

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 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

| | | |
|--|---|---|
| ¹ Operator Name and Address Occidental Permian LTD PO Box 4294 Houston, TX 77210 | | ² OGRID Number 157984 |
| ⁴ Property Code 317546 | ³ Property Name Hobbs Guzzler SWD | ⁵ API Number 10-025-43703 |
| | | ⁶ Well No. 1 |

7. Surface Location

| UL - Lot | Section | Township | Range | Lot Idn | Feet from | N/S Line | Feet From | E/W Line | County |
|----------|---------|----------|-------|---------|-----------|----------|-----------|----------|--------|
| M | 23 | 18S | 37E | M | 440 | S | 435 | W | Lea |

8. Proposed Bottom Hole Location

| UL - Lot | Section | Township | Range | Lot Idn | Feet from | N/S Line | Feet From | E/W Line | County |
|----------|---------|----------|-------|---------|-----------|----------|-----------|----------|--------|
| M | 23 | 18S | 37E | M | 440 | S | 435 | W | Lea |

9. Pool Information

| Pool Name | Pool Code |
|---------------|-----------|
| SWD; Devonian | 96101 |

Additional Well Information

| | | | | |
|-------------------------------------|---------------------------------------|--|-----------------------------------|--|
| ¹¹ Work Type New Well | ¹² Well Type SWD | ¹³ Cable/Rotary | ¹⁴ Lease Type State | ¹⁵ Ground Level Elevation 3687 |
| ¹⁶ Multiple N | ¹⁷ Proposed Depth 15000 | ¹⁸ Formation Siluro-Devonian | ¹⁹ Contractor | ²⁰ Spud Date 05/03/2017 |
| 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 | 17 1/2 | 13 3/8 | 54.5 | 1680 | 1430 | 0 |
| Int1 | 12 1/4 | 9 5/8 | 36 | 5650 | 1510 | 0 |
| Prod | 8 3/4 | 7 | 26 | 10620 | 750 | 0 |

Casing/Cement Program: Additional Comments

| |
|--|
| |
|--|

22. Proposed Blowout Prevention Program

| Type | Working Pressure | Test Pressure | Manufacturer |
|---------|------------------|---------------|--------------|
| Annular | 5000 | 5000 | |

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: *April Hood*

Printed name: April Hood

Title: Regulatory Specialist

E-mail Address: April_Hood@Oxy.com

Date: 03/27/2017

Phone: 713-366-5771

OIL CONSERVATION DIVISION

Approved By: *[Signature]*

Title: **Petroleum Engineer**

Approved Date: 03/27/17

Expiration Date: 03/27/19

Conditions of Approval Attached

CONDITIONS OF APPROVAL

| API # | Operator | Well name & Number |
|--------------|------------------------|-----------------------|
| 30-025-43703 | Occidental Permian LTD | Hobbs Guzzler SWD # 1 |

Applicable conditions of approval marked with **XXXXXX**

Administrative Orders Required

| | |
|----------------|--|
| XXXXXXX | If within City Limits No Pits – Must use close loop |
| XXXXXXX | Will require administrative order for injection or disposal prior to injection or disposal |
| | |

Other wells

| | |
|--|--|
| | |
|--|--|

Drilling

| | |
|----------------|--|
| XXXXXXX | Once the well is spud, to prevent ground water contamination through whole or partial conduits from the surface, the operator shall drill without interruption through the fresh water zone or zones and shall immediately set in cement the water protection string |
| | |

Casing

| | |
|----------------|--|
| XXXXXXX | SURFACE CASING and INTERMEDIATE CASING - Cement must circulate to surface -- |
| XXXXXXX | PRODUCTION CASING - Cement must circulate to surface -- |
| XXXXXXX | If cement does not circulate to surface, must run temperature survey or other log to determine top of cement |
| | South Area |
| XXXXXXX | Surface casing must be set 25' below top of Rustler Anhydrite in order to seal off protectable water |

Completion & Production

| | |
|----------------|--|
| XXXXXXX | Must notify Hobbs OCD office prior to conducting MIT (575) 393-6161 ext. 114 |
| XXXXXXX | Must conduct & pass MIT prior to any injection |
| | |

Lost Circulation

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|----------------|---|
| XXXXXXX | Must notify OCD Hobbs Office if lost circulation is encountered at 575-370-3186 |
| | |

Stage Tool

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|----------------|---|
| XXXXXXX | Must notify OCD Hobbs Office prior to running Stage Tool at 575-370-3186 |
| XXXXXXX | If using Stage Tool on Surface casing, Stage Tool must be greater than 350' and a minimum 200 feet above surface shoe. |
| XXXXXXX | When using a Stage Tool on Intermediate or Production Casing Stage must be a minimum of 50 feet below previous casing shoe. |
| | |