

Operator Name/Number: OXY USA WTP LP 192463
 Lease Name/Number: Anderson 35 #3H 40222
 Pool Name/Number: Red Tank Bone Spring 51683
 Surface Location: 1655 FSL 330 FWL L Sec 35 T21S R32E Fee
 Top Perf: 1694 FSL 929 FWL L Sec 35 T21S R32E
 Bottom Perf: 1960 FSL 336 FEL I Sec 35 T21S R32E
 Bottom Hole Location: 1970 FSL 180 FEL I Sec 35 T21S R32E

30-025-41780

C-102 Plats: 12/10/13 4/2/14 Elevation: 3678.1' GL Objective: 2nd Bone Spring

Proposed TD: Pilot Hole 11900' TVD Horizontal Lateral 10792' TVD 15282' TMD
 SL - Lat: 32.4324489 Long: 103.6525012 X=710059.9 Y=521708.2 NAD - 1927
 TP - Lat: 32.4325653 Long: 103.6505582 X=710659.1 Y=521754.3 NAD - 1927
 BP - Lat: 32.4333442 Long: 103.6375410 X=714673.6 Y=522063.6 NAD - 1927
 BH - Lat: 32.4333742 Long: 103.6370387 X=714828.5 Y=522075.5 NAD - 1927

Casing Program:

Hole Size	Interval	OD Csg	Weight	Collar	Grade	Condition	Collapse Design Factor	Burst Design Factor	Tension Design Factor
14-3/4"	0-980'	11-3/4"	47	BT&C	J55	New	4.81	1.38	5.21
				Hole filled with 8.5# Mud			1514#	3072#	
10-5/8"	0-4750'	8-5/8"	32	LT&C	J-55	New	2.21	1.26	2.2
				Hole filled with 10.2# Mud			2533#	3928#	
7-7/8"	0-15282'	5-1/2"	17	BT&C	P-110	New	1.5	1.22	2.12
				Hole filled with 9.2# Mud			7480#	10640#	

Collapse and burst loads calculated using Stress Check with anticipated loads

Cement Program:

- 11-3/4" Surface Circulate cement to surface w/ 550sx PPC cmt w/ 1% CaCl₂ + 4% Bentonite + .25#/sx Poly-E-Flake, 13.5ppg 1.73 yield 892# 24hr CS 200% Excess followed by 300sx PPC cmt w/ 2% CaCl₂, 14.8ppg 1.34 yield 1091# 24hr CS 200% Excess
- 8-5/8" Intermediate Circulate cement to surface w/ 1300sx HES Light PPC cmt w/ 5% salt + .35% HR-800 + .125#/sx Poly-E-Flake + 5#/sx Kol-Seal, 12.9ppg 1.85 yield 610# 24hr CS 200% Excess followed by 250sx PPC cmt, 14.8ppg 1.33 yield 2243# 24hr CS 200% Excess
- Pilot Hole Plug Plug #1 cement w/ 287sx 50/50 Poz/PPC cmt w/ .15% HR-601 + .3% CFR-3, 14.4ppg 1.25 yield 607# 24hr CS 50% Excess from 11900' to +/-11105'
 Plug #2 cement w/ 287sx 50/50 Poz/PPC cmt w/ .15% HR-601 + .3% CFR-3, 14.4ppg 1.25 yield 607# 24hr CS 50% Excess from 11105' to +/-10400'
 Plug #3 cement w/ 268sx PPC cmt w/ .75% CFR-3 + .30 % SCR-100, 17.5ppg .95 yield 657# 24hr CS 50% excess from 10400' to +/-9900'.
- 5-1/2" Production Cement w/ 840sx PP cmt w/ 14.8#/sx Silicalite 50/50 Blend + 15#/sx Scotchlite HGS-6000 + 3#/sx Kol-Seal + .125#/sx Poly-E-Flake + .30#/sx HR-800, 10.2ppg 2.95 yield 947# 24hr CS 100% Excess followed by 780sx Super H cmt w/ 3#/sx salt + .4% CFR-3 + .5% Halad-344 + .3% HR-601 + .125#/sx Poly-E-Flake + 3#/sx Ko-Seal, 13.2ppg 1.67 yield 701# 24hr CS 40% Excess. Calc TOC-Surface

Description of Cement Additives: Calcium Chloride, Salt (Accelerator); Silicalite (Additive Material);

CFR-3 (Dispersant); Bentonite, Scotchlite HGS-6000 (Light Weight Additive);

Kol-Seal, Poly-E-Flake (Lost Circulation Additive); Halad-344 (Low Fluid Loss Control); HR-601, HR-800 (Retarder)

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

Proposed Mud Circulation System:

Depth	Mud Wt. ppg	Visc sec	Fluid Loss	Type System
0 - 980'	8.5	28-38	NC	Fresh Water/Spud Mud
980 - 4750'	10.2	28-32	NC	Fresh water/NaCl Brine
4750 - 11900' (Pilot Hole)	9.2	28-34	NC	Cut Brine/Sweeps
10000 - 15282' (Curve-Lateral)	9.2	32-50	<18	Duo Vis/Salt Gel/Starch/PAC

Pump high viscosity sweeps as needed for hole cleaning. The mud system will be monitored visually/manually as well as with an electronic PVT. The necessary mud products for additional weight and fluid loss control will be on location at all times.

BOP Program:

Surface None
 Intermediate/Production 13-5/8" 10M three ram stack w/ 5M annular preventer, 5M Choke Manifold

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

Geological Marker	Depth	Type
a. Rustler	967'	Formation
b. Top Salt	1322'	Formation
c. Delaware	4742'	Formation
d. Delaware-Bell Canyon	4852'	Oil/Gas
e. Delaware-Cherry Canyon	5702'	Oil/Gas
f. Delaware-Brushy Canyon	6902'	Oil/Gas
g. 1st Bone Spring	8732'	Oil/Gas
h. 2nd Bone Spring	10377'	Oil/Gas
i. 3rd Bone Spring	11302'	Oil/Gas
j. Wolfcamp	11902'	Oil/Gas

Fresh water may be present above the Rustler formation. Surface casing will be set below the top of the Rustler, which will cover potential fresh water sources.

A closed loop system will be utilized consisting of above ground steel tanks and haul-off bins.
 Disposal of liquids, drilling fluids and cuttings will be disposed of at an approved facility.

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