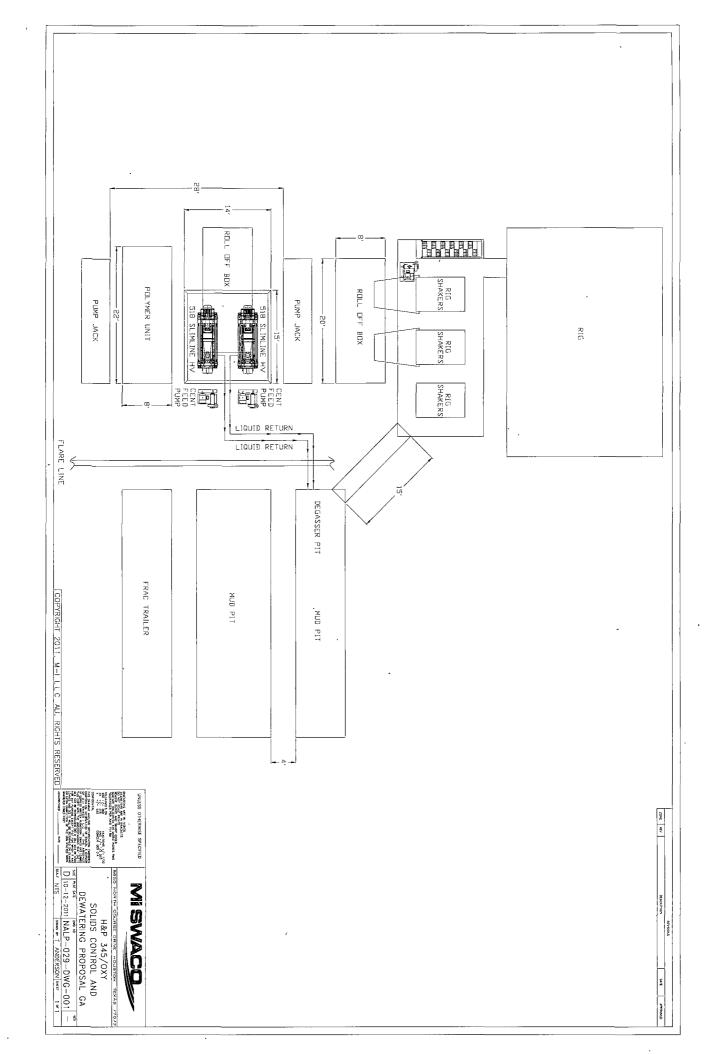
District 1 State of New Mexico Form C-102 1625 N. French Dr., Hobbs, NM 88240 Revised October 12, 2005 Energy, Minerals & Natural Resources Department District II Submit to Appropriate District Office 1301 W Grand Avenue, Artesia, NM 88210 OIL CONSERVATION DIVISION District III State Lease- 4 Copies 1220 South St. Francis Dr. 1000 Rio Brazos Rd., Aztec, NM 87410 Fee Lease-3 Copies District IV Santa Fe, NM 87505 1220 S St. Francis Dr., Santa Fe, NM 87505 AMENDED REPORT LOCATION AND ACREAGE DEDICATION PLAT Property Name Well Number "27" STATE POOHOperator, Name Elevation 3599.7' Surface Location UL or lot no. Section Township Range Lot Idn Feet from the North/South line Feet from the East/West line County Н 27 17 SOUTH 28 EAST, N.M.P.M. 1738 NORTH 941 EAST **EDDY** Bottom Hole Location If Different From Surface UL or lot no. Section Township Lot Idn Feet from the North/South line Feet from the East/West line County Joint or Infill Consolidation Code **Dedicated Acres** 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 o 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 941 SURFACE LOCATION NEW MEXICO EAST NAD 1927 Y=657670 8 X=553884.2 LAT: N 32.8079030' LONG: W 104.1579555 SURVEYOR CERTIFICATION oble year mode by and that MAY 0 9 2012 the be 45679 NMOCD ARTESIA

WO# 110526WL-g (Rev. C) (KA)



APD DATA - DRILLING PLAN -

OPERATOR NAME / NUMBER: OXY USA Inc

16696

LEASE NAME / NUMBER: Pooh 27 State # 4

Federal Lease No:

STATE: NM

COUNTY: Eddy

SURFACE LOCATION:

1738' FNL & 941' FEL, Sec 27, T17S, R28E

C-102 PLAT APPROX GR ELEV: 3599.7'_

EST KB ELEV: 3613.7' (14' KB)

1. GEOLOGIC NAME OF SURFACE FORMATION

a. Permian

2. 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

A. 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

3. CASING PROGRAM

Surface Casing: 9.625" casing set at ± 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 ± 5200'MD / 5200'TVD in a 7 7/8" hole filled with 10.00 ppg mud

					Coll	Burst						
	\				Rating	Rating	Jt Str	ID	Drift	SF	SF	SF
Interval	Length	Wt	Gr	Cplg	(psi)	(psi)	(M-lbs)	(in)	(in)	Coll	Burst	Ten
0'- 5200'	5200'	17	L-80	LT&C	6280	7740	348	4.989	4.77	1.85	2.28	3.94

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

4. **CEMENT PROGRAM:**

Surface Interval

Interval	Amount sx	Ft of Fill	Туре	Gal/Sk	PPG	Ft³/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	Туре	Gal/Sk	PPG	Ft³/sk	24 Hr Comp
Production (T	OC: 0' 520	0'					
Lead: 0' - 3000 (150 % Excess)	940	3000	Halliburton Light Premium Plus with 5% Salt, 3 lb/sx Kol-Seal and 0.125 lb/sx Poly_E_Flake	9.571	12.9	1.87	530 psi
Lead: 3000' - 5200 150 % Excess)	1140	2200	50/50 Poz Premium Plus with 3% Salt, 0.4% Halad ®-322, 0.125 lb/sx Poly E_Flake	5.638	14.5	1.24	980 psi

5. PRESSURE CONTROL EQUIPMENT

Surface: 0 - 400' None.

Production: <u>0 - 5200'</u> 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.

- a. 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;.
- **b.** 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.
- c. 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.
- d. See attached BOP & Choke manifold diagrams.

6. **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.

7. 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.

8. LOGGING / CORING AND TESTING PROGRAM:

A. Mud Logger: None.

B. DST's: None.

C. Open Hole Logs as follows: Triple combo for production section.

9. POTENTIAL HAZARDS:

- A. 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.
- B. The bottomhole pressure is anticipated to be 2500 psi
- C. 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.

10. 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.

11. COMPANY PERSONNEL:

<u>Name</u>	<u>Title</u>	Office Phone
Luis Tarazona	Drilling Engineer	713-366-5771
Victor Guerra	Drilling Engineer Supervisor	713-215-7256
Sergio Abauat	Drilling Superintendent	713-366-5689
Douglas Chester	Drilling Manager	713-366-5194