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 9. API Well No. 30 015 48718 2. Name of Operator 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) Name (Printed/Typed) Date 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

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*(Instructions on page 2)

Additional Operator Remarks

Location of Well

1. SHL: NESW / 1700 FSL / 2290 FWL / TWSP: 24S / RANGE: 29E / SECTION: 24 / LAT: 32.2003419 / LONG: -103.9392269 (TVD: 0 feet, MD: 0 feet)
PPP: NESW / 2258 FSL / 2311 FWL / TWSP: 24S / RANGE: 29E / SECTION: 24 / LAT: 32.201876 / LONG: -103.9391626 (TVD: 8850 feet, MD: 9238 feet)
PPP: NESE / 2244 FSL / 14 FEL / TWSP: 24S / RANGE: 29E / SECTION: 23 / LAT: 32.20187 / LONG: -103.946677 (TVD: 8825 feet, MD: 11256 feet)
PPP: NWSE / 2248 FSL / 1338 FEL / TWSP: 24S / RANGE: 29E / SECTION: 23 / LAT: 32.201866 / LONG: -103.950956 (TVD: 8810 feet, MD: 12576 feet)
BHL: NWSW / 2260 FSL / 180 FWL / TWSP: 24S / RANGE: 29E / SECTION: 23 / LAT: 32.2018567 / LONG: -103.963174 (TVD: 8766 feet, MD: 16376 feet)

BLM Point of Contact

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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

WELL LOCATION AND ACREAGE DEDICATION PLAT

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

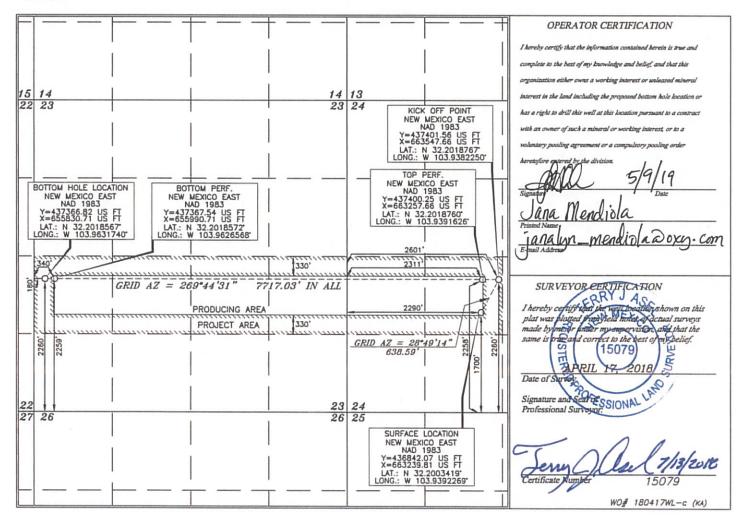
☐ AMENDED REPORT

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		,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,					
API Number 015 — 48718	96473	Pierce	Crossing	Bene Bene	Spring	, East	
Property Code	Prop	erty Name			7	Well Number	
1191	BOUDIN CC "24_	23" FED	ERAL CON	1		213H	
OGRID No.	Open	ator Name				Elevation	

16696 OXY USA INC. 3074.3' Surface Location Range UL or lot no. Section Township Lot Idn Feet from the North/South line | Feet from the East/West line County K 24 SOUTH 29 EAST, N.M.P.M. 1700 SOUTH 2290' WEST **EDDY** Bottom Hole Location If Different From Surface North/South line | Feet from the UL or lot no. Section Township Range Lot Idn Feet from the East/West line County 24 SOUTH 29 EAST, N.M.P.M. 2260' SOUTH 180' WEST EDDY Dedicated Acres Joint or Infill Consolidation Code

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.



State of New Mexico Energy, Minerals and Natural Resources Department

Submit Electronically Via E-permitting

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

NATURAL GAS MANAGEMENT PLAN

This Natural Gas Manag	gement Plan m	ust be submitted w	ith each Applicat	tion for Permit to I	Oriii (APD) for a	new o	r recompleted well.		
			1 – Plan Deffective May 25,						
I. Operator: OXY USA Inc. OGRID: 16696 Date: 0 7/ 0 9/ 2 1									
II. Type: ☑ Original □	☐ Amendment	due to □ 19.15.27	.9.D(6)(a) NMA	C □ 19.15.27.9.D((6)(b) NMAC □	Other.			
If Other, please describe	»:								
III. Well(s): Provide the be recompleted from a s					wells proposed to	o be dri	illed or proposed to		
Well Name	API	ULSTR	Footages	Anticipated Oil BBL/D	Anticipated Gas MCF/D				
SEE ATTACHED									
IV. Central Delivery P V. Anticipated Schedul proposed to be recomple	le: Provide the	following informa gle well pad or cor	ntion for each nev	v or recompleted wal delivery point.	vell or set of well	s propo	osed to be drilled or		
Well Name	API	Spud Date	TD Reached Date	Completion Commencement			First Production Date		
SEE ATTACHED									
VI. Separation Equipm VII. Operational Prac Subsection A through F	tices: ☑ Attac	h a complete desc		-		•			
VIII. Best Management during active and planned	nt Practices: [☑ Attach a comple	ete description of	`Operator's best n	nanagement prac	etices to	o minimize venting		

		with its statewide natural g	as cap	ture requirement for the applicable
_	=	ction because Operator is in	compl	iance with its statewide natural gas
tural Gas Producti	on:			
ell	API	Anticipated Average Natural Gas Rate MCF/D)	Anticipated Volume of Natural Gas for the First Year MCF
thering System (NO	GGS):			
System	ULSTR of Tie-in	Anticipated Gathering Start Date		
ns to the existing or join of the natural gas gas. The natural gas gas from the well prior to the operator □ does g system(s) describes a plan to manage proty: □ Operator assid in Paragraph (2) or operator assignment.	planned interconnect of the second planned intercon	the natural gas gathering systewhich the well(s) will be considered will not have capacity to getion. at its existing well(s) connect meet anticipated increases in the increased line pressure. Suant to Section 71-2-8 NMS 27.9 NMAC, and attaches a few section of the considered increases in the increased line pressure.	em(s), nected rather ted to the line p	and the maximum daily capacity of d. 100% of the anticipated natural gas the same segment, or portion, of the pressure caused by the new well(s).
	thering System (NO System an accurate and legate to the existing or on of the natural gas gas from the well prior to the coperator does g system(s) describe the plan to manage protection of the prior of the plan to manage protection of the prior of the coperator does g system(s) describe the plan to manage protection of the prior of the plan to manage protection of the plan to manage protecti	EFFECTIVE 2022, an operator that is not in compliance complete this section. In the section and the section area. System API AP	s that it is not required to complete this section because Operator is in of the applicable reporting area. **tural Gas Production:** **ell API Anticipated Average Natural Gas Rate MCF/E **thering System (NGGS):** System ULSTR of Tie-in Anticipated Gathering Start Date **an accurate and legible map depicting the location of the well(s), the arms to the existing or planned interconnect of the natural gas gathering system on of the natural gas gathering system(s) to which the well(s) will be condition. The natural gas gathering system will will not have capacity to give the well prior to the date of first production. **e. Operator does does not anticipate that its existing well(s) connect graystem(s) described above will continue to meet anticipated increases in splan to manage production in response to the increased line pressure. **ty: Operator asserts confidentiality pursuant to Section 71-2-8 NMS**	2022, an operator that is not in compliance with its statewide natural gas carcomplete this section. s that it is not required to complete this section because Operator is in complete the applicable reporting area. tural Gas Production: API

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Section 3 - Certifications Effective May 25, 2021

Operator certifies that, after reasonable inquiry and based on the available information at the time of submittal: Departor will be able to connect the well(s) to a natural gas gathering system in the general area with sufficient capacity to transport one hundred percent of the anticipated volume of natural gas produced from the well(s) commencing on the date of first production, taking into account the current and anticipated volumes of produced natural gas from other wells connected to the pipeline gathering system; or ☐ Operator will not be able to connect to a natural gas gathering system in the general area with sufficient capacity to transport one hundred percent of the anticipated volume of natural gas produced from the well(s) commencing on the date of first production, taking into account the current and anticipated volumes of produced natural gas from other wells connected to the pipeline gathering system. If Operator checks this box, Operator will select one of the following: Well Shut-In.

Operator will shut-in and not produce the well until it submits the certification required by Paragraph (4) of Subsection D of 19.15.27.9 NMAC; or Venting and Flaring Plan.

Operator has attached a venting and flaring plan that evaluates and selects one or more of the potential alternative beneficial uses for the natural gas until a natural gas gathering system is available, including: power generation on lease; (a) power generation for grid; **(b)** compression on lease; (c) (d) liquids removal on lease: reinjection for underground storage; (e) reinjection for temporary storage; **(f)**

- reinjection for enhanced oil recovery; (g)
- fuel cell production; and (h)
- other alternative beneficial uses approved by the division. (i)

Section 4 - Notices

- 1. If, at any time after Operator submits this Natural Gas Management Plan and before the well is spud:
- Operator becomes aware that the natural gas gathering system it planned to connect the well(s) to has become unavailable or will not have capacity to transport one hundred percent of the production from the well(s), no later than 20 days after becoming aware of such information, Operator shall submit for OCD's approval a new or revised venting and flaring plan containing the information specified in Paragraph (5) of Subsection D of 19.15.27.9 NMAC; or
- Operator becomes aware that it has, cumulatively for the year, become out of compliance with its baseline natural gas capture rate or natural gas capture requirement, no later than 20 days after becoming aware of such information, Operator shall submit for OCD's approval a new or revised Natural Gas Management Plan for each well it plans to spud during the next 90 days containing the information specified in Paragraph (2) of Subsection D of 19.15.27.9 NMAC, and shall file an update for each Natural Gas Management Plan until Operator is back in compliance with its baseline natural gas capture rate or natural gas capture requirement.
- 2. OCD may deny or conditionally approve an APD if Operator does not make a certification, fails to submit an adequate venting and flaring plan which includes alternative beneficial uses for the anticipated volume of natural gas produced, or if OCD determines that Operator will not have adequate natural gas takeaway capacity at the time a well will be spud.

I certify that, after reasonable inquiry, the statements in and attached to this Natural Gas Management Plan are true and correct to the best of my knowledge and acknowledge that a false statement may be subject to civil and criminal penalties under the Oil and Gas Act.

Signature: Leslie T. Reeves
Printed Name: LESLIE REEVES
Title: REGULATORY ADVISOR
E-mail Address: LESLIE_REEVES@OXY.COM
Date: 07/09/2021
Phone: 713-497-2492
OIL CONSERVATION DIVISION (Only applicable when submitted as a standalone form)
Approved By:
Title:
Approval Date:
Conditions of Approval:

III. Well(s)

Well Name	API	WELL LOCATION (ULSTR)	Footages	ANTICIPATED OIL BBL/D	ANTICIPATED GAS MCF/D	ANTICIPATED PROD WATER BBL/D	Central Delivery Point Name (CTB the well will produce to):
Boudin CC 24_23 Fed Com #214H	PENDING	K-24-T24S-R29E	1665 FSL 2290 FWL	1420	2634	2870	Cedar Canyon 22 CTB
Boudin CC 24_23 Fed Com #213H	PENDING	K-24-T24S-R29E	1700 FSL 2290 FWL	1420	2634	287	Cedar Canyon 23-3 Satellite
Boudin CC 24_23 Fed #211H	PENDING	F-24-T24S-R29E	1360 FNL 2190 FWL	1420	2634	2870	Cedar Canyon 23-3 Satellite
Boudin CC 24_23 Fed #212H	PENDING	F-24-T24S-R29E	1395 FNL 2190 FWL	1420	2634	2870	Cedar Canyon 23-3 Satellite
Live Oak CC 24-23 Federal 44H	PENDING	K-24-T24S-R29E	1685 FSL 2590 FWL	710	7682	1700	Cedar Canyon 22 CTB
Live Oak CC 24-23 Federal 43H	PENDING	K-24-T24S-R29E	1720 FSL 2590 FWL	710	7682	1700	Cedar Canyon 23-3 Satellite

V. Anticipated Schedule

Well Name	API	Spud Date	TD Reached Date	Completion Commencement Date	Initial Flow Back Date	First Production Date
Boudin CC 24_23 Fed Com #214H	PENDING	TBD	TBD	TBD	TBD	TBD
Boudin CC 24_23 Fed Com #213H	PENDING	TBD	TBD	TBD	TBD	TBD
Boudin CC 24_23 Fed #211H	PENDING	TBD	TBD	TBD	TBD	TBD
Boudin CC 24_23 Fed #212H	PENDING	TBD	TBD	TBD	TBD	TBD
Live Oak CC 24-23 Federal 44H	PENDING	TBD	TBD	TBD	TBD	TBD
Live Oak CC 24-23 Federal 43H	PENDING	TBD	TBD	TBD	TBD	TBD

Part VI. Separation Equipment

Operator will size the flowback separator to handle 11,000 Bbls of fluid and 6-10MMscfd which is more than the expected peak rates for these wells. Each separator is rated to 1440psig, and pressure control valves and automated communication will cause the wells to shut in in the event of an upset at the facility, therefore no gas will be flared on pad during an upset. Current Oxy practices avoid use of flare or venting on pad, therefore if there is an upset or emergency condition at the facility, the wells will immediately shut down, and reassume production once the condition has cleared.

VII. Operational Practices

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 production facility is dedicated to Enterprise Field Services, LLC ("Enterprise") and is connected to Enterprise low/high pressure gathering system located in Eddy County, New Mexico. OXY USA INC. ("OXY") provides (periodically) to Enterprise a drilling, completion and estimated first production date for wells that are scheduled to be drilled in the foreseeable future. In addition, OXY and Enterprise have periodic conference calls to discuss changes to drilling and completion schedules. Gas from these wells will be processed at 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 system 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.

VIII. Best Management Practices

Alternatives to Reduce Flaring

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

Power Generation - On lease

Only a portion of gas is consumed operating the generator, remainder of gas will be flared

Compressed Natural Gas - On lease

Gas flared would be minimal, but might be uneconomical to operate when gas volume declines

NGL Removal - On lease

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

1. Geologic Formations

TVD of target	8850'	Pilot Hole Depth	N/A
MD at TD:	16376'	Deepest Expected fresh water:	390'

Delaware Basin

Formation	TVD - RKB	Expected Fluids
Rustler	390	
Salado	655	Salt
Castile	1,713	Salt
Lamar/Delaware	3,292	Oil/Gas/Brine
Bell Canyon	3,326	Oil/Gas/Brine
Cherry Canyon	4,127	Oil/Gas/Brine
Brushy Canyon	5,382	Oil/Gas/Brine
Bone Spring	7,060	Oil/Gas
1st Bone Spring	8,023	Oil/Gas
2nd Bone Spring	8,773	Oil/Gas

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

2. Casing Program

Buoyant	Buoyant
Duoyant	Duoyani

Holo Cino (in)	Casing Int	erval	Csg. Size	Weight	Cuada	Com	SF	CE D4	Body SF	Joint SF
Hole Size (in)	From (ft)	To (ft)	(in)	(lbs)	Grade	Conn.	Collapse	SF Burst	Tension	Tension
14.75	0	595	10.75	40.5	J-55	BTC	1.125	1.2	1.4	1.4
9.875	0	8230	7.625	26.4	L-80 HC	BTC	1.125	1.2	1.4	1.4
6.75	0	8780	5.5	20	P-110	DQX	1.125	1.2	1.4	1.4
6.75	8780	16376	4.5	13.5	P-110	DQX	1.125	1.2	1.4	1.4
							SF Value	s will meet o	or Exceed	

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. (lb/gal)	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)	484	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)	362	13.2	1.65	8.640	11:54	Class H Cement, Retarder, Dispersant, Salt
Intermediate 2nd Stage	(Tail Slurry) t	o be pumped a	as Bradenheac	l Squeeze fron	n surface, dov	vn the Intermediate annulus
Intermediate 2nd Stage (Lead)	N/A	N/A	N/A	N/A	N/A	N/A
Intermediate 2nd Stage (Tail)	693	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)	994	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	595	100%
Intermediate 1st Stage (Lead)	N/A	N/A	N/A
Intermediate 1st Stage (Tail)	5632	8230	5%
Intermediate 2nd Stage (Lead)	N/A	N/A	N/A
Intermediate 2nd Stage (Tail)	0	5632	10%
Production (Lead)	N/A	N/A	N/A
Production (Tail)	7730	16376	20%

^{*}OXY requests a variance to cement the 9.625" and/or 7.625" intermediate casing string(s) offline, see attached for additional information.

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	
0.975" Holo	13-5/8"		Blind Ra	am	✓		
9.875" Hole		3M	Pipe Ram			250 mg; / 2000 mg;	
			Double Ram		✓	250 psi / 3000 psi	
			Other*				
		3M	Annula	Annular		70% of working pressure	
6.75" Hole	13-5/8"		Blind Ram Pipe Ram Double Ram ✓		✓		
0.73 Hole	13-3/8	2М				250 mai / 2000 mai	
		3M			✓	250 psi / 3000 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

As per the agreement reached in the Oxy/BLM face-to-face meeting on Feb 22, 2018, Oxy requests permission to allow BOP Break Testing under the following conditions:

- After a full BOP test is conducted on the first well on the pad.
- When skidding to drill an intermediate section that the casing point is either shallower than the 3rd Bone Spring or 10000' TVD.
- Full BOP test will be required prior to drilling any production hole.

5. Mud Program

Depth		Trme	Weight	Vigogity	Water Loss	
From (ft)	To (ft)	Туре	(ppg)	Viscosity	water Loss	
0	595	Water-Based Mud	8.6-8.8	40-60	N/C	
595	8230	Saturated Brine- Based or Oil-Based Mud	8.0-10.0	35-45	N/C	
8230	16376	Water-Based or Oil- Based Mud	8.0-9.6	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	Logging, 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	4418 psi
Abnormal Temperature	No
BH Temperature at deepest TVD	151°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
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 two 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: 1209.6 bbls.

9. Company Personnel

Name	<u>Title</u>	Office Phone	Mobile Phone
Derek Adam	Drilling Engineer	713-366-5170	916-802-8873
William Turner	Drilling Engineer Supervisor	713-350-4951	661-817-4586
Simon Benavides	Drilling Superintendent	713-522-8652	281-684-6897
John Willis	Drilling Manager	713-366-5556	713-259-1417

OXY USA Inc. APD Attachment Offline Cementing

OXY respectfully requests a variance to cement the 9-5/8" and/or 7-5/8" intermediate casing strings offline.

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.
- 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.

OXY

PRD NM DIRECTIONAL PLANS (NAD 1983) **BOUDIN CC 24_23 FED** BOUDIN CC 24_23 FED COM 213H

WB00

Plan: Permitting Plan

Standard Planning Report

12 June, 2018

Oxy **Planning Report**

Database:

ENGINEERING DESIGNS Company:

PRD NM DIRECTIONAL PLANS (NAD 1983) Project:

Site: BOUDIN CC 24_23 FED

Well: BOUDIN CC 24_23 FED COM 213H Wellbore: WB00

Permitting Plan Design:

Local Co-ordinate Reference: TVD Reference:

DATUM @ 3100.80ft MD Reference: DATUM @ 3100.80ft

North Reference:

Survey Calculation Method: Minimum Curvature

Well BOUDIN CC 24_23 FED COM 213H

6/12/2018 12:21:17PM COMPASS 5000.1 Build 74 Page 1

Database: HOPSPP

Company: ENGINEERING DESIGNS

Project: PRD NM DIRECTIONAL PLANS (NAD 1983)

Site: BOUDIN CC 24 23 FED

Well: BOUDIN CC 24_23 FED COM 213H

Wellbore: WB00

Design: Permitting Plan

Local Co-ordinate Reference: Well BOUDIN CC 24_23 FED COM 213H

 TVD Reference:
 DATUM @ 3100.80ft

 MD Reference:
 DATUM @ 3100.80ft

North Reference: Grid

Survey Calculation Method: Minimum Curvature

Project PRD NM DIRECTIONAL PLANS (NAD 1983)

Map System:US State Plane 1983System Datum:Mean Sea Level

Geo Datum: North American Datum 1983

Map Zone: New Mexico Eastern Zone

Using geodetic scale factor

274.05

Site BOUDIN CC 24_23 FED

Northing: 439,081.11 usft 32° 12′ 23.391959 N Site Position: Latitude: Easting: From: Мар 663,129.00 usft Longitude: 103° 56' 22.411177 W **Position Uncertainty:** 0.00 ft Slot Radius: 13.200 in **Grid Convergence:** 0.21

Well BOUDIN CC 24_23 FED COM 213H

 Well Position
 +N/-S
 -2,239.21 ft
 Northing:
 436,842.07 usft
 Latitude:
 32° 12' 1.230709 N

 +E/-W
 110.82 ft
 Easting:
 663,239.81 usft
 Longitude:
 103° 56' 21.216966 W

Position Uncertainty0.00 ftWellhead Elevation:0.00 ftGround Level:3,074.30 ft

Wellbore WB00

Magnetics Model Name Sample Date Declination Dip Angle Field S

0.00

MagneticsModel NameSample DateDeclination (°)Dip Angle (°)Field Strength (nT)HDGM6/12/20186.9859.9348,008

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

0.00

0.00

Plan Sections										
Measured Depth (ft)	Inclination (°)	Azimuth (°)	Vertical Depth (ft)	+N/-S (ft)	+E/-W (ft)	Dogleg Rate (°/100ft)	Build Rate (°/100ft)	Turn Rate (°/100ft)	TFO (°)	Target
0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
4,160.00	0.00	0.00	4,160.00	0.00	0.00	0.00	0.00	0.00	0.00	
4,660.75	10.01	28.83	4,658.20	38.24	21.05	2.00	2.00	0.00	28.83	
7,830.18	10.01	28.83	7,779.34	521.11	286.82	0.00	0.00	0.00	0.00	
8,330.93	0.00	269.74	8,277.54	559.35	307.87	2.00	-2.00	0.00	180.00	BOUDIN_213H_KO
9,237.93	90.70	269.74	8,850.46	556.75	-272.08	10.00	10.00	0.00	-90.26	
16,376.21	90.66	269.74	8,765.50	524.73	-7,409.78	0.00	0.00	0.00	180.00	BOUDIN_213H_BH

Database: HOPSPP

Company: ENGINEERING DESIGNS

Project: PRD NM DIRECTIONAL PLANS (NAD 1983)

Site: BOUDIN CC 24_23 FED

Well: BOUDIN CC 24_23 FED COM 213H

Wellbore: WB00

Design: Permitting Plan

Local Co-ordinate Reference:

TVD Reference: DATUM @ 3100.80ft MD Reference: DATUM @ 3100.80ft

North Reference: Grid

Survey Calculation Method: Minimum Curvature

Well BOUDIN CC 24_23 FED COM 213H

Wellbore: Design:	Permitting Pla	an							
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
700.00	0.00	0.00	700.00	0.00	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
1,600.00	0.00	0.00	1,600.00	0.00	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
3,600.00	0.00	0.00	3,600.00	0.00	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
3,800.00	0.00	0.00	3,800.00	0.00	0.00	0.00	0.00	0.00	0.00
3,900.00 4,000.00 4,100.00 4,160.00 4,200.00	0.00 0.00 0.00 0.00	0.00 0.00 0.00 0.00	3,900.00 4,000.00 4,100.00 4,160.00 4,200.00	0.00 0.00 0.00 0.00 0.24	0.00 0.00 0.00 0.00	0.00 0.00 0.00 0.00	0.00 0.00 0.00 0.00	0.00 0.00 0.00 0.00 2.00	0.00 0.00 0.00 0.00
4,300.00 4,400.00 4,500.00 4,600.00	0.80 2.80 4.80 6.80 8.80	28.83 28.83 28.83 28.83 28.83	4,299.94 4,399.72 4,499.20 4,598.27	3.00 8.80 17.65 29.54	0.13 1.65 4.84 9.72 16.26	-0.12 -1.43 -4.21 -8.45 -14.13	2.00 2.00 2.00 2.00 2.00	2.00 2.00 2.00 2.00	0.00 0.00 0.00 0.00 0.00
4,660.75	10.01	28.83	4,658.20	38.24	21.05	-18.29	2.00	2.00	0.00
4,700.00	10.01	28.83	4,696.86	44.22	24.34	-21.16	0.00	0.00	0.00
4,800.00	10.01	28.83	4,795.33	59.46	32.73	-28.44	0.00	0.00	0.00
4,900.00	10.01	28.83	4,893.81	74.69	41.11	-35.73	0.00	0.00	0.00
5,000.00	10.01	28.83	4,992.28	89.93	49.50	-43.02	0.00	0.00	0.00
5,000.00 5,100.00 5,200.00 5,300.00 5,400.00	10.01 10.01 10.01 10.01	28.83 28.83 28.83 28.83	5,090.76 5,189.24 5,287.71 5,386.19	105.16 120.40 135.63 150.87	57.88 66.27 74.65 83.04	-43.02 -50.31 -57.60 -64.89 -72.17	0.00 0.00 0.00 0.00 0.00	0.00 0.00 0.00 0.00	0.00 0.00 0.00 0.00 0.00
5,500.00 5,600.00 5,700.00 5,800.00	10.01 10.01 10.01 10.01	28.83 28.83 28.83 28.83	5,484.67 5,583.14 5,681.62 5,780.09	166.10 181.34 196.57 211.81	91.43 99.81 108.20 116.58	-79.46 -86.75 -94.04 -101.33	0.00 0.00 0.00 0.00	0.00 0.00 0.00	0.00 0.00 0.00 0.00
5,900.00	10.01	28.83	5,878.57	227.04	124.97	-108.62	0.00	0.00	0.00
6,000.00	10.01	28.83	5,977.05	242.28	133.35	-115.91	0.00	0.00	0.00
6,100.00	10.01	28.83	6,075.52	257.51	141.74	-123.19	0.00	0.00	0.00
6,200.00	10.01	28.83	6,174.00	272.75	150.12	-130.48	0.00	0.00	0.00
6,300.00	10.01	28.83	6,272.48	287.98	158.51	-137.77	0.00	0.00	0.00
6,400.00	10.01	28.83	6,370.95	303.22	166.90	-145.06	0.00	0.00	0.00
6,500.00	10.01	28.83	6,469.43	318.46	175.28	-152.35	0.00	0.00	0.00

Database: HOPSPP

Company: ENGINEERING DESIGNS

Project: PRD NM DIRECTIONAL PLANS (NAD 1983)

Site: BOUDIN CC 24_23 FED

Well: BOUDIN CC 24_23 FED COM 213H

Wellbore: WB00

Design: Permitting Plan

Local Co-ordinate Reference:

TVD Reference:

MD Reference: DA

North Reference: Survey Calculation Method:

Well BOUDIN CC 24_23 FED COM 213H

DATUM @ 3100.80ft
DATUM @ 3100.80ft

Grid

Minimum Curvature

esign:	Permitting Pla	an							
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)
6,600.00 6,700.00	10.01 10.01	28.83 28.83	6,567.90 6,666.38	333.69 348.93	183.67 192.05	-159.64 -166.92	0.00 0.00	0.00 0.00	0.00 0.00
•	10.01	28.83	6,764.86	364.16	200.44	-174.21	0.00	0.00	0.00
6,800.00 6,900.00	10.01	28.83 28.83	6,764.86	364.16 379.40	200.44	-174.21 -181.50	0.00	0.00	0.00
7,000.00	10.01	28.83	6,961.81	394.63	217.21	-188.79	0.00	0.00	0.00
7,100.00	10.01	28.83	7,060.29	409.87	225.59	-196.08	0.00	0.00	0.00
7,200.00	10.01	28.83	7,158.76	425.10	233.98	-203.37	0.00	0.00	0.00
7,300.00	10.01	28.83	7,257.24	440.34	242.37	-210.66	0.00	0.00	0.00
7,400.00	10.01	28.83	7,355.71	455.57	250.75	-217.94	0.00	0.00	0.00
7,500.00	10.01	28.83	7,454.19	470.81	259.14	-225.23	0.00	0.00	0.00
7,600.00	10.01	28.83	7,552.67	486.04	267.52	-232.52	0.00	0.00	0.00
7,700.00	10.01	28.83	7,651.14	501.28	275.91	-239.81	0.00	0.00	0.00
7,800.00	10.01	28.83	7,749.62	516.51	284.29	-247.10	0.00	0.00	0.00
7,830.18	10.01	28.83	7,779.34	521.11	286.82	-249.30	0.00	0.00	0.00
7,900.00	8.62	28.83	7,848.24	531.01	292.27	-254.03	2.00	-2.00	0.00
8,000.00	6.62	28.83	7,947.35	542.63	298.67	-259.59	2.00	-2.00	0.00
8,100.00	4.62	28.83	8,046.86	551.20	303.39	-263.69	2.00	-2.00	0.00
8,200.00	2.62	28.83	8,146.66	556.73	306.43	-266.34	2.00	-2.00	0.00
8,300.00	0.62	28.83	8,246.61	559.21	307.79	-267.52	2.00	-2.00	0.00
8,330.93	0.00	269.74	8,277.54	559.35	307.87	-267.59	2.00	-2.00	0.00
8,400.00	6.91	269.74	8,346.45	559.33	303.72	-263.45	10.00	10.00	0.00
8,500.00	16.91	269.74	8,444.17	559.24	283.11	-242.90	10.00	10.00	0.00
8,600.00	26.91	269.74	8,536.83	559.07	245.85	-205.74	10.00	10.00	0.00
8,700.00	36.91	269.74	8,621.62	558.84	193.06	-153.10	10.00	10.00	0.00
8,800.00	46.91	269.74	8,695.94	558.54	126.35	-86.58	10.00	10.00	0.00
8,900.00	56.91	269.74	8,757.56	558.19	47.75	-8.20	10.00	10.00	0.00
9,000.00	66.91	269.74	8,804.59	557.79	-40.35	79.66	10.00	10.00	0.00
9,100.00	76.91	269.74	8,835.61	557.36	-135.29	174.32	10.00	10.00	0.00
9,200.00	86.91	269.74	8,849.67	556.92	-234.17	272.92	10.00	10.00	0.00
9,237.93	90.70	269.74	8,850.46	556.75	-272.08	310.73	10.00	10.00	0.00
9,300.00 9,400.00	90.70 90.70	269.74 269.74	8,849.70 8,848.48	556.47 556.02	-334.15 -434.14	372.62 472.33	0.00 0.00	0.00 0.00	0.00 0.00
•									
9,500.00	90.70	269.74	8,847.26	555.58	-534.13	572.04	0.00	0.00	0.00
9,600.00	90.70	269.74	8,846.04	555.13	-634.12	671.75	0.00	0.00	0.00
9,700.00 9,800.00	90.70 90.70	269.74 269.74	8,844.82 8,843.60	554.68 554.23	-734.11 -834.10	771.46 871.17	0.00 0.00	0.00 0.00	0.00 0.00
9,900.00	90.70	269.74	8,842.39	553.78	-934.09	970.88	0.00	0.00	0.00
•									
10,000.00	90.70	269.74	8,841.17	553.33	-1,034.09	1,070.59	0.00	0.00	0.00
10,100.00 10,200.00	90.70 90.70	269.74 269.74	8,839.96 8,838.74	552.88 552.44	-1,134.08 -1,234.07	1,170.30 1,270.01	0.00 0.00	0.00 0.00	0.00 0.00
10,300.00	90.69	269.74	8,837.53	551.99	-1,234.07	1,369.72	0.00	0.00	0.00
10,400.00	90.69	269.74	8,836.32	551.54	-1,434.05	1,469.43	0.00	0.00	0.00
10,500.00	90.69	269.74	8,835.11	551.09	-1,534.04	1,569.14	0.00	0.00	0.00
10,500.00	90.69	269.74 269.74	8,835.11 8,833.90	551.09 550.64	-1,534.04 -1,634.04	1,569.14 1,668.85	0.00	0.00	0.00
10,700.00	90.69	269.74	8,832.69	550.19	-1,734.03	1,768.56	0.00	0.00	0.00
10,800.00	90.69	269.74	8,831.48	549.74	-1,834.02	1,868.27	0.00	0.00	0.00
10,900.00	90.69	269.74	8,830.27	549.30	-1,934.01	1,967.98	0.00	0.00	0.00
11,000.00	90.69	269.74	8,829.07	548.85	-2,034.00	2,067.69	0.00	0.00	0.00
11,100.00	90.69	269.74	8,827.86	548.40	-2,034.00	2,067.69	0.00	0.00	0.00
11,200.00	90.69	269.74	8,826.66	547.95	-2,233.99	2,267.11	0.00	0.00	0.00
11,300.00	90.69	269.74	8,825.45	547.50	-2,333.98	2,366.82	0.00	0.00	0.00
11,400.00	90.69	269.74	8,824.25	547.05	-2,433.97	2,466.53	0.00	0.00	0.00
11,500.00	90.69	269.74	8,823.05	546.60	-2,533.96	2,566.24	0.00	0.00	0.00
11,600.00	90.69	269.74	8,821.85	546.15	-2,633.95	2,665.95	0.00	0.00	0.00
11,700.00	90.69	269.74	8,820.65	545.71	-2,733.95	2,765.66	0.00	0.00	0.00
11,800.00	90.69	269.74	8,819.45	545.26	-2,833.94	2,865.37	0.00	0.00	0.00
11,900.00	90.69	269.74	8,818.25	544.81	-2,933.93	2,965.08	0.00	0.00	0.00
12,000.00	90.69	269.74	8,817.05	544.36	-3,033.92	3,064.79	0.00	0.00	0.00
12,100.00	90.69	269.74	8,815.85	543.91	-3,133.91	3,164.51	0.00	0.00	0.00
12,200.00	90.69	269.74	8,814.66	543.46	-3,233.90	3,264.22	0.00	0.00	0.00
12,300.00	90.68	269.74	8,813.46	543.01	-3,333.90	3,363.93	0.00	0.00	0.00
12,400.00	90.68	269.74	8,812.27	542.57	-3,433.89	3,463.64	0.00	0.00	0.00
12,500.00	90.68	269.74	8,811.07	542.12	-3,533.88	3,563.35	0.00	0.00	0.00
12,600.00	90.68	269.74	8,809.88	541.67	-3,633.87	3,663.06	0.00	0.00	0.00
12,700.00	90.68	269.74	8,808.69	541.22	-3,733.86	3,762.77	0.00	0.00	0.00
	90.68	269.74	8,807.50	540.77	-3,833.86	3,862.48	0.00	0.00	0.00
12,800.00 12,900.00	90.68	269.74	8,806.31	540.32	-3,933.85	3,962.19	0.00	0.00	0.00

Database: HOPSPP

Company: ENGINEERING DESIGNS

Project: PRD NM DIRECTIONAL PLANS (NAD 1983)

Site: BOUDIN CC 24_23 FED

Well: BOUDIN CC 24_23 FED COM 213H

Wellbore: WB00

Design: Permitting Plan

Local Co-ordinate Reference:

TVD Reference:

MD Reference:
North Reference:

North Reference: Survey Calculation Method:

Well BOUDIN CC 24_23 FED COM 213H

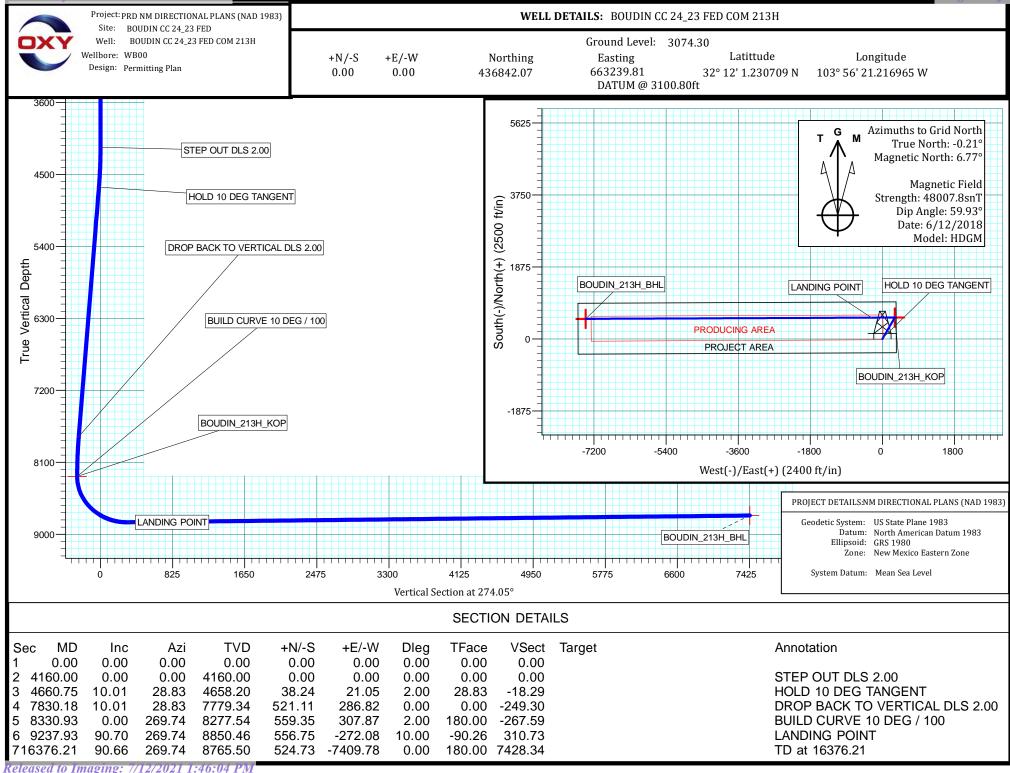
DATUM @ 3100.80ft DATUM @ 3100.80ft

Grid Minimum Curvature

esign:	Permitting Plan									
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)	
13,000.00	90.68	269.74	8,805.12	539.87	-4,033.84	4,061.90	0.00	0.00	0.00	
13,100.00	90.68	269.74	8,803.93	539.43	-4,133.83	4,161.61	0.00	0.00	0.00	
13,200.00	90.68	269.74	8,802.75	538.98	-4,233.82	4,261.32	0.00	0.00	0.00	
13,300.00	90.68	269.74	8,801.56	538.53	-4,333.82	4,361.03	0.00	0.00	0.00	
13,400.00	90.68	269.74	8,800.37	538.08	-4,433.81	4,460.74	0.00	0.00	0.00	
13,500.00	90.68	269.74	8,799.19	537.63	-4,533.80	4,560.45	0.00	0.00	0.00	
13,600.00	90.68	269.74	8,798.01	537.18	-4,633.79	4,660.16	0.00	0.00	0.00	
13,700.00	90.68	269.74	8,796.82	536.73	-4,733.78	4,759.87	0.00	0.00	0.00	
13,800.00	90.68	269.74	8,795.64	536.29	-4,833.78	4,859.58	0.00	0.00	0.00	
13,900.00	90.68	269.74	8,794.46	535.84	-4,933.77	4,959.29	0.00	0.00	0.00	
14,000.00	90.68	269.74	8,793.28	535.39	-5,033.76	5,059.00	0.00	0.00	0.00	
14,100.00	90.68	269.74	8,792.10	534.94	-5,133.75	5,158.71	0.00	0.00	0.00	
14,200.00	90.67	269.74	8,790.92	534.49	-5,233.74	5,258.43	0.00	0.00	0.00	
14,300.00	90.67	269.74	8,789.75	534.04	-5,333.74	5,358.14	0.00	0.00	0.00	
14,400.00	90.67	269.74	8,788.57	533.59	-5,433.73	5,457.85	0.00	0.00	0.00	
14,500.00	90.67	269.74	8,787.39	533.15	-5,533.72	5,557.56	0.00	0.00	0.00	
14,600.00	90.67	269.74	8,786.22	532.70	-5,633.71	5,657.27	0.00	0.00	0.00	
14,700.00	90.67	269.74	8,785.05	532.25	-5,733.70	5,756.98	0.00	0.00	0.00	
14,800.00	90.67	269.74	8,783.87	531.80	-5,833.70	5,856.69	0.00	0.00	0.00	
14,900.00	90.67	269.74	8,782.70	531.35	-5,933.69	5,956.40	0.00	0.00	0.00	
15,000.00	90.67	269.74	8,781.53	530.90	-6,033.68	6,056.11	0.00	0.00	0.00	
15,100.00	90.67	269.74	8,780.36	530.45	-6,133.67	6,155.82	0.00	0.00	0.00	
15,200.00	90.67	269.74	8,779.19	530.01	-6,233.66	6,255.53	0.00	0.00	0.00	
15,300.00	90.67	269.74	8,778.02	529.56	-6,333.66	6,355.24	0.00	0.00	0.00	
15,400.00	90.67	269.74	8,776.85	529.11	-6,433.65	6,454.95	0.00	0.00	0.00	
15,500.00	90.67	269.74	8,775.69	528.66	-6,533.64	6,554.66	0.00	0.00	0.00	
15,600.00	90.67	269.74	8,774.52	528.21	-6,633.63	6,654.37	0.00	0.00	0.00	
15,700.00	90.67	269.74	8,773.36	527.76	-6,733.63	6,754.09	0.00	0.00	0.00	
15,800.00	90.67	269.74	8,772.19	527.31	-6,833.62	6,853.80	0.00	0.00	0.00	
15,900.00	90.67	269.74	8,771.03	526.87	-6,933.61	6,953.51	0.00	0.00	0.00	
16,000.00	90.67	269.74	8,769.87	526.42	-7,033.60	7,053.22	0.00	0.00	0.00	
16,100.00	90.67	269.74	8,768.70	525.97	-7,133.59	7,152.93	0.00	0.00	0.00	
16,200.00	90.66	269.74	8,767.54	525.52	-7,233.59	7,252.64	0.00	0.00	0.00	
16,300.00	90.66	269.74	8,766.38	525.07	-7,333.58	7,352.35	0.00	0.00	0.00	
16,376.21	90.66	269.74	8,765.50	524.73	-7,409.78	7,428.34	0.00	0.00	0.00	

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
BOUDIN_213H_KOP - plan hits target cer - Point	0.00 nter	0.00	8,277.54	559.35	307.87	437,401.38	663,547.66	32° 12′ 6.754385 N	103° 56′ 17.610147
BOUDIN_213H_BHL - plan hits target cer - Point	0.00 nter	0.00	8,765.50	524.73	-7,409.78	437,366.76	655,830.59	32° 12' 6.683572 N	103° 57' 47.427952

Plan Annotations										
	Measured Depth (ft)	Vertical Depth (ft)	Local Coor +N/-S (ft)	dinates +E/-W (ft)	Comment					
				` '						
	4,160.00	4,160.00	0.00	0.00	STEP OUT DLS 2.00					
	4,660.75	4,658.20	38.24	21.05	HOLD 10 DEG TANGENT					
	7,830.18	7,779.34	521.11	286.82	DROP BACK TO VERTICAL DLS 2.00					
	8,330.93	8,277.54	559.35	307.87	BUILD CURVE 10 DEG / 100					
	9,237.93	8,850.46	556.75	-272.08	LANDING POINT					
	16,376.21	8,765.50	524.73	-7,409.78	TD at 16376.21					



PECOS DISTRICT DRILLING CONDITIONS OF APPROVAL

OPERATOR'S NAME: OXY USA INCORPORATED

LEASE NO.: | NMNM081586

LOCATION: | Section 24, T.24 S., R.29 E., NMP

COUNTY: Eddy County, New Mexico

WELL NAME & NO.: BOUDIN CC 24-23 FEDERAL COM 213H

SURFACE HOLE FOOTAGE: 1700'/S & 2290'/W **BOTTOM HOLE FOOTAGE** 2260'/S & 180'/W

WELL NAME & NO.: BOUDIN CC 24-23 FEDERAL COM 214H

SURFACE HOLE FOOTAGE: 1665'/S & 2290'/W **BOTTOM HOLE FOOTAGE** 940'/S & 180'/W

COA

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

A. HYDROGEN SULFIDE

A Hydrogen Sulfide (H2S) Drilling Plan shall be activated 500 feet prior to drilling into the **Mesa and Morrow** formations. 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

Casing Design:

1. The **10-3/4** inch surface casing shall be set at approximately **595** 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 **8** hours 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** inch intermediate casing shall be set at approximately **8147** 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.

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.

Operator has proposed to pump down 10-3/4" X 7-5/8" annulus. Operator must run a CBL or ECHO-METER from TD of the 7-5/8" casing to surface. Submit results to BLM.

3. The minimum required fill of cement behind the $5-1/2 \times 4-1/2$ 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.

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 should tie-back at least **200 feet** into previous casing string. Operator shall provide method of verification.

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.

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 **3000 (3M)** psi.
- b. Minimum working pressure of the blowout preventer (BOP) and related equipment (BOPE) required for drilling below the intermediate casing shoe shall be **3000** (**3M**) psi.

Option 2:

- 1. 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 **3000 (3M)** 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.

Offline Cementing

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

BOPE Break Testing Variance

- 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.

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 CountyCall the Carlsbad Field Office, 620 East Greene St., Carlsbad, NM 88220, (575) 361-2822
 - Lea County
 Call 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. PRESSURE CONTROL

- 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 test
 - 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.

NMK04292021

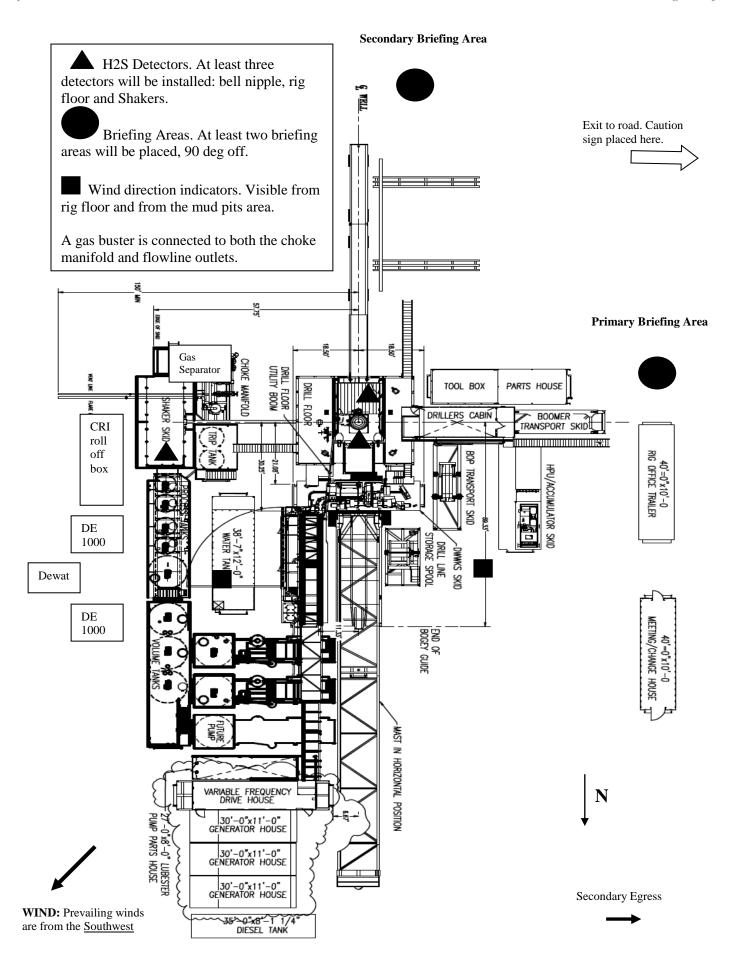


Permian Drilling Hydrogen Sulfide Drilling Operations Plan Boudin CC 24-23 Federal Com 213H

Open drill site. No homes or buildings are near the proposed location.

1. Escape

Personnel shall escape upwind of wellbore in the event of an emergency gas release. Escape can take place through the lease road on the Southeast side of the location. Personnel need to move to a safe distance and block the entrance to location. If the primary route is not an option due to the wind direction, then a secondary egress route should be taken.





Permian Drilling Hydrogen Sulfide Drilling Operations Plan New Mexico

Scope

This contingency plan establishes guidelines for the public, all company employees, and contract employees who's work activities may involve exposure to hydrogen sulfide (H2S) gas.

While drilling this well, it is possible to encounter H2S bearing formations. At all times, the first barrier to control H2S emissions will be the drilling fluid, which will have a density high enough to control influx.

Objective

- 1. Provide an immediate and predetermined response plan to any condition when H2S is detected. All H2S detections in excess of 10 parts per million (ppm) concentration are considered an Emergency.
- 2. Prevent any and all accidents, and prevent the uncontrolled release of hydrogen sulfide into the atmosphere.
- 3. Provide proper evacuation procedures to cope with emergencies.
- 4. Provide immediate and adequate medical attention should an injury occur.

Discussion

Implementation: This plan with all details is to be fully implemented

before drilling to commence.

Emergency response This section outlines the conditions and denotes steps

Procedure: to be taken in the event of an emergency.

Emergency equipment This section outlines the safety and emergency

Procedure: equipment that will be required for the drilling of this

well.

Training provisions: This section outlines the training provisions that must

be adhered to prior to drilling.

Drilling emergency call lists: Included are the telephone numbers of all persons to

be contacted should an emergency exist.

Briefing: This section deals with the briefing of all people

involved in the drilling operation.

Public safety: Public safety personnel will be made aware of any

potential evacuation and any additional support

needed.

Check lists: Status check lists and procedural check lists have been

included to insure adherence to the plan.

General information: A general information section has been included to

supply support information.

Hydrogen Sulfide Training

All personnel, whether regularly assigned, contracted, or employed on an unscheduled basis, will receive training from a qualified instructor in the following areas prior to commencing drilling operations on the well:

- 1. The hazards and characteristics of H2S.
- 2. Proper use and maintenance of personal protective equipment and life support systems.
- 3. H2S detection.
- 4. Proper use of H2S detectors, alarms, warning systems, briefing areas, evacuation procedures and prevailing winds.
- 5. Proper techniques for first aid and rescue procedures.
- 6. Physical effects of hydrogen sulfide on the human body.
- 7. Toxicity of hydrogen sulfide and sulfur dioxide.
- 8. Use of SCBA and supplied air equipment.
- 9. First aid and artificial respiration.
- 10. Emergency rescue.

In addition, supervisory personnel will be trained in the following areas:

- 1. The effects of H2S on metal components. If high tensile strength tubular is to be used, personnel will be trained in their special maintenance requirements.
- 2. Corrective action and shut-in procedures when drilling a well, blowout prevention and well control procedures.
- 3. The contents and requirements of the H2S Drilling Operations Plan.

H2S training refresher must have been taken within one year prior to drilling the well. Specifics on the well to be drilled will be discussed during the pre-spud meeting. H2S and well control (choke) drills will be performed while drilling the well, at least on a weekly basis. This plan shall be available in the well site. All personnel will be required to carry the documentation proving that the H2S training has been taken.

Service company and visiting personnel

- A. Each service company that will be on this well will be notified if the zone contains H2S.
- B. Each service company must provide for the training and equipment of their employees before they arrive at the well site.
- C. Each service company will be expected to attend a well site briefing

Emergency Equipment Requirements

1. Well control equipment

The well shall have hydraulic BOP equipment for the anticipated pressures. Equipment is to be tested on installation and follow Oxy Well Control standard, as well as BLM Onshore Order #2.

Special control equipment:

- A. Hydraulic BOP equipment with remote control on ground. Remotely operated choke.
- B. Rotating head
- C. Gas buster equipment shall be installed before drilling out of surface pipe.

2. <u>Protective equipment for personnel</u>

- A. Four (4) 30-minute positive pressure air packs (2 at each briefing area) on location.
- B. Adequate fire extinguishers shall be located at strategic locations.
- C. Radio / cell telephone communication will be available at the rig.
 - Rig floor and trailers.
 - Vehicle.

3. Hydrogen sulfide sensors and alarms

- A. H2S sensor with alarms will be located on the rig floor, at the bell nipple, and at the flow line. These monitors will be set to alarm at 10 ppm with strobe light, and audible alarm.
- B. Hand operated detectors with tubes.
- C. H2S monitor tester (to be provided by contract Safety Company.)
- D. There shall be one combustible gas detector on location at all times.

4. Visual Warning Systems

A. One sign located at each location entrance with the following language:

Caution – potential poison gas Hydrogen sulfide No admittance without authorization *Wind sock – wind streamers:*

- A. One 36" (in length) wind sock located at protection center, at height visible from rig floor.
- B. One 36" (in length) wind sock located at height visible from pit areas.

Condition flags

A. One each condition flag to be displayed to denote conditions.

```
green – normal conditions
yellow – potential danger
red – danger, H2S present
```

B. Condition flag shall be posted at each location sign entrance.

5. <u>Mud Program</u>

The mud program is designed to minimize the risk of having H2S and other formation fluids at surface. Proper mud weight and safe drilling practices will be applied. H2S scavengers will be used to minimize the hazards while drilling. Below is a summary of the drilling program.

Mud inspection devices:

Garrett gas train or hatch tester for inspection of sulfide concentration in mud system.

6. <u>Metallurgy</u>

- A. Drill string, casing, tubing, wellhead, blowout preventers, drilling spools or adapters, kill lines, choke manifold, lines and valves shall be suitable for the H2S service.
- B. All the elastomers, packing, seals and ring gaskets shall be suitable for H2S service.

7. <u>Well Testing</u>

No drill stem test will be performed on this well.

8. Evacuation plan

Evacuation routes should be established prior to well spud for each well and discussed with all rig personnel.

9. <u>Designated area</u>

- A. Parking and visitor area: all vehicles are to be parked at a predetermined safe distance from the wellhead.
- B. There will be a designated smoking area.
- C. Two briefing areas on either side of the location at the maximum allowable distance from the well bore so they offset prevailing winds perpendicularly, or at a 45-degree angle if wind direction tends to shift in the area.

Emergency procedures

- A. In the event of any evidence of H2S level above 10 ppm, take the following steps:
 - 1. The Driller will pick up off bottom, shut down the pumps, slow down the pipe rotation.
 - 2. Secure and don escape breathing equipment, report to the upwind designated safe briefing / muster area.
 - 3. All personnel on location will be accounted for and emergency search should begin for any missing, the Buddy System will be implemented.
 - 4. Order non-essential personnel to leave the well site, order all essential personnel out of the danger zone and upwind to the nearest designated safe briefing / muster area.
 - 5. Entrance to the location will be secured to a higher level than our usual "Meet and Greet" requirement, and the proper condition flag will be displayed at the entrance to the location.
 - 6. Take steps to determine if the H2S level can be corrected or suppressed and, if so, proceed as required.

B. If uncontrollable conditions occur:

1. Take steps to protect and/or remove any public in the down-wind area from the rig – partial evacuation and isolation. Notify necessary public safety personnel and appropriate regulatory entities (i.e. BLM) of the situation.

- 2. Remove all personnel to the nearest upwind designated safe briefing / muster area or off location.
- 3. Notify public safety personnel of safe briefing / muster area.
- 4. An assigned crew member will blockade the entrance to the location. No unauthorized personnel will be allowed entry to the location.
- 5. Proceed with best plan (at the time) to regain control of the well. Maintain tight security and safety procedures.

C. Responsibility:

- 1. Designated personnel.
 - a. Shall be responsible for the total implementation of this plan.
 - b. Shall be in complete command during any emergency.
 - c. Shall designate a back-up.

All personnel:

- 1. On alarm, don escape unit and report to the nearest upwind designated safe briefing / muster area upw
- 2. Check status of personnel (buddy system).
- 3. Secure breathing equipment.
- 4. Await orders from supervisor.

Drill site manager:

- 1. Don escape unit if necessary and report to nearest upwind designated safe briefing / muster area.
- 2. Coordinate preparations of individuals to return to point of release with tool pusher and driller (using the buddy system).
- 3. Determine H2S concentrations.
- 4. Assess situation and take control measures.

Tool pusher:

- 1. Don escape unit Report to up nearest upwind designated safe briefing / muster area.
- 2. Coordinate preparation of individuals to return to point of release with tool pusher drill site manager (using the buddy system).
- 3. Determine H2S concentration.
- 4. Assess situation and take control measures.

Driller:

1. Don escape unit, shut down pumps, continue

- rotating DP.
- 2. Check monitor for point of release.
- 3. Report to nearest upwind designated safe briefing / muster area.
- 4. Check status of personnel (in an attempt to rescue, use the buddy system).
- 5. Assigns least essential person to notify Drill Site Manager and tool pusher by quickest means in case of their absence.
- 6. Assumes the responsibilities of the Drill Site Manager and tool pusher until they arrive should they be absent.

Derrick man Floor man #1 Floor man #2 1. Will remain in briefing / muster area until instructed by supervisor.

Mud engineer:

- 1. Report to nearest upwind designated safe briefing / muster area.
- 2. When instructed, begin check of mud for ph and H2S level. (Garett gas train.)

Safety personnel:

1. Mask up and check status of all personnel and secure operations as instructed by drill site manager.

Taking a kick

When taking a kick during an H2S emergency, all personnel will follow standard Well control procedures after reporting to briefing area and masking up.

Open-hole logging

All unnecessary personnel off floor. Drill Site Manager and safety personnel should monitor condition, advise status and determine need for use of air equipment.

Running casing or plugging

Following the same "tripping" procedure as above. Drill Site Manager and safety personnel should determine if all personnel have access to protective equipment.

Ignition procedures

The decision to ignite the well is the responsibility of the operator (Oxy Drilling Management). The decision should be made only as a last resort and in a situation where it is clear that:

- 1. Human life and property are endangered.
- 2. There is no hope controlling the blowout under the prevailing conditions at the well.

<u>Instructions for igniting the well</u>

- 1. Two people are required for the actual igniting operation. They must wear self-contained breathing units and have a safety rope attached. One man (tool pusher or safety engineer) will check the atmosphere for explosive gases with the gas monitor. The other man is responsible for igniting the well.
- 2. Primary method to ignite: 25 mm flare gun with range of approximately 500 feet.
- 3. Ignite upwind and do not approach any closer than is warranted.
- 4. Select the ignition site best for protection, and which offers an easy escape route.
- 5. Before firing, check for presence of combustible gas.
- 6. After lighting, continue emergency action and procedure as before.
- 7. All unassigned personnel will remain in briefing area until instructed by supervisor or directed by the Drill Site Manager.

Remember: After well is ignited, burning hydrogen sulfide will convert to sulfur dioxide, which is also highly toxic. **Do not assume the area is safe after the well is ignited.**

Status check list

Note: All items on this list must be completed before drilling to production casing point.

- 1. H2S sign at location entrance.
- 2. Two (2) wind socks located as required.
- 3. Four (4) 30-minute positive pressure air packs (2 at each Briefing area) on location for all rig personnel and mud loggers.
- 4. Air packs inspected and ready for use.
- 5. Cascade system and hose line hook-up as needed.
- 6. Cascade system for refilling air bottles as needed.
- 7. Condition flag on location and ready for use.
- 8. H2S detection system hooked up and tested.
- 9. H2S alarm system hooked up and tested.
- 10. Hand operated H2S detector with tubes on location.
- 11. 1 100' length of nylon rope on location.
- 12. All rig crew and supervisors trained as required.
- 13. All outside service contractors advised of potential H2S hazard on well.
- 14. No smoking sign posted and a designated smoking area identified.
- 15. Calibration of all H2S equipment shall be noted on the IADC report.

Checked by	7*	Date:
Checken by	/ •	. Date

Procedural check list during H2S events

Perform each tour:

- 1. Check fire extinguishers to see that they have the proper charge.
- 2. Check breathing equipment to ensure that it in proper working order.
- 3. Make sure all the H2S detection system is operative.

Perform each week:

- 1. Check each piece of breathing equipment to make sure that demand or forced air regulator is working. This requires that the bottle be opened and the mask assembly be put on tight enough so that when you inhale, you receive air or feel air flow.
- 2. BOP skills (well control drills).
- 3. Check supply pressure on BOP accumulator stand by source.
- 4. Check breathing equipment mask assembly to see that straps are loosened and turned back, ready to put on.
- 5. Check pressure on breathing equipment air bottles to make sure they are charged to full volume. (Air quality checked for proper air grade "D" before bringing to location)
- 6. Confirm pressure on all supply air bottles.
- 7. Perform breathing equipment drills with on-site personnel.
- 8. Check the following supplies for availability.
 - A. Emergency telephone list.
 - B. Hand operated H2S detectors and tubes.

General evacuation plan

- 1. When the company approved supervisor (Drill Site Manager, consultant, rig pusher, or driller) determines the H2S gas cannot be limited to the well location and the public will be involved, he will activate the evacuation plan.
- 2. Drill Site Manager or designee will notify local government agency that a hazardous condition exists and evacuation needs to be implemented.
- 3. Company or contractor safety personnel that have been trained in the use of H2S detection equipment and self-contained breathing equipment will monitor H2S concentrations, wind directions, and area of exposure. They will delineate the outer perimeter of the hazardous gas area. Extension to the evacuation area will be determined from information gathered.
- 4. Law enforcement personnel (state police, police dept., fire dept., and sheriff's dept.) Will be called to aid in setting up and maintaining road blocks. Also, they will aid in evacuation of the public if necessary.
- 5. After the discharge of gas has been controlled, company safety personnel will determine when the area is safe for re-entry.

<u>Important:</u> Law enforcement personnel will not be asked to come into a contaminated area. Their assistance will be limited to uncontaminated areas. Constant radio contact will be maintained with them.

Emergency actions

Well blowout – if emergency

- 1. Evacuate all personnel to "Safe Briefing / Muster Areas" or off location if needed.
- 2. If sour gas evacuate rig personnel.
- 3. If sour gas evacuate public within 3000 ft radius of exposure.
- 4. Don SCBA and shut well in if possible using the buddy system.
- 5. Notify Drilling Superintendent and call 911 for emergency help (fire dept and ambulance) if needed.
- 6. Implement the Blowout Contingency Plan, and Drilling Emergency Action Plan.
- 6. Give first aid as needed.

Person down location/facility

- 1. If immediately possible, contact 911. Give location and wait for confirmation.
- 2. Don SCBA and perform rescue operation using buddy system.

Toxic effects of hydrogen sulfide

Hydrogen sulfide is extremely toxic. The acceptable ceiling concentration for eight-hour exposure is 10 ppm, which is .001% by volume. Hydrogen sulfide is heavier than air (specific gravity – 1.192) and colorless. It forms an explosive mixture with air between 4.3 and 46.0 percent by volume. Hydrogen sulfide is almost as toxic as hydrogen cyanide and is between five and six times more toxic than carbon monoxide. Toxicity data for hydrogen sulfide and various other gases are compared in table i. Physical effects at various hydrogen sulfide exposure levels are shown in table ii.

Table i Toxicity of various gases

Common	Chemical	Specific	Threshold	Hazardous	Lethal concentration
name	formula	gravity	limit	limit	(3)
		(sc=1)	(1)	(2)	
Hydrogen	Hen	0.94	10 ppm	150 ppm/hr	300 ppm
Cyanide			• •	**	**
Hydrogen	H2S	1.18	10 ppm	250 ppm/hr	600 ppm
Sulfide			• •	**	**
Sulfur	So2	2.21	5 ppm	-	1000 ppm
Dioxide			* *		**
Chlorine	C12	2.45	1 ppm	4 ppm/hr	1000 ppm
			**	**	**
Carbon	Co	0.97	50 ppm	400 ppm/hr	1000 ppm
Monoxide			11	11	**
Carbon	Co2	1.52	5000 ppm	5%	10%
Dioxide			11		
Methane	Ch4	0.55	90,000 ppm	Combustibl	e above 5% in air

- 1) threshold limit concentration at which it is believed that all workers may be repeatedly exposed day after day without adverse effects.
- 2) hazardous limit concentration that will cause death with short-term exposure.
- 3) lethal concentration concentration that will cause death with short-term exposure.

Toxic effects of hydrogen sulfide

Table ii Physical effects of hydrogen sulfide

		Concentration	Physical effects
Percent (%)	<u>Ppm</u>	Grains	
		100 std. Ft3*	
0.001	<10	00.65	Obvious and unpleasant odor.

0.002	10	01.30	Safe for 8 hours of exposure.
0.010	100	06.48	Kill smell in $3 - 15$ minutes. May sting eyes and throat.
0.020	200	12.96	Kills smell shortly; stings eyes and throat.
0.050	500	32.96	Dizziness; breathing ceases in a few minutes; needs prompt artificial respiration.
0.070	700	45.36	Unconscious quickly; death will result if not rescued promptly.
0.100	1000	64.30	Unconscious at once; followed by death within minutes.

^{*}at 15.00 psia and 60'f.

Use of self-contained breathing equipment (SCBA)

- 1. Written procedures shall be prepared covering safe use of SCBA's in dangerous atmosphere, which might be encountered in normal operations or in emergencies. Personnel shall be familiar with these procedures and the available SCBA.
- 2 SCBA's shall be inspected frequently at random to insure that they are properly used, cleaned, and maintained.
- 3. Anyone who may use the SCBA's shall be trained in how to insure proper facepiece to face seal. They shall wear SCBA's in normal air and then wear them in a
 test atmosphere. (note: such items as facial hair {beard or sideburns} and
 eyeglasses will not allow proper seal.) Anyone that may be reasonably expected
 to wear SCBA's should have these items removed before entering a toxic
 atmosphere. A special mask must be obtained for anyone who must wear
 eyeglasses or contact lenses.
- 4. Maintenance and care of SCBA's:
 - a. A program for maintenance and care of SCBA's shall include the following:
 - 1. Inspection for defects, including leak checks.
 - 2. Cleaning and disinfecting.
 - 3. Repair.
 - 4. Storage.
 - b. Inspection, self-contained breathing apparatus for emergency use shall be inspected monthly.
 - 1. Fully charged cylinders.
 - 2. Regulator and warning device operation.
 - 3. Condition of face piece and connections.
 - 4. Rubber parts shall be maintained to keep them pliable and prevent deterioration.
 - c. Routinely used SCBA's shall be collected, cleaned and disinfected as frequently as necessary to insure proper protection is provided.
- 5. Persons assigned tasks that requires use of self-contained breathing equipment shall be certified physically fit (medically cleared) for breathing equipment usage at least annually.
- 6. SCBA's should be worn when:
 - A. Any employee works near the top or on top of any tank unless test reveals less than 10 ppm of H2S.

- B. When breaking out any line where H2S can reasonably be expected.
- C. When sampling air in areas to determine if toxic concentrations of H2S exists.
- D. When working in areas where over 10 ppm H2S has been detected.
- E. At any time there is a doubt as to the H2S level in the area to be entered.

Rescue First aid for H2S poisoning

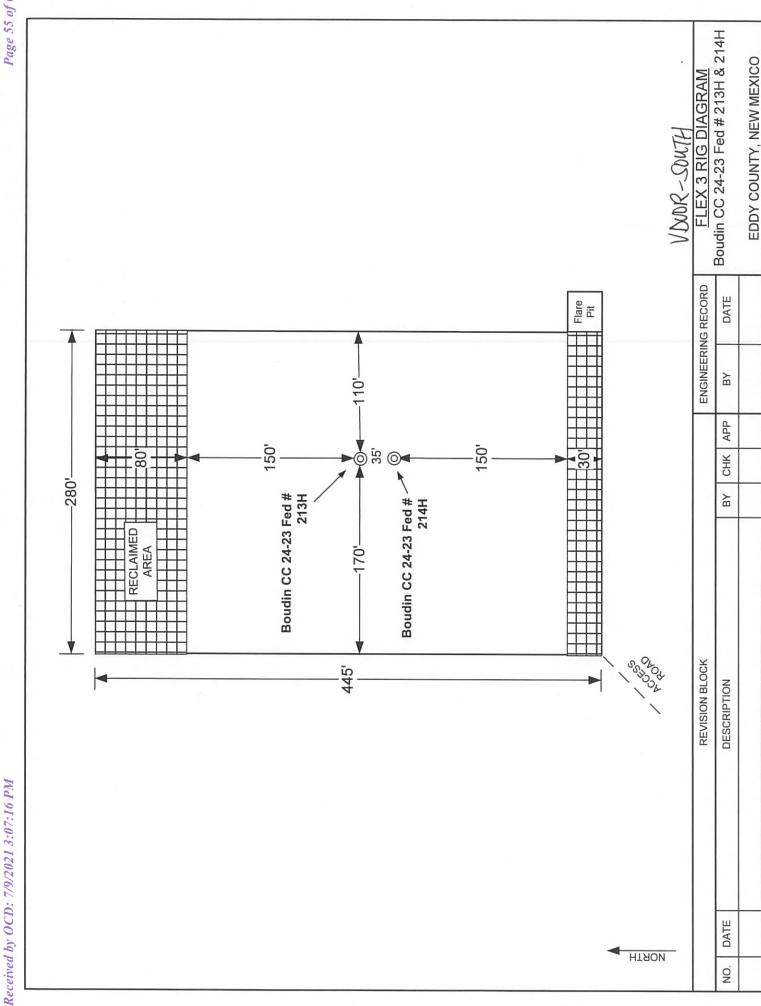
Do not panic!

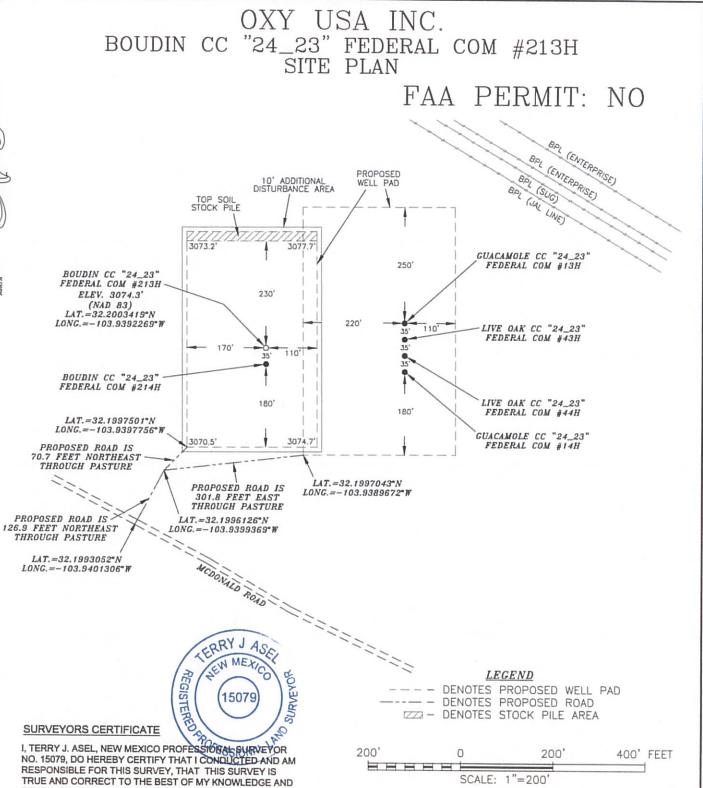
Remain calm – think!

- 1. Don SCBA breathing equipment.
- 2. Remove victim(s) utilizing buddy system to fresh air as quickly as possible. (go up-wind from source or at right angle to the wind. Not down wind.)
- 3. Briefly apply chest pressure arm lift method of artificial respiration to clean the victim's lungs and to avoid inhaling any toxic gas directly from the victim's lungs.
- 4. Provide for prompt transportation to the hospital, and continue giving artificial respiration if needed.
- 5. Hospital(s) or medical facilities need to be informed, before-hand, of the possibility of H2S gas poisoning no matter how remote the possibility is.
- 6. Notify emergency room personnel that the victim(s) has been exposed to H2S gas.

Besides basic first aid, everyone on location should have a good working knowledge of artificial respiration.

Revised CM 6/27/2012





Received by OCD: 7/9/2021 3:07:16 PM

RESPONSIBLE FOR THIS SURVEY, THAT THIS SURVEY IS TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF, AND MEETS THE "MINIMIUM STANDARDS FOR SURVEYING IN NEW MEXICO" AS ADOPTED BY THE NEW MEXICO STATE BOARD OF REGISTRATION FOR PROFESSIONAL ENGINEERS AND SURVEYORS.

Terry J. Asel N.M. R.P.L.S. No. 15079

Asel Surveying

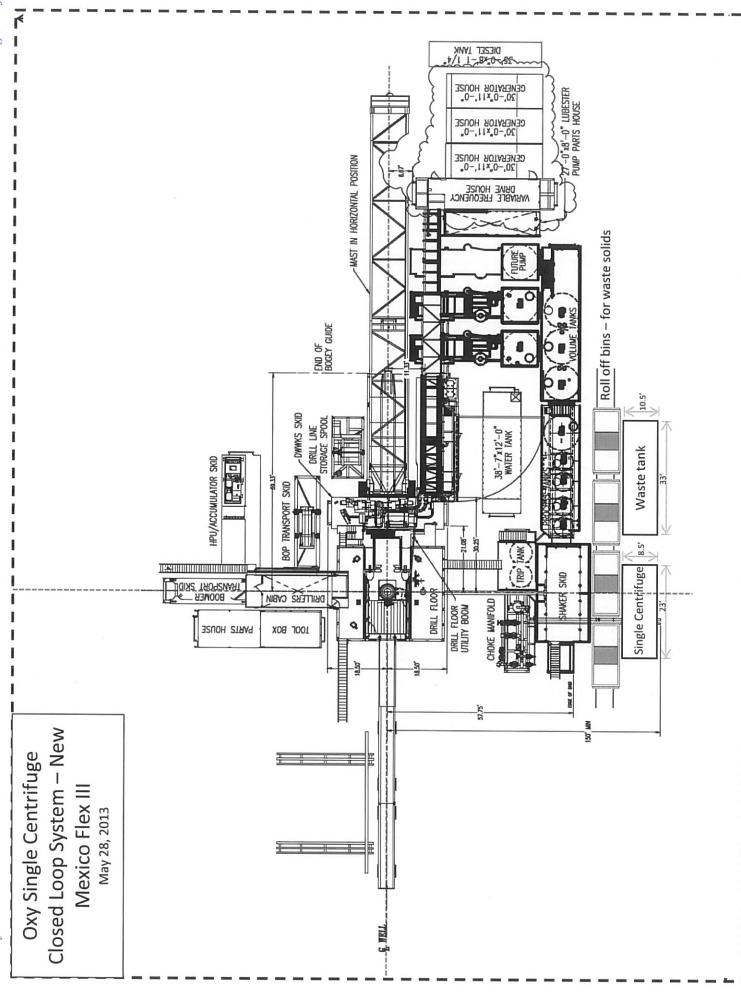
P.O. BOX 393 - 310 W. TAYLOR HOBBS, NEW MEXICO - 575-393-9146

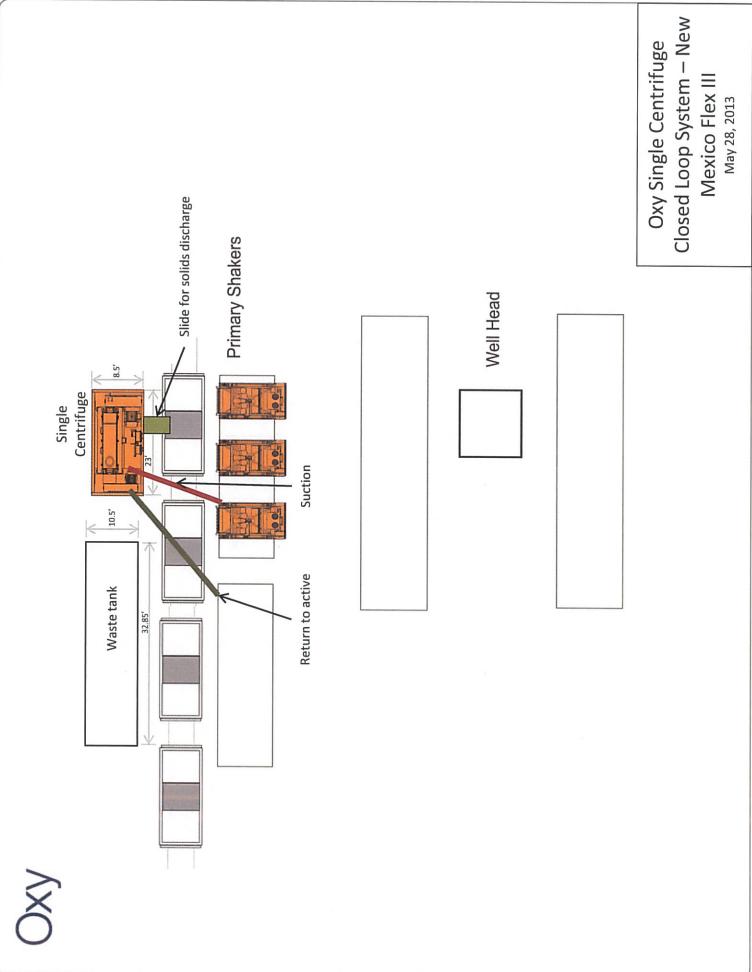


OXY USA INC.

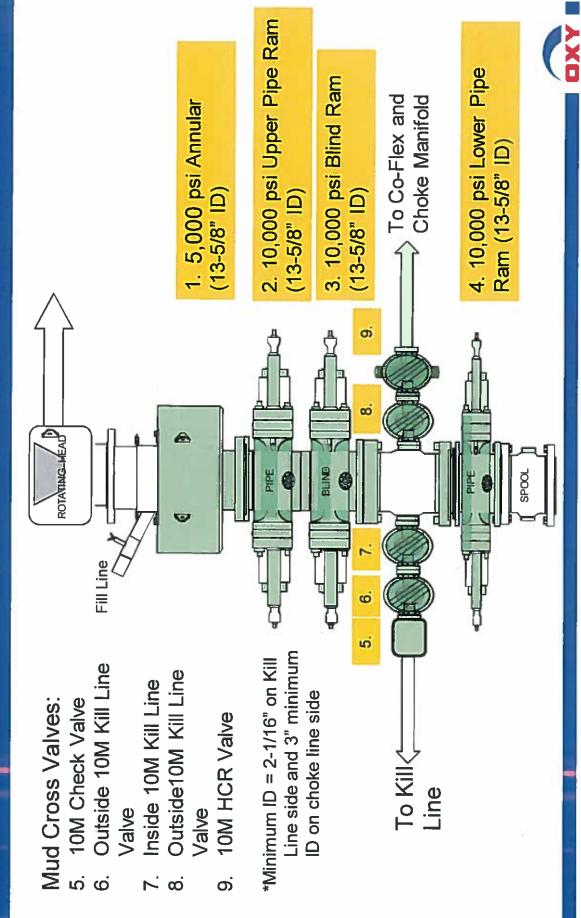
BOUDIN CC "24_23" FEDERAL COM #213H LOCATED AT 1700' FSL & 2290' FWL IN SECTION 24, TOWNSHIP 24 SOUTH, RANGE 29 EAST, N.M.P.M., EDDY COUNTY, NEW MEXICO

Survey Date: 04/17/18	Sheet	1	01	f 1	Sheets
W.O. Number: 180417WL-c	Drawn	Ву:	KA	Rev:	
Date: 07/12/18	1804	17WL	-с	Scale:	"=200"





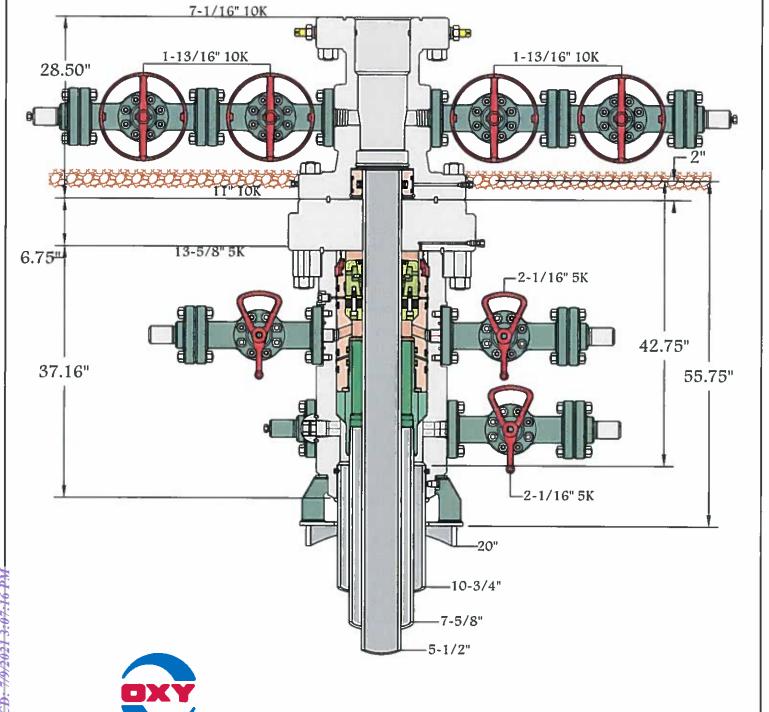
5/10M BOP Stack



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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**

COMMENTS

Action 33399

COMMENTS

Operator:	OGRID:
OXY USA INC	16696
P.O. Box 4294	Action Number:
Houston, TX 772104294	33399
	Action Type:
	[C-101] BLM - Federal/Indian Land Lease (Form 3160-3)

COMMENTS

Created By	Comment	Comment Date
kpickford	KP GEO Review 7/12/2021	7/12/2021

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CONDITIONS

Created By	Condition	Condition Date
kpickford	pickford 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	7/12/2021
	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	7/12/2021
kpickford	Cement is required to circulate on both surface and intermediate1 strings of casing	7/12/2021
	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	7/12/2021