

District I1625 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) 748-0720**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 and Natural Resources

Oil Conservation Division

1220 South St. Francis Dr.

Santa Fe, NM 87505

Form C-101
Revised July 18, 2013☐ AMENDED REPORT

APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE

Operator Name and Address OKY USA WTP LP P.O. Box 50250 Midland TX 79710		OGRID Number 192463
Property Code 302413	Property Name M.J. Riley B	API Number 30-025-36776 ✓
		Well No. 1

2. Surface Location

UL - Lot	Section	Township	Range	Lot Idn	Feet from	N/S Line	Feet From	E/W Line	County
C	17	20S	38E		650	North	2070	West	Lea ✓

3. Proposed Bottom Hole Location

UL - Lot	Section	Township	Range	Lot Idn	Feet from	N/S Line	Feet From	E/W Line	County

4. Pool Information

Pool Name Skaggs Grayburg	Pool Code 57380 ✓
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Additional Well Information

11 Work Type P	12 Well Type O	13 Cable/Rotary	14 Lease Type P	15 Ground Level Elevation 3562'
16 Multiple NO	17 Proposed Depth 4000'	18 Formation Grayburg	19 Contractor After Approval	20 Spud Date
Depth to Ground water		Distance from nearest fresh water well		Distance to nearest surface water

☒ We will be using a closed-loop system in lieu of lined pits

21. Proposed Casing and Cement Program

Type	Hole Size	Casing Size	Casing Weight/ft	Setting Depth	Sacks of Cement	Estimated TOC
Surf	12 1/4"	8 5/8"	24#	1530'	750	Surf-Circ
Prod	7 7/8"	5 1/2"	17#	7200'	2500	Surf-Circ

Casing/Cement Program: Additional Comments

See attached for proposed procedure, WBD & CIO2, Gas Capture Plan

22. Proposed Blowout Prevention Program

Type	Working Pressure	Test Pressure	Manufacturer
Annular	3000	3000	

23. I hereby certify that the information given above is true and complete to the best of my knowledge and belief.

I further certify that I have complied with 19.15.14.9 (A) NMAC ☐ and/or 19.15.14.9 (B) NMAC ☐ if applicable.

Signature

Printed name

Title

E-mail Address

Date

Phone

OIL CONSERVATION DIVISION

Approved By:

Title

Approved Date: 12/03/2019

Expiration Date: 12/03/2019

Conditions of Approval Attached

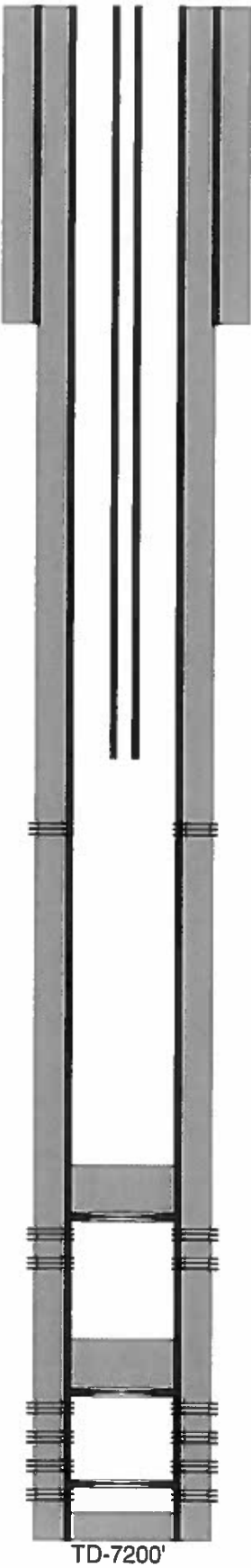
Attachment C-101

OXY USA WTP LP

M.J. Raley B #1 – 30-025-36776

1. MIRU PU.
2. POOH w/ Rods
3. NDWH, NU BOP.
4. POOH w/ tbg
5. Calibrate casing ID.
6. RIH & set CIBP @ 6628 w/ 25sx cmt
7. RIH & set CIBP @ 5836' w/ 25sx cmt
8. WOC, pressure test csg/plugs
9. Perforate and Frac Grayburg at approximately 3900'-4000'.
10. MI RD PU.
11. Flow back.
12. Install Tbg ~3500 ft.
13. Run Pump and Rods.
14. Produce with Rod pumping.

OXY USA WTP LP - Proposed
M.J. Raley B #1
API No. 30-025-36776



12-1/4" hole @ 1530'
8-5/8" csg @ 1530'
w/ 750sx-TOC-Surf-Circ

2-3/8" tbg @ 3500'

Perfs @ 3900-4000'

CIBP @ 5836' w/ 25sx cmt

Perfs @ 5886-6082'

CIBP @ 6628' w/ 25sx cmt

7-7/8" hole @ 7200'
5-1/2" csg @ 7200'
w/ 2500sx-TOC-Surf-Circ

Perfs @ 6678-6737'
Perfs @ 6768-7022'

CIBP @ 7130'

Perfs @ 7141-7176'

TD-7200'

P/P

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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 ACREAGE DEDICATION PLAT

¹ API Number 30-025-36774	² Pool Code 57380	³ Pool Name Skaggs Grayburg
⁴ Property Code 302413	⁵ Property Name M.J. Paley B	⁶ Well Number 1
⁷ OGRID No. 192463	⁸ Operator Name OXY USA WTP LP	⁹ Elevation 3562'

" Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
C	17	20S	38E		650	North	2070	West	Lea

" 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

¹² Dedicated Acres 40	¹³ Joint or Infill N	¹⁴ Consolidation Code	¹⁵ Order No.
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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.

	<p>" OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</p> <p>Signature: <u>David Stewart</u> Date: <u>12/2/19</u></p> <p>Printed Name: <u>David Stewart</u></p> <p>E-mail Address: <u>david.stewart@oxy.com</u></p>
	<p>"SURVEYOR CERTIFICATION I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.</p> <p>Date of Survey: _____</p> <p>Signature and Seal of Professional Surveyor: _____</p>
	<p>Certificate Number: _____</p>

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Submit Original
to Appropriate
District Office

GAS CAPTURE PLAN

Date: 12/2/19

☐ Original Operator & OGRID No.: OXY USA WTP LP - 192463

☐ Amended - Reason for Amendment: _____

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

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

Well(s)/Production Facility – Name of facility

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

Well Name	API	Well Location (ULSTR)	Footages	Expected MCF/D	Flared or Vented	Comments
MJ Raley B #1	30-025-36776	C-17-20S-38E	650 N 2070 W	68	0	

Gathering System and Pipeline Notification

Well(s) will be connected to a production facility after flowback operations are complete, if gas transporter system is in place. The gas produced from production facility is dedicated to Targa Midstream Services LLC and will be connected to Targa Midstream Services LLC low/high pressure gathering system located in Lea County, New Mexico. It will require 0' of pipeline to connect the facility to low/high pressure gathering system. OXY USA WTP LP provides (periodically) to Targa Midstream Services LLC a drilling, completion and estimated first production date for wells that are scheduled to be drilled in the foreseeable future. In addition, OXY USA WTP LP and Targa Midstream Services LLC have periodic conference calls to discuss changes to drilling and completion schedules. Gas from these wells will be processed at Targa Processing Plant located in Sec. , Twn. 20S, Rng. 38E, Lea County, New Mexico. 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 Midstream Services LLC system at that time. Based on current information, it is OXY USA WTP LP belief the system can take this gas upon completion of the well(s).

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

Alternatives to Reduce Flaring

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

- Power Generation – On lease
 - Only a portion of gas is consumed operating the generator, remainder of gas will be flared
- Compressed Natural Gas – On lease
 - Gas flared would be minimal, but might be uneconomical to operate when gas volume declines
- NGL Removal – On lease
 - Plants are expensive, residue gas is still flared, and uneconomical to operate when gas volume declines