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

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

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

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number	Pool Code	Pool Name
30-025-42697	31920	Hobbs; Grayburg-San Andres

Property Code	Property Name	Well Number
19552	SOUTH HOBBS G/SA UNIT	259

OGRID No.	Operator Name	Elevation
157984	OCCIDENTAL PERMIAN LTD.	3612.0'

Surface Location

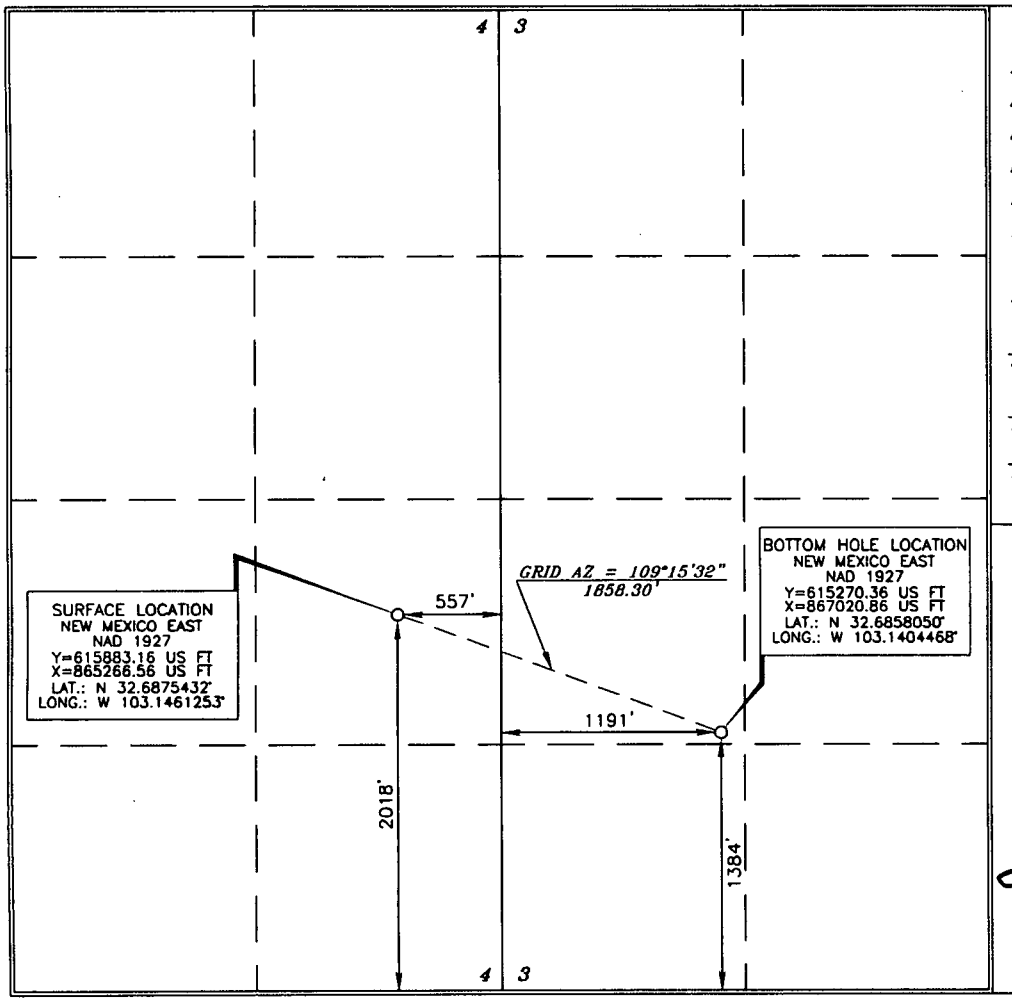
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
I	4	19 SOUTH	38 EAST, N.M.P.M.		2018'	SOUTH	557'	EAST	LEA

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
L	3	19 SOUTH	38 EAST, N.M.P.M.		1384'	SOUTH	1191'	WEST	LEA

Dedicated Acres	Joint or Infill	Consolidation Code	Order No.
40	I		

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.



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.

Mark Stephens 7/15/15
Signature Date

Mark Stephens
Printed Name

Mark_Stephens@oxy.com
E-mail Address

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.

JANUARY 23, 2015
Date of Survey

Signature and Seal of Professional Surveyor

NEW MEXICO
JERRY J. ASEL
15079
REGISTERED PROFESSIONAL LAND SURVEYOR

Jerry J. Asel 4/16/2015
Certificate Number 15079

WO# 150123WL-b (KA)

JUL 22 2015

APD DATA – DRILLING PLAN

OPERATOR NAME / NUMBER: OXY USA WTP LP

LEASE NAME / NUMBER: South Hobbs G/SA Unit #259

STATE: NM **COUNTY:** Lea

SURFACE LOCATION: 2018' FSL & 557' FEL, Sec 4, T19S, R38E

SL: Lat: 32.6875432'N LONG: 103.1461253'W
X: 865266.56 Y: 615883.16 New Mexico East NAD 1927

BOTTOM HOLE LOCATION: 1384' FSL & 1191' FWL, Sec 3, T19S, R38E

BHL: Lat: 32.6858050'N LONG: 103.1404468'W
X: 867020.86 Y: 615270.36 New Mexico East NAD 1927

C-102 PLAT APPROX GR ELEV: 3612.0'

EST KB ELEV: 3628.5' (16.5' KB)

1. **GEOLOGIC NAME OF SURFACE FORMATION**
   a. Permian

2. **ESTIMATED TOPS OF GEOLOGICAL MARKERS & DEPTHS OF ANTICIPATED FRESH WATER, OIL OR GAS**

Formation	TV Depth Top*	Expected Fluids
Base Red Beds	228	Fresh Water
Rustler	1554	Formation Fluid
Top of Salt	1664	Formation Fluid
Base of Salt	2729	Formation Fluid
Queen	3469	Formation Fluid
Grayburg	3769	Formation Fluid
Basal Grayburg	3964	Formation Fluid
San Andres	4059	Hydrocarbon
TD	4550	TD

*Note: Depths are below GL.

A. Fresh Water formations will be covered with the 16" conductor pipe, which will be set at 53' prior to spud.

GREATEST PROJECTED TD 5080' MD / 4550' TVD **OBJECTIVE:** San Andres

3. **CASING PROGRAM**

Surface Casing: 9.625" 36# J55 LTC casing set at ± 1700' MD/ 1680' TVD in a 12.25" hole filled with 9.5 ppg mud
Production Casing: 7" 26# J55 LTC casing set at ± 5080' MD/ 4550' TVD in a 8.75" hole filled with 10.5 ppg mud

String	OD (in)	ID (in)	Coupling OD (in)	Drift (in)	Weight (#/ft)	Grade	CXN	Burst (psi)	Collapse (psi)	Tension (k-lbs)	Torque (ft-lbs)		
											Minimum	Optimum	Maximum
Conductor	16	15.25	17	14.5	65	H40	Weld	1640	670	736	4390	4390	4390
Surface	9.625	8.921	10.625	8.765	36	J55	LTC	3520	2020	564	3400	4530	5660
Production	7	6.276	7.656	6.151	26	J55	LTC	4980	4320	415	2750	3670	4590

4. CEMENT PROGRAM:

Surface Interval

Interval	Amount sks	Ft of Fill	Type	Gal/Sk	PPG	Ft^3/sk	24 Hr Comp
Surface (TOC: 0' – 1604')							
Lead: **0' – 1207'** 100% Excess	440	1207	Premium Plus Cement: 94 lbm/sk Premium Plus Cement 4 % Bentonite (Light Weight Additive) 1 % Calcium Chloride - Flake(Accelerator) 0.125 lbm/sk Poly-E-Flake (LC Additive)	9.11	13.5	1.73	824 psi
Tail: **1207' – 1604'** 100% Excess	200	397	Premium Plus Cement: 94 lbm/sk Premium Plus Cement, 1 % Calcium Chloride - Flake	6.34	14.8	1.335	1926 psi

Production Interval

Interval	Amount sks	Ft of Fill	Type	Gal/Sk	PPG	Ft^3/sk	24 Hr Comp
Production (TOC: 0' - 4927')							
Stage 1 **Primary:** **4170'-4927'** 85% Excess	210	757	Poz Premium Plus Cement 50/50 Poz Premium Plus Cement 0.6 lbm/sk LAP-1 (LC Additive) 0.3 lbm/sk CFR-3 (Dispersant) 0.25 lbm/sk D-AIR 3000 (Defoamer) 0.125 lbm/sk Poly-E-Flake (LC Additive)	4.69	14.8	1.123	1236 psi
Stage 2 **Lead:** **0' – 1604'** 10 % Excess **1604' – 3044'** 200 % Excess	400	3044	Interfill C 0.125 lbm/sk Poly-E-Flake (LC.) 0.5 % Halad(R)-322 (LC Additive) 0.5 lbm/sk D-AIR 5000 (Defoamer)	13.4	11.9	2.394	376 psi
Stage 2 **Tail:** **3044'-4170'** 100 % Excess	220	1126	Premium Plus Cement 94 lbm/sk Premium Plus Cement 0.2 % WellLife 734 (Cement Enhancer) 5 lbm/sk Microbond (Expander) 0.3 % Econolite (Light Weight Additive) 0.3 % CFR-3 (Dispersant) 0.5 % Halad(R)-344 (LC Additive)	7.7	14.20	1.547	1914 psi

5. PRESSURE CONTROL EQUIPMENT

Surface: 0 – 1700' None.

Production: 1700' - 5080' The minimum working pressure of the blowout preventer (BOP) and related equipment (BOPE) required to drill below the surface casing shoe shall be 3000 (3M) psi (including annular).

Casing Size (in.)	Wellhead Flange		BOP Stack			Pressure Test (psi)			
	Size (in.)	Pressure (psi)	Type[1]	Size (in.)	Pressure (psi)	Initial		Subsequent	
						Rams	Ann	Rams	Ann
9 5/8"	11"	3000	R, R, A, G	11"	5000	250/**3000**	250/**2100**	250/**3000**	250/**2100**

a. The 11" 3000 psi blowout prevention equipment will be installed and operational after setting the 9 5/8" surface casing and the 9 5/8" SOW x 11" 3K wellhead. A modified Wellhead System with 7" Mandrel Hanger will be used.

b. The BOP and auxiliary BOPE will be tested by a third party upon installation to the 9 5/8" 36# J-55 surface casing. All equipment will be tested to 250/3000 psi (Annular to 250/2100 psi) for 10 min.

c. The pipe rams will be functionally tested during each 24 hour period; the blind rams will be functionally tested on each trip out of the hole. These functional tests will be documented on the Daily Driller's Log. Other accessory equipment (BOPE) will include a safety valve and subs as needed to fit all drill strings, and a 2" kill line and 3" choke line having a 3000 psi WP rating.

d. See attached BOP & Choke manifold diagrams.

6. MUD PROGRAM:

Depth (ft)	Mud Weight (ppg)	Viscosity (sec/qt)	Fluid Loss (cc's)	pH	Mud System
0 – 1500	8.4 – 9.5	28 – 30	N/C	<9.0	Freshwater / Sweeps
1500 – 1700	8.8 – 9.5	32 – 40	< 25	<9.0	FW – Native Mud
1700 – 3600	9.8 – 10.0	28 – 32	N/C	10.0 – 11.0	Brine Water / Sweeps
3600 – 5080	10.0 – 10.5	36 - 45	<8	10.5 – 11.0	Salt Gel / Starch

Remarks: Pump high viscosity sweeps as needed for hole cleaning. The necessary mud products for additional weight and fluid loss control will be on location at all times.

A. Appropriately weighted mud will be used to isolate potential gas, oil, and water zones until such time as casing can be cemented into place for zonal isolation.

7. AUXILIARY WELL CONTROL AND MONITORING EQUIPMENT

a. A full opening drill pipe stabbing valve having the appropriate connections will be on the rig floor unobstructed and readily accessible at all times.

b. Hydrogen sulfide detection equipment will be in operation after drilling out the surface casing shoe until the production casing is cemented. Breathing equipment will be on location upon drilling the surface casing shoe until total depth is reached. If Hydrogen Sulfide is encountered, measured amounts and formations will be reported to the REGULATORY AGENCIES.

8. LOGGING / CORING AND TESTING PROGRAM:

A. Mud Logger: None.

B. DST's: None.

C. Open Hole Logs as follows: May have triple combo for production section surface to TD. Spectral GR from B. Grayburg to TD.

9. POTENTIAL HAZARDS:

A. H2S detection equipment will be in operation after drilling out the surface casing shoe until the production casing has been cemented. Breathing equipment will be on location from drilling out the surface shoe until production casing is cemented. If H2S is encountered the operator will comply with Onshore Order #6.

B. The MASP will be 1254psi and BOP test (MASP + 500) will be 1754psi

C. No abnormal temperatures or pressures are anticipated. All personnel will be familiar with all aspects of safe operation of equipment being used to drill this well. Adequate flare lines will be installed off the mud/gas separator where gas may be flared safely.

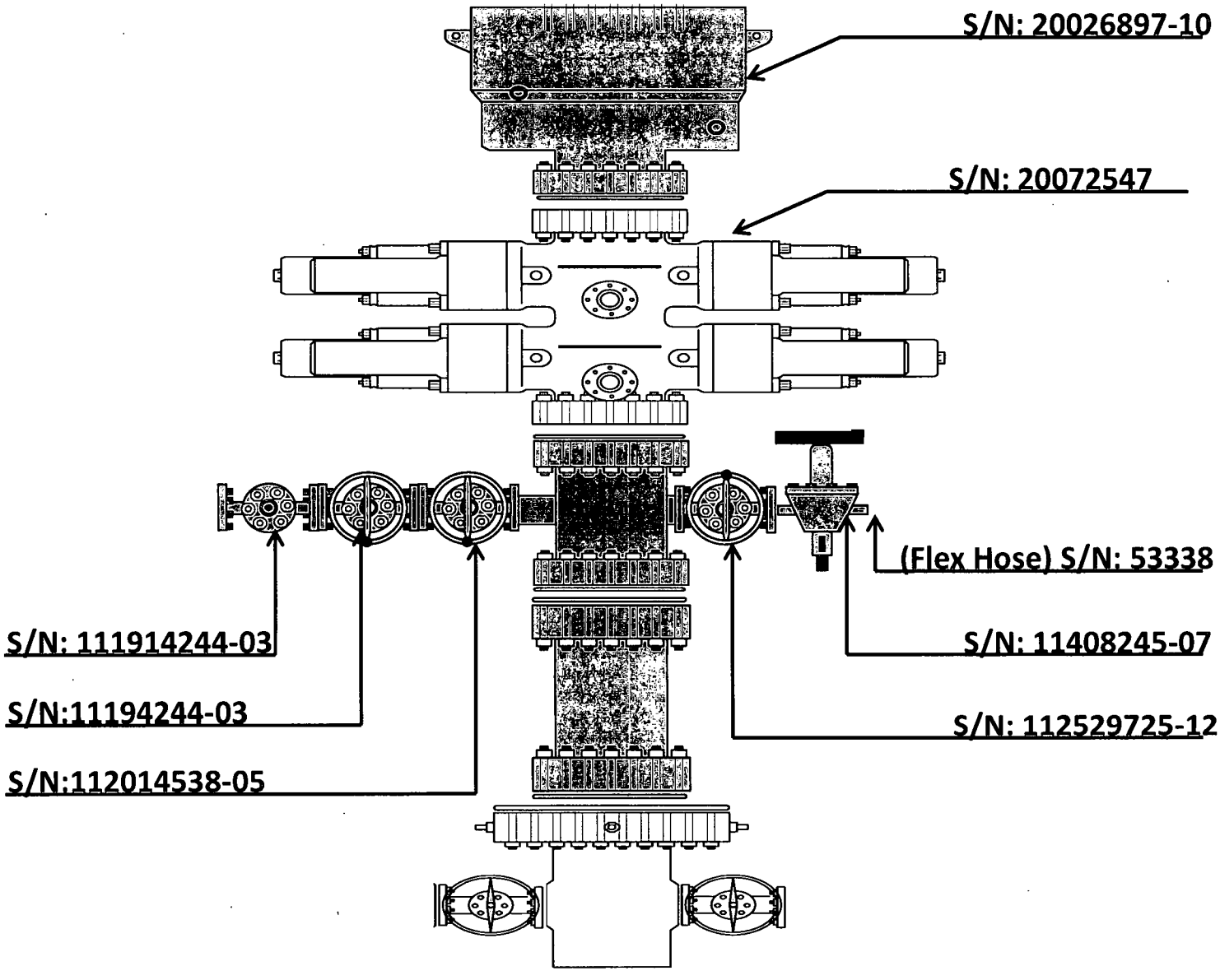
10. ANTICIPATED STARTING DATE AND DURATION OF OPERATIONS

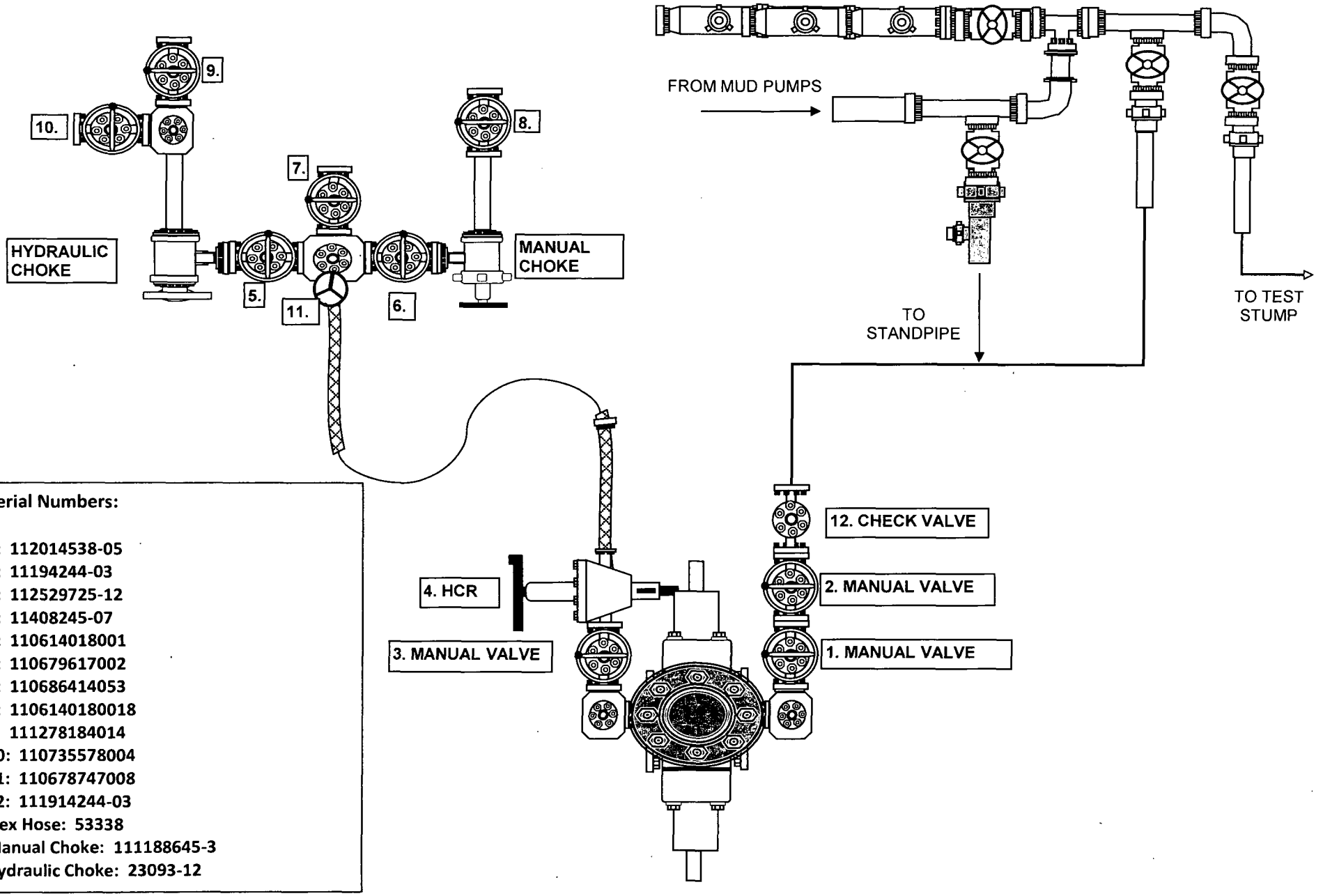
Road and location construction will begin after Oxy has submitted APD. Anticipated spud date will be as soon as possible after approval and as soon as a rig will be available. Move in operations and drilling is expected to take 10 days. If production casing is run, then an additional 30 days will be needed to complete the well and construct surface facilities and/or lay flow lines in order to place well on production.

11. COMPANY PERSONNEL:

Name	Title	Office Phone
Edgar Diaz-Aguirre	Drilling Engineer	713-840-3037
Adriano Celli	Drilling Engineer Supervisor	713-985-6371
Kevin Videtich	Drilling Superintendent	713-350-4761
Chad Frazier	Drilling Manager	713-215-7357

H&P 340 BOP Diagram





Serial Numbers:

1: 112014538-05
2: 11194244-03
3: 112529725-12
4: 11408245-07
5: 110614018001
6: 110679617002
7: 110686414053
8: 1106140180018
9: 111278184014
10: 110735578004
11: 110678747008
12: 111914244-03
Flex Hose: 53338
Manual Choke: 111188645-3
Hydraulic Choke: 23093-12

Certificate of Conformance

S/N: 20072547-310

BOP ASSY, 11-5M, DBL, LXT, SXF W/(4) 3-5M FO

RIG	TBD
SALES ORDER NUMBER	824265
SALES ORDER LINE ITEM NUMBER	0012
CLIENT DOCUMENT NUMBER	PO #340-352-002
SERIAL NUMBER	20072547-310
DOCUMENT PART NUMBER	**29010000**

REFERENCE	REFERENCE DESCRIPTION
S/N:20072547-310	BOP ASSY, 11-5M, DBL, LXT, SXF, W/(4) 3-5M FO

National Oilwell Varco
12950 W. Little York
Houston, TX 77041
Phone 713-937-5000
Fax 713-849-6147

DOCUMENT NUMBER	REV
20072547-310-COC-001	**01**

NATIONAL OILWELL VARCO

www.nov.com

Document number	20072547-310-COC-001
Revision	01

NOV CERTIFICATE OF CONFORMANCE

Certificate of Conformance	
Equipment Name	BOP ASSY, 11-5M, DBL, LXT, SXF, W/ (4) 3-5M FO
Part Number	20072547
Serial Number	20072547-310
Customer	*HELMERICH AND PAYNE INT'L DRILLING*
Rig	TBD
Customer Purchase Order	340-352-002
NOV Sales Order	824265
Date of Manufacturing	JUNE 2010
Quantity	1 (ONE)

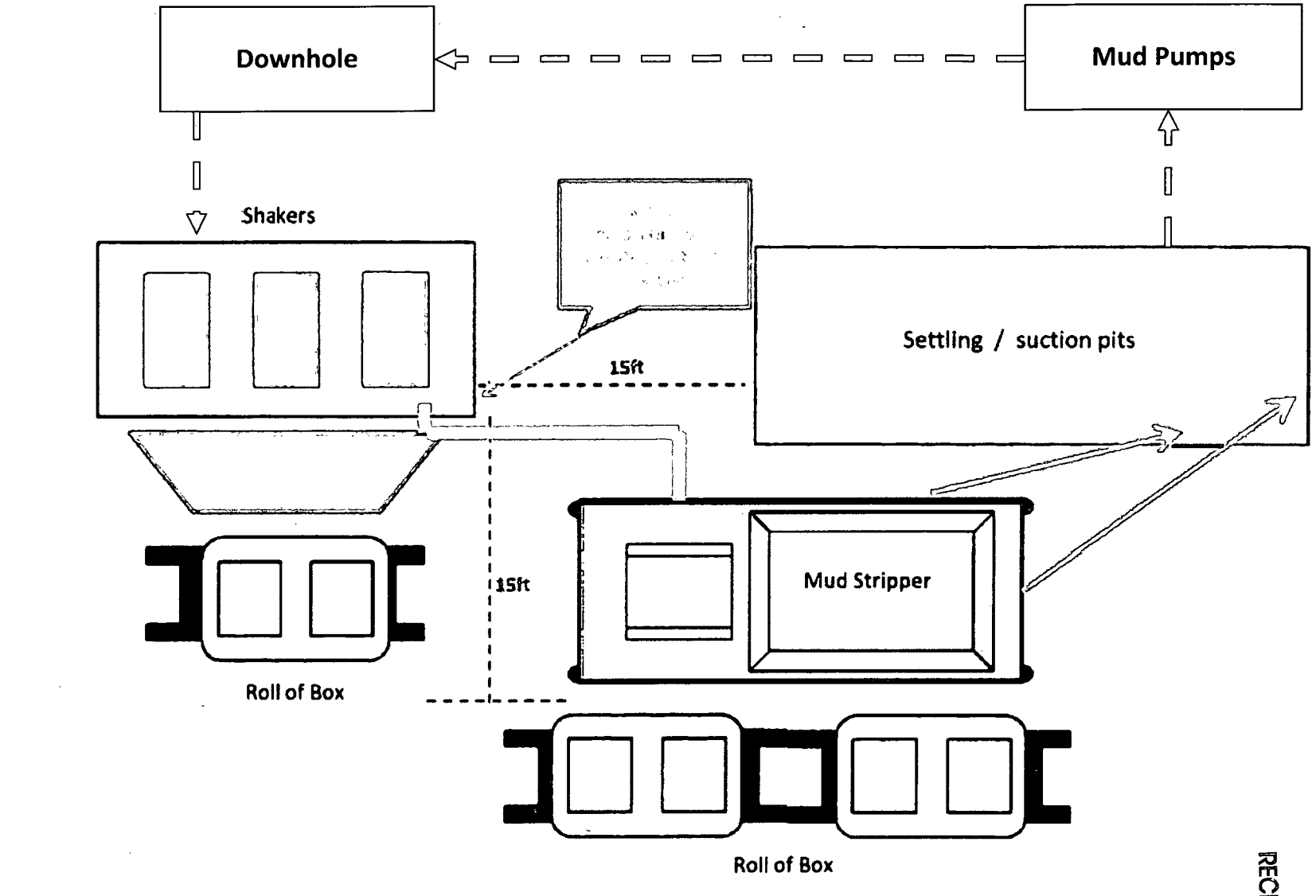
NOV certifies that the above equipment:

1) Was manufactured and inspected in accordance with NOV specifications and customer purchase order requirements.

2) Manufactured to:
   - ANSI/API Specification 16A, Third Edition, June 2004.
   - ISO 13533:2001, (Modified) Petroleum and Natural Gas Industries-Drilling and Production Equipment-Drill-Through Equipment.

3) *Meets the applicable portions of NACE standard MR 0175/ISO 15156, First Edition for* H_2S service.

Certified By: Rita Moya
Rita Moya
Documentation Specialist



8" Flex Hose
20 ft long

H&P Flex 4 Closed Loop Schematic