUMMARY OF REQUEST:**

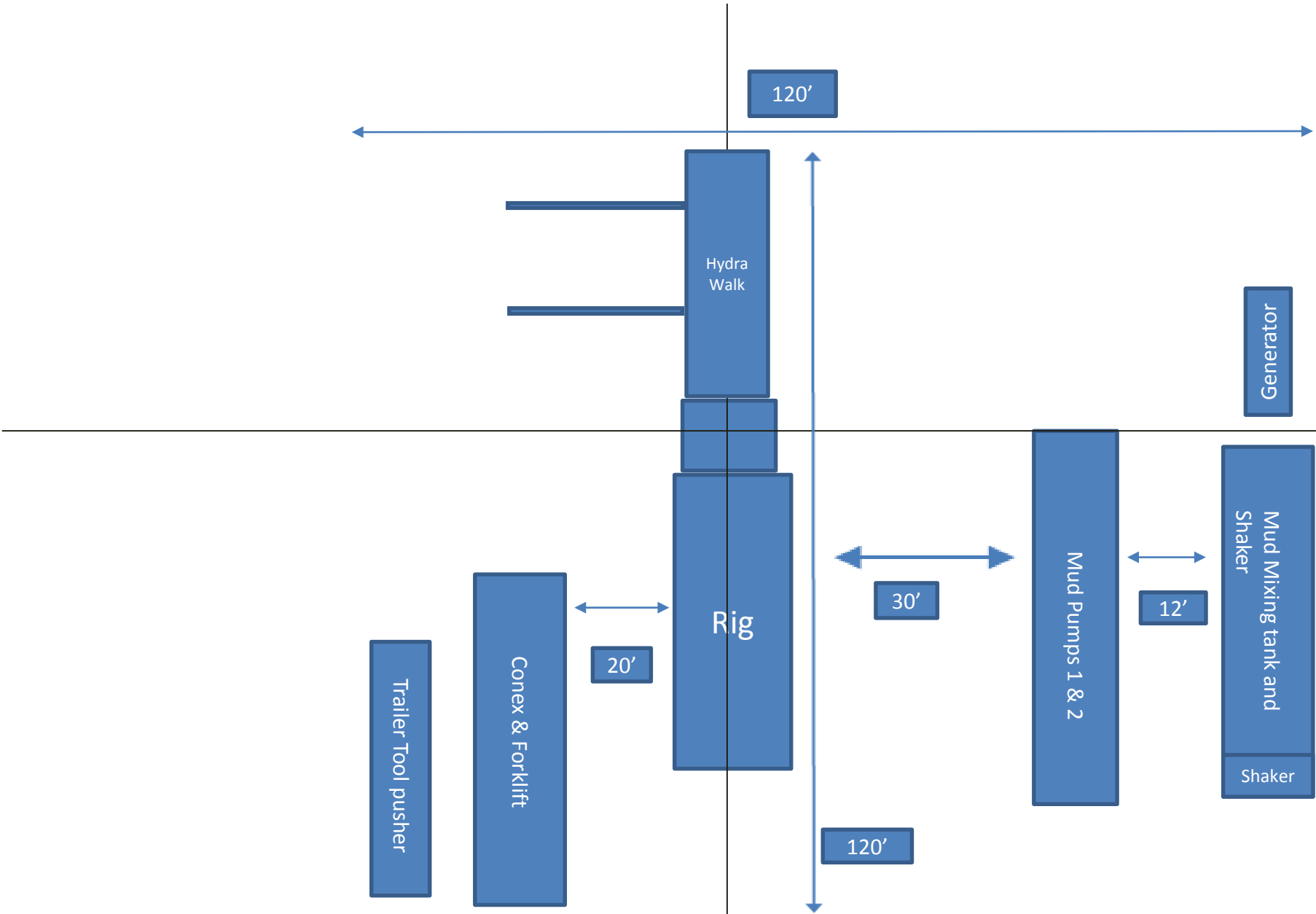
Oxy USA respectfully requests approval for the following operations for the surface hole in the drill plan:

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

**2. Description of Operations**

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

# Spudder Rig Layout





WORKING DRAFT ONLY – March 16, 2022

## 4-String Design – Open Int 1 x Int 2 Annulus

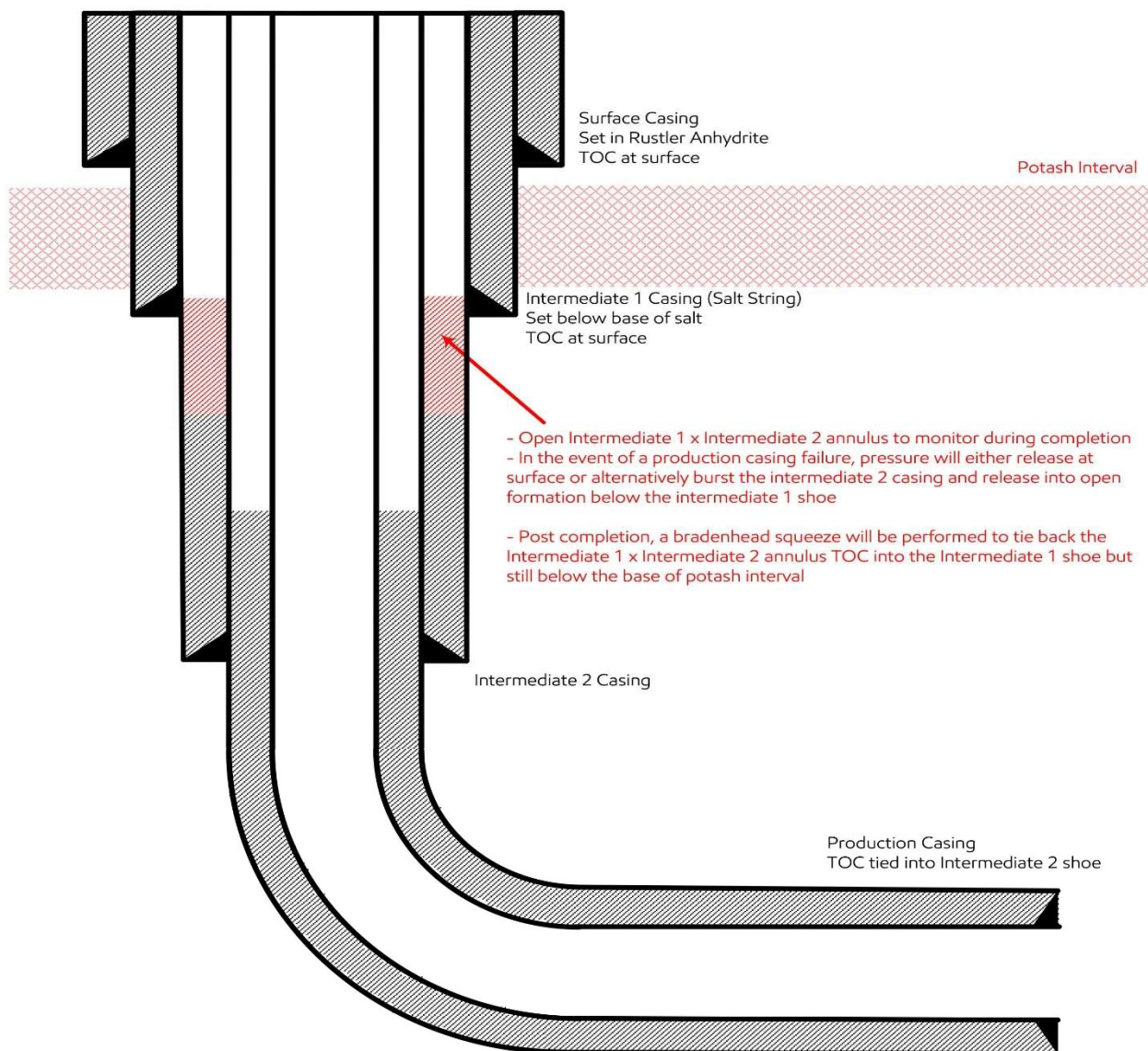


Figure C] 4 – String – Un Cemented Annulus

# **OXY**

**PRD NM DIRECTIONAL PLANS (NAD 1983)**

**Regal Lager 31\_19 Fed Com**

**Regal Lager 31\_19 Fed Com 33H**

**Wellbore #1**

**Plan: Permitting Plan**

## **Standard Planning Report**

**04 May, 2023**

OXY  
Planning Report

|           |                                     |                              |                                    |
|-----------|-------------------------------------|------------------------------|------------------------------------|
| Database: | HOPSPP                              | Local Co-ordinate Reference: | Well Regal Lager 31_19 Fed Com 33H |
| Company:  | ENGINEERING DESIGNS                 | TVD Reference:               | 25' RKB @ 3648.00ft                |
| Project:  | PRD NM DIRECTIONAL PLANS (NAD 1983) | MD Reference:                | 25' RKB @ 3648.00ft                |
| Site:     | Regal Lager 31_19 Fed Com           | North Reference:             | Grid                               |
| Well:     | Regal Lager 31_19 Fed Com 33H       | Survey Calculation Method:   | Minimum Curvature                  |
| Wellbore: | Wellbore #1                         |                              |                                    |
| Design:   | Permitting Plan                     |                              |                                    |

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

|                       |                           |              |                 |
|-----------------------|---------------------------|--------------|-----------------|
| Site                  | Regal Lager 31_19 Fed Com |              |                 |
| Site Position:        |                           | Northing:    | 520,226.48 usft |
| From:                 | Map                       | Easting:     | 732,271.10 usft |
| Position Uncertainty: | 0.00 ft                   | Slot Radius: | 13.200 in       |
|                       |                           | Latitude:    | 32.428649       |
|                       |                           | Longitude:   | -103.714504     |

|                      |                               |         |                     |
|----------------------|-------------------------------|---------|---------------------|
| Well                 | Regal Lager 31_19 Fed Com 33H |         |                     |
| Well Position        | +N/-S                         | 0.00 ft | Northing:           |
|                      | +E/-W                         | 0.00 ft | Easting:            |
| Position Uncertainty |                               | 2.00 ft | Wellhead Elevation: |
| Grid Convergence:    |                               | 0.33 °  |                     |
|                      |                               |         | Latitude:           |
|                      |                               |         | Longitude:          |
|                      |                               |         | Ground Level:       |

|           |             |             |                     |
|-----------|-------------|-------------|---------------------|
| Wellbore  | Wellbore #1 |             |                     |
| Magnetics | Model Name  | Sample Date | Declination (°)     |
|           |             |             | Dip Angle (°)       |
|           |             |             | Field Strength (nT) |
|           | HDGM_FILE   | 4/27/2023   | 6.43                |
|           |             |             | 60.08               |
|           |             |             | 47,702.90000000     |

|                   |                       |            |               |
|-------------------|-----------------------|------------|---------------|
| Design            | Permitting Plan       |            |               |
| Audit Notes:      |                       |            |               |
| Version:          | Phase:                | PROTOTYPE  | Tie On Depth: |
|                   |                       |            | 0.00          |
| Vertical Section: | Depth From (TVD) (ft) | +N/-S (ft) | +E/-W (ft)    |
|                   |                       |            | Direction (°) |
|                   | 0.00                  | 0.00       | 0.00          |
|                   |                       |            | 357.92        |

|                          |               |                   |                               |
|--------------------------|---------------|-------------------|-------------------------------|
| Plan Survey Tool Program | Date 5/4/2023 |                   |                               |
| Depth From (ft)          | Depth To (ft) | Survey (Wellbore) | Tool Name                     |
|                          |               |                   | Remarks                       |
| 1                        | 0.00          | 27,784.06         | Permitting Plan (Wellbore #1) |
|                          |               |                   | SQC_C705a_MWD+IFR1+S          |
|                          |               |                   | OWSG MWD + IFR1 + Sag +       |

|                     |                 |             |                     |            |            |                       |                      |                     |         |                   |
|---------------------|-----------------|-------------|---------------------|------------|------------|-----------------------|----------------------|---------------------|---------|-------------------|
| Plan Sections       |                 |             |                     |            |            |                       |                      |                     |         |                   |
| Measured Depth (ft) | Inclination (°) | Azimuth (°) | Vertical Depth (ft) | +N/-S (ft) | +E/-W (ft) | Dogleg Rate (°/100ft) | Build Rate (°/100ft) | Turn Rate (°/100ft) | TFO (°) | Target            |
| 0.00                | 0.00            | 0.00        | 0.00                | 0.00       | 0.00       | 0.00                  | 0.00                 | 0.00                | 0.00    |                   |
| 5,485.00            | 0.00            | 0.00        | 5,485.00            | 0.00       | 0.00       | 0.00                  | 0.00                 | 0.00                | 0.00    |                   |
| 6,485.38            | 10.00           | 208.36      | 6,480.31            | -76.66     | -41.38     | 1.00                  | 1.00                 | 0.00                | 208.36  |                   |
| 11,064.80           | 10.00           | 208.36      | 10,990.10           | -776.69    | -419.26    | 0.00                  | 0.00                 | 0.00                | 0.00    |                   |
| 12,055.37           | 90.29           | 359.69      | 11,648.00           | -207.83    | -478.30    | 10.00                 | 8.11                 | 15.28               | 150.93  | FTP - Regal Lager |
| 27,784.14           | 90.29           | 359.69      | 11,568.00           | 15,520.50  | -563.40    | 0.00                  | 0.00                 | 0.00                | 0.00    | BHL - Regal Lager |

OXY  
Planning Report

|           |                                     |                              |                                    |
|-----------|-------------------------------------|------------------------------|------------------------------------|
| Database: | HOPSPP                              | Local Co-ordinate Reference: | Well Regal Lager 31_19 Fed Com 33H |
| Company:  | ENGINEERING DESIGNS                 | TVD Reference:               | 25' RKB @ 3648.00ft                |
| Project:  | PRD NM DIRECTIONAL PLANS (NAD 1983) | MD Reference:                | 25' RKB @ 3648.00ft                |
| Site:     | Regal Lager 31_19 Fed Com           | North Reference:             | Grid                               |
| Well:     | Regal Lager 31_19 Fed Com 33H       | Survey Calculation Method:   | Minimum Curvature                  |
| Wellbore: | Wellbore #1                         |                              |                                    |
| 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) |
| 0.00                | 0.00            | 0.00        | 0.00                | 0.00       | 0.00       | 0.00                  | 0.00                  | 0.00                 | 0.00                |
| 100.00              | 0.00            | 0.00        | 100.00              | 0.00       | 0.00       | 0.00                  | 0.00                  | 0.00                 | 0.00                |
| 200.00              | 0.00            | 0.00        | 200.00              | 0.00       | 0.00       | 0.00                  | 0.00                  | 0.00                 | 0.00                |
| 300.00              | 0.00            | 0.00        | 300.00              | 0.00       | 0.00       | 0.00                  | 0.00                  | 0.00                 | 0.00                |
| 400.00              | 0.00            | 0.00        | 400.00              | 0.00       | 0.00       | 0.00                  | 0.00                  | 0.00                 | 0.00                |
| 500.00              | 0.00            | 0.00        | 500.00              | 0.00       | 0.00       | 0.00                  | 0.00                  | 0.00                 | 0.00                |
| 600.00              | 0.00            | 0.00        | 600.00              | 0.00       | 0.00       | 0.00                  | 0.00                  | 0.00                 | 0.00                |
| 700.00              | 0.00            | 0.00        | 700.00              | 0.00       | 0.00       | 0.00                  | 0.00                  | 0.00                 | 0.00                |
| 800.00              | 0.00            | 0.00        | 800.00              | 0.00       | 0.00       | 0.00                  | 0.00                  | 0.00                 | 0.00                |
| 900.00              | 0.00            | 0.00        | 900.00              | 0.00       | 0.00       | 0.00                  | 0.00                  | 0.00                 | 0.00                |
| 1,000.00            | 0.00            | 0.00        | 1,000.00            | 0.00       | 0.00       | 0.00                  | 0.00                  | 0.00                 | 0.00                |
| 1,100.00            | 0.00            | 0.00        | 1,100.00            | 0.00       | 0.00       | 0.00                  | 0.00                  | 0.00                 | 0.00                |
| 1,200.00            | 0.00            | 0.00        | 1,200.00            | 0.00       | 0.00       | 0.00                  | 0.00                  | 0.00                 | 0.00                |
| 1,300.00            | 0.00            | 0.00        | 1,300.00            | 0.00       | 0.00       | 0.00                  | 0.00                  | 0.00                 | 0.00                |
| 1,400.00            | 0.00            | 0.00        | 1,400.00            | 0.00       | 0.00       | 0.00                  | 0.00                  | 0.00                 | 0.00                |
| 1,500.00            | 0.00            | 0.00        | 1,500.00            | 0.00       | 0.00       | 0.00                  | 0.00                  | 0.00                 | 0.00                |
| 1,600.00            | 0.00            | 0.00        | 1,600.00            | 0.00       | 0.00       | 0.00                  | 0.00                  | 0.00                 | 0.00                |
| 1,700.00            | 0.00            | 0.00        | 1,700.00            | 0.00       | 0.00       | 0.00                  | 0.00                  | 0.00                 | 0.00                |
| 1,800.00            | 0.00            | 0.00        | 1,800.00            | 0.00       | 0.00       | 0.00                  | 0.00                  | 0.00                 | 0.00                |
| 1,900.00            | 0.00            | 0.00        | 1,900.00            | 0.00       | 0.00       | 0.00                  | 0.00                  | 0.00                 | 0.00                |
| 2,000.00            | 0.00            | 0.00        | 2,000.00            | 0.00       | 0.00       | 0.00                  | 0.00                  | 0.00                 | 0.00                |
| 2,100.00            | 0.00            | 0.00        | 2,100.00            | 0.00       | 0.00       | 0.00                  | 0.00                  | 0.00                 | 0.00                |
| 2,200.00            | 0.00            | 0.00        | 2,200.00            | 0.00       | 0.00       | 0.00                  | 0.00                  | 0.00                 | 0.00                |
| 2,300.00            | 0.00            | 0.00        | 2,300.00            | 0.00       | 0.00       | 0.00                  | 0.00                  | 0.00                 | 0.00                |
| 2,400.00            | 0.00            | 0.00        | 2,400.00            | 0.00       | 0.00       | 0.00                  | 0.00                  | 0.00                 | 0.00                |
| 2,500.00            | 0.00            | 0.00        | 2,500.00            | 0.00       | 0.00       | 0.00                  | 0.00                  | 0.00                 | 0.00                |
| 2,600.00            | 0.00            | 0.00        | 2,600.00            | 0.00       | 0.00       | 0.00                  | 0.00                  | 0.00                 | 0.00                |
| 2,700.00            | 0.00            | 0.00        | 2,700.00            | 0.00       | 0.00       | 0.00                  | 0.00                  | 0.00                 | 0.00                |
| 2,800.00            | 0.00            | 0.00        | 2,800.00            | 0.00       | 0.00       | 0.00                  | 0.00                  | 0.00                 | 0.00                |
| 2,900.00            | 0.00            | 0.00        | 2,900.00            | 0.00       | 0.00       | 0.00                  | 0.00                  | 0.00                 | 0.00                |
| 3,000.00            | 0.00            | 0.00        | 3,000.00            | 0.00       | 0.00       | 0.00                  | 0.00                  | 0.00                 | 0.00                |
| 3,100.00            | 0.00            | 0.00        | 3,100.00            | 0.00       | 0.00       | 0.00                  | 0.00                  | 0.00                 | 0.00                |
| 3,200.00            | 0.00            | 0.00        | 3,200.00            | 0.00       | 0.00       | 0.00                  | 0.00                  | 0.00                 | 0.00                |
| 3,300.00            | 0.00            | 0.00        | 3,300.00            | 0.00       | 0.00       | 0.00                  | 0.00                  | 0.00                 | 0.00                |
| 3,400.00            | 0.00            | 0.00        | 3,400.00            | 0.00       | 0.00       | 0.00                  | 0.00                  | 0.00                 | 0.00                |
| 3,500.00            | 0.00            | 0.00        | 3,500.00            | 0.00       | 0.00       | 0.00                  | 0.00                  | 0.00                 | 0.00                |
| 3,600.00            | 0.00            | 0.00        | 3,600.00            | 0.00       | 0.00       | 0.00                  | 0.00                  | 0.00                 | 0.00                |
| 3,700.00            | 0.00            | 0.00        | 3,700.00            | 0.00       | 0.00       | 0.00                  | 0.00                  | 0.00                 | 0.00                |
| 3,800.00            | 0.00            | 0.00        | 3,800.00            | 0.00       | 0.00       | 0.00                  | 0.00                  | 0.00                 | 0.00                |
| 3,900.00            | 0.00            | 0.00        | 3,900.00            | 0.00       | 0.00       | 0.00                  | 0.00                  | 0.00                 | 0.00                |
| 4,000.00            | 0.00            | 0.00        | 4,000.00            | 0.00       | 0.00       | 0.00                  | 0.00                  | 0.00                 | 0.00                |
| 4,100.00            | 0.00            | 0.00        | 4,100.00            | 0.00       | 0.00       | 0.00                  | 0.00                  | 0.00                 | 0.00                |
| 4,200.00            | 0.00            | 0.00        | 4,200.00            | 0.00       | 0.00       | 0.00                  | 0.00                  | 0.00                 | 0.00                |
| 4,300.00            | 0.00            | 0.00        | 4,300.00            | 0.00       | 0.00       | 0.00                  | 0.00                  | 0.00                 | 0.00                |
| 4,400.00            | 0.00            | 0.00        | 4,400.00            | 0.00       | 0.00       | 0.00                  | 0.00                  | 0.00                 | 0.00                |
| 4,500.00            | 0.00            | 0.00        | 4,500.00            | 0.00       | 0.00       | 0.00                  | 0.00                  | 0.00                 | 0.00                |
| 4,600.00            | 0.00            | 0.00        | 4,600.00            | 0.00       | 0.00       | 0.00                  | 0.00                  | 0.00                 | 0.00                |
| 4,700.00            | 0.00            | 0.00        | 4,700.00            | 0.00       | 0.00       | 0.00                  | 0.00                  | 0.00                 | 0.00                |
| 4,800.00            | 0.00            | 0.00        | 4,800.00            | 0.00       | 0.00       | 0.00                  | 0.00                  | 0.00                 | 0.00                |
| 4,900.00            | 0.00            | 0.00        | 4,900.00            | 0.00       | 0.00       | 0.00                  | 0.00                  | 0.00                 | 0.00                |
| 5,000.00            | 0.00            | 0.00        | 5,000.00            | 0.00       | 0.00       | 0.00                  | 0.00                  | 0.00                 | 0.00                |
| 5,100.00            | 0.00            | 0.00        | 5,100.00            | 0.00       | 0.00       | 0.00                  | 0.00                  | 0.00                 | 0.00                |
| 5,200.00            | 0.00            | 0.00        | 5,200.00            | 0.00       | 0.00       | 0.00                  | 0.00                  | 0.00                 | 0.00                |
| 5,300.00            | 0.00            | 0.00        | 5,300.00            | 0.00       | 0.00       | 0.00                  | 0.00                  | 0.00                 | 0.00                |
| 5,400.00            | 0.00            | 0.00        | 5,400.00            | 0.00       | 0.00       | 0.00                  | 0.00                  | 0.00                 | 0.00                |

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## Planning Report

|                  |                                     |                                     |                                    |
|------------------|-------------------------------------|-------------------------------------|------------------------------------|
| <b>Database:</b> | HOPSPP                              | <b>Local Co-ordinate Reference:</b> | Well Regal Lager 31_19 Fed Com 33H |
| <b>Company:</b>  | ENGINEERING DESIGNS                 | <b>TVD Reference:</b>               | 25' RKB @ 3648.00ft                |
| <b>Project:</b>  | PRD NM DIRECTIONAL PLANS (NAD 1983) | <b>MD Reference:</b>                | 25' RKB @ 3648.00ft                |
| <b>Site:</b>     | Regal Lager 31_19 Fed Com           | <b>North Reference:</b>             | Grid                               |
| <b>Well:</b>     | Regal Lager 31_19 Fed Com 33H       | <b>Survey Calculation Method:</b>   | Minimum Curvature                  |
| <b>Wellbore:</b> | Wellbore #1                         |                                     |                                    |
| <b>Design:</b>   | 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) |
| 5,485.00            | 0.00            | 0.00        | 5,485.00            | 0.00       | 0.00       | 0.00                  | 0.00                  | 0.00                 | 0.00                |
| 5,500.00            | 0.15            | 208.36      | 5,500.00            | -0.02      | -0.01      | -0.02                 | 1.00                  | 1.00                 | 0.00                |
| 5,600.00            | 1.15            | 208.36      | 5,599.99            | -1.02      | -0.55      | -0.99                 | 1.00                  | 1.00                 | 0.00                |
| 5,700.00            | 2.15            | 208.36      | 5,699.95            | -3.55      | -1.92      | -3.48                 | 1.00                  | 1.00                 | 0.00                |
| 5,800.00            | 3.15            | 208.36      | 5,799.84            | -7.62      | -4.11      | -7.46                 | 1.00                  | 1.00                 | 0.00                |
| 5,900.00            | 4.15            | 208.36      | 5,899.64            | -13.22     | -7.14      | -12.95                | 1.00                  | 1.00                 | 0.00                |
| 6,000.00            | 5.15            | 208.36      | 5,999.31            | -20.35     | -10.99     | -19.94                | 1.00                  | 1.00                 | 0.00                |
| 6,100.00            | 6.15            | 208.36      | 6,098.82            | -29.02     | -15.66     | -28.43                | 1.00                  | 1.00                 | 0.00                |
| 6,200.00            | 7.15            | 208.36      | 6,198.15            | -39.21     | -21.16     | -38.41                | 1.00                  | 1.00                 | 0.00                |
| 6,300.00            | 8.15            | 208.36      | 6,297.25            | -50.92     | -27.49     | -49.89                | 1.00                  | 1.00                 | 0.00                |
| 6,400.00            | 9.15            | 208.36      | 6,396.12            | -64.16     | -34.63     | -62.86                | 1.00                  | 1.00                 | 0.00                |
| 6,485.38            | 10.00           | 208.36      | 6,480.31            | -76.66     | -41.38     | -75.10                | 1.00                  | 1.00                 | 0.00                |
| 6,500.00            | 10.00           | 208.36      | 6,494.70            | -78.89     | -42.59     | -77.29                | 0.00                  | 0.00                 | 0.00                |
| 6,600.00            | 10.00           | 208.36      | 6,593.18            | -94.18     | -50.84     | -92.27                | 0.00                  | 0.00                 | 0.00                |
| 6,700.00            | 10.00           | 208.36      | 6,691.66            | -109.46    | -59.09     | -107.25               | 0.00                  | 0.00                 | 0.00                |
| 6,800.00            | 10.00           | 208.36      | 6,790.14            | -124.75    | -67.34     | -122.23               | 0.00                  | 0.00                 | 0.00                |
| 6,900.00            | 10.00           | 208.36      | 6,888.62            | -140.04    | -75.59     | -137.20               | 0.00                  | 0.00                 | 0.00                |
| 7,000.00            | 10.00           | 208.36      | 6,987.10            | -155.32    | -83.84     | -152.18               | 0.00                  | 0.00                 | 0.00                |
| 7,100.00            | 10.00           | 208.36      | 7,085.58            | -170.61    | -92.10     | -167.16               | 0.00                  | 0.00                 | 0.00                |
| 7,200.00            | 10.00           | 208.36      | 7,184.06            | -185.90    | -100.35    | -182.13               | 0.00                  | 0.00                 | 0.00                |
| 7,300.00            | 10.00           | 208.36      | 7,282.54            | -201.18    | -108.60    | -197.11               | 0.00                  | 0.00                 | 0.00                |
| 7,400.00            | 10.00           | 208.36      | 7,381.02            | -216.47    | -116.85    | -212.09               | 0.00                  | 0.00                 | 0.00                |
| 7,500.00            | 10.00           | 208.36      | 7,479.50            | -231.76    | -125.10    | -227.06               | 0.00                  | 0.00                 | 0.00                |
| 7,600.00            | 10.00           | 208.36      | 7,577.98            | -247.04    | -133.35    | -242.04               | 0.00                  | 0.00                 | 0.00                |
| 7,700.00            | 10.00           | 208.36      | 7,676.46            | -262.33    | -141.61    | -257.02               | 0.00                  | 0.00                 | 0.00                |
| 7,800.00            | 10.00           | 208.36      | 7,774.94            | -277.61    | -149.86    | -272.00               | 0.00                  | 0.00                 | 0.00                |
| 7,900.00            | 10.00           | 208.36      | 7,873.42            | -292.90    | -158.11    | -286.97               | 0.00                  | 0.00                 | 0.00                |
| 8,000.00            | 10.00           | 208.36      | 7,971.90            | -308.19    | -166.36    | -301.95               | 0.00                  | 0.00                 | 0.00                |
| 8,100.00            | 10.00           | 208.36      | 8,070.38            | -323.47    | -174.61    | -316.93               | 0.00                  | 0.00                 | 0.00                |
| 8,200.00            | 10.00           | 208.36      | 8,168.86            | -338.76    | -182.86    | -331.90               | 0.00                  | 0.00                 | 0.00                |
| 8,300.00            | 10.00           | 208.36      | 8,267.34            | -354.05    | -191.12    | -346.88               | 0.00                  | 0.00                 | 0.00                |
| 8,400.00            | 10.00           | 208.36      | 8,365.82            | -369.33    | -199.37    | -361.86               | 0.00                  | 0.00                 | 0.00                |
| 8,500.00            | 10.00           | 208.36      | 8,464.30            | -384.62    | -207.62    | -376.84               | 0.00                  | 0.00                 | 0.00                |
| 8,600.00            | 10.00           | 208.36      | 8,562.77            | -399.91    | -215.87    | -391.81               | 0.00                  | 0.00                 | 0.00                |
| 8,700.00            | 10.00           | 208.36      | 8,661.25            | -415.19    | -224.12    | -406.79               | 0.00                  | 0.00                 | 0.00                |
| 8,800.00            | 10.00           | 208.36      | 8,759.73            | -430.48    | -232.37    | -421.77               | 0.00                  | 0.00                 | 0.00                |
| 8,900.00            | 10.00           | 208.36      | 8,858.21            | -445.77    | -240.63    | -436.74               | 0.00                  | 0.00                 | 0.00                |
| 9,000.00            | 10.00           | 208.36      | 8,956.69            | -461.05    | -248.88    | -451.72               | 0.00                  | 0.00                 | 0.00                |
| 9,100.00            | 10.00           | 208.36      | 9,055.17            | -476.34    | -257.13    | -466.70               | 0.00                  | 0.00                 | 0.00                |
| 9,200.00            | 10.00           | 208.36      | 9,153.65            | -491.63    | -265.38    | -481.67               | 0.00                  | 0.00                 | 0.00                |
| 9,300.00            | 10.00           | 208.36      | 9,252.13            | -506.91    | -273.63    | -496.65               | 0.00                  | 0.00                 | 0.00                |
| 9,400.00            | 10.00           | 208.36      | 9,350.61            | -522.20    | -281.88    | -511.63               | 0.00                  | 0.00                 | 0.00                |
| 9,500.00            | 10.00           | 208.36      | 9,449.09            | -537.48    | -290.14    | -526.61               | 0.00                  | 0.00                 | 0.00                |
| 9,600.00            | 10.00           | 208.36      | 9,547.57            | -552.77    | -298.39    | -541.58               | 0.00                  | 0.00                 | 0.00                |
| 9,700.00            | 10.00           | 208.36      | 9,646.05            | -568.06    | -306.64    | -556.56               | 0.00                  | 0.00                 | 0.00                |
| 9,800.00            | 10.00           | 208.36      | 9,744.53            | -583.34    | -314.89    | -571.54               | 0.00                  | 0.00                 | 0.00                |
| 9,900.00            | 10.00           | 208.36      | 9,843.01            | -598.63    | -323.14    | -586.51               | 0.00                  | 0.00                 | 0.00                |
| 10,000.00           | 10.00           | 208.36      | 9,941.49            | -613.92    | -331.40    | -601.49               | 0.00                  | 0.00                 | 0.00                |
| 10,100.00           | 10.00           | 208.36      | 10,039.97           | -629.20    | -339.65    | -616.47               | 0.00                  | 0.00                 | 0.00                |
| 10,200.00           | 10.00           | 208.36      | 10,138.45           | -644.49    | -347.90    | -631.45               | 0.00                  | 0.00                 | 0.00                |
| 10,300.00           | 10.00           | 208.36      | 10,236.93           | -659.78    | -356.15    | -646.42               | 0.00                  | 0.00                 | 0.00                |
| 10,400.00           | 10.00           | 208.36      | 10,335.41           | -675.06    | -364.40    | -661.40               | 0.00                  | 0.00                 | 0.00                |
| 10,500.00           | 10.00           | 208.36      | 10,433.89           | -690.35    | -372.65    | -676.38               | 0.00                  | 0.00                 | 0.00                |
| 10,600.00           | 10.00           | 208.36      | 10,532.37           | -705.64    | -380.91    | -691.35               | 0.00                  | 0.00                 | 0.00                |
| 10,700.00           | 10.00           | 208.36      | 10,630.85           | -720.92    | -389.16    | -706.33               | 0.00                  | 0.00                 | 0.00                |

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## Planning Report

|                  |                                     |                                     |                                    |
|------------------|-------------------------------------|-------------------------------------|------------------------------------|
| <b>Database:</b> | HOPSPP                              | <b>Local Co-ordinate Reference:</b> | Well Regal Lager 31_19 Fed Com 33H |
| <b>Company:</b>  | ENGINEERING DESIGNS                 | <b>TVD Reference:</b>               | 25' RKB @ 3648.00ft                |
| <b>Project:</b>  | PRD NM DIRECTIONAL PLANS (NAD 1983) | <b>MD Reference:</b>                | 25' RKB @ 3648.00ft                |
| <b>Site:</b>     | Regal Lager 31_19 Fed Com           | <b>North Reference:</b>             | Grid                               |
| <b>Well:</b>     | Regal Lager 31_19 Fed Com 33H       | <b>Survey Calculation Method:</b>   | Minimum Curvature                  |
| <b>Wellbore:</b> | Wellbore #1                         |                                     |                                    |
| <b>Design:</b>   | 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) |
| 10,800.00           | 10.00           | 208.36      | 10,729.33           | -736.21    | -397.41    | -721.31               | 0.00                  | 0.00                 | 0.00                |
| 10,900.00           | 10.00           | 208.36      | 10,827.81           | -751.50    | -405.66    | -736.28               | 0.00                  | 0.00                 | 0.00                |
| 11,000.00           | 10.00           | 208.36      | 10,926.29           | -766.78    | -413.91    | -751.26               | 0.00                  | 0.00                 | 0.00                |
| 11,064.80           | 10.00           | 208.36      | 10,990.10           | -776.69    | -419.26    | -760.97               | 0.00                  | 0.00                 | 0.00                |
| 11,100.00           | 7.13            | 222.26      | 11,024.91           | -781.00    | -422.18    | -765.17               | 10.00                 | -8.16                | 39.49               |
| 11,200.00           | 6.78            | 314.25      | 11,124.42           | -781.47    | -430.61    | -765.34               | 10.00                 | -0.35                | 91.99               |
| 11,300.00           | 15.51           | 341.90      | 11,222.50           | -764.60    | -439.01    | -748.17               | 10.00                 | 8.73                 | 27.65               |
| 11,400.00           | 25.19           | 349.29      | 11,316.16           | -730.89    | -447.14    | -714.19               | 10.00                 | 9.68                 | 7.40                |
| 11,500.00           | 35.05           | 352.73      | 11,402.56           | -681.36    | -454.75    | -664.42               | 10.00                 | 9.85                 | 3.44                |
| 11,600.00           | 44.96           | 354.80      | 11,479.06           | -617.53    | -461.60    | -600.38               | 10.00                 | 9.91                 | 2.07                |
| 11,700.00           | 54.90           | 356.25      | 11,543.36           | -541.33    | -467.49    | -524.02               | 10.00                 | 9.94                 | 1.45                |
| 11,800.00           | 64.85           | 357.39      | 11,593.48           | -455.08    | -472.24    | -437.65               | 10.00                 | 9.95                 | 1.13                |
| 11,900.00           | 74.81           | 358.35      | 11,627.92           | -361.40    | -475.71    | -343.90               | 10.00                 | 9.96                 | 0.96                |
| 12,000.00           | 84.77           | 359.22      | 11,645.62           | -263.13    | -477.78    | -245.62               | 10.00                 | 9.96                 | 0.87                |
| 12,055.37           | 90.29           | 359.69      | 11,648.00           | -207.83    | -478.30    | -190.34               | 10.00                 | 9.96                 | 0.85                |
| 12,100.00           | 90.29           | 359.69      | 11,647.77           | -163.20    | -478.55    | -145.74               | 0.00                  | 0.00                 | 0.00                |
| 12,200.00           | 90.29           | 359.69      | 11,647.26           | -63.21     | -479.09    | -45.78                | 0.00                  | 0.00                 | 0.00                |
| 12,300.00           | 90.29           | 359.69      | 11,646.76           | 36.79      | -479.63    | 54.17                 | 0.00                  | 0.00                 | 0.00                |
| 12,400.00           | 90.29           | 359.69      | 11,646.25           | 136.79     | -480.17    | 154.12                | 0.00                  | 0.00                 | 0.00                |
| 12,500.00           | 90.29           | 359.69      | 11,645.74           | 236.79     | -480.71    | 254.07                | 0.00                  | 0.00                 | 0.00                |
| 12,600.00           | 90.29           | 359.69      | 11,645.23           | 336.78     | -481.25    | 354.02                | 0.00                  | 0.00                 | 0.00                |
| 12,700.00           | 90.29           | 359.69      | 11,644.72           | 436.78     | -481.79    | 453.97                | 0.00                  | 0.00                 | 0.00                |
| 12,800.00           | 90.29           | 359.69      | 11,644.21           | 536.78     | -482.33    | 553.92                | 0.00                  | 0.00                 | 0.00                |
| 12,900.00           | 90.29           | 359.69      | 11,643.70           | 636.77     | -482.87    | 653.87                | 0.00                  | 0.00                 | 0.00                |
| 13,000.00           | 90.29           | 359.69      | 11,643.20           | 736.77     | -483.42    | 753.82                | 0.00                  | 0.00                 | 0.00                |
| 13,100.00           | 90.29           | 359.69      | 11,642.69           | 836.77     | -483.96    | 853.77                | 0.00                  | 0.00                 | 0.00                |
| 13,200.00           | 90.29           | 359.69      | 11,642.18           | 936.77     | -484.50    | 953.73                | 0.00                  | 0.00                 | 0.00                |
| 13,300.00           | 90.29           | 359.69      | 11,641.67           | 1,036.76   | -485.04    | 1,053.68              | 0.00                  | 0.00                 | 0.00                |
| 13,400.00           | 90.29           | 359.69      | 11,641.16           | 1,136.76   | -485.58    | 1,153.63              | 0.00                  | 0.00                 | 0.00                |
| 13,500.00           | 90.29           | 359.69      | 11,640.65           | 1,236.76   | -486.12    | 1,253.58              | 0.00                  | 0.00                 | 0.00                |
| 13,600.00           | 90.29           | 359.69      | 11,640.14           | 1,336.76   | -486.66    | 1,353.53              | 0.00                  | 0.00                 | 0.00                |
| 13,700.00           | 90.29           | 359.69      | 11,639.64           | 1,436.75   | -487.20    | 1,453.48              | 0.00                  | 0.00                 | 0.00                |
| 13,800.00           | 90.29           | 359.69      | 11,639.13           | 1,536.75   | -487.74    | 1,553.43              | 0.00                  | 0.00                 | 0.00                |
| 13,900.00           | 90.29           | 359.69      | 11,638.62           | 1,636.75   | -488.28    | 1,653.38              | 0.00                  | 0.00                 | 0.00                |
| 14,000.00           | 90.29           | 359.69      | 11,638.11           | 1,736.74   | -488.83    | 1,753.33              | 0.00                  | 0.00                 | 0.00                |
| 14,100.00           | 90.29           | 359.69      | 11,637.60           | 1,836.74   | -489.37    | 1,853.29              | 0.00                  | 0.00                 | 0.00                |
| 14,200.00           | 90.29           | 359.69      | 11,637.09           | 1,936.74   | -489.91    | 1,953.24              | 0.00                  | 0.00                 | 0.00                |
| 14,300.00           | 90.29           | 359.69      | 11,636.58           | 2,036.74   | -490.45    | 2,053.19              | 0.00                  | 0.00                 | 0.00                |
| 14,400.00           | 90.29           | 359.69      | 11,636.07           | 2,136.73   | -490.99    | 2,153.14              | 0.00                  | 0.00                 | 0.00                |
| 14,500.00           | 90.29           | 359.69      | 11,635.57           | 2,236.73   | -491.53    | 2,253.09              | 0.00                  | 0.00                 | 0.00                |
| 14,600.00           | 90.29           | 359.69      | 11,635.06           | 2,336.73   | -492.07    | 2,353.04              | 0.00                  | 0.00                 | 0.00                |
| 14,700.00           | 90.29           | 359.69      | 11,634.55           | 2,436.73   | -492.61    | 2,452.99              | 0.00                  | 0.00                 | 0.00                |
| 14,800.00           | 90.29           | 359.69      | 11,634.04           | 2,536.72   | -493.15    | 2,552.94              | 0.00                  | 0.00                 | 0.00                |
| 14,900.00           | 90.29           | 359.69      | 11,633.53           | 2,636.72   | -493.69    | 2,652.89              | 0.00                  | 0.00                 | 0.00                |
| 15,000.00           | 90.29           | 359.69      | 11,633.02           | 2,736.72   | -494.24    | 2,752.84              | 0.00                  | 0.00                 | 0.00                |
| 15,100.00           | 90.29           | 359.69      | 11,632.51           | 2,836.71   | -494.78    | 2,852.80              | 0.00                  | 0.00                 | 0.00                |
| 15,200.00           | 90.29           | 359.69      | 11,632.01           | 2,936.71   | -495.32    | 2,952.75              | 0.00                  | 0.00                 | 0.00                |
| 15,300.00           | 90.29           | 359.69      | 11,631.50           | 3,036.71   | -495.86    | 3,052.70              | 0.00                  | 0.00                 | 0.00                |
| 15,400.00           | 90.29           | 359.69      | 11,630.99           | 3,136.71   | -496.40    | 3,152.65              | 0.00                  | 0.00                 | 0.00                |
| 15,500.00           | 90.29           | 359.69      | 11,630.48           | 3,236.70   | -496.94    | 3,252.60              | 0.00                  | 0.00                 | 0.00                |
| 15,600.00           | 90.29           | 359.69      | 11,629.97           | 3,336.70   | -497.48    | 3,352.55              | 0.00                  | 0.00                 | 0.00                |
| 15,700.00           | 90.29           | 359.69      | 11,629.46           | 3,436.70   | -498.02    | 3,452.50              | 0.00                  | 0.00                 | 0.00                |
| 15,800.00           | 90.29           | 359.69      | 11,628.95           | 3,536.69   | -498.56    | 3,552.45              | 0.00                  | 0.00                 | 0.00                |
| 15,900.00           | 90.29           | 359.69      | 11,628.45           | 3,636.69   | -499.10    | 3,652.40              | 0.00                  | 0.00                 | 0.00                |
| 16,000.00           | 90.29           | 359.69      | 11,627.94           | 3,736.69   | -499.65    | 3,752.36              | 0.00                  | 0.00                 | 0.00                |



# OXY

## Planning Report

|                  |                                     |                                     |                                    |
|------------------|-------------------------------------|-------------------------------------|------------------------------------|
| <b>Database:</b> | HOPSPP                              | <b>Local Co-ordinate Reference:</b> | Well Regal Lager 31_19 Fed Com 33H |
| <b>Company:</b>  | ENGINEERING DESIGNS                 | <b>TVD Reference:</b>               | 25' RKB @ 3648.00ft                |
| <b>Project:</b>  | PRD NM DIRECTIONAL PLANS (NAD 1983) | <b>MD Reference:</b>                | 25' RKB @ 3648.00ft                |
| <b>Site:</b>     | Regal Lager 31_19 Fed Com           | <b>North Reference:</b>             | Grid                               |
| <b>Well:</b>     | Regal Lager 31_19 Fed Com 33H       | <b>Survey Calculation Method:</b>   | Minimum Curvature                  |
| <b>Wellbore:</b> | Wellbore #1                         |                                     |                                    |
| <b>Design:</b>   | 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) |
| 16,100.00           | 90.29           | 359.69      | 11,627.43           | 3,836.69   | -500.19    | 3,852.31              | 0.00                  | 0.00                 | 0.00                |
| 16,200.00           | 90.29           | 359.69      | 11,626.92           | 3,936.68   | -500.73    | 3,952.26              | 0.00                  | 0.00                 | 0.00                |
| 16,300.00           | 90.29           | 359.69      | 11,626.41           | 4,036.68   | -501.27    | 4,052.21              | 0.00                  | 0.00                 | 0.00                |
| 16,400.00           | 90.29           | 359.69      | 11,625.90           | 4,136.68   | -501.81    | 4,152.16              | 0.00                  | 0.00                 | 0.00                |
| 16,500.00           | 90.29           | 359.69      | 11,625.39           | 4,236.68   | -502.35    | 4,252.11              | 0.00                  | 0.00                 | 0.00                |
| 16,600.00           | 90.29           | 359.69      | 11,624.89           | 4,336.67   | -502.89    | 4,352.06              | 0.00                  | 0.00                 | 0.00                |
| 16,700.00           | 90.29           | 359.69      | 11,624.38           | 4,436.67   | -503.43    | 4,452.01              | 0.00                  | 0.00                 | 0.00                |
| 16,800.00           | 90.29           | 359.69      | 11,623.87           | 4,536.67   | -503.97    | 4,551.96              | 0.00                  | 0.00                 | 0.00                |
| 16,900.00           | 90.29           | 359.69      | 11,623.36           | 4,636.66   | -504.51    | 4,651.91              | 0.00                  | 0.00                 | 0.00                |
| 17,000.00           | 90.29           | 359.69      | 11,622.85           | 4,736.66   | -505.06    | 4,751.87              | 0.00                  | 0.00                 | 0.00                |
| 17,100.00           | 90.29           | 359.69      | 11,622.34           | 4,836.66   | -505.60    | 4,851.82              | 0.00                  | 0.00                 | 0.00                |
| 17,200.00           | 90.29           | 359.69      | 11,621.83           | 4,936.66   | -506.14    | 4,951.77              | 0.00                  | 0.00                 | 0.00                |
| 17,300.00           | 90.29           | 359.69      | 11,621.32           | 5,036.65   | -506.68    | 5,051.72              | 0.00                  | 0.00                 | 0.00                |
| 17,400.00           | 90.29           | 359.69      | 11,620.82           | 5,136.65   | -507.22    | 5,151.67              | 0.00                  | 0.00                 | 0.00                |
| 17,500.00           | 90.29           | 359.69      | 11,620.31           | 5,236.65   | -507.76    | 5,251.62              | 0.00                  | 0.00                 | 0.00                |
| 17,600.00           | 90.29           | 359.69      | 11,619.80           | 5,336.65   | -508.30    | 5,351.57              | 0.00                  | 0.00                 | 0.00                |
| 17,700.00           | 90.29           | 359.69      | 11,619.29           | 5,436.64   | -508.84    | 5,451.52              | 0.00                  | 0.00                 | 0.00                |
| 17,800.00           | 90.29           | 359.69      | 11,618.78           | 5,536.64   | -509.38    | 5,551.47              | 0.00                  | 0.00                 | 0.00                |
| 17,900.00           | 90.29           | 359.69      | 11,618.27           | 5,636.64   | -509.92    | 5,651.43              | 0.00                  | 0.00                 | 0.00                |
| 18,000.00           | 90.29           | 359.69      | 11,617.76           | 5,736.63   | -510.47    | 5,751.38              | 0.00                  | 0.00                 | 0.00                |
| 18,100.00           | 90.29           | 359.69      | 11,617.26           | 5,836.63   | -511.01    | 5,851.33              | 0.00                  | 0.00                 | 0.00                |
| 18,200.00           | 90.29           | 359.69      | 11,616.75           | 5,936.63   | -511.55    | 5,951.28              | 0.00                  | 0.00                 | 0.00                |
| 18,300.00           | 90.29           | 359.69      | 11,616.24           | 6,036.63   | -512.09    | 6,051.23              | 0.00                  | 0.00                 | 0.00                |
| 18,400.00           | 90.29           | 359.69      | 11,615.73           | 6,136.62   | -512.63    | 6,151.18              | 0.00                  | 0.00                 | 0.00                |
| 18,500.00           | 90.29           | 359.69      | 11,615.22           | 6,236.62   | -513.17    | 6,251.13              | 0.00                  | 0.00                 | 0.00                |
| 18,600.00           | 90.29           | 359.69      | 11,614.71           | 6,336.62   | -513.71    | 6,351.08              | 0.00                  | 0.00                 | 0.00                |
| 18,700.00           | 90.29           | 359.69      | 11,614.20           | 6,436.61   | -514.25    | 6,451.03              | 0.00                  | 0.00                 | 0.00                |
| 18,800.00           | 90.29           | 359.69      | 11,613.70           | 6,536.61   | -514.79    | 6,550.98              | 0.00                  | 0.00                 | 0.00                |
| 18,900.00           | 90.29           | 359.69      | 11,613.19           | 6,636.61   | -515.33    | 6,650.94              | 0.00                  | 0.00                 | 0.00                |
| 19,000.00           | 90.29           | 359.69      | 11,612.68           | 6,736.61   | -515.88    | 6,750.89              | 0.00                  | 0.00                 | 0.00                |
| 19,100.00           | 90.29           | 359.69      | 11,612.17           | 6,836.60   | -516.42    | 6,850.84              | 0.00                  | 0.00                 | 0.00                |
| 19,200.00           | 90.29           | 359.69      | 11,611.66           | 6,936.60   | -516.96    | 6,950.79              | 0.00                  | 0.00                 | 0.00                |
| 19,300.00           | 90.29           | 359.69      | 11,611.15           | 7,036.60   | -517.50    | 7,050.74              | 0.00                  | 0.00                 | 0.00                |
| 19,400.00           | 90.29           | 359.69      | 11,610.64           | 7,136.60   | -518.04    | 7,150.69              | 0.00                  | 0.00                 | 0.00                |
| 19,500.00           | 90.29           | 359.69      | 11,610.14           | 7,236.59   | -518.58    | 7,250.64              | 0.00                  | 0.00                 | 0.00                |
| 19,600.00           | 90.29           | 359.69      | 11,609.63           | 7,336.59   | -519.12    | 7,350.59              | 0.00                  | 0.00                 | 0.00                |
| 19,700.00           | 90.29           | 359.69      | 11,609.12           | 7,436.59   | -519.66    | 7,450.54              | 0.00                  | 0.00                 | 0.00                |
| 19,800.00           | 90.29           | 359.69      | 11,608.61           | 7,536.58   | -520.20    | 7,550.50              | 0.00                  | 0.00                 | 0.00                |
| 19,900.00           | 90.29           | 359.69      | 11,608.10           | 7,636.58   | -520.74    | 7,650.45              | 0.00                  | 0.00                 | 0.00                |
| 20,000.00           | 90.29           | 359.69      | 11,607.59           | 7,736.58   | -521.29    | 7,750.40              | 0.00                  | 0.00                 | 0.00                |
| 20,100.00           | 90.29           | 359.69      | 11,607.08           | 7,836.58   | -521.83    | 7,850.35              | 0.00                  | 0.00                 | 0.00                |
| 20,200.00           | 90.29           | 359.69      | 11,606.57           | 7,936.57   | -522.37    | 7,950.30              | 0.00                  | 0.00                 | 0.00                |
| 20,300.00           | 90.29           | 359.69      | 11,606.07           | 8,036.57   | -522.91    | 8,050.25              | 0.00                  | 0.00                 | 0.00                |
| 20,400.00           | 90.29           | 359.69      | 11,605.56           | 8,136.57   | -523.45    | 8,150.20              | 0.00                  | 0.00                 | 0.00                |
| 20,500.00           | 90.29           | 359.69      | 11,605.05           | 8,236.57   | -523.99    | 8,250.15              | 0.00                  | 0.00                 | 0.00                |
| 20,600.00           | 90.29           | 359.69      | 11,604.54           | 8,336.56   | -524.53    | 8,350.10              | 0.00                  | 0.00                 | 0.00                |
| 20,700.00           | 90.29           | 359.69      | 11,604.03           | 8,436.56   | -525.07    | 8,450.05              | 0.00                  | 0.00                 | 0.00                |
| 20,800.00           | 90.29           | 359.69      | 11,603.52           | 8,536.56   | -525.61    | 8,550.01              | 0.00                  | 0.00                 | 0.00                |
| 20,900.00           | 90.29           | 359.69      | 11,603.01           | 8,636.55   | -526.15    | 8,649.96              | 0.00                  | 0.00                 | 0.00                |
| 21,000.00           | 90.29           | 359.69      | 11,602.51           | 8,736.55   | -526.70    | 8,749.91              | 0.00                  | 0.00                 | 0.00                |
| 21,100.00           | 90.29           | 359.69      | 11,602.00           | 8,836.55   | -527.24    | 8,849.86              | 0.00                  | 0.00                 | 0.00                |
| 21,200.00           | 90.29           | 359.69      | 11,601.49           | 8,936.55   | -527.78    | 8,949.81              | 0.00                  | 0.00                 | 0.00                |
| 21,300.00           | 90.29           | 359.69      | 11,600.98           | 9,036.54   | -528.32    | 9,049.76              | 0.00                  | 0.00                 | 0.00                |
| 21,400.00           | 90.29           | 359.69      | 11,600.47           | 9,136.54   | -528.86    | 9,149.71              | 0.00                  | 0.00                 | 0.00                |
| 21,500.00           | 90.29           | 359.69      | 11,599.96           | 9,236.54   | -529.40    | 9,249.66              | 0.00                  | 0.00                 | 0.00                |

# OXY

## Planning Report

|                  |                                     |                                     |                                    |
|------------------|-------------------------------------|-------------------------------------|------------------------------------|
| <b>Database:</b> | HOPSPP                              | <b>Local Co-ordinate Reference:</b> | Well Regal Lager 31_19 Fed Com 33H |
| <b>Company:</b>  | ENGINEERING DESIGNS                 | <b>TVD Reference:</b>               | 25' RKB @ 3648.00ft                |
| <b>Project:</b>  | PRD NM DIRECTIONAL PLANS (NAD 1983) | <b>MD Reference:</b>                | 25' RKB @ 3648.00ft                |
| <b>Site:</b>     | Regal Lager 31_19 Fed Com           | <b>North Reference:</b>             | Grid                               |
| <b>Well:</b>     | Regal Lager 31_19 Fed Com 33H       | <b>Survey Calculation Method:</b>   | Minimum Curvature                  |
| <b>Wellbore:</b> | Wellbore #1                         |                                     |                                    |
| <b>Design:</b>   | 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) |
| 21,600.00           | 90.29           | 359.69      | 11,599.45           | 9,336.54   | -529.94    | 9,349.61              | 0.00                  | 0.00                 | 0.00                |
| 21,700.00           | 90.29           | 359.69      | 11,598.95           | 9,436.53   | -530.48    | 9,449.57              | 0.00                  | 0.00                 | 0.00                |
| 21,800.00           | 90.29           | 359.69      | 11,598.44           | 9,536.53   | -531.02    | 9,549.52              | 0.00                  | 0.00                 | 0.00                |
| 21,900.00           | 90.29           | 359.69      | 11,597.93           | 9,636.53   | -531.56    | 9,649.47              | 0.00                  | 0.00                 | 0.00                |
| 22,000.00           | 90.29           | 359.69      | 11,597.42           | 9,736.52   | -532.11    | 9,749.42              | 0.00                  | 0.00                 | 0.00                |
| 22,100.00           | 90.29           | 359.69      | 11,596.91           | 9,836.52   | -532.65    | 9,849.37              | 0.00                  | 0.00                 | 0.00                |
| 22,200.00           | 90.29           | 359.69      | 11,596.40           | 9,936.52   | -533.19    | 9,949.32              | 0.00                  | 0.00                 | 0.00                |
| 22,300.00           | 90.29           | 359.69      | 11,595.89           | 10,036.52  | -533.73    | 10,049.27             | 0.00                  | 0.00                 | 0.00                |
| 22,400.00           | 90.29           | 359.69      | 11,595.39           | 10,136.51  | -534.27    | 10,149.22             | 0.00                  | 0.00                 | 0.00                |
| 22,500.00           | 90.29           | 359.69      | 11,594.88           | 10,236.51  | -534.81    | 10,249.17             | 0.00                  | 0.00                 | 0.00                |
| 22,600.00           | 90.29           | 359.69      | 11,594.37           | 10,336.51  | -535.35    | 10,349.12             | 0.00                  | 0.00                 | 0.00                |
| 22,700.00           | 90.29           | 359.69      | 11,593.86           | 10,436.50  | -535.89    | 10,449.08             | 0.00                  | 0.00                 | 0.00                |
| 22,800.00           | 90.29           | 359.69      | 11,593.35           | 10,536.50  | -536.43    | 10,549.03             | 0.00                  | 0.00                 | 0.00                |
| 22,900.00           | 90.29           | 359.69      | 11,592.84           | 10,636.50  | -536.98    | 10,648.98             | 0.00                  | 0.00                 | 0.00                |
| 23,000.00           | 90.29           | 359.69      | 11,592.33           | 10,736.50  | -537.52    | 10,748.93             | 0.00                  | 0.00                 | 0.00                |
| 23,100.00           | 90.29           | 359.69      | 11,591.82           | 10,836.49  | -538.06    | 10,848.88             | 0.00                  | 0.00                 | 0.00                |
| 23,200.00           | 90.29           | 359.69      | 11,591.32           | 10,936.49  | -538.60    | 10,948.83             | 0.00                  | 0.00                 | 0.00                |
| 23,300.00           | 90.29           | 359.69      | 11,590.81           | 11,036.49  | -539.14    | 11,048.78             | 0.00                  | 0.00                 | 0.00                |
| 23,400.00           | 90.29           | 359.69      | 11,590.30           | 11,136.49  | -539.68    | 11,148.73             | 0.00                  | 0.00                 | 0.00                |
| 23,500.00           | 90.29           | 359.69      | 11,589.79           | 11,236.48  | -540.22    | 11,248.68             | 0.00                  | 0.00                 | 0.00                |
| 23,600.00           | 90.29           | 359.69      | 11,589.28           | 11,336.48  | -540.76    | 11,348.64             | 0.00                  | 0.00                 | 0.00                |
| 23,700.00           | 90.29           | 359.69      | 11,588.77           | 11,436.48  | -541.30    | 11,448.59             | 0.00                  | 0.00                 | 0.00                |
| 23,800.00           | 90.29           | 359.69      | 11,588.26           | 11,536.47  | -541.84    | 11,548.54             | 0.00                  | 0.00                 | 0.00                |
| 23,900.00           | 90.29           | 359.69      | 11,587.76           | 11,636.47  | -542.39    | 11,648.49             | 0.00                  | 0.00                 | 0.00                |
| 24,000.00           | 90.29           | 359.69      | 11,587.25           | 11,736.47  | -542.93    | 11,748.44             | 0.00                  | 0.00                 | 0.00                |
| 24,100.00           | 90.29           | 359.69      | 11,586.74           | 11,836.47  | -543.47    | 11,848.39             | 0.00                  | 0.00                 | 0.00                |
| 24,200.00           | 90.29           | 359.69      | 11,586.23           | 11,936.46  | -544.01    | 11,948.34             | 0.00                  | 0.00                 | 0.00                |
| 24,300.00           | 90.29           | 359.69      | 11,585.72           | 12,036.46  | -544.55    | 12,048.29             | 0.00                  | 0.00                 | 0.00                |
| 24,400.00           | 90.29           | 359.69      | 11,585.21           | 12,136.46  | -545.09    | 12,148.24             | 0.00                  | 0.00                 | 0.00                |
| 24,500.00           | 90.29           | 359.69      | 11,584.70           | 12,236.46  | -545.63    | 12,248.19             | 0.00                  | 0.00                 | 0.00                |
| 24,600.00           | 90.29           | 359.69      | 11,584.20           | 12,336.45  | -546.17    | 12,348.15             | 0.00                  | 0.00                 | 0.00                |
| 24,700.00           | 90.29           | 359.69      | 11,583.69           | 12,436.45  | -546.71    | 12,448.10             | 0.00                  | 0.00                 | 0.00                |
| 24,800.00           | 90.29           | 359.69      | 11,583.18           | 12,536.45  | -547.25    | 12,548.05             | 0.00                  | 0.00                 | 0.00                |
| 24,900.00           | 90.29           | 359.69      | 11,582.67           | 12,636.44  | -547.80    | 12,648.00             | 0.00                  | 0.00                 | 0.00                |
| 25,000.00           | 90.29           | 359.69      | 11,582.16           | 12,736.44  | -548.34    | 12,747.95             | 0.00                  | 0.00                 | 0.00                |
| 25,100.00           | 90.29           | 359.69      | 11,581.65           | 12,836.44  | -548.88    | 12,847.90             | 0.00                  | 0.00                 | 0.00                |
| 25,200.00           | 90.29           | 359.69      | 11,581.14           | 12,936.44  | -549.42    | 12,947.85             | 0.00                  | 0.00                 | 0.00                |
| 25,300.00           | 90.29           | 359.69      | 11,580.64           | 13,036.43  | -549.96    | 13,047.80             | 0.00                  | 0.00                 | 0.00                |
| 25,400.00           | 90.29           | 359.69      | 11,580.13           | 13,136.43  | -550.50    | 13,147.75             | 0.00                  | 0.00                 | 0.00                |
| 25,500.00           | 90.29           | 359.69      | 11,579.62           | 13,236.43  | -551.04    | 13,247.71             | 0.00                  | 0.00                 | 0.00                |
| 25,600.00           | 90.29           | 359.69      | 11,579.11           | 13,336.42  | -551.58    | 13,347.66             | 0.00                  | 0.00                 | 0.00                |
| 25,700.00           | 90.29           | 359.69      | 11,578.60           | 13,436.42  | -552.12    | 13,447.61             | 0.00                  | 0.00                 | 0.00                |
| 25,800.00           | 90.29           | 359.69      | 11,578.09           | 13,536.42  | -552.66    | 13,547.56             | 0.00                  | 0.00                 | 0.00                |
| 25,900.00           | 90.29           | 359.69      | 11,577.58           | 13,636.42  | -553.21    | 13,647.51             | 0.00                  | 0.00                 | 0.00                |
| 26,000.00           | 90.29           | 359.69      | 11,577.07           | 13,736.41  | -553.75    | 13,747.46             | 0.00                  | 0.00                 | 0.00                |
| 26,100.00           | 90.29           | 359.69      | 11,576.57           | 13,836.41  | -554.29    | 13,847.41             | 0.00                  | 0.00                 | 0.00                |
| 26,200.00           | 90.29           | 359.69      | 11,576.06           | 13,936.41  | -554.83    | 13,947.36             | 0.00                  | 0.00                 | 0.00                |
| 26,300.00           | 90.29           | 359.69      | 11,575.55           | 14,036.41  | -555.37    | 14,047.31             | 0.00                  | 0.00                 | 0.00                |
| 26,400.00           | 90.29           | 359.69      | 11,575.04           | 14,136.40  | -555.91    | 14,147.26             | 0.00                  | 0.00                 | 0.00                |
| 26,500.00           | 90.29           | 359.69      | 11,574.53           | 14,236.40  | -556.45    | 14,247.22             | 0.00                  | 0.00                 | 0.00                |
| 26,600.00           | 90.29           | 359.69      | 11,574.02           | 14,336.40  | -556.99    | 14,347.17             | 0.00                  | 0.00                 | 0.00                |
| 26,700.00           | 90.29           | 359.69      | 11,573.51           | 14,436.39  | -557.53    | 14,447.12             | 0.00                  | 0.00                 | 0.00                |
| 26,800.00           | 90.29           | 359.69      | 11,573.01           | 14,536.39  | -558.07    | 14,547.07             | 0.00                  | 0.00                 | 0.00                |
| 26,900.00           | 90.29           | 359.69      | 11,572.50           | 14,636.39  | -558.62    | 14,647.02             | 0.00                  | 0.00                 | 0.00                |
| 27,000.00           | 90.29           | 359.69      | 11,571.99           | 14,736.39  | -559.16    | 14,746.97             | 0.00                  | 0.00                 | 0.00                |



OXY  
Planning Report

|           |                                     |                              |                                    |
|-----------|-------------------------------------|------------------------------|------------------------------------|
| Database: | HOPSPP                              | Local Co-ordinate Reference: | Well Regal Lager 31_19 Fed Com 33H |
| Company:  | ENGINEERING DESIGNS                 | TVD Reference:               | 25' RKB @ 3648.00ft                |
| Project:  | PRD NM DIRECTIONAL PLANS (NAD 1983) | MD Reference:                | 25' RKB @ 3648.00ft                |
| Site:     | Regal Lager 31_19 Fed Com           | North Reference:             | Grid                               |
| Well:     | Regal Lager 31_19 Fed Com 33H       | Survey Calculation Method:   | Minimum Curvature                  |
| Wellbore: | Wellbore #1                         |                              |                                    |
| 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) |
| 27,100.00           | 90.29           | 359.69      | 11,571.48           | 14,836.38  | -559.70    | 14,846.92             | 0.00                  | 0.00                 | 0.00                |
| 27,200.00           | 90.29           | 359.69      | 11,570.97           | 14,936.38  | -560.24    | 14,946.87             | 0.00                  | 0.00                 | 0.00                |
| 27,300.00           | 90.29           | 359.69      | 11,570.46           | 15,036.38  | -560.78    | 15,046.82             | 0.00                  | 0.00                 | 0.00                |
| 27,400.00           | 90.29           | 359.69      | 11,569.95           | 15,136.38  | -561.32    | 15,146.78             | 0.00                  | 0.00                 | 0.00                |
| 27,500.00           | 90.29           | 359.69      | 11,569.45           | 15,236.37  | -561.86    | 15,246.73             | 0.00                  | 0.00                 | 0.00                |
| 27,600.00           | 90.29           | 359.69      | 11,568.94           | 15,336.37  | -562.40    | 15,346.68             | 0.00                  | 0.00                 | 0.00                |
| 27,700.00           | 90.29           | 359.69      | 11,568.43           | 15,436.37  | -562.94    | 15,446.63             | 0.00                  | 0.00                 | 0.00                |
| 27,784.14           | 90.29           | 359.69      | 11,568.00           | 15,520.50  | -563.40    | 15,530.73             | 0.00                  | 0.00                 | 0.00                |

| Design Targets    |                           |               |              |           |            |            |                 |                |                       |
|-------------------|---------------------------|---------------|--------------|-----------|------------|------------|-----------------|----------------|-----------------------|
| Target Name       | - hit/miss target         | Dip Angle (°) | Dip Dir. (°) | TVD (ft)  | +N/-S (ft) | +E/-W (ft) | Northing (usft) | Easting (usft) |                       |
|                   | - Shape                   |               |              |           |            |            |                 |                | Latitude Longitude    |
| BHL - Regal Lager | - plan hits target center | 0.00          | 0.00         | 11,568.00 | 15,520.50  | -563.40    | 535,746.22      | 731,767.66     | 32.471315 -103.715845 |
|                   | - Point                   |               |              |           |            |            |                 |                |                       |
| FTP - Regal Lager | - plan hits target center | 0.00          | 0.01         | 11,648.00 | -207.83    | -478.30    | 520,018.69      | 731,852.75     | 32.428084 -103.715864 |
|                   | - Point                   |               |              |           |            |            |                 |                |                       |

| Formations          |                     |                 |           |         |                   |  |
|---------------------|---------------------|-----------------|-----------|---------|-------------------|--|
| Measured Depth (ft) | Vertical Depth (ft) | Name            | Lithology | Dip (°) | Dip Direction (°) |  |
| 795.00              | 795.00              | RUSTLER         |           |         |                   |  |
| 1,048.00            | 1,048.00            | SALADO          |           |         |                   |  |
| 2,580.00            | 2,580.00            | CASTILE         |           |         |                   |  |
| 4,523.00            | 4,523.00            | DELAWARE        |           |         |                   |  |
| 4,601.00            | 4,601.00            | BELL CANYON     |           |         |                   |  |
| 5,453.00            | 5,453.00            | CHERRY CANYON   |           |         |                   |  |
| 6,710.50            | 6,702.00            | BRUSHY CANYON   |           |         |                   |  |
| 8,534.23            | 8,498.00            | BONE SPRING     |           |         |                   |  |
| 9,586.22            | 9,534.00            | BONE SPRING 1ST |           |         |                   |  |
| 10,265.55           | 10,203.00           | BONE SPRING 2ND |           |         |                   |  |
| 11,278.82           | 11,202.00           | BONE SPRING 3RD |           |         |                   |  |

| Plan Annotations    |                     |                   |            |                            |
|---------------------|---------------------|-------------------|------------|----------------------------|
| Measured Depth (ft) | Vertical Depth (ft) | Local Coordinates |            | Comment                    |
|                     |                     | +N/-S (ft)        | +E/-W (ft) |                            |
| 5,485.00            | 5,485.00            | 0.00              | 0.00       | Build 1°/100'              |
| 6,485.38            | 6,480.31            | -76.66            | -41.38     | Hold 10° Tangent           |
| 11,064.80           | 10,990.10           | -776.69           | -419.26    | KOP, Build & Turn 10°/100' |
| 12,055.37           | 11,648.00           | -207.83           | -478.30    | Landing Point              |
| 27,784.14           | 11,568.00           | 15,520.50         | -563.40    | TD at 27784.14' MD         |

## PECOS DISTRICT DRILLING CONDITIONS OF APPROVAL

|                       |                                   |
|-----------------------|-----------------------------------|
| OPERATOR'S NAME:      | OXY USA INCORPORATED              |
| WELL NAME & NO.:      | REGAL LAGER 31-19 FEDERAL COM 33H |
| SURFACE HOLE FOOTAGE: | 303'S & 2659'W                    |
| BOTTOM HOLE FOOTAGE:  | 20'N & 2180'W                     |
| LOCATION:             | Section 6, T.22 S., R.32 E.       |
| COUNTY:               | Lea County, New Mexico            |

COA

|                                  |  |  |   |
|----------------------------------|--|--|---|
| H2S                              | <input checked="" type="radio"/> Yes                   | <input type="radio"/> No                                 |   |
| Potash                           | <input type="radio"/> None                             | <input type="radio"/> Secretary                          | <input checked="" type="radio"/> R-111-P                      |
| Cave/Karst Potential             | <input checked="" type="radio"/> Low                   | <input type="radio"/> Medium                             | <input type="radio"/> High                                    |
| Cave/Karst Potential             | <input type="radio"/> Critical                         |  |   |
| Variance                         | <input type="radio"/> None                             | <input checked="" type="radio"/> Flex Hose               | <input type="radio"/> Other                                   |
| Wellhead                         | <input type="radio"/> Conventional                     | <input checked="" type="radio"/> Multibowl               | <input type="radio"/> Both                                    |
| Wellhead Variance                | <input type="radio"/> Diverter                         |  |   |
| Other                            | <input type="checkbox"/> 4 String                      | <input type="checkbox"/> Capitan Reef                    | <input type="checkbox"/> WIPP                                 |
| Other                            | <input type="checkbox"/> Fluid Filled                  | <input type="checkbox"/> Pilot Hole                      | <input type="checkbox"/> Open Annulus                         |
| Cementing                        | <input type="checkbox"/> Contingency<br>Cement Squeeze | <input type="checkbox"/> EchoMeter                       | <input checked="" type="checkbox"/> Primary Cement<br>Squeeze |
| Special Requirements             | <input type="checkbox"/> Water Disposal                | <input checked="" type="checkbox"/> COM                  | <input type="checkbox"/> Unit                                 |
| Special Requirements             | <input type="checkbox"/> Batch Sundry                  |  |   |
| Special Requirements<br>Variance | <input checked="" type="checkbox"/> Break Testing      | <input checked="" type="checkbox"/> Offline<br>Cementing | <input checked="" type="checkbox"/> Casing<br>Clearance       |

### A. HYDROGEN SULFIDE

A Hydrogen Sulfide (H2S) Drilling Plan shall be AT SPUD. As a result, the Hydrogen Sulfide area must meet Onshore Order 6 requirements, which includes equipment and personnel/public protection items. If Hydrogen Sulfide is encountered, please provide measured values and formations to the BLM.

### B. CASING

#### Primary Casing Design:

- The 13-3/8 inch surface casing shall be set at approximately **855** feet (a minimum of 25 feet (Lea County) into the Rustler Anhydrite, above the salt, and below usable fresh water) 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 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 **24 hours in the Potash Area** 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 salt protection intermediate casing shall be set at approximately **4,623** 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.**

3. The **7-5/8** inch intermediate casing shall be set at approximately **11,225** feet.
  - a. **KPLA open annulus design and post frac bradenhead OK**
  - b. **Review bradenhead volume (less than 25% CFO requirement)**
  - c. **EXTERNAL PRESSURE WILL NEED TO BE ACCOUNTED FOR DURING CASING PRESSURE TEST TO MEET REQUIREMENTS**
  - d. **CASING WILL NEED TO BE KEPT CLOSE TO FULL FOR COLLAPSE SF**
  - e. **Hole needs to be kept full for tensile SF**

The minimum required fill of cement behind the **7-5/8** inch production casing is:

**Option 1 (Single Stage):**

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.**

**Option 2:**

Operator has proposed to cement in two stages by conventionally cementing the first stage and performing a bradenhead squeeze on the second stage, contingent upon no returns to surface.

- a. First stage: Operator will cement with intent to reach the top of the **Brushy Canyon**
  - b. Second stage:
    - Operator will perform bradenhead squeeze and top-out. Cement to surface. If cement does not reach surface, the appropriate BLM office shall be notified.
- ❖ In R111 Potash Areas if cement does not circulate to surface on the first two salt protection casing strings, the cement on the 3rd casing salt string must come to surface.

**Operator has proposed to pump down 9-5/8" X 7-5/8" annulus. Operator must top out cement after the bradenhead squeeze and verify cement to surface. Operator can also check TOC with Echo-meter. CBL must be run from TD of the 7-5/8" casing to surface if confidence is lacking on the quality of the bradenhead squeeze cement job. Submit results to BLM.**

**If cement does not tie-back into the previous casing shoe, a third stage remediation BH may be performed. The appropriate BLM office shall be notified.**

**Bradenhead squeeze in the production interval is only as an edge case remediation measure and is NOT approved in this COA. If production cement job experiences losses and a bradenhead squeeze is needed for tie-back, BLM Engineering should be notified prior to job with volumes and planned wellbore schematic. CBL will be needed when this occurs.**

4. The **5-1/2** inch production casing shall be set at approximately **28,022** feet. The minimum required fill of cement behind the **5-1/2** inch production casing is:
  - Cement should tie-back **500 feet** into the previous casing. Operator shall provide method of verification.  
**Wait on cement (WOC) time for a primary cement job is to include the lead cement slurry due to cave/karst or potash.**

### **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. Operator has proposed a multi-bowl wellhead assembly. This assembly will only be tested when installed on the **13-3/8** inch surface casing. Minimum working pressure of the blowout preventer (BOP) and related equipment (BOPE) required for drilling below the surface casing shoe shall be **10,000 (10M) psi. Variance is approved to use a 5000 (5M) Annular which shall be tested to 3500 (70% Working Pressure) 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.

#### **D. SPECIAL REQUIREMENT (S)**

##### **Communitization Agreement**

- The operator will submit a Communitization Agreement to the Santa Fe Office, 301 Dinosaur Trail Santa Fe, New Mexico 87508, at least 90 days before the anticipated date of first production from a well subject to a spacing order issued by the New Mexico Oil Conservation Division. The Communitization Agreement will include the signatures of all working interest owners in all Federal and Indian leases subject to the Communitization Agreement (i.e., operating rights owners and lessees of record), or certification that the operator has obtained the written signatures of all such owners and will make those signatures available to the BLM immediately upon request.
- The operator will submit an as-drilled survey well plat of the well completion, but are not limited to, those specified in Onshore Order 1 and 43 CFR part 3170 Subpart 3172.
- If the operator does not comply with this condition of approval, the BLM may take enforcement actions that include, but are not limited to, those specified in 43 CFR 3163.1.
- In addition, the well sign shall include the surface and bottom hole lease numbers. When the Communitization Agreement number is known, it shall also be on the sign.

##### **(Note: For a minimum 5M BOPE or less (Utilizing a 10M BOPE system)**

##### **BOPE Break Testing Variance**

- BOPE Break Testing is ONLY permitted for 5M BOPE or less. **(Annular preventer must be tested to a minimum of 70% of BOPE working pressure and shall be higher than the MASP)**
- BOPE Break Testing is NOT permitted to drilling the production hole section.

- Variance only pertains to the intermediate hole-sections and no deeper than the Bone Springs formation.
- While in transfer between wells, the BOPE shall be secured by the hydraulic carrier or cradle.
- Any well control event while drilling require notification to the BLM Petroleum Engineer (575-706-2779) prior to the commencement of any BOPE Break Testing operations.
- A full BOPE test is required prior to drilling the first deep intermediate hole section. If any subsequent hole interval is deeper than the first, a full BOPE test will be required. (200' TVD tolerance between intermediate shoes is allowable).
- The BLM is to be contacted (575-689-5981 Lea County) 4 hours prior to BOPE tests.
- As a minimum, a full BOPE test shall be performed at 21-day intervals.
- In the event any repairs or replacement of the BOPE is required, the BOPE shall test as per 43 CFR part 3170 Subpart 3172.
- If in the event break testing is not utilized, then a full BOPE test would be conducted.

### **Offline Cementing**

Operator has been (**Approved**) to pump the proposed cement program offline in the **Surface and intermediate(s) intervals**.

Offline cementing should commence within 24 hours of landing the casing for the interval.

Notify the BLM 4hrs prior to cementing offline at **Lea County: 575-689-5981**.

### **Casing Clearance:**

Production tie-back OK.

Operator shall clean up cycles until wellbore is clear of cuttings and any large debris, ensure cutting sizes are adequate "coffee ground or less" before cementing.

## **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)
- If well located in Eddy County  
**EMAIL** or call the Carlsbad Field Office, 620 East Greene St., Carlsbad, NM 88220,  
[BLM\\_NM\\_CFO\\_DrillingNotifications@BLM.GOV](mailto:BLM_NM_CFO_DrillingNotifications@BLM.GOV)

(575) 361-2822

- If well located in Lea County  
Call the Hobbs Field Station, 414 West Taylor, Hobbs NM 88240,  
(575) 689-5981
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 2<sup>nd</sup> 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 **43 CFR part 3170 Subpart 3172** 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.

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.



2. Wait on cement (WOC) for Potash Areas: 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 24 hours. WOC time will be recorded in the driller's log. The casing integrity test can be done (prior to the cement setting up) immediately after bumping the plug.
3. Wait on cement (WOC) for Water Basin: 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 8 hours. WOC time will be recorded in the driller's log. See individual casing strings for details regarding lead cement slurry requirements. The casing integrity 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.

B. PRESSURE CONTROL

1. All blowout preventer (BOP) and related equipment (BOPE) shall comply with well control requirements as described in **43 CFR part 3170 Subpart 3172** and **API STD 53 Sec. 5.3**.
2. If a variance is approved for a flexible hose to be installed from the BOP to the choke manifold, the following requirements apply: The flex line must meet the requirements of API 16C. 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 **43 CFR part 3170 Subpart 3172** 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 lead cement), 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 cement plug. The BOPE test can be

initiated after bumping the cement plug with the casing valve open. (only applies to single stage cement jobs, prior to the cement setting up.)

- c. The tests shall be done by an independent service company utilizing a test plug not a cup or J-packer and can be initiated immediately with the casing valve open. The operator also has the option of utilizing an independent tester to test without a plug (i.e. against the casing) pursuant to **43 CFR part 3170 Subpart 3172** 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 **43 CFR part 3170 Subpart 3172**.

#### 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.

**KPI 1/16/2024**

**Reeves, Leslie T**

---

**From:** Immatty, Keith P <kimmatty@blm.gov>  
**Sent:** Wednesday, December 27, 2023 3:20 PM  
**To:** Reeves, Leslie T  
**Subject:** [EXTERNAL] Correction in Engineering COAs - Regal Lager Wells

**Follow Up Flag:** Follow up  
**Flag Status:** Flagged

**WARNING - This message is from an EXTERNAL SENDER - be CAUTIOUS, particularly with links and attachments.**

---

Leslie,

For the wells approved on the Engineering side for the Regal Lager pad on 12/20 has a typo in the BOP test requirements.

Operator has proposed a multi-bowl wellhead assembly. This assembly will be tested when installed on the **10-3/4** inch surface casing. Minimum working pressure of the blowout preventer (BOP) and related equipment (BOPE) required for drilling the surface casing shoe shall be **10,000 (10M) psi. Variance is approved to 5000 (5M) Annular which shall be tested to ~~10,000 (10M) psi.~~ 3500psi**

The annular test is only 3500psi, not 10,000psi.

Regards,

Keith Immatty

**Reeves, Leslie T**

---

**From:** Immatty, Keith P <kimmatty@blm.gov>  
**Sent:** Thursday, December 28, 2023 12:30 PM  
**To:** Reeves, Leslie T  
**Subject:** RE: [EXTERNAL] RE: Correction in Engineering COAs - Regal Lager Wells

**Follow Up Flag:** Follow up  
**Flag Status:** Flagged

Additionally, please disregard this comment in the intermediate interval: "THE BOP NEEDS TO BE A 10M SYSTEM. (THE MASP IS WITHIN 10% OF PROPOSED 5M)." A 5M system will suffice for the intermediate interval as proposed, with a 10M system going into the production interval.

The 7-5/8 inch intermediate casing shall be set at approximately 10,348

- a. ~~THE BOP NEEDS TO BE A 10M SYSTEM. (THE MASP IS WITHIN 10% OF PROPOSED 5M)~~
- b. EXTERNAL PRESSURE WILL NEED TO BE ACCOUNTED FOR DURING CASING PRESSURE TEST TO MEET REQUIREMENTS
- c. CASING WILL NEED TO BE KEPT CLOSE TO FULL COLLAPSE SF

Regards,

Keith Immatty

---

**From:** Reeves, Leslie T <Leslie\_Reeves@oxy.com>  
**Sent:** Thursday, December 28, 2023 7:55 AM  
**To:** Immatty, Keith P <kimmatty@blm.gov>  
**Subject:** [EXTERNAL] RE: Correction in Engineering COAs - Regal Lager Wells

This email has been received from outside of DOI - Use caution before clicking on links, opening attachments, or responding.

Thanks Keith! I will let the drilling team know.

**Leslie Reeves**

REGULATORY MANAGER | Permian Resources – New Mexico  
Office: 713.497.2492 | Mobile: 281.733.0824 | Houston  
Zero In™ at [oxy.com](http://oxy.com)

---

**From:** Immatty, Keith P <[kimmatty@blm.gov](mailto:kimmatty@blm.gov)>  
**Sent:** Wednesday, December 27, 2023 3:20 PM  
**To:** Reeves, Leslie T <[Leslie\\_Reeves@oxy.com](mailto:Leslie_Reeves@oxy.com)>  
**Subject:** [EXTERNAL] Correction in Engineering COAs - Regal Lager Wells

**WARNING - This message is from an EXTERNAL SENDER - be CAUTIOUS, particularly with links and attachments.**

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Leslie,

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Regards,

Keith Immatty



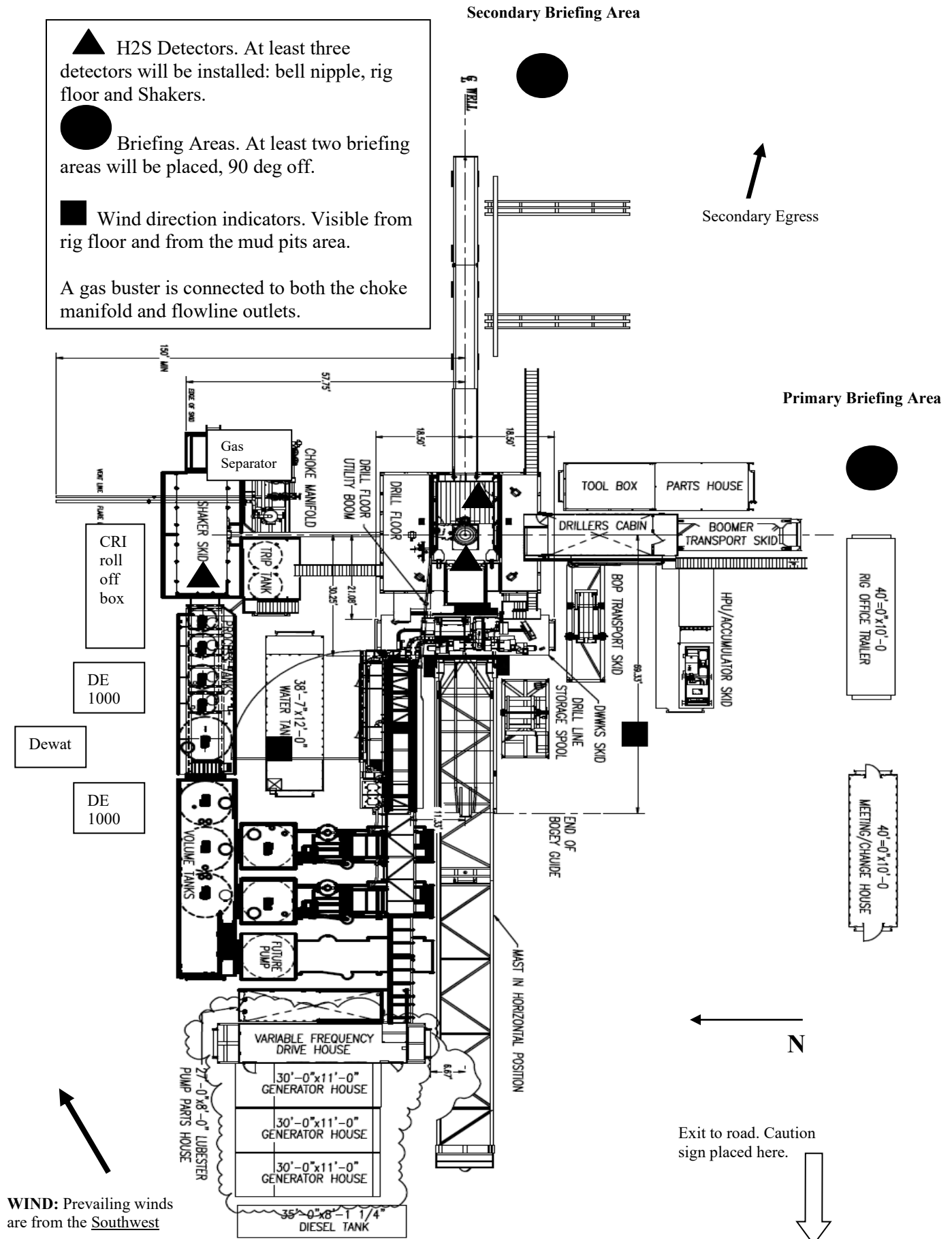
## **Permian Drilling Hydrogen Sulfide Drilling Operations Plan**

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.









## **Permian Drilling Hydrogen Sulfide Drilling Operations Plan New Mexico**

### **Scope**

This contingency plan establishes guidelines for the public, all company employees, and contract employees who's work activities may involve exposure to hydrogen sulfide (H<sub>2</sub>S) gas.

While drilling this well, it is possible to encounter H<sub>2</sub>S bearing formations. At all times, the first barrier to control H<sub>2</sub>S 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 H<sub>2</sub>S is detected. All H<sub>2</sub>S detections in excess of 10 parts per million (ppm) concentration are considered an Emergency.
2. Prevent any and all accidents, and prevent the uncontrolled release of hydrogen sulfide into the atmosphere.
3. Provide proper evacuation procedures to cope with emergencies.
4. Provide immediate and adequate medical attention should an injury occur.

## **Discussion**

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

### **Hydrogen Sulfide Training**

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

1. The hazards and characteristics of H<sub>2</sub>S.
2. Proper use and maintenance of personal protective equipment and life support systems.
3. H<sub>2</sub>S detection.
4. Proper use of H<sub>2</sub>S 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 H<sub>2</sub>S 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 H<sub>2</sub>S Drilling Operations Plan.

H<sub>2</sub>S 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. H<sub>2</sub>S 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 H<sub>2</sub>S 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 H<sub>2</sub>S.
- B. Each service company must provide for the training and equipment of their employees before they arrive at the well site.
- C. Each service company will be expected to attend a well site briefing

### **Emergency Equipment Requirements**

#### 1. Well control equipment

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

*Special control equipment:*

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

#### 2. Protective equipment for personnel

- A. Four (4) 30-minute positive pressure air packs (2 at each briefing area) on location.
- B. Adequate fire extinguishers shall be located at strategic locations.
- C. Radio / cell telephone communication will be available at the rig.
  - Rig floor and trailers.
  - Vehicle.

#### 3. Hydrogen sulfide sensors and alarms

- A. H<sub>2</sub>S 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. H<sub>2</sub>S monitor tester (to be provided by contract Safety Company.)
- D. There shall be one combustible gas detector on location at all times.

#### 4. Visual Warning Systems

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

**Caution – potential poison gas  
Hydrogen sulfide  
No admittance without authorization**

*Wind sock – wind streamers:*

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

*Condition flags*

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

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

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

5. Mud Program

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

*Mud inspection devices:*

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

6. Metallurgy

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

7. Well Testing

No drill stem test will be performed on this well.

8. Evacuation plan

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

9. Designated area

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

**Emergency procedures**

- A. In the event of any evidence of H<sub>2</sub>S 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 H<sub>2</sub>S level can be corrected or suppressed and, if so, proceed as required.
- B. If uncontrollable conditions occur:
  - 1. Take steps to protect and/or remove any public in the down-wind area from the rig – partial evacuation and isolation. Notify necessary public safety personnel and appropriate regulatory entities (i.e. BLM) of the situation.

2. Remove all personnel to the nearest upwind designated safe briefing / muster area or off location.
3. Notify public safety personnel of safe briefing / muster area.
4. An assigned crew member will blockade the entrance to the location. No unauthorized personnel will be allowed entry to the location.
5. Proceed with best plan (at the time) to regain control of the well. Maintain tight security and safety procedures.

C. Responsibility:

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

- |                     |  |
|---------------------|--|
| All personnel:      | <ol style="list-style-type: none"> <li>1. On alarm, don escape unit and report to the nearest upwind designated safe briefing / muster area upw</li> <li>2. Check status of personnel (buddy system).</li> <li>3. Secure breathing equipment.</li> <li>4. Await orders from supervisor.</li> </ol>   |
| Drill site manager: | <ol style="list-style-type: none"> <li>1. Don escape unit if necessary and report to nearest upwind designated safe briefing / muster area.</li> <li>2. Coordinate preparations of individuals to return to point of release with tool pusher and driller (using the buddy system).</li> <li>3. Determine H2S concentrations.</li> <li>4. Assess situation and take control measures.</li> </ol> |
| Tool pusher:        | <ol style="list-style-type: none"> <li>1. Don escape unit Report to up nearest upwind designated safe briefing / muster area.</li> <li>2. Coordinate preparation of individuals to return to point of release with tool pusher drill site manager (using the buddy system).</li> <li>3. Determine H2S concentration.</li> <li>4. Assess situation and take control measures.</li> </ol>          |
| Driller:            | <ol style="list-style-type: none"> <li>1. Don escape unit, shut down pumps, continue</li> </ol>  |

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

### **Taking a kick**

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

### **Open-hole logging**

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

### **Running casing or plugging**

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



### **Ignition procedures**

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

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

### **Instructions for igniting the well**

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

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

**Status check list**

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

1. H2S sign at location entrance.
2. Two (2) wind socks located as required.
3. Four (4) 30-minute positive pressure air packs (2 at each Briefing area) on location for all rig personnel and mud loggers.
4. Air packs inspected and ready for use.
5. Cascade system and hose line hook-up as needed.
6. Cascade system for refilling air bottles as needed.
7. Condition flag on location and ready for use.
8. H2S detection system hooked up and tested.
9. H2S alarm system hooked up and tested.
10. Hand operated H2S detector with tubes on location.
11. 1 – 100' length of nylon rope on location.
12. All rig crew and supervisors trained as required.
13. All outside service contractors advised of potential H2S hazard on well.
14. No smoking sign posted and a designated smoking area identified.
15. Calibration of all H2S equipment shall be noted on the IADC report.

Checked by:\_\_\_\_\_ Date:\_\_\_\_\_

**Procedural check list during H2S events**

**Perform each tour:**

1. Check fire extinguishers to see that they have the proper charge.
2. Check breathing equipment to ensure that it is in proper working order.
3. Make sure all the H2S detection system is operative.

**Perform each week:**

1. Check each piece of breathing equipment to make sure that demand or forced air regulator is working. This requires that the bottle be opened and the mask assembly be put on tight enough so that when you inhale, you receive air or feel air flow.
2. BOP skills (well control drills).
3. Check supply pressure on BOP accumulator stand by source.
4. Check breathing equipment mask assembly to see that straps are loosened and turned back, ready to put on.
5. Check pressure on breathing equipment air bottles to make sure they are charged to full volume. ( Air quality checked for proper air grade "D" before bringing to location)
6. Confirm pressure on all supply air bottles.
7. Perform breathing equipment drills with on-site personnel.
8. Check the following supplies for availability.
  - A. Emergency telephone list.
  - B. Hand operated H2S detectors and tubes.

### **General evacuation plan**

1. When the company approved supervisor (Drill Site Manager, consultant, rig pusher, or driller) determines the H2S gas cannot be limited to the well location and the public will be involved, he will activate the evacuation plan.
2. Drill Site Manager or designee will notify local government agency that a hazardous condition exists and evacuation needs to be implemented.
3. Company or contractor safety personnel that have been trained in the use of H2S detection equipment and self-contained breathing equipment will monitor H2S concentrations, wind directions, and area of exposure. They will delineate the outer perimeter of the hazardous gas area. Extension to the evacuation area will be determined from information gathered.
4. Law enforcement personnel (state police, police dept., fire dept., and sheriff's dept.) Will be called to aid in setting up and maintaining road blocks. Also, they will aid in evacuation of the public if necessary.
5. After the discharge of gas has been controlled, company safety personnel will determine when the area is safe for re-entry.

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

### **Emergency actions**

#### **Well blowout – if emergency**

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

#### **Person down location/facility**

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

### **Toxic effects of hydrogen sulfide**

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

Table i  
Toxicity of various gases

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

- 1) threshold limit – concentration at which it is believed that all workers may be repeatedly exposed day after day without adverse effects.
- 2) hazardous limit – concentration that will cause death with short-term exposure.
- 3) lethal concentration – concentration that will cause death with short-term exposure.

### **Toxic effects of hydrogen sulfide**

Table ii  
Physical effects of hydrogen sulfide

| <u>Percent (%)</u> | <u>Ppm</u> | <u>Concentration</u><br>Grains<br><u>100 std. Ft3*</u> | <u>Physical effects</u>      |
|--------------------|------------|--|------------------------------|
| 0.001              | <10        | 00.65  | Obvious and unpleasant odor. |

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

\*at 15.00 psia and 60'f.

**Use of self-contained breathing equipment (SCBA)**

1. Written procedures shall be prepared covering safe use of SCBA's in dangerous atmosphere, which might be encountered in normal operations or in emergencies. Personnel shall be familiar with these procedures and the available SCBA.
2. SCBA's shall be inspected frequently at random to insure that they are properly used, cleaned, and maintained.
3. Anyone who may use the SCBA's shall be trained in how to insure proper face-piece to face seal. They shall wear SCBA's in normal air and then wear them in a test atmosphere. (note: such items as facial hair {beard or sideburns} and eyeglasses will not allow proper seal.) Anyone that may be reasonably expected to wear SCBA's should have these items removed before entering a toxic atmosphere. A special mask must be obtained for anyone who must wear eyeglasses or contact lenses.
4. Maintenance and care of SCBA's:
  - a. A program for maintenance and care of SCBA's shall include the following:
    1. Inspection for defects, including leak checks.
    2. Cleaning and disinfecting.
    3. Repair.
    4. Storage.
  - b. Inspection, self-contained breathing apparatus for emergency use shall be inspected monthly.
    1. Fully charged cylinders.
    2. Regulator and warning device operation.
    3. Condition of face piece and connections.
    4. Rubber parts shall be maintained to keep them pliable and prevent deterioration.
  - c. Routinely used SCBA's shall be collected, cleaned and disinfected as frequently as necessary to insure proper protection is provided.
5. Persons assigned tasks that requires use of self-contained breathing equipment shall be certified physically fit (medically cleared) for breathing equipment usage at least annually.
6. SCBA's should be worn when:
  - A. Any employee works near the top or on top of any tank unless test reveals less than 10 ppm of H<sub>2</sub>S.



- B. When breaking out any line where H<sub>2</sub>S can reasonably be expected.
- C. When sampling air in areas to determine if toxic concentrations of H<sub>2</sub>S exists.
- D. When working in areas where over 10 ppm H<sub>2</sub>S has been detected.
- E. At any time there is a doubt as to the H<sub>2</sub>S level in the area to be entered.

**Rescue**  
**First aid for H<sub>2</sub>S poisoning**

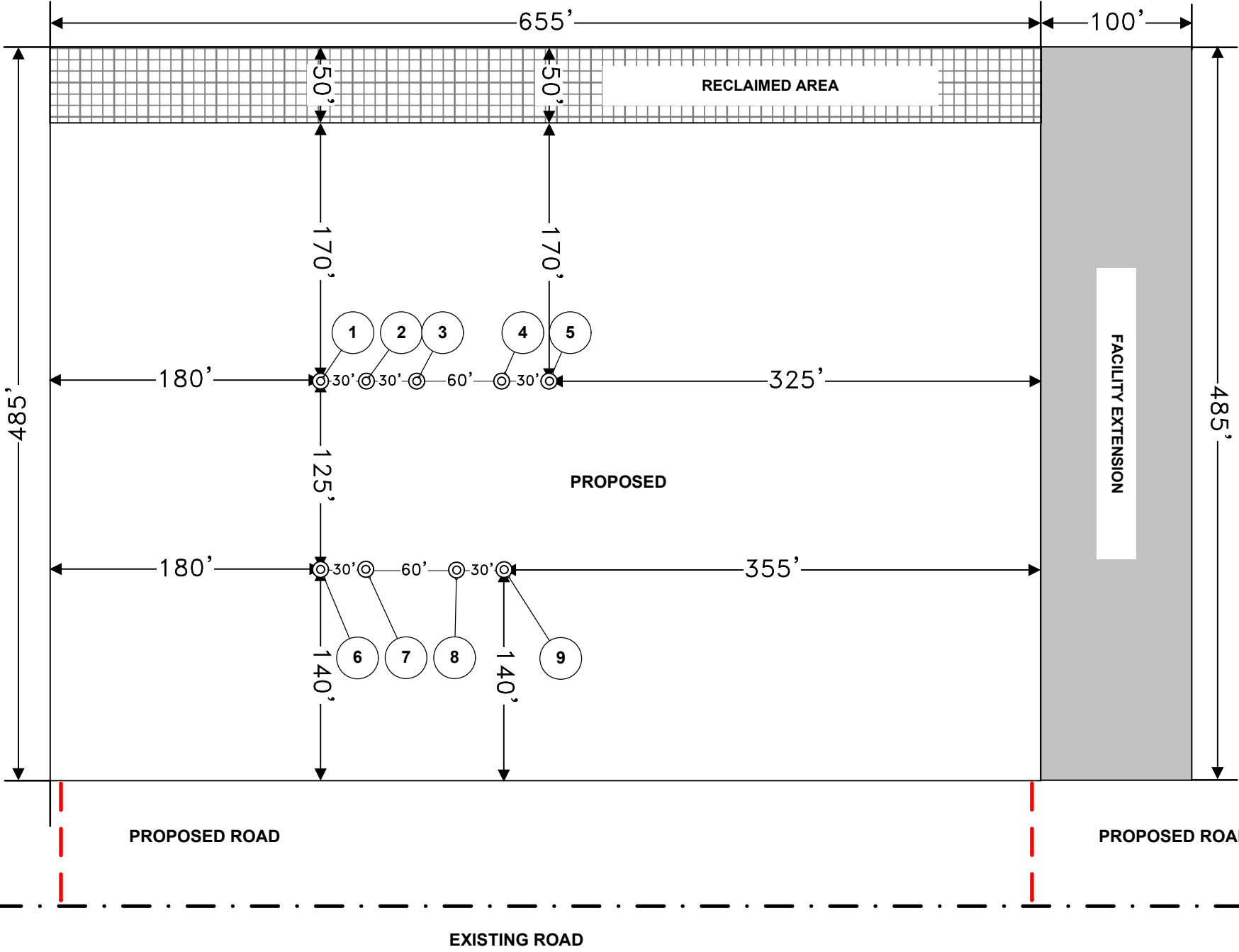
Do not panic!

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 H<sub>2</sub>S gas poisoning – no matter how remote the possibility is.
6. Notify emergency room personnel that the victim(s) has been exposed to H<sub>2</sub>S gas.

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

Revised CM 6/27/2012



- 1. REGAL LAGER 31\_19 FED COM 31H
- 2. REGAL LAGER 31\_19 FED COM 32H
- 3. REGAL LAGER 31\_19 FED COM 33H
- 4. REGAL LAGER 31\_19 FED COM 71H
- 5. REGAL LAGER 31\_19 FED COM 72H
- 6. REGAL LAGER 31\_19 FED COM 21H
- 7. REGAL LAGER 31\_19 FED COM 22H
- 8. REGAL LAGER 31\_19 FED COM 1H
- 9. REGAL LAGER 31\_19 FED COM 2H

| REVISION BLOCK |      |             |  |  |  | ENGINEERING RECORD |           | PAD_LSSTNK_21S32E_31_1_RIG DIAGRAM V-DOOR WEST<br>REGAL LAGER 31_9 FED COM 31H, 32H, 33H, 71H, 72H,<br>21H, 22H, 1H, 2H<br>SECTION 31, TOWNSHIP 21S, RANGE 32E<br>LEA COUNTY, NEW MEXICO |
|----------------|------|-------------|--|--|--|--------------------|-----------|--|
| NO.            | DATE | DESCRIPTION |  |  |  | BY                 | DATE      |  |
|                |      |             |  |  |  | CH                 | 4/19/2023 |  |

**Gas Separator Rig**  
**Flex III Rigs**

Gas Separator. Gas Outlet is Connected to Flare Line (arrow on the left. 150' min flare line length.)

SHAKER SKID

TRIP TANK

CHOKE MAINFOLD

DRILL FLOOR

UTILITY BOOM

TOOL BOX

PARTS HOUSE

DRILLERS CABIN

BOOMER TRANSPORT SKID

HPV/ACCUMULATOR SKID

BOP TRANSPORT SKID

DRUMS SKID

DRILL LINE STORAGE SPOOL

END OF BOGEY GUIDE

MAST IN HORIZONTAL POSITION

38'-7"x12'-0" WATER TANK

PROCESS FLANKS

VOLUME TANKS

FUTURE PUMP

VARIABLE FREQUENCY DRIVE HOUSE

30'-0"x11'-0" GENERATOR HOUSE

30'-0"x11'-0" GENERATOR HOUSE

30'-0"x11'-0" GENERATOR HOUSE

27'-0"x8'-0" LUBRICANT PUMP PARTS HOUSE

35'-0"x8'-1 1/4" DIESEL TANK

150' MIN

57.75'

18.50'

18.50'

21.00'

30.25'

68.33'

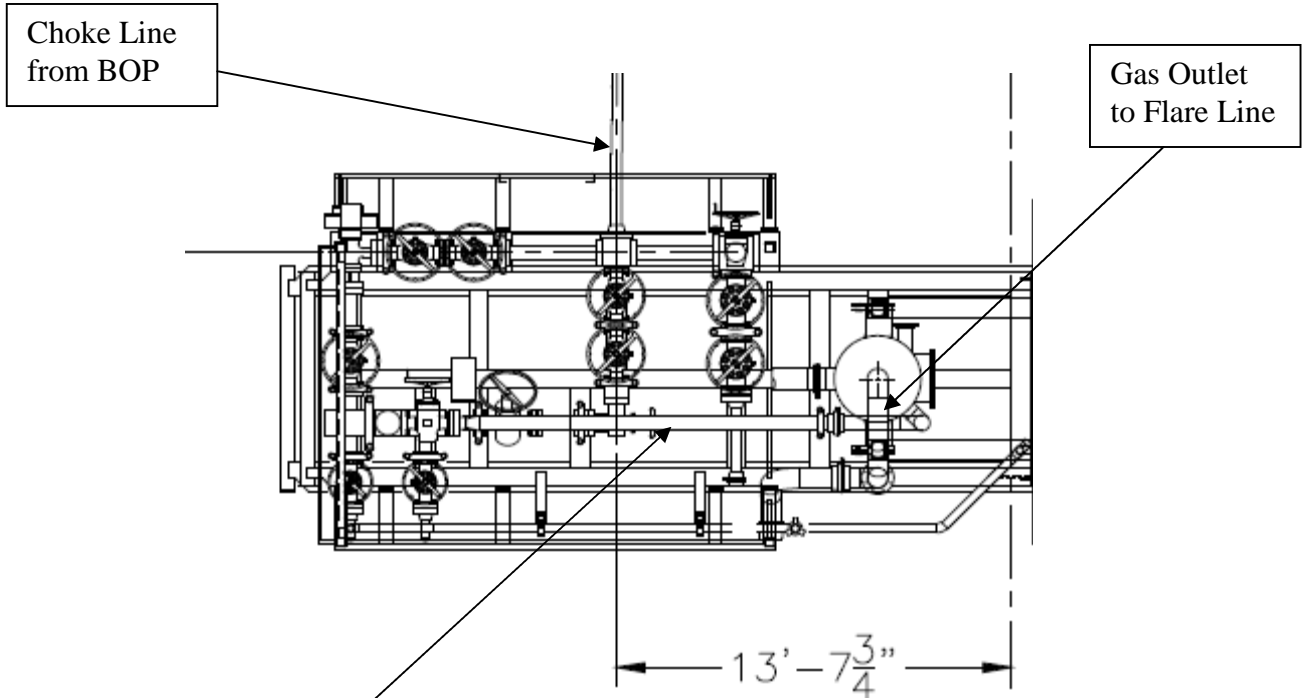
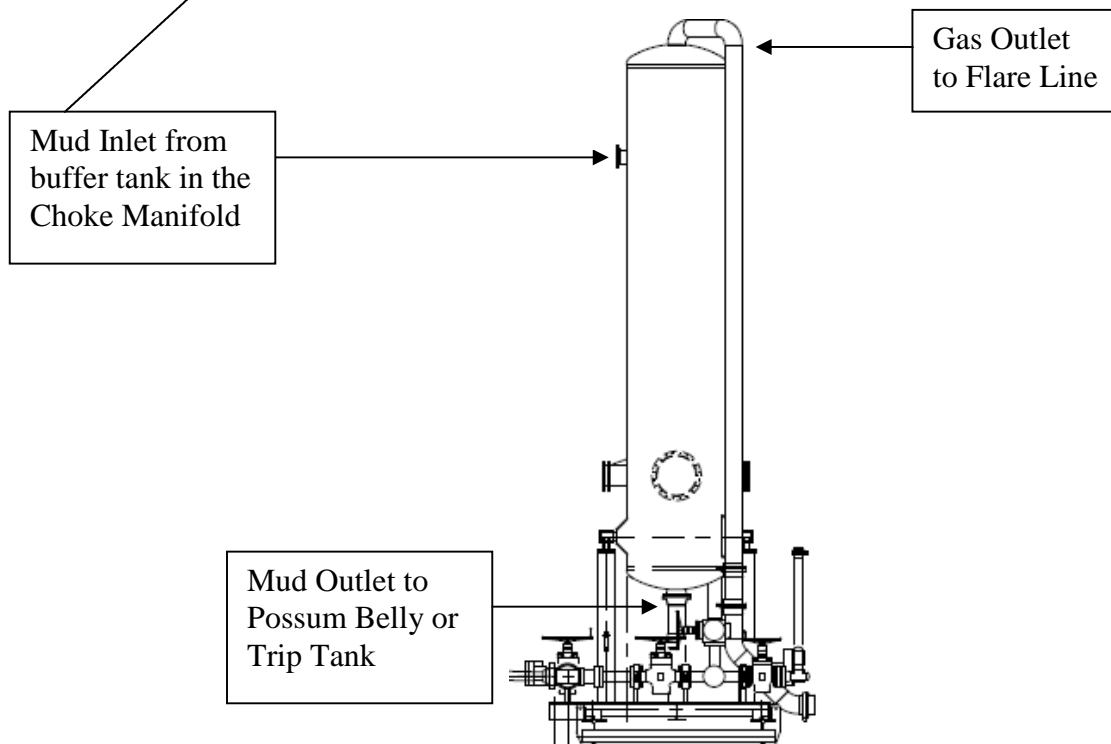
11.33'

6.67'

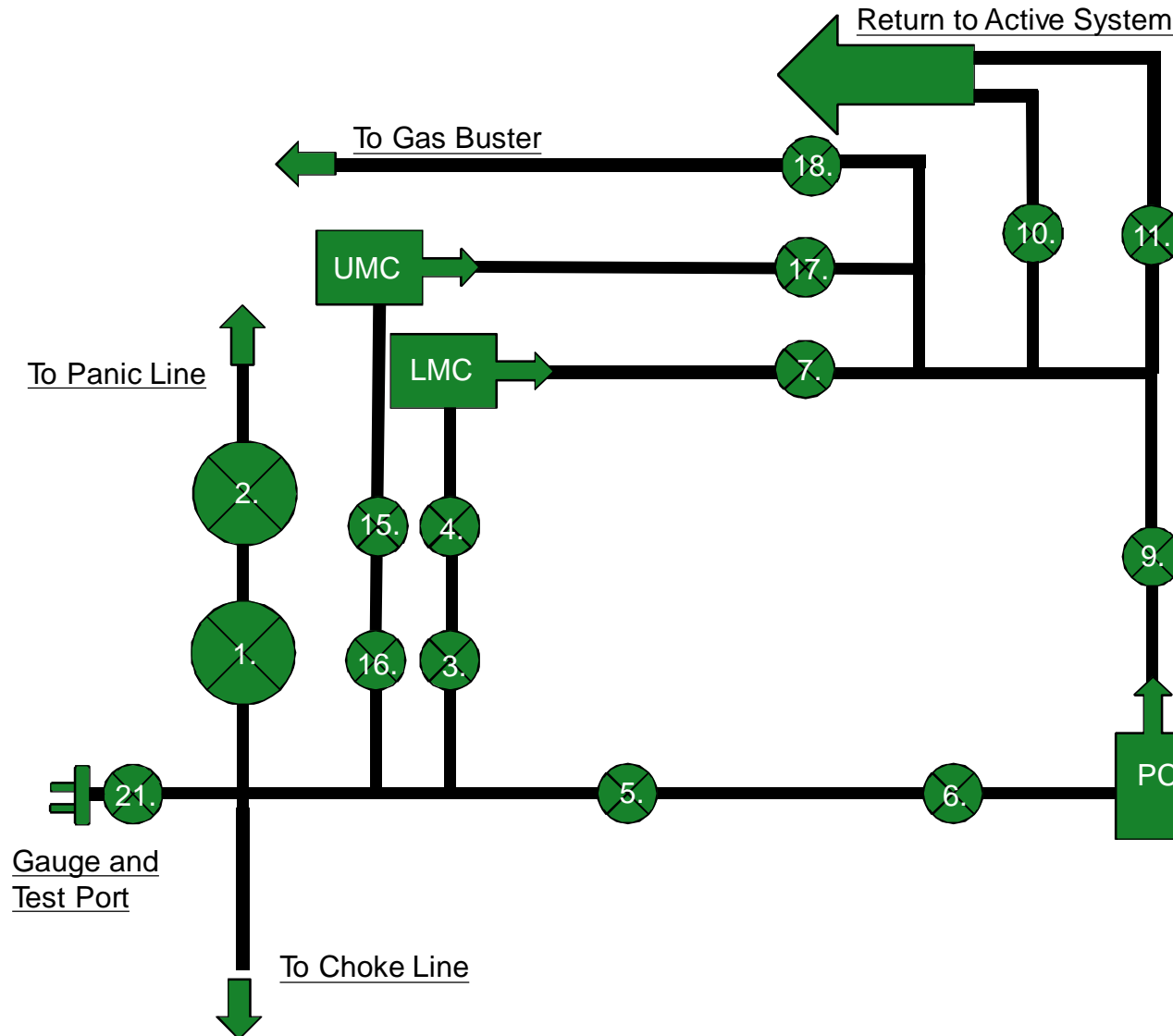
40'-0"x10'-0" RIG OFFICE TRAILER

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

ed Loop System  
e. It does not appear  
matics to show the

**Choke Manifold – Gas Separator (Top View)****Choke Manifold – Gas Separator (Side View)**

# 10M Choke Panel



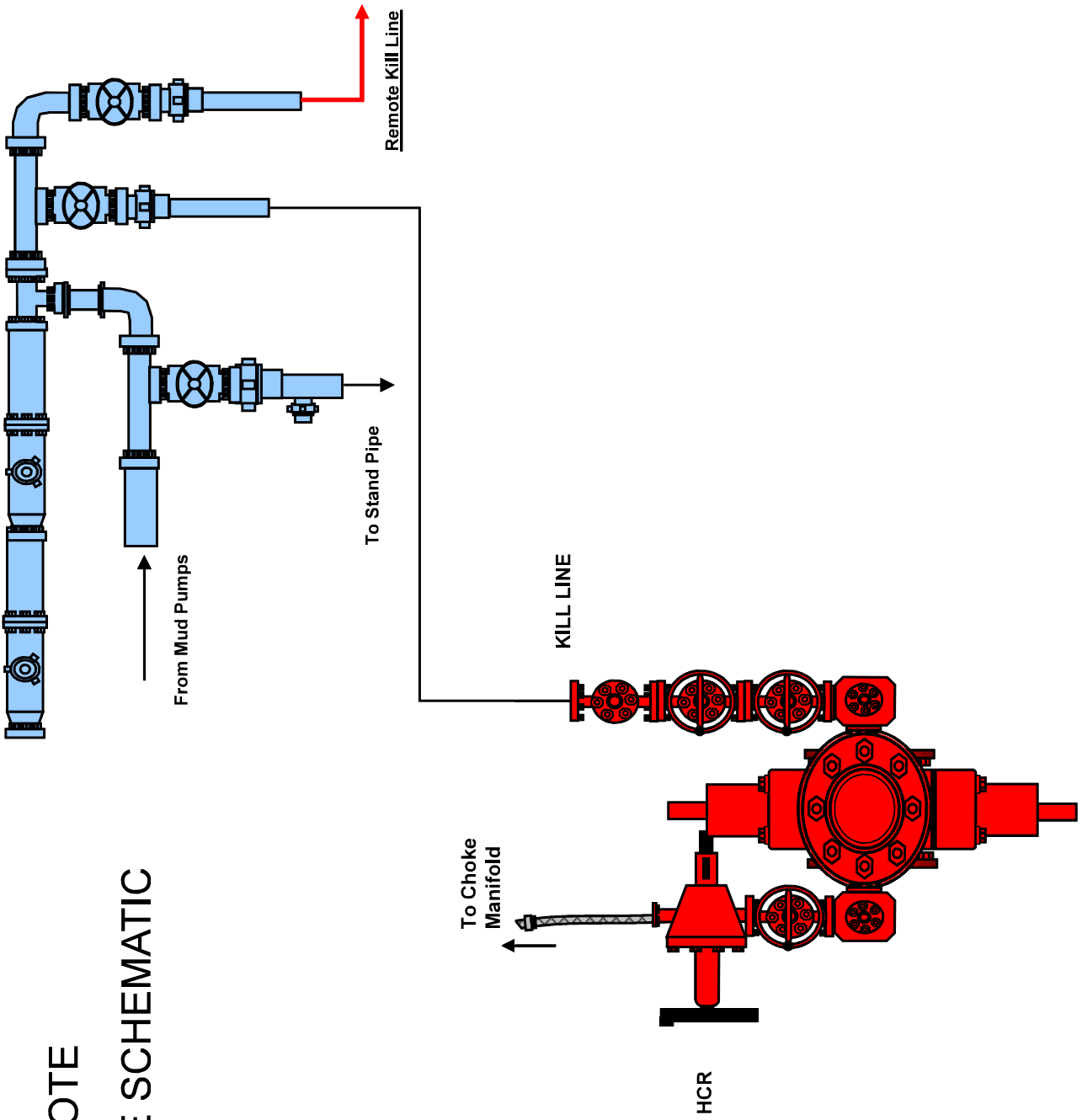
1. Choke Manifold Valve
2. Choke Manifold Valve
3. Choke Manifold Valve
4. Choke Manifold Valve
5. Choke Manifold Valve
6. Choke Manifold Valve
7. Choke Manifold Valve
8. PC – Power Choke
9. Choke Manifold Valve
10. Choke Manifold Valve
11. Choke Manifold Valve
12. LMC – Lower Manual Choke
13. UMC – Upper manual choke
15. Choke Manifold Valve
16. Choke Manifold Valve
17. Choke Manifold Valve
18. Choke Manifold Valve

21. Vertical Choke Manifold Valve

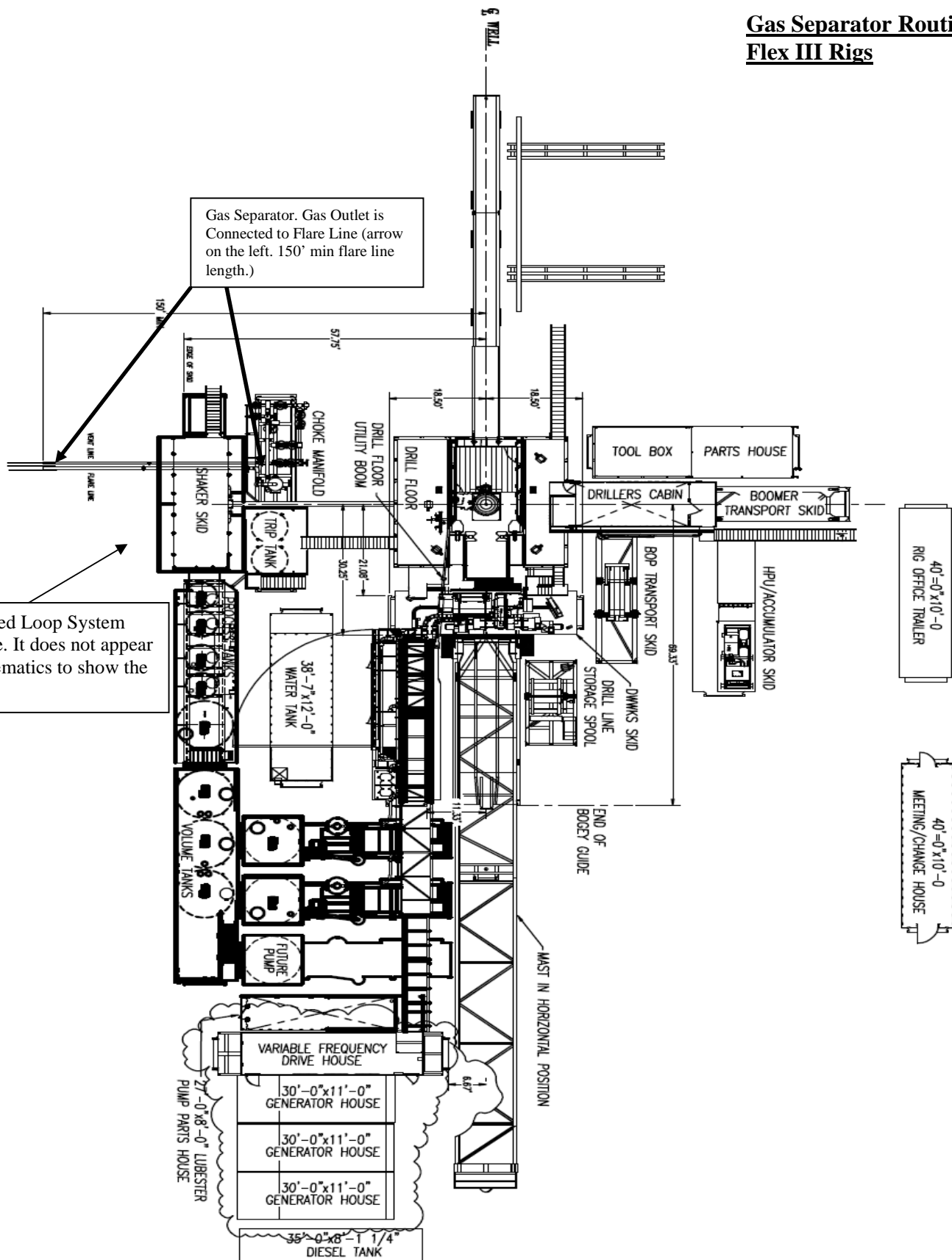
**\*All Valves 3" minimum**



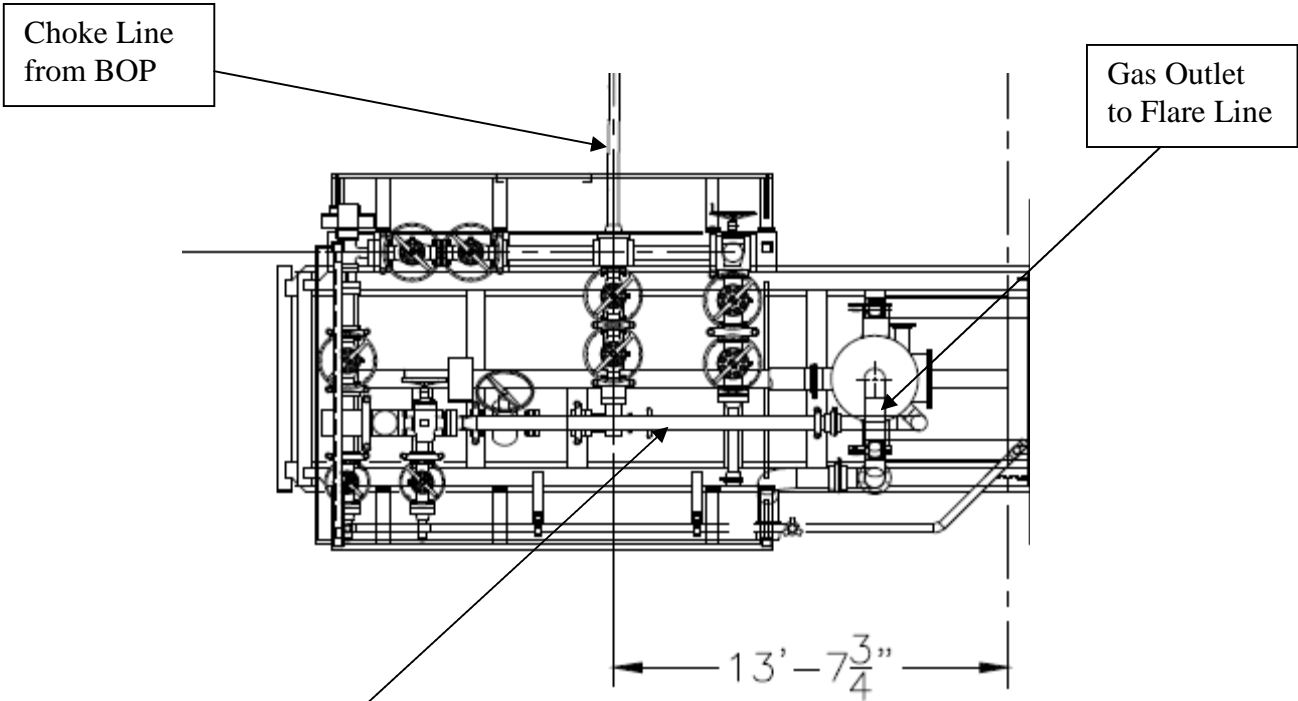
# 10M REMOTE KILL LINE SCHEMATIC



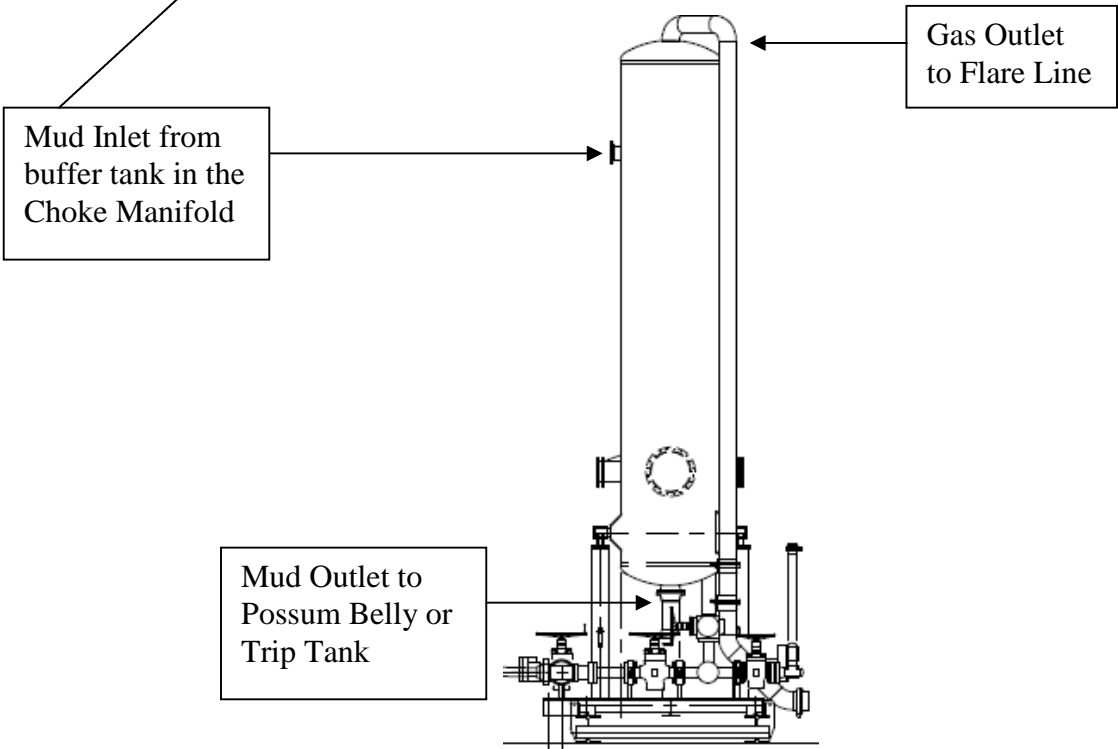
## Gas Separator Routing Flex III Rigs



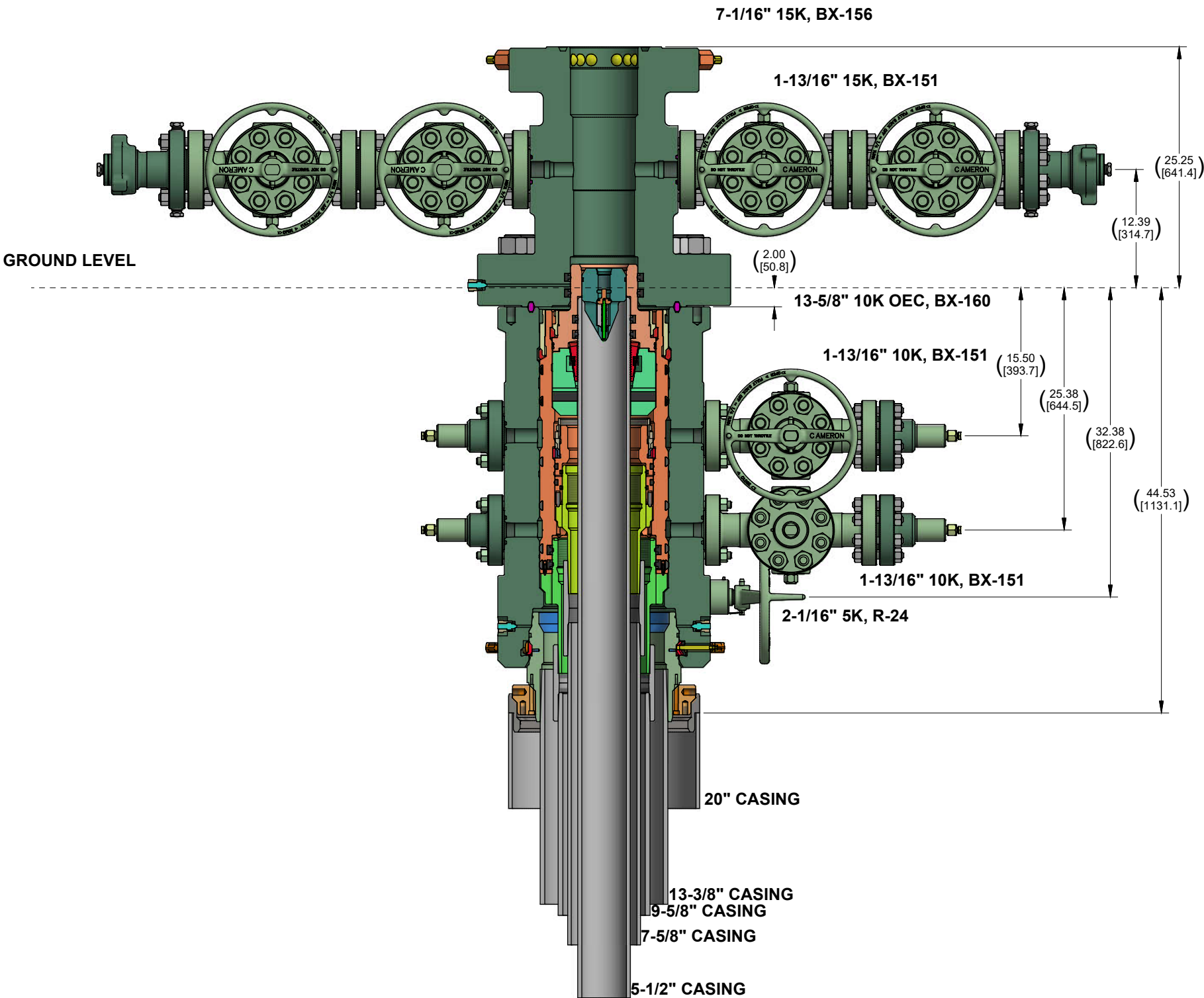
Choke Manifold – Gas Separator (Top View)




Choke Manifold – Gas Separator (Side View)

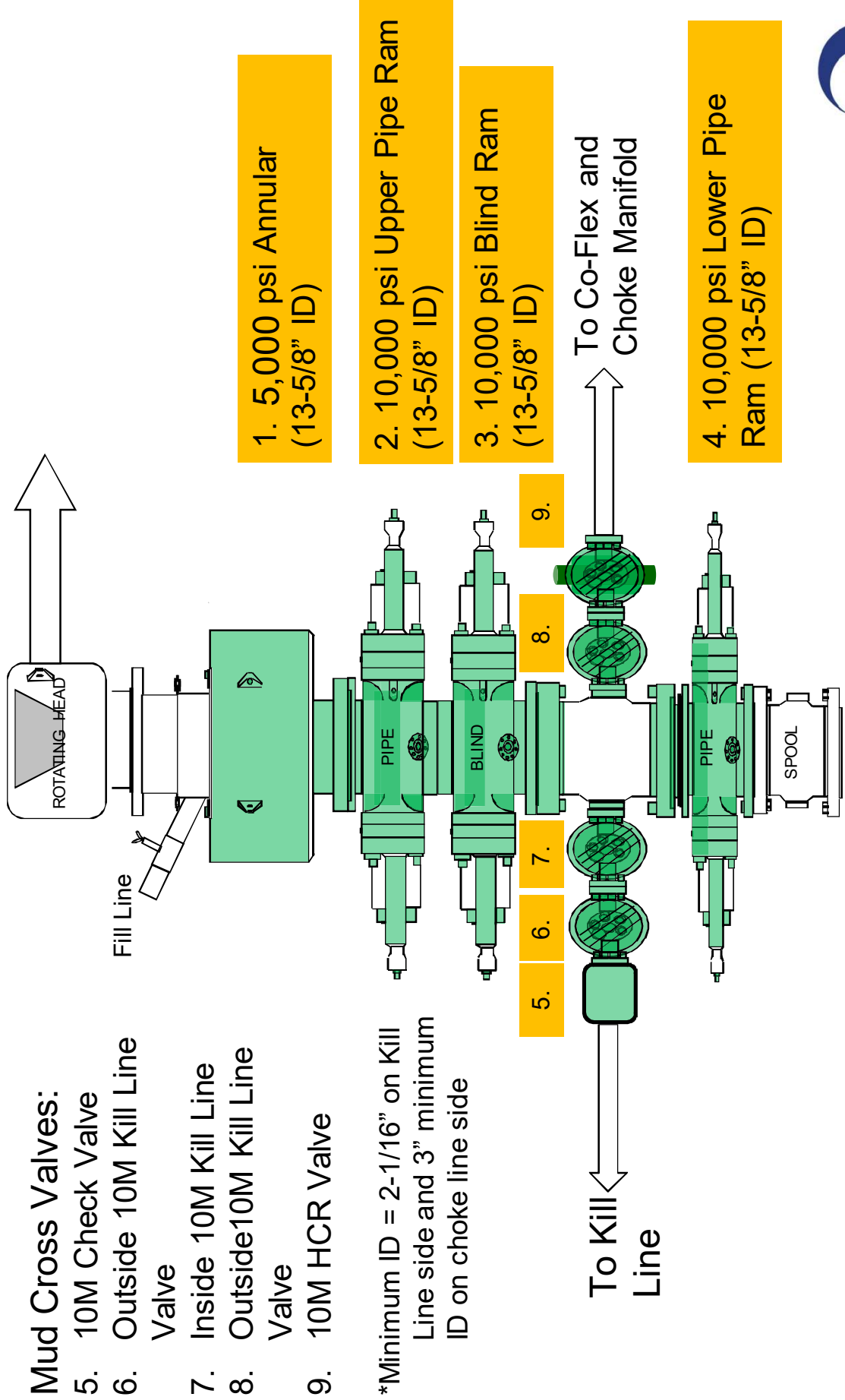






| CONFIDENTIAL          |              |                  |  |                 |  |  |
|-----------------------|--------------|------------------|--|-----------------|--|--|
| SURFACE TREATMENT     | DO NOT SCALE |                  |  <b>CAMERON</b><br>A Schlumberger Company | SURFACE SYSTEMS |  |  |
|                       |              |                  |  |                 |  |  |
| MATERIAL & HEAT TREAT | DRAWN BY:    | DATE             | OXY<br>ADAPT NST 10K 3 STAGE WELLHEAD<br>STANDARD / EMERGENCY SYSTEM   |                 |  |  |
|                       | A. SKLENKA   | 26 Apr 22        |  |                 |  |  |
|                       | CHECKED BY:  | DATE             |  |                 |  |  |
|                       | APPROVED BY: | DATE             |  |                 |  |  |
| ESTIMATED WEIGHT:     | A. SKLENKA   | 26 Apr 22        | SHEET<br>1 of 1  |                 |  |  |
|                       |              |                  |  |                 |  |  |
| 7968.4 LBS            |              | INITIAL USE B/M: |  | LO-096232-62    |  |  |
| 3614.4 KG             |              | IT# 7836394      |  |                 |  |  |
|                       |              |                  |  | REV: 1          |  |  |
|                       |              |                  |  | INVENTOR: D     |  |  |

# 5/10M BOP Stack





Fluid Technology

Quality Document

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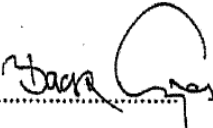
## CERTIFICATE OF CONFORMITY

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

### STATEMENT OF CONFORMITY

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

COUNTRY OF ORIGIN HUNGARY/EU

Signed : 

Position: Q.C. Manager

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

Date: 04. April. 2008

## Page: 1/1

|    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |     |    |    |    |    |    |    |    |    |    |    |    |    |    |     |
|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|-----|----|----|----|----|----|----|----|----|----|----|----|----|----|-----|
| 15 | 16 | 17 | 18 | 19 | 20 | 21 | 22 | 23 | 24 | 25 | 26 | 27 | 28 | 29 | 30 | 31 | 32 | 33 | 34 | 35 | 36 | 37 | 38 | 39 | 40 | 41 | 42 | 43 | 44 | 45 | 46 | 47 | 48 | 49 | 50 | 51 | 52 | 53 | 54 | 55 | 56 | 57 | 58 | 59 | 60 | 61 | 62 | 63 | 64 | 65 | 66 | 67 | 68 | 69 | 70 | 71 | 72 | 73 | 74 | 75 | 76 | 77 | 78 | 79 | 80 | 81 | 82 | 83 | 84 | 85 | 86 | 87 | 88 | 89 | 90 | 91 | 92 | 93 | 94 | 95 | 96 | 97 | 98 | 99 | 100 |    |    |    |    |    |    |    |    |    |    |    |    |    |     |
| 1  | 2  | 3  | 4  | 5  | 6  | 7  | 8  | 9  | 10 | 11 | 12 | 13 | 14 | 15 | 16 | 17 | 18 | 19 | 20 | 21 | 22 | 23 | 24 | 25 | 26 | 27 | 28 | 29 | 30 | 31 | 32 | 33 | 34 | 35 | 36 | 37 | 38 | 39 | 40 | 41 | 42 | 43 | 44 | 45 | 46 | 47 | 48 | 49 | 50 | 51 | 52 | 53 | 54 | 55 | 56 | 57 | 58 | 59 | 60 | 61 | 62 | 63 | 64 | 65 | 66 | 67 | 68 | 69 | 70 | 71 | 72 | 73 | 74 | 75 | 76 | 77 | 78 | 79 | 80 | 81 | 82 | 83 | 84 | 85 | 86  | 87 | 88 | 89 | 90 | 91 | 92 | 93 | 94 | 95 | 96 | 97 | 98 | 99 | 100 |

ContiTech Rubber  
Industrial Kft.  
Quality Control Dept.  
(2)

**◆ PHOENIX Beattie**

## Material Identification Certificate

[illegible]

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

05/23/08



**Coflex Hose Certification**

Form No 100/12

**Phoenix Beattie Corp**

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

**Delivery Note**

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

|                        |   |                                  |             |
|------------------------|---|----------------------------------|-------------|
| <b>Customer Acc No</b> | <b>Phoenix Beattie Contract Manager</b> | <b>Phoenix Beattie Reference</b> | <b>Date</b> |
| H01                    | JJL                                     | 006330                           | 05/23/2008  |

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

Continued...

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

Coflex Hose Certification

Fluid Technology

Quality Document

| QUALITY CONTROL<br>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<br><br>See attachment. (1 page)   |           |                                      |   |  |  |
| ↑ 10 mm = 10 Min.<br>→ 10 mm = 25 MPa   |           |                                      |   |  |  |
| COUPLINGS   |           |                                      |   |  |  |
| Type  | Serial N° |                                      | Quality   | Heat N°                                |  |
| 3" coupling with<br>4 1/16" Flange end  | 917       | 913                                  | AISI 4130   | T7998A                                 |  |
|   |           |                                      | AISI 4130   | 26984                                  |  |
| INFOCHIP INSTALLED  |           |                                      |   | API Spec 16 C<br>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<br>Industrial Kft.<br>Quality Control Dept.<br>(1) |  |  |

Coflex Hose Certification

Form No 100/12

**Phoenix Beattie Corp**

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

**Delivery Note**

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

|                        |   |                                  |             |
|------------------------|---|----------------------------------|-------------|
| <b>Customer Acc No</b> | <b>Phoenix Beattie Contract Manager</b> | <b>Phoenix Beattie Reference</b> | <b>Date</b> |
| H01                    | JJL                                     | 006330                           | 05/23/2008  |

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



## 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)

- 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  $0.02 \times MD$  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)**

- 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.

**District I**  
1625 N. French Dr., Hobbs, NM 88240  
Phone:(575) 393-6161 Fax:(575) 393-0720  
**District II**  
811 S. First St., Artesia, NM 88210  
Phone:(575) 748-1283 Fax:(575) 748-9720  
**District III**  
1000 Rio Brazos Rd., Aztec, NM 87410  
Phone:(505) 334-6178 Fax:(505) 334-6170  
**District IV**  
1220 S. St Francis Dr., Santa Fe, NM 87505  
Phone:(505) 476-3470 Fax:(505) 476-3462

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

CONDITIONS  
  
Action 308559

CONDITIONS

|  |   |
|--|---|
| Operator:<br>OXY USA INC<br>P.O. Box 4294<br>Houston, TX 772104294 | OGRID:<br>16696   |
|  | Action Number:<br>308559  |
|  | Action Type:<br>[C-101] BLM - Federal/Indian Land Lease (Form 3160-3) |

CONDITIONS

| Created By | Condition  | Condition Date |
|------------|--|----------------|
| pkautz     | Will require a File As Drilled C-102 and a Directional Survey with the C-104   | 1/31/2024      |
| pkautz     | Once the well is spud, to prevent ground water contamination through whole or partial conduits from the surface, the operator shall drill without interruption through the fresh water zone or zones and shall immediately set in cement the water protection string | 1/31/2024      |
| pkautz     | Oil base muds are not to be used until fresh water zones are cased and cemented providing isolation from the oil or diesel. This includes synthetic oils. Oil based mud, drilling fluids and solids must be contained in a steel closed loop system                  | 1/31/2024      |
| pkautz     | Cement is required to circulate on both surface and intermediate1 strings of casing  | 1/31/2024      |
| pkautz     | If cement does not circulate on any string, a CBL is required for that string of casing  | 1/31/2024      |