

District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Avenue, Artesia, NM 88210
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-402
Revised October 12, 2005
Submit to Appropriate District Office
State Lease- 4 Copies
Fee Lease- 3 Copies
☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-015-39384	Pool Code 96830	Pool Name ARTESIA; GLORIETA- YESO
Property Code 38786	Property Name McHAM "34" STATE	Well Number 1
OCRID No. 157984	Operator Name Occidental Permian LTD	Elevation 3674.9'

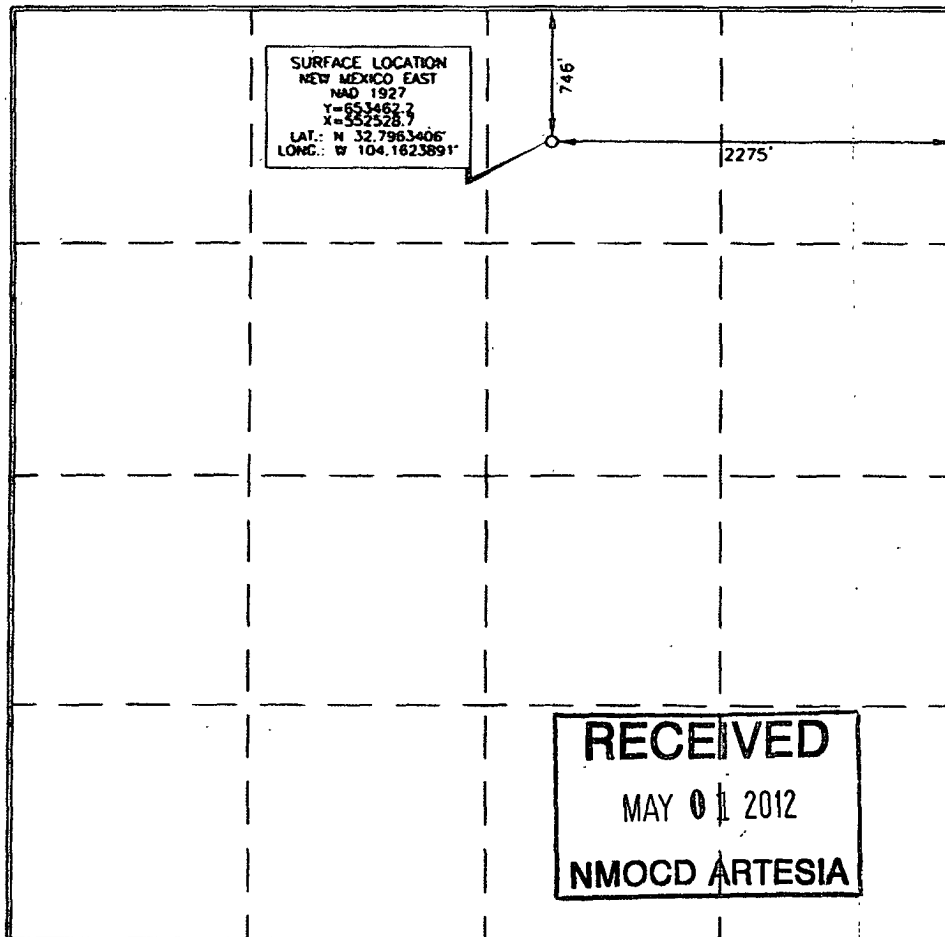
Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
B	34	17 SOUTH	28 EAST, N.M.P.M.		746'	NORTH	2275'	EAST	EDDY

Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
Dedicated Acres 40		Joint or Infill	Consolidation Code	Order No.					

No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.



OPERATOR CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

[Signature] 5/1/12
Date
Jennifer Duarte
Printed Name

SURVEYOR CERTIFICATION

I hereby certify that the location shown on this plat was located from field notes or actual survey made by me or under my supervision, and that the same is true and correct to the best of my belief.

[Signature] 3/23/12
Date
15079
Professional Surveyor
Certificate Number

RECEIVED
MAY 01 2012
NMOCD ARTESIA

District I - (575) 393-6161
1625 N. French Dr., Hobbs, NM 88240
District II - (575) 748-1283
811 S First St., Artesia, NM 88210
District III - (505) 334-6178
1000 Rio Brazos Rd., Aztec, NM 87410
District IV - (505) 476-3460
1220 S St. Francis Dr., Santa Fe, NM 87505

OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

WELL API NO. 30-015-39384
5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No. EO-7116
7. Lease Name or Unit Agreement Name McHAM "34" STATE
8. Well Number 1
9. OGRID Number 157984
10. Pool name or Wildcat ARTESIA; GLORIETA-YESO - 96830

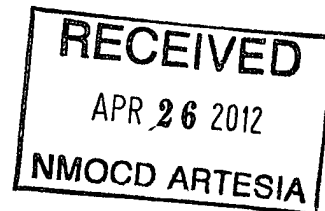
<p>SUNDRY NOTICES AND REPORTS ON WELLS (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS)</p>	
1. Type of Well: Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/>	
2. Name of Operator OCCIDENTAL PERMIAN LTD	
3. Address of Operator PO BOX 4294; HOUSTON, TX 77210	
4. Well Location Unit Letter <u>B</u> : <u>746</u> feet from the <u>N</u> line and <u>2275</u> feet from the <u>E</u> line Section <u>34</u> Township <u>17S</u> Range <u>28E</u> NMPM County <u>EDDY</u>	
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3674.9'	

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

<p>NOTICE OF INTENTION TO:</p> <p>PERFORM REMEDIAL WORK <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> TEMPORARILY ABANDON <input type="checkbox"/> CHANGE PLANS <input checked="" type="checkbox"/> PULL OR ALTER CASING <input type="checkbox"/> MULTIPLE COMPL <input type="checkbox"/> DOWNHOLE COMMINGLE <input type="checkbox"/></p>		<p>SUBSEQUENT REPORT OF:</p> <p>REMEDIAL WORK <input type="checkbox"/> ALTERING CASING <input type="checkbox"/> COMMENCE DRILLING OPNS. <input type="checkbox"/> P AND A <input type="checkbox"/> CASING/CEMENT JOB <input type="checkbox"/></p>	
OTHER: <input type="checkbox"/>		OTHER: <input type="checkbox"/>	

13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 19.15.7.14 NMAC. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

Occidental Permian LTD request the change of the drilling plans on the above mentioned well. We would like to drill this well as a vertical well. Please see the attached update plat and drilling plan. If there are any further questions, please let me know.



Spud Date: Rig Release Date:

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE Jennifer Duarte TITLE REGULATORY ANALYST DATE 04/17/2012
 Type or print name JENNIFER DUARTE E-mail address: jennifer.duarte@oxy.com PHONE: 713-513-6640
For State Use Only
 APPROVED BY: T.C. Shepard TITLE Geologist DATE 5/4/2012
 Conditions of Approval (if any):

OPERATOR NAME / NUMBER: OXY USA Inc

16696

LEASE NAME / NUMBER: McHam 34 State # 1

API: 30-015-39384

STATE: NM

COUNTY: Eddy

SURFACE LOCATION: 746' FNL & 2275' FEL, Sec 34, T17S, R28E

C-102 PLAT APPROX GR ELEV: 3674.9'

34. GEOLOGIC NAME OF SURFACE FORMATION

a. Permian

35. ESTIMATED TOPS OF GEOLOGICAL MARKERS & DEPTHS OF ANTICIPATED FRESH WATER, OIL OR GAS

Formation	TV Depth Top	Expected Fluids
Rustler	352	
Tansil	498	None
Yates	625	None
Seven Rivers	755	
Queen	1438	
San Andres	2187	
Glorietta	3571	Oil
Tubb – Base Yeso	5069	Oil
TD	5200	TD

- D. 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.

GREATEST PROJECTED TD 5200' MD / 5200' TVD

OBJECTIVE: Yeso

36. CASING PROGRAM

Surface Casing: 9.625" casing set at \pm 400' MD / 400' TVD in a 12.25" hole filled with 8.40 ppg mud

Interval	Length	Wt	Gr	Cplg	Coll Rating (psi)	Burst Rating (psi)	Jt Str (M-lbs)	ID (in)	Drift (in)	SF Coll	SF Burst	SF Ten
0'-400'	400'	36	J-55	ST&C	2020	3520	394	8.92	4.77	14.99	26.13	27.36

Production Casing: 5.5" casing set at \pm 5200' MD / 5200' TVD in a 7.7/8" hole filled with 10.00 ppg mud

Interval	Length	Wt	Gr	Cplg	Coll Rating (psi)	Burst Rating (psi)	Jt Str (M-lbs)	ID (in)	Drift (in)	SF Coll	SF Burst	SF Ten
0'- 5200'	5200'	17	L-80	LT&C	6290	7740	338	4.892	4.767	2.25	2.44	2.78

Collapse and burst loads calculated using Stress Check with actual anticipated loads.

37. CEMENT PROGRAM:

Surface Interval

Interval	Amount sx	Ft of Fill	Type	Gal/Sk	PPG	Ft ³ /sk	24 Hr Comp
Surface (TOC: 0' -400')							
Lead: 0' - 400' (150% Excess)	250	400'	Premium Plus Cement, with 2% Calcium	6.39	14.80	1.35	2500 psi

Production Interval

Interval	Amount sx	Ft of Fill	Type	Gal/Sk	PPG	Ft ³ /sk	24 Hr Comp
Production TOC: 0' - 5200'							
Lead: 0' - 3000 (150 % Excess)	940	3000	Halliburton Light Premium Plus with 5% Salt, 5 lb/sx Gilsonite and 0.125 lb/sx Poly_E_Flake (Lost circulation)	9.571	12.9	1.87	530 psi
Lead: 3000' - 5200 150 % Excess)	1140	2218'	50/50 Poz Premium Plus with 3% Salt, 0.4% Halad @-322 (Low Fluid Loss Control) 0.125 lb/sx Poly E_Flake (Lost circulation)	5.638	14.5	1.24	980 psi

38. PRESSURE CONTROL EQUIPMENT

Surface: 0 – 400' None.

Production: 0 – 5200' the minimum working pressure of the blowout preventer (BOP) and related equipment (BOPE) required to drill below the surface casing shoe shall be 3000 (3M) psi .

- The 11" 3000 psi blowout prevention equipment will be installed and operational after setting the 9 5/8" surface casing and the 9 5/8" SOW x 11" 3K conventional wellhead;
- The BOP and ancillary BOPE will be tested by a third party upon installation to the 9 5/8" 36# J-55 surface casing. All equipment will be tested to 250/3000 psi for 10 minutes.
- The pipe rams will be functionally tested during each 24 hour period; the blind rams will be functionally tested on each trip out of the hole. These functional tests will be documented on the Daily Driller's Log. Other accessory equipment (BOPE) will include a safety valve and subs as needed to fit all drill strings, and a 2" kill line and 3 " choke line having a 3000 psi WP rating.
- See attached BOP & Choke manifold diagrams.

39. MUD PROGRAM:

Depth	Mud Wt ppg	Vis Sec	Fluid Loss	Type System
0 – 400'	8.4 – 8.9	32 – 34	NC	Fresh Water /Spud Mud
400' – TD	9.8 – 10.0	28 – 29	NC	Brine Water

Remarks: 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.

40. AUXILIARY WELL CONTROL AND MONITORING EQUIPMENT

- a. A Kelly cock will be in the drill string at all times.
- b. A full opening drill pipe stabbing valve having the appropriate connections will be on the rig floor unobstructed and readily accessible at all times.

41. LOGGING / CORING AND TESTING PROGRAM:

- A. Mud Logger: None.
- B. DST's: None.
- C. Open Hole Logs as follows: Triple combo for production section.

42. POTENTIAL HAZARDS:

- J. H2S detection equipment will be in operation after drilling out the surface casing shoe until the production casing has been cemented. Breathing equipment will be on location from drilling out the surface shoe until production casing is cemented. If H2S is encountered the operator will comply with Onshore Order #6.
- K. The bottomhole pressure is anticipated to be 2500 psi
- L. No abnormal temperatures or pressures are anticipated. All personnel will be familiar with all aspects of safe operation of equipment being used to drill this well. Adequate flare lines will be installed off the mud/gas separator where gas may be flared safely.

43. ANTICIPATED STARTING DATE AND DURATION OF OPERATIONS

Road and location construction will begin after the NMOCD has approved the APD. Anticipated spud date will be as soon as possible after NMOCD approval and as soon as a rig will be available. Move in operations and drilling is expected to take 15 days. If production casing is run, then an additional 30 days will be needed to complete the well and construct surface facilities and/or lay flow lines in order to place well on production.

44. COMPANY PERSONNEL:

<u>Name</u>	<u>Title</u>	<u>Office Phone</u>
Mike Metz	Drilling Engineer	713- 366-5753
Luis Tarazona	Drilling Engineer Supervisor	713-366-5771
Sergio Abauat	Drilling Superintendent	713-366-5689
Douglas Chester	Drilling Manager	713-366-5194