Form 3160-3 FORM APPROVED OMB No. 1004-0137 (June 2015) Expires: January 31, 2018 **UNITED STATES** DEPARTMENT OF THE INTERIOR 5. Lease Serial No. BUREAU OF LAND MANAGEMENT APPLICATION FOR PERMIT TO DRILL OR REENTER 6. If Indian, Allotee or Tribe Name 7. If Unit or CA Agreement, Name and No. DRILL REENTER 1a. Type of work: 1b. Type of Well: Oil Well Gas Well Other 8. Lease Name and Well No. 1c. Type of Completion: Hydraulic Fracturing Single Zone Multiple Zone 2. Name of Operator 9. API Well No. 30-015-48024 3a. Address 3b. Phone No. (include area code) 10. Field and Pool, or Exploratory 4. Location of Well (Report location clearly and in accordance with any State requirements.*) 11. Sec., T. R. M. or Blk. and Survey or Area At surface At proposed prod. zone 14. Distance in miles and direction from nearest town or post office* 12. County or Parish 13. State 15. Distance from proposed* 16. No of acres in lease 17. Spacing Unit dedicated to this well location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) 18. Distance from proposed location* 19. Proposed Depth 20. BLM/BIA Bond No. in file to nearest well, drilling, completed, applied for, on this lease, ft. 21. Elevations (Show whether DF, KDB, RT, GL, etc.) 22. Approximate date work will start* 23. Estimated duration 24. Attachments The following, completed in accordance with the requirements of Onshore Oil and Gas Order No. 1, and the Hydraulic Fracturing rule per 43 CFR 3162.3-3 (as applicable) 1. Well plat certified by a registered surveyor. 4. Bond to cover the operations unless covered by an existing bond on file (see 2. A Drilling Plan. Item 20 above). 3. A Surface Use Plan (if the location is on National Forest System Lands, the 5. Operator certification. 6. Such other site specific information and/or plans as may be requested by the SUPO must be filed with the appropriate Forest Service Office). 25. Signature Name (Printed/Typed) Date Title Approved by (Signature) Date Name (Printed/Typed) Title Office Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon. Conditions of approval, if any, are attached. Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction



<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 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

UL or lot no. Section Township Range

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

East/West line

Feet from the

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

30-015- 48024 Number	r	² Pool Code		3 Pool Name	
30-015- ⁴⁸⁰²⁴	982	20	Purple Sage Wolfcamp		
⁴ Property Code 329731			operty Name		6 Well Number
329731		CORRAL BL	36H		
7 OGRID No.			perator Name		9 Elevation
16696		OX	Y USA INC.		3069.7' (NAVD 88)

¹⁰ Surface Location

Feet from the

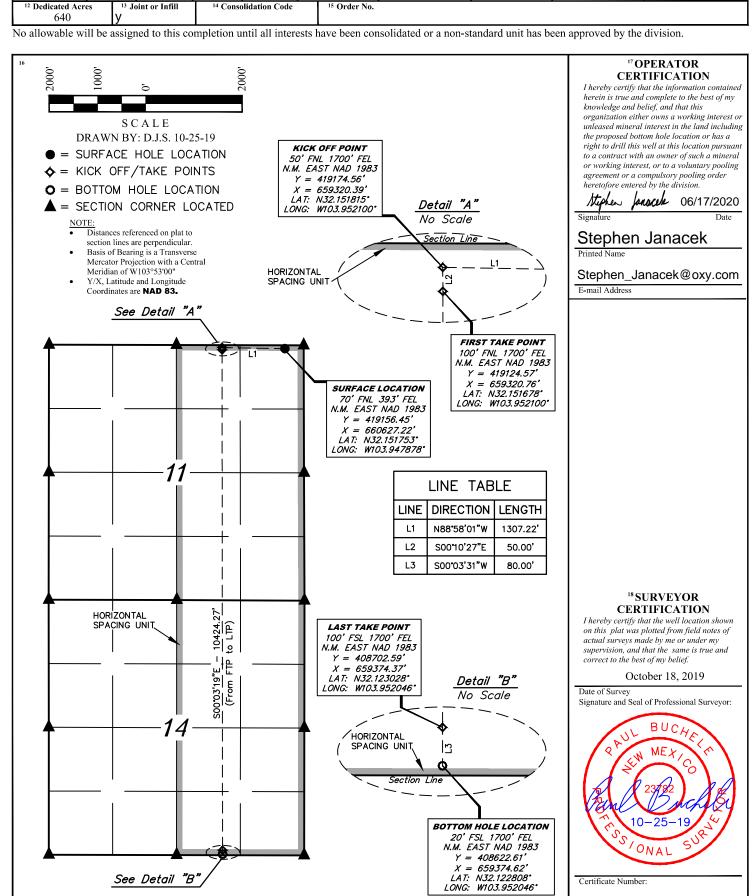
Lot Idn

A	11	25S	29Ē		70	NORTH	393	EAST	EDDY
			11	Dottom U	ala Lagation I	f Different From	Curfoco		

North/South line

"Bottom Hole Location It Different From Surface

UL or lot no. O	Secti 14	ion 4	Township 25S	Range 29E	Lot Idn	Fe	eet from the 20	North/South line SOUTH	Feet from the 1700	East/West line EAST	County EDDY
12 Dedicated Acre 640	es	¹³ J ₀	oint or Infill	14 Conso	olidation Code		15 Order No.				



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PECOS DISTRICT DRILLING CONDITIONS OF APPROVAL

OPERATOR'S NAME: OXY USA INCORPORATED

LEASE NO.: | NMNM015303

WELL NAME & NO.: | CORRAL BLUFF 11_14 FEDERAL COM 36H

SURFACE HOLE FOOTAGE: 70'/N & 393'/E **BOTTOM HOLE FOOTAGE** 20'/S & 1700'/E

LOCATION: | Section 11, T.25 S., R.29 E., NMPM

COUNTY: Eddy County, New Mexico

COA

H2S	• Yes	O No	
Potash	None	Secretary	© R-111-P
Cave/Karst Potential	• Low	O Medium	O High
Cave/Karst Potential	O Critical		
Variance	O None	• Flex Hose	Other
Wellhead	Conventional	• Multibowl	O Both
Other	□ 4 String Area	□Capitan Reef	□WIPP
Other	✓ Fluid Filled	✓ Cement Squeeze	☐ Pilot Hole
Special Requirements	☐ Water Disposal	☑ COM	□ Unit
Break Testing	• Yes	O No	

A. HYDROGEN SULFIDE

A Hydrogen Sulfide (H2S) Drilling Plan shall be activated 500 feet prior to drilling into the formation. As a result, the Hydrogen Sulfide area must meet Onshore Order 6 requirements, which includes equipment and personnel/public protection items. If Hydrogen Sulfide is encountered, please provide measured values and formations to the BLM.

B. CASING

- 1. The **10-3/4** inch surface casing shall be set at approximately **710 feet** (a minimum of 70 feet (Eddy County) into the Rustler Anhydrite and above the salt) and cemented to the surface.
 - a. If cement does not circulate to the surface, the appropriate BLM office shall be notified and a temperature survey utilizing an electronic type temperature survey with surface log readout will be used or a cement bond log shall be run to verify the top of the cement. Temperature survey will be run a minimum of six hours after pumping cement and ideally between 8-10 hours after

- completing the cement job.
- b. Wait on cement (WOC) time for a primary cement job will be a minimum of <u>8</u> <u>hours</u> or 500 pounds compressive strength, whichever is greater. (This is to include the lead cement)
- c. Wait on cement (WOC) time for a remedial job will be a minimum of 4 hours after bringing cement to surface or 500 pounds compressive strength, whichever is greater.
- d. If cement falls back, remedial cementing will be done prior to drilling out that string.
- 2. The **7-5/8** Integrmediate casing shall be set at **9685 feet**. The minimum required fill of cement behind the **7-5/8** inch intermediate casing is:

Option 1 (Single Stage):

Cement to surface. If cement does not circulate see B.1.a, c-d above.
 Wait on cement (WOC) time for a primary cement job is to include the lead cement slurry due to cave/karst or potash.

Option 2:

Operator has proposed a DV tool, the depth may be adjusted as long as the cement is changed proportionally. The DV tool may be cancelled if cement circulates to surface on the first stage.

- a. First stage to DV tool: Cement to circulate. If cement does not circulate off the DV tool, contact the appropriate BLM office before proceeding with second stage cement job.
- b. Second stage above DV tool:
 - Cement to surface. If cement does not circulate, contact the appropriate BLM office.
 - Wait on cement (WOC) time for a primary cement job is to include the lead cement slurry due to cave/karst or potash.
 - Excess Cement calculates to less than 25%; More cement may be needed.
 - Operator will perform bradenhead squeeze. Cement to surface. If cement does not circulate see B.1.a, c-d above.
 - Operator has proposed to pump down 10-3/4" X 7-5/8" annulus.

- Three string wells:
 - CBL will be required on one well per pad.
 - If the pumped volume of cement is less than permitted in the APD, BLM will be notified and a CBL may be run.
 - Echometer will be used after bradenhead cement job to determine TOC before pumping top-out cement
- <u>Intermediate casing must be kept 1/3 fluid filled to meet BLM</u> minimum collapse requirement.
- 3. The minimum required fill of cement behind the 5-1/2 inch production casing is:

Option 1 (Single Stage):

- Cement should tie-back at least **200 feet** into previous casing string. Operator shall provide method of verification.
- Excess Cement calculates to less than 25%; More cement may be needed.

C. PRESSURE CONTROL

1. Variance approved to use flex line from BOP to choke manifold. Manufacturer's specification to be readily available. No external damage to flex line. Flex line to be installed as straight as possible (no hard bends).

2. BOP REQUIREMENTS

Option 1:

- a. Minimum working pressure of the blowout preventer (BOP) and related equipment (BOPE) required for drilling below the surface casing shoe shall be **5000 (5M)** psi.
- b. Minimum working pressure of the blowout preventer (BOP) and related equipment (BOPE) required for drilling below the intermediate casing shoe shall be **5000** (**5M**) psi.

Option 2:

Operator has proposed a multi-bowl wellhead assembly. This assembly will only be tested when installed on the surface casing. Minimum working pressure of the blowout preventer (BOP) and related equipment (BOPE) required for drilling below the surface casing shoe shall be 10,000 (10M) psi. Variance is approved to use a 5000 (5M) Annular which shall be tested to 5000 (5M) psi.

- a. Wellhead shall be installed by manufacturer's representatives, submit documentation with subsequent sundry.
- b. If the welding is performed by a third party, the manufacturer's representative shall monitor the temperature to verify that it does not exceed the maximum temperature of the seal.
- c. Manufacturer representative shall install the test plug for the initial BOP test.
- d. If the cement does not circulate and one inch operations would have been possible with a standard wellhead, the well head shall be cut off, cementing operations performed and another wellhead installed.
- e. Whenever any seal subject to test pressure is broken, all the tests in OOGO2.III.A.2.i must be followed.

D. SPECIAL REQUIREMENT (S)

Communitization Agreement

- The operator will submit a Communitization Agreement to the Santa Fe Office, 301 Dinosaur Trail Santa Fe, New Mexico 87508, at least 90 days before the anticipated date of first production from a well subject to a spacing order issued by the New Mexico Oil Conservation Division. The Communitization Agreement will include the signatures of all working interest owners in all Federal and Indian leases subject to the Communitization Agreement (i.e., operating rights owners and lessees of record), or certification that the operator has obtained the written signatures of all such owners and will make those signatures available to the BLM immediately upon request.
- If the operator does not comply with this condition of approval, the BLM may take enforcement actions that include, but are not limited to, those specified in 43 CFR 3163.1.
- In addition, the well sign shall include the surface and bottom hole lease numbers. When the Communitization Agreement number is known, it shall also be on the sign.

BOPE Break Testing Variance (Note: For 5M BOPE or less)

- BOPE Break Testing is ONLY permitted for 5M BOPE or less.
- BOPE Break Testing is NOT permitted to drilling the production hole section.
- While in transfer between wells, the BOPE shall be secured by the hydraulic carrier or cradle.
- Any well control event while drilling require notification to the BLM Petroleum Engineer prior to the commencement of any BOPE Break Testing operations.
- A full BOPE test is required prior to drilling the first deep intermediate hole section. If any subsequent hole interval is deeper than the first, a full BOPE test will be required.
- The BLM is to be contacted (575-361-2822 Eddy County) 4 hours prior to BOPE tests.

- As a minimum, a full BOPE test shall be performed at 21-day intervals.
- In the event any repairs or replacement of the BOPE is required, the BOPE shall test as per Onshore Oil and Gas Order No. 2.

A separate sundry will be sent prior to spud that reflects the pad based break testing plan.

Offline Cementing

• Contact the BLM prior to the commencement of any offline cementing procedure.

GENERAL REQUIREMENTS

The BLM is to be notified in advance for a representative to witness:

- a. Spudding well (minimum of 24 hours)
- b. Setting and/or Cementing of all casing strings (minimum of 4 hours)
- c. BOPE tests (minimum of 4 hours)
 - Eddy County
 Call the Carlsbad Field Office, 620 East Greene St., Carlsbad, NM 88220, (575) 361-2822
 - ✓ Lea CountyCall the Hobbs Field Station, 414 West Taylor, Hobbs NM 88240, (575)393-3612
- 1. Unless the production casing has been run and cemented or the well has been properly plugged, the drilling rig shall not be removed from over the hole without prior approval.
 - a. In the event the operator has proposed to drill multiple wells utilizing a skid/walking rig. Operator shall secure the wellbore on the current well, after installing and testing the wellhead, by installing a blind flange of like pressure rating to the wellhead and a pressure gauge that can be monitored while drilling is performed on the other well(s).
 - b. When the operator proposes to set surface casing with Spudder Rig
 - Notify the BLM when moving in and removing the Spudder Rig.
 - Notify the BLM when moving in the 2nd Rig. Rig to be moved in within 90 days of notification that Spudder Rig has left the location.
 - BOP/BOPE test to be conducted per Onshore Oil and Gas Order No. 2 as soon as 2nd Rig is rigged up on well.

- 2. Floor controls are required for 3M or Greater systems. These controls will be on the rig floor, unobstructed, readily accessible to the driller and will be operational at all times during drilling and/or completion activities. Rig floor is defined as the area immediately around the rotary table; the area immediately above the substructure on which the draw works are located, this does not include the dog house or stairway area.
- 3. The record of the drilling rate along with the GR/N well log run from TD to surface (horizontal well vertical portion of hole) shall be submitted to the BLM office as well as all other logs run on the borehole 30 days from completion. If available, a digital copy of the logs is to be submitted in addition to the paper copies. The Rustler top and top and bottom of Salt are to be recorded on the Completion Report.

A. CASING

- 1. Changes to the approved APD casing program need prior approval if the items substituted are of lesser grade or different casing size or are Non-API. The Operator can exchange the components of the proposal with that of superior strength (i.e. changing from J-55 to N-80, or from 36# to 40#). Changes to the approved cement program need prior approval if the altered cement plan has less volume or strength or if the changes are substantial (i.e. Multistage tool, ECP, etc.). The initial wellhead installed on the well will remain on the well with spools used as needed.
- 2. Wait on cement (WOC) for Potash Areas: After cementing but before commencing any tests, the casing string shall stand cemented under pressure until both of the following conditions have been met: 1) cement reaches a minimum compressive strength of 500 psi for all cement blends, 2) until cement has been in place at least 24 hours. WOC time will be recorded in the driller's log. The casing intergrity test can be done (prior to the cement setting up) immediately after bumping the plug.
- 3. Wait on cement (WOC) for Water Basin: After cementing but before commencing any tests, the casing string shall stand cemented under pressure until both of the following conditions have been met: 1) cement reaches a minimum compressive strength of 500 psi at the shoe, 2) until cement has been in place at least 8 hours. WOC time will be recorded in the driller's log. See individual casing strings for details regarding lead cement slurry requirements. The casing intergrity test can be done (prior to the cement setting up) immediately after bumping the plug.
- 4. Provide compressive strengths including hours to reach required 500 pounds compressive strength prior to cementing each casing string. Have well specific cement details onsite prior to pumping the cement for each casing string.
- 5. No pea gravel permitted for remedial or fall back remedial without prior authorization from the BLM engineer.

- 6. On that portion of any well approved for a 5M BOPE system or greater, a pressure integrity test of each casing shoe shall be performed. Formation at the shoe shall be tested to a minimum of the mud weight equivalent anticipated to control the formation pressure to the next casing depth or at total depth of the well. This test shall be performed before drilling more than 20 feet of new hole.
- 7. If hardband drill pipe is rotated inside casing, returns will be monitored for metal. If metal is found in samples, drill pipe will be pulled and rubber protectors which have a larger diameter than the tool joints of the drill pipe will be installed prior to continuing drilling operations.
- 8. Whenever a casing string is cemented in the R-111-P potash area, the NMOCD requirements shall be followed.

B. <u>PRESSURE CONTROL</u>

- 1. All blowout preventer (BOP) and related equipment (BOPE) shall comply with well control requirements as described in Onshore Oil and Gas Order No. 2 and API RP 53 Sec. 17.
- 2. If a variance is approved for a flexible hose to be installed from the BOP to the choke manifold, the following requirements apply: The flex line must meet the requirements of API 16C. Check condition of flexible line from BOP to choke manifold, replace if exterior is damaged or if line fails test. Line to be as straight as possible with no hard bends and is to be anchored according to Manufacturer's requirements. The flexible hose can be exchanged with a hose of equal size and equal or greater pressure rating. Anchor requirements, specification sheet and hydrostatic pressure test certification matching the hose in service, to be onsite for review. These documents shall be posted in the company man's trailer and on the rig floor.
- 3. 5M or higher system requires an HCR valve, remote kill line and annular to match. The remote kill line is to be installed prior to testing the system and tested to stack pressure.
- 4. If the operator has proposed a multi-bowl wellhead assembly in the APD. The following requirements must be met:
 - a. Wellhead shall be installed by manufacturer's representatives, submit documentation with subsequent sundry.
 - b. If the welding is performed by a third party, the manufacturer's representative shall monitor the temperature to verify that it does not exceed the maximum temperature of the seal.
 - c. Manufacturer representative shall install the test plug for the initial BOP
 - d. Whenever any seal subject to test pressure is broken, all the tests in OOGO2.III.A.2.i must be followed.

- e. If the cement does not circulate and one inch operations would have been possible with a standard wellhead, the well head shall be cut off, cementing operations performed and another wellhead installed.
- 5. The appropriate BLM office shall be notified a minimum of 4 hours in advance for a representative to witness the tests.
 - a. In a water basin, for all casing strings utilizing slips, these are to be set as soon as the crew and rig are ready and any fallback cement remediation has been done. The casing cut-off and BOP installation can be initiated four hours after installing the slips, which will be approximately six hours after bumping the plug. For those casing strings not using slips, the minimum wait time before cut-off is eight hours after bumping the plug. BOP/BOPE testing can begin after cut-off or once cement reaches 500 psi compressive strength (including lead when specified), whichever is greater. However, if the float does not hold, cut-off cannot be initiated until cement reaches 500 psi compressive strength (including lead when specified).
 - b. In potash areas, for all casing strings utilizing slips, these are to be set as soon as the crew and rig are ready and any fallback cement remediation has been done. For all casing strings, casing cut-off and BOP installation can be initiated at twelve hours after bumping the plug. However, **no tests** shall commence until the cement has had a minimum of 24 hours setup time, except the casing pressure test can be initiated immediately after bumping the plug (only applies to single stage cement jobs).
 - c. The tests shall be done by an independent service company utilizing a test plug not a cup or J-packer. The operator also has the option of utilizing an independent tester to test without a plug (i.e. against the casing) pursuant to Onshore Order 2 with the pressure not to exceed 70% of the burst rating for the casing. Any test against the casing must meet the WOC time for water basin (8 hours) or potash (24 hours) or 500 pounds compressive strength, whichever is greater, prior to initiating the test (see casing segment as lead cement may be critical item).
 - d. The test shall be run on a 5000 psi chart for a 2-3M BOP/BOP, on a 10000 psi chart for a 5M BOP/BOPE and on a 15000 psi chart for a 10M BOP/BOPE. If a linear chart is used, it shall be a one hour chart. A circular chart shall have a maximum 2 hour clock. If a twelve hour or twenty-four hour chart is used, tester shall make a notation that it is run with a two hour clock.
 - e. The results of the test shall be reported to the appropriate BLM office.
 - f. All tests are required to be recorded on a calibrated test chart. A copy of the BOP/BOPE test chart and a copy of independent service company test will be submitted to the appropriate BLM office.

- g. The BOP/BOPE test shall include a low pressure test from 250 to 300 psi. The test will be held for a minimum of 10 minutes if test is done with a test plug and 30 minutes without a test plug. This test shall be performed prior to the test at full stack pressure.
- h. BOP/BOPE must be tested by an independent service company within 500 feet of the top of the Wolfcamp formation if the time between the setting of the intermediate casing and reaching this depth exceeds 20 days. This test does not exclude the test prior to drilling out the casing shoe as per Onshore Order No. 2.

C. DRILLING MUD

Mud system monitoring equipment, with derrick floor indicators and visual and audio alarms, shall be operating before drilling into the Wolfcamp formation, and shall be used until production casing is run and cemented.

D. WASTE MATERIAL AND FLUIDS

All waste (i.e. drilling fluids, trash, salts, chemicals, sewage, gray water, etc.) created as a result of drilling operations and completion operations shall be safely contained and disposed of properly at a waste disposal facility. No waste material or fluid shall be disposed of on the well location or surrounding area.

Porto-johns and trash containers will be on-location during fracturing operations or any other crew-intensive operations.

RI09222020

OXY

PRD NM DIRECTIONAL PLANS (NAD 1983) Corral Bluff 11_14 Corral Bluff 11_14 Fed Com 36H

Wellbore #1

Plan: Permitting Plan

Standard Planning Report

18 November, 2019

Planning Report

Database: HOPSPP

Company: **ENGINEERING DESIGNS**

Project: PRD NM DIRECTIONAL PLANS (NAD 1983)

Corral Bluff 11 14 Site:

Well: Corral Bluff 11 14 Fed Com 36H

Wellbore: Wellbore #1 Design: Permitting Plan Local Co-ordinate Reference:

TVD Reference: MD Reference: North Reference:

Survey Calculation Method:

Well Corral Bluff 11_14 Fed Com 36H

RKB=26.5' @ 3096.20ft

RKB=26.5' @ 3096.20ft Grid

Minimum Curvature

Project PRD NM DIRECTIONAL PLANS (NAD 1983)

US State Plane 1983 Map System:

North American Datum 1983 Geo Datum: Map Zone: New Mexico Eastern Zone

System Datum: Mean Sea Level

Using geodetic scale factor

Site Corral Bluff 11_14

Plan Survey Tool Program

0.00

Northing: 419,542.96 usft 32° 9' 10.252500 N Site Position: Latitude: From: Мар Easting: 657,232.81 usft Longitude: 103° 57' 31.830047 W **Position Uncertainty:** 1.00 ft Slot Radius: **Grid Convergence:** 0.20°

13.200 in

Well Corral Bluff 11_14 Fed Com 36H

Well Position +N/-S -386.54 ft Northing: 419,156.45 usft Latitude: 32° 9' 6.309060 N 660,627.22 usft +E/-W 3,394.67 ft Easting: Longitude: 103° 56' 52.360905 W

Position Uncertainty 1.00 ft Wellhead Elevation: **Ground Level:** 3,069.70 ft

Wellbore #1 Wellbore Declination Field Strength **Dip Angle** Magnetics **Model Name** Sample Date (°) (°) (nT) HDGM FILE 11/18/2019 6.80 59.80 47.826.70000000

Design Permitting Plan Audit Notes: Version: Phase: **PROTOTYPE** Tie On Depth: 0.00 Depth From (TVD) Direction **Vertical Section:** +N/-S +E/-W (ft) (ft) (ft) (°) 186.78 0.00 0.00 0.00

Depth From Depth To (ft) (ft) Remarks

Date 11/18/2019

20,854.99 Permitting Plan (Wellbore #1)

Survey (Wellbore) **Tool Name**

OWSG MWD + HRGM

Plan Sections Measured Vertical Dogleg Build Turn Depth Depth Rate Rate Rate Inclination +N/-S **Azimuth** +E/-W **TFO** (ft) (ft) (°/100ft) (°/100ft) (°/100ft) (°) (°) (ft) (ft) **Target** (°) 0.00 0.00 0.00 0.00 0.00 0.00 0.00 0.00 0.00 0.00 3,710.00 0.00 0.00 3,710.00 0.00 0.00 0.00 0.00 0.00 0.00 279.08 4,310.00 12.00 279.08 4,305.62 9.88 -61.82 2.00 2.00 0.00 9.784.52 12.00 279.08 9.660.51 189.51 -1.185.77 0.00 0.00 0.00 0.00 90.12 10.705.14 -384 96 10.00 -10.79 179 71 10,240.20 -1,304.678 49 -99 15 20,854.99 90.12 179.71 10,218.20 -10,534.65 -1,252.70 0.00 0.00 0.00 0.00 PBHL (Corral Bluff

B001Mb MWD+HRGM

Planning Report

Database: Company: HOPSPP

ENGINEERING DESIGNS

PRD NM DIRECTIONAL PLANS (NAD 1983)

Project: PRD NM DIRECTI Site: Corral Bluff 11_14

Well: Corral Bluff 11_14 Fed Com 36H

Wellbore: Wellbore #1

Design: Permitting Plan

Local Co-ordinate Reference:

TVD Reference:
MD Reference:
North Reference:

Survey Calculation Method:

Well Corral Bluff 11_14 Fed Com 36H

RKB=26.5' @ 3096.20ft RKB=26.5' @ 3096.20ft

Grid

Planned Survey									
Measured Depth (ft)	Inclination (°)	Azimuth (°)	Vertical Depth (ft)	+N/-S (ft)	+E/-W (ft)	Vertical Section (ft)	Dogleg Rate (°/100ft)	Build Rate (°/100ft)	Turn Rate (°/100ft)
0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
100.00	0.00	0.00	100.00	0.00	0.00	0.00	0.00	0.00	0.00
200.00	0.00	0.00	200.00	0.00	0.00	0.00	0.00	0.00	0.00
300.00	0.00	0.00	300.00	0.00	0.00	0.00	0.00	0.00	0.00
400.00	0.00	0.00	400.00	0.00	0.00	0.00	0.00	0.00	0.00
500.00	0.00	0.00	500.00	0.00	0.00	0.00	0.00	0.00	0.00
600.00	0.00	0.00	600.00	0.00	0.00	0.00	0.00	0.00	0.00
								0.00	
700.00	0.00	0.00	700.00	0.00	0.00	0.00	0.00		0.00
800.00	0.00	0.00	800.00	0.00	0.00	0.00	0.00	0.00	0.00
900.00	0.00	0.00	900.00	0.00	0.00	0.00	0.00	0.00	0.00
1,000.00	0.00	0.00	1,000.00	0.00	0.00	0.00	0.00	0.00	0.00
1,100.00	0.00	0.00	1,100.00	0.00	0.00	0.00	0.00	0.00	0.00
1,200.00	0.00	0.00	1,200.00	0.00	0.00	0.00	0.00	0.00	0.00
1,300.00	0.00	0.00	1,300.00	0.00	0.00	0.00	0.00	0.00	0.00
1,400.00	0.00	0.00	1,400.00	0.00	0.00	0.00	0.00	0.00	0.00
1,500.00	0.00	0.00	1,500.00	0.00	0.00	0.00	0.00	0.00	0.00
								0.00	
1,600.00	0.00	0.00	1,600.00	0.00	0.00	0.00	0.00		0.00
1,700.00	0.00	0.00	1,700.00	0.00	0.00	0.00	0.00	0.00	0.00
1,800.00	0.00	0.00	1,800.00	0.00	0.00	0.00	0.00	0.00	0.00
1,900.00	0.00	0.00	1,900.00	0.00	0.00	0.00	0.00	0.00	0.00
2,000.00	0.00	0.00	2,000.00	0.00	0.00	0.00	0.00	0.00	0.00
2,100.00	0.00	0.00	2,100.00	0.00	0.00	0.00	0.00	0.00	0.00
2,200.00	0.00	0.00	2,200.00	0.00	0.00	0.00	0.00	0.00	0.00
2,300.00	0.00	0.00	2,300.00	0.00	0.00	0.00	0.00	0.00	0.00
2,400.00	0.00	0.00	2,400.00	0.00	0.00	0.00	0.00	0.00	0.00
2,500.00	0.00	0.00	2,500.00	0.00	0.00	0.00	0.00	0.00	0.00
2,600.00	0.00	0.00	2,600.00	0.00	0.00	0.00	0.00	0.00	0.00
2,700.00	0.00	0.00	2,700.00	0.00	0.00	0.00	0.00	0.00	0.00
2,800.00	0.00	0.00	2,800.00	0.00	0.00	0.00	0.00	0.00	0.00
2,900.00	0.00	0.00	2,900.00	0.00	0.00	0.00	0.00	0.00	0.00
3,000.00	0.00	0.00	3,000.00	0.00	0.00	0.00	0.00	0.00	0.00
3,100.00	0.00	0.00	3,100.00	0.00	0.00	0.00	0.00	0.00	0.00
3,200.00	0.00	0.00	3,200.00	0.00	0.00	0.00	0.00	0.00	0.00
3,300.00	0.00	0.00	3,300.00	0.00	0.00	0.00	0.00	0.00	0.00
3,400.00	0.00	0.00	3,400.00	0.00	0.00	0.00	0.00	0.00	0.00
3,500.00	0.00	0.00	3,500.00	0.00	0.00	0.00	0.00	0.00	0.00
								0.00	
3,600.00	0.00	0.00	3,600.00	0.00	0.00	0.00	0.00		0.00
3,700.00	0.00	0.00	3,700.00	0.00	0.00	0.00	0.00	0.00	0.00
3,710.00	0.00	0.00	3,710.00	0.00	0.00	0.00	0.00	0.00	0.00
3,800.00	1.80	279.08	3,799.99	0.22	-1.40	-0.06	2.00	2.00	0.00
3,900.00	3.80	279.08	3,899.86	0.99	-6.22	-0.25	2.00	2.00	0.00
4,000.00	5.80	279.08	3,999.51	2.31	-14.48	-0.59	2.00	2.00	0.00
4,100.00	7.80	279.08	4,098.80	4.18	-26.17	-1.06	2.00	2.00	0.00
4,200.00	9.80	279.08	4,197.61	6.60	-41.28	-1.68	2.00	2.00	0.00
4,300.00	11.80	279.08	4,295.84	9.55	-59.78	-2.43	2.00	2.00	0.00
4,310.00	12.00	279.08	4,305.62	9.88	-61.82	-2.51	2.00	2.00	0.00
4,400.00	12.00	279.08	4,393.66	12.83	-80.30	-3.26	0.00	0.00	0.00
4,500.00	12.00	279.08	4,491.47	16.11	-100.83	-4.10	0.00	0.00	0.00
4,600.00	12.00	279.08	4,589.29	19.39	-121.36	-4.93	0.00	0.00	0.00
4,700.00	12.00	279.08	4,687.10	22.68	-141.89	-5.76	0.00	0.00	0.00
	12.00			25.06	160.40	6 60	0.00	0.00	0.00
4,800.00	12.00	279.08	4,784.92	25.96	-162.42	-6.60	0.00	0.00	0.00
4,900.00	12.00	279.08	4,882.73	29.24	-182.95	-7.43	0.00	0.00	0.00
E 000 00	12.00	279.08	4,980.55	32.52	-203.48	-8.27	0.00	0.00	0.00
5,000.00 5,100.00	12.00	279.08	5,078.36	35.80	-224.01	-9.10	0.00	0.00	0.00

Planning Report

Database: Company: HOPSPP

ENGINEERING DESIGNS

PRD NM DIRECTIONAL PLANS (NAD 1983)

Project: PRD NM DIRECTI
Site: Corral Bluff 11_14

Well: Corral Bluff 11_14 Fed Com 36H

Wellbore: Wellbore #1

Design: Permitting Plan

Local Co-ordinate Reference:

TVD Reference: MD Reference: North Reference:

Survey Calculation Method:

Well Corral Bluff 11_14 Fed Com 36H

RKB=26.5' @ 3096.20ft RKB=26.5' @ 3096.20ft

Grid

Design.	remining Fig	мп 							
Planned Survey									
Measured Depth (ft)	Inclination (°)	Azimuth (°)	Vertical Depth (ft)	+N/-S (ft)	+E/-W (ft)	Vertical Section (ft)	Dogleg Rate (°/100ft)	Build Rate (°/100ft)	Turn Rate (°/100ft)
5,200.00	12.00	279.08	5,176.17	39.08	-244.54	-9.93	0.00	0.00	0.00
5,300.00	12.00	279.08	5,273.99	42.36	-265.07	-10.77	0.00	0.00	0.00
5,400.00	12.00	279.08	5,371.80	45.64	-285.60	-11.60	0.00	0.00	0.00
5,500.00	12.00	279.08	5,469.62	48.92	-306.13	-12.44	0.00	0.00	0.00
5,600.00	12.00	279.08	5,567.43	52.21	-326.66	-13.27	0.00	0.00	0.00
5,700.00	12.00	279.08	5,665.25	55.49	-347.19	-14.10	0.00	0.00	0.00
5,800.00	12.00	279.08	5,763.06	58.77	-367.72	-14.94	0.00	0.00	0.00
5,900.00	12.00	279.08	5,860.88	62.05	-388.26	-15.77	0.00	0.00	0.00
6,000.00	12.00	279.08	5,958.69	65.33	-408.79	-16.61	0.00	0.00	0.00
6,100.00	12.00	279.08	6,056.51	68.61	-429.32	-17.44	0.00	0.00	0.00
6,200.00	12.00	279.08	6,154.32	71.89	-449.85	-18.27	0.00	0.00	0.00
6,300.00	12.00	279.08	6,252.14	75.17	-470.38	-19.11	0.00	0.00	0.00
6,400.00	12.00	279.08	6,349.95	78.46	-490.91	-19.94	0.00	0.00	0.00
6,500.00	12.00	279.08	6,447.77	81.74	-511.44	-20.78	0.00	0.00	0.00
6,600.00	12.00	279.08	6,545.58	85.02	-531.97	-21.61	0.00	0.00	0.00
6,700.00	12.00	279.08	6,643.40	88.30	-552.50	-22.44	0.00	0.00	0.00
6,800.00	12.00	279.08	6,741.21	91.58	-573.03	-23.28	0.00	0.00	0.00
6,900.00	12.00	279.08	6,839.03	94.86	-593.56	-24.11	0.00	0.00	0.00
7,000.00	12.00	279.08	6,936.84	98.14	-614.09	-24.95	0.00	0.00	0.00
7,100.00	12.00	279.08	7,034.66	101.42	-634.62	-25.78	0.00	0.00	0.00
7,200.00	12.00	279.08	7,132.47	104.70	-655.15	-26.61	0.00	0.00	0.00
7,300.00	12.00	279.08	7,230.28	107.99	-675.68	-27.45	0.00	0.00	0.00
7,400.00	12.00	279.08	7,328.10	111.27	-696.21	-28.28	0.00	0.00	0.00
7,500.00	12.00	279.08	7,425.91	114.55	-716.75	-29.12	0.00	0.00	0.00
7,600.00	12.00	279.08	7,523.73	117.83	-737.28	-29.95	0.00	0.00	0.00
7,700.00	12.00	279.08	7,621.54	121.11	-757.81	-30.78	0.00	0.00	0.00
7,800.00	12.00	279.08	7,719.36	124.39	-778.34	-31.62	0.00	0.00	0.00
7,900.00	12.00	279.08	7,817.17	127.67	-798.87	-32.45	0.00	0.00	0.00
8,000.00	12.00	279.08	7,914.99	130.95	-819.40	-33.29	0.00	0.00	0.00
8,100.00	12.00	279.08	8,012.80	134.23	-839.93	-34.12	0.00	0.00	0.00
8,200.00	12.00	279.08	8,110.62	137.52	-860.46	-34.96	0.00	0.00	0.00
8,300.00	12.00	279.08	8,208.43	140.80	-880.99	-35.79	0.00	0.00	0.00
8,400.00	12.00	279.08	8,306.25	144.08	-901.52	-36.62	0.00	0.00	0.00
8,500.00	12.00	279.08	8,404.06	147.36	-922.05	-37.46	0.00	0.00	0.00
8,600.00	12.00	279.08	8,501.88	150.64	-942.58	-38.29	0.00	0.00	0.00
8,700.00	12.00	279.08	8,599.69	153.92	-963.11	-39.13	0.00	0.00	0.00
8,800.00	12.00	279.08	8,697.51	157.20	-983.64	-39.96	0.00	0.00	0.00
8,900.00	12.00	279.08	8,795.32	160.48	-1,004.17	-40.79	0.00	0.00	0.00
9,000.00	12.00	279.08	8,893.14	163.76	-1,024.70	-41.63	0.00	0.00	0.00
9,100.00 9,200.00	12.00 12.00	279.08 279.08	8,990.95 9,088.77	167.05 170.33	-1,045.24 -1,065.77	-42.46 -43.30	0.00 0.00	0.00 0.00	0.00 0.00
9,300.00	12.00	279.08	9,186.58	173.61	-1,086.30	-44.13	0.00	0.00	0.00
9,400.00	12.00	279.08	9,284.39	176.89	-1,106.83	-44.96	0.00	0.00	0.00
9,500.00	12.00	279.08	9,382.21	180.17	-1,127.36	-45.80	0.00	0.00	0.00
9,600.00 9,700.00	12.00 12.00	279.08 279.08	9,480.02 9,577.84	183.45 186.73	-1,147.89 -1,168.42	-46.63 -47.47	0.00 0.00	0.00 0.00	0.00 0.00
,									
9,784.52	12.00	279.08	9,660.51	189.51	-1,185.77	-48.17	0.00	0.00	0.00
9,800.00	11.85	271.62	9,675.66	189.80	-1,188.95	-48.09	10.00	-0.96	-48.20
9,900.00 10,000.00	15.21 22.79	230.21 209.68	9,773.09 9,867.67	181.68 156.39	-1,209.35 -1,229.07	-37.61 -10.17	10.00 10.00	3.36 7.58	-41.41 -20.53
10,000.00	22.79 31.69	209.68 199.59	9,867.67 9,956.54	156.39	-1,229.07 -1,247.51	-10.17 33.40	10.00	7.58 8.90	-20.53 -10.09
10,200.00	41.06 50.64	193.66	10,036.98	57.90 12.31	-1,264.12	91.77 163 17	10.00	9.37	-5.93 4.02
10,300.00	50.64 60.33	189.64 186.60	10,106.57 10,163,17	-12.31 -03.70	-1,278.38 -1 280 88	163.17 245.43	10.00	9.58 9.68	-4.02 -3.04
10,400.00	60.33	186.60	10,163.17	-93.79	-1,289.88	245.43	10.00	9.68	-3.04

Planning Report

Database: Company:

Project:

HOPSPP

ENGINEERING DESIGNS

PRD NM DIRECTIONAL PLANS (NAD 1983)

Site: Corral Bluff 11_14

Well:

Corral Bluff 11_14 Fed Com 36H

Wellbore: Wellbore #1

Design: Permitting Plan

Local Co-ordinate Reference:

TVD Reference: MD Reference: North Reference:

Survey Calculation Method:

Well Corral Bluff 11_14 Fed Com 36H

RKB=26.5' @ 3096.20ft RKB=26.5' @ 3096.20ft

Grid

Design.	remining Fig	uii							
Planned Survey									
Measured Depth (ft)	Inclination (°)	Azimuth (°)	Vertical Depth (ft)	+N/-S (ft)	+E/-W (ft)	Vertical Section (ft)	Dogleg Rate (°/100ft)	Build Rate (°/100ft)	Turn Rate (°/100ft)
10,500.00	70.07	184.10	10,205.08	-184.06	-1,298.24	336.06	10.00	9.74	-2.50
10,600.00	79.84	181.89	10,231.02	-280.38	-1,303.23	432.29	10.00	9.77	-2.21
10,700.00	89.62	179.81	10,240.19	-379.82	-1,304.70	531.21	10.00	9.78	-2.08
10,705.14	90.12	179.71	10,240.20	-384.96	-1,304.67	536.31	10.00	9.79	-2.05
10,800.00	90.12	179.71	10,240.00	-479.81	-1,304.19	630.45	0.00	0.00	0.00
10,900.00	90.12	179.71	10,239.78	-579.81	-1,303.68	729.69	0.00	0.00	0.00
11,000.00	90.12	179.71	10,239.56	-679.81	-1,303.16	828.93	0.00	0.00	0.00
11,100.00	90.12	179.71	10,239.35	-779.81	-1,302.65	928.16	0.00	0.00	0.00
11,200.00	90.12	179.71	10,239.13	-879.81	-1,302.14	1,027.40	0.00	0.00	0.00
11,300.00	90.12	179.71	10,238.91	-979.81	-1,301.63	1,126.64	0.00	0.00	0.00
11,400.00	90.12	179.71	10,238.70	-1,079.80	-1,301.12	1,225.88	0.00	0.00	0.00
11,500.00	90.12	179.71	10,238.48	-1,179.80	-1,300.60	1,325.12	0.00	0.00	0.00
11,600.00	90.12	179.71	10,238.26	-1,279.80	-1,300.09	1,424.36	0.00	0.00	0.00
11,700.00	90.12	179.71	10,238.05	-1,379.80	-1,299.58	1,523.59	0.00	0.00	0.00
11,800.00	90.12	179.71	10,237.83	-1,479.80	-1,299.07	1,622.83	0.00	0.00	0.00
11,900.00	90.12	179.71	10,237.61	-1,579.80	-1,298.55	1,722.07	0.00	0.00	0.00
12,000.00	90.12	179.71	10,237.40	-1,679.79	-1,298.04	1,821.31	0.00	0.00	0.00
12,100.00	90.12	179.71	10,237.18	-1,779.79	-1,297.53	1,920.55	0.00	0.00	0.00
12,200.00	90.12	179.71	10,236.96	-1,879.79	-1,297.02	2,019.79	0.00	0.00	0.00
12,300.00	90.12	179.71	10,236.75	-1,979.79	-1,296.51	2,119.03	0.00	0.00	0.00
12,300.00 12,400.00 12,500.00	90.12 90.12 90.12	179.71 179.71 179.71	10,236.53 10,236.31	-2,079.79 -2,179.79	-1,295.99 -1,295.48	2,119.03 2,218.26 2,317.50	0.00 0.00 0.00	0.00 0.00 0.00	0.00 0.00 0.00
12,600.00 12,700.00	90.12 90.12 90.12	179.71 179.71	10,236.10 10,235.88 10,235.66	-2,279.79 -2,379.78 -2,479.78	-1,294.97 -1,294.46 -1,293.95	2,416.74 2,515.98	0.00 0.00 0.00	0.00 0.00 0.00	0.00 0.00 0.00
12,800.00 12,900.00 13,000.00	90.12 90.12 90.12	179.71 179.71 179.71	10,235.45 10,235.23	-2,579.78 -2,679.78	-1,293.43 -1,292.92	2,615.22 2,714.46 2,813.69	0.00 0.00 0.00	0.00 0.00 0.00	0.00 0.00 0.00
13,100.00	90.12	179.71	10,235.01	-2,779.78	-1,292.41	2,912.93	0.00	0.00	0.00
13,200.00	90.12	179.71	10,234.80	-2,879.78	-1,291.90	3,012.17	0.00	0.00	0.00
13,300.00	90.12	179.71	10,234.58	-2,979.77	-1,291.39	3,111.41	0.00	0.00	0.00
13,400.00 13,500.00	90.12 90.12	179.71 179.71	10,234.36 10,234.14	-3,079.77 -3,179.77	-1,290.87 -1,290.36	3,210.65 3,309.89	0.00 0.00	0.00 0.00	0.00 0.00 0.00
13,600.00	90.12	179.71	10,233.93	-3,279.77	-1,289.85	3,409.13	0.00	0.00	0.00
13,700.00	90.12	179.71	10,233.71	-3,379.77	-1,289.34	3,508.36	0.00	0.00	0.00
13,800.00	90.12	179.71	10,233.49	-3,479.77	-1,288.82	3,607.60	0.00	0.00	0.00
13,900.00 14,000.00	90.12 90.12	179.71 179.71	10,233.28 10,233.06	-3,579.77 -3,679.76	-1,288.31 -1,287.80	3,706.84 3,806.08	0.00 0.00	0.00 0.00	0.00 0.00 0.00
14,100.00	90.12	179.71	10,232.84	-3,779.76	-1,287.29	3,905.32	0.00	0.00	0.00
14,200.00	90.12	179.71	10,232.63	-3,879.76	-1,286.78	4,004.56	0.00	0.00	0.00
14,300.00	90.12	179.71	10,232.41	-3,979.76	-1,286.26	4,103.79	0.00	0.00	0.00
14,400.00	90.12	179.71	10,232.19	-4,079.76	-1,285.75	4,203.03	0.00	0.00	0.00
14,500.00	90.12	179.71	10,231.98	-4,179.76	-1,285.24	4,302.27	0.00	0.00	0.00
14,600.00	90.12	179.71	10,231.76	-4,279.75	-1,284.73	4,401.51	0.00	0.00	0.00
14,700.00	90.12	179.71	10,231.54	-4,379.75	-1,284.22	4,500.75	0.00	0.00	0.00
14,800.00	90.12	179.71	10,231.33	-4,479.75	-1,283.70	4,599.99	0.00	0.00	0.00
14,900.00	90.12	179.71	10,231.11	-4,579.75	-1,283.19	4,699.23	0.00	0.00	0.00
15,000.00	90.12	179.71	10,230.89	-4,679.75	-1,282.68	4,798.46	0.00	0.00	0.00
15,100.00	90.12	179.71	10,230.68	-4,779.75	-1,282.17	4,897.70	0.00	0.00	0.00
15,200.00	90.12	179.71	10,230.46	-4,879.75	-1,281.66	4,996.94	0.00	0.00	0.00
15,300.00	90.12	179.71	10,230.24	-4,979.74	-1,281.14	5,096.18	0.00	0.00	0.00
15,400.00	90.12	179.71	10,230.03	-5,079.74	-1,280.63	5,195.42	0.00	0.00	0.00
15,500.00	90.12	179.71	10,229.81	-5,179.74	-1,280.12	5,294.66	0.00	0.00	0.00
15,600.00	90.12	179.71	10,229.59	-5,279.74	-1,279.61	5,393.90	0.00	0.00	0.00
15,700.00	90.12	179.71	10,229.38	-5,379.74	-1,279.09	5,493.13	0.00	0.00	0.00

Planning Report

Database: Company: Project: HOPSPP

ENGINEERING DESIGNS

PRD NM DIRECTIONAL PLANS (NAD 1983)

Site: Corral Bluff 11_14

Well: Corral Bluff 11_14 Fed Com 36H

Wellbore: Wellbore #1

Design: Permitting Plan

Local Co-ordinate Reference:

TVD Reference: MD Reference: North Reference:

Survey Calculation Method:

Well Corral Bluff 11_14 Fed Com 36H

RKB=26.5' @ 3096.20ft RKB=26.5' @ 3096.20ft

Grid

esign:	Permitting Pia	411							
lanned Survey									
Measured Depth (ft)	Inclination (°)	Azimuth (°)	Vertical Depth (ft)	+N/-S (ft)	+E/-W (ft)	Vertical Section (ft)	Dogleg Rate (°/100ft)	Build Rate (°/100ft)	Turn Rate (°/100ft)
15,800.00	90.12	179.71	10,229.16	-5,479.74	-1,278.58	5,592.37	0.00	0.00	0.00
15,900.00	90.12	179.71	10,228.94	-5,579.73	-1,278.07	5,691.61	0.00	0.00	0.00
16,000.00	90.12	179.71	10,228.73	-5,679.73	-1,277.56	5,790.85	0.00	0.00	0.00
16,100.00	90.12	179.71	10,228.51	-5,779.73	-1,277.05	5,890.09	0.00	0.00	0.00
16,200.00	90.12	179.71	10,228.29	-5,879.73	-1,276.53	5,989.33	0.00	0.00	0.00
16,300.00	90.12	179.71	10,228.07	-5,979.73	-1,276.02	6,088.56	0.00	0.00	0.00
16,400.00	90.12	179.71	10,227.86	-6,079.73	-1,275.51	6,187.80	0.00	0.00	0.00
16,500.00	90.12	179.71	10,227.64	-6,179.73	-1,275.00	6,287.04	0.00	0.00	0.00
16,600.00	90.12	179.71	10,227.42	-6,279.72	-1,274.49	6,386.28	0.00	0.00	0.00
16,700.00	90.12	179.71	10,227.21	-6,379.72	-1,273.97	6,485.52	0.00	0.00	0.00
16,800.00	90.12	179.71	10,226.99	-6,479.72	-1,273.46	6,584.76	0.00	0.00	0.00
16,900.00	90.12	179.71	10,226.77	-6,579.72	-1,272.95	6,684.00	0.00	0.00	0.00
17,000.00	90.12	179.71	10,226.56	-6,679.72	-1,272.44	6,783.23	0.00	0.00	0.00
17,100.00	90.12	179.71	10,226.34	-6,779.72	-1,271.93	6,882.47	0.00	0.00	0.00
17,200.00	90.12	179.71	10,226.12	-6,879.71	-1,271.41	6,981.71	0.00	0.00	0.00
17,300.00	90.12	179.71	10,225.91	-6,979.71	-1,270.90	7,080.95	0.00	0.00	0.00
17,400.00	90.12	179.71	10,225.69	-7,079.71	-1,270.39	7,180.19	0.00	0.00	0.00
17,500.00	90.12	179.71	10,225.47	-7,179.71	-1,269.88	7,279.43	0.00	0.00	0.00
17,600.00	90.12	179.71	10,225.26	-7,279.71	-1,269.36	7,378.66	0.00	0.00	0.00
17.700.00	90.12	179.71	10,225.04	-7.379.71	-1,268.85	7,477.90	0.00	0.00	0.00
17,800.00	90.12	179.71	10,224.82	-7,479.71	-1,268.34	7,577.14	0.00	0.00	0.00
17,900.00	90.12	179.71	10,224.61	-7,579.70	-1,267.83	7,676.38	0.00	0.00	0.00
18,000.00	90.12	179.71	10,224.39	-7,679.70	-1,267.32	7,775.62	0.00	0.00	0.00
18,100.00	90.12	179.71	10,224.17	-7,779.70	-1,266.80	7,874.86	0.00	0.00	0.00
18,200.00	90.12	179.71	10,223.96	-7,879.70	-1,266.29	7,974.10	0.00	0.00	0.00
18,300.00	90.12	179.71	10,223.74	-7,979.70	-1,265.78	8,073.33	0.00	0.00	0.00
18,400.00	90.12	179.71	10,223.52	-8,079.70	-1,265.27	8,172.57	0.00	0.00	0.00
18,500.00	90.12	179.71	10,223.31	-8,179.69	-1,264.76	8,271.81	0.00	0.00	0.00
18,600.00	90.12	179.71	10,223.09	-8,279.69	-1,264.24	8,371.05	0.00	0.00	0.00
18,700.00	90.12	179.71	10,222.87	-8,379.69	-1,263.73	8,470.29	0.00	0.00	0.00
18,800.00	90.12	179.71	10,222.66	-8,479.69	-1,263.22	8,569.53	0.00	0.00	0.00
18,900.00	90.12	179.71	10,222.44	-8,579.69	-1,262.71	8,668.76	0.00	0.00	0.00
19,000.00	90.12	179.71	10,222.22	-8,679.69	-1,262.20	8,768.00	0.00	0.00	0.00
19,100.00	90.12	179.71	10,222.00	-8,779.69	-1,261.68	8,867.24	0.00	0.00	0.00
19,200.00	90.12	179.71	10,221.79	-8,879.68	-1,261.17	8,966.48	0.00	0.00	0.00
19,300.00	90.12	179.71	10,221.57	-8,979.68	-1,260.66	9,065.72	0.00	0.00	0.00
19,400.00	90.12	179.71	10,221.35	-9,079.68	-1,260.15	9,164.96	0.00	0.00	0.00
19,500.00	90.12	179.71	10,221.14	-9,179.68	-1,259.63	9,264.20	0.00	0.00	0.00
19,600.00	90.12	179.71	10,220.92	-9,279.68	-1,259.12	9,363.43	0.00	0.00	0.00
19,700.00	90.12	179.71	10,220.70	-9,379.68	-1,258.61	9,462.67	0.00	0.00	0.00
19,800.00	90.12	179.71	10,220.49	-9,479.67	-1,258.10	9,561.91	0.00	0.00	0.00
19,900.00	90.12	179.71	10,220.27	-9,579.67	-1,257.59	9,661.15	0.00	0.00	0.00
20,000.00	90.12	179.71	10,220.05	-9,679.67	-1,257.07	9,760.39	0.00	0.00	0.00
20,100.00	90.12	179.71	10,219.84	-9,779.67	-1,256.56	9,859.63	0.00	0.00	0.00
20,200.00	90.12	179.71	10,219.62	-9,879.67	-1,256.05	9,958.86	0.00	0.00	0.00
20,300.00	90.12	179.71	10,219.40	-9,979.67	-1,255.54	10,058.10	0.00	0.00	0.00
20,400.00	90.12	179.71	10,219.19	-10,079.67	-1,255.03	10,157.34	0.00	0.00	0.00
20,500.00	90.12	179.71	10,218.97	-10,179.66	-1,254.51	10,256.58	0.00	0.00	0.00
20,600.00	90.12	179.71	10,218.75	-10,279.66	-1,254.00	10,355.82	0.00	0.00	0.00
20,700.00	90.12	179.71	10,218.54	-10,379.66	-1,253.49	10,455.06	0.00	0.00	0.00
20,800.00	90.12	179.71	10,218.32	-10,479.66	-1,252.98	10,554.30	0.00	0.00	0.00
20,854.99	90.12	179.71	10,218.20	-10,534.65	-1,252.70	10,608.87	0.00	0.00	0.00

Planning Report

Database: HOPSPP

Company: ENGINEERING DESIGNS

Project: PRD NM DIRECTIONAL PLANS (NAD 1983)

Site: Corral Bluff 11_14

Well: Corral Bluff 11_14 Fed Com 36H

Wellbore: Wellbore #1

Design: Permitting Plan

Local Co-ordinate Reference:

TVD Reference: MD Reference: North Reference:

Survey Calculation Method:

Well Corral Bluff 11_14 Fed Com 36H

RKB=26.5' @ 3096.20ft RKB=26.5' @ 3096.20ft

Grid

Design Targets									
Target Name - hit/miss target - Shape	Dip Angle (°)	Dip Dir. (°)	TVD (ft)	+N/-S (ft)	+E/-W (ft)	Northing (usft)	Easting (usft)	Latitude	Longitude
PBHL (Corral Bluff - plan hits target ce - Point	0.00 nter	0.00	10,218.20	-10,534.65	-1,252.70	408,622.61	659,374.62	32° 7' 22.110525 N	103° 57' 7.365280
FTP (Corral Bluff - plan misses targer - Point	0.00 t center by 99		10,240.20 895.07ft MD	-31.88 (10160.71 T\	,	419,124.57 -1289.38 E)	659,320.76	32° 9' 6.039610 N	103° 57' 7.559339

Plan Annotations				
Measured Depth (ft)	Vertical Depth (ft)	Local Co +N/-S (ft)	ordinates +E/-W (ft)	Comment
3,710.0 4,310.0 9,784.5 10,705.1 20,854.9	0 4,305.62 2 9,660.51 4 10,240.20	0.00 9.88 189.51 -384.96 -10,534.65	0.00 -61.82 -1,185.77 -1,304.67 -1,252.70	Build 2°/100' Hold 12° Tangent KOP, Build & Turn 10°/100' Landing Point TD at 20854.99' MD



Project: PRD NM DIRECTIONAL PLANS (NAD 1983)

Site: Corral Bluff 11_14

Well: Corral Bluff 11_14 Fed Com 36H

Wellbore: Wellbore #1
Design: Permitting Plan

PROJECT DETAILS: NM DIRECTIONAL PLANS (NAD 1983)

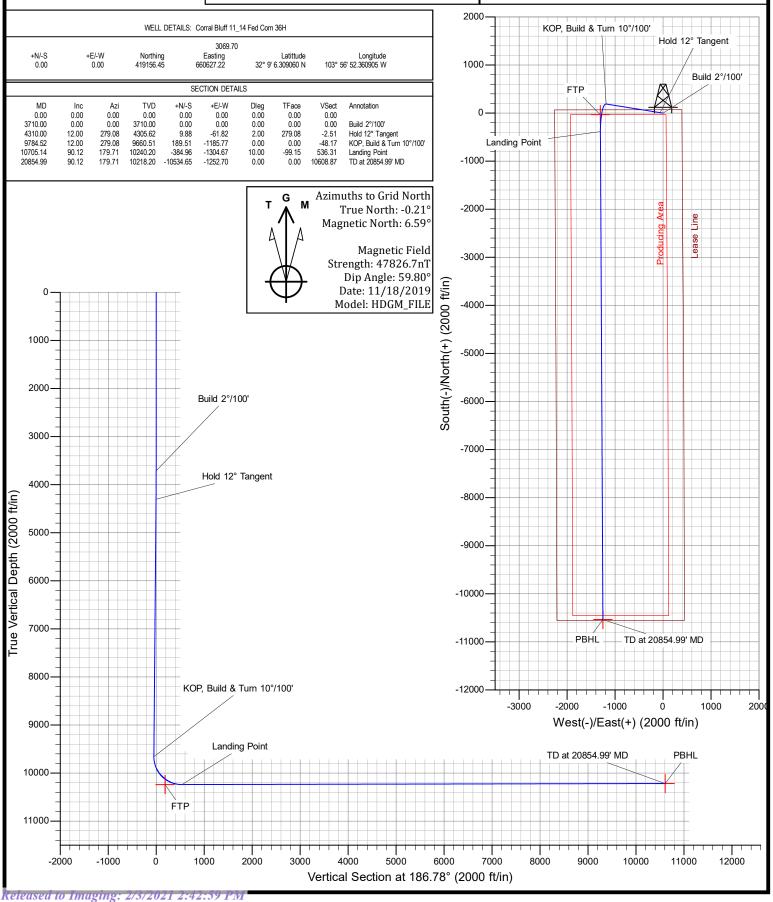
Geodetic System: US State Plane 1983

Datum: North American Datum 1983

Ellipsoid: GRS 1980

Zone: New Mexico Eastern Zone

System Datum: Mean Sea Level



1. Geologic Formations

TVD of target	10241'	Pilot Hole Depth	N/A
MD at TD:	20855'	Deepest Expected fresh water:	360'

Delaware Basin

Formation	TVD - RKB	Expected Fluids
Rustler	360	
Salado	757	Salt
Castile	1,688	Salt
Lamar/Delaware	3,240	Oil/Gas/Brine
Bell Canyon	3,248	Oil/Gas/Brine
Cherry Canyon	4,120	Oil/Gas/Brine
Brushy Canyon	5,552	Losses
Bone Spring	7,012	Oil/Gas
1st Bone Spring	7,914	Oil/Gas
2nd Bone Spring	8,770	Oil/Gas
3rd Bone Spring	9,892	Oil/Gas
Wolfcamp	10,196	Oil/Gas

^{*}H2S, water flows, loss of circulation, abnormal pressures, etc.

2. Casing Program

									Buoyant	Buoyant
Hole Size (in)	Casing	Interval	Csg. Size	Weight	Grade	C	SF	SF Burst	Body SF	Joint SF
Hole Size (in)	From (ft)	To (ft)	(in)	(lbs)	Grade	Conn.	Collapse	Sr Burst	Tension	Tension
14.75	0	697	10.75	40.5	J-55	BTC	1.125	1.2	1.4	1.4
9.875	0	9685	7.625	26.4	L-80 HC	BTC	1.125	1.2	1.4	1.4
6.75	0	20855	5.5	20	P-110	DQX	1.125	1.2	1.4	1.4
					_			SF Values will	meet or Exceed	l

All casing strings will be tested in accordance with Onshore Oil and Gas Order #2 III.B.1.h *Oxy requests the option to set casing shallower yet still below the salts if losses or hole conditions require this. Cement volumes may be adjusted if casing is set shallower and a DV tool may be run in case hole conditions merit pumping a second stage cement job to comply with permitted top of cement. If cement circulated to surface during first stage, we will drop a cancelation cone and not pump the second stage.

*Oxy requests the option to run production casing with DQX, SF TORQ, and/or DQW TORQ connections to accommodate hole conditions or drilling operations.

Annular Clearance Variance Request

As per the agreement reached in the Oxy/BLM face-to-face meeting on Feb 22, 2018, Oxy requests permission to allow deviation from the 0.422" annular clearance requirement from Onshore Order #2 under the following conditions:

- 1. Annular clearance to meet or exceed 0.422" between intermediate casing ID and production casing coupling only on the first 500' overlap between both casings.
- 2. Annular clearance less than 0.422" is acceptable for the curve and lateral portions of the production open hole section.

	Y or N
Is casing new? If used, attach certification as required in Onshore Order #1	Y
Does casing meet API specifications? If no, attach casing specification sheet.	Y
Is premium or uncommon casing planned? If yes attach casing specification sheet.	Y
Does the above casing design meet or exceed BLM's minimum standards? If not provide justification (loading assumptions, casing design criteria).	Y
Will the intermediate pipe be kept at a minimum 1/3 fluid filled to avoid approaching the collapse pressure rating of the casing?	Y
Is well located within Capitan Reef?	N
If yes, does production casing cement tie back a minimum of 50' above the Reef?	
Is well within the designated 4 string boundary.	
Is well located in SOPA but not in R-111-P?	N
If yes, are the first 2 strings cemented to surface and 3 rd string cement tied back 500' into previous casing?	
Is well located in R-111-P and SOPA?	N
If yes, are the first three strings cemented to surface?	
Is 2 nd string set 100' to 600' below the base of salt?	
Is well located in high Cave/Karst?	N
If yes, are there two strings cemented to surface?	
(For 2 string wells) If yes, is there a contingency casing if lost circulation occurs?	
Is well located in critical Cave/Karst?	N
If yes, are there three strings cemented to surface?	

3. Cementing Program

Casing String	# Sks	Wt.	Yld (ft3/sack)	H20 (gal/sk)	500# Comp. Strength (hours)	Slurry Description	
Surface (Lead)	N/A	N/A	N/A	N/A	N/A	N/A	
Surface (Tail)	570	14.8	1.33	6.365	5:26	Class C Cement, Accelerator	
Intermediate 1st Stage (Lead)	N/A	N/A	N/A	N/A	N/A	N/A	
Intermediate 1st Stage (Tail)	551	13.2	1.65	8.640	11:54	Class H Cement, Retarder, Dispersant, Salt	
Intermediate 2nd Sta	ge (Tail Slurr	y) to be pumpe	ed as Bradenho	ead Squeeze f	rom surface,	down the Intermediate annulus	
Intermediate 2nd Stage (Lead)	N/A	N/A	N/A	N/A	N/A	N/A	
Intermediate 2nd Stage (Tail)	714	12.9	1.92	10.41	23:10	Class C Cement, Accelerator	
Production (Lead)	N/A	N/A	N/A	N/A	N/A	N/A	
Production (Tail)	858	13.2	1.38	6.686	3:39	Class H Cement, Retarder, Dispersant, Salt	

Casing String	Top (ft)	Bottom (ft)	% Excess
Surface (Lead)	N/A	N/A	N/A
Surface (Tail)	0	697	100%
Intermediate 1st Stage (Lead)	N/A	N/A	N/A
Intermediate 1st Stage (Tail)	5802	9783	5%
Intermediate 2nd Stage (Lead)	N/A	N/A	N/A
Intermediate 2nd Stage (Tail)	0	5802	10%
Production (Lead)	N/A	N/A	N/A
Production (Tail)	9283	20989	20%

Oxy requests a variance to cement the 9.625" and/or 7.625" intermediate casing strings offline in accordance to the approved variance, EC Tran 461365.

The summarized operational sequence will be as follows:

- 1. Run casing as per normal operations. While running casing, conduct negative pressure test and confirm integrity of the float equipment (float collar and shoe).
- 2. Land casing.
- 3. Fill pipe with kill weight fluid, and confirm well is static.
 - a. If well is not static notify BLM and kill well.
 - b. Once well is static notify BLM with intent to proceed with nipple down and offline cementing.
- 4. Set and pressure test annular packoff.
- 5. After confirmation of both annular barriers and internal barriers, nipple down BOP and install cap flange. If any barrier fails to test, the BOP stack will not be nippled down until after the cement job is completed.
- 6. Skid rig to next well on pad.
- 7. Confirm well is static before removing cap flange.
- 8. If well is not static notify BLM and kill well prior to cementing or nippling up for further remediation.

3 Drilling Plan

- 9. Install offline cement tool.
- 10. Rig up cement equipment.
 - a. Notify BLM prior to cement job.
- 11. Perform cement job.
- 12. Confirm well is static and floats are holding after cement job.
- 13. Remove cement equipment, offline cement tools and install night cap with pressure gauge for monitoring.

Pilot Hole Cementing specs:

Pilot hole depth: N/A

KOP: N/A

Plug	Plug	%	No.	Wt.	Yld	Water	Slurry Description and
top	Bottom	Excess	Sacks	lb/gal	ft3/sack	gal/sk	Cement Type
N/A							
N/A							

4. Pressure Control Equipment

BOP installed and tested before drilling which hole?	Size?	Min. Required WP	Туре		✓	Tested to:		
		3M	Annula	ır	✓	70% of working pressure		
0.075" 11-1-	12 5/02		Blind Ra	am	✓			
9.875" Hole	13-5/8	13-5/8"	13-5/8	23.4	Pipe Ram			250 :/2000 :
		3M	Double R	lam	✓	250 psi / 3000 psi		
			Other*					
		5M	Annula	ır	✓	70% of working pressure		
6.75" Hole	13-5/8"	12.7/02		Blind Ram		✓		
0.73 Hote		13-3/8 5M	Pipe Ra	m		250 mgi / 5000 mgi		
			Double R	lam	✓	250 psi / 5000 psi		
			Other*					

^{*}Specify if additional ram is utilized.

Oxy will utilize a 5M annular with a 10M BOPE stack. The BOP/BOPE will be tested by an independent service company to 250 psi low and the high pressure indicated above per Onshore Order 2 requirements. The System may be upgraded to a higher pressure but still tested to the working pressure listed in the table above. If the system is upgraded all the components installed will be functional and tested.

Pipe rams will be operationally checked each 24 hour period. Blind rams will be operationally checked on each trip out of the hole. These checks will be noted on the daily tour sheets. Other accessories to the BOP equipment will include a Kelly cock and floor safety valve (inside BOP) and choke lines and choke manifold. See attached schematics.

Formation integrity test will be performed per Onshore Order #2.

On Exploratory wells or on that portion of any well approved for a 5M BOPE system or greater, a pressure integrity test of each casing shoe shall be performed. Will be tested in accordance with Onshore Oil and Gas Order #2 III.B.1.i.

A variance is requested for the use of a flexible choke line from the BOP to Choke Manifold. See attached for specs and hydrostatic test chart.

Y Are anchors required by manufacturer?

A multibowl or a unionized multibowl wellhead system will be employed. The wellhead and connection to the BOPE will meet all API 6A requirements. The BOP will be tested per Onshore Order #2 after installation on the surface casing which will cover testing requirements for a maximum of 30 days. If any seal subject to test pressure is broken the system must be tested. We will test the flange connection of the wellhead with a test port that is directly in the flange. We are proposing that we will run the wellhead through the rotary prior to cementing surface casing as discussed with the BLM on October 8, 2015.

See attached schematics.

BOP Break Testing Request

Oxy requests permission to adjust the BOP break testing requirements as per the agreement reached in the OXY/BLM meeting on September 5, 2019. A separate sundry will be sent prior to spud that reflects the pad based break testing plan.

BOP break test under the following conditions:

- After a full BOP test is conducted
- When skidding to drill an intermediate section where ICP is set into the third Bone Spring or shallower.
- When skidding to drill a production section that does not penetrate into the third Bone Spring or deeper.

If the kill line is broken prior to skid, two tests will be performed.

- 1) Wellhead flange, co-flex hose, kill line connections and upper pipe rams
- 2) Wellhead flange, HCR valve, check valve, upper pipe rams

If the kill line is not broken prior to skid, only one test will be performed.

1) Wellhead flange, co-flex hose, check valve, upper pipe rams

5. Mud Program

Depth		Tymo	Weight	Viscosity	Water Loss
From (ft)	To (ft)	Туре	(ppg)	viscosity	water Loss
0	697	Water-Based Mud	8.6-8.8	40-60	N/C
697	9685	Saturated Brine- Based or Oil-Based Mud	8.0-10.0	35-45	N/C
9685	20855	Water-Based or Oil- Based Mud	9.5-12.0	38-50	N/C

Sufficient mud materials to maintain mud properties and meet minimum lost circulation and weight increase requirements will be kept on location at all times. The following is a general list of products: Barite, Bentonite, Gypsum, Lime, Soda Ash, Caustic Soda, Nut Plug, Cedar Fiber, Cotton Seed Hulls, Drilling Paper, Salt Water Clay, CACL2. Oxy will use a closed mud system.

What will be used to monitor the loss or gain	PVT/MD Totco/Visual Monitoring
of fluid?	

6. Logging and Testing Procedures

Logg	ing, Coring and Testing.
Yes	Will run GR from TD to surface (horizontal well – vertical portion of hole). Stated logs
	run will be in the Completion Report and submitted to the BLM.
No	Logs are planned based on well control or offset log information.
No	Drill stem test? If yes, explain
No	Coring? If yes, explain

Addi	tional logs planned	Interval
No	Resistivity	
No	Density	
No	CBL	
Yes	Mud log	ICP - TD
No	PEX	

7. Drilling Conditions

Condition	Specify what type and where?
BH Pressure at deepest TVD	6391 psi
Abnormal Temperature	No
BH Temperature at deepest TVD	162°F

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. 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.

Hydrogen Sulfide (H2S) monitors will be installed prior to drilling out the surface shoe. If H2S is detected in concentrations greater than 100 ppm, the operator will comply with the provisions of Onshore Oil and Gas Order #6. If Hydrogen Sulfide is encountered, measured values and formations will be provided to the BLM.

N H2S is present

N	H2S is present
Y	H2S Plan attached

8. Other facets of operation

	Yes/No
Will the well be drilled with a walking/skidding operation? If yes, describe. • We plan to drill the four well pad in batch by section: all surface sections, intermediate sections and production sections. The wellhead will be secured with a night cap whenever the rig is not over the well.	Yes
Will more than one drilling rig be used for drilling operations? If yes, describe. • Oxy requests the option to contract a Surface Rig to drill, set surface casing, and cement for this well. If the timing between rigs is such that Oxy would not be able to preset surface, the Primary Rig will MIRU and drill the well in its entirety per the APD. Please see the attached document for information on the spudder rig.	Yes

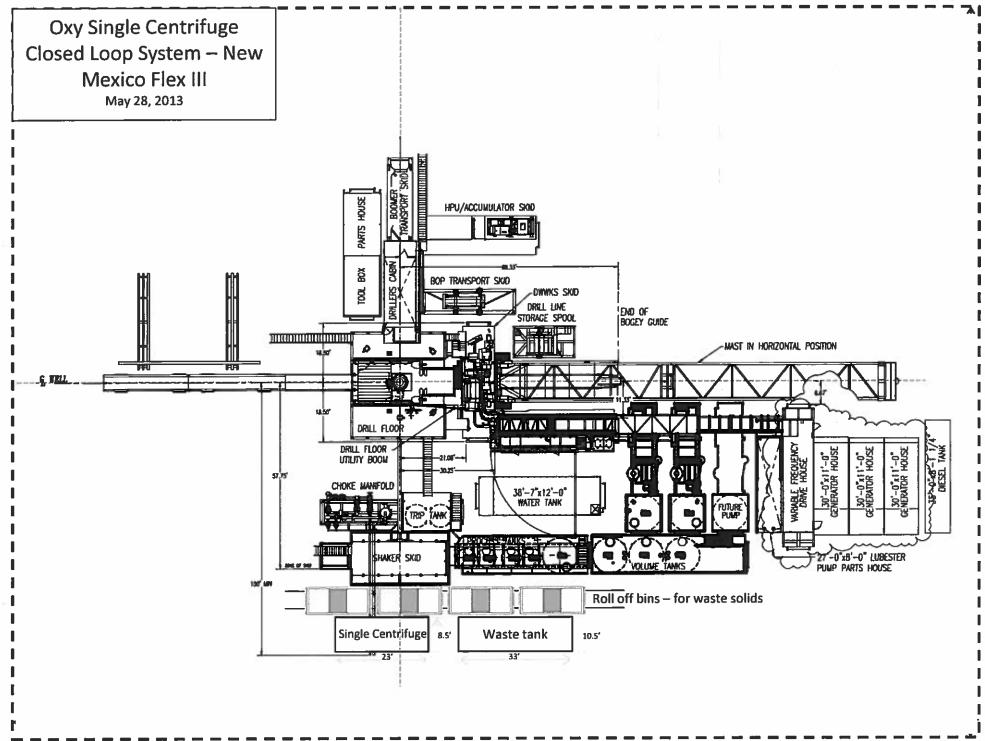
Total estimated cuttings volume: 1493.1 bbls.

Attachments

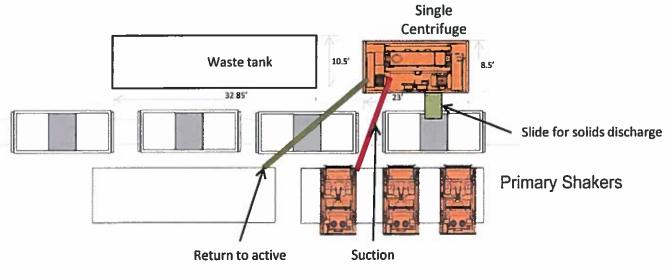
- _x__ Directional Plan
- _x__ H2S Contingency Plan
- _x__ Flex III Attachments
- _x__ Spudder Rig Attachment
- _x__ Premium Connection Specs

9. Company Personnel

Name	<u>Title</u>	Office Phone	Mobile Phone
Christopher Hollis	Drilling Engineer		713-380-7754
William Turner	Drilling Engineer Supervisor	713-350-4951	661-817-4586
Simon Benavides	Drilling Superintendent	713-522-8652	281-684-6897
Diego Tellez	Drilling Manager	713-350-4602	713-303-4932











Oxy Single Centrifuge
Closed Loop System – New
Mexico Flex III

May 28, 2013

District I
1625 N. French Dr., Hobbs, NM 88240
District II
811 S. First St., Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

Data: 11/15/2010

State of New Mexico Energy, Minerals and Natural Resources Department

Submit Original to Appropriate District Office

Oil Conservation Division 1220 South St. Francis Dr. Santa Fe, NM 87505

GAS CAPTURE PLAN

Date. <u>11</u>	113/2019	
⊠ Origi	nal	Operator & OGRID No.: OXY USA INC 16696
☐ Amer	nded - Reason for Amendment:	

This Gas Capture Plan outlines actions to be taken by the Operator to reduce well/production facility flaring/venting for new completion (new drill, recomplete to new zone, re-frac) activity.

Note: Form C-129 must be submitted and approved prior to exceeding 60 days allowed by Rule (Subsection A of 19.15.18.12 NMAC).

Well(s)/Production Facility – Name of facility

The well(s) that will be located at the production facility are shown in the table below.

Well Name	API	Well Location (ULSTR)	Footages	Expected Peak MCF/D	Flared or Vented	Comments
CORRAL BLUFF 11-14 FED COM 01		P-11-25S-29E	445 FSL 1295 FWL	3,900.00	-	
CORRAL BLUFF 11-14 FED COM 02		P-11-25S-29E	445 FSL 1330 FWL	3,900.00	-	
CORRAL BLUFF 11-14 FED COM 03		O-11-25S-29E	445 FSL 1365 FWL	3,800.00	-	
CORRAL BLUFF 11-14 FED COM 11		D-11-25S-29E	265 FNL 1194 FWL	3,700.00	-	
CORRAL BLUFF 11-14 FED COM 12		D-11-25S-29E	283 FNL 1262 FWL	3,700.00	-	
CORRAL BLUFF 11-14 FED COM 13		C-11-25S-29E	1160 FNL 1340 FEL	3,700.00	-	
CORRAL BLUFF 11-14 FED COM 14		D-11-25S-29E	1104 FNL 1297 FEL	3,700.00	-	
CORRAL BLUFF 11-14 FED COM 15		D-11-25S-29E	274 FNL 1228 FWL	3,500.00	-	
CORRAL BLUFF 11-14 FED COM 21H		M-2-25S-29E	322 FSL 1205 FWL	3,600.00	-	
CORRAL BLUFF 11-14 FED COM 22H		M-2-25S-29E	322 FSL 1240 FWL	3,600.00	-	
CORRAL BLUFF 11-14 FED COM 23H		M-2-25S-29E	322 FSL 1275 FWL	3,600.00	-	
CORRAL BLUFF 11-14 FED COM 24H		A-11-25S-29E	962 FNL 1186 FEL	3,600.00	-	
CORRAL BLUFF 11-14 FED COM 25H		A-11-25S-29E	934 FNL 1164 FEL	3,600.00	-	
CORRAL BLUFF 11-14 FED COM 26H		A-11-25S-29E	907 FNL 1143 FEL	3,600.00	-	

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CORRAL BLUFF 11-14 FED COM 311H	M-2-25S-29E	575 FSL 715 FWL	4,300.00	-	
CORRAL BLUFF 11-14 FED COM 312H	A-11-25S-29E	74 FNL 363 FEL	4,300.00	-	
CORRAL BLUFF 11-14 FED COM 31H	M-2-25S-29E	575 FSL 645 FWL	4,300.00	-	
CORRAL BLUFF 11-14 FED COM 32H	M-2-25S-29E	575 FSL 680 FWL	4,400.00	ı	
CORRAL BLUFF 11-14 FED COM 33H	N-2-25S-29E	283 FSL 2227 FWL	4,800.00	-	
CORRAL BLUFF 11-14 FED COM 34H	N-2-25S-29E	251 FSL 2241 FWL	4,700.00	-	
CORRAL BLUFF 11-14 FED COM 35H	N-2-25S-29E	219 FSL 2255 FWL	4,800.00	-	
CORRAL BLUFF 11-14 FED COM 36H	A-11-25S-29E	70 FNL 393 FEL	4,700.00	-	
CORRAL BLUFF 11-14 FED COM 37H	A-11-25S-29E	78 FNL 329 FEL	4,400.00	-	
CORRAL BLUFF 11-14 FED COM 38H	A-11-25S-29E	83 FNL 294 FEL	4,300.00	-	
CORRAL BLUFF 11-14 FED COM 41	M-2-25S-29E	1315 FSL 1155 FWL	6,600.00	-	
CORRAL BLUFF 11-14 FED COM 42	M-2-25S-29E	1215 FSL 1155 FWL	6,600.00	-	
CORRAL BLUFF 11-14 FED COM 43	O-2-25S-29E	712 FSL 1692 FEL	6,600.00	-	
CORRAL BLUFF 11-14 FED COM 44	O-2-25S-29E	712 FSL 1627 FEL	6,600.00	-	

Gathering System and Pipeline Notification

Well(s) will be connected to a production facility after flowback operations are complete, where a gas transporter system is in place. The gas produced from the production facility is sent to ETC Texas Pipeline, LTD ("ETC") and Enterprise Field Services, LLC ("Enterprise") via the Oxy gas network. This network is connected to Enterprise and ETC high pressure gathering systems located in Eddy County, New Mexico. Produced gas is compressed by OXY USA INC. ("OXY") to the appropriate pressures for each gathering system. OXY provides (periodically) to ETC and Enterprise a drilling, completion and estimated first production date for wells that are scheduled to be drilled in the foreseeable future. In addition, OXY has periodic conference calls with these Midstream companies to discuss changes to drilling and completion schedules. Gas from these wells will be processed at the following plants:

Orla Plant Processing Plant located in Sec. 35, Block 57, T2, T&P RR CO, Reeves, County, Texas.

OXY USA WTP LP Processing Plant located in Sec. 23, Twn. 21S, Rng. 23E, Eddy County, New Mexico.

The actual flow of the gas will be based on compression operating parameters and gathering system pressures.

Flowback Strategy

After the fracture treatment/completion operations, well(s) will be produced to temporary production tanks and gas will be flared or vented. During flowback, the fluids and sand content will be monitored. When the produced fluids contain minimal sand, the wells will be turned to production facilities. Gas sales should start as soon as the wells start flowing through the production facilities, unless there are operational issues on Enterprise and/or ETC systems at that time. Based on current information, it is OXY's belief the system can take this gas upon completion of the well(s).

Safety requirements during cleanout operations from the use of underbalanced air cleanout systems may necessitate that sand and non-pipeline quality gas be vented and/or flared rather than sold on a temporary basis.

Alternatives to Reduce Flaring

Below are alternatives considered from a conceptual standpoint to reduce the amount of gas flared.

- Power Generation On lease
 - o Only a portion of gas is consumed operating generators, remainder of gas would be flared
- Compressed Natural Gas On lease
 - o Gas flared would be minimal, but might be uneconomical to operate when gas volume declines

- - o Plants are expensive, residue gas is still flared, and uneconomical to operate when gas volume declines

<u>District I</u> 1625 N. French Dr., Hobbs, NM 88240 Phone:(575) 393-6161 Fax:(575) 393-0720

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 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**

COMMENTS

Action 16020

COMMENTS

Operator:		OGRID:	Action Number:	Action Type:
OXY USA INC P.O. Bo	(4294 Houston, TX772104294	16696	16020	FORM 3160-3

Created By	Comment	Comment Date
kpickford	KP GEO Review 2/3/2021	02/03/2021

<u>District I</u> 1625 N. French Dr., Hobbs, NM 88240 Phone:(575) 393-6161 Fax:(575) 393-0720

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1000 Rio Brazos Rd., Aztec, NM 87410 Phone:(505) 334-6178 Fax:(505) 334-6170

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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**

CONDITIONS

Action 16020

CONDITIONS OF APPROVAL

OXY USA INC P.O. Box 4294 Houston, TX772104294 16696 16020 FORM 3160-3	Operator:				OGRID:	Action Number:	Action Type:
	OX	(Y USA INC	P.O. Box 4294	Houston, TX772104294	16696	16020	FORM 3160-3

OCD Reviewer	Condition
kpickford	Will require a administrative order for non-standard location prior to placing the well on production
kpickford	Notify OCD 24 hours prior to casing & cement
kpickford	Will require a File As Drilled C-102 and a Directional Survey with the C-104
kpickford	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
kpickford	Oil base muds are not to be used until fresh water zones are cased and cemented providing isolation from the oil or diesel. This includes synthetic oils. Oil based mud, drilling fluids and solids must be contained in a steel closed loop system