STATE OF NEW MEXICO

ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION



POST OFFICE BOX 2088

STATE LAND OFFICE BUILDING SANTA FE, NEW MEXICO 87504

(505) 827-5800

BRUCE KING GOVERNOR

ANITA LOCKWOOD CABINET SECRETARY

May 9, 1994

OXY USA, Inc. P.O. Box 50250 Midland, TX 79710

Attention: Robert P. Elliot

Administrative Order DD-92

Dear Mr. Elliot:

Under the provisions of General Rule 111 (c), (d) and (e), OXY USA, Inc. made application to the New Mexico Oil Conservation Division on April 11, 1994, for authorization to directionally drill its proposed Government "AB" Well No. 9, Eddy County, New Mexico.

The Division Director Finds That:

- (1) The application has been duly filed under the provisions of Rule 111(d) and (e) of the Division General Rules and Regulations;
- (2) Satisfactory information has been provided that all offset operators have been duly notified;
- (3) The applicant has presented satisfactory evidence that all requirements prescribed in General Rule 111 will be met; and
- (4) A waiver of objection from the only other offset operator other than OXY was received by the Division.

IT IS THEREFORE ORDERED THAT:

(1) The applicant, OXY USA, Inc., is hereby authorized to directionally drill its Government "AB" Well No. 9 from an unorthodox surface oil well location 330 feet from the North line and 230 feet from the East line (Unit A) of Section 10, Township 20 South, Range 28 East, NMPM, Old Millman Ranch-Bone Spring Associated Pool, Eddy County, New Mexico, by kicking off from the vertical at a depth of approximately 3700 feet, and drilling in such a manner as to bottom in the Bone Spring formation at a standard oil well location within the NE/4 NE/4 of said Section 10.

Administrative Order DD-92 OXY USA, Inc. May 9, 1994 Page No. 2

<u>PROVIDED HOWEVER THAT</u> prior to commencing directional drilling operations into said wellbore, the applicant shall establish the location of the kick-off point by means of a directional survey acceptable to the Division.

<u>PROVIDED HOWEVER THAT</u> during or upon completion of directional drilling operations, the applicant shall conduct an accurate wellbore survey from the kick-off point to total depth in order that the subsurface bottomhole location, as well as the wellbore's true depth and course, may be determined.

(2) The applicant shall notify the supervisor of the Artesia district office of the Division of the date and time said wellbore surveys are to be conducted so that they may be witnessed. The applicant shall further provide a copy of said wellbore surveys to the Santa Fe and Artesia offices of the Division upon completion.

(3) Form C-105 shall be filed in accordance with Division Rule 1105 and the operator shall indicate thereon true vertical depth in addition to measured depths.

(4) The E/2 NE/4 of said Section 10 shall be dedicated to the well forming a standard 80-acre oil spacing and proration unit for the subject pool.

(5) Jurisdiction of this cause is retained for the entry of such further orders as the Division may deem necessary.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO OIL CONSERVATION DIVISION

WILLIAM J. LEMAY Director

SEAL

WJL/MES/amg

cc: Oil Conservation Division - Artesia US Bureau of Land Management - Carlsbad



OXY USA INC. Box 50250, Midland, TX 79710

June 21, 1994

State of New Mexico Oil Conservation Division Attn: Michael Stogner 310 Old Santa Fe Trail Santa Fe, New Mexico 87501

Re: Amended Application to Directionally Drill Government AB #9 Administrative Order No. DD-92

Mr. Stogner:

OXY USA has completed the drilling of the Government AB #9 in Sec. 10, T-20-S, R-28-E Eddy County, New Mexico. Due to difficulties encountered in steering the well, the bottom hole location was more than 50 feet from the originally-planned bottom hole location. However, the bottom hole location, and the target location remained orthodox according to field rules. The top of the 1st Bone Spring Sand was encountered at 708' FNL and 621' FEL of Sec. 10. The bottom hole location was at 772' FNL and 660' FEL of Sec. 10.

In response to our telephone conversation of June 20, the actual directional surveys and an amended C-102 are enclosed to amend our original application to directionally drill the Government AB #9. If you require additional information, please contact me at (915) 685-5821. Thank you for your consideration in this matter.

Sincerely, OXY USA Inc.

KUDej

Operations Engineer Western Region

Attachments

cc: D. Stewart RPE

Well File

RECEIVED 34 JUN 24 AM 11 36 5 MTEL VOFFICE SATALE, N.M.		

•

٢

\$

SPERRY-SUN DRILLING SERVICES SURVEY DATA

,

OXY GOVAB

A. 94

-

16-JUN-1994 10:38:28

MEASURED	ANGLE	DIRECTION	VERTICAL	LATITUDE	DEPARTURE	VERTICAL DOG
DEPTH	DEG	DEG	DEPTH	FEET	FEET	SECTION LEG
0.00	0.00	0.00	0.00	0.00	0.00	$\begin{array}{cccccc} 0.00 & 0.00 \\ 0.11 & 0.42 \\ 0.14 & 0.48 \\ -0.03 & 0.17 \\ 0.07 & 0.38 \end{array}$
100.00	0.42	304.47	100.00	0.21 N	0.30 W	
200.00	0.83	329.05	199.99	1.04 N	0.98 W	
300.00	1.00	328.52	299.98	2.41 N	1.81 W	
400.00	0.83	307.04	399.97	3.59 N	2.84 W	
500.00	1.00	309.61	499.95	4.58 N	4.10 W	0.46 0.17
600.00	1.17	38.26	599.94	5.94 N	4.14 W	-0.33 1.52
700.00	1.50	50.63	699.92	7.57 N	2.50 W	-2.63 0.44
800.00	1.83	55.20	799.87	9.31 N	0.17 W	-5.53 0.36
900.00	1.83	54.67	899.82	11.15 N	2.45 E	-8.73 0.02
1000.00	1.42	59.23	999.78	12.71 N	4.81 E	-11.56 0.44
1100.00	1.17	65.80	1099.76	13.76 N	6.81 E	-13.77 0.29
1200.00	1.00	62.45	1199.74	14.58 N	8.51 E	-15.63 0.18
1300.00	1.08	70.13	1299.72	15.30 N	10.17 E	-17.38 0.16
1400.00	1.08	79.64	1399.70	15.79 N	11.99 E	-19.13 0.18
1500.00	1.00	79.13	1499.69	16.13 N	13.78 E	-20.75 0.08
1600.00	1.17	91.48	1599.67	16.27 N	15.65 E	-22.32 0.29
1700.00	1.17	96.80	1699.65	16.12 N	17.68 E	-23.84 0.11
1800.00	1.00	96.21	1799.63	15.90 N	19.56 E	-25.20 0.17
1900.00	1.00	100.46	1899.62	15.65 N	21.29 E	-26.41 0.07
2000.00	0.92	111.94	1999.60	15.19 N	22.88 E	$\begin{array}{rrrr} -27.41 & 0.21 \\ -28.31 & 0.13 \\ -28.91 & 0.55 \\ -28.90 & 0.32 \\ -28.53 & 0.14 \end{array}$
2100.00	0.92	103.85	2099.59	14.70 N	24.40 E	
2200.00	0.42	126.25	2199.58	14.30 N	25.47 E	
2300.00	0.25	175.58	2299.58	13.86 N	25.79 E	
2400.00	0.33	198.94	2399.58	13.37 N	25.71 E	
2500.00	0.17	204.35	2499.58	12.96 N	25.55 E	$\begin{array}{rrrr} -28.16 & 0.17 \\ -27.90 & 0.01 \\ -27.49 & 0.26 \\ -26.93 & 0.21 \\ -26.36 & 0.13 \end{array}$
2600.00	0.17	207.81	2599.58	12.70 N	25.42 E	
2700.00	0.42	192.30	2699.58	12.22 N	25.28 E	
2800.00	0.33	221.91	2799.57	11.65 N	25.01 E	
2900.00	0.33	243.72	2899.57	11.30 N	24.55 E	
3000.00	0.33	225.31	2999.57	10.97 N	24.09 E	-25.79 0.11
3100.00	0.25	222.89	3099.57	10.60 N	23.73 E	-25.28 0.08
3200.00	0.25	146.41	3199.57	10.26 N	23.70 E	-25.05 0.31
3300.00	0.33	137.99	3299.57	9.87 N	24.02 E	-25.06 0.09
3400.00	0.17	47.57	3399.57	9.75 N	24.32 E	-25.23 0.37
3500.00	0.25	320.23	3499.57	10.01 N	24.29 E	$\begin{array}{rrrr} -25.36 & 0.29 \\ -25.37 & 0.50 \\ -25.04 & 1.58 \\ -24.40 & 3.14 \\ -23.16 & 3.19 \end{array}$
3550.00	0.50	325.11	3549.57	10.28 N	24.09 E	
3600.00	0.90	263.90	3599.56	10.41 N	23.58 E	
3630.00	1.75	245.30	3629.55	10.20 N	22.93 E	
3662.00	2.75	240.00	3661.53	9.61 N	21.82 E	

: .

•

ر

.

tere potre elle Sancencei

.

907 1713	anga ana a Na maret	energianatur hoteki 1999-1995			n de la constante de la constan La constante de la constante de La constante de la constante de		
						· .	
			•				
		• • • • • •	-		• .	•	
. ·							·. ·
		and the second second			2	· - ·	
	· · · ·	1 <u>1</u>			2. a t ^{a t}		
	· .						
						· ·	
•			·				
			•	· ·			
					ан арада Алан алы Алан алы	n in in Station Regional Stations Net Stations	
			• [*] · · · ·			na si si si Panganganganganganganganganganganganganga	001-22332 75-03392
12 0	48. AT 1		• • • • • • • •				Dar 2003
			• • • • •				•
•	- ·-			· ·			
•							
	· ·	· · · ·					,
-	· • •				, 영화학원일	<u>55</u>	
•			•	3	• •		
		. · ·					
	01000 74000 10000 780089 880089 880089		ice 1 39	M.W.ET ÁTHAR			85 t. K
العلمين معاد ما معاد معاد معاد العاد معاد معاد معاد العاد معاد معاد	1111日日 1111日日 1111日日	10、10日、14日日 1971日2月、1日日日	IOE (teres) teres and teres	ATEN AND OFFI	19 - 19 1 19 - 19 20	造城,通过 西京,後五	0010108 9075008
20.1 20.2	CEUDSA Alions	N LOUTID NAME ON TO	1 36	TUH SZANN	NB. 112		05 4.42 60.0008 00.0008 00.0008 00.0008
ha . e 1a	in an than a fill		· . · . · ·	<u>(1)</u>		•••• ¹ •••	an in the state

BECEINED

SPERRY-SUN DRILLING SERVICES SURVEY DATA

. .

OXY

r ví

16-JUN-1994 10:38:28

MEASURED	ANGLE	DIRECTION	VERTICAL	LATITUDE	DEPARTURE	VERTICAL DOG
DEPTH	DEG	DEG	DEPTH	FEET	FEET	SECTION LEG
3692.00	3.81	238.70	3691.48	8.73 N	20.34 E	$\begin{array}{rrrrrrrrrrrrrrrrrrrrrrrrrrrrrrrrrrrr$
3723.00	5.10	235.90	3722.39	7.42 N	18.32 E	
3754.00	6.53	233.20	3753.23	5.59 N	15.77 E	
3783.00	7.63	233.90	3782.00	3.47 N	12.90 E	
3812.00	7.11	229.70	3810.76	1.18 N	9.97 E	
3844.00	7.54	231.00	3842.50	1.42 S	6.83 E	-4.55 1.44
3875.00	8.50	233.00	3873.20	4.08 S	3.42 E	-0.23 3.22
3904.00	9.60	233.20	3901.84	6.82 S	0.23 W	4.34 3.79
3935.00	10.60	233.80	3932.36	10.05 S	4.60 W	9.77 3.24
3966.00	10.93	232.30	3962.81	13.53 S	9.23 W	15.56 1.40
3997.00	11.10	232.40	3993.24	17.15 S	13.92 W	$\begin{array}{cccccc} 21.48 & 0.55 \\ 27.19 & 1.77 \\ 41.89 & 2.03 \\ 61.22 & 0.39 \\ 82.16 & 0.44 \end{array}$
4026.00	11.60	231.80	4021.67	20.66 S	18.42 W	
4095.00	13.00	231.60	4089.09	29.77 S	29.95 W	
4181.00	13.00	230.10	4172.88	41.98 S	44.96 W	
4275.00	12.75	231.60	4264.52	55.21 S	61.20 W	
4366.00	12.50	233.60	4353.32	67.29 S	76.99 W	102.05 0.55
4611.00	11.50	231.60	4592.97	98.20 S	117.47 W	152.98 0.44
4733.00	11.00	231.60	4712.62	112.98 S	136.13 W	176.77 0.41
4825.00	11.00	230.60	4802.93	124.00 S	149.79 W	194.32 0.21
4950.00	10.50	228.60	4925.74	139.10 S	167.55 W	217.61 0.50
5041.00	11.00	231.60	5015.14	149.98 S	180.57 W	234.56 0.82
5131.00	11.00	229.60	5103.49	160.88 S	193.84 W	251.72 0.42
5225.00	10.25	226.60	5195.88	172.44 S	206.75 W	269.00 0.99
5318.00	10.25	227.60	5287.39	183.70 S	218.87 W	285.47 0.19
5354.00	10.25	229.10	5322.82	187.96 S	223.65 W	291.86 0.74
5385.00	11.00	231.60	5353.28	191.60 S	228.06 W	297.572.84303.362.10309.253.39315.782.34322.262.19
5415.00	11.25	234.60	5382.72	195.07 S	232.68 W	
5445.00	11.50	239.60	5412.13	198.28 S	237.65 W	
5477.00	12.25	239.60	5443.45	201.62 S	243.33 W	
5508.00	12.00	236.60	5473.76	205.05 S	248.86 W	
5539.00	10.50	229.60	5504.16	208.66 S	253.70 W	328.306.54333.853.01339.493.01345.231.67356.412.51
5570.00	10.25	224.60	5534.65	212.45 S	257.79 W	
5601.00	11.00	221.60	5565.12	216.63 S	261.69 W	
5631.00	11.50	221.60	5594.55	221.01 S	265.57 W	
5685.00	12.75	224.10	5647.34	229.31 S	273.29 W	
5747.00	14.25	223.60	5707.63	239.75 S	283.32 W	370.722.43386.571.59403.112.08420.531.86429.180.99
5810.00	15.25	223.60	5768.55	251.37 S	294.38 W	
5872.00	16.25	220.60	5828.22	263.86 S	305.65 W	
5934.00	17.25	218.60	5887.59	277.63 S	317.03 W	
5964.00	17.25	219.60	5916.24	284.53 S	322.64 W	

: -.

-

-

:

RECEIVED

SH JUE 24 6M 11 36

STATE I DUEFICE SANGE E.N.M.

e en la companya de Na companya de la comp Na companya de la comp

eder schalten in schol is in is built familie. Beginnenden ministerik och inden scholten inden der State

•

SPERRY-SUN DRILLING SERVICES

SURVEY DATA

16-JUN-1994 10:38:28

MEASURED	ANGLE	DIRECTION	VERTICAL	LATITUDE	DEPARTURE	VERTICAL	DOG
DEPTH	DEG	DEG	DEPTH	FEET	FEET	SECTION	LEG
				,			
5995.00	17.75	218.60	5945.81	291.77 S	328.52 W	438.25 1	.88
6057.00	17.50	216.60	6004.90	306.64 S	339.97 W	456.39 1	.06
6120.00	17.00	215.60	6065.06	321.73 S	350.98 W	474.31 0	.92
6182.00	16.50	216.60	6124.43	336.17 S	361.51 W	491.45 0	.93
6245.00	16.00	215.60	6184.92	350.41 S	371.89 W	508.36 0	.91
6308.00	15.50	214.60	6245.55	364.40 S	381.73 W	524.68 0	.90
6370.00	14.75	213.60	6305.40	377.79 S	390.80 W	540.03 1	.28
6431.00	14.50	211.60	6364.43	390.77 S	399.10 W	554.51 0	.92
6492.00	14.25	211.60	6423.52	403.66 S	407.03 W	568.66 0	.41
6554.00	14.25	211.60	6483.61	416.66 S	415.03 W	582.92 0	.00
	/		1	,			-
6678.00	13.50	209.10	6603.99	442.31 S	430.07 W	610.46 0	.77

THE DOGLEG SEVERITY IS IN DEGREES PER 100 FEET THE VERTICAL SECTION WAS COMPUTED ALONG 232.50%

₽_i _

OXY GOVAB

> BASED UPON MINIMUM CURVATURE TYPE CALCULATIONS. THE BOTTOM HOLE DISPLACEMENT IS 616.92 FEET IN THE DIRECTION OF 224.20 3 COORDINATE VALUES ARE GIVEN RELATIVE TO THE PLATFORM REFERENCE POINT VERTICAL SECTION IS GIVEN RELATIVE TO THE WELLHEAD LOCATION

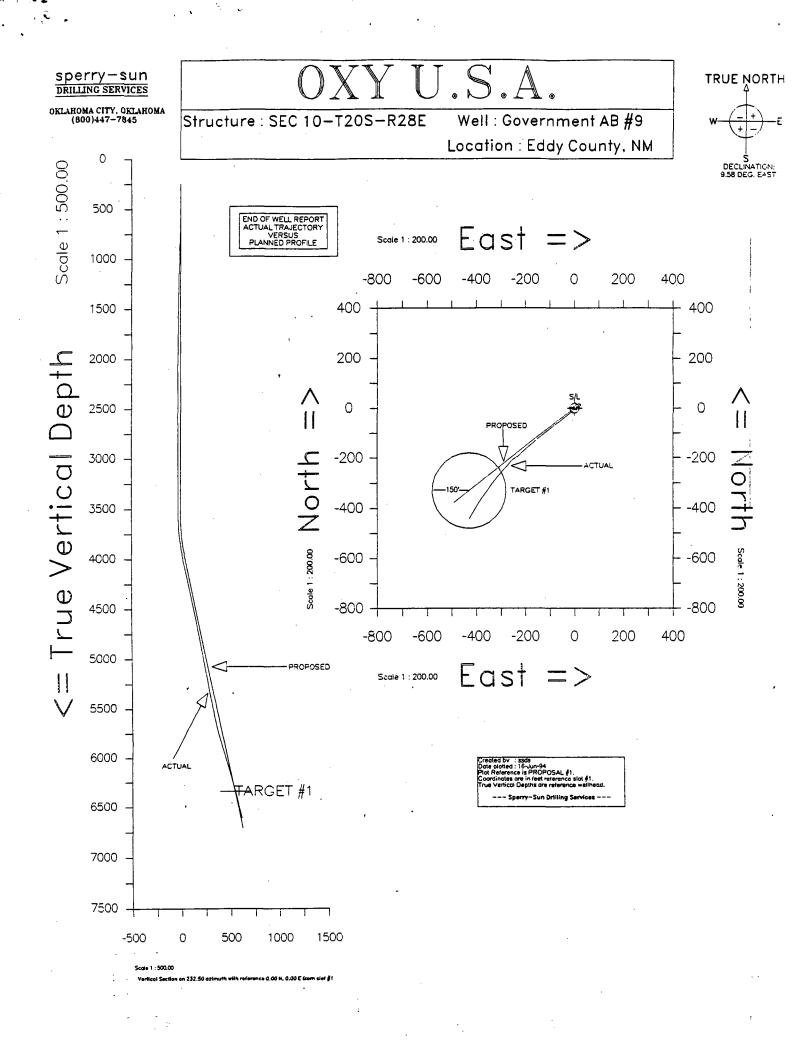
> > -1÷

RECEIVED

Sec. 3 3194 JUN 24 - AM 11 36

STATE LINES OFFICE SANTA FE, N.M.

v



ระกับ ค.ศ. เมษาณ์สีดีดีดีระการที่เป็นเป็น แม่สุมมิตรีระการ เป็นชื่อไป -

STATE L. O OFFICE

٢

. 96 TT UH 43 MMP 46

SECEIVED

District I PO Box 1980, Hobbs, NM 88241-1980 District II PO Drawer DD, Artenia, NM 88211-0719 District III 1000 Rio Brazos Rd., Aztec, NM 87410 District IV PO Box 2088, Santa Fe, NM 87504-2088 ť ,

2 .

State of New Mexico Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION PO Box 2088 Santa Fe, NM 87504-2088

Form C-102 Revised February 10, 1994 Instructions on back Submit to Appropriate District Office State Lease - 4 Copies Fee Lease - 3 Copies

X AMENDED REPORT

		WE	ELL LO	CATION	N AND /	ACF	REAGE DEDI	CATION PI	LAT			
	API Numb	tr		¹ Pool Cod	e	³ Pool Name						
30-01,5-	-27964					01¢	l Millman Rar	ich Bone Sp	rings A	Assoc:	iation	
* Property	Code				' Pro		Name			_	Well Number	
		Govern	ment AF	3							9	
' OGRID	No.				' Op	ersior	Neme				* Elevation	
		OXY US	A Inc.								3268'	
					¹⁰ Surf	face	Location			•		
UL or lot no.	Section	Township	Range	Lot Ida	Feet from	the	North/South line	Feet from the	East/Wes	t line	County	
Ą	10	205	28E		330		North	230	East	2	Eddy	
L	· · · · · · · · · · · · ·		¹¹ Bott	tom Hol	e Locatio	on I	f Different Fro	om Surface	<u> </u>		· · · · · · · · · · · · · · · · · · ·	
UL or lot no.	Section	Township	Range	Lot Ida	Feet from		North/South line	Feet from the	East/Wes	t line	County	
A	10	205	28E		772		North	660. 07	East	:	Eddy	
12 Dedicated Act	es 13 Joint	or Infill 14	Consolidatio	n Code " (Drder No.		4	• <u></u>	·			
80				ł								
NO ALLO	WABLE						ON UNTIL ALL			EN CO	NSOLIDATED	
		OR A	NON-ST	ANDARD	UNIT HA	S BI	EEN APPROVED	BY THE DIV	ISION			
16							Ì.	¹⁷ OPEI	RATOR	CER	TIFICATION	
						:	ب ر "			-	n contained herein is	
								230 The and com	ipiese to the c	iest of my	n knowledge and belief	
							8H					
								\square		$\sim \sum$	Ì	
								_ Lan	AVY	10.5	7	
								Signature	1.1.0	ing		
							•	4H	P. E11	iott		
			-					Printed Nam Operat	⊷ ions En	ginee	er	
								Title				
									0, 1994	۶ <u>. </u>		
	_							Date				
								¹⁸ SURV	/EYOR	CER	TIFICATION	
	1	•	•					l hereby cert	ify that the w	ell locatio	on shown on this plat	
						'			•	•	al surveys made by hat the same is true	
· ·								and correct i	•••			
								Date of Surv	•			
				1	·	-1		Signature and	d Scal of Pro	fessional	Surveyer.	
				ł		ŀ		1				
							· ·	Certificate N	umber			

· ·

Å,

STATE UNITS OFFICE SANTA EE, A.M.

SH JUN 24 BU II 36

RECEIVED

· · ·

•

) (18) (65)



STATE OF NEW MEXICO

ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION

GARREY CARRUTHERS

POST OFFICE BOX 2003 STATE LAND OFFICE BUILDING SANTA FE, NEW MEXICO 87504 (505) 827-5800

July 26, 1990

Oil Gon party of California

OXY USA TUC Box 50250 Midland, Texas 79710 Box 50250

Attention: Bill-Horing, District-Petroleum Engineer

Robert P. F. Miner

Administrative Order DD-53

Dear Mr. Hering: Ellior

April 11, 1994

Under the provisions of General Rule 111 (c), (d) and (e), Unocal made application to the New Mexico Oil Conservation Division on July 5, 1990, for authorization to directionally drill its proposed Bay 28" Well No. &, San-Juan County, New Mexico.

Eldu

Government "AB" 9 The Division Director Finds That:

- (1) The application has been duly filed under the provisions of Rule 111(d) and
 (e) of the Division General Rules and Regulations;
- (2) Satisfactory information has been provided that all offset operators have been duly notified;
- (3) The applicant has presented satisfactory evidence that all requirements prescribed in General Rule 111 will be met; and

(4) No objections have been received within the waiting period prescribed by said

(4) A waiver of edjustion from the only other off-set operator other

than OXY was and received by the Division .

DATE	·	· · · · · · · · · · · · · · · · · · ·		OPEI	RATI	UNS	LOG	T O W	Pawnee - 10Z (1) F	
PAGE		of			2		· ·	P		PH OT STOP
NSTRI	JCTOF	۲		CHIEF OP		· · · · · · · · · · · · · · · · · · ·		A N E S		START TOTAL TACH
ACCT NO.	FLT NO.	PILOT (TO BE BILLED)	AIRCRAFT NO.		TOW PILOT (1/2)	TOW RELEASE (AGL)	F	LICHT TIMES		REMARKS
		· · · · · · · · · · · · · · · · · · ·			······································		LAND	:	FLT TIME	<u> </u>
							TAKEOFF	:		
							LAND	:	FLT TIME	
					· · · · · · · · · · · · · · · · · · ·		TAKEOFF	:	:	5
							LAND	:	FLT TIME	4
							TAKEOFF	:		
					······································		LAND	:	FLT TIME	13
							TAKEOFF	:		U I T
							LAND		FLT TIME	ATTACH
		·					TAKEOFF	:		Į-
							LAND	:	FLT TIME	Ł
		· · · · · · · · · · · · · · · · · · ·					TAKEOFF	:	:	
							LAND	:	FLT TIME	Ň
							TAKEOFF	:		·
							LAND	:	FLT TIME	
		· · · · · · · · · · · · · · · · · · ·					TAKEOFF	:		·
							LAND	•	FLT TIME	3
					×.		TAKEOFF	:	:	· · · · · · · · · · · · · · · · · · ·
							LAND	:	FLT TIME	· ·
					· .		TAKEOFF	:		

fative Order DD 38 n Al Company of Kalifornia

<u>HEREFORE ORDERED THAT:</u>

The applicant, Union Oil Company of California d/b/a Unocal is hereby (1) authorized to directionally drill ts Day "B" Well No. 8, the surface location of which shall be 734 feet from the North line and 1233 feet from the East line (Unit A) of Section 7, Township 27 North Range 8 West, NMPM San Juan County, New Mexico, by kicking off from the vertical at a depth of approximately 325 feet, and drilling in such a manner as to bottom in the Basin Fruitland Coal Gas Pool at a standard coal gas well location within the NE/4 of said Section 🔭

() The applicant, OXY USA TAC. is hereby authorized to derictional drill its Covernment "AB" Well No. 9 from an unortholix surface oil well location 330 feet from the North line and 230 feet from the East line (anit A) of section 10, Township 20 South, Range 28 Fait NMPM, Old Millman Runch - Bose Spring Associated Lool, Eddy County, New Mexico, by hubing off from the water at a delle of alfroximately 3700 feet, and drilling in such a manner as to bottom in the Bone Shaing formation at a standard oil well location in the within the NE/4 NE/4 of said Lestin 10.

<u>PROVIDED HOWEVER THAT</u> prior to commencing directional drilling operations into said wellbore, the applicant shall establish the location of the kick-off point by means of a directional survey acceptable to the Division.

PROVIDED FURTHER THAT during or upon completion of directional drilling operations, the applicant shall conduct an accurate wellbore survey from the kick-off point to total depth in order that the subsurface bottomhole location, as well as the wellbore's true depth and course, may be determined.

Artesia (2) The applicant shall notify the supervisor of the Aztec district office of the Division of the date and time said wellbore surveys are to be conducted so that they may be witnessed. The applicant shall further provide a copy of said wellbore surveys to the Santa Fe and Aztec offices of the Division upon completion.

Form C-105 shall be filed in accordance with Division Rule 1105 and the (3) operator shall indicate thereon true vertical depth in addition to measured depths.

10

E/2 NE/4 The *End* of said Section *A* shall be dedicated to the well forming a standard (4) 320-acre gas spacing and proration unit for said pool. 40

Jurisdiction of this cause is retained for the entry of such further orders as the (5) Division may deem necessary.

-2-Memorandum to All Operators MORE WERE TO CHARDS March 29, 1968

88-1 .off count

4. To ensure that the stratigraphic test-hole is properly plugged upon completion of a stratigraphic test, and that the Commission receives information needed by it in the conduct of its affairs, the applicant shall:

a. Have on file with the Commission a plugging bond in accordance with Rule 101 of the Rules and Regulations of the New Mexico Oil Conservation Commission;

b. Within 30 days after completion of the stratigraphic test-hole, the operator shall submit to the Commission an affidavit that the stratigraphic test-hole has been properly plugged in such a manner as to confine permanently any water, oil, and gas in the separate strata originally containing them;

> c. Not later than one year from the date of completion of the stratigraphic test-hole, the operator shall file with the Commission Form C-103 and Form C-105 in accordance with Rules 1103 B. (4) and 1105, respectively, insofar as said rules are not inconsistent with this memorandum.

See, a presse when the sear study, and the set presses when a break the set the second second

- probabolistic philipping (and the second probability) of the second probability of the seco

Paĝe No. 14 02/01/94

ir/

JELL NAME

** OPERATOR: YATES PETROLEUM CORPORATION

cities termologically of the picking

- 1

rel to stale series and

represe for a given sort

* NGPA CATEGORY: 102/107TF IRISH HILLS KW STATE NO. 3

"你们不可以愿意"种名"他的过去吗?"我们是一样,这个事件。

an the second

的复数经济性权力 化连续合理分子表达达力分析

nat for a national spectrum and service

r Thomas de

* **** ••

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO OIL CONSERVATION DIVISION

WILLIAM J. LEMA

Director

SEAL

cc: Oil Conservation Division - Aztec Arveria US Bureau of Land Management - Farmington Carlshad to a second

-2-Memorandum to All Operators Will WEW TO STATE March 29 1968 March 29, 1968 和人士 普遍机能够的 网络 PREASE AND LOSS MADE

deel for To ensure that the stratigraphic test-hole is properly plugged upon completion of a stratigraphic test, and that the Commission receives information needed by it in the conduct of its affairs, the applicant shall:

Have on file with the Commission a plugging bond a. in accordance with Rule 101 of the Rules and Regulations of the New Mexico Oil Conservation Commission; North and and an Easternant and interve most sets herei

化过速机场的 医丙二氏结束肌 b. Within 30 days after completion of the strati-De se latenis graphic test-hole, the operator shall submit to the Commission an affidavit that the stratigraphic test-hole has been properly plugged in such a manner as to confine permanently any water, oil, and gas in the separate strata originally containing them; 化化化素 建物产品的 化乙二烯二基 化氯化 化合物化合物

> 正在文字内に立つ Not later than one year from the date of completion of the stratigraphic test-hole, the operator shall file with the Commission Form C-103 and Form C-105 in accordance with Rules 1103 B. (4) and 1105, File and respectively, insofar as said rules are not incon-建建物 法 sistent with this memorandum.

adh and that statements an enter age to get an all when that the 网络赫林林 推改制度的 经济保险 化二乙酰乙酰胺 网络美国人科学家人名法 化分子子 化 a The support of the second contract end of the property of the second second second second second second second 建雄合合成 经生活资源 化生产 经工作 医皮内肌 化无效量 化合物 化合成 医素素性炎 网络加索尔 化分析 人名哈尔 不正 explanate with a contract the contract many second as 安卫 化溴化化乙 建自己的 网络达尔南部法国公司 法公司 医囊囊网络外外外 建分子 化分子子 医肺糖糖 是最后,最熟了的历史,那些你们最好成的时候,我们是这是她们的一些,一些一些 医丁酮糖 警察 推進 网络小鸡属 化过去式分词过去分词 法法法法公司

partnerfex as equilable of the methodologic and foodbard of the original notesoal films cause is a plant of the term existence the event con-A . . Motestant set of Extension of the Uter etgeneric per ir/ mainman and a Completion of the State contenal teachers 网络上海镇 建铁合金属铁合金 医脊柱 人名马克 无效的 法公司法庭的过去式和过去分词 化乙酰胺 化分子分子 nersel for allegater includes of an electron clause electron electron electron 医膀胱溃疡 计分析书 建碘化氯苯甲酰氨酸盐 化合体 紧张或摇环



OXY USA INC.

Box 50250, Midland, TX 79710

April 11, 1994

State of New Mexico Oil Conservation Division Attn: Michael Stogner 310 Old Santa Fe Trail Santa Fe, New Mexico 87501

Government S #6 Re:

Mr. Stogner:

OXY USA Inc. requests administrative approval to directionally drill our Government S #6 well located in North Burton Flat field in Eddy Co., New Mexico. Due to numerous cave entrances, and other physical features found in the area, the only suitable surface location that could be found was at 330' FNL and 230' FEL of Sec. 10, T-20-S and R-28-E. Mr. Jim Goodbar and Mr. Barry Hunt with the BLM were on location with me when the surface location was selected for this well.

As per OCD Rule 111 and our telephone conversation, the following items have been attached for your review:

- Topography map showing surface obstructions. 1)
- 2) Copy of Notification Letter/Waiver to Reeves County Systems, Inc.
- 3) Form C-102 showing proposed surface and bottom hole locations.
- 4) The proposed directional well plan.
- 5) A copy of the APD filed with the BLM.
- 6) Land Plat showing proposed well and offset operators.

If you require additional information, or need clarification, please contact me at (915) 685-5821. Thank you for your assistance in this matter.

Sincerely, AZU Mnc **NYY**

Operations Engineer Western Region

Attachments

cc: J. Goodbar - BLM D. Stewart

Barry Hunt - BLM RPE Well File



DISTRICT I P.O. Box 1980, Hobbs, NM 88240

·, · · ·

÷,

DISTRICT II P.O. Drawer DD, Artesia, NM 88210

DISTRICT III 1000 Rio Brazos Rd., Aztec, NM 87410

.,

State of New Mexico

Energy, Minerals and Natural Resources Department

Form C-102 Revised February 10, 1994 Instruction on back Submit to Appropriate District Office State Lease - 4 Copies Fee Lease - 3 Copies

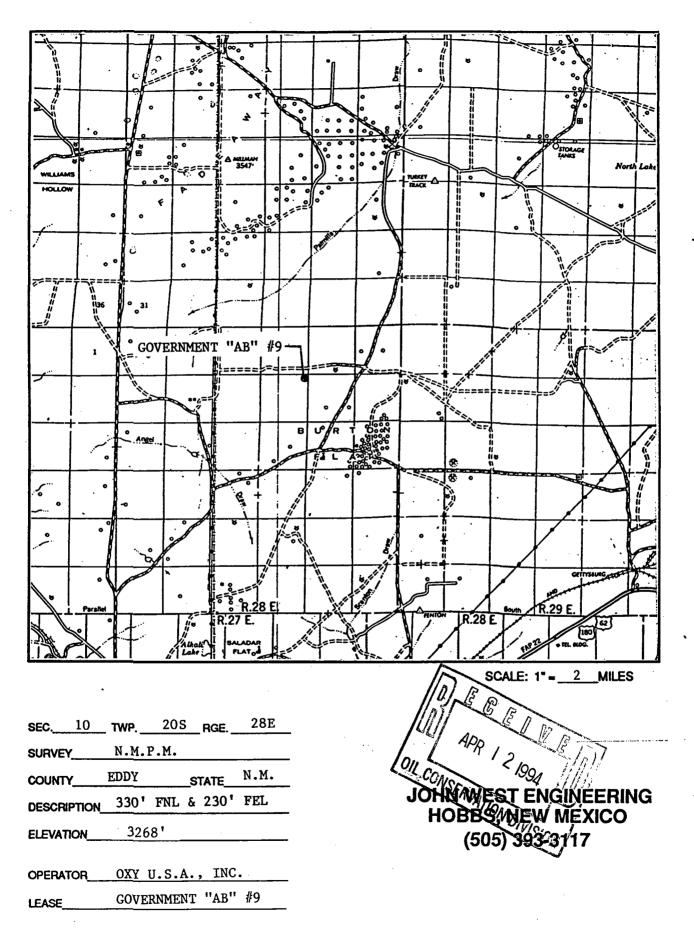
OIL CONSERVATION DIVISION P.O. Box 2088 Santa Fe, New Mexico 87504-2088

AMENDED REPORT

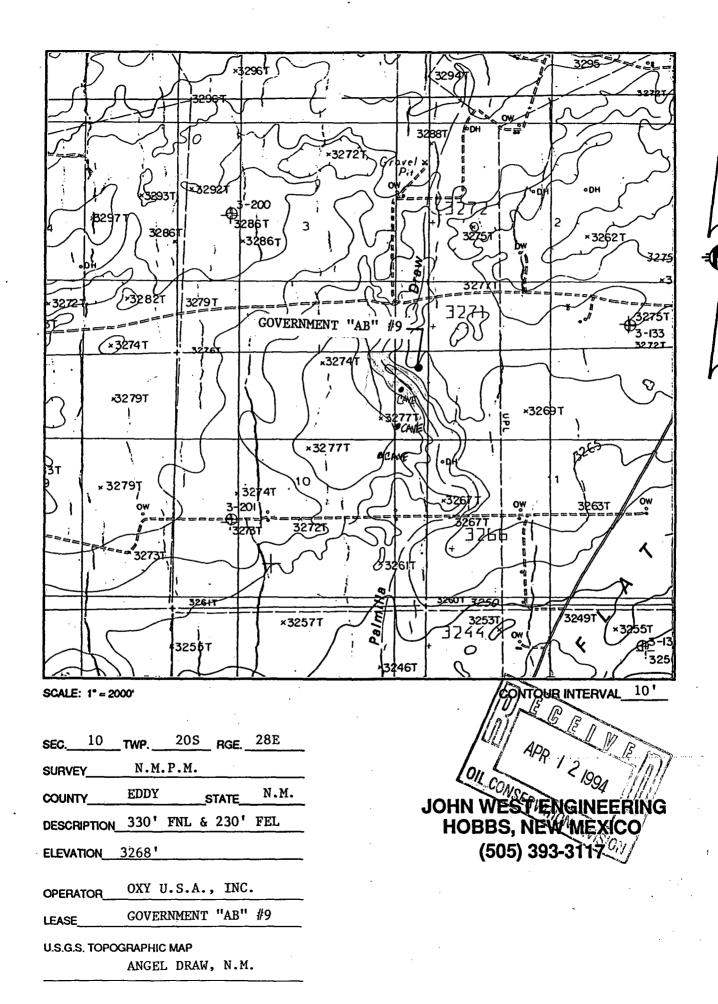
WELL LOCATION AND ACREAGE DEDICATION PLAT

API	Number			Pool Code				Pool Name	<u></u>	
Property (lode	1	1		Prop	Old] erty Nam	Millman Ranch	<u>Bone</u> Sprin	gs, Assoc. Well N	amber
OCDED N		ļ			GOVER			·····	9	
OGRID No					OXY L	ator Nam J.S.A.			Eleva 3268	tion
				· · · · · · ·	Surfac	ce Loca	ation			
UL or lot No.	Section	Township	Range	Lot Idn	Feet fro		North/South line	Feet from the	East/West line	County
A	10	205	28E	<u> </u>	33		NORTH	230	EAST	EDDY
UL or lot No.	Section	Township	······································	Bottom Hole Location If Different From Surface Range Lot Idn Feet from the North/South line Feet					East/West line	County
A	10	205	28E	Lot Iun	70		North	Feet from the 723	East	Eddy
Dedicated Acres 80	Joint of	r Infill C	onsolidation (Code O		I	·			
NO ALLO	WABLE W						INTIL ALL INTER APPROVED BY		EEN CONSOLID	ATED
		-				1 5 7	5268.8' 3268.6' 0 3262.4' 3267.5'	I hereb contained hereb best of my know Signature Robert Printed Nam Operati Title April 8 Date SURVEYO I hereby certify on this plat w	ons Engineer , 1994 OR CERTIFICAT y that the well locat was plotted from field	formation ete to the c c CION ton shown t notes of
		 ,		[0		IDn!	E V E F	supervison an correct to the	esth M30, 1994 5d Srest pf Surveyor 5 5 5 5 5 5 5 5 5 5 5 5 5	5 708 508 17, 676 10, 3239

VICINITY MAP



LOCATION VERIFICATION MAP







April 6, 1994

Reeves County Systems, Inc. Attn: Mr. Robert Hillin P.O. Box 152 Odessa, Texas 79760

Re: Government AB #9

Mr. Hillin:

This letter is to inform you of OXY USA's intention to directionally drill our Government AB #9. Because of the numerous cave features in the area, the only suitable surface location for the well was at 330' FNL and 230' FEL of section 10, T-20-S, R-28-E which is adjacent to your lease in section 2. The primary objective in this well is the First Bone Springs Sand. We anticipate intersecting the top of the sand at 660' FNL and 660' FEL and exiting the base of the sand at 692' FNL and 701' FEL. The BH location at TD is anticipated to be 708' FNL and 723' FEL of Sec. 10, T-20-S, R-28-E. A lease plat and well plan are attached.

If you have no objections to our plans outlined above, please sign in the space provided below and notarize. If you require additional information please feel free to contact me at my office at (915) 685-5821. Thank you for your attention in this matter.

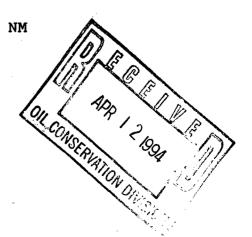
Sincerely, OXY USA, Inc.

Robert P. Elliott Operations Engineer

Waiver: Mr. Robert Hillin

Reeves County Systems, Inc.

CC: Michael Stogner - NMOCD Santa Fe, NM D. Stewart/File T. Tinney RPE



STATE OF TEXAS

COUNTY OF ECTOR

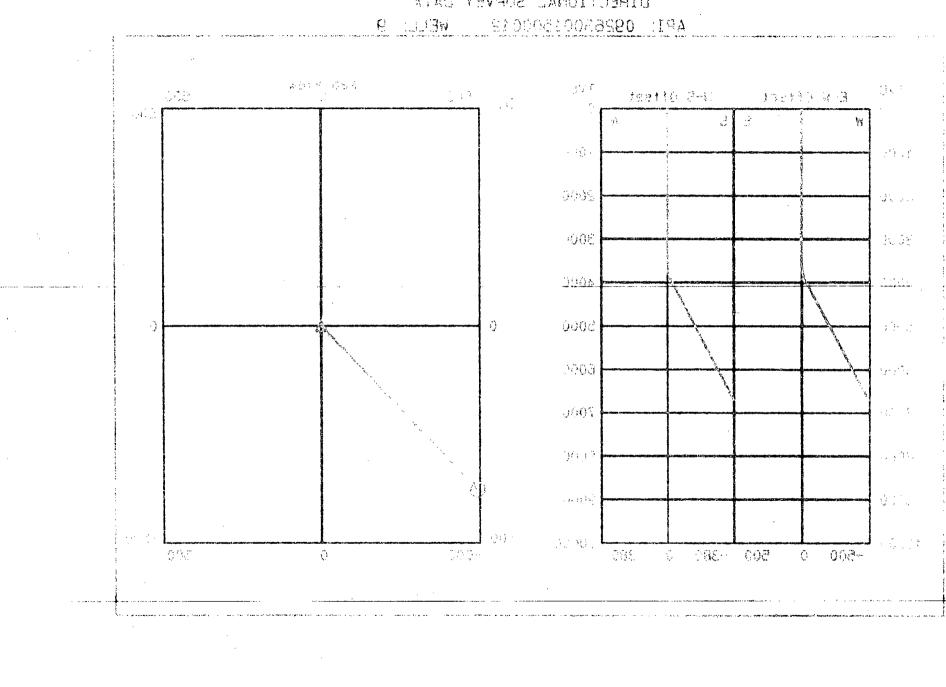
BEFORE ME, the undersigned authority, on this day personally appeared ROBERT N. HILLIN, President of REEVES COLNTY SYSTEMS, INC., known to me to be the person whose name is subscribed to the foregoing instrument, and that he executed the same as the act and deed for the purpose and consideration therein expressed, and in the capacity therein stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this <u>6th</u> day of <u>April 1994</u>, and effective immediately.



Notary Public: Raquel M.F. Lopez-Harrell State: Texas

Expiration Date: April 30, 1994



DIRECTIONAL SURVEY DATA

SPERRY-SUN DRILLING SERVICES PROPOSAL DATA

2...

‡

05-APR-1994 13:46:46

MEASURED	ANGLE	DIRECTION	VERTICAL	LATITUDE	DEPARTURE	VERTICAL DOG
DEPTH	DEG	DEG	DEPTH	FEET	FEET	SECTION LEG
3000.00	0.00	0.00	3000.00	330.00 S	230.00 W	0.00 0.00
3100.00	0.00	0.00	3100.00	330.00 S	230.00 W	0.00 0.00
3200.00	0.00	0.00	3200.00	330.00 S	230.00 W	
3300.00	0.00	0.00	3300.00	330.00 S	230.00 W	0.00 0.00
3400.00	0.00	0.00	3400.00	330.00 S	230.00 W	0.00 0.00
3500.00	0.00	0.00	3500.00	330.00 S	230.00 W	0.00 0.00
3582.00	0.00	0.00	3582.00	330.00 S	230.00 W	0.00 0.00
3600.00	0.54	232.49	3600.00	330.05 S	230.07 W	0.08 3.00
3700.00	3.54	232.49	3699.92	332.22 S	232.89 W	3.64 3.00
3800.00	6.54	232.49	3799.53	337.57 S	239.86 W	12.43 3.00
3900.00	9.54	232.49	3898.53	346.08 S	250.95 W	26.41 3.00
3982.00	12.00	232.49	3979.08	355.41 S	263.11 W	41.73 3.00
4000.00	12.00	232.49	3996.69	357.69 S	266.07 W	45.48 0.00
4100.00	12.00	232.49	4094.50	370.35 S	282.57 W	66.27 0.00
				383.01 S	299.06 W	87.06 0.00
4200.00	12.00	232.49	4192.32	202 º 01 2	299.00 W	87.08 0.00
4300.00	12.00	232.49	4290.13	395.67 S	315.55 W	107.85 0.00
4400.00	12.00	232.49	4387.95	408.33 S	332.04 W	128.64 0.00
4500.00	12.00	232.49	4485.76	420.99 S	348.54 W	149.43 0.00
4600.00	12.00	232.49	4583.58	433.65 S	365.03 W	170.22 0.00
4700.00	12.00	232.49	4681.39	446.31 S	381.52 W	191.02 0.00
4800 00	12.00	222 40	4770 31	458.97 S	398.01 W	211.81 0.00
4800.00	12.00	232.49	4779.21		414.51 W	
4900.00	12.00	232.49	4877.02	471.63 S		
5000.00	12.00	232.49	4974.84	484.29 S	431.00 W	253.39 0.00
5100.00	12.00	232.49	5072.65	496.95 S	447.49 W	274.18 0.00
5200.00	12.00	232.49	5170.47	509.61 S	463.99 W	294.97 0.00
5300.00	12.00	232.49	5268.28	522.27 S	480.48 W	315.76 0.00
5400.00	12.00	232.49	5366.10	534.93 S	496.97 W	336.55 0.00
5500.00	12.00	232.49	5463.91	547.59 S	513.46 W	357.34 0.00
5600.00	12.00	232.49	5561.72	560.25 S	529.96 W	378.14 0.00
5700.00	12.00	232.49	5659.54	572.91 S	546.45 W	398.93 0.00
5800.00	12.00	232.49	5757.35	585.57 S	562.94 W	419.72 0.00
5900.00	12.00	232.49	5855.17	598.23 S	579.43 W	440.51 0.00
6000.00	12.00	232.49	5952.98	610.89 S	595.93 W	461.30 0.00
6100.00	12.00	232.49	6050.80	623.55 S	612.42 W	482.09 0.00
			6148.61	636.21 S	628.91 W	502.88 0.00
6200.00	12.00	232.49	0140.01	030.21 3	U20.JI M	502.00 0.00
6300.00	12.00	232.49	6246.43	648.86 S	645.40 W	523.67 0.00
6388.51	12.00	232.49	6333.00	660.07 S	660.00 W	542.08 0.00
6400.00	12.00	232.49	6344.24	661.53 S	661.90 W	544.47 0.00
6500.00	12.00	232.49	6442.06	674.18 S	678.39 W	565.26 0.00
6600.00	12.00	232.49	6539.87	686.84 S	694.88 W	586.05 0.00
±						

\$

SPERRY-SUN DRILLING SERVICES PROPOSAL DATA

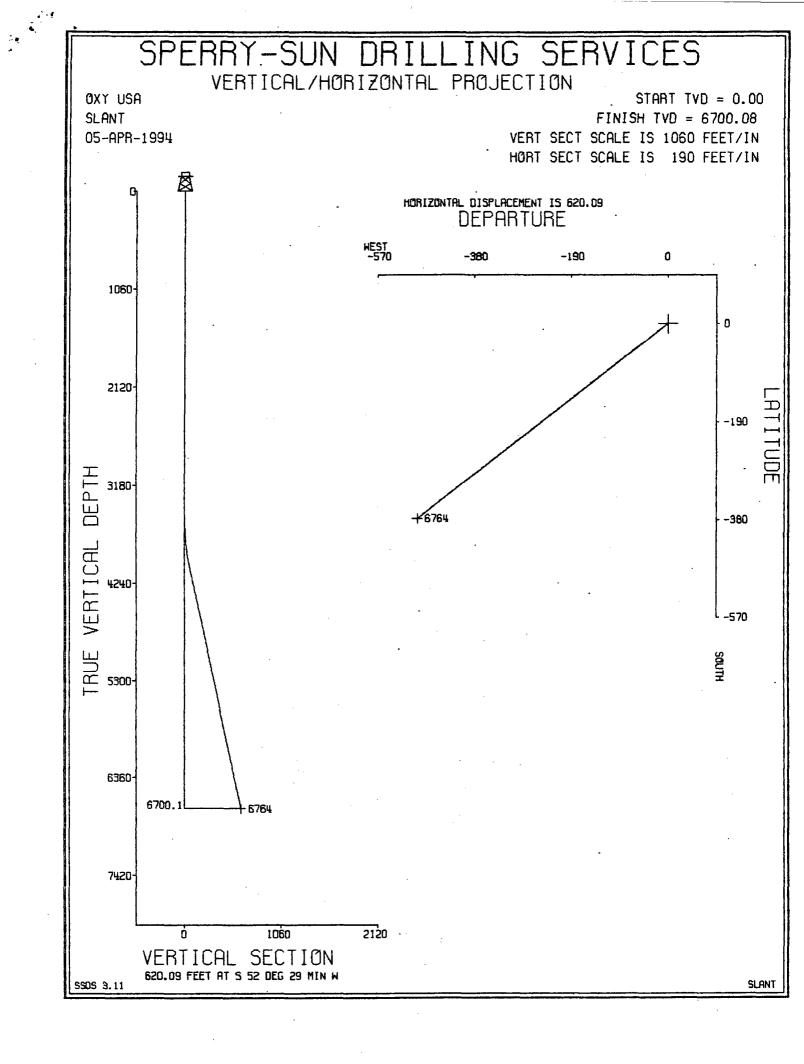
OXY USA SLANT

MEASURED DEPTH	ANGLE DEG	DIRECTION DEG	VERTICAL DEPTH	LATITUDE FEET	DEPARTURE FEET	VERTICAL SECTION	DOG LEG
6638.98 6700.00		232.49	6578.00 6637.69	691.78 S 699.50 S	701.31 W 711.37 W	594.15 606.84	
6763.71		232.49	6700.00	707.57 S	721.88 W	620.08	0.00

THE DOGLEG SEVERITY IS IN DEGREES PER 100 FEET THE VERTICAL SECTION WAS COMPUTED ALONG 232.49°

BASED UPON MINIMUM CURVATURE TYPE CALCULATIONS. THE BOTTOM HOLE DISPLACEMENT IS 620.08 FEET IN THE DIRECTION OF 232.49° COORDINATE VALUES ARE GIVEN RELATIVE TO THE PLATFORM REFERENCE POINT

Page 2



Form 3160-3 (Normethy 1983) UNITED STATES DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT Form approved. Bureau No. 100-013 Explore August No. 1	-*. *	N i		,		
DEPARTMENT OF THE INTERIOR E take memory memory and the second and the	Form 3160-3 (November 1983)	UNI	TED STATES	(Other instr	uctions on	Budget Bureau No. 1004-013
BUREAU OF LAND MANAGEMENT NM 15003 APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK C rest of the state of the stat	(10120-0)	DEPARTMEN	T OF THE INTER	RIOR		-
APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK In the of weak DRILL E DEEPEN PLUG BACK Note of weak Note of weak Will State of weak OPEN State of weak State of weak <td></td> <td>BUREAU OF</td> <td>LAND MANAGEMEN</td> <td>IT</td> <td></td> <td></td>		BUREAU OF	LAND MANAGEMEN	IT		
It First or Walt DEEPEN PLUG BACK 2. Walt Constant Series Monte of Orekarding 2. Walt Constant Series Monte of Orekarding 2. Walt Constant Series Series Series Series Government AB 2. Walt Constant Series <	APPLICATIO			······	BACK	6. IF INDIAN, ALLOTTEE OR TRIBE NAME
b. TTPE OF WALL Will D Will	1a. TYPE OF WOBK					7. UNIT AGREEMENT NAME
with O orman norm core		are 🔄				
2. NAME OF OPERATOR Government AB OXY USA Inc. 5. Walk for. OXY USA Inc. 9. P. 0. Box 50250, Midland, TX 79710 9. 1. Corriso over 1. (Report location clearly and is secondaces with any Blate requirements") 9. 3.30 'FNL & 2.30' FEL Attender Attender 30' FNL & 6.00' FEL Attender Sec. 10, T20S, R28E 11 miles Ne of Carlisbad, New Mexico 10. 12 miles Net of Carlisbad, New Mexico 11. 13.0' FNL & 6.00' FEL 660' (BB) 14 meroset propert processor 660' (BB) 15. Distance Team Properties' 10. Court of seases 16. Distance Team Properties' 10. Court of seases 17.00 Court Properties' 10.700 (Surf.) 18. Distance Team Properties' 10.700 (Surf.) 19. States Team Properties' 10.700 (Surf.) 10. States Team Properties' 10.700 (Surf.) 11. States Team Properties' 11.700 (Surf.) 12. Aurona Cause Mean 6700 'TVD, 6764'MD 13.268' GR 9. 12. Aurona Cause C & Lifeweight (Group Cause Mean 12. T1-12''' 13.730'' HAG 13.268'	OIL X					8. FARM OR LEASE NAME
0.1. Our Diff. 9 2. A RORES or OPERATOR 9 P. O. Box 50250, Midland, TX 79710 0 4. LOCATION OF WIL (Report leads a design and is accordance with any Bists requirements) 0 At series or over WIL (Report leads a design and is accordance with any Bists requirements) 0 At series or over WIL (Report leads and entry and is accordance with any Bists requirements) 0 At proposed prod. cose 600' FNL 6 600' FEL At proposed prod. cose 500. 7205, R28E 11 miles No for Carlsbad, New Mexico 15. No or Access Assocred 12. Series of the Production of the Series of Carlsbad, New Mexico 15. No or Access Assocred 13. Series of the Production of the Series of						Government AB
P. 0. Box 50250, Midland, TX 79710 10<						
4. LOCATION OF WELL (Report location clearly and is accordances with any Biste requirements.") Out a fillingin Addition 3.30' FNL & 230' FEL 3.30' FNL & 230' FEL Sec. 10, T20S, R28E 11 miles NE of Carlsbad, New Mexico Sec. 10, T20S, R28E 12. DerEARCE INFO FELORED" 660' (BH) 16. No. or Actes IN Lease 17. No. or Actes assigned 13. DEREARCE FROM FELORED" 660' (Surf.) 17.20 80 13. DEREARCE FROM FELORED" 660' (Surf.) 17.20 80 15. DEREARCE FROM FELORED" 660' (Surf.) 17.20 80 16. DEREARCE FROM FELORED" 660' (Surf.) 17.20 80 17. BARRACE FROM FELORED" 660' (Surf.) 17.20 80 18. DEREARCE FROM FELORED FELORED" 17.50' (Surf.) 6700'TVD, 6764'MD Rotary 21. ENTERNE FROM FELORED" 17.50' (Surf.) 6700'TVD, 6764'MD Rotary 22. AFFROM FELORED" 17.50' (Surf.) 6700'TVD, 6764'MD Rotary 22. AFFROM FELORED" 17.50' (Surf.) 6700'TVD, 6764'MD Rotary 23.68' CR 13.3/8''H40 48# 400'* 415 sx Class C (Circ. to Surf.) 21.'1.2''''''''''''''''''''''''''''''''						
At survates Bone Springs, Assoc. 330' FNL & 230' FEL File At proposed prod. soor 660' FNL 660' FNL & 660' FEL Sec. 10, T205, R28E 11 miles NE of Carlsbad, New Mexico Sec. 10, T205, R28E 12 convert of Family File 660' (BH) 18 barrace in Family File 660' (BH) 18 barrace for Family File 660' (BH) 18 barrace from Family File 660' (BH) 18 barrace from Family File 120' (Surf.) 17. No or Acase in Lease 17. No or Acase sensione association for the family File 17. No or Acase sensione 18 barrace from Family File 1320' (Surf.) 17. No or Acase in family file 17. No or Acase sensione 21. turvarious (Bhow whether DF, BT, OB, etc.) 22. Affront mole and file 22. Affront mole 7. T/2" 23. To family File 13-3/8" H40 48# 4001* 11" 13-3/8" H40 48# 4001* 11" 13-3/8" K55 124 & 32# 3000' 10' acase c f Liteweight (To c at 2500') It is proposed to directionally drill this well to a TD of 6764' MD				tata ragniramanta ()	·	Old Millman Ranch
Air proposed prof. tow Sec. 10, T20S, R28E 14. Distance in Miles AND DIRCTON FROM WARKET TOWN OR POST OFFICE* 12. COUNT OR PARKET IN MILES AND DIRCTON FROM WARKET TOWN OR POST OFFICE* 12. COUNT OR PARKET IN MILES AND DIRCTON FROM WARKET TOWN OR POST OFFICE* 11. miles NE of Carlsbad, New Mexico 13. No. OF Ackes IN LEASE 11. No. OF Ackes AND DIRCTON FROM WARKET TOWN OR POST OFFICE* 12. COUNT OR PARKET IN MILES 12. DISTANCE PROFILE 13. DISTANCE PROF POSTED LOCATONE* 230' (Surf.) 1720 1720 13. DISTANCE PROF MELL DELATION 230' (Surf.) 1720 10. DOTALE TOWN OR COUNTY 13. DISTANCE PROF MELL DELATION 13. DISTANCE PROF MALL DELATION 1320' (BH) 18. PROFOSED DENTH 20. MOTALE TO CAME TOWN 13. DISTANCE PROF MALL DELATION 1320' (Surf.) 6700'TVD, 6764'MD Rotary 13. DISTANCE PROF MALL DELATION 13. DISTANCE PROF MALL DELATION Recary 21. ANTANO REAL FOOL 13. DISTANCE PROF MALL DELATION State of CAME TO LEASE OF CAME AND LEASE OF CAME AND LEASE OF CAME AND LEASE O	At surface		u ill accordance with any s	tate requirements."	[Bone Springs Assoc.
14. DIFFARCE IN MILES AND DIRACTION FROM MEALEST TOWN OR PORT OFFICE* 12. COUNTY OR PARKEN IN 11. MILES NE Of CATISDAD, New Mexico 16. No. OF ACRES BAINNED 17. No. OF ACRES BAINNED 12. DIFFARCE TRAN PROPOSED 660' (BH) 18. No. OF ACRES BAINNED 17. No. OF ACRES BAINNED 12. DOUTO TO TRANST 660' (BH) 18. No. OF ACRES BAINNED 17. No. OF ACRES BAINNED 13. DIFFARCE TRAN PROPOSED LOCATOR* 1320' (BH) 18. PROPOSED DEFTH 80 13. DIFFARCE TRAN TOW NOT THE WELL 17.00 (SUTF.) 6700'TVD, 6764'MD Rotary 13. DIFFARCE TRAN TOW NOT THE WELL 17.00 (SUTF.) 6700'TVD, 6764'MD Rotary 14. EXPRONS THE DEFT 17.00 (SUTF.) 6700'TVD, 6764'MD Rotary 13. DIFFARCE TRAN TOW NOT THE WELL TO THE WELL THE	At proposed prod. zo	De				
11 miles NE of Carlsbad, New Mexico Eddy NM 18. Distance Fract Records Concernes 660' (BH) 16. NO. OF ACRES IN LEASE 17. NO. OF ACRES ASSIGNED Description 11. 20' (Surf.) 120' (Surf.) 17.20 80 Records Fract Records Concernes 1220' (Surf.) 17.20 80 Records Fract Records Concernes 17.20 (Surf.) 80 80 Records Fract Records Concernes 17.50' (Surf.) 6700'TVD, 6764'MD 80 21. Examples Generations of Fract Mass for concernes 17.50' (Surf.) 6700'TVD, 6764'MD Rotary 22. Examples Generations of Fract Mass for concernes 17.50' (Surf.) 6700'TVD, 6764'MD Rotary 23.68' CR 11.30' (Surf.) 18.50' Cases C (Circ. to Surf.) 19.94 11'''''''''''''''''''''''''''''''''''						
10 16. NO. OF A CHARGE TO ALL OUT (1004) FUCH IDEALCO 16. NO. OF A CHARGE TO ALL ALL ALL ALL ALL ALL ALL ALL ALL AL				; •		
10.021100 NO NEARST TO STRING THE STRING DEFINE ADDRESS TO STRING VALUE ADDRESS TO STRING			1.1.0 No.		17 20 -	
18. Distance read records December 1320' (BH) 19. PROPOSED DEFT 20. BOTAST OR CASLE TOOLS 00 KARAST VEL, DELLING, COMPLETED, 1750' (Surf.) 6700'TVD, 6764'MD Rotary 22. APPROX. DATE WOLDS HILLING, COMPLETED, 1750' (Surf.) 6700'TVD, 6764'MD Rotary 22. APPROX. DATE WOLDS HILLING, COMPLETED, 1750' (Surf.) 6700'TVD, 6764'MD Rotary 23. THATANDE (Show whether DF, HT, GR, etc.) 22. APPROX. DATE WOLDS HILLING, COMPLETED, 177-1/2" 13-3/8" HAO 23. PROPOSED CASING AND CEMENTING PROGRAM * or top of Rustler Anhydrite 3268' CR Size or mole Size or casing Weight PEB FOOT SETTING DEFTH QUANTITY OF CEMENT 24. # 5.5 24# & 32# 3000'. 840 Sx Class C & Liteweight (1 7-7/8" 5-1/2" K55 15.5# 6764' MD 700 Sx Class C & Liteweight (1 700 of the last Bone Springs Sand). The wellbore will strike the top of the last Bone Springs Sand). The wellbore will strike the top of the last Bone Springs Sand at 660' FNL & 660' FEL of Sec. 10, 720S, R28E. The BH location will remain within 150' radius of the center of the quarter-quarter section. The Blowout Prevention Program is as follows: 1. One set of drill pipe rams (3M). 3. One hydril (3M). NA ADVE SPACE DESCHE FEOCENE FEOCE	LOCATION TO NEARES PROPERTY OR LEASE	T (LINE, FT.	560. (BH)		TO TH	
as applies but on THE LANK, Fr. 1750' (Surf.) 6700'TVD, 6764'MD Rotary 3268' GR 22. APPROC. DATE WORK WILL START' May 15, 1994 23. PROPOSED CASING. AND CEMENTING PROGRAM* or top of Rustler Anhydrite 17-1/2" 13-3/8" H40 48# 400'* 415 sx Class C (Cfrc. to Surf. 11" 17-1/2" 13-3/8" H40 48# 400'* 415 sx Class C & Liteweight (f 7-7/8" 17-1/2" 5-1/2" K55 15.5# 6764' MD 700 sx Class C & Liteweight (f 700 sx Class C & Liteweight (f 700 sx Class C & Liteweight (f 700 sx Class C & Liteweight (f 700' below the base of the 1st Bone Springs Sand). The wellbore will strike the top of the lat Bone Springs Sand at 660' FNL & 660' FEL of Sec. 10, T20S, R28E. The BH location will remain within 150' radius of the center of the quarter-quarter section. The Blowout Prevention Program is as follows: 1. 1. One set of drill pipe rams (3M). 2. One hydril (3M). 3. One hydril (3M). 3. One hydril (3M). ADVE BRACE DESCENSE PROFESED PROGRAM: If proposel is to deepen or plug back, give data on present productive some and proposed new productive some. If proposel is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowop preventer program. If any.	18. DISTANCE FROM PRO	POSED LOCATION® 1				AT OR CABLE TOOLS
21. HEWARDONS (Show whether DF, ET, GR, etc.) 22. APPROX. DATE WOLK WILL START 3268' GR May 15, 1994 23. PROPOSED CASING AND CEMENTING PROGRAM * or top of Rustler Anhydrite QUANTITO CEMENT. size or noise atta or casino 17-1/2" 13-3/8" H40 17-1/2" 13-3/8" H40 48# 400'* 415 sx Class C (Circ. to Surf; 11" 8-5/8" K55 24# & 32# 3000'. 840 sx Class C & Liteweight (7-7/8" 5-1/2" K55 15.5# 6764' MD (100' below the base of the 1st Bone Springs Sand). The wellbore will strike the top of the 1st Bone Springs Sand at 660' FNL & 660' FEL of Sec. 10, T20S, R28E, The BH location will remain within 150' radius of the center of the quarter-quarter section. The Blowout Prevention Program is as follows: 1. One set of drill pipe rams (3M). 2. One set of blind rams (3M). 3. One hydril (3M). 3. One hydril (3M). 3. One hydril (3M). 3. One hydril (3M). 3. True Operations Engineer Pare April 8, 1994	OR APPLIED FOR, ON TE	IIS LEASE, FT. 17		0'TVD, 6764'M	D Rot	ary
The process rescales re	<u></u>	ether DF, RT, GR, etc.)				22. APPROX. DATE WORK WILL START*
PROPOSED CASING AND CERMENTING PROGRAM "or top of Rustler Anhydrite or top of Rustler Anhydrite atte or casine weight response setting proposed 17-1/2" 13-3/8" H40 48# 400'* 415 sx Class C (Circ. to Surf: 11" 8-5/8" K55 24# & 32# 3000' 840 sx Class C & Liteweight (G 7-7/8" 5-1/2" K55 15.5# 6764' MD 700 sx Class C & Liteweight (G 700 below the base of the lst Bone Springs Sand). The wellbore will strike the top of the lst Bone Springs Sand at 660' FNL & 660' FEL of Sec. 10, T20S, R28E, The BH location will remain within 150' radius of the center of the quarter-quarter section. The Blowout Prevention Program is as follows: 1. One set of drill pipe rams (3M). 2. 2. One set of blind rams (3M). 3. One hydril (3M). Thus Operations Engineer Date April 8, 1994						May 15, 1994
SIZE OF ROLE SIZE OF CASING WEIGHT FER FOOT SETTING DEPTH QUANTITY OF CEMENT 17-1/2" 13-3/8" H40 48# 400'* 415 sx Class C (Cfrc. to Surf.) 11" 8-5/8" K55 24# & 32# 3000' 840 sx Class C & Liteweight (G 7-7/8" 5-1/2" K55 15.5# 6764' MD 700 sx Class C & Liteweight (G 700' base of the lst Bone Springs Sand). The wellbore will strike the top of the lst Bone Springs Sand at 660' FNL & 660' FEL of Sec. 10, T20S, R28E. The BH location will remain within 150' radius of the center of the quarter-quarter section. The Blowout Prevention Program is as follows: 1. One set of drill pipe rams (3M). 2. One set of blind rams (3M). 3. One hydril (3M).	23.	;	PROPOSED CASING AND	CEMENTING PROGR	AM* or t	op of Rustler Anhvdrite
11" 8-5/8" K55 24# & 32# 3000' 840 sx Class C & Liteweight (0 700 sx Class C & Liteweight (1 70			WEIGHT PEB FOOT	SETTING DEPTH		QUANTITY OF CEMENT
7-7/8" 5-1/2" K55 15.5# 6764' MD 700 sx Class C & Liteweight (TOC at 2500') It is proposed to directionally drill this well to a TD of 6764' MD, or 6700' TVD (100' below the base of the 1st Bone Springs Sand). The wellbore will strike the top of the 1st Bone Springs Sand at 660' FNL & 660' FEL of Sec. 10, T20S, R28E, The BH location will remain within 150' radius of the center of the quarter-quarter section. The Blowout Prevention Program is as follows: 1. One set of drill pipe rams (3M). 2. One set of blind rams (3M). 3. One hydril (3M). Stone Dropossi is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depts. Give blowor preventer program. if any. WIN ABOVE BFACE DESCENES FROMENT: If proposal is to deepen or plug back, give data on present productive sone and proposed new productive sone. SHONED If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depts. Give blowor preventer program. If any. WIN ABOVE BFACE DESCENCE FROMENT: If proposal is to deepen or plug back, give data on present productive sone and proposed new productive sone. WIN ABOVE BFACE DESCENCE FROMENT: If proposal is to deepen or plug back, give data on present productive sone and proposed new productive sone. WIN ABOVE BFACE DESCENCE FROMENT: If proposal is to deepen or plug back, give data on present productive sone and proposed new productive sone. WIN ABOVE BFACE DESCENCE FROMENT: If proposal is to de			· · · · · · · · · · · · · · · · · · ·	400!*	415 sx	Class C (Circ. to Surfa
It is proposed to directionally drill this well to a TD of 6764' MD, or 6700' TVD (100' below the base of the 1st Bone Springs Sand). The wellbore will strike the top of the 1st Bone Springs Sand at 660' FNL & 660' FEL of Sec. 10, T20S, R28E, The BH location will remain within 150' radius of the center of the quarter-quarter section. The Blowout Prevention Program is as follows: 1. One set of drill pipe rams (3M). 2. One set of blind rams (3M). 3. One hydril (3M). It proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program if any. Here Operations Engineer Date April 8, 1994			·			Ŭ ,
 (100' below the base of the 1st Bone Springs Sand). The wellbore will strike the top of the 1st Bone Springs Sand at 660' FNL & 660' FEL of Sec. 10, T20S, R28E, The BH location will remain within 150' radius of the center of the quarter-quarter section. The Blowout Prevention Program is as follows: One set of drill pipe rams (3M). One set of blind rams (3M). One hydril (3M). 	/-//8"	5-1/2" K55	15.5#	6764' MD		
 One set of drill pipe rams (3M). One set of blind rams (3M). One hydril (3M). One hydril (3M). 	(100' below t top of the ls The BH locati	the base of the st Bone Springs	lst Bone Springs Sand at 660' FNL	Sand). The w & 660' FEL of	vellbore Sec. 10	will strike the 0, T2OS, R28E,
 2. One set of blind rams (3M). 3. One hydril (3M). IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM : If proposal is to deepen or plug back, give data on present productive some and proposed new productive some. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program, if any. 24. SIGNED TITLE Operations Engineer DATE April 8, 1994 	The Blowout P	revention Progr	am is as follows	:		
 2. One set of blind rams (3M). 3. One hydril (3M). IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM : If proposal is to deepen or plug back, give data on present productive some and proposed new productive some. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program, if any. 34. 34. 36. TITLE Operations Engineer DATE April 8, 1994	1. One set o	f drill pipe ra	ms (3M).			· .
IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen or plug back, give data on present productive some and proposed new productive some. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program, if any. 24. SIGNED TITLE Operations Engineer DATE April 8, 1994	2. One set o	f blind rams (3	M).	-		
zone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowou preventer program, if any. 24. SIGNED TITLE Operations Engineer DATE April 8, 1994	3. One hydri	1 (3M).		• •		
3. One hydril (3M). IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM : If proposal is to deepen or plug back, give data on present productive sone and proposed new product zone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blow preventer program, if any. 24. 3. One hydril (3M). 3. Introductive sone and proposed new productive sone and proposed new productive sone and proposed new product zone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blow preventer program, if any. 24. 3. SIGNED Hole Productive sone and proposed new productive sone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blow preventer program, if any. 24. 3. SIGNED Hole Productive Sone and proposed new productive sone and prop	section. The Blowout P 1. One set o	revention Progr f drill pipe ra	am is as follows ms (3M).			· ·
zone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowo preventer program, if any. 24. 31. 81GNED HOLE DATE April 8, 1994			M).			
	zone. If proposal is to preventer program, if an	drill or deepen directions				
(This space for Federal or State office use)		P.Eller	TITLE OD	erations Engin	eer	DATE April 8, 1994
	PERMIT NO.	·		APPROVAL DATE		

*See Instructions On Reverse Side

DATE ...

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

TITLE .

APPROVED BY ____

CONDITIONS OF APPBOVAL, IF ANY :

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

ITEM 1: If the proposal is to redrill to the same reservoir at a different subsurface location or to a new reservoir, use this form with appropriate notations. Consult applicable State or Federal regulations concerning subsequent work proposals or reports on the well.

ITEM 4: If there are no applicable State requirements, locations on Federal or Indian land should be described in accordance with Federal requirements. Consult local State or Federal office for specific instructions.

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

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

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

NOTICE

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

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

PRINCIPAL PURPOSE: The information is to be used to process and evaluate your application for permit to drill, deepen, or plug back an oil or gas well.

ROUTINE USES: (1) The analysis of the applicant's proposal to discover and extract the Federal or Indian resources encountered. (2) The review of procedures and equipment and the projected impact on the land involved. (3) The evaluation of the effects of proposed operation on surface and subsurface water and other environmental impacts. (4)(5) Information from the record and/or the record will be transferred to appropriate Federal, State, local or foreign agencies, when relevant to civil, criminal or regulatory investigations or prosecutions, as well as routine regulatory responsibility.

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

The Paperwork Reduction Act of 1980 (44 U.S.C. 3501 et seq) requires us to inform you that:

This information is being collected to allow evaluation of the technical, safety, and environmental factors involved with drilling for oil and/or gas on Federal and Indian oil and gas leases.

This information will be used to analyze and approve applications.

Response to this request is mandatory only if the lessee elects to initiate drilling operations on an oil and gas lease.

OXY USA INC.

Box 50250, Midland, TX 79710

April 5, 1994

United States Department of the Interior Bureau of Land Management Carlsbad Resource Area P.O. Drawer 1778 Carlsbad, New Mexico 88220

Re: Application for Permit to Drill OXY USA Inc. Government AB #9 Eddy County, New Mexico Lease No. NM 15003

Gentlemen:

OXY USA Inc. respectfully requests permission to directionally drill our Government AB #9 with the surface location 330' from the north line and 230' from the east line of Section 10, T20S, R28E, Eddy County, New Mexico, Federal Lease No. NM 15003. The well will intersect the top of the 1st Bone Springs sand at 660' FNL and 660' FEL of Sec. 10, T20S, R28E and the bottom hole displacement will be within 150' of the center of the quarter-quarter section. Due to cave/karst features in the area, this surface location was the only acceptable location on the 80 acre proration unit. The location, access road and work area have been staked. It is approximately 11 miles northeast of Carlsbad, New Mexico.

In accordance with requirements stipulated in Federal Onshore Oil and Gas Order No. 1 under 43 CFR 3162.1, our Application for Permission to Drill and supporting evidence is hereby submitted.

I. Application for Permit to Drill:

1. Form 3160.3, Application for Permit to Drill.

- 2. Form C-102 Location and Acreage Dedication Plat certified by Gary Jones, Registered Land Surveyor No. 7977 in the State of New Mexico, dated March 30, 1994. Exhibit "A" attached.
- 3. The elevation of the unprepared ground is 3268 feet above sea level.
- 4. The geologic name of the surface formation is Permian Rustler.

Application for Permit to Drill Government AB #9

Page 2

5.	Rotary drilling equipment will be utilized to drill the well to TD 6,700'(TVD), or 100' below the base of the 1st Bone Springs Sand, and run casing. This equipment will then be rigged down and the well will be completed with a pulling unit.
6.	Proposed total depth is 6,700' TVD, 6764' MD.
7.	Estimated tops of important geologic markers.
	Seven Rivers1,247' TVDUpper Cherry Canyon3,180' TVDBone Spring Lime4,700' TVD1st Bone Springs Sand6,578' TVDTotal Depth6,700' TVD
8.	Estimated depths at which anticipated water, oil, gas or other mineral bearing formations are expected to be encountered:
	Primary Objective: 1st Bone Springs Sand 6578' TVD
	Secondary Objective: Delaware Sands 3180' TVD
9.	The proposed casing program is as follows:
	Surface: 13-3/8" OD 48# H40 ST&C new casing
	Intermediate: 8-5/8" OD 24 & 32# K55 N80 ST&C new casing
	Production: 5-1/2" OD 15.5# K-55 LT&C new casing
10.	Casing setting depth and comenting program:
	A. 13-3/8" OD surface casing set at 400', or the top of the Rustler Anhydrite, in 17-1/2" hole. Circulate cement with 415 sacks class "C" with 2% CaCl ₂ and 0.25 lb/sk Cello-Seal. If cement does not circulate, determine the top of cemans by temperature survey then finish cementing to the surface through 1" in the annulus using Class "C" with 2% CaCl ₂ .

Application for Permit to Drill Government AB #9

Page 3

- B. 8-5/8" OD intermediate casing set at 3000' in 11" hole. Circulate cement with a mutistage job as follows: (DV tool @ 1500') Stage 1 - 250 sx Liteweight cement with 6% Bentonite, 5% salt and 0.25 #/sk Cello-Seal followed by 200 sx class C with 2% CaCl₂.
 - Stage 2 340² sx Liteweight cement with 6% Bentonite and 5% salt followed by 50 sx class C with 2% CaCl₂.

If hole conditions will allow, this string may be cemented to surface convetionally without using a DV tool.

If cement does not circulate, a temperature log will be run to find the TOC, and the well will be toppedout using a 1" tubing string and class C cement with 2% CaCl₂.

C. 5-1/2" OD production casing set @ 6700' TVD, 6764' MD. Cement with 525 sx of Liteweight cement with 6% Bentonite + 0.25#/sx Cello-Seal + 3#/sx Hi-Seal 2 followed by 175 sx of class C with 5 #/sx Fumed Silica for compressive strength enhancement and low fluid loss additives.

Estimated top of cement is 2,500'.

Note: Cement volumes may need to be adjusted to hole caliper.

11. Pressure Control Equipment

0' - 400' None

- 400' 3000' 12" 3000# ram type preventers with one set blind rams and one set pipe rams.
- 3000' 6700' 10" 5000# ram type preventers with one set blind rams and one set pipe rams and a 3000# annular type preventer. See attached exhibit. A choke manifold and 120 gallon accumulator with floor and remote operating stations and auxiliary power system.

Application for Permit to Drill Government AB #9

Page 4

A kelly cock will be installed and maintained in operable condition and a drill string safety valve in the open position will be available on the rig floor.

After setting the 8-5/8" casing, the blowout preventers and related control equipment shall be pressure tested to 3000 psi. Any equipment failing to test satisfactorily shall be repaired or replaced. Results of the BOP test will be recorded in the Driller's Log. The BOPs will be maintained ready for use until drilling operations are completed.

BOP drills will be conducted as necessary to assure that equipment is operational and each crew is properly trained to carry out emergency duties.

Accumulator shall maintain a pressure capacity reserve at all times to provide for the close-open-close sequence of the blind and pipe rams of the hydraulic preventers.

- 12. Mud Program:
 - 0' 400' Fresh water spud mud. Using lime to control pH (9 to 10). Paper for seepage. Vis 33-36 sec.
 - 400' 1500' Fresh water/native mud. Wt. 8.9-9.2 ppg, vis 32-34 sec, pH 10-10.5 with lime. Paper for seepage control.
 - 1500' 3000' Fresh water/native mud. Wt. 9.6-9.8 ppg, vis 32-34. Add 10 lb brine as make-up to avoid excessive washouts in salt stringers. Lime for pH control (10-10.5). Paper for seepage.
 - 3000' 6000' Fresh water. Wt. 8.4 ppg, vis 26-28. Use lime to control pH and paper for seepage.

Application for Permit to Drill Government AB #9

Page 5

6000' - 6700' Mud up with a LSND FW gel system with the following characterstics: Wt. 8.6-8.8 ppg Vis. 32-34 sec. WL 10 cc or less

13. Testing, Logging and Coring Program:

A. Testing program: None planned.

B. Mud logging program: Two man unit from 3000' to TD.

- C. Electric logging program: CNL-LDT-Cal-GR, DLL-Cal-GR.
- D. Coring program: Possible sidewall cores.
- 14. No abnormal temperatures, pressures or H2S gas are anticipated.
- 15. Anticipated starting date is May 15, 1994. It should take approximately 20 days to drill the well and another 7-10 days to complete.
- 16. A directional well plan is attached. KOP 3582' TVD, build 3 deg/100', max angle 12 degrees, hold 12 degrees to TD.
- 17. The Multi-Point Surface Use & Operation Plan is attached.
- 18. If the Bureau of Land Management needs additional information to evaluate this application, please advise.

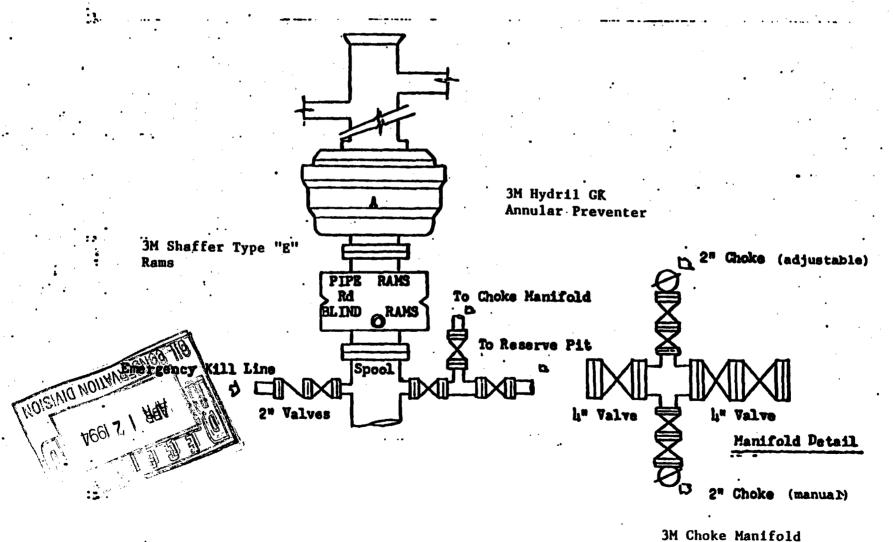
Very truly yours,

Robert P. Elliott Operations Engineer Western Region

RPE Attachments

MCGEE DRILLING CORPORATION BLOWOUT PREVENTOR SCHEME RIG 1

12" 3090# Annular & BOP & Manifold



MULTI-POINT SURFACE USE AND OPERATIONS PLAN

OXY USA Inc. Government AB #9 Eddy County, New Mexico Lease No. NM 15003

This plan is submitted with the Application for Permit to Drill the above described well. The purpose of the plan is to identify the location of the proposed well, the proposed construction activities and operations plan, the magnitude of necessary surface disturbance involved and the procedures to be followed in rehabilitating the surface after completion of the operation so that a complete appraisal may be made of the environmental effects associated with the operation.

The well, access road and work area have been staked by a registered New Mexico land surveyor. Mariah Associates, Inc. have been engaged to make an archaeological reconnaissance of the work area. Their findings concerning cultural resources will be reported to the Bureau of Land Management.

1. <u>Existing Roads</u>

A copy of a USGS "Angel Draw, New Mexico" quadrangle map is attached showing the surface location of the well as staked. The well is spotted on this map, which also shows the existing road system and the proposed access road. Exhibit "B".

Directions to location:

From Carlsbad, New Mexico, go east on U.S. Highway 62/180 to mile marker 44. Turn left on County Rd #243 and go 6 miles. Road will bend to the left. Follow #243 for another 2 miles to intersection of County Rd #242. Turn right on County Rd #242 and go ± 0.8 miles. Turn left at McGee Drilling Company (MDC) Rig #2 sign and follow road to location. Drilling rig will be visible from sign.

2. <u>Planned Access Road</u>

A. Approximately 0.25 miles of new road will be required for the proposed Government AB #9. The access road for the AB #9 will run east-northeast from an existing road to the location. See Exhibit "B".

Page 2

- B. Surfacing material: Six inches of caliche and water, compacted and graded.
- C. Maximum Grade: Less than 3%.
- D. Turnouts: None needed.
- E. Drainage Design: Access road will have a drop of 6" from center line to each side.
- F. Culverts: None needed.
- G. Cuts and Fills: Leveling the location will require minimal cuts or fills.
- H. Gates or Cattleguards: None required.
- 3. Existing wells within a one mile radius of the proposed development well are shown on Exhibit "C".
- 4. Location of Existing and/or Proposed Facilities
 - A. If the well is productive, a flowline will be built along the access road ROW to the tank battery on the AB #7 location. This tank battery will be constructed for all of the Bone Springs wells proposed on the Government AB lease.

Permanent facilities will be constructed on the Government AB #7 location (660' FNL and 1980' FWL of Sec. 10, T20S, R28E) after the AB #7 well is drilled. The facilities at the AB #7 location will consist of three steel 500 bbl tanks for oil storage and one 500 bbl fiberglass tank for produced water storage. These facilities will be used for all four Bone Springs wells proposed on the Government AB lease. Each well on the AB lease will flow into a common production separator. Water and oil will be dumped from the separator to a common heater treater. A three phase test separator will be used for well testing for allocation purposes. All permanent above ground facilities will be painted in accordance with the BLM's painting guidelines simulating the color of sandstone brown.

B. All site security guidelines identified 19 43 GFR 3162.7 regulations will be adhered to and a site security plan will be submitted for the Government AB Zank battery. All product lines entering and leaving hydrocarbon storage tanks will be effectively sealed.

Page 3

5. Location and Type of Water Supply

Fresh water and brine water will be used to drill this well. Brine will be purchased near Carlsbad, New Mexico and transported to the well site. Fresh water will be obtained from the Double Eagle water supply.

6. <u>Source of Construction Materials</u>

Caliche for surfacing the road and the well will be obtained from a Federal pit located in Section 12, T-20-S, R-27-E, Eddy County, New Mexico.

7. <u>Method of Handling Waste Disposal</u>

- A. Drill Cuttings will be disposed of in drilling pits.
- B. Drilling fluids will be allowed to evaporate in the drilling pits until pits are dry.
- C. Water produced during tests will be disposed of in the drilling pits. Oil produced during tests will be stored in test tanks until sold.
- D. Current laws and regulations pertaining to the disposal of human waste will be complied with.
- E. Trash, waste paper, garbage and junk will be collected in steel trash bins and removed after drilling and completion operations are completed. All waste material will be contained to prevent scattering by the wind.
- F. All trash and debris will be removed from the wellsite within 30 days after finishing drilling and/or completion operations.

8. <u>Ancillary Facilities</u>

A. None needed.

9. <u>Wellsite Layout</u>

A. The location and dimensions of the well pad, mud pits, reserve pit and location of major rig components are shown on the well site layout sketch. The V-door will be to the south and the pits to the east. Exhibit "D".

Page 4

- B. Leveling of the wellsite will be required with minimal cuts or fills anticipated.
- C. The reserve pit will be plastic lined.
- D. The pad and pit area have been staked and flagged.

10. Plans for Restoration of the Surface

- A. After completion of drilling and/or completion operations, all equipment and other materials not needed for operations will be removed. Pits will be filled and location cleaned of all trash and junk to leave the well site in as aesthetically pleasing condition as possible.
- B. Any unguarded pits containing fluids will be fenced until they are filled.
- C. After abandonment of the well, surface restoration will be in accordance with the land owner. This will be accomplished as expeditiously as possible. Barring unforeseen problems, all pits will be filled and leveled within 90 days after abandonment.

11. Other Information

- A. Topography: The location is flat plain gently sloping to the south at about 30 feet/mile. GL elevation is 3268'.
- B. Soil: Sandy clay loams.
- C. Flora and Fauna: The vegetative cover is generally sparse consisting of mesquite, yucca, shinnery oak, sandsage and perennial native range grasses. Wildlife in the area is also sparse consisting of coyotes, rabbits, rodents, reptiles, dove and quail.
- D. Ponds and Streams: There are no rivers, streams, lakes or ponds in the area.
- E. Residences and Other Structures: The nearest occupied dwelling is approximately 2.5 miles to the west of the location.
- F. Archaeological, Historical and Cultural Sites: None observed in the area. Mariah Associates, Inc. will be

Page 5

engaged to make an archaeological reconnaissance of the work area.

- G. Land Use: Cattle ranching and hunting in season.
- H. Surface Ownership: The wellsite and access road are on Federal owned surface. The surface is leased to Pardue Farms, P.O. Box 2018, Carlsbad, New Mexico. They will be notified of our intention to drill prior to any activity.

Upon completion of the well, any plastic material used to line the pits or sumps will be cut off below ground level as far as possible and disposed of before the pits are covered. All unattended pits containing liquid will be fenced and the liquid portion allowed to evaporate before the pits are broken and backfilled.

All waste associated with the drilling operation will be contained in steel bins and removed. All garbage and debris left on site will be removed within 30 days of the final completion. The well site, if a producer, will be maintained and kept clean of all trash and litter which detracts from the surrounding environment. Equipment will be maintained in accordance with good operating practice.

After the wellsite is cleaned and pits and sumps backfilled, any obstruction to the natural drainage will be corrected by ditching or terracing. All disturbed areas, including any access road no longer needed, will be ripped. Those areas will be reseeded with grass if, in the opinion of the land owner, it is required.

12. Operator's Representatives

The field representatives responsible for assuring compliance with the approved surface use and operations plan are as follows:

Mr. S.C. Nichols, Production Foreman P.O. Box 69 Hobbs, New Mexico 88240

Office Phone: 505/393-2174 Home Phone: 505/392-5943

Page 6

Robert D. Hunt, Operations Manager, Hobbs P.O. Box 50250 Midland, Texas 79710

Office Phone: 915/685-5744 Home Phone: 915/699-2559

13. <u>Certification</u>

I hereby certify that I, or persons under my direct supervision, have inspected the proposed drill site and access route; that I am familiar with the conditions which presently exist; that the statements made in this plan are, to the best of my knowledge, true and correct; and, that the work associated with the operations proposed herein will be performed by OXY USA Inc. and its contractors and sub-contractors in conformity with this plan and the terms and conditions under which it is approved.

15,1994

OPERATIONS ENGINEER WESTERN REGION

DISTRICT I P.O. Box 1980, Hobbs, NM 68240

,• •

DISTRICT III

•

DISTRICT II P.O. Drawer DD, Artesia, NM 88210

1000 Rio Brazos Rd., Aztec, NM 87410

State of New Mexico

Energy, Minerals and Natural Resources Department

Form C-102 Revised February 10, 1994 Instruction on back Submit to Appropriate District Office State Lease - 4 Copies Fee Lease - 3 Copies

.

OIL CONSERVATION DIVISION

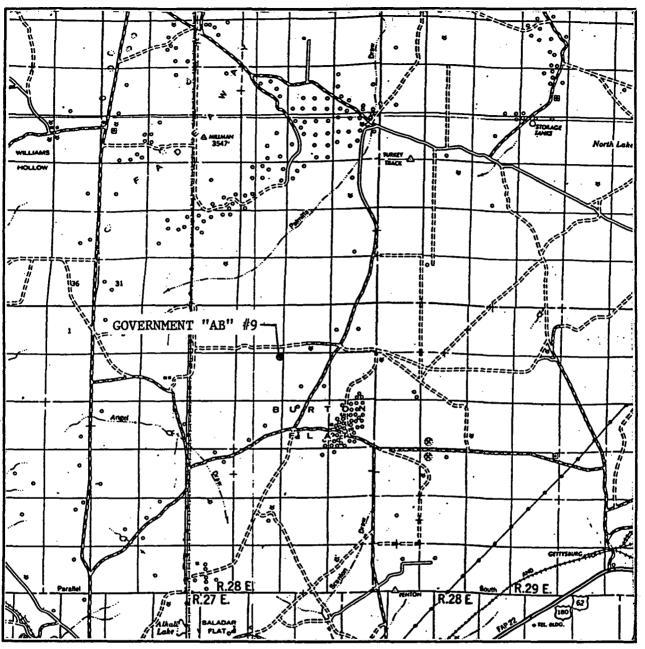
P.O. Box 2088

Santa Fe, New Mexico 87504-2088

CI AMENDED REPORT

			WELL LO	CATIO	N AND ACRE	EAGE DEDICATION	ON PLAT			
API Number				Pool Code Pool Name						
				Old Millman Ranch Bone Springs, Assoc.						
Property Code					Property Ne			Well Number		
OCPUD N		_			GOVERNMEN	and the second se		9 Elevation		
OGRID No.				Operator Name OXY U.S.A. INC.					10h	
OXY U.S.A. INC. 3268 Surface Location										
UL or lot No.	Section	Townshi	p Range	Lot Idn Feet from the		North/South line	Feet from the	East/West line	County	
A	10	205	5 28 E			NORTH	230	EAST	EDDY	
			¹¹ Bottom	Hole L	ocation If Dif	ferent From Sur				
UL or lot No.	Section	Townshi		Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County	
A	10	205	5 28E		708	North	723	East	Eddy	
Dedicated Acre 80	s Joint o	r Infill	Consolidation (Code (order No.					
L	<u> </u>			L						
NO ALLO	WABLE 1					UNTIL ALL INTER N APPROVED BY		EN CONSOLIDA	ATED	
· · · · · · · · · · · · · · · · · · ·				1	т					
		•		1	330	OPERATO	OPERATOR CERTIFICATION			
			Į	l.	23		I hereby certify the the information contained herein is true and complete to the			
					l I	SEE DETAIL	11	iedge and belief.		
			1	ĥ	O BELOW		\square			
		•	[l l		P. >00.00				
				1		Signature	1. Ceany			
							. Elliott			
					326	3268.8' 3268.6'	Printed Name			
						O 3262.4' 3267.5'	Operations Engineer THUE April 8, 1994			
					· 1					
							Date			
	1				1		SURVEYOR CERTIFICATION			
						•	11	y that the well locat	1 1	
	i			ł	i		- 11 · ·	as plotted from field made by me or		
	. 1			1	ĺ		supervisore an	dishat the same is	true and	
	1			1	1		correct to th	w bust of may belie	<i>r</i> .	
					I		Mor	ch 30, 1994		
	1		•	1	I		Date Survey	a V		
	+			+	+	-				
							A STREET	A CE	/	
					l		Mar	10-10-2	her	
			• •				10-10-00	Strighth Ling		
	ļ			1			W.D. N	<u></u>	508	
					1		Certificate N	IO. JOHN W. WES RONALD J. EIDSC		
				}	1			GARY L JONE		
L							and hereits are seen as a second s			

VICINITY MAP



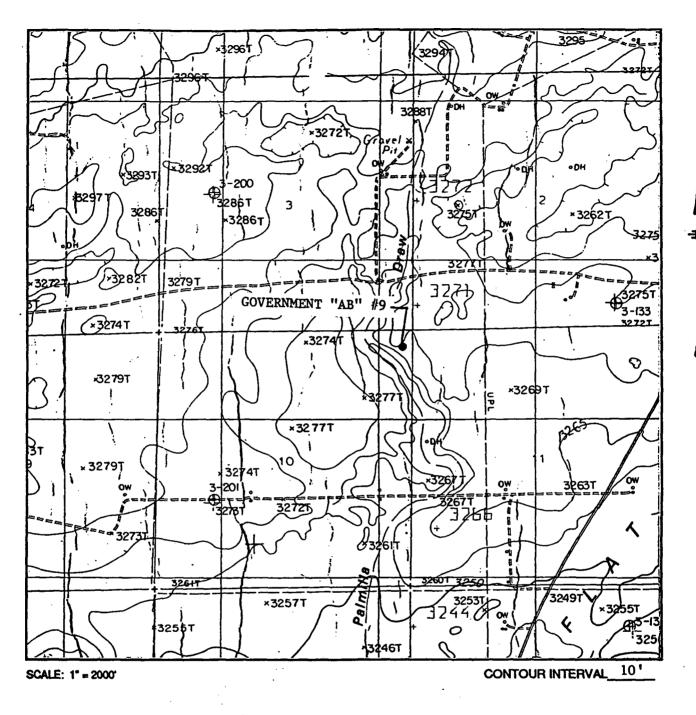
SCALE: 1" = 2 MILES

SEC. 10	TWP RGE	28E
SURVEY	N.M.P.M.	
COUNTY	EDDYSTATE	N.M.
	330' FNL & 230'	FEL
	3268'	
OPERATOR	OXY U.S.A., INC	•
LEASE	GOVERNMENT "AB"	# 9

JOHN WEST ENGINEERING HOBBS, NEW MEXICO (505) 393-3117

•

LOCATION VERIFICATION MAP



SEC.__10__TWP.__20S__RGE._28E N.M.P.M. SURVEY_ EDDY N.M. COUNTY _STATE_ 330' FNL & 230' FEL DESCRIPTION 3268' ELEVATION OXY U.S.A., INC. **OPERATOR** GOVERNMENT "AB" #9 LEASE U.S.G.S. TOPOGRAPHIC MAP

ANGEL DRAW, N.M.

JOHN WEST ENGINEERING HOBBS, NEW MEXICO (505) 393-3117

.

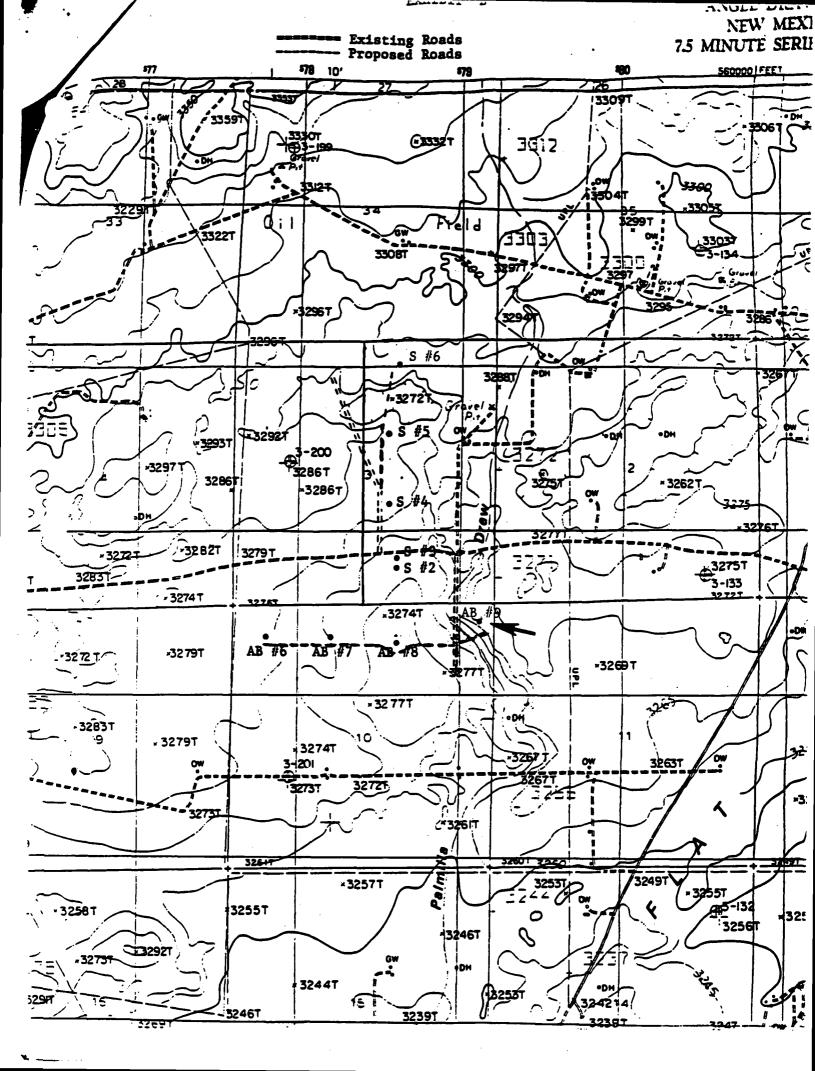
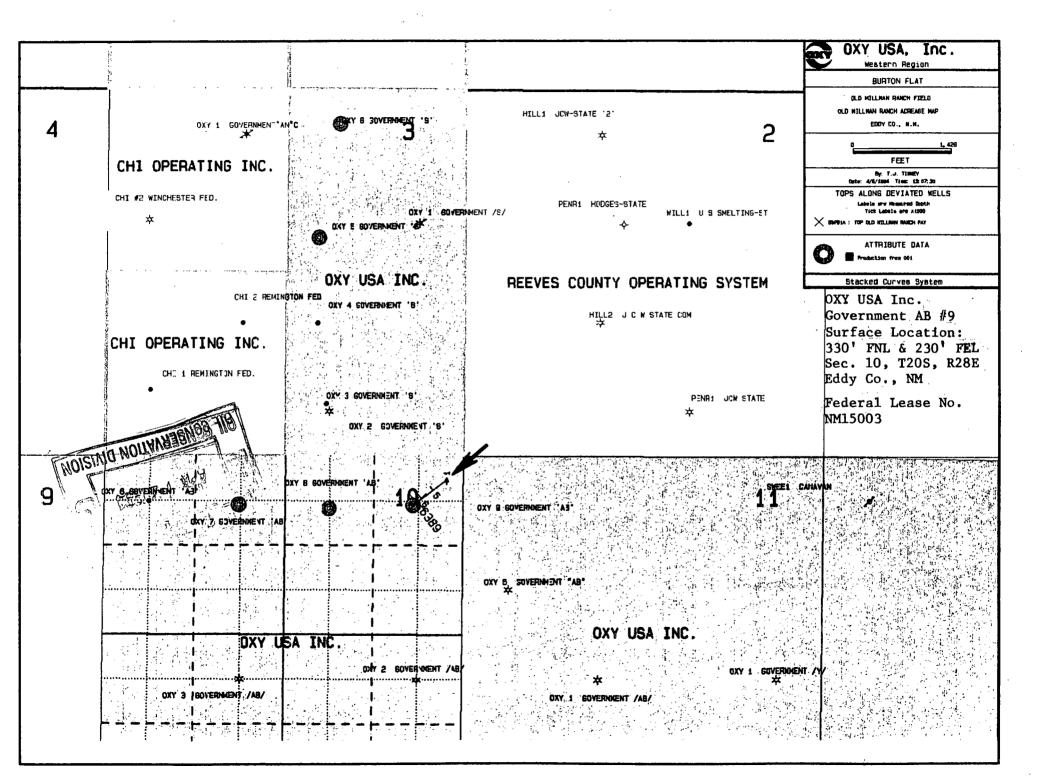


EXHIBIT "C"



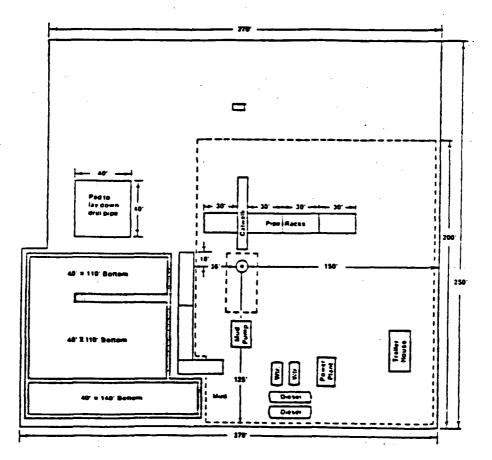


EXHIBIT "D" OXY USA Inc. Government AB #9 330' FNL & 230' FEL Sec. 10, T20S, R28E Eddy Co., NM

Federal Lease No. NM15003

LOCATION PLAT

SPERRY-SUN DRILLING SERVICES PROPOSAL DATA

OXY USA SLANT

· • 🕹

ч А

Ţ

05-APR-1994 13:46:46

MEASURED DEPTH	ANGLE DEG	DIRECTION DEG	VERTICAL DEPTH	LATITUDE FEET	DEPARTURE FEET	VERTICAL DOG SECTION LEG
	019				1 221	
3000.00	0.00	0.00	3000.00	330.00 S	230.00 W	0.00 0.00
3100.00	0.00	0.00	3100.00	330.00 S	230.00 W	0.00 0.00
3200.00	0.00	0.00	3200.00	330.00 S	230.00 W	0.00 0.00
3300.00	0.00	0.00	3300.00	330.00 S	230.00 W	0.00 0.00
3400.00	0.00	0.00	3400.00	330.00 S	230.00 W	0.00 0.00
3500.00	0.00	0.00	3500.00	330.00 S	230.00 W	0.00 0.00
3582.00	0.00	0.00	3582.00	330.00 S	230.00 W	0.00 0.00
3600.00	0.54	232.49	3600.00	330.05 S	230.07 W	0.08 3.00
3700.00	3.54	232.49	3699.92	332.22 S	232.89 W	3.64 3.00
3800.00	6.54	232.49	3799.53	337.57 S	239.86 W	12.43 3.00
3900.00	9.54	232.49	3898.53	346.08 S	250.95 W	26.41 3.00
3982.00	12.00	232.49	3979.08	355.41 S	263.11 W	41.73 3.00
4000.00	12.00	232.49	3996.69	357.69 S	266.07 W	45.48 0.00
4100.00	12.00	232.49	4094.50	370.35 S	282.57 W	66.27 0.00
4200.00	12.00	232.49	4192.32	383.01 S	299.06 W	87.06 0.00
4300.00	12.00	232.49	4290.13	395.67 S	315.55 W	107.85 0.00
4400.00	12.00	232.49	4387.95	408.33 S	332.04 W	128.64 0.00
4500.00	12.00	232.49	4485.76	420.99 S	348.54 W	149.43 0.00
4600.00	12.00	232.49	4583.58	433.65 S	365.03 W	170.22 0.00
4700.00	12.00	232.49	4681.39	446.31 S	381.52 W	191.02 0.00
4800.00	12.00	232.49	4779.21	458.97 S	398.01 W	211.81 0.00
4900.00	12.00	232.49	4877.02	471.63 S	414.51 W	232.60 0.00
5000.00	12.00	232.49	4974.84	484.29 S	431.00 W	253.39 0.00
5100.00	12.00	232.49	5072.65	496.95 S	447.49 W	274.18 0.00
5200.00	12.00	232.49	5170.47	509.61 S	463.99 W	294.97 0.00
5300.00	12.00	232.49	5268.28	522.27 S	480.48 W	315.76 0.00
5400.00	12.00	232.49	5366.10	534.93 S	496.97 W	336.55 0.00
5500.00	12.00	232.49	5463.91	547.59 S	513.46 W	357.34 0.00
5600.00	12.00	232.49	5561.72	560.25 S	529.96 W	378.14 0.00
5700.00	12.00	232.49	5659.54	572.91 S	546.45 W	398.93 0.00
5800.00	12.00	232.49	5757.35	585.57 S	562.94 W	419.72 0.00
5900.00	12.00	232.49	5855.17	598.23 S	579.43 W	440.51 0.00
6000.00	12.00	232.49	5952.98	610.89 S	595.93 W	461.30 0.00
6100.00	12.00	232.49	6050.80	623.55 S	612.42 W	482.09 0.00
6200.00	12.00	232.49	6148.61	636.21 S	628.91 W	502.88 0.00
6300.00	12.00	232.49	6246.43	648.86 S	645.40 W	523.67 0.00
6388.51	12.00	232.49	6333.00	660.07 S	660.00 W	542.08 0.00
6400.00	12.00	232.49	6344.24	661.53 S	661.90 W	544.47 0.00
6500.00	12.00	232.49	6442.06	674.18 S	678.39 W	565.26 0.00
6600.00 ‡	12.00	232.49	6539.87	686.84 S	694.88 W	586.05 0.00

\$

SPERRY-SUN DRILLING SERVICES PROPOSAL DATA

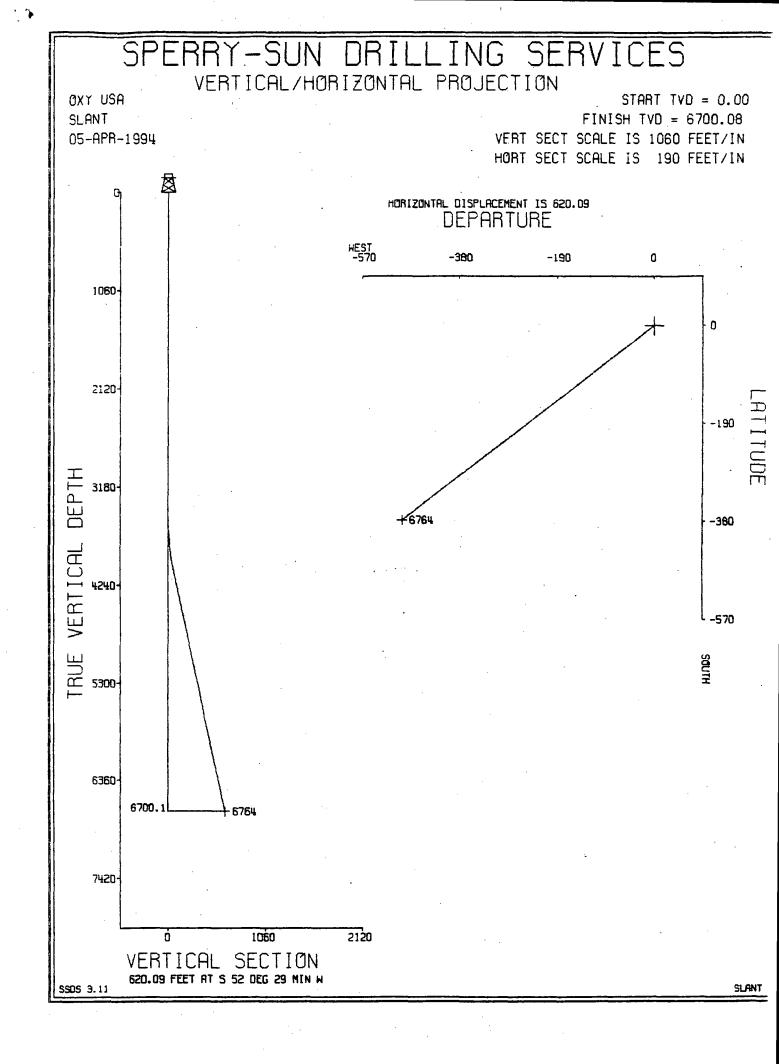
OXY USA SLANT Page 2

05-APR-1994 13:46:46

MEASURED DEPTH	ANGLE DEG	DIRECTION DEG	VERTICAL DEPTH	LATITUDE FEET	DEPARTURE FEET	VERTICAL SECTION	DOG LEG
6638.98	12.00	232.49	6578.00	691.78 S	701.31 W	5 94. 15	0.00
6700.00	12.00	232.49	6637.69	699.50 S	711.37 W	606.84	0.00
6763.71	12.00	232.49	6700.00	707.57 S	721.88 W	620.08	0.00

THE DOGLEG SEVERITY IS IN DEGREES PER 100 FEET THE VERTICAL SECTION WAS COMPUTED ALONG 232.49°

BASED UPON MINIMUM CURVATURE TYPE CALCULATIONS. THE BOTTOM HOLE DISPLACEMENT IS 620.08 FEET IN THE DIRECTION OF 232.49° COORDINATE VALUES ARE GIVEN RELATIVE TO THE PLATFORM REFERENCE POINT



OXY USA INC. Box 50250, Midland, TX 79710



April 6, 1994

Reeves County Systems, Inc. Attn: Mr. Robert Hillin P.O. Box 152 Odessa, Texas 79760

Re: Government AB #9

Mr. Hillin:

This letter is to inform you of OXY USA's intention to directionally drill our Government AB #9. Because of the numerous cave features in the area, the only suitable surface location for the well was at 330' FNL and 230' FEL of section 10, T-20-S, R-28-E which is adjacent to your lease in section 2. The primary objective in this well is the First Bone Springs Sand. We anticipate intersecting the top of the sand at 660' FNL and 660' FEL and exiting the base of the sand at 692' FNL and 701' FEL. The BH location at TD is anticipated to be 708' FNL and 723' FEL of Sec. 10, T-20-S, R-28-E. A lease plat and well plan are attached.

If you have no objections to our plans outlined above, please sign in the space provided below and notarize. If you require additional information please feel free to contact me at my office at (915) 685-5821. Thank you for your attention in this matter.

Sincerely, OXX USA, Inc.

Robert P. Elliott Operations Engineer

Waiver:

Mr. Robert Hillin Reeves County Systems, Inc.

CC: Michael Stogner - NMOCD Santa Fe, NM D. Stewart/File T. Tinney RPE

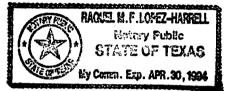
2441 JON 248048) BADDARI - FORME DITOR LUG ARGY DYRE STU ARDANIAN DR TERREPARTAL AD DITORIZATION DI TO DITORAN AND DITORIAN ADDAR ALIANY AND THE ADDARD TO THE DITOR DITOR DITOR DITOR DITOR ADDARD DI AND THE DITORIZATION DI TO DITORAN ADDARD ADDARD ADDARD DI AND THE DITORIZATION DI TO DITORANA ADDARD ADDARD ADDARD DI ANDRA DI ADDARD DI TO DITOR DI TO DITORANA ADDARD ADDARD DI ANDRE DI TORI DI TO DI TO DITOR DI TO DI TORI DI TO ADDARD DI TORI ADDARD DI TORI ADDARD DI TORI ADDARD DI TORI ADDARD DI TORI ADDARD DI TORI ADDARD DI TORI ADDARD DI TORI ADDARD DI TORI ADDARD DI TORI DI STATE OF TEXAS

COUNTY OF ECTOR

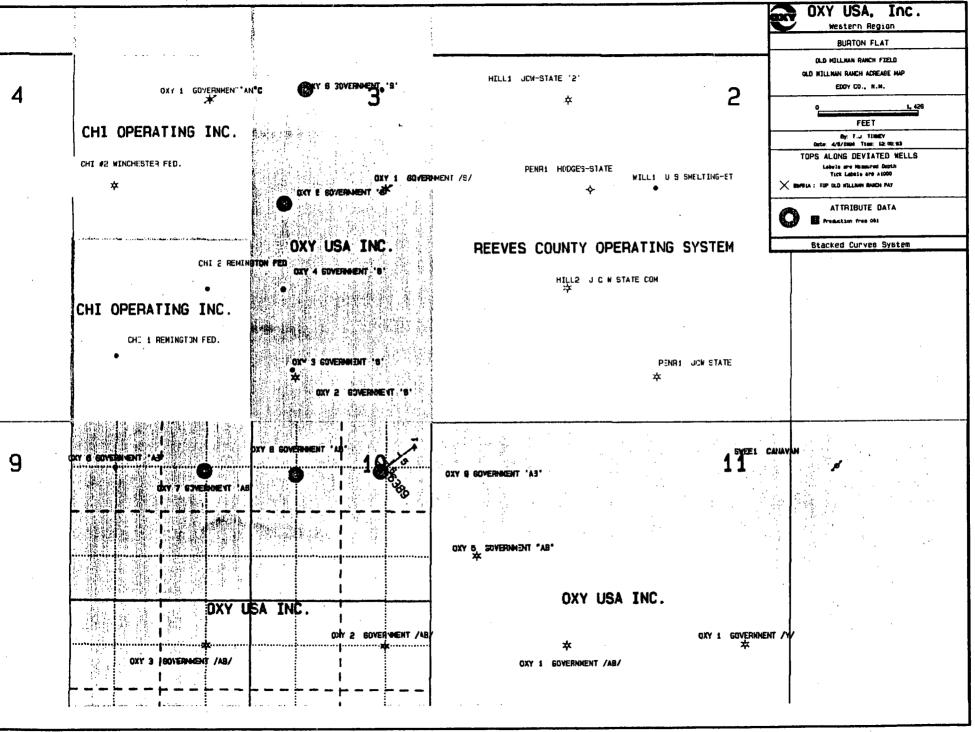
ă

BEFORE ME, the undersigned authority, on this day personally appeared ROBERT N. HILLIN, President of REEVES COUNTY SYSTEMS, INC., known to me to be the person whose name is subscribed to the foregoing instrument, and that he executed the same as the act and deed for the purpose and consideration therein expressed, and in the capacity therein stated.

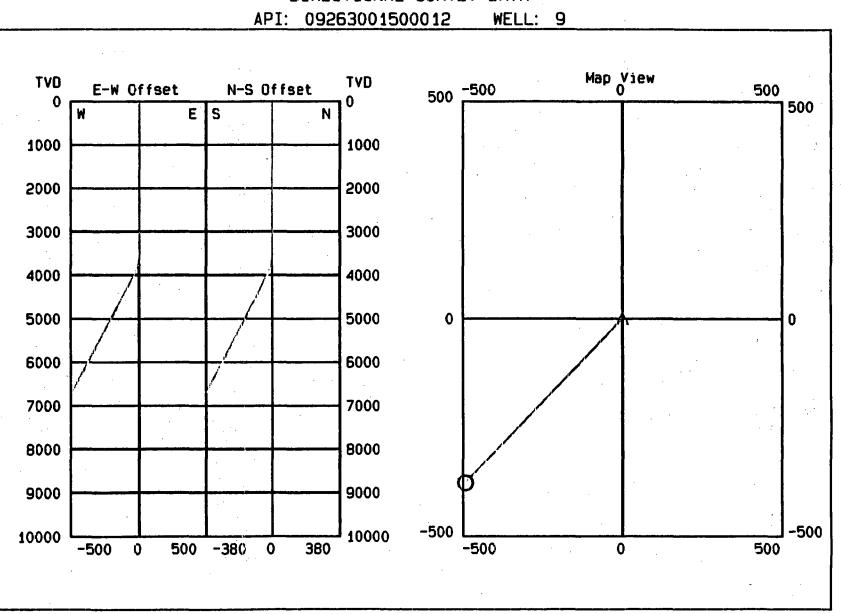
GIVEN UNDER MY HAND AND SEAL OF OFFICE this <u>6th</u> day of <u>April 1994</u>, and effective immediately.



Notary Public: Raquel M.F. Lopez-Harrell State: Texas Expiration Date: April 30, 1994



.



DIRECTIONAL SURVEY DATA

_



Box 50250, Midland, TX 79710

April 11, 1994



State of New Mexico Oil Conservation Division Attn: Michael Stogner 310 Old Santa Fe Trail Santa Fe, New Mexico 87501

Re: Government AB #9

Mr. Stogner:

OXY USA Inc. requests administrative approval to directionally drill our Government AB #9 well located in North Burton Flat field in Eddy Co., New Mexico. Due to numerous cave entrances, and other physical features found in the area, the only suitable surface location that could be found was at 330' FNL and 230' FEL of Sec. 10, T-20-S and R-28-E. Mr. Jim Goodbar and Mr. Barry Hunt with the BLM were on location with me when the surface location was selected for this well.

As per OCD Rule 111 and our telephone conversation, the following items have been attached for your review:

- 1) Topography map showing surface obstructions.
- 2) Copy of Notification Letter/Waiver to Reeves County Systems, Inc.
- 3) Form C-102 showing proposed surface and bottom hole locations.
- 4) The proposed directional well plan.
- 5) A copy of the APD filed with the BLM.
- 6) Land Plat showing proposed well and offset operators.

If you require additional information, or need clarification, please contact me at (915) 685-5821. Thank you for your assistance in this matter.

Sincerely, A 211 Mr. Stagner Operations Engineer Western Region This cover letter should be correct. Attachments Hease replace the one showing J. Goodbar - BLM cc: Barry Hunt - BLM GOVT STIG. Sorry For the incon-D. Stewart RPE Well File redience... λ. Reaching and appended by an egging 4) na in 1993 i Per 57 No statico No statico No statico