

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 Rd., Aztec, NM 87410
Phone:(505) 334-6178 Fax:(505) 334-6170

District IV
1220 S. St Francis Dr., Santa Fe, NM 87505
Phone:(505) 476-3470 Fax:(505) 476-3462

State of New Mexico
Energy, Minerals and Natural Resources
Oil Conservation Division
1220 S. St Francis Dr.
Santa Fe, NM 87505

Form C-101
August 1, 2011
Permit 242109

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

1. Operator Name and Address OXY USA INC PO Box 4294 Houston, TX 77210		2. OGRID Number 16696
4. Property Code 319659		3. API Number 30-025-44062
5. Property Name RED TANK 30 31 STATE COM		6. Well No. 024H

7. Surface Location

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
A	30	22S	33E	A	200	N	290	E	Lea

8. Proposed Bottom Hole Location

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
P	31	22S	33E	P	180	S	380	E	Lea

9. Pool Information

RED TANK;BONE SPRING, EAST	51687
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Additional Well Information

11. Work Type New Well	12. Well Type OIL	13. Cable/Rotary	14. Lease Type State	15. Ground Level Elevation 3658
16. Multiple N	17. Proposed Depth 20972	18. Formation 2nd Bone Spring Sand	19. Contractor	20. Spud Date 11/10/2017
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	17.5	13.375	54.5	1085	695	0
Prod	12.25	9.625	47	10215	2192	0
Liner1	8.5	5.5	20	20972	1756	10115

Casing/Cement Program: Additional Comments

Proposed Casing/Cementing Program: Production 1 – Contingency DVT/ECP @ +/- 4937'. If cement circulates to surface during primary cementing operation, DVT cancellation cone will be run and 2nd stage cancelled. Proposed Production Casing consisting of 9-5/8" 43.5# HCL-80 BTC @ 0-7500' followed by 9-5/8" 47# HCL-80 BTC @ 7500-10215'. Proposed Mud Program: 0-1085' Water-Based Mud - 1085-4937' Brine - 4937-10215' Water-Based Mud - 10215'-TD Oil Based Mud. BOP Program: 13-5/8" 5M three ram stack w/ 5M annular preventer, 5M choke manifold. Additional information will be sent along with the H2S and Gas Capture Plan.

22. Proposed Blowout Prevention Program

Type	Working Pressure	Test Pressure	Manufacturer
Annular	5000	5000	
Double Ram	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 I have complied with 19.15.14.9 (A) NMAC ☒ and/or 19.15.14.9 (B) NMAC ☒ if applicable.

Signature:

Printed Name: Electronically filed by KELLEY MONTGOMERY

Title: Manager Regulatory

Email Address: kelley_montgomery@oxy.com

Date: 9/27/2017

Phone: 713-366-5716

OIL CONSERVATION DIVISION

Approved By: Paul Kautz

Title: Geologist

Approved Date: 9/28/2017

Expiration Date: 9/28/2019

Conditions of Approval Attached

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1220 S. St. Francis Dr., Santa Fe, NM 87505
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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

API Number 30-025-	Pool Code 51687	Pool Name Red Tank Bare Spring, East
Property Code	Property Name RED TANK "30-31" STATE COM	Well Number 24H
OGRID No. 16696	Operator Name OXY USA INC.	Elevation 3658.4'

Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
A	30	22 SOUTH	33 EAST, N.M.P.M.		200'	NORTH	290'	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
P	31	22 SOUTH	33 EAST, N.M.P.M.		180'	SOUTH	380'	EAST	LEA
Dedicated Acres 320	Joint or Infill Y	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.

<p>KICK OFF POINT NEW MEXICO EAST NAD 1983 Y=499082.89 US FT X=766423.85 US FT LAT.: N 32.3699410° LONG.: W 103.6042864°</p> <p>GRID AZ = 328°37'55" 175.09'</p> <p>TOP PERF. NEW MEXICO EAST NAD 1983 Y=498792.90 US FT X=766426.08 US FT LAT.: N 32.3691438° LONG.: W 103.6042856°</p> <p>SURFACE LOCATION NEW MEXICO EAST NAD 1983 Y=498933.39 US FT X=766514.99 US FT LAT.: N 32.3695283° LONG.: W 103.6039945°</p> <p>BOTTOM PERF. NEW MEXICO EAST NAD 1983 Y=488913.25 US FT X=766501.80 US FT LAT.: N 32.3419870° LONG.: W 103.6042583°</p> <p>BOTTOM HOLE LOCATION NEW MEXICO EAST NAD 1983 Y=488753.23 US FT X=766503.03 US FT LAT.: N 32.3415472° LONG.: W 103.6042578°</p>	<p>OPERATOR CERTIFICATION</p> <p>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 undivided 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>9/27/17</u></p> <p>Printed Name: <u>David Stewart</u></p> <p>E-mail Address: <u>david_stewart@oxy.com</u></p> <p>SURVEYOR CERTIFICATION</p> <p>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: <u>AUGUST 8, 2017</u></p> <p>Signature and Seal of Professional Surveyor: <u>Terry J. Paul</u></p> <p>Certificate Number: <u>15079</u></p> <p>WD# 170808WL-a (KA)</p>
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State of New Mexico

Energy, Minerals and Natural Resources

Oil Conservation Division

1220 S. St Francis Dr.

Santa Fe, NM 87505

Form APD Comments

Permit 242109

PERMIT COMMENTS

Operator Name and Address:		API Number:	
OXY USA INC [16696]		30-025-44062	
PO Box 4294		Well:	
Houston, TX 77210		RED TANK 30 31 STATE COM #024H	

Created By	Comment	Comment Date
stewardt	Top Perforated Interval: 340 FNL 380 FEL A30-22S-33E - Lat: 32.3691438 Long: 103.6042856 Bottom Perforated Interval: 340 FSL 380 FEL P 31-22S-33E - Lat: 32.3419870 Long: 103.6042583 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.	9/21/2017

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Form APD Conditions

Permit 242109

State of New Mexico
Energy, Minerals and Natural Resources
Oil Conservation Division
1220 S. St Francis Dr.
Santa Fe, NM 87505

PERMIT CONDITIONS OF APPROVAL

Operator Name and Address: OXY USA INC [16696] PO Box 4294 Houston, TX 77210	API Number: 30-025-44062
	Well: RED TANK 30 31 STATE COM #024H

OCD Reviewer	Condition
pkautz	The operator shall keep a copy of the approved form C-101 and a copy of these conditions of approval at the well site.
pkautz	Will require a directional survey with the C-104
pkautz	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
pkautz	Pit construction and closure must satisfy all requirements of your approved plan.
pkautz	If using a pit for drilling and completion operations, must have an approved pit from prior to spudding the well.
pkautz	SURFACE & PRODUCTION CASING - 1) Cement must circulate to surface 2) Liner – Cement must tie back into production casing
pkautz	If cement does not circulate to surface, must run temperature survey or other log to determine top of cement
pkautz	Surface casing must be set 25' below top of Rustler Anhydrite in order to seal off protectable water
pkautz	Operator shall notify appropriate District office when setting conductor pipe.
pkautz	1)- The Operator is to notify NMOCD by sundry (Form C-103) within ten (10) days of the well being spud 2)- Drilling Sundries Form C-103 (Casing and Cement test are to be submitted within 10 days 3)- Completion Reports & Logs are to be submitted within 20 days 4)- Deviation / Directional Drill Survey are to be filed with or prior to C-104
pkautz	It is the operator's responsibility to monitor cancellation dates of approved APDs. APD's are good for 2 years and may be extended for one year. Only one 1 year extension will be granted if submitted by C-103 before expiration date. After expiration date or after a 1 year extension must submit new APD.
pkautz	If an APD expires and if site construction has occurred, site remediation is required.
pkautz	Lost Circulation - Must notify OCD Hobbs Office if lost circulation is encountered at 575-370-3186
pkautz	Stage Tool - 1) Must notify OCD Hobbs Office prior to running Stage Tool at 575-370-3186 2) If using Stage Tool on Surface casing, Stage Tool must be set greater than 350' from surface and a minimum of 200 feet above surface shoe. 3) When using a Stage Tool on Intermediate or Production Casing Stage must be a minimum of 50 feet below previous casing shoe.
pkautz	Gas Capture Plan - Operator to Submit Gas Capture Plan ASAP.