HOBBS OCD

APR 0 3 2017

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<u>District I</u> 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 rici III) Rio Brazos Road, Aztec, NM 87410 ne: (505) 334-6178 Fax: (505) 334-6170

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

WO# 170310WL (KA)

Phone: (Alex) — District IV 1220 S. St. Francis Dr., Santa Fe, NM 87505 Phone: (S05) 476-3460 Fax: (S05) 478-3462 WELL LOCATION AND ACREAGE DEDICATION PLAT Pool Code API Number Property Name Well Number HOBBS CHUGALUG SWD 2 OGRID No. Operator Name Elevation 98 OCCIDENTAL PERMIAN LTD. 3678.6' Surface Location UL or lot no. Section Township Lot Idn Feet from the North/South line Feet from the East/West line County 26 18 SOUTH 37 EAST, N.M.P.M. 943' NORTH 2253 EAST LEA Bottom Hole Location If Different From Surface Lot Idn Feet from the North/South line Feet from the UL or lot no. Section Township East/West line County Dedicated Acres Joint or Infill Consolidation Code Order No. 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** 2253 SURFACE LOCATION NEW MEXICO EAST NAD 1927 Y=628549.25 US FT X=842328.63 US FT LAT.: N 32.7230363 LONG.: W 103.2202346 SURVEYOR CERTIFICATION RY J neford that the 15079 Signature and Seat of SONAL LAND Professional Successional Successiona

CONDITIONS OF APPROVAL

API#	Operator	Well name & Number
30-025-43730	Occidental Permian LTD	Hobbs Chugalug SWD # 2

Applicable conditions of approval marked with XXXXXX

Administrative Orders Required

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

Other wells

Drilling

XXXXXX	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
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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

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

Stage Tool

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.