Form 3160-3
(August 2007)

SECRETARY'S POTASH ATS-16-28

OCD Artesia

FORM APPROVED
OMB No. 1004-0136
Expires July 31, 2010

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR REENTER

1a. Type of Work: ☒ DRILL ☐ REENTER	5. Lease Serial No. NMNM86024
	6. If Indian, Allottee or Tribe Name
	7. If Unit or CA Agreement, Name and No.
1b. Type of Well: ☒ Oil Well ☐ Gas Well ☐ Other ☒ Single Zone ☐ Multiple Zone	8. Lease Name and Well No. CYPRESS 34 FEDERAL 12H
2. Name of Operator OXY USA INC. Contact: DAVID STEWART E-Mail: david_stewart@oxy.com	9. API Well No. 30 015 43849
3a. Address P.O. BOX 50250 MIDLAND, TX 79710 / 3b. Phone No. (include area code) Ph: 432-685-5717	10. Field and Pool, or Exploratory CEDAR CANYON BONE SPRING
4. Location of Well *(Report location clearly and in accordance with any State requirements.*)* At surface NWNE 180FNL 1167FEL 32.268195 N Lat, 103.969024 W Lon At proposed prod. zone SWSE 180FSL 1671FEL 32.254375 N Lat, 103.968906 W Lon	11. Sec., T., R., M., or Blk. and Survey or Area Sec 34 T23S R29E Mer
14. Distance in miles and direction from nearest town or post office* 6 MILES NORTHEAST FROM LOVING, NM	12. County or Parish EDDY / 13. State NM
15. Distance from proposed location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) 100' / 16. No. of Acres in Lease 1400.00	17. Spacing Unit dedicated to this well 160.00
18. Distance from proposed location to nearest well, drilling, completed, applied for, on this lease, ft. 280' / 19. Proposed Depth 14700 MD 10000 TVD	20. BLM/BIA Bond No. on file NMB000962
21. Elevations (Show whether DF, KB, RT, GL, etc. 3048 GL / 22. Approximate date work will start 06/01/2016	23. Estimated duration 35DAYS

24. Attachments

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No. 1, shall be attached to this form:

1. Well plat certified by a registered surveyor.
2. A Drilling Plan.
3. A Surface Use Plan (if the location is on National Forest System Lands, the SUPO shall be filed with the appropriate Forest Service Office).
4. Bond to cover the operations unless covered by an existing bond on file (see Item 20 above).
5. Operator certification
6. Such other site specific information and/or plans as may be required by the authorized officer.

25. Signature (Electronic Submission)	Name (Printed/Typed) DAVID STEWART Ph: 432-685-5717	Date 02/09/2016
Title SR. REGULATORY ADVISOR		
Approved by (Signature) /s/George MacDonell	Name (Printed/Typed)	Date JUN 23 2016
Title FIELD MANAGER	Office CARLSBAD FIELD OFFICE	

Application approval does not warrant or certify 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.

APPROVAL FOR TWO YEARS

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.

Additional Operator Remarks (see next page) Carlsbad Controlled Water Basin

Electronic Submission #331111 verified by the BLM Well Information System
For OXY USA INC., sent to the Carlsbad

SEE ATTACHED FOR CONDITIONS OF APPROVAL

NM OIL CONSERVATION
ARTESIA DISTRICT
JUN 30 2016

Approval Subject to General Requirements & Special Stipulations Attached

** OPERATOR-SUBMITTED ** OPERATOR-SUBMITTED ** OPERATOR-SUBMITTED **

RECEIVED

Replacement Oper. Cert.

OPERATOR CERTIFICATION

I hereby certify that I, or someone under my direct supervision, have inspected the drill site and access route proposed herein; that I am familiar with the conditions that presently exist; that I have full knowledge of State and Federal laws applicable to this operation; that the statements made in this APD package are, to the best of my knowledge, true and correct; and that the work associated with the operations proposed herein will be performed in conformity with this APD package and the terms and conditions under which it is approved. I also certify that I, or the company I represent, am responsible for the operations conducted under this application. These statements are subject to the provisions of 18 U.S.C. 1001 for the filing of false statements. Executed this 7th day of April, 2016.

Signature: _____

Name: Omar Lisigurski

Position: Reservoir Management Team Leader

Address: 5 Greenway Plaza, Suite 110, Houston, TX 77046

Telephone: 713-215-7506

E-mail: (optional): omar_lisigurski@oxy.com

Company: Occidental Permian LP/OXY USA Inc./OXY USA WTP LP

Field Representative (if not above signatory): Jim Wilson

Address (If different from above): P.O. Box 50250 Midland, TX 79710

Telephone (if different from above): 575-631-2442

E-mail (if different from above): jim_wilson@oxy.com

Replacement C-102

District I
1625 N. French Dr., Hobbs, NM 88240
Phone: (575) 393-6161 Fax: (575) 393-0720
District II
811 S. First St., Artesia, NM 88210
Phone: (575) 748-1283 Fax: (575) 748-9720
District III
1000 Rio Brazos Road, Aztec, NM 87410
Phone: (505) 334-6178 Fax: (505) 334-6170
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505
Phone: (505) 476-3460 Fax: (505) 476-3462

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

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

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number	Pool Code	Pool Name
30-05-43849	11520	Cedar Canyon Bone Spring

Property Code	Property Name	Well Number
304798	CYPRESS "34" FEDERAL	12H

OGRID No.	Operator Name	Elevation
16696	OXY USA INC.	3095.1'

Surface Location

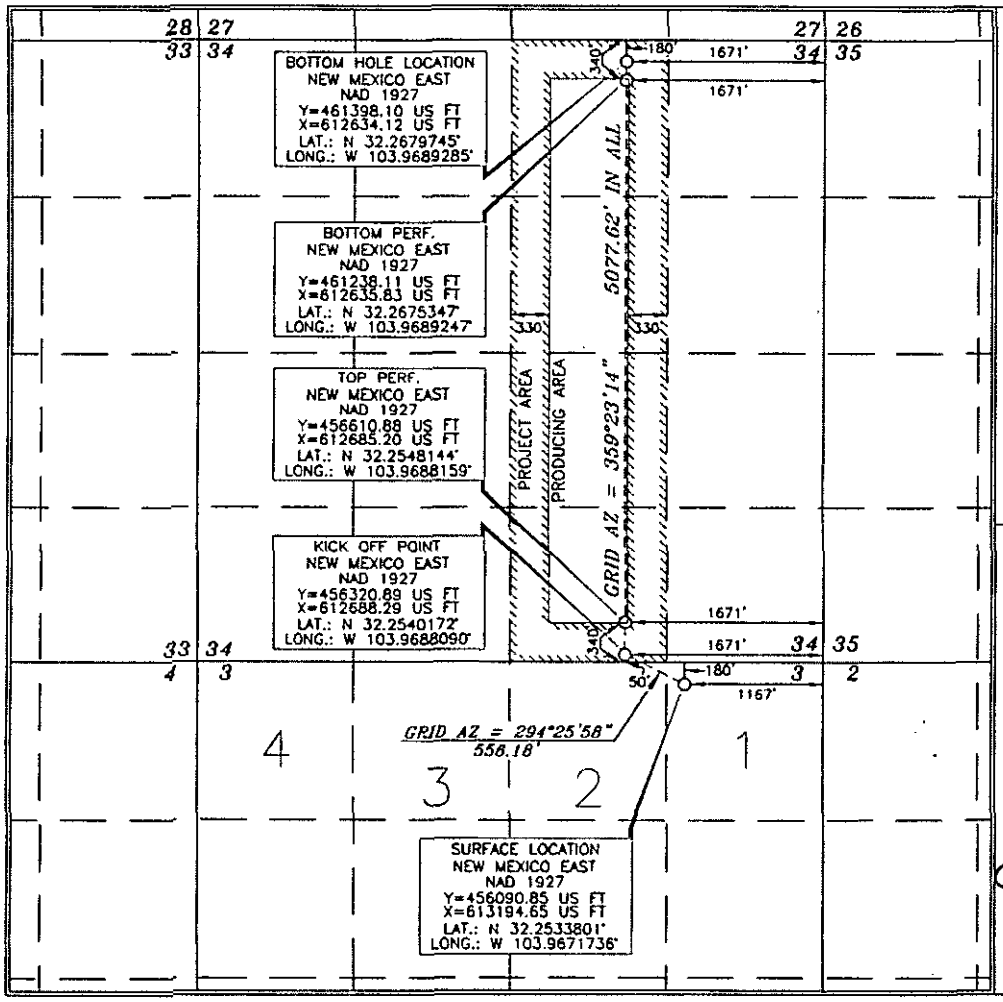
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
1 A	3	24 SOUTH	29 EAST, N.M.P.M.	1	180'	NORTH	1167'	EAST	EDDY

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
B	34	23 SOUTH	29 EAST, N.M.P.M.		180'	NORTH	1671'	EAST	EDDY

Dedicated Acres	Joint or Infill	Consolidation Code	Order No.
160	Y		

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 — Date: 4/7/16

David Stewart Sr. Reg Adv.
Printed Name

david_stewart@oxy.com
E-mail Address

SURVEYOR CERTIFICATION

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

GERRY J. ASEL
NEW MEXICO
15079
REGISTERED PROFESSIONAL LAND SURVEYOR

MARCH 8, 2016
Date of Survey

Signature and Seal of Professional Surveyor

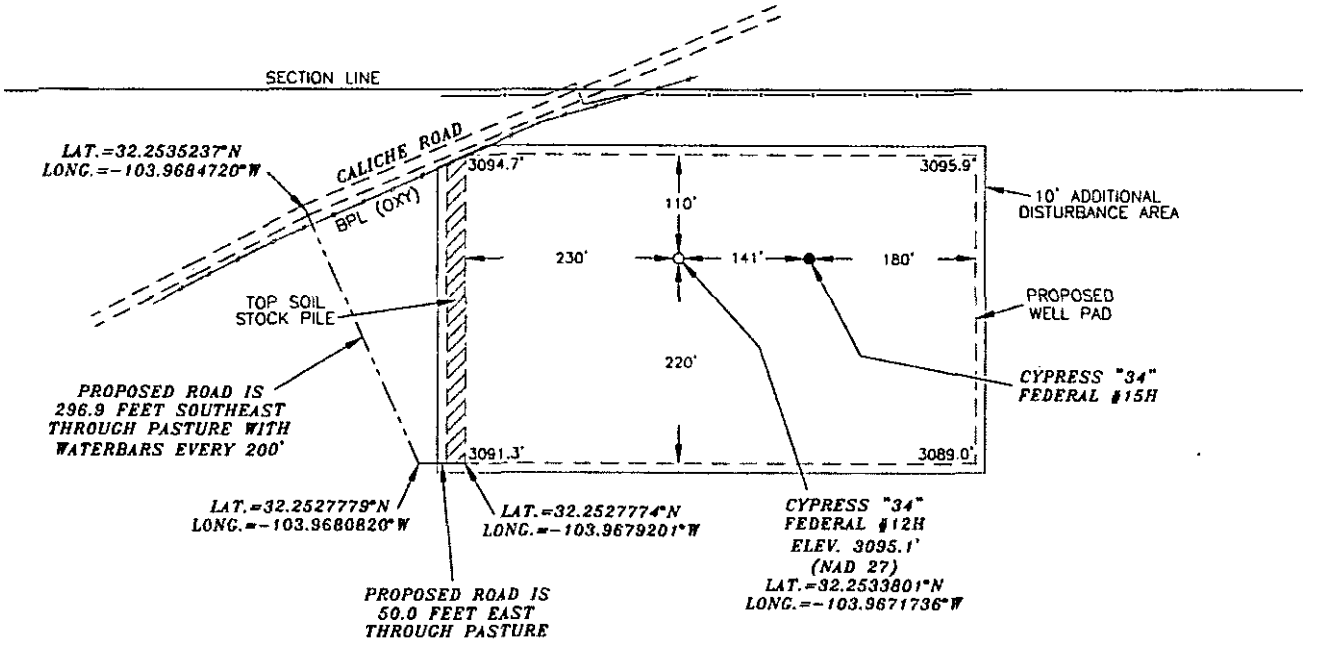
3/28/2016
Certificate Number 15079

WO# 151112WL-b (Rev. B) (KA)

Replacement - Site Plan

OXY USA INC.
CYPRESS "34" FEDERAL #12H
SITE PLAN

FAA PERMIT: NO



TERRY J ASEL
NEW MEXICO
15079
REGISTERED PROFESSIONAL LAND SURVEYOR

LEGEND

- - - - DENOTES PROPOSED WELL PAD
— · — · — DENOTES PROPOSED ROAD
▨ DENOTES STOCK PILE AREA

300' 0 300' 600' FEET

SCALE: 1"=300'

SURVEYORS CERTIFICATE

I, TERRY J. ASEL, NEW MEXICO PROFESSIONAL SURVEYOR NO. 15079, DO HEREBY CERTIFY THAT I CONDUCTED AND AM RESPONSIBLE FOR THIS SURVEY, THAT THIS SURVEY IS TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF, AND MEETS THE "MINIMUM STANDARDS FOR SURVEYING IN NEW MEXICO" AS ADOPTED BY THE NEW MEXICO STATE BOARD OF REGISTRATION FOR PROFESSIONAL ENGINEERS AND SURVEYORS.

Terry J. Asel 3/28/2016

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.

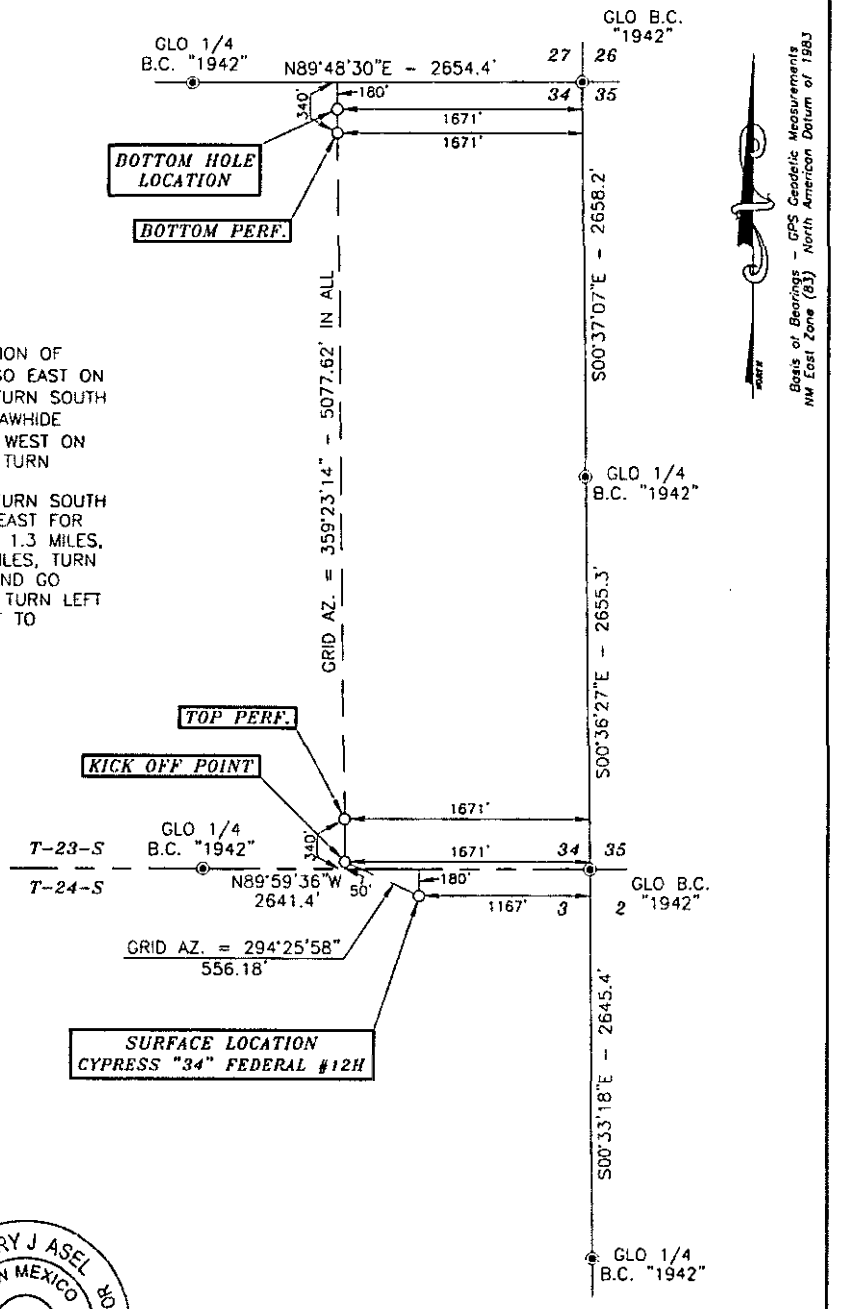
CYPRESS "34" FEDERAL #12H WELL PAD
LOCATED AT 180' FNL & 1167' FEL IN
SECTION 3, TOWNSHIP 24 SOUTH, RANGE 29
EAST, N.M.P.M., EDDY COUNTY, NEW MEXICO

Survey Date: 03/08/16	Sheet 1 of 1 Sheets	
W.O. Number: 151112WL-b (Rev. B)	Drawn By: KA	Rev: B
Date: 03/24/16	151112WL-b	Scale:1"=300'

Replacement - Location

SECTION 3, TOWNSHIP 24 SOUTH, RANGE 29 EAST, N.M.P.M., SECTION 34, TOWNSHIP 23 SOUTH, RANGE 29 EAST, N.M.P.M.,

EDDY COUNTY NEW MEXICO



DRIVING DIRECTIONS:
BEGINNING AT THE INTERSECTION OF HWY. #128 AND HWY. #31, GO EAST ON HWY. #128 FOR 4.5 MILES, TURN SOUTH ON EDDY CO. ROAD #793 (RAWHIDE ROAD) FOR 4.1 MILES, TURN WEST ON LEASE ROAD FOR 3.5 MILES, TURN SOUTH FOR 0.6 MILES, TURN SOUTHEAST FOR 0.3 MILES, TURN SOUTH FOR 0.1 MILES, TURN SOUTHEAST FOR 0.2 MILES, TURN SOUTH FOR 1.3 MILES, TURN NORTHEAST FOR 0.2 MILES, TURN RIGHT ON PROPOSED ROAD AND GO SOUTHEAST FOR 296.9 FEET, TURN LEFT AND GO EAST FOR 50.0 FEET TO LOCATION.

TERRY J ASEL NEW MEXICO 15079 REGISTERED PROFESSIONAL LAND SURVEYOR

LEGEND
◉ - DENOTES FOUND MONUMENT AS NOTED

1000' 0 1000' 2000' FEET
SCALE: 1"=1000'

SURVEYORS CERTIFICATE

I, TERRY J. ASEL, NEW MEXICO PROFESSIONAL SURVEYOR NO. 15079, DO HEREBY CERTIFY THAT I CONDUCTED AND AM RESPONSIBLE FOR THIS SURVEY, THAT THIS SURVEY IS TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF, AND MEETS THE "MINIMUM STANDARDS FOR SURVEYING IN NEW MEXICO" AS ADOPTED BY THE NEW MEXICO STATE BOARD OF REGISTRATION FOR PROFESSIONAL ENGINEERS AND SURVEYORS.

Terry J. Asel 3/28/2016
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

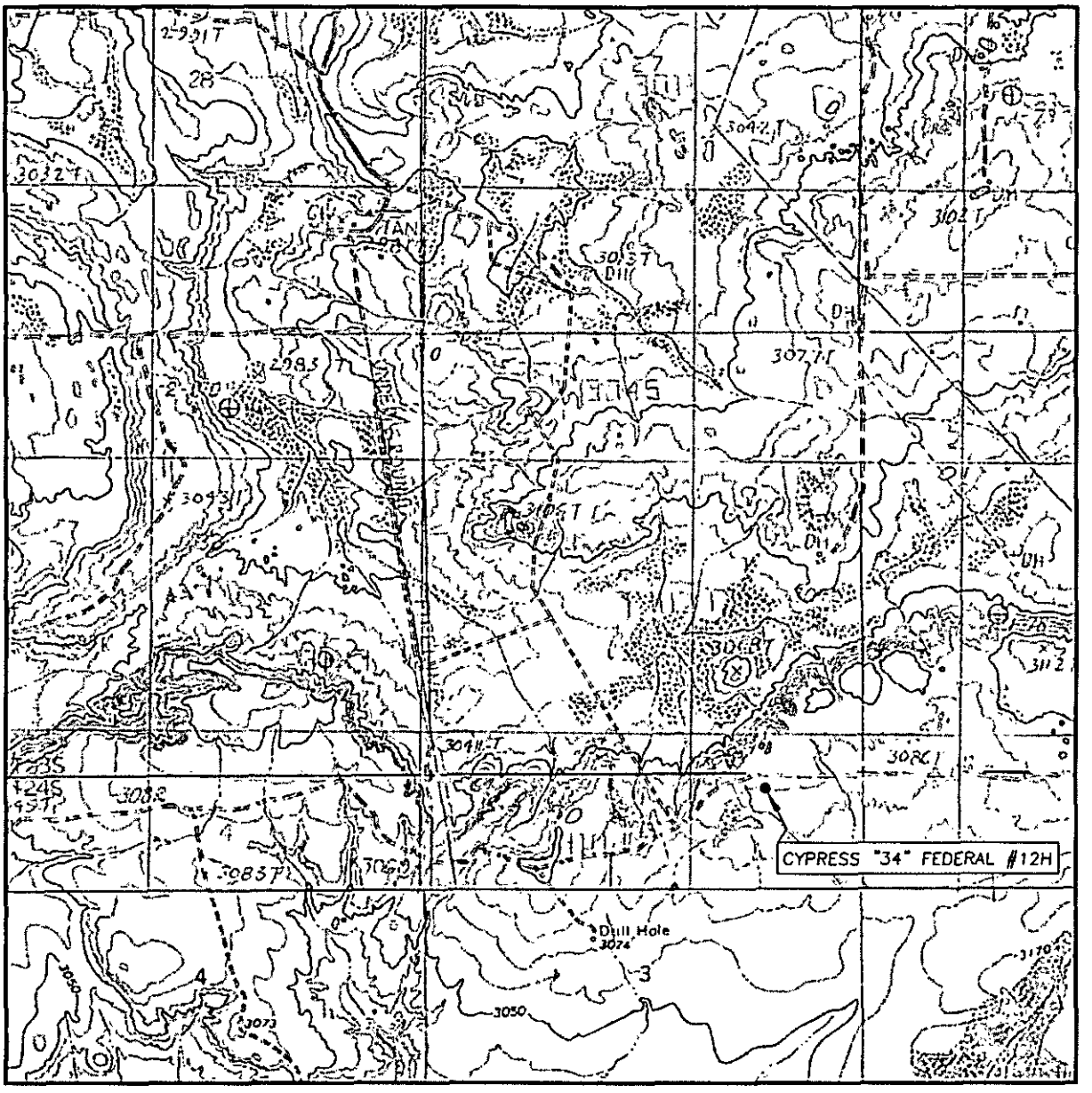
OXY USA INC.

CYPRESS "34" FEDERAL #12H LOCATED AT 180' FNL & 1167' FEL IN SECTION 3, TOWNSHIP 24 SOUTH, RANGE 29 EAST, N.M.P.M., EDDY COUNTY, NEW MEXICO

Survey Date: 03/08/16	Sheet 1 of 1 Sheets	
W.O. Number: 151112WL-b (Rev. B)	Drawn By: KA	Rev: B
Date: 03/24/16	151112WL-b	Scale: 1"=1000'

Replacement - LUM

LOCATION VERIFICATION MAP



SCALE: 1" = 2000'

CONTOUR INTERVAL: 10'

SEC. 3 TWP. 24-S RGE. 29-E

SURVEY N.M.P.M.

COUNTY EDDY

DESCRIPTION 180' FNL & 1167' FEL

ELEVATION 3095.1'

OPERATOR OXY USA INC.

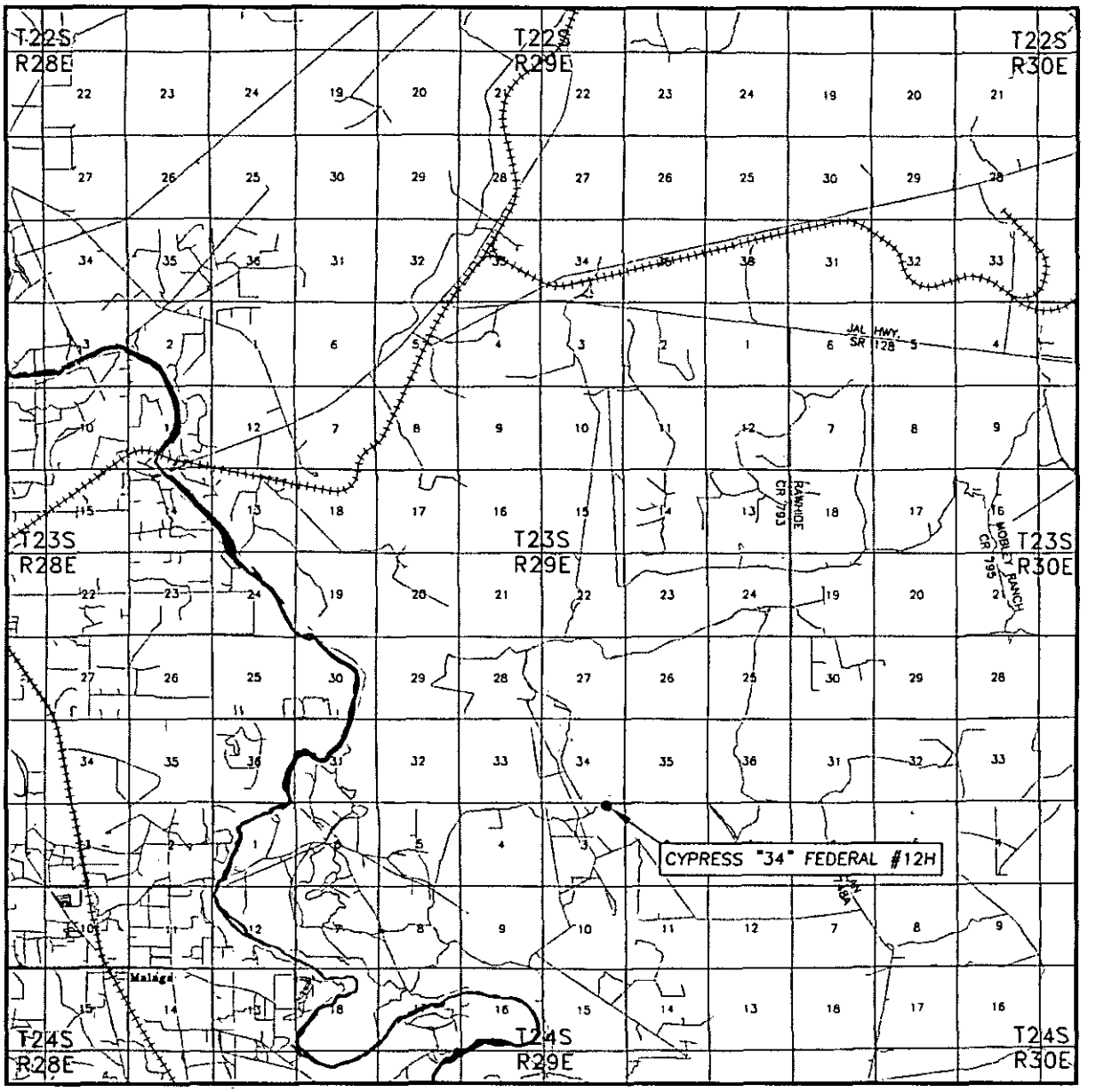
LEASE CYPRESS "34" FEDERAL #12H

U.S.G.S. TOPOGRAPHIC MAP
REMUDA BASIN, N.M.

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

Replacement - VM

VICINITY MAP



SEC. 3 TWP. 24-S RGE. 29-E
SURVEY N.M.P.M.
COUNTY EDDY
DESCRIPTION 180' FNL & 1167' FEL
ELEVATION 3095.1'
OPERATOR OXY USA INC.
LEASE CYPRESS "34" FEDERAL #12H

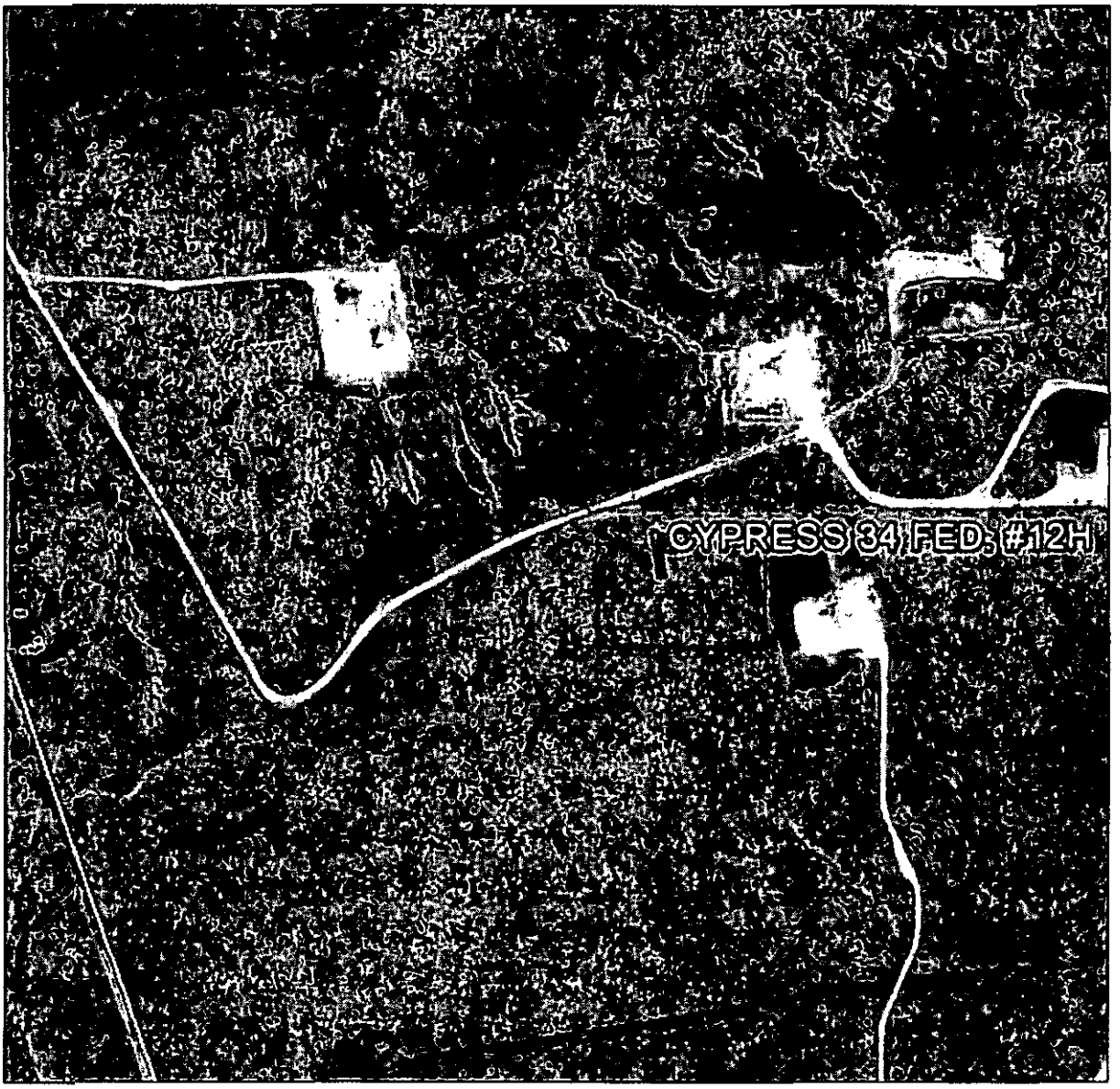
SCALE: 1" = 2 MILES

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

DIRECTIONS BEGINNING AT THE INTERSECTION OF HWY. #128 AND HWY. #31, GO EAST ON HWY. #128 FOR 4.5 MILES, TURN SOUTH ON EDDY CO. ROAD #793 (RAWHIDE ROAD) FOR 4.1 MILES, TURN WEST ON LEASE ROAD FOR 3.5 MILES, TURN SOUTH FOR 0.6 MILES, TURN SOUTHEAST FOR 0.3 MILES, TURN SOUTH FOR 0.1 MILES, TURN SOUTHEAST FOR 0.2 MILES, TURN SOUTH FOR 1.3 MILES, TURN NORTHEAST FOR 0.2 MILES, TURN RIGHT ON PROPOSED ROAD AND GO SOUTHEAST FOR 296.9 FEET, TURN LEFT AND GO EAST FOR 50.0 FEET TO LOCATION.

AM

AERIAL MAP



SCALE: NOT TO SCALE

SEC. 3 TWP. 24-S RGE. 29-E

SURVEY N.M.P.M.

COUNTY EDDY

DESCRIPTION 180' FNL & 1167' FEL

ELEVATION 3095.1'

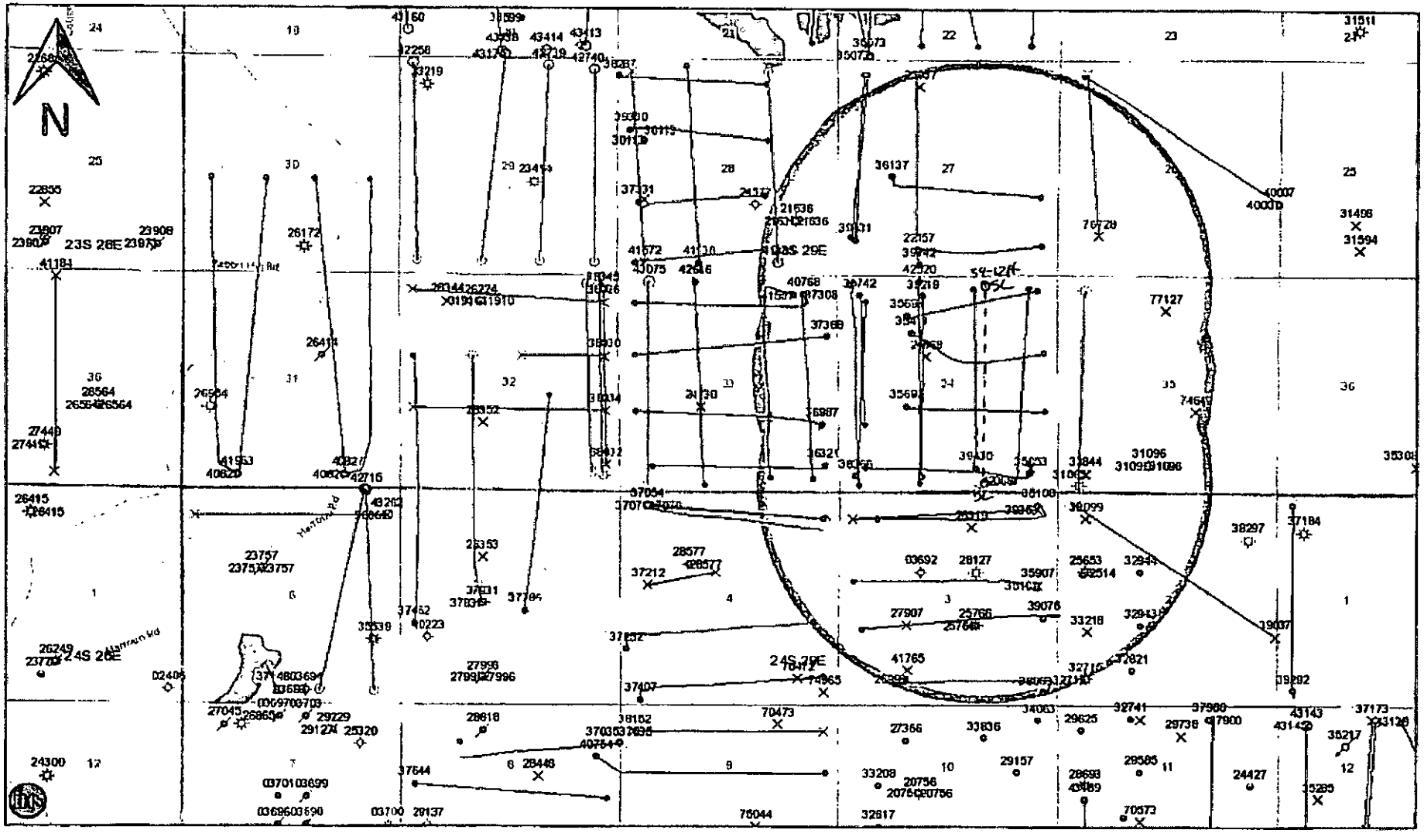
OPERATOR OXY USA INC.

LEASE CYPRESS "34" FEDERAL #12H

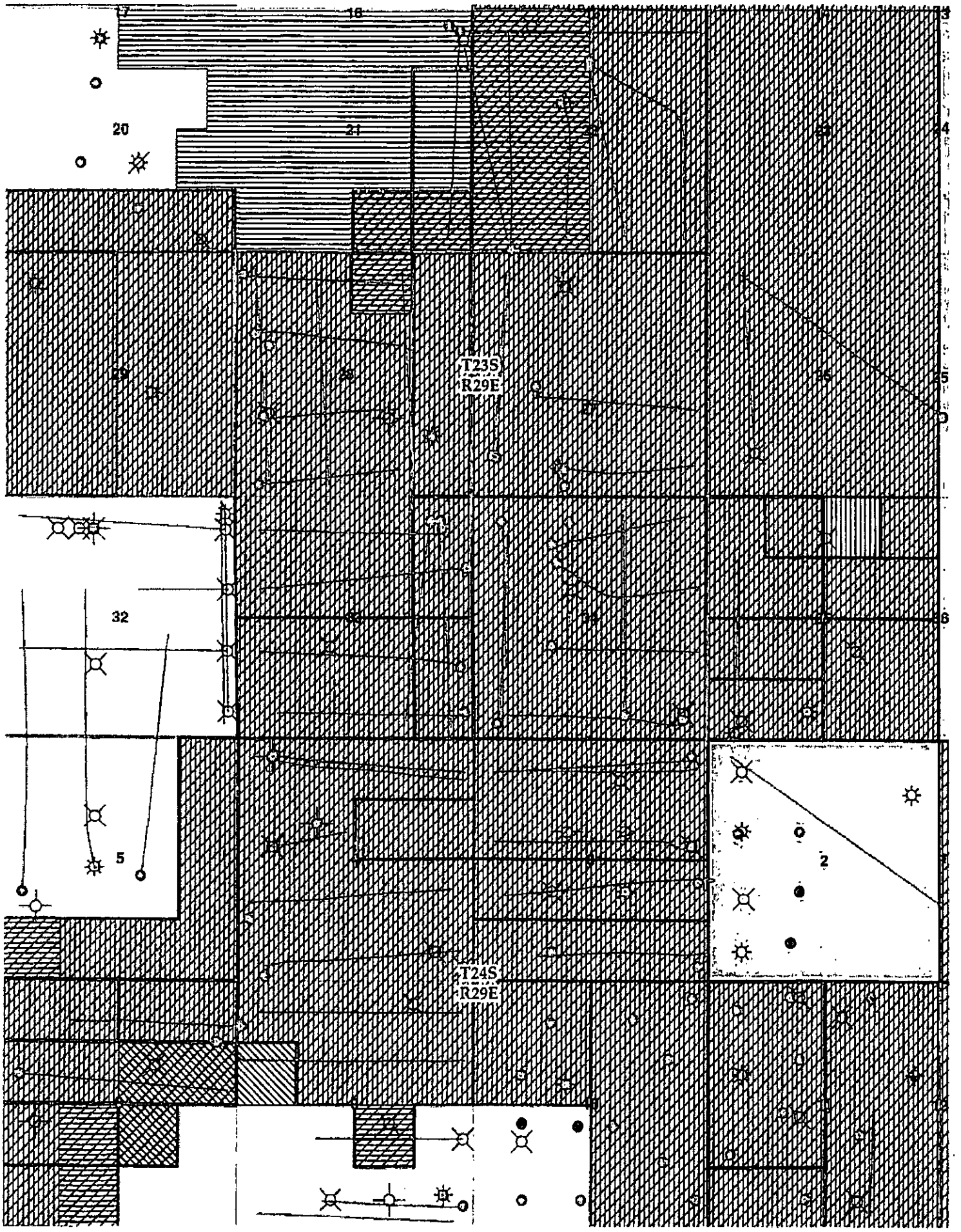
Asel Surveying

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

Cypress 33/34 Federal - 1 Mile AOR



BLM 9 Section



OPERATOR NAME / NUMBER: OXY USA INC. 16696

LEASE NAME/NUMBER: Cypress 34 Federal #12H

STATE: NM **COUNTY:** Eddy

POOL NAME/NUMBER: Cedar Canyon Bone Spring 11520

PROJECTED TD: 14745'M / 10030'V **OBJECTIVE:** 3rd Bone Spring

SURFACE LOCATION: 180 FNL 1167 FEL NENE (1) Sec 3 T24S R29E-NMNM085891
SL: LAT: 32.2533801N LONG: 103.9671736W X:613194.65 Y:456090.85 NAD: 27

TOP PERFORATION: 340 FSL 1671 FEL SWSE (O) Sec 34 T23S R29E-NMNM86024
TP: LAT: 32.2548144N LONG: 103.9688159W X:612685.20 Y:456610.88 NAD: 27

BOTTOM PERFORATION: 340 FNL 1671 FEL NWNE (B) Sec 34 T23S R29E-NMNM86024
BP: LAT: 32.2675347N LONG: 103.9689247W X:612635.83 Y:461238.11 NAD: 27

BOTTOMHOLE LOCATION: 180 FNL 1671 FEL NWNE (B) Sec 34 T23S R29E–NMNM086024
BHL: LAT: 32.2679745N LONG:103.9689285W X:612634.12 Y:461398.10 NAD: 27

APPROX GR ELEV: 3095.1' **EST KB ELEV:** 3120.1' (25' KB-GL)

SPACING UNITS:

The following wells are in the Cedar Canyon Bone Spring Pool.

1. Cypress 34 Federal #1H – 30-015-35053 – TVD-7915' – Units P-O-N-M - 1st Bone Spring
2. Cypress 34 Federal #2H – 30-015-35413 – TVD-7964' – Units F-G-H - 1st Bone Spring
3. Cypress 34 Federal #3H – 30-015-35692 – TVD-7949' – Units K-J-I - 1st Bone Spring
4. Cypress 34 Federal #4H – 30-015-35742 – TVD 7920' – Units D-E-L - 1st Bone Spring
5. Cypress 34 Federal #5 – 30-015-35693 – TVD 7924' – Units C-B-A – 1st Bone Spring
6. Cypress 34 Federal #8H – 30-015-39430 – TVD 8910' – Units O-J-G-B - 2nd Bone Spring
7. Cypress 34 Federal #9H – 30-015-42088 – TVD-8999' – Units P-I-H-A – 2nd Bone Spring
8. Cypress 34 Federal #10H – 30-015-43076 – TVD-8749' Units D-E-L-M – 2nd Bone Spring
9. Cypress 34 Federal #11H – 30-015-42920 – TVD-8877' – Units C-F-K-N – 2nd Bone Spring

Replacement – OXY USA Inc. - Cypress 34 Federal #12H

1. Geologic Formations

TVD of target	10,030'	Pilot hole depth	N/A
MD at TD:	14,745'	Deepest expected fresh water:	289'

Delaware Basin

Formation	TVD - RKB	Expected Fluids
T. Rustler	289	--
T. Salado - Salt	595	--
T. Delaware / Lamar/B. Anhydrite	3,163	Oil/Gas
T. Bell Canyon*	3,203	Water/Oil/Gas
T. Cherry Canyon*	3,912	Oil/Gas
T. Brushy Canyon*	5,306	Oil/Gas
T. 1st BSPG	6,921	Oil/Gas
T. 2nd BSPG	8,296	Oil/Gas
T. 3rd BSPG	9,050	Oil/Gas
Target 3rd BSPG	**10,030**	**Oil/Gas**
T. Wolfcamp	10,168	Oil/Gas

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

2. Casing Program

Hole Size	Casing Interval From	Casing Interval To	Csg. Size	Weight (lbs)	Grade	Conn.	SF Collapse	SF Burst	SF Tension
17.5"	0	350	13.375"	48	H40	STC	5.64	1.33	2.81
12.25"	0	3,200	9.625"	36	J55	LTC	1.73	1.22	2.15
8.5"	0	14,663	5.5"	17	P-110	DQX	1.51	1.25	2.67
8.5" *	14,663	14,745	4.5"	13.5	P-110	DQX	1.51	1.2	2.67
				BLM Minimum Safety Factor			1.125	1	1.6 Dry 1.8 Wet

All casing strings will be tested in accordance with Onshore Oil and Gas Order #2 III.B.1.h
*Last 82' cross over to 4-1/2" casing to accommodate toe initiator.

	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 3rd string cement tied back 500' into previous casing?	N
Is well located in R-111-P and SOPA?	Y
If yes, are the first three strings cemented to surface?	Y
Is 2nd string set 100' to 600' below the base of salt?	Y
Is well located in high Cave/Karst?	Y
If yes, are there two strings cemented to surface?	Y
(For 2 string wells) If yes, is there a contingency casing if lost circulation occurs?	N/A
Is well located in critical Cave/Karst?	N
If yes, are there three strings cemented to surface?	

3. Cementing Program

Casing	# Sks	Wt. lb/ gal	Yld ft3/ sack	H_20 gal/sk	500# Comp. Strength (hours)	Slurry Description
Surf.	480	14.8	1.35	6.53	6:50	Premium Plus Cement 2% Calcium Chloride – Flake (Accelerator)
Inter.	1100	12.9	1.744	8.67	15:07	Halliburton Light Premium Plus 6% Bentonite (Light Weight Additive), 0.3% HR-800 (Retarder), 5% Salt (Accelerator)
	160	14.8	1.326	6.34	06:31	Premium Plus Cement 94 lbm/sk
Prod.	1510	10.2	3.057	15.65	19:09	Premium Plus Cement, 0.35 % HR-601 (Retarder), 0.5 % Halad(R)-9 (Low Fluid Loss Control), 0.125 lbm/sk Poly-E-Flake (Lost Circulation Additive)
	1483	13.2	1.631	8.37	15:15	Super H Cement, 0.1 % HR-800, 0.5 % Halad(R)-344 (Low Fluid Loss Control), 0.4 % CFR-3 (Dispersant), 3 lbm Salt

Casing String	TOC	% Excess (Lead/Tail)
Surface	0'	150%
Intermediate	0'	125% / 15%
Production	0'	100%

Include Pilot Hole Cementing specs:
Pilot hole depth N/A
KOP 9500'

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

4. Pressure Control Equipment

BOP installed and tested before drilling which hole?	Size?	Min. Required WP	Type	✓	Tested to:
12.25" Intermediate	13-5/8"	5M	Annular	✓	70% of working pressure
			Blind Ram	✓	250/5000psi
			Pipe Ram		
			Double Ram	✓	
			Other*		

*Specify if additional ram is utilized.

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.

See COA

yes	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 wellhead is being used. 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. See attached schematic. 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.

5. Mud Program

Depth		Type	Weight (ppg)	Viscosity	Water Loss
From	To				
0	Surf. TD 350'	EnerSeal (MMH)	8.4-8.8	40-60	N/C
350'	Int. TD 3,200'	Gelled Brine	9.8-10.5	35-45	N/C
3200'	Prod.TD	EnerSeal (MMH)	8.8-9.4	35-50	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.

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

6. Logging and Testing Procedures

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

Additional logs planned		Interval
No	Resistivity	
No	Density	
No	CBL	
Yes	Mud log	Surface Shoe - TD
No	PEX	

7. Drilling Conditions - Abnormal pressure may exist - See COA

Condition	Specify what type and where?
BH Pressure at deepest TVD	4649 psi
Abnormal Temperature	No

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.	No
Will more than one drilling rig be used for drilling operations? If yes, describe.	No

Attachments
_x__ Directional Plan
_x__ H2S Contingency Plan
_x__ Flex III Attachments

9. Company Personnel

Name	Title	Office Phone	Mobile Phone
Cameron Brennan	Drilling Engineer	(713)350-4806	(817) 614-5393
Diego Tellez	Drilling Engineering Team Lead	(713)350-4602	(713) 303-4932
Ryan Farrell	Drilling Engineer Supervisor	(713)366-5058	(832) 914-7443
Simon Benavides	Drilling Superintendent	(713)215-7403	(832) 528-3547
Daniel Holderman	Drilling Manager	(713)497-2006	(832) 525-9029

Replacement - DP-1

Plan - Rev1

OXY

RKB 26.5'

Schlumberger

Borehole:	Well:	Field:	Structure:
Original Borehole	Oxy Cypress 34 Federal 12H - SHL R1	NM Eddy County (NAD 27)	TBD

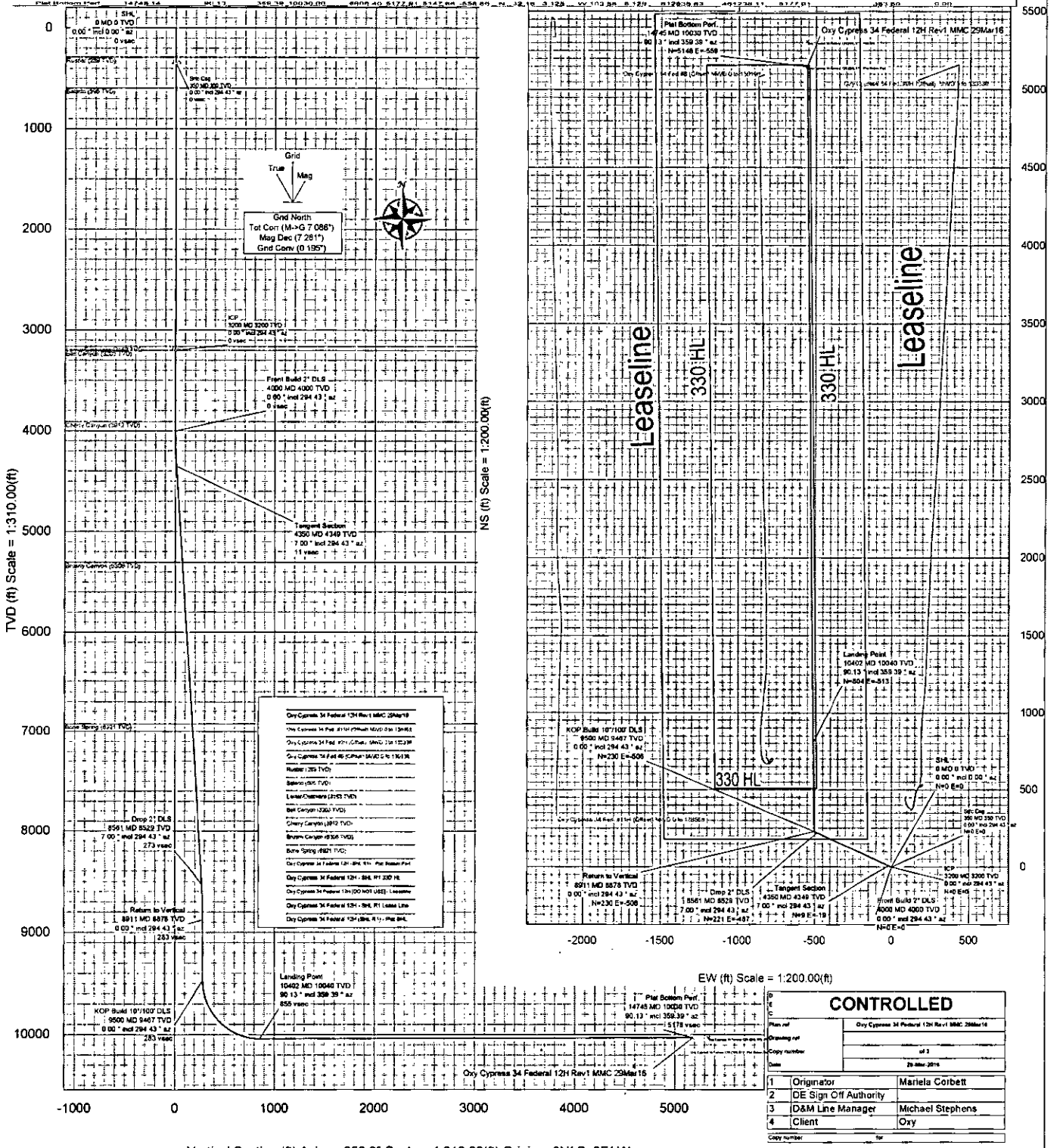
Gravity & Magnetic Parameters
Model: HDGM 2015 Dip: 60.111° Date: 29-Mar-2016
MagDec: 7.281° FS: 48261.839nT Gravity FS: 998.46mgn (9.80665 Based)

Surface Location NAD27 New Mexico State Plane, Eastern Zone, US Feet
Lat: N 32 18 12.17 Northing: 456096.85ftUS Grid Conv: 0.1954°
Lon: W 103 59 1.83 Easting: 813194.85ftUS Scale Fact: 0.99992377

Miscellaneous
Slot: 34 Federal TVD Ref: RKB(3121.6ft above MSL)
Plan: Oxy Cypress 34 Federal 12H Rev1 MMC 29Mar16

Vertical Points

Comment	Survey MD(ft)	Inc(deg)	Azm(deg)	TVD(ft)	Sub-Sea TVD	VS(ft)	NS(ft)	EW(ft)	Latitude(deg)	Longitude(deg)	Eastings(ftUS)	Northings(ftUS)	Dogleg(°/100ft)	Closure Azimuth(deg)	Closure(ft)	Build Rate(°/100ft)	Turn Rate(°/100ft)
SHL	0.00	0.00	0.00	0.00	-3121.60	0.00	0.00	0.00	N 32 18 12.168	W 103 59 1.825	813194.85	456096.85	0.00	0.00	0.00	0.00	0.00
Rustler	289.00	0.00	294.43	289.00	-2832.60	0.00	0.00	0.00	N 32 18 12.168	W 103 59 1.825	813194.85	456096.85	0.00	0.00	0.00	0.00	0.00
Sal. Cay	360.00	0.00	294.43	360.00	-2761.60	0.00	0.00	0.00	N 32 18 12.168	W 103 59 1.825	813194.85	456096.85	0.00	0.00	0.00	0.00	0.00
Salado	595.00	0.00	294.43	595.00	-2526.60	0.00	0.00	0.00	N 32 18 12.168	W 103 59 1.825	813194.85	456096.85	0.00	0.00	0.00	0.00	0.00
Lamar/Deeware	3183.00	0.00	294.43	3183.00	61.40	0.00	0.00	0.00	N 32 18 12.168	W 103 59 1.825	813194.85	456096.85	0.00	0.00	0.00	0.00	0.00
KOP	1200.00	0.00	294.43	1200.00	78.40	0.00	0.00	0.00	N 32 18 12.168	W 103 59 1.825	813194.85	456096.85	0.00	0.00	0.00	0.00	0.00
Bell Canyon	1203.00	0.00	294.43	1203.00	81.40	0.00	0.00	0.00	N 32 18 12.168	W 103 59 1.825	813194.85	456096.85	0.00	0.00	0.00	0.00	0.00
Cherry Canyon	2912.00	0.00	294.43	2912.00	790.40	0.00	0.00	0.00	N 32 18 12.168	W 103 59 1.825	813194.85	456096.85	0.00	0.00	0.00	0.00	0.00
Front Build 2° DLS	4000.00	0.00	294.43	4000.00	878.40	0.00	0.00	0.00	N 32 18 12.168	W 103 59 1.825	813194.85	456096.85	0.00	0.00	0.00	0.00	0.00
Tangent Section	4350.20	7.00	294.43	4349.33	1227.73	10.88	8.84	-19.48	N 32 18 12.256	W 103 59 2.061	813176.19	456096.94	2.00	294.43	21.38	294.43	0.00
Brushy Canyon	5914.00	7.00	294.43	5900.00	2780.19	70.77	57.46	-126.47	N 32 18 12.747	W 103 59 3.268	813068.19	456140.30	0.00	136.81	294.43	0.00	0.00
Bone Spring	6441.21	7.00	294.43	6421.00	3301.40	171.80	139.13	-307.11	N 32 18 13.860	W 103 59 5.160	812887.55	456230.36	0.00	237.32	294.43	0.00	0.00
Drop 2° DLS	8460.97	7.00	294.43	8428.67	5407.07	272.48	221.32	-488.84	N 32 18 14.374	W 103 59 7.466	812707.75	456312.05	534.83	294.43	0.00	294.43	0.00
Return to Vertical	8911.16	0.00	294.43	8878.80	5758.20	283.37	230.08	-508.40	N 32 18 14.482	W 103 59 7.711	812688.06	456320.81	556.21	294.43	0.00	294.43	7.00
KOP Build 10°/100' DLS	9500.20	0.00	294.43	9467.04	6346.44	283.37	230.08	-508.40	N 32 18 14.482	W 103 59 7.711	812688.06	456320.81	556.21	294.43	0.00	294.43	0.00
Landing Point	10401.52	90.13	359.39	10040.00	6918.40	804.82	804.30	-512.85	N 32 18 20.144	W 103 59 7.761	812682.18	457005.04	953.72	327.48	10.00	6.00	
Plat Bottom Perf	14748.14	90.13	359.39	10040.00	9900.40	5172.81	5145.86	-558.85	N 32 19 3.128	W 103 59 8.129	812639.83	461238.11	5177.61	353.80	0.00		



CONTROLLED

Plan ref	Oxy Cypress 34 Federal 12H Rev1 MMC 29Mar16	
Drawing ref		
Copy number		of 3
Date		29-Mar-2016

1	Originator	Mariela Corbett
2	DE Sign Off Authority	
3	D&M Line Manager	Michael Stephens
4	Client	Oxy

Copy number for

Vertical Section (ft) Azim = 353.8° Scale = 1:310.00(ft) Origin = 0N/-S, 0E/-W

Replacement - DP-2

Schlumberger

Oxy Cypress 34 Federal 12H Rev1 MMC 29Mar16 Proposal Geodetic Report

(Non-Def Plan)

Report Date:	March 29, 2016 - 09 14 PM	**Survey / DLS Computation:**	Minimum Curvature / Lubinski
Client:	OXY	**Vertical Section Azimuth:**	353 804 ° (Grid North)
Field:	NM Eddy County (NAD 27)	**Vertical Section Origin:**	0 000 ft, 0.000 ft
Structure / Slot:	Oxy Cypress 34 Federal 12H - SHL R1 / Oxy Cypress 34 Federal 12H - SHL R1	**TVD Reference Datum:**	RKB
Well:	Oxy Cypress 34 Federal 12H - SHL R1	**TVD Reference Elevation:**	3121.600 ft above MSL
Borehole:	Cypress 34 Fed 12H - Original Borehole	**Seabed / Ground Elevation:**	3095.100 ft above MSL
UWI / API#:	Unknown / Unknown	**Magnetic Declination:**	7 281 °
Survey Name:	Oxy Cypress 34 Federal 12H Rev1 MMC 29Mar16	**Total Gravity Field Strength:**	998 4598mgn (9 80665 Based)
Survey Date:	March 29, 2016	**Gravity Model:**	GARM
Tort / AHD / DDI / ERD Ratio:	104.140 ° / 5474 093 ft / 5 923 / 0.545	**Total Magnetic Field Strength:**	48261.539 nT
Coordinate Reference System:	NAD27 New Mexico State Plane, Eastern Zone, US Feet	**Magnetic Dip Angle:**	60.111 °
Location Lat / Long:	N 32° 15' 12.16832", W 103° 58' 1.82507"	**Declination Date:**	March 29, 2016
Location Grid N/E Y/X:	N 456090 850 ftUS, E 613194 650 ftUS	**Magnetic Declination Model:**	HDGM 2015
CRS Grid Convergence Angle:	0.1954 °	**North Reference:**	Grid North
Grid Scale Factor:	0.99992377	**Grid Convergence Used:**	0.1954 °
Version / Patch:	2.9 365 0	**Total Corr Mag North->Grid North:**	7.0855 °
		Local Coord Referenced To:	Structure Reference Point

Comments	MD (ft)	Incl (°)	Azim Grid (°)	TVD (ft)	TVDSS (ft)	VSEC (ft)	NS (ft)	EW (ft)	DLS (°/100ft)	Northing (ftUS)	Easting (ftUS)	Latitude (N/S ° ' ")	Longitude (E/W ° ' ")
SHL	0 00	0 00	0.00	0 00	-3121 60	0 00	0.00	0 00	N/A	456090 85	613194 65	N 32 15 12.17	W 103 58 1 83
Front Build 2° DLS	4000 00	0.00	294 43	4000 00	878 40	0.00	0 00	0.00	0.00	456090.85	613194 65	N 32 15 12.17	W 103 58 1.83
Tangent Section	4350.20	7.00	294.43	4349 33	1227.73	10.89	8 84	-19 46	2 00	456099.69	613175.19	N 32 15 12 26	W 103 58 2.05
Drop 2° DLS	8560 97	7.00	294.43	8528.67	5407.07	272.48	221.22	-486.94	0 00	456312 05	612707.75	N 32 15 14.37	W 103 58 7 49
Return to Vertical	8911.16	0 00	294.43	8878.00	5756 40	283.37	230 06	-506.40	2 00	456320 89	612688 29	N 32 15 14 46	W 103 58 7.71
KOP Build 10°/100' DLS	9500.20	0.00	294 43	9467.04	6345.44	283.37	230.06	-506 40	0 00	456320.89	612688 29	N 32 15 14 46	W 103 58 7.71
Landing Point	10401.52	90.13	359 39	10040 00	6918 40	854 92	804 30	-512.53	10.00	456895 09	612682.16	N 32 15 20.14	W 103 58 7.78
Plat Bottom Perf.	14745.14	90.13	359 39	10030.00	6908.40	5177.91	5147.66	-558 86	0 00	461238.11	612635 83	N 32 16 3 13	W 103 58 8.13

Survey Type: Non-Def Plan

Survey Error Model: ISCWSA Rev 0 *** 3-D 95 000% Confidence 2.7955 sigma
Survey Program:

Description	Part	MD From (ft)	MD To (ft)	EOU Freq (ft)	Hole Size (in)	Casing Diameter (in)	Expected Max Inclination (deg)	Survey Tool Type	Borehole / Survey
	1	0.000	26.500	1/100 000	30 000	30.000		NAL_MWD_HDGM-Depth Only	Cypress 34 Fed 12H - Original Borehole / Oxy Cypress 34 Federal 12H Rev1 MMC 29Mar16
	1	26.500	14745.143	1/100.000	30 000	30.000		NAL_MWD_HDGM	Cypress 34 Fed 12H - Original Borehole / Oxy Cypress 34

Replacement - DP-3

Schlumberger

Oxy Cypress 34 Federal 12H Rev1 MMC 29Mar16 Proposal Geodetic Report

(Non-Def Plan)

Report Date:	March 29, 2016 - 09:15 PM	**Survey / DLS Computation:**	Minimum Curvature / Lubinski
Client:	OXY	**Vertical Section Azimuth:**	353.804 ° (Grid North)
Field:	NM Eddy County (NAD 27)	**Vertical Section Origin:**	0.000 ft, 0.000 ft
Structure / Slot:	Oxy Cypress 34 Federal 12H - SHL R1 / Oxy Cypress 34 Federal 12H - SHL R1	**TVD Reference Datum:**	RKB
Well:	Oxy Cypress 34 Federal 12H - SHL R1	**TVD Reference Elevation:**	3121.600 ft above MSL
Borehole:	Cypress 34 Fed 12H - Original Borehole	**Seabed / Ground Elevation:**	3095.100 ft above MSL
UWI / API#:	Unknown / Unknown	**Magnetic Declination:**	7.281 °
Survey Name:	Oxy Cypress 34 Federal 12H Rev1 MMC 29Mar16	**Total Gravity Field Strength:**	998.4598mgn (9.80665 Based)
Survey Date:	March 29, 2016	**Gravity Model:**	GARM
Tort / AHD / DDI / ERD Ratio:	104.140 ° / 5474.093 ft / 5.923 / 0.545	**Total Magnetic Field Strength:**	48261.539 nT
Coordinate Reference System:	NAD27 New Mexico State Plane, Eastern Zone, US Feet	**Magnetic Dip Angle:**	60.111 °
Location Lat / Long:	N 32° 15' 12.16832", W 103° 58' 1.82507"	**Declination Date:**	March 29, 2016
Location Grid N/E Y/X:	N 456090.850 ftUS, E 613194.650 ftUS	**Magnetic Declination Model:**	HDGM 2015
CRS Grid Convergence Angle:	0.1954 °	**North Reference:**	Grid North
Grid Scale Factor:	0.99992377	**Grid Convergence Used:**	0.1954 °
Version / Patch:	2.9.365.0	**Total Corr Mag North->Grid North:**	7.0855 °
		Local Coord Referenced To:	Structure Reference Point

Comments	MD (ft)	Incl (°)	Azim Grid (°)	TVD (ft)	TVDSS (ft)	VSEC (ft)	NS (ft)	EW (ft)	DLS (°/100ft)	Northing (ftUS)	Easting (ftUS)	Latitude (N/S ° ' ")	Longitude (E/W ° ' ")
SHL	0.00	0.00	0.00	0.00	-3121.60	0.00	0.00	0.00	N/A	456090.85	613194.65	N 32 15 12.17	W 103 58 1.83
	100.00	0.00	294.43	100.00	-3021.60	0.00	0.00	0.00	0.00	456090.85	613194.65	N 32 15 12.17	W 103 58 1.83
	200.00	0.00	294.43	200.00	-2921.60	0.00	0.00	0.00	0.00	456090.85	613194.65	N 32 15 12.17	W 103 58 1.83
Rustler	*289.00*	*0.00*	*294.43*	*289.00*	*-2832.60*	*0.00*	*0.00*	*0.00*	*0.00*	*456090.85*	*613194.65*	*N 32 15 12.17*	*W 103 58 1.83*
	300.00	0.00	294.43	300.00	-2821.60	0.00	0.00	0.00	0.00	456090.85	613194.65	N 32 15 12.17	W 103 58 1.83
Srfc Csg	*350.00*	*0.00*	*294.43*	*350.00*	*-2771.60*	*0.00*	*0.00*	*0.00*	*0.00*	*456090.85*	*613194.65*	*N 32 15 12.17*	*W 103 58 1.83*
	400.00	0.00	294.43	400.00	-2721.60	0.00	0.00	0.00	0.00	456090.85	613194.65	N 32 15 12.17	W 103 58 1.83
	500.00	0.00	294.43	500.00	-2621.60	0.00	0.00	0.00	0.00	456090.85	613194.65	N 32 15 12.17	W 103 58 1.83
Salado	*595.00*	*0.00*	*294.43*	*595.00*	*-2526.60*	*0.00*	*0.00*	*0.00*	*0.00*	*456090.85*	*613194.65*	*N 32 15 12.17*	*W 103 58 1.83*
	600.00	0.00	294.43	600.00	-2521.60	0.00	0.00	0.00	0.00	456090.85	613194.65	N 32 15 12.17	W 103 58 1.83
	700.00	0.00	294.43	700.00	-2421.60	0.00	0.00	0.00	0.00	456090.85	613194.65	N 32 15 12.17	W 103 58 1.83
	800.00	0.00	294.43	800.00	-2321.60	0.00	0.00	0.00	0.00	456090.85	613194.65	N 32 15 12.17	W 103 58 1.83
	900.00	0.00	294.43	900.00	-2221.60	0.00	0.00	0.00	0.00	456090.85	613194.65	N 32 15 12.17	W 103 58 1.83
	1000.00	0.00	294.43	1000.00	-2121.60	0.00	0.00	0.00	0.00	456090.85	613194.65	N 32 15 12.17	W 103 58 1.83
	1100.00	0.00	294.43	1100.00	-2021.60	0.00	0.00	0.00	0.00	456090.85	613194.65	N 32 15 12.17	W 103 58 1.83
	1200.00	0.00	294.43	1200.00	-1921.60	0.00	0.00	0.00	0.00	456090.85	613194.65	N 32 15 12.17	W 103 58 1.83
	1300.00	0.00	294.43	1300.00	-1821.60	0.00	0.00	0.00	0.00	456090.85	613194.65	N 32 15 12.17	W 103 58 1.83
	1400.00	0.00	294.43	1400.00	-1721.60	0.00	0.00	0.00	0.00	456090.85	613194.65	N 32 15 12.17	W 103 58 1.83
	1500.00	0.00	294.43	1500.00	-1621.60	0.00	0.00	0.00	0.00	456090.85	613194.65	N 32 15 12.17	W 103 58 1.83
	1600.00	0.00	294.43	1600.00	-1521.60	0.00	0.00	0.00	0.00	456090.85	613194.65	N 32 15 12.17	W 103 58 1.83
	1700.00	0.00	294.43	1700.00	-1421.60	0.00	0.00	0.00	0.00	456090.85	613194.65	N 32 15 12.17	W 103 58 1.83
	1800.00	0.00	294.43	1800.00	-1321.60	0.00	0.00	0.00	0.00	456090.85	613194.65	N 32 15 12.17	W 103 58 1.83
	1900.00	0.00	294.43	1900.00	-1221.60	0.00	0.00	0.00	0.00	456090.85	613194.65	N 32 15 12.17	W 103 58 1.83
	2000.00	0.00	294.43	2000.00	-1121.60	0.00	0.00	0.00	0.00	456090.85	613194.65	N 32 15 12.17	W 103 58 1.83
	2100.00	0.00	294.43	2100.00	-1021.60	0.00	0.00	0.00	0.00	456090.85	613194.65	N 32 15 12.17	W 103 58 1.83
	2200.00	0.00	294.43	2200.00	-921.60	0.00	0.00	0.00	0.00	456090.85	613194.65	N 32 15 12.17	W 103 58 1.83
	2300.00	0.00	294.43	2300.00	-821.60	0.00	0.00	0.00	0.00	456090.85	613194.65	N 32 15 12.17	W 103 58 1.83
	2400.00	0.00	294.43	2400.00	-721.60	0.00	0.00	0.00	0.00	456090.85	613194.65	N 32 15 12.17	W 103 58 1.83
	2500.00	0.00	294.43	2500.00	-621.60	0.00	0.00	0.00	0.00	456090.85	613194.65	N 32 15 12.17	W 103 58 1.83
	2600.00	0.00	294.43	2600.00	-521.60	0.00	0.00	0.00	0.00	456090.85	613194.65	N 32 15 12.17	W 103 58 1.83
	2700.00	0.00	294.43	2700.00	-421.60	0.00	0.00	0.00	0.00	456090.85	613194.65	N 32 15 12.17	W 103 58 1.83
	2800.00	0.00	294.43	2800.00	-321.60	0.00	0.00	0.00	0.00	456090.85	613194.65	N 32 15 12.17	W 103 58 1.83
	2900.00	0.00	294.43	2900.00	-221.60	0.00	0.00	0.00	0.00	456090.85	613194.65	N 32 15 12.17	W 103 58 1.83
	3000.00	0.00	294.43	3000.00	-121.60	0.00	0.00	0.00	0.00	456090.85	613194.65	N 32 15 12.17	W 103 58 1.83
	3100.00	0.00	294.43	3100.00	-21.60	0.00	0.00	0.00	0.00	456090.85	613194.65	N 32 15 12.17	W 103 58 1.83
Lamar/Delaware	*3163.00*	*0.00*	*294.43*	*3163.00*	*41.40*	*0.00*	*0.00*	*0.00*	*0.00*	*456090.85*	*613194.65*	*N 32 15 12.17*	*W 103 58 1.83*
ICP	3200.00	0.00	294.43	3200.00	78.40	0.00	0.00	0.00	0.00	456090.85	613194.65	N 32 15 12.17	W 103 58 1.83
Bell Canyon	*3203.00*	*0.00*	*294.43*	*3203.00*	*81.40*	*0.00*	*0.00*	*0.00*	*0.00*	*456090.85*	*613194.65*	*N 32 15 12.17*	*W 103 58 1.83*
	3300.00	0.00	294.43	3300.00	178.40	0.00	0.00	0.00	0.00	456090.85	613194.65	N 32 15 12.17	W 103 58 1.83
	3400.00	0.00	294.43	3400.00	278.40	0.00	0.00	0.00	0.00	456090.85	613194.65	N 32 15 12.17	W 103 58 1.83
	3500.00	0.00	294.43	3500.00	378.40	0.00	0.00	0.00	0.00	456090.85	613194.65	N 32 15 12.17	W 103 58 1.83
	3600.00	0.00	294.43	3600.00	478.40	0.00	0.00	0.00	0.00	456090.85	613194.65	N 32 15 12.17	W 103 58 1.83
	3700.00	0.00	294.43	3700.00	578.40	0.00	0.00	0.00	0.00	456090.85	613194.65	N 32 15 12.17	W 103 58 1.83
	3800.00	0.00	294.43	3800.00	678.40	0.00	0.00	0.00	0.00	456090.85	613194.65	N 32 15 12.17	W 103 58 1.83
	3900.00	0.00	294.43	3900.00	778.40	0.00	0.00	0.00	0.00	456090.85	613194.65	N 32 15 12.17	W 103 58 1.83
Cherry Canyon	*3912.00*	*0.00*	*294.43*	*3912.00*	*790.40*	*0.00*	*0.00*	*0.00*	*0.00*	*456090.85*	*613194.65*	*N 32 15 12.17*	*W 103 58 1.83*
Front Build 2° DLS	4000.00	0.00	294.43	4000.00	878.40	0.00	0.00	0.00	0.00	456090.85	613194.65	N 32 15 12.17	W 103 58 1.83
	4100.00	2.00	294.43	4099.98	978.38	0.89	0.72	-1.59	2.00	456091.57	613193.06	N 32 15 12.18	W 103 58 1.84
	4200.00	4.00	294.43	4199.84	1078.24	3.56	2.89	-6.35	2.00	456093.74	613188.30	N 32 15 12.20	W 103 58 1.90
	4300.00	6.00	294.43	4299.45	1177.85	8.00	6.49	-14.29	2.00	456097.34	613180.36	N 32 15 12.23	W 103 58 1.99
Tangent Section	4350.20	7.00	294.43	4349.33	1227.73	10.89	8.84	-19.46	2.00	456099.69	613175.19	N 32 15 12.26	W 103 58 2.05
	4400.00	7.00	294.43	4398.76	1277.16	13.99	11.35	-24.99	0.00	456102.20	613169.68	N 32 15 12.28	W 103 58 2.12
	4500.00	7.00	294.43	4498.01	1376.41	20.20	16.40	-36.09	0.00	456107.25	613158.56	N 32 15 12.33	W 103 58 2.24
	4600.00	7.00	294.43	4597.26	1475.66	26.41	21.44	-47.20	0.00	456112.29	613147.46	N 32 15 12.38	W 103 58 2.37
	4700.00	7.00	294.43	4696.52	1574.92	32.62	26.48	-58.30	0.00	456117.33	613136.36	N 32 15 12.43	W 103 58 2.50
	4800.00	7.00	294.43	4795.77	1674.17	38.83	31.53	-69.40	0.00	456122.38	613125.26	N 32 15 12.48	W 103 58 2.63
	4900.00	7.00	294.43	4895.03	1773.43	45.05	36.57	-80.50	0.00	456127.42	613114.15	N 32 15 12.53	W 103 58 2.76
	5000.00	7.00	294.43	4994.28	1872.68	51.26	41.62	-91.60	0.00	456132.46	613103.05	N 32 15 12.58	W 103 58 2.89
	5100.00	7.00	294.43	5093.53	1971.93	57.47	46.66	-102.71	0.00	456137.51	613091.95	N 32 15 12.63	W 103 58 3.02
	5200.00	7.00	294.43	5192.79	2071.19	63.68	51.70	-113.81	0.00	456142.55	613080.85	N 32 15 12.68	W 103 58 3.15
	5300.00	7.00	294.43	5292.04	2170.44	69.90	56.75	-124.91	0.00	456147.59	613069.75	N 32 15 12.73	W 103 58 3.28
Brushy Canyon	*5314.06*	*7.00*	*294.43*	*5306.00*	*2184.40*	*70.77*	*57.46*	*-126.47*	*0.00*	*456148.30*	*613068.19*	*N 32 15 12.74*	*W 103 58 3.30*
	5400.00	7.00	294.43	5391.29	2269.69	76.11	61.79	-136.01	0.00	456152.64	613058.65	N 32 15 12.78	W 103 58 3.41
	5500.00	7.00	294.43	5490.55	2368.95	82.32	66.83	-147.11	0.00	456157.68	613047.55	N 32 15 12.83	W 103 58 3.54
	5600.00	7.00	294.43	5589.80	2468.20	88.53	71.88	-158.21	0.00	456162.72	613036.45	N 32 15 12.88	W 103 58 3.66
	5700.00	7.00	294.43	5689.06	2567.46	94.75	76.92	-169.32	0.00	456167.76	613025.35	N 32 15 12.94	W 103 58 3.79

Replacement - DP-4

Comments	MD (ft)	Incl (°)	Azim Grid (°)	TVD (ft)	TVDSS (ft)	VSEC (ft)	NS (ft)	EW (ft)	DLS (°/100ft)	Northing (ftUS)	Easting (ftUS)	Latitude (N/S ° ' ")	Longitude (E/W ° ' ")
	5800 00	7.00	294 43	5788 31	2666.71	100 96	81.96	-180 42	0 00	456172.81	813014 25	N 32 15 12.99	W 103 58 3.92
	5900 00	7.00	294 43	5887.56	2765.96	107.17	87 01	-191.52	0 00	456177.85	813003 15	N 32 15 13 04	W 103 58 4 05
	6000 00	7.00	294 43	5986.82	2865.22	113 38	92 05	-202.62	0 00	456182.89	812992 04	N 32 15 13 09	W 103 58 4.18
	6100 00	7 00	294 43	6086 07	2964 47	119.60	97.09	-213.72	0 00	456187.94	812980 94	N 32 15 13 14	W 103 58 4 31
	6200 00	7.00	294 43	6185 32	3063 72	125 81	102.14	-224.83	0.00	456192.98	812969.84	N 32 15 13.19	W 103 58 4 44
	6300.00	7.00	294.43	6284.58	3162.98	132 02	107.18	-235.93	0 00	456198.02	812958.74	N 32 15 13 24	W 103 58 4 57
	6400 00	7 00	294.43	6383.83	3262 23	138 23	112 23	-247.03	0 00	456203 07	812947.64	N 32 15 13.29	W 103 58 4.70
	6500 00	7.00	294 43	6483 09	3361 49	144 44	117 27	-258 13	0 00	456208.11	812936 54	N 32 15 13 34	W 103 58 4 83
	6600 00	7.00	294 43	6582 34	3460.74	150 66	122.31	-269 23	0 00	456213.15	812925 44	N 32 15 13 39	W 103 58 4 96
	6700 00	7 00	294 43	6681.59	3559.99	156 87	127 36	-280 33	0 00	456218 20	812914 34	N 32 15 13 44	W 103 58 5 08
	6800 00	7.00	294 43	6780 85	3659 25	163.08	132 40	-291 44	0 00	456223 24	812903 24	N 32 15 13 49	W 103 58 5 21
	6900.00	7.00	294.43	6880.10	3758.50	169 29	137.44	-302.54	0.00	456228 28	812892.14	N 32 15 13 54	W 103 58 5 34
Bone Spring	*6941.21*	*7.00*	*294.43*	*6921.00*	*3799.40*	*171.85*	*139.52*	*-307.11*	*0.00*	*456230.36*	*812887.56*	*N 32 15 13.56*	*W 103 58 5.40*
	7000 00	7.00	294.43	6979.35	3857.75	175 51	142 49	-313 64	0 00	456233 33	812881.03	N 32 15 13.59	W 103 58 5 47
	7100 00	7.00	294 43	7078 61	3957.01	181.72	147.53	-324.74	0 00	456238.37	812869 93	N 32 15 13 64	W 103 58 5 60
	7200.00	7.00	294.43	7177.86	4056.26	187.93	152.57	-335 84	0.00	456243 41	812858.83	N 32 15 13 69	W 103 58 5.73
	7300 00	7 00	294 43	7277.12	4155 52	194.14	157.62	-346 95	0.00	456248.46	812847.73	N 32 15 13.74	W 103 58 5 86
	7400.00	7.00	294 43	7376 37	4254 77	200 36	162.66	-358 05	0 00	456253 50	812836 63	N 32 15 13.79	W 103 58 5 99
	7500 00	7.00	294 43	7475 62	4354 02	206 57	167.71	-369 15	0.00	456258 54	812825 53	N 32 15 13 84	W 103 58 6.12
	7600 00	7.00	294 43	7574 88	4453 28	212.78	172.75	-380 25	0 00	456263 59	812814 43	N 32 15 13 89	W 103 58 6 25
	7700 00	7.00	294 43	7674.13	4552.53	218 99	177.79	-391.35	0 00	456268.63	812803 33	N 32 15 13 94	W 103 58 6.37
	7800 00	7.00	294 43	7773 39	4651.79	225.21	182 84	-402 45	0 00	456273 67	812792 23	N 32 15 13 99	W 103 58 6 50
	7900 00	7.00	294.43	7872 64	4751.04	231.42	187 88	-413 56	0 00	456278.71	812781.13	N 32 15 14.04	W 103 58 6.63
	8000 00	7.00	294.43	7971.89	4850 29	237.63	192 92	-424 66	0 00	456283.76	812770 02	N 32 15 14.09	W 103 58 6.76
	8100 00	7.00	294 43	8071.15	4949.55	243 84	197.97	-435 76	0 00	456288 80	812758.92	N 32 15 14.14	W 103 58 6.89
	8200.00	7.00	294.43	8170 40	5048 80	250 05	203 01	-446 86	0 00	456293 84	812747.82	N 32 15 14.19	W 103 58 7.02
	8300.00	7.00	294 43	8269 65	5148 05	256 27	208 05	-457.96	0.00	456298 89	812736.72	N 32 15 14 24	W 103 58 7.15
	8400.00	7.00	294 43	8368.91	5247.31	262 48	213.10	-469 07	0.00	456303.93	812725.62	N 32 15 14 29	W 103 58 7.28
	8500.00	7.00	294 43	8468 16	5346 56	268 69	218.14	-480.17	0 00	456308.97	812714.52	N 32 15 14 34	W 103 58 7 41
Drop 2° DLS	8560 97	7.00	294 43	8528 67	5407.07	272 48	221 22	-486.94	0.00	456312.05	812707.75	N 32 15 14 37	W 103 58 7 49
	8600.00	6.22	294 43	8567 45	5445 85	274 77	223 08	-491.03	2.00	456313.91	812703.66	N 32 15 14 39	W 103 58 7.53
	8700.00	4.22	294 43	8667 03	5545 43	279.41	226.84	-499 32	2.00	456317.67	812695.37	N 32 15 14 43	W 103 58 7 63
	8800.00	2 22	294 43	8766 86	5645 26	282 27	229.17	-504 44	2.00	456320 00	812690 25	N 32 15 14 45	W 103 58 7 69
	8900.00	0 22	294 43	8866 84	5745 24	283.36	230.05	-506.38	2.00	456320.88	812688 31	N 32 15 14 46	W 103 58 7.71
Return to Vertical	8911.16	0 00	294 43	8878.00	5756 40	283 37	230 06	-506 40	2.00	456320.89	812688.29	N 32 15 14.46	W 103 58 7.71
	9000 00	0 00	294 43	8966 84	5845 24	283 37	230 06	-506 40	0 00	456320 89	812688 29	N 32 15 14 46	W 103 58 7.71
	9100 00	0 00	294 43	9066 84	5945 24	283.37	230 06	-506 40	0 00	456320 89	812688 29	N 32 15 14 46	W 103 58 7.71
	9200 00	0 00	294 43	9166 84	6045 24	283 37	230 06	-506 40	0 00	456320 89	812688 29	N 32 15 14.46	W 103 58 7.71
	9300.00	0 00	294 43	9266 84	6145 24	283 37	230 06	-506 40	0 00	456320 89	812688 29	N 32 15 14 46	W 103 58 7.71
	9400 00	0.00	294 43	9366 84	6245 24	283 37	230 06	-506.40	0 00	456320 89	812688 29	N 32 15 14 46	W 103 58 7.71
	9500 00	0.00	294 43	9466 84	6345 24	283 37	230 06	-506.40	0.00	456320.89	812688 29	N 32 15 14 46	W 103 58 7.71
KOP Build 10°/100' DLS	9500 20	0.00	294.43	9467.04	6345 44	283.37	230.06	-506 40	0 00	456320.89	812688 29	N 32 15 14 46	W 103 58 7.71
	9600 00	9 98	359 39	9566 33	6444.73	292.00	238.73	-506.49	10.00	456329 56	812688 20	N 32 15 14 55	W 103 58 7.71
	9700 00	19.98	359 39	9662.81	6541 21	317.69	264 54	-506 77	10 00	456355 37	812687.92	N 32 15 14 80	W 103 58 7.72
	9800 00	29 98	359 39	9753 34	6631.74	359 67	306.71	-507.22	10 00	456397.54	812687.47	N 32 15 15.22	W 103 58 7.72
	9900 00	39.98	359.39	9835.17	6713.57	416 65	363.97	-507 83	10 00	456454.79	812686 86	N 32 15 15.79	W 103 58 7.72
	10000 00	49.98	359.39	9905 82	6784 22	486.91	434 56	-508.58	10.00	456525 37	812686.11	N 32 15 16 49	W 103 58 7.73
	10100.00	59 98	359.39	9963.13	6841.53	568 31	516 34	-509 45	10 00	456607.15	812685 24	N 32 15 17.29	W 103 58 7.74
	10200.00	69.98	359 39	10005 37	6883.77	658 38	606.84	-510.42	10.00	456697.64	812684.27	N 32 15 18.19	W 103 58 7.74
	10300.00	79.98	359.39	10031 25	6909 66	754 39	703 29	-511.45	10.00	456794 09	812683 24	N 32 15 19.14	W 103 58 7.75
	10400.00	89 98	359 39	10040 00	6918 40	853 40	802.78	-512.51	10 00	456893 57	812682.18	N 32 15 20.13	W 103 58 7.76
Landing Point	10401.52	90.13	359.39	10040.00	6918 40	854.92	804.30	-512.53	10 00	456895 09	812682.16	N 32 15 20.14	W 103 58 7.76
	10500 00	90 13	359 39	10039.77	6918.17	952.93	902.77	-513.58	0 00	456993 55	812681.11	N 32 15 21.12	W 103 58 7.77
	10600 00	90.13	359 39	10039 54	6917.94	1052 46	1002.77	-514 64	0.00	457093 54	812680 05	N 32 15 22.11	W 103 58 7.78
	10700 00	90.13	359 39	10039 31	6917.71	1151.98	1102.76	-515.71	0 00	457193 52	812678 98	N 32 15 23 10	W 103 58 7.79
	10800 00	90.13	359 39	10039.08	6917.48	1251.51	1202.75	-516.78	0 00	457293 51	812677 91	N 32 15 24 09	W 103 58 7.79
	10900 00	90.13	359 39	10038 85	6917 25	1351.03	1302.75	-517.84	0 00	457393 50	812676 85	N 32 15 25 08	W 103 58 7.80
	11000 00	90.13	359 39	10038 62	6917.02	1450.56	1402.74	-518 91	0 00	457493 48	812675.78	N 32 15 26 07	W 103 58 7.81
	11100 00	90.13	359 39	10038 39	6916.79	1550 08	1502.74	-519 98	0 00	457593 47	812674.71	N 32 15 27 06	W 103 58 7.82
	11200.00	90.13	359 39	10038 16	6916 56	1649 61	1602.73	-521.04	0 00	457693 46	812673 65	N 32 15 28 05	W 103 58 7.83
	11300 00	90.13	359 39	10037.93	6916.33	1749 13	1702.72	-522.11	0 00	457793 44	812672.58	N 32 15 29 03	W 103 58 7.84
	11400 00	90.13	359 39	10037.70	6916 10	1848 66	1802.72	-523 18	0 00	457893 43	812671.51	N 32 15 30 02	W 103 58 7.85
	11500 00	90.13	359 39	10037 47	6915 87	1948.18	1902.71	-524 24	0 00	457993 41	812670 45	N 32 15 31.01	W 103 58 7.85
	11600 00	90.13	359.39	10037 24	6915 64	2047.71	2002.71	-525.31	0.00	458093 40	812669 38	N 32 15 32.00	W 103 58 7.86
	11700 00	90.13	359 39	10037.01	6915 41	2147.23	2102.70	-526 38	0 00	458193 39	812668 31	N 32 15 32.99	W 103 58 7.87
	11800 00	90.13	359 39	10036.78	6915 18	2246 76	2202.69	-527 44	0.00	458293 37	812667.25	N 32 15 33.98	W 103 58 7.88
	11900.00	90.13	359 39	10036 55	6914.95	2346 28	2302 69	-528 51	0 00	458393 36	812666.18	N 32 15 34.97	W 103 58 7.89
	12000 00	90.13	359 39	10036 32	6914.72	2445 81	2402.68	-529.58	0.00	458493 35	812665.11	N 32 15 35.96	W 103 58 7.90
	12100.00	90.13	359 39	10036 09	6914 49	2545.33	2502 68	-530 65	0.00	458593 33	812664.05	N 32 15 36 95	W 103 58 7.91
	12200.00	90.13	359 39	10035 86	6914 26	2644 86	2602.67	-531.71	0 00	458693.32	812662.98	N 32 15 37.94	W 103 58 7.91
	12300.00	90.13	359 39	10035 63	6914 03	2744 38	2702.67	-532.78	0 00	458793.30	812661.91	N 32 15 38.93	W 103 58 7.92
	12400 00	90 13	359 39	10035 40	6913 80	2843.91	2802.66	-533 85	0 00	458893 29	812660 85	N 32 15 39.92	W 103 58 7.93
	12500 00	90.13	359 39	10035.17	6913 57	2943 43	2902 65	-534 91	0.00	458993 28	812659 78	N 32 15 40 91	W 103 58 7.94
	12600.00	90 13	359 39	10034.94	6913 34	3042.96	3002 65	-535.98	0 00	459093.26	812658 71	N 32 15 41.90	W 103 58 7.95
	12700 00	90.13	359 39	10034 71	6913.11	3142 48	3102 64	-537.05	0 00	459193 25	812657.65	N 32 15 42 89	W 103 58 7.96
	12800.00	90.13	359.39	10034.48	6912.88	3242 01	3202 64	-538.11	0.00	459293 23	812656 58	N 32 15 43 88	W 103 58 7.96
	12900 00	90 13	359 39	10034 25	6912.65	3341.53	3302.63	-539.18	0 00	459393.22	812655.51	N 32 15 44 87	W 103 58 7.97
	13000 00	90.13	359 39	10034.02	6912 42	3441 06	3402 62	-540 25	0 00	459493 21	812654 45	N 32 15 45 86	W 103 58 7.98
	13100 00	90.13	359 39	10033 79	6912.19	3540 58	3502 62	-541.31	0.00	459593.19	812653 38	N 32 15 46.85	W 103 58 7.99
	13200 00	90 13	359 39	10033.56	6911.96	3640.11	3602 61	-542 38	0 00	459693.18	812652.31	N 32 15 47.84	W 103 58 8 00
	13300 00	90.13	359 39	10033.33	6911.73	3739 63	3702 61	-543 45	0 00	459793.17	812651.25	N 32 15 48 83	W 103 58 8 01
	13400 00	90 13	359.39	10033 10	6911.50	3839 16	3802 60	-544.51	0 00	459893 15	812650.18	N 32 15 49 81	W 103 58 8 02
	13500 00	90.13	359.39	10032 87	6911.27	3938 68	3902 59	-545 58	0.00	459993.14	812649.11	N 32 15 50 80	W 103 58 8 02
	13600 00	90 13	359 39	10032 64	6911 04	4038 21	4002.59	-546 65	0 00	460093.12	812648 05	N 32 15 51.79	W 103 58 8 03
	13700 00	90 13	359 39	10032 41	6910 81	4137.73	4102.58	-547.71	0.00	460193.11	812646 98	N 32 15 52.78	W 103 58 8 04
	13800.00	90.13	359 39	10032.18	6910 58	4237.26	4202.58	-548.78	0.00	460293 10	812645 91	N 32 15 53.77	W 103 58 8 05
	13900 00	90 13	359 39	10031.94	6910 34	4336 78	4302.57	-549.85	0.00	460393 08	812644.85	N 32 15 54.76	W 103 58 8.06
	14000 00	90.13	359 39	10031.71	6910 11	4436 31	4402.56	-550 91	0 00	460493 07	812643.78	N 32 15 55.75	W 103 58 8 07
	14100 00	90.13	359 39	10031.48	6909 88	4535 83	4502.56	-551.98	0 00	460593 06	812642.71	N 32 15 56.74	W 103 58 8 07
	14200 00	90.13	359.39	10031.25	6909.65	4635 36	4602 55	-553 05	0 00	460693 04	812641 65	N 32 15 57.73	W 103 58 8 08
	14300.00	90.13	359 39	10031.02	6909.42	4734 88	4702.55	-554.11	0.00	460793 03	812640 58	N 32 15 58.72	W 103 58 8 09
	14400 00	90.13	359 39	10030.79	6909.19	4834 41	4802.54	-555.18	0.00	460893 01	812639 51	N 32 15 59 71	W 103 58 8.10
	14500 00	90.13	359.39	10030 56	6908.96	4933 93	4902 53	-556.25	0 00	460993 00	812638 44	N 32 16 0.70	W 103 58 8.11
	14600.00	90 13	359 39	10030 33	6908 73	5033.46	5002.53	-557.32	0 00	461092.99	812637 38	N 32 16 1 69	W 103 58 8.12
	14700 00	90.13	359 39	10030.10	6908 50	5132.98	5102.52	-558.38	0.00	461192.97	812636.31	N 32 16 2.68	W 103 58 8.13
Plat Bottom Perf.	14745.14	90.13	359.39	10030 00	6908 40	5177.91	5147.66	-558.86	0 00	461238.11	812635.83	N 32 16 3.13	W 103 58 8.13

Survey Type: Non-Def Plan

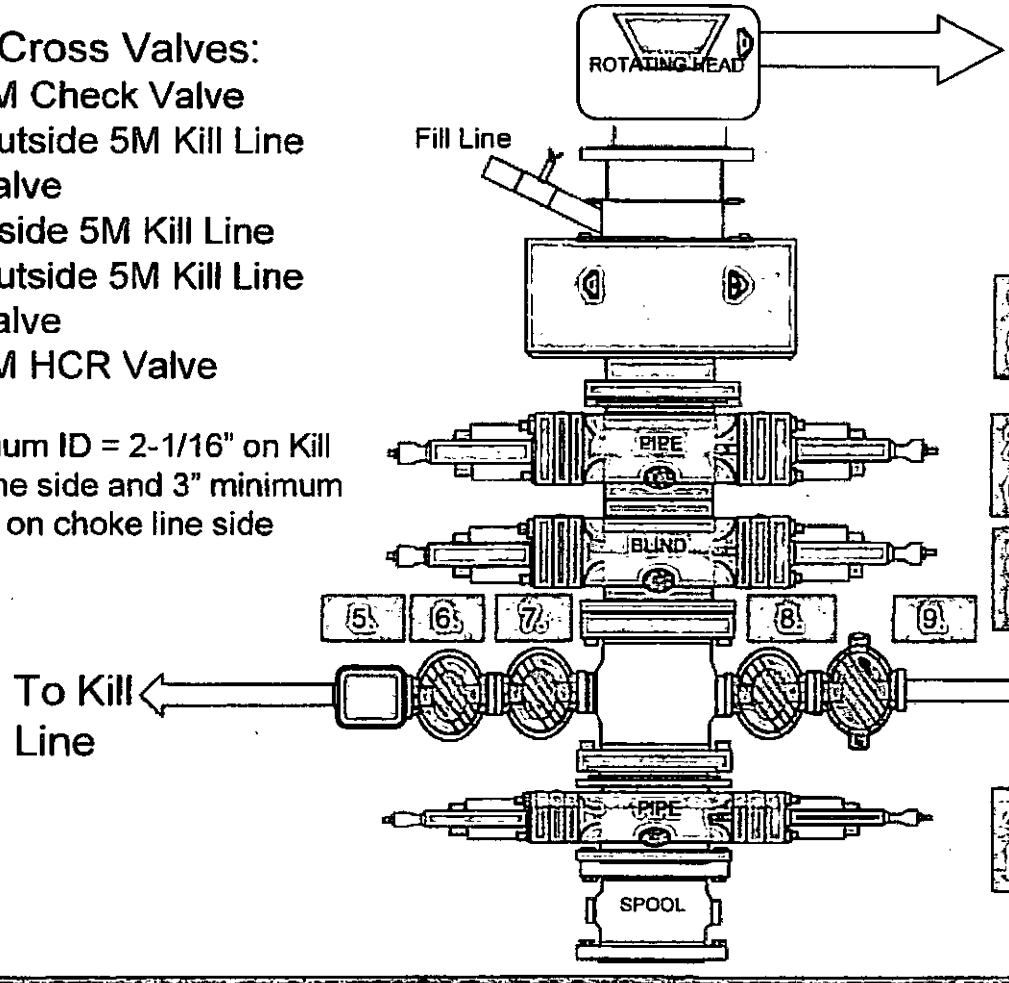
Survey Error Model: ISCWSA Rev 0 *** 3-D 95.000% Confidence 2.7955 sigma
Survey Program:

5M BOP Stack

Mud Cross Valves:

5. 5M Check Valve
6. Outside 5M Kill Line Valve
7. Inside 5M Kill Line
8. Outside 5M Kill Line Valve
9. 5M HCR Valve

*Minimum ID = 2-1/16" on Kill Line side and 3" minimum ID on choke line side



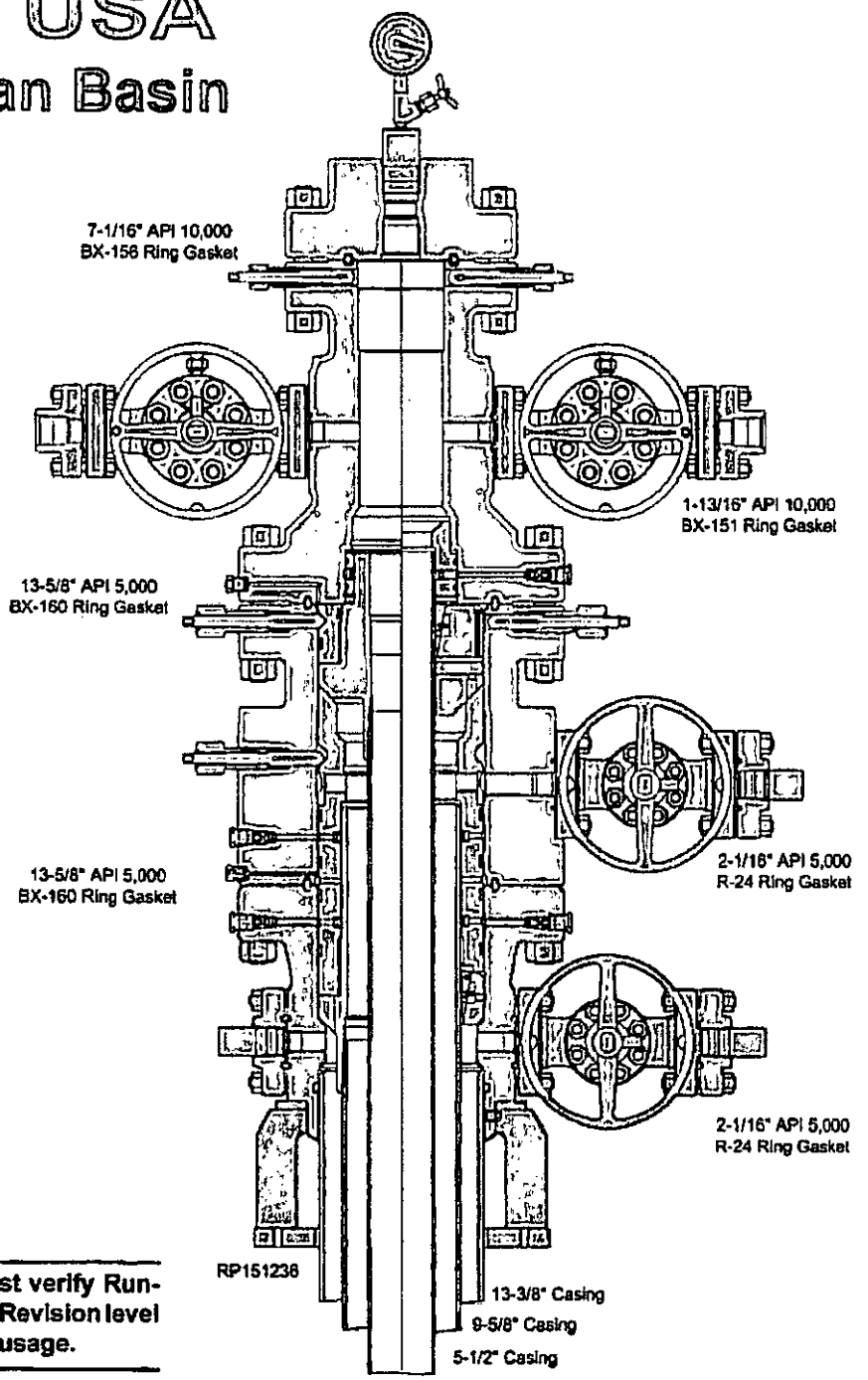
1. 5000 psi Annular (13-3/8" ID)
2. 5,000 psi Upper Pipe Ram (13-3/8" ID)
3. 5,000 psi Blind Ram (13-3/8" ID)
4. 5,000 psi Lower Pipe Ram (13-3/8" ID)

BOP-1

BOP-2

RUNNING PROCEDURE

Oxy USA
Permian Basin



CAUTION **Must verify Running Procedure Revision level in SAP prior to usage.**

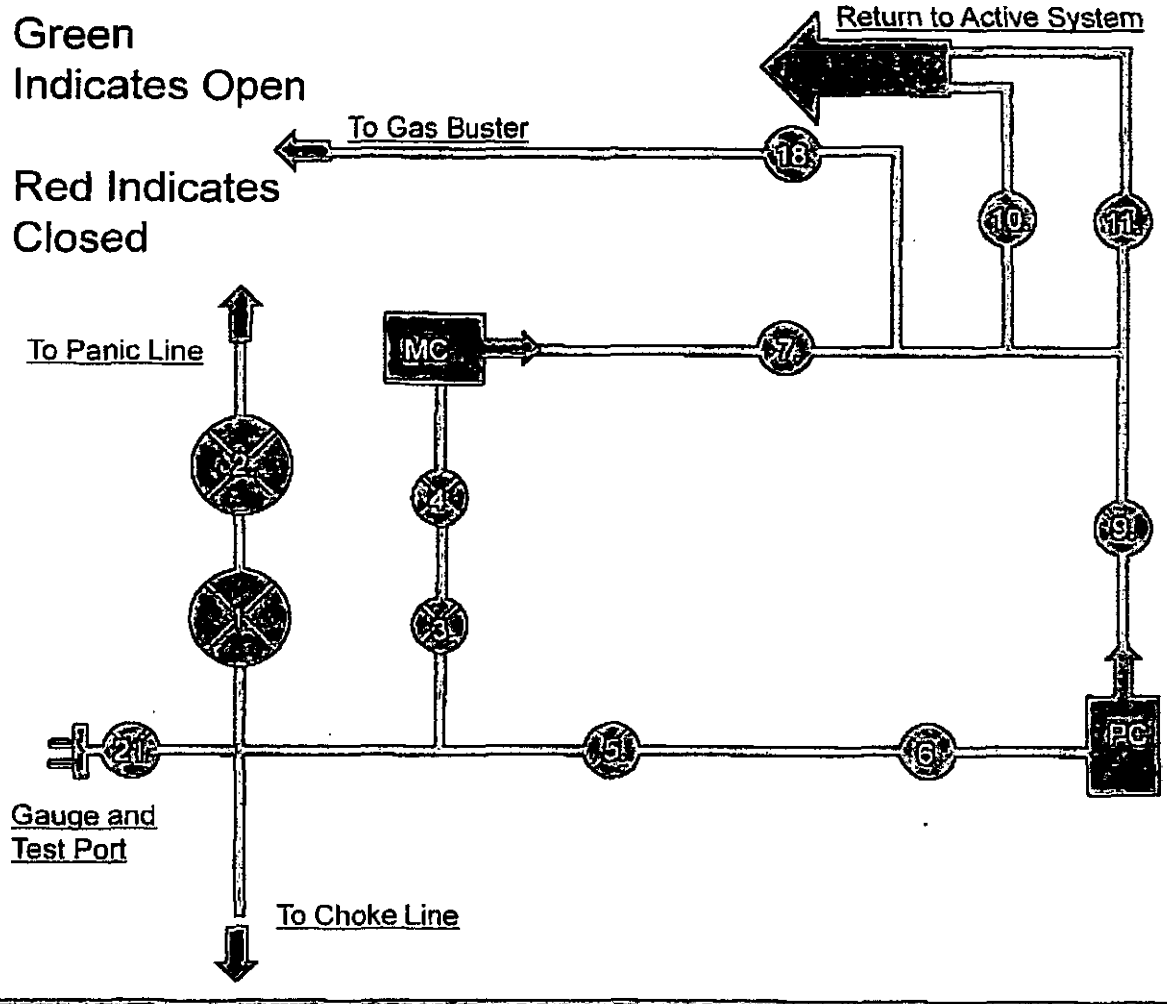
Surface Systems Publication

CAMERON	13-5/8" 5M MBS System 13-3/8" x 9-5/8" x 5-1/2" Casing Program	RP-003328 Rev 01

5M Choke Panel

Green
Indicates Open

Red Indicates
Closed



1. 4" Choke Manifold Valve
2. 4" Choke Manifold Valve
3. 3" Choke Manifold Valve
4. 3" Choke Manifold Valve
5. 3" Choke Manifold Valve
6. 3" Choke Manifold Valve
7. 3" Choke Manifold Valve
8. PC – Power Choke
9. 3" Choke Manifold Valve
10. 3" Choke Manifold Valve
11. Choke Manifold Valve
12. MC – Manual Choke

18. Choke Manifold Valve

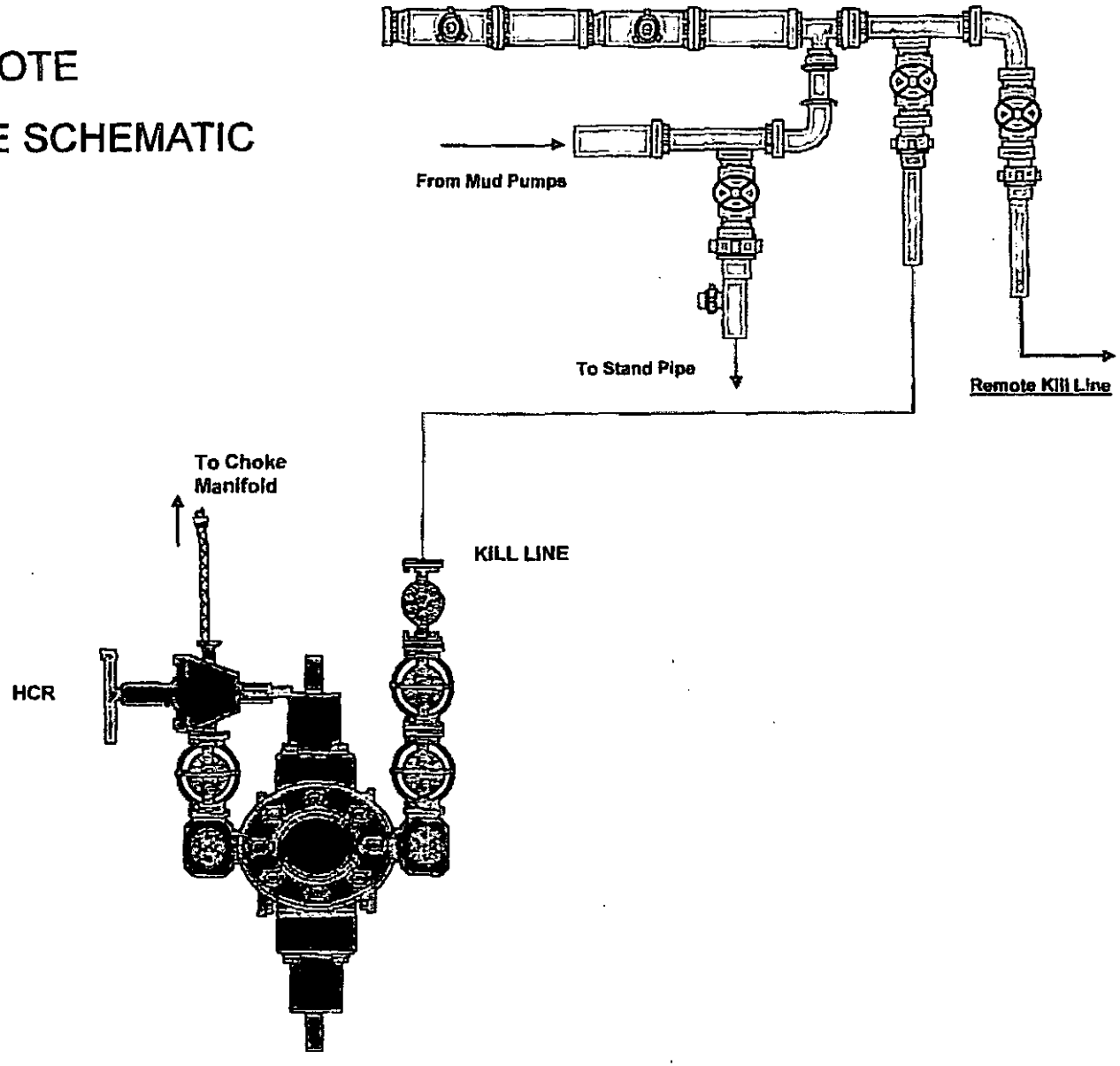
21. Vertical Choke Manifold Valve

***All Valves 3" minimum**

CM-1

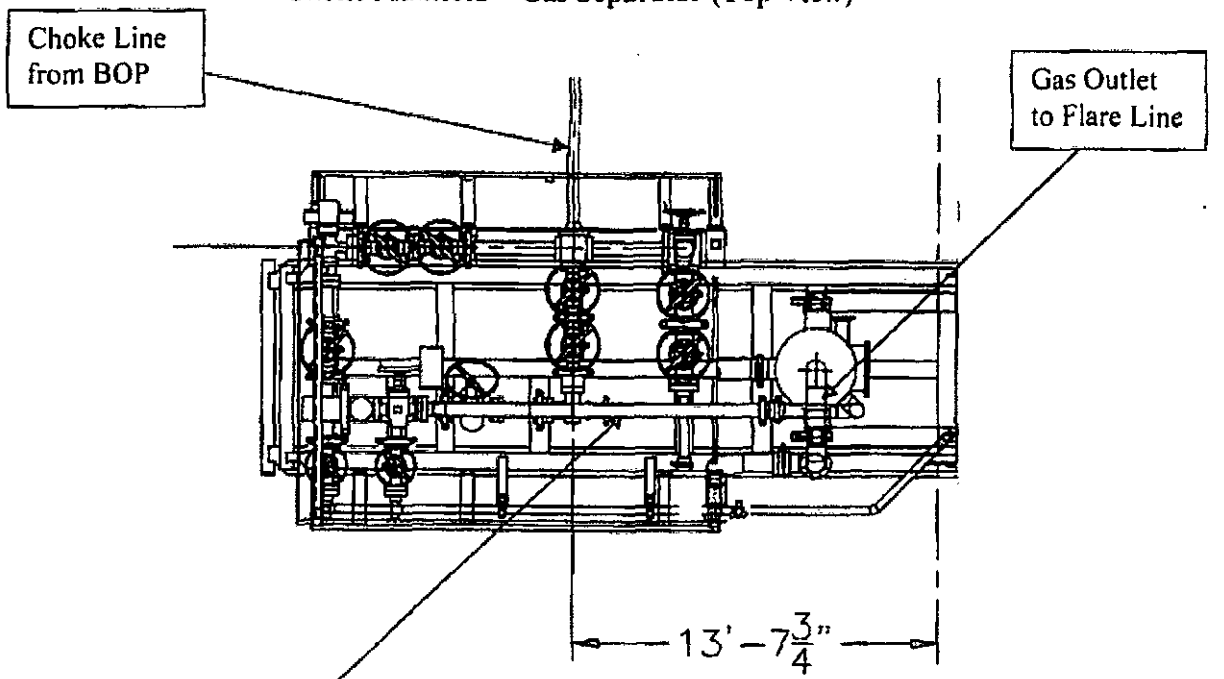
10M REMOTE

KILL LINE SCHEMATIC

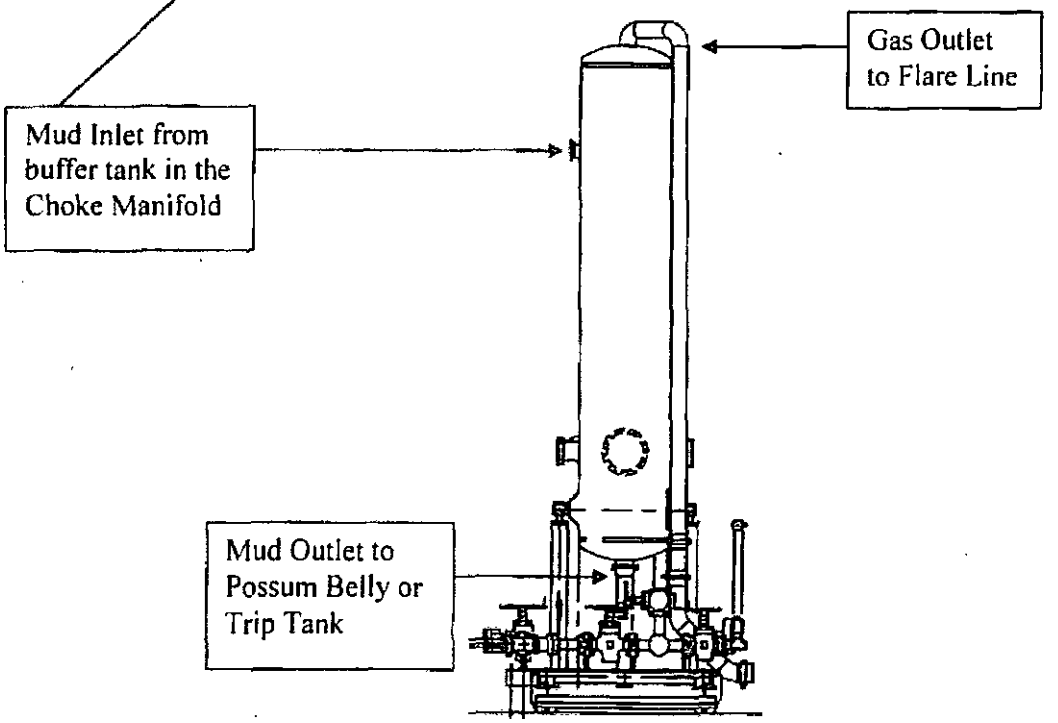


CM-2

Choke Manifold – Gas Separator (Top View)

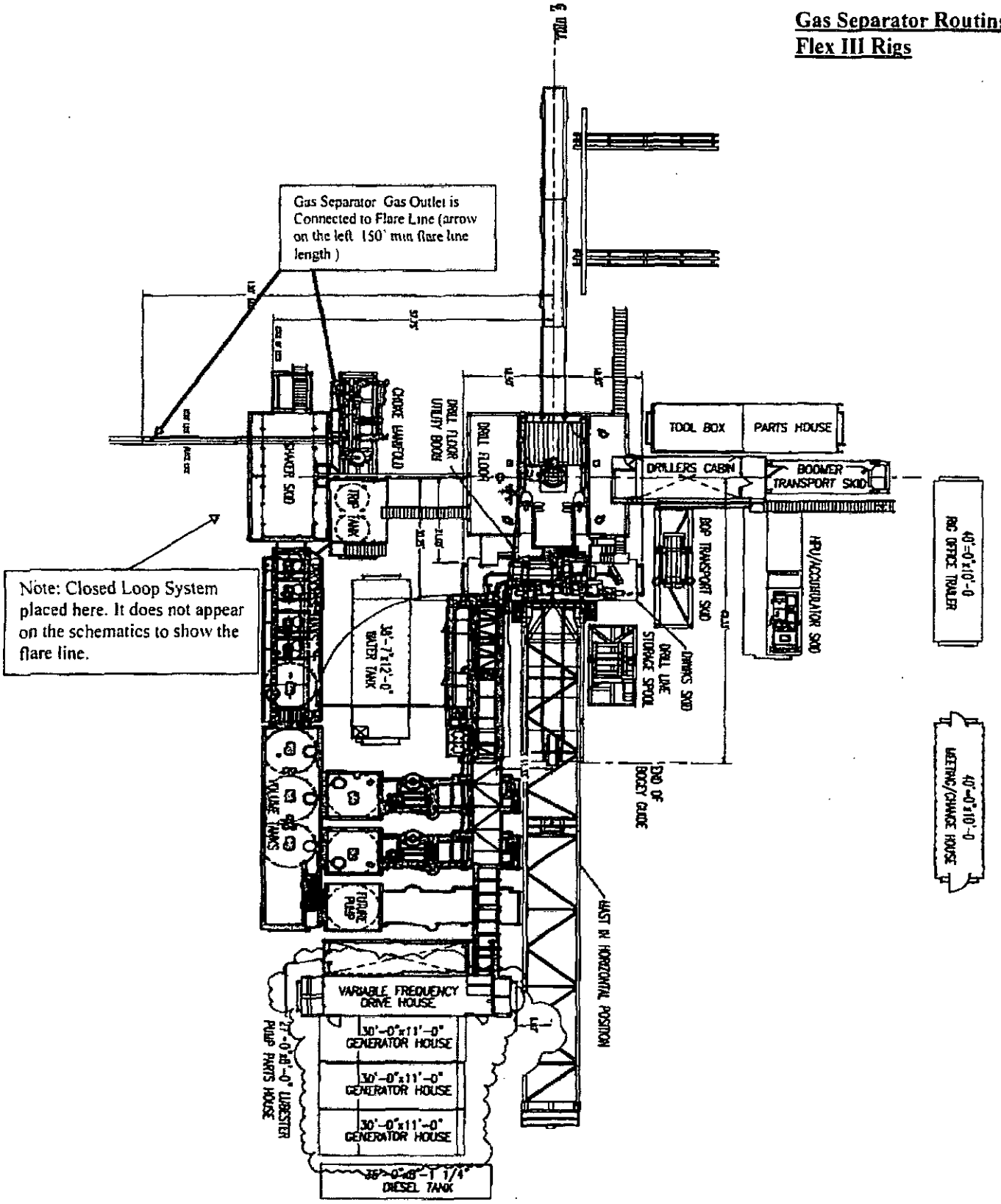


Choke Manifold – Gas Separator (Side View)



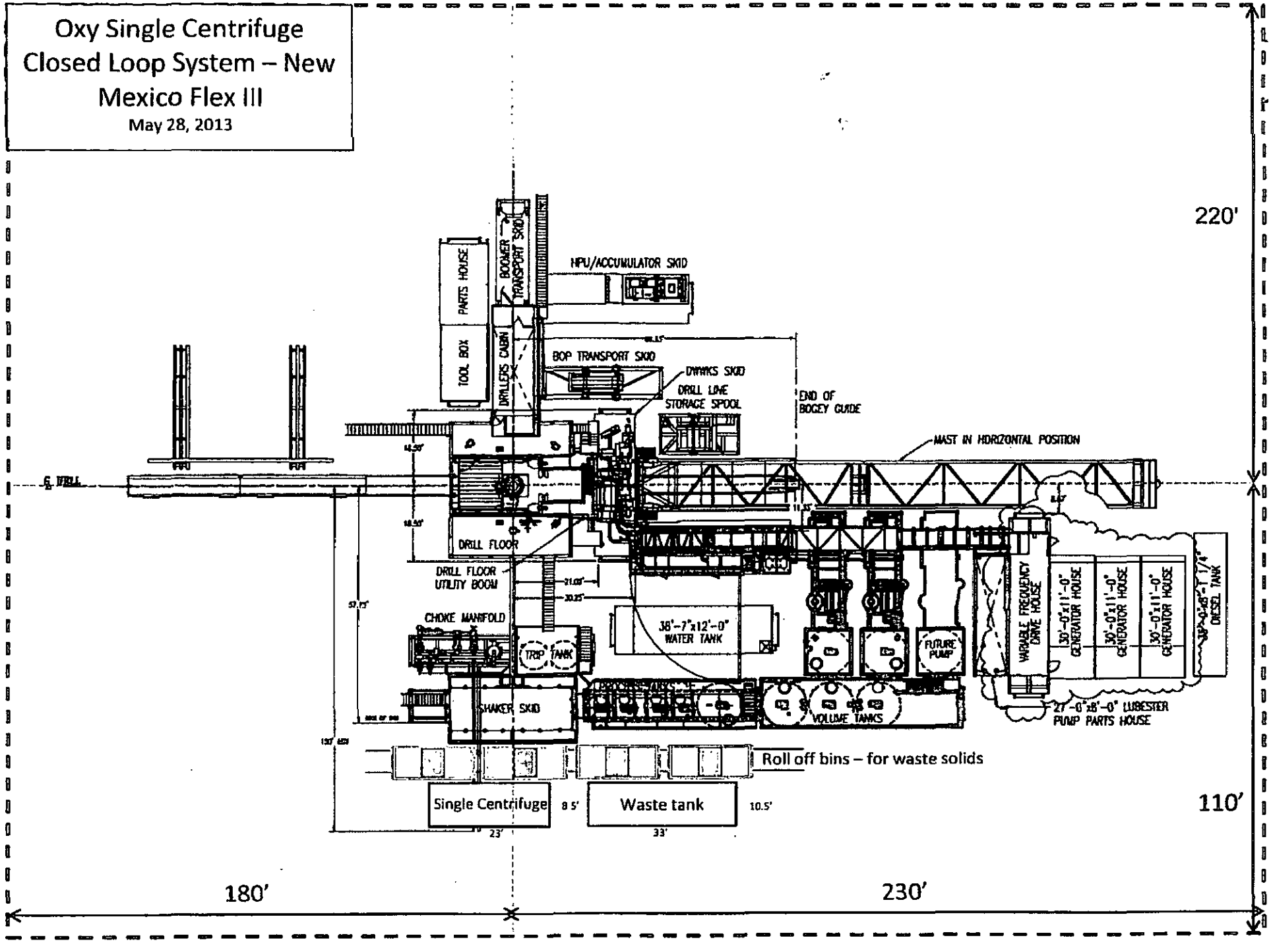
CM-4

Gas Separator Routing
Flex III Rigs



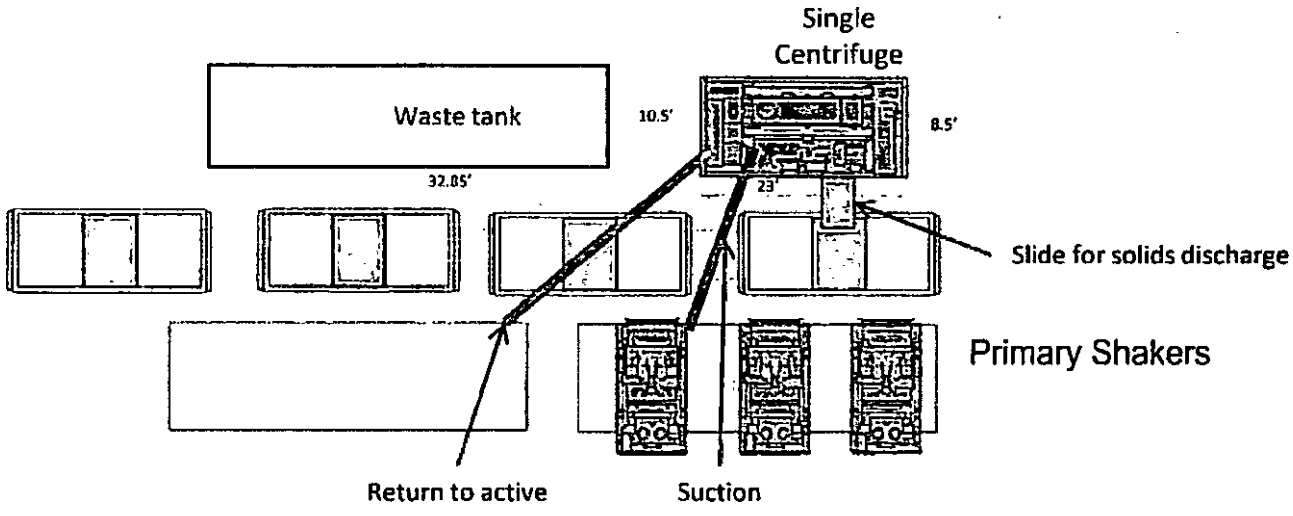
Oxy Single Centrifuge Closed Loop System – New Mexico Flex III

May 28, 2013



CL-1

Oxy



Well Head

Oxy Single Centrifuge
Closed Loop System – New
Mexico Flex III
May 28, 2013

CL-2

Continental CONTITECH

Fluid Technology

Quality Document

QUALITY CONTROL INSPECTION AND TEST CERTIFICATE				CERT. N°: 746
PURCHASER: Phoenix Beattie Co.				P.O. N°: 002491
CONTITECH ORDER N°: 412638		HOSE TYPE: 3" ID		Choke and Kill Hose
HOSE SERIAL N°: 52777		NOMINAL / ACTUAL LENGTH:		10,67 m
W.P. 68,96 MPa	10000 psi	T.P. 103,4 MPa	15000 psi	Duration: 60 – min.

Pressure test with water at ambient temperature

See attachment. (1 page)

↑ 10 mm = 10 Min.

→ 10 mm = 25 MPa

COUPLINGS

Type	Serial N°	Quality	Heat N°
3" coupling with	917 913	AISI 4130	T7998A
4 1/16" Flange end		AISI 4130	26984

INFOCHIP INSTALLED

API Spec 16 C
Temperature rate:"B"

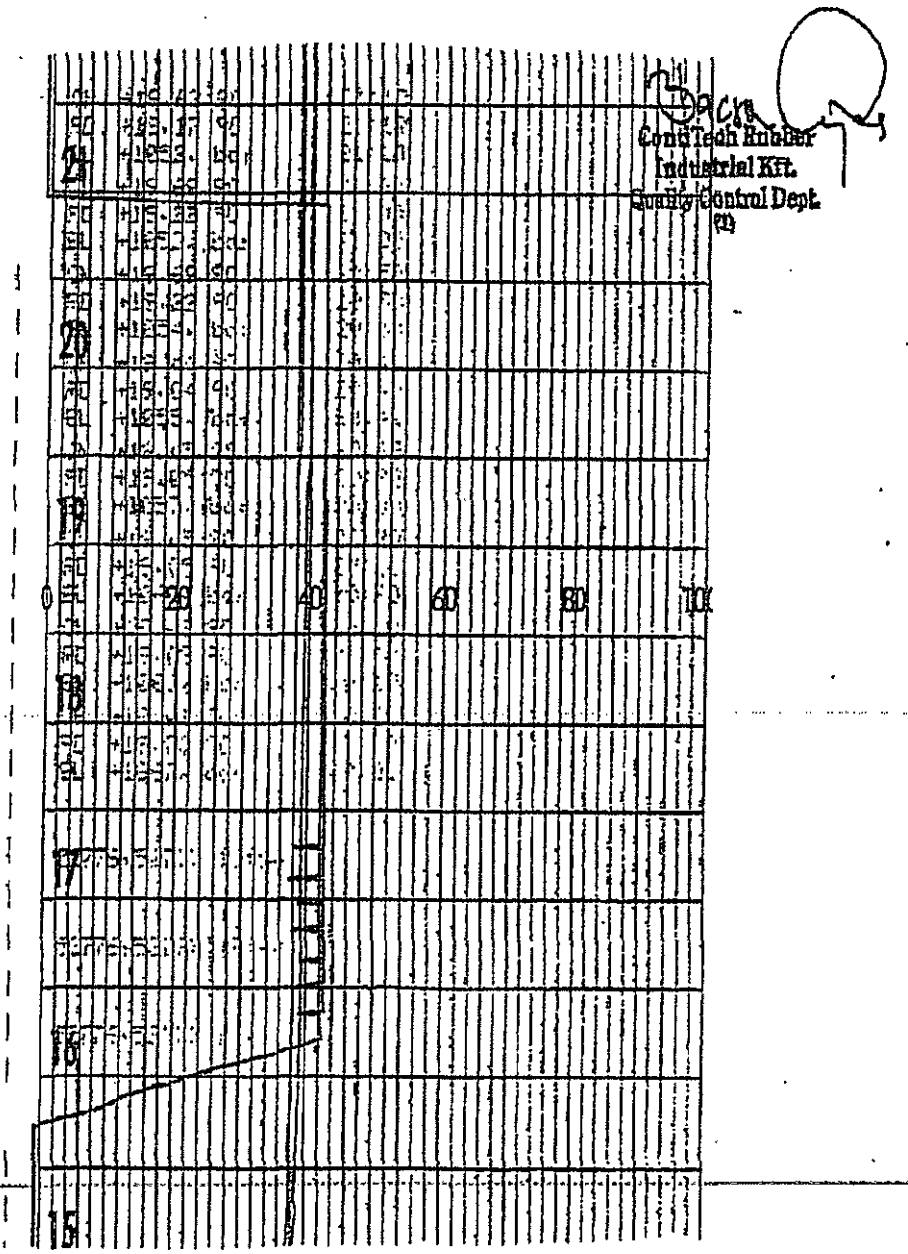
All metal parts are flawless

WE CERTIFY THAT THE ABOVE HOSE HAS BEEN MANUFACTURED IN ACCORDANCE WITH THE TERMS OF THE ORDER AND PRESSURE TESTED AS ABOVE WITH SATISFACTORY RESULT.

Date:	Inspector	Quality Control
04. April. 2008		ContiTech Rubber Industrial Kft. Quality Control Dept. (1)

FH-2

Coflex Hose Certification



FH-3

Coflex Hose Certification

Form No 100/12

PHOENIX Beattie

Phoenix Beattie Corp
11535 Brittmoore Park Drive
Houston, TX 77041
Tel: (832) 327-0141
Fax: (832) 327-0148
E-mail mail@phoenixbeattie.com
www.phoenixbeattie.com

Delivery Note

Customer Order Number	370-369-001	Delivery Note Number	003078	Page	1

Customer / Invoice Address	Delivery / Address
HELMERICH & PAYNE INT'L DRILLING CO 1437 SOUTH BOULDER TULSA, OK 74119	HELMERICH & PAYNE IDC ATTN: JOE STEPHENSON - RIG 370 13609 INDUSTRIAL ROAD HOUSTON, TX 77015

Customer Acc No	Phoenix Beattie Contract Manager	Phoenix Beattie Reference	Date
H01	JJL	006330	05/23/2008

Item No	Beattie Part Number / Description	Qty Ordered	Qty Sent	Qty To Follow
1	HP10CK3A-35-4F1 3" 10K 16C C&K HOSE x 35ft OAL CW 4.1/16" API SPEC FLANGE E/ End 1: 4.1/16" 10Kpsi API Spec 6A Type 6BX Flange End 2: 4.1/16" 10Kpsi API Spec 6A Type 6BX Flange c/w BX155 Standard ring groove at each end Suitable for H2S Service Working pressure: 10,000psi Test pressure: 15,000psi Standard: API 16C Full specification Armor Guarding: Included Fire Rating: Not Included Temperature rating: -20 Deg C to +100 Deg C	1	1	0
2	SECK3-HPF3 LIFTING & SAFETY EQUIPMENT TO SUIT HP10CK3-35-F1 2 x 160mm ID Safety Clamps 2 x 244mm ID Lifting Collars & element C's 2 x 7ft Stainless Steel wire rope 3/4" OD 4 x 7.75t Shackles	1	1	0
3	SC725-200CS SAFETY CLAMP 200MM 7.25T C/S GALVANISED	1	1	0

Continued...

FH-4

Coflex Hose Certification

Form No 100/12

PHOENIX Beattie

Phoenix Beattie Corp
11535 Brittmoore Park Drive
Houston, TX 77041
Tel: (832) 327-0141
Fax: (832) 327-0148
E-mail sales@phoenixbeattie.com
www.phoenixbeattie.com

Delivery Note

Customer Order Number	370-369-001	Delivery Note Number	003078	Page	2

Customer / Invoice Address	Delivery / Address
HELMERICH & PAYNE INT'L DRILLING CO 1437 SOUTH BOULDER TULSA, OK 74119	HELMERICH & PAYNE IDC ATTN: JOE STEPHENSON - RIG 370 13609 INDUSTRIAL ROAD HOUSTON, TX 77015

Customer Acc No	Phoenix Beattie Contract Manager	Phoenix Beattie Reference	Date
H01	JJL	006330	05/23/2008

Item No	Beattie Part Number / Description	Qty Ordered	Qty Sent	Qty To Follow
4	SC725-132CS SAFETY CLAMP 132MM 7.25T C/S GALVANIZED C/W BOLTS	1	1	0
5	00CERT-HYDRO HYDROSTATIC PRESSURE TEST CERTIFICATE	1	1	0
6	00CERT-LOAD LOAD TEST CERTIFICATES	1	1	0
7	00FREIGHT INBOUND / OUTBOUND FREIGHT PRE-PAY & ADD TO FINAL INVOICE NOTE: MATERIAL MUST BE ACCOMPANIED BY PAPERWORK INCLUDING THE PURCHASE ORDER, RIG NUMBER TO ENSURE PROPER PAYMENT	1	1	0

Phoenix Beattie Inspection Signature : _____

Received In Good Condition : Signature _____

Print Name _____

Date _____

All goods remain the property of Phoenix Beattie until paid for in full. Any damage or shortage on this delivery must be advised within 5 days. Returns may be subject to a handling charge.

PHOENIX Beattie

Material Identification Certificate

PA No	006330	Client	HELMERICH & PAYNE INT'L DRILLING	Client Ref	370-369-001	Page	1

Part No	Description	Material Desc	Material Spec	Qty	WO No	Batch No	Test Cert No	Bin No	Drg No	Issue No
HP10CK3A-35-4F1	3" 10K 16C CHK HOSE x 35ft OAL			1	2491	52777/H884		WATER		
SECK3-INF3	LIFTING & SAFETY EQUIPMENT TO			1	2448	002440		N/STK		
SC725-200CS	SAFETY CLAMP 200MM 7.25T	CARBON STEEL		1	2519	H665		22C		
SC725-132CS	SAFETY CLAMP 132MM 7.25T	CARBON STEEL		1	2242	H139		22		

We hereby certify that these goods have been inspected by our Quality Management System, and to the best of our knowledge are found to conform to relevant industry standards within the requirements of the purchase order as issued to Phoenix Beattie Corporation.

05/13/09.

Coflex Hose Certification

FHS

FH-6

Continental CONTITECH

Fluid Technology

Quality Document

CERTIFICATE OF CONFORMITY

Supplier : CONTITECH RUBBER INDUSTRIAL KFT.
Equipment : 6 pcs. Choke and Kill Hose with installed couplings
Type : **3" x 10,67 m WP: 10000 psi**
Supplier File Number : 412638
Date of Shipment : April. 2008
Customer : Phoenix Beattie Co.
Customer P.o. : 002491
Referenced Standards / Codes / Specifications : API Spec 16 C
Serial No.: 52754,52755,52776,52777,52778,52782

STATEMENT OF CONFORMITY

We hereby certify that the above items/equipment supplied by us are in conformity with the terms, conditions and specifications of the above Purchaser Order and that these items/equipment were fabricated inspected and tested in accordance with the referenced standards, codes and specifications and meet the relevant acceptance criteria and design requirements.

COUNTRY OF ORIGIN HUNGARY/EU

Signed : .....

ContiTech Rubber Industrial Kft. Quality Control Dept. (2)

Date: 04. April. 2008

Position: Q.C. Manager

Replacement – H2S-1

Permian Drilling
Hydrogen Sulfide Drilling Operations Plan
Cypress 34 Federal 12H

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.

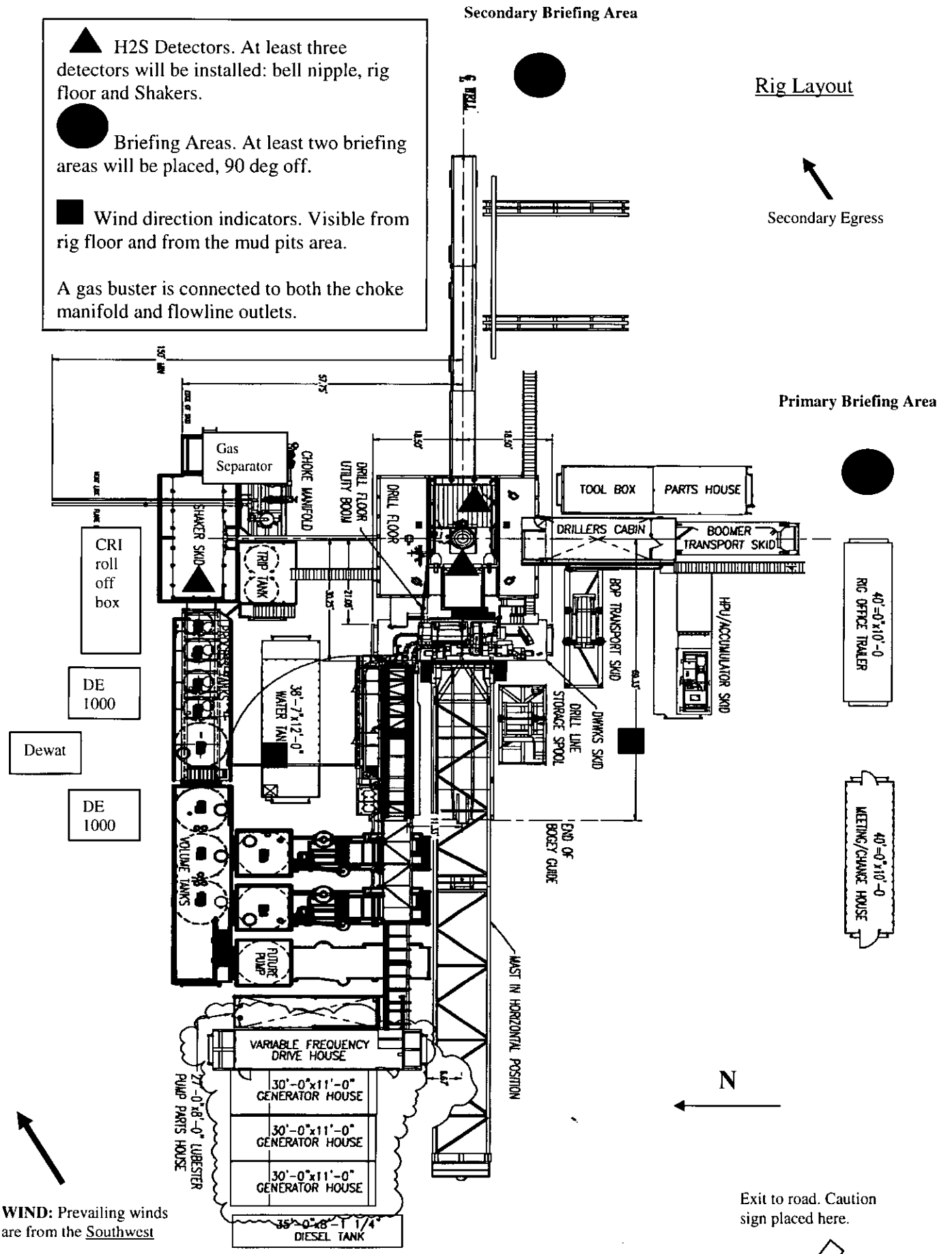
Replacement H2S -2

▲ H2S Detectors. At least three detectors will be installed: bell nipple, rig floor and Shakers.

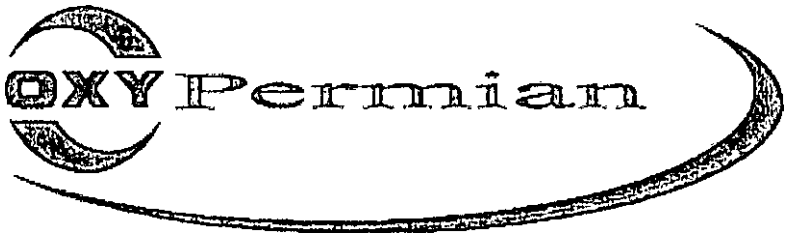
● Briefing Areas. At least two briefing areas will be placed, 90 deg off.

■ Wind direction indicators. Visible from rig floor and from the mud pits area.

A gas buster is connected to both the choke manifold and flowline outlets.



H2S-3



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 Procedure:	This section outlines the conditions and denotes steps to be taken in the event of an emergency.
Emergency equipment Procedure:	This section outlines the safety and emergency 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. Protective equipment for personnel

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. Mud Program

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. Metallurgy

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. Well Testing

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. Designated area

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.

Instructions for igniting the well

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:_____ 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.

Important: 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 name	Chemical formula	Specific gravity (sc=1)	Threshold limit (1)	Hazardous limit (2)	Lethal concentration (3)
Hydrogen Cyanide	Hcn	0.94	10 ppm	150 ppm/hr	300 ppm
Hydrogen Sulfide	H2S	1.18	10 ppm	250 ppm/hr	600 ppm
Sulfur Dioxide	So2	2.21	5 ppm	-	1000 ppm
Chlorine	Cl2	2.45	1 ppm	4 ppm/hr	1000 ppm
Carbon Monoxide	Co	0.97	50 ppm	400 ppm/hr	1000 ppm
Carbon Dioxide	Co2	1.52	5000 ppm	5%	10%
Methane	Ch4	0.55	90,000 ppm	Combustible 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

Percent (%)	Ppm	Concentration Grains 100 std. Ft3*	Physical effects
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 face-piece 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.

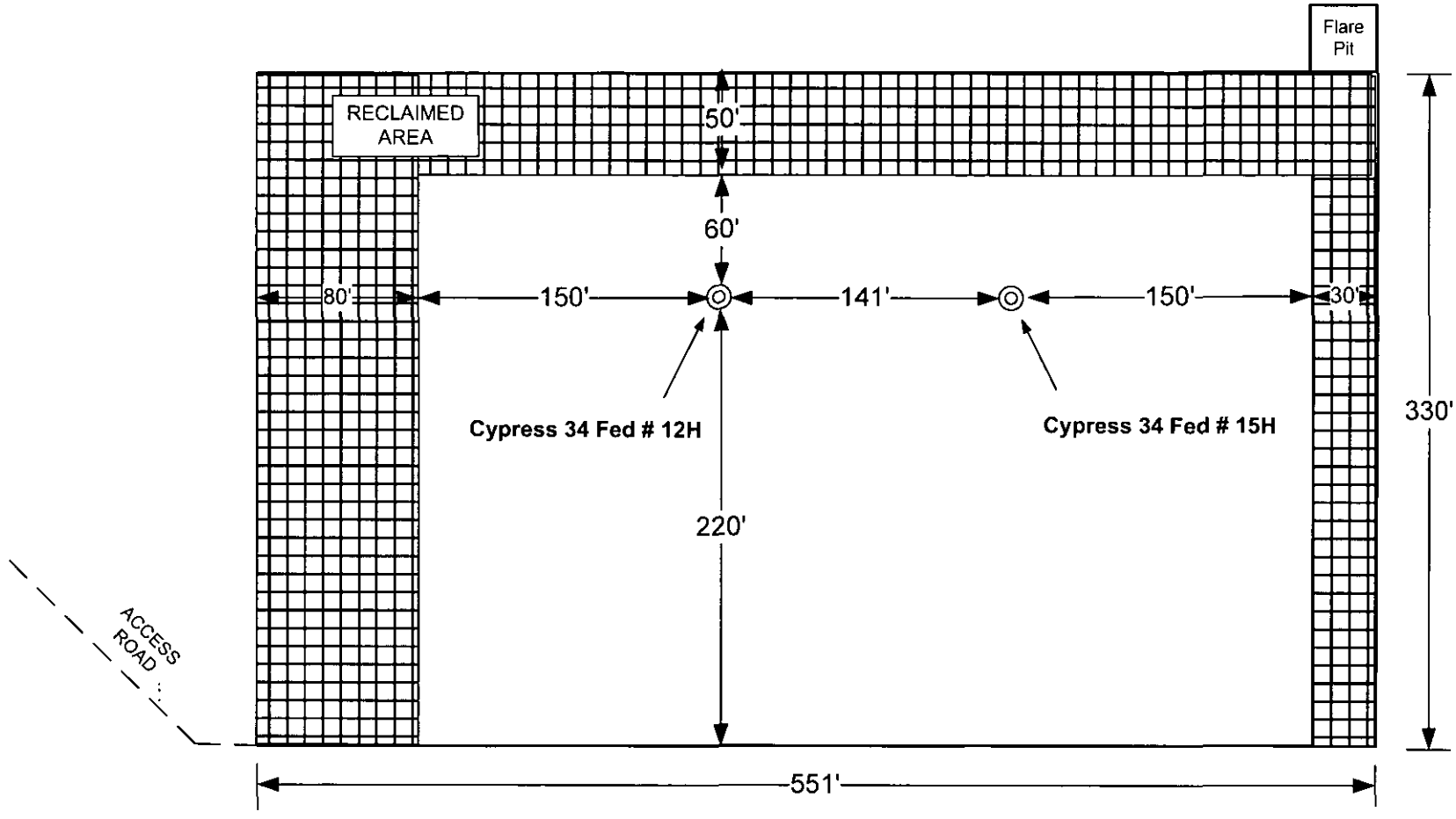
   b. Inspection, self-contained breathing apparatus for emergency use shall be inspected monthly.
      1. Fully charged cylinders.
      2. Regulator and warning device operation.
      3. Condition of face piece and connections.
      4. Rubber parts shall be maintained to keep them pliable and prevent 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.



V-Door - East

8' Diameter x 8' Deep Tinhorn Cellar

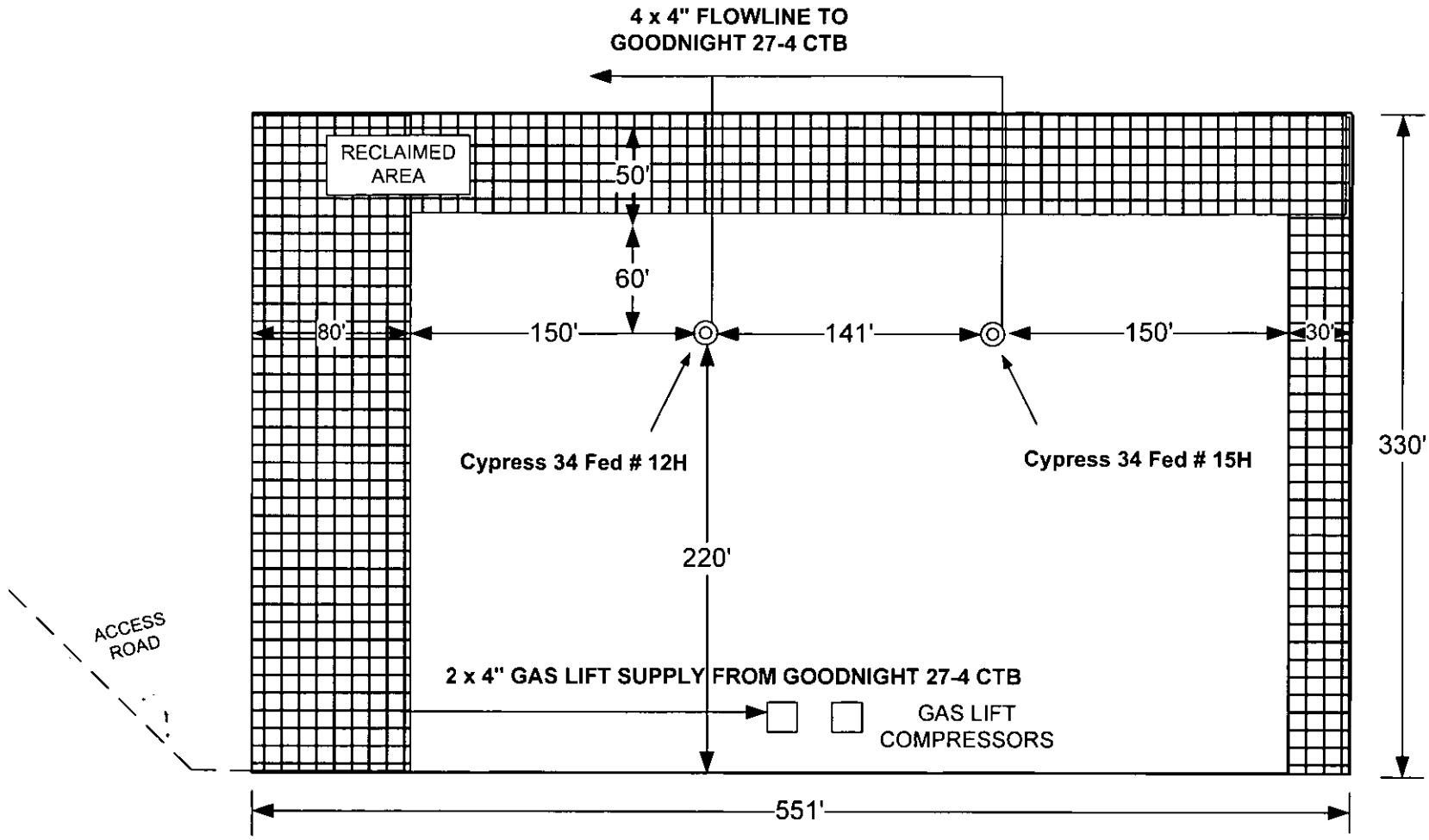
REVISION BLOCK						ENGINEERING RECORD	
NO.	DATE	DESCRIPTION	BY	CHK	APP	BY	DATE

FLEX 3 & ENSIGN RIG DIAGRAM

Cypress 34 Fed # 12H & 15H

EDDY COUNTY, NEW MEXICO

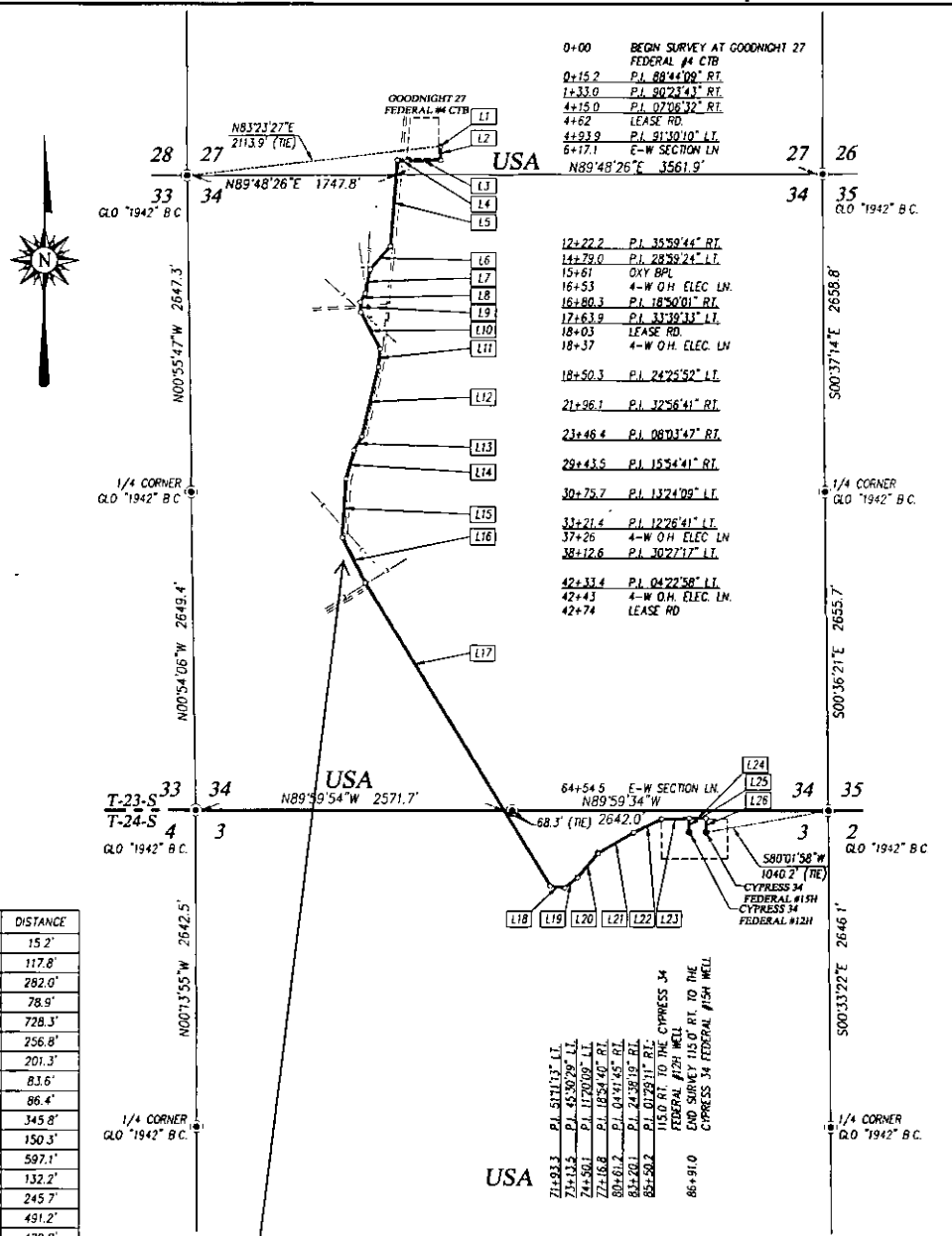
Replacement - Wellsite | Reclamation Layout



REVISION BLOCK						ENGINEERING RECORD		FACILITY LAYOUT DIAGRAM
NO.	DATE	DESCRIPTION	BY	CHK	APP	BY	DATE	Cypress 34 Fed # 12H & 15H
								EDDY COUNTY, NEW MEXICO

Replacement - Facility Layout

Replacement - Pipeline Svy



LINE	BEARING	DISTANCE
L1	N89°48'12"E	15.2'
L2	S01°27'39"E	117.8'
L3	S88°56'04"W	282.0'
L4	N83°57'24"W	78.9'
L5	S04°32'26"W	728.3'
L6	S40°32'10"W	256.8'
L7	S11°32'46"W	201.3'
L8	S30°22'47"W	83.6'
L9	S03°16'46"E	86.4'
L10	S27°42'38"E	345.8'
L11	S05°14'03"W	150.3'
L12	S13°17'50"W	597.1'
L13	S29°12'31"W	132.2'
L14	S15°48'22"W	245.7'
L15	S03°21'41"W	491.2'
L16	S27°05'36"E	420.8'
L17	S31°28'34"E	2959.9'
L18	S82°39'47"E	120.2'
L19	N51°49'44"E	136.6'
L20	N40°29'35"E	266.7'
L21	N59°24'15"E	344.4'
L22	N64°06'00"E	258.9'
L23	N88°44'19"E	230.1'
L24	S89°46'30"E	140.8'
L25	S00°01'49"W	115.0'
L26	S00°00'34"E	115.0'

DESCRIPTION

SURVEY OF A STRIP OF LAND 30.0 FEET WIDE AND 8921.0 FEET OR 1.690 MILES IN LENGTH CROSSING USA LAND IN SECTIONS 27 & 34, TOWNSHIP 23 SOUTH, RANGE 29 EAST AND SECTION 3, TOWNSHIP 24 SOUTH, RANGE 29 EAST, N.M.P.M., EDDY COUNTY, NEW MEXICO, AND BEING 15.0 FEET LEFT AND 15.0 FEET RIGHT OF THE ABOVE PLATTED CENTERLINE SURVEY.

Surface
(2) 4" Composite Flowlines operating < 75% MAWP.
Buried:
(1) 4" Steel Gas Lift Supply operating ~1,500 psig
Lines to follow surveyed route.

NOTE

BEARINGS SHOWN HEREON ARE MERCATOR GRID AND CONFORM TO THE NEW MEXICO COORDINATE SYSTEM "NEW MEXICO EAST ZONE" NORTH AMERICAN DATUM 1983 DISTANCES ARE SURFACE VALUES

LEGEND

◉ DENOTES FOUND CORNER AS NOTED

1000 0 1000 2000 FEET
Scale: 1"=1000'

I, RONALD J EIDSON, NEW MEXICO PROFESSIONAL SURVEYOR No. 3239, DO HEREBY CERTIFY THAT THIS SURVEY PLAT AND THE ACTUAL SURVEY ON THE GROUND UPON WHICH IT IS BASED WERE PERFORMED BY ME OR UNDER MY DIRECT SUPERVISION; THAT I AM RESPONSIBLE FOR THIS SURVEY; THAT THIS SURVEY MEETS THE MINIMUM STANDARDS FOR SURVEYING IN NEW MEXICO; AND THAT IT IS TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF.

RONALD J. EIDSON Ronald J Eidson

DATE: 3/31/2016

RONALD J. EIDSON NEW MEXICO 3239 REGISTERED PROFESSIONAL SURVEYOR

PROVIDING SURVEYING SERVICES SINCE 1946
JOHN WEST SURVEYING COMPANY
412 N. DAL PASO HOBBS, N.M. 88240
(575) 393-3117 www.jwsc.biz
TBPLS# 10021000

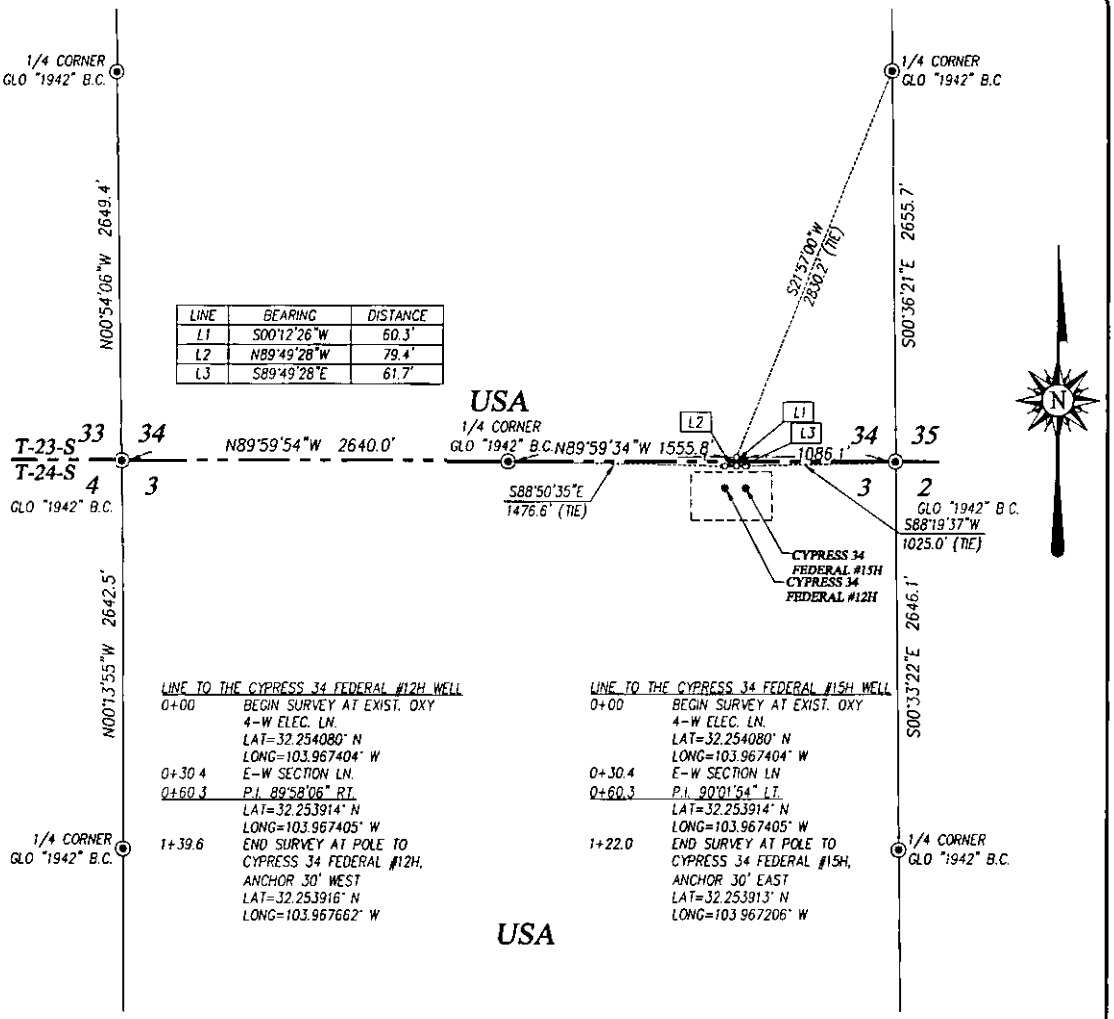
OXY U.S.A. INC.

SURVEY FOR A SURFACE FLOWLINE TO THE CYPRESS 34 FEDERAL #12H & #15H WELLS CROSSING SECTIONS 27 & 34, TOWNSHIP 23 SOUTH, RANGE 29 EAST AND SECTION 3, TOWNSHIP 24 SOUTH, RANGE 29 EAST, N.M.P.M., EDDY COUNTY, NEW MEXICO

Survey Date: 3/15/16	CAD Date: 3/30/16	Drawn By: ACK
W.O. No.: 16110127	Rev: .	Rel. W.O.:

Sheet 1 of 2

Replacement - Electric Line



LINE TO THE CYPRESS 34 FEDERAL #12H WELL		
0+00	BEGIN SURVEY AT EXIST. OXY 4-W ELEC. LN. LAT=32.254080° N LONG=103.967404° W	
0+30.4	E-W SECTION LN.	
0+60.3	P.I. 89°58'06" RT. LAT=32.253914° N LONG=103.967405° W	
1+39.6	END SURVEY AT POLE TO CYPRESS 34 FEDERAL #12H, ANCHOR 30' WEST LAT=32.253916° N LONG=103.967662° W	

LINE TO THE CYPRESS 34 FEDERAL #15H WELL		
0+00	BEGIN SURVEY AT EXIST. OXY 4-W ELEC. LN. LAT=32.254080° N LONG=103.967404° W	
0+30.4	E-W SECTION LN	
0+60.3	P.I. 90°01'54" LT. LAT=32.253914° N LONG=103.967405° W	
1+22.0	END SURVEY AT POLE TO CYPRESS 34 FEDERAL #15H, ANCHOR 30' EAST LAT=32.253913° N LONG=103.967206° W	

DESCRIPTION

SURVEY OF A STRIP OF LAND 30.0 FEET WIDE AND 261.7 FEET OR 0.050 MILES IN LENGTH CROSSING USA LAND IN SECTION 34, TOWNSHIP 23 SOUTH, RANGE 29 EAST AND SECTION 3, TOWNSHIP 24 SOUTH, RANGE 29 EAST, N.M.P.M., EDDY COUNTY, NEW MEXICO, AND BEING 15.0 FEET LEFT AND 15.0 FEET RIGHT OF THE ABOVE PLATTED CENTERLINE SURVEY.

NOTE

1) BEARINGS SHOWN HEREON ARE MERCATOR GRID AND CONFORM TO THE NEW MEXICO COORDINATE SYSTEM "NEW MEXICO EAST ZONE" NORTH AMERICAN DATUM 1983. DISTANCES ARE SURFACE VALUES.

2) LATITUDE AND LONGITUDE VALUES SHOWN HEREON ARE RELATIVE TO THE NORTH AMERICAN DATUM 1983 (NAD83).

I, RONALD J. EIDSON, NEW MEXICO PROFESSIONAL SURVEYOR No. 3239, DO HEREBY CERTIFY THAT THIS SURVEY PLAT AND THE ACTUAL SURVEY ON THE GROUND UPON WHICH IT IS BASED WERE PERFORMED BY ME OR UNDER MY DIRECT SUPERVISION; THAT I AM RESPONSIBLE FOR THIS SURVEY; THAT THIS SURVEY MEETS THE MINIMUM STANDARDS FOR SURVEYING IN NEW MEXICO; AND THAT IT IS TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF.

RONALD J. EIDSON Ronald J Eidson

DATE: 3/31/2016

RONALD J. EIDSON NEW MEXICO 3239 REGISTERED PROFESSIONAL SURVEYOR

LEGEND

◉ DENOTES FOUND CORNER AS NOTED

1000 0 1000 2000 FEET

Scale: 1"=1000'

PROVIDING SURVEYING SERVICES SINCE 1946

JOHN WEST SURVEYING COMPANY

412 N. DAL PASO HOBBS, N.M. 88240

(575) 393-3117 www.jwsc.biz

TBPLS# 10021000

OXY U.S.A. INC.

SURVEY FOR AN ELECTRIC LINE TO THE CYPRESS 34 FEDERAL #12H & #15H WELLS CROSSING SECTION 34, TOWNSHIP 23 SOUTH, RANGE 29 EAST AND SECTION 3, TOWNSHIP 24 SOUTH, RANGE 29 EAST, N.M.P.M. EDDY COUNTY, NEW MEXICO

Survey Date: 3/15/16	CAD Date: 3/30/16	Drawn By: ACK
W.O. No.: 16110128	Rev: .	Rel. W.O.:	Sheet 1 of 1

Replacement - Staking Notice

Oxy U.S.A Inc.

New Mexico Staking Form

Date Staked: 3-8-16

Lease/Well Name: Cypress 34 Fed #121H

Legal Description: 180' FNL 1167' FEL Sec 3 T24S R29E

Latitude: 32° 15' 12.61" NAD 83

Longitude: -103° 58' 03.56

Move Information: 10' SOUTH

County: Eddy

Surface Owner/Tenant: BLM

Nearest Residence: 5 miles

Nearest Water Well:

V-Door: EAST

Road Description: Road into SW corner from NORTH

New Road:

Upgrade Existing Road:

Interim Reclamation: 80' West 50' North

Source of Caliche:

Top Soil: West

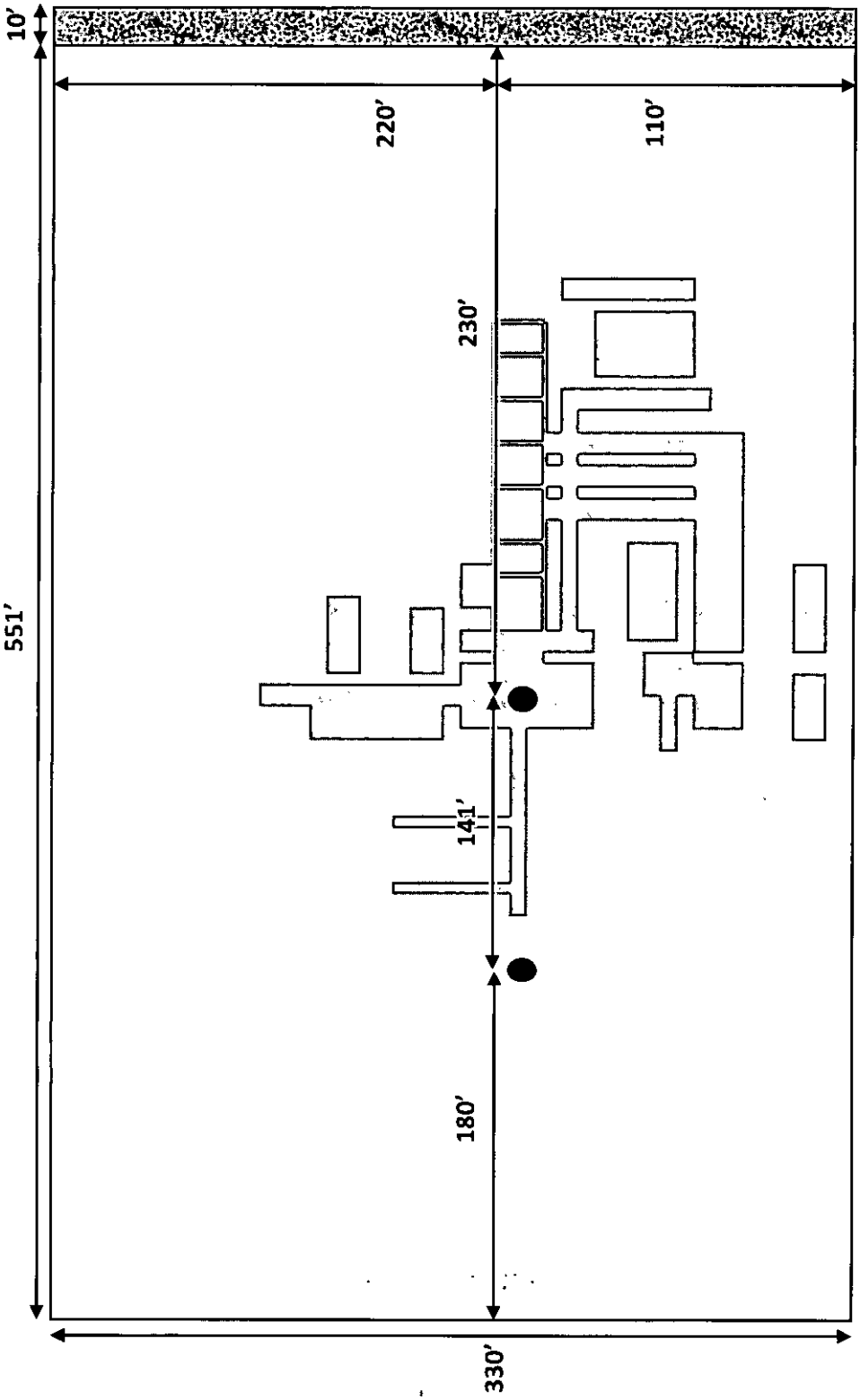
Onsite Date Performed: 3-10-16

Onsite Attendees: Brooke Wilson, Jim Rutley - BLM Tim Wilson - Oxy
Mike Wilson - Oxy Asel Survey

Special Notes:

Replacement - Rig Layout

Pad Site Overall Rig Layout
2 Well Pad Site



Surface Use Plan of Operations

Operator Name/Number: OXY USA Inc. – 16696
Lease Name/Number: Cypress 34 Federal #12H
Pool Name/Number: Cedar Canyon Bone Spring 11520
Surface Location: 180 FNL 1167 FEL NENE (1) Sec 3 T24S R29E – NMNM085891
Bottom Hole Location: 180 FNL 1671 FEL NWNE (B) Sec 34 T23S R29E - NMNM86024

1. Existing Roads

a. A copy of the USGS "Remuda Basin, NM" quadrangle map is attached showing the proposed location. The well location is spotted on the map, which shows the existing road system.

b. The well was staked by Terry J Asel, Certificate No. 15079 on 3/8/16, certified 3/28/16.

c. Directions to Location: From the intersection of SH 128 and SHW 31, go east on SHW 128 for 4.5 miles. Turn south on CR 793 for 4.1 miles. Turn west on lease road for 3.5 miles. Turn south for 0.6 miles, turn southeast for 0.3 miles, turn south for 0.1 miles, turn southeast for 0.2 miles, turn south for 1.3 miles, turn northeast for 0.2 miles. Turn right on proposed road and go southeast for 296.9', turn left and go east for 50' to location.

2. New of Reconstructed Access Roads:

a. A new access road will be built. The access road will begin at an existing caliche road and will go southeast for 296.9' through a pasture, turn east and go 50.0' through pasture to the southwest corner of pad.

b. The maximum width of the road will be 15'. It will be crowned and made up of 6" of rolled and compacted caliche. Water will be deflected, as necessary, to avoid accumulation and prevent surface erosion.

c. Surface material will be native caliche. This material will be obtained from a BLM approved pit nearest in proximity to the location. The average grade will be approximately 1%.

d. No cattle guards, grates or fence cuts will be required. No turnouts are planned.

e. Blade, water and repair existing caliche roads as needed.

f. Water Bars will be incorporated every 200' during the construction of the road, see attached.

3. Location of Existing Wells:

Existing wells within a one mile radius of the proposed well are shown on attached plat.

4. Location of Existing and/or Proposed Facilities:

a. In the event the well is found productive, the Goodnight 27 Federal #4 tank battery would be utilized and the necessary production equipment will be installed at the well site. See proposed facilities layout diagram.

b. All flow lines will adhere to API standards. They will consist of 2 – 4" composite flowlines operating < 75% MAWP, surface and 1 – 4" steel gas lift supply line operating ~1500 psig, buried, lines to follow surveyed route. Survey of a strip of land 30' wide and 8921.0' in length crossing USA Land in Section 27 & 34 T23S R29E and Section 3 T24S R29E, NMPM, Eddy County, NM and being 15' left and 15' right of the centerline survey, see attached.

c. Electric line will follow a route approved by the BLM. Survey of a strip of land 30' wide and 261.7' in length crossing USA Land in Section 34 T23S R29E, NMPM, Eddy County, NM and being 15' left and 15' right of the centerline survey, see attached.

5. Location and types of Water Supply

This well will be drilled using a combination of water mud systems. It will be obtained from commercial water stations in the area and will be hauled to location by transport truck using existing and proposed roads.

6. Construction Materials:

Primary

All caliche utilized for the drilling pad and proposed access road will be obtained from an existing BLM/State/Fee approved pit or from prevailing deposits found on the location. Will use BLM recommended extra caliche from other locations close by for roads, if available.

Secondary

The secondary way of obtaining caliche to build locations and roads will be by "turning over" the location. This means, caliche will be obtained from the actual well site. A caliche permit will be obtained from BLM prior to pushing up any caliche. 2400 cubic yards is max amount of caliche needed for pad and roads. Amount will vary for each pad. The procedure below has been approved by BLM personnel:

a. The top 6" of topsoil is pushed off and stockpiled along the side of the location.
b. An approximate 120' X 120' area is used within the proposed well site to remove caliche.
c. Subsoil is removed and piled alongside the 120' X 120' within the pad site.
d. When caliche is found, material will be stockpiled within the pad site to build the location and road.
e. Then subsoil is pushed back in the hole and caliche is spread accordingly across entire location and road.
f. Once the well is drilled the stockpiled top soil will be used for interim reclamation and spread along areas where caliche is picked up and the location size is reduced. Neither caliche nor subsoil will be stockpiled outside of the well pad. Topsoil will be stockpiled along the edge of the pad as depicted in the attached plat.

7. Methods of Handling Waste Material:

a. A closed loop system will be utilized consisting of above ground steel tanks and haul-off bins. Disposal of liquids, drilling fluids and cuttings will be disposed of at an approved facility. Solids-CRI, Liquids-Laguna

b. All trash, junk and other waste material will be contained in trash cages or bins to prevent scattering. When the job is completed, all contents will be removed and disposed of in an approved sanitary landfill.

c. The supplier, including broken sacks, will pickup slats remaining after completion of well.

d. A Porto-john will be provided for the rig crews. This equipment will be properly maintained during the drilling and completion operations and will be removed when all operations are complete.

e. Disposal of fluids to be transported will be by the following companies. TFH Ltd, Laguna SWD Facility

8. Ancillary Facilities: None needed.

9. Well Site Layout:

The proposed well site layout with dimensions of the pad layout and equipment location.

V-Door – East CL Tanks – North Pad – 330' X 551' – 2 well pad

10. Plans for Surface Reclamation:

a. After concluding the drilling and/or completion operations, if the well is found non-commercial, the caliche will be removed from the pad and transported to the original caliche pit or used for other drilling locations. The road will be reclaimed as directed by the BLM. The original topsoil will again be returned to the pad and contoured, as close as possible, to the original topography, and the area will be seeded with an approved BLM mixture to re-establish vegetation.

b. If the well is deemed commercially productive, caliche from the areas of the pad site not required for operations will be reclaimed. The original topsoil will be returned to the area of the drill pad not necessary to operate the well. These unused areas of the drill pad will be contoured, as close as possible, to match the original topography, and the area will be seeded with an approved BLM mixture to re-establish vegetation.

11. Surface Ownership:

The surface is owned by the U.S. Government and is administered by the BLM. The surface is multiple use with the primary uses of the region for the grazing of livestock and the production of oil and gas. The surface is leased to: Henry McDonald and John D. Brantley, P.O. Box 597, Loving, NM 88256. They will be notified of our intention to drill prior to any activity.

12. Other Information:

a. The vegetation cover is generally sparse consisting of mesquite, yucca, shinnery oak, sandsage and perennial native range grass. The topsoil is sandy in nature. Wildlife in the area is also sparse consisting of deer, coyotes, rabbits, rodents, reptiles, dove and quail.

b. There is no permanent or live water in the general proximity of the location.

c. There are no dwellings within one mile of the proposed well site.

d. Cultural Resources Examination – This well is located in the Permian Basin MOA – Fees were paid 2/11/16 Receipt 3490901, copy attached.

e. Copy of this amended application has been mailed to CEHMM, 505 N. Main St., Carlsbad, NM 88220. No Potash leases within one mile of surface location.

13. Bond Coverage:

Bond coverage is Individual-NMB000862, Nationwide-ESB00226.

14. Operators Representatives:

The OXY Permian representatives responsible for ensuring compliance of the surface use plan are listed below:

Victor Guadian
Production Coordinator
1502 West Commerce Dr.
Carlsbad, NM 88220
Office – 575-628-4006
Cellular – 575-291-9905

Charles Wagner
Manager Field Operations
1502 West Commerce Dr.
Carlsbad, NM 88220
Office – 575-628-4151
Cellular – 575-725-8306

Jim Wilson
Operation Specialist
P.O. Box 50250
Midland, TX 79710
Cellular – 575-631-2442

Omar Lisigurski
RMT Leader
P.O. Box 4294
Houston, TX 77210
Office – 713-215-7506
Cellular – 281-222-7248

Form NM 8140-9
(March 2008)

United States Department of the Interior
Bureau of Land Management
New Mexico State Office

Permian Basin Cultural Resource Mitigation Fund

The company shown below has agreed to contribute funding to the Permian Basin Cultural Resource Fund in lieu of being required to conduct a Class III survey for cultural resources associated with their project. This form verifies that the company has elected to have the Bureau of Land Management (BLM) follow the procedures specified within the Memorandum of Agreement (MOA) concerning improved strategies for managing historic properties within the Permian Basin, New Mexico, for the undertaking rather than the Protocol to meet the agency's Section 106 obligations.

Company Name: OXY USA Inc.
ATTN: David Stewart

Address: P.O. Box 50250
Midland, TX 79710

Project description: Cypress 34 Federal #12H

Pad | Road $1831.13

Pipeline 1476.00

Electric Line 739.00

SL- 100 FNL 1700 FEL NWNE (B)

T. 23S, R. 29E, Section 34 NMPM, Eddy County, New Mexico

Amount of contribution: $ 4046.13

PECOS DISTRICT
CONDITIONS OF APPROVAL

OPERATOR'S NAME:	OXY USA Inc
LEASE NO.:	NM86024
WELL NAME & NO.:	12H-Cypress 34 Federal
SURFACE HOLE FOOTAGE:	100'/N & 1700'/E
BOTTOM HOLE FOOTAGE	180'/S & 1700'/E
LOCATION:	Section 34, T. 23 S., R. 29 E., NMPM
COUNTY:	Eddy County, New Mexico

TABLE OF CONTENTS

Standard Conditions of Approval (COA) apply to this APD. If any deviations to these standards exist or special COAs are required, the section with the deviation or requirement will be checked below.

I. GENERAL PROVISIONS

The approval of the Application For Permit To Drill (APD) is in compliance with all applicable laws and regulations: 43 Code of Federal Regulations 3160, the lease terms, Onshore Oil and Gas Orders, Notices To Lessees, New Mexico Oil Conservation Division (NMOCD) Rules, National Historical Preservation Act As Amended, and instructions and orders of the Authorized Officer. Any request for a variance shall be submitted to the Authorized Officer on Form 3160-5, Sundry Notices and Report on Wells.

II. PERMIT EXPIRATION

If the permit terminates prior to drilling and drilling cannot be commenced within 60 days after expiration, an operator is required to submit Form 3160-5, Sundry Notices and Reports on Wells, requesting surface reclamation requirements for any surface disturbance. However, if the operator will be able to initiate drilling within 60 days after the expiration of the permit, the operator must have set the conductor pipe in order to allow for an extension of 60 days beyond the expiration date of the APD. (Filing of a Sundry Notice is required for this 60 day extension.)

III. ARCHAEOLOGICAL, PALEONTOLOGY & HISTORICAL SITES

Any cultural and/or paleontological resource discovered by the operator or by any person working on the operator's behalf shall immediately report such findings to the Authorized Officer. The operator is fully accountable for the actions of their contractors and subcontractors. The operator shall suspend all operations in the immediate area of such discovery until written authorization to proceed is issued by the Authorized Officer. An evaluation of the discovery shall be made by the Authorized Officer to determine the appropriate actions that shall be required to prevent the loss of significant cultural or scientific values of the discovery. The operator shall be held responsible for the cost of the proper mitigation measures that the Authorized Officer assesses after consultation with the operator on the evaluation and decisions of the discovery. Any unauthorized collection or disturbance of cultural or paleontological resources may result in a shutdown order by the Authorized Officer.

IV. NOXIOUS WEEDS

The operator shall be held responsible if noxious weeds become established within the areas of operations. Weed control shall be required on the disturbed land where noxious weeds exist, which includes the roads, pads, associated pipeline corridor, and adjacent land affected by the establishment of weeds due to this action. The operator shall consult with the Authorized Officer for acceptable weed control methods, which include following EPA and BLM requirements and policies.

SPECIAL REQUIREMENT(S)

Avian Protection
Power lines shall be constructed and designed in accordance to standards outlined in "Suggested Practices for Avian Protection on Power lines: The State of the Art in 2006" Edison Electric Institute, APLIC, and the California Energy Commission 2006. The holder shall assume the burden and expense of proving that pole designs not shown in the above publication deter raptor perching, roosting, and nesting. Such proof shall be provided by a raptor expert approved by the Authorized Officer. The BLM reserves the right to require modification or additions to all power line structures placed on this right-of-way, should they be necessary to ensure the safety of large perching birds. The holder without liability or expense shall make such modifications and/or additions to the United States.

Karst Resoures
Cave and Karst

** Depending on location, additional Drilling, Casing, and Cementing procedures may be required by engineering to protect critical karst groundwater recharge areas.

Cave/Karst Surface Mitigation
The following stipulations will be applied to minimize impacts during construction, drilling and production.

Construction:
In the advent that any underground voids are opened up during construction activities, construction activities will be halted and the BLM will be notified immediately.

No Blasting:
No blasting will be utilized for pad construction. The pad will be constructed and leveled by adding the necessary fill and caliche.

Pad Berming:
The entire perimeter of the well pad will be bermed to prevent oil, salt, and other chemical contaminants from leaving the well pad.

- The compacted berm shall be constructed at a minimum of 12 inches high with impermeable mineral material (e.g. caliche).
- No water flow from the uphill side(s) of the pad shall be allowed to enter the well pad.
- The topsoil stockpile shall be located outside the bermed well pad.
- Topsoil, either from the well pad or surrounding area, shall not be used to construct the berm.
- No storm drains, tubing or openings shall be placed in the berm.
- If fluid collects within the bermed area, the fluid must be vacuumed into a safe container and disposed of properly at a state approved facility.

- The integrity of the berm shall be maintained around the surfaced pad throughout the life of the well and around the downsized pad after interim reclamation has been completed.
- Any access road entering the well pad shall be constructed so that the integrity of the berm height surrounding the well pad is not compromised. (Any access road crossing the berm cannot be lower than the berm height.)

Tank Battery Liners and Berms:
Tank battery locations and all facilities will be lined and bermed. A 20 mil permanent liner will be installed with a 4 oz. felt backing to prevent tears or punctures. Tank battery berms must be large enough to contain 1 ½ times the content of the largest tank.

Leak Detection System:
A method of detecting leaks is required. The method could incorporate gauges to measure loss, situating values and lines so they can be visually inspected, or installing electronic sensors to alarm when a leak is present. Leak detection plan will be submitted to BLM for approval.

Automatic Shut-off Systems:
Automatic shut off, check values, or similar systems will be installed for pipelines and tanks to minimize the effects of catastrophic line failures used in production or drilling.

Cave/Karst Subsurface Mitigation

The following stipulations will be applied to protect cave/karst and ground water concerns:

Rotary Drilling with Fresh Water:
Fresh water will be used as a circulating medium in zones where caves or karst features are expected. SEE ALSO: Drilling COAs for this well.

Directional Drilling:
Kick off for directional drilling will occur at least 100 feet below the bottom of the cave occurrence zone. SEE ALSO: Drilling COAs for this well.

Lost Circulation:
ALL lost circulation zones from the surface to the base of the cave occurrence zone will be logged and reported in the drilling report.

Regardless of the type of drilling machinery used, if a void of four feet or more and circulation losses greater than 70 percent occur simultaneously while drilling in any cave-bearing zone, the BLM will be notified immediately by the operator. The BLM will assess the situation and work with the operator on corrective actions to resolve the problem.

Abandonment Cementing:

Upon well abandonment in high cave karst areas additional plugging conditions of approval may be required. The BLM will assess the situation and work with the operator to ensure proper plugging of the wellbore.

Pressure Testing:
Annual pressure monitoring will be performed by the operator on all casing annuli and reported in a sundry notice. If the test results indicated a casing failure has occurred, remedial action will be undertaken to correct the problem to the BLM's approval.

Watershed

- The entire well pad will be bermed to prevent oil, salt, and other chemical contaminants from leaving the well pad. Topsoil shall not be used to construct the berm. No water flow from the uphill side(s) of the pad shall be allowed to enter the well pad. The berm shall be maintained through the life of the well and after interim reclamation has been completed.
- Any water erosion that may occur due to the construction of the well pad during the life of the well will be corrected within two weeks and proper measures will be taken to prevent future erosion.

V. CONSTRUCTION

A. NOTIFICATION

The BLM shall administer compliance and monitor construction of the access road and well pad. Notify the Carlsbad Field Office at (575) 234-5909 at least 3 working days prior to commencing construction of the access road and/or well pad.

When construction operations are being conducted on this well, the operator shall have the approved APD and Conditions of Approval (COA) on the well site and they shall be made available upon request by the Authorized Officer.

B. TOPSOIL

The operator shall strip the top portion of the soil (root zone) from the entire well pad area and stockpile the topsoil along the edge of the well pad as depicted in the APD. The root zone is typically six (6) inches in depth. All the stockpiled topsoil will be redistributed over the interim reclamation areas. Topsoil shall not be used for berming the pad or facilities. For final reclamation, the topsoil shall be spread over the entire pad area for seeding preparation.

Other subsoil (below six inches) stockpiles must be completely segregated from the topsoil stockpile. Large rocks or subsoil clods (not evident in the surrounding terrain) must be buried within the approved area for interim and final reclamation.

C. CLOSED LOOP SYSTEM

Tanks are required for drilling operations: No Pits.

The operator shall properly dispose of drilling contents at an authorized disposal site.

D. FEDERAL MINERAL MATERIALS PIT

Payment shall be made to the BLM prior to removal of any federal mineral materials. Call the Carlsbad Field Office at (575) 234-5972.

E. WELL PAD SURFACING

Surfacing of the well pad is not required.

If the operator elects to surface the well pad, the surfacing material may be required to be removed at the time of reclamation.The well pad shall be constructed in a manner which creates the smallest possible surface disturbance, consistent with safety and operational needs.

F. EXCLOSURE FENCING (CELLARS & PITS)

Exclosure Fencing
The operator will install and maintain exclosure fencing for all open well cellars to prevent access to public, livestock, and large forms of wildlife before and after drilling operations until the pit is free of fluids and the operator initiates backfilling. (For examples of exclosure fencing design, refer to BLM's Oil and Gas Gold Book, Exclosure Fence Illustrations, Figure 1, Page 18.)

G. ON LEASE ACCESS ROADS

Road Width
The access road shall have a driving surface that creates the smallest possible surface disturbance and does not exceed fourteen (14) feet in width. The maximum width of surface disturbance, when constructing the access road, shall not exceed twenty-five (25) feet.

Surfacing
Surfacing material is not required on the new access road driving surface. If the operator elects to surface the new access road or pad, the surfacing material may be required to be removed at the time of reclamation.

Where possible, no improvements should be made on the unsurfaced access road other than to remove vegetation as necessary, road irregularities, safety issues, or to fill low areas that may sustain standing water.

The Authorized Officer reserves the right to require surfacing of any portion of the access road at any time deemed necessary. Surfacing may be required in the event the road deteriorates, erodes, road traffic increases, or it is determined to be beneficial for future field development. The surfacing depth and type of material will be determined at the time of notification.

Crowning
Crowning shall be done on the access road driving surface. The road crown shall have a grade of approximately 2% (i.e., a 1" crown on a 14' wide road). The road shall conform to Figure 1; cross section and plans for typical road construction.

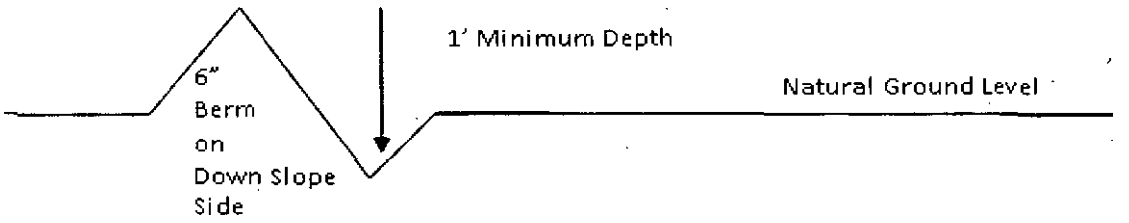
Ditching
Ditching shall be required on both sides of the road.

Turnouts
Vehicle turnouts shall be constructed on the road. Turnouts shall be intervisible with interval spacing distance less than 1000 feet. Turnouts shall conform to Figure 1; cross section and plans for typical road construction.

Drainage
Drainage control systems shall be constructed on the entire length of road (e.g. ditches, sidehill outsloping and insloping, lead-off ditches, culvert installation, and low water crossings).

A typical lead-off ditch has a minimum depth of 1 foot below and a berm of 6 inches above natural ground level. The berm shall be on the down-slope side of the lead-off ditch.

Cross Section of a Typical Lead-off Ditch



All lead-off ditches shall be graded to drain water with a 1 percent minimum to 3 percent maximum ditch slope. The spacing interval are variable for lead-off ditches and shall be determined according to the formula for spacing intervals of lead-off ditches, but may be amended depending upon existing soil types and centerline road slope (in %);

Formula for Spacing Interval of Lead-off Ditches

Example - On a 4% road slope that is 400 feet long, the water flow shall drain water into a lead-off ditch. Spacing interval shall be determined by the following formula:

400 foot road with 4% road slope: $\frac{400'}{4\%} + 100' = 200'$ lead-off ditch interval

Cattleguards
An appropriately sized cattleguard sufficient to carry out the project shall be installed and maintained at fence/road crossings. Any existing cattleguards on the access road route shall be repaired or replaced if they are damaged or have deteriorated beyond practical use. The operator shall be responsible for the condition of the existing cattleguards that are in place and are utilized during lease operations.

Fence Requirement
Where entry is granted across a fence line, the fence shall be braced and tied off on both sides of the passageway prior to cutting. The operator shall notify the private surface landowner or the grazing allotment holder prior to crossing any fences.

Public Access
Public access on this road shall not be restricted by the operator without specific written approval granted by the Authorized Officer.

Construction Steps

1. Salvage topsoil
2. Construct road
3. Redistribute topsoil
4. Revegetate slopes

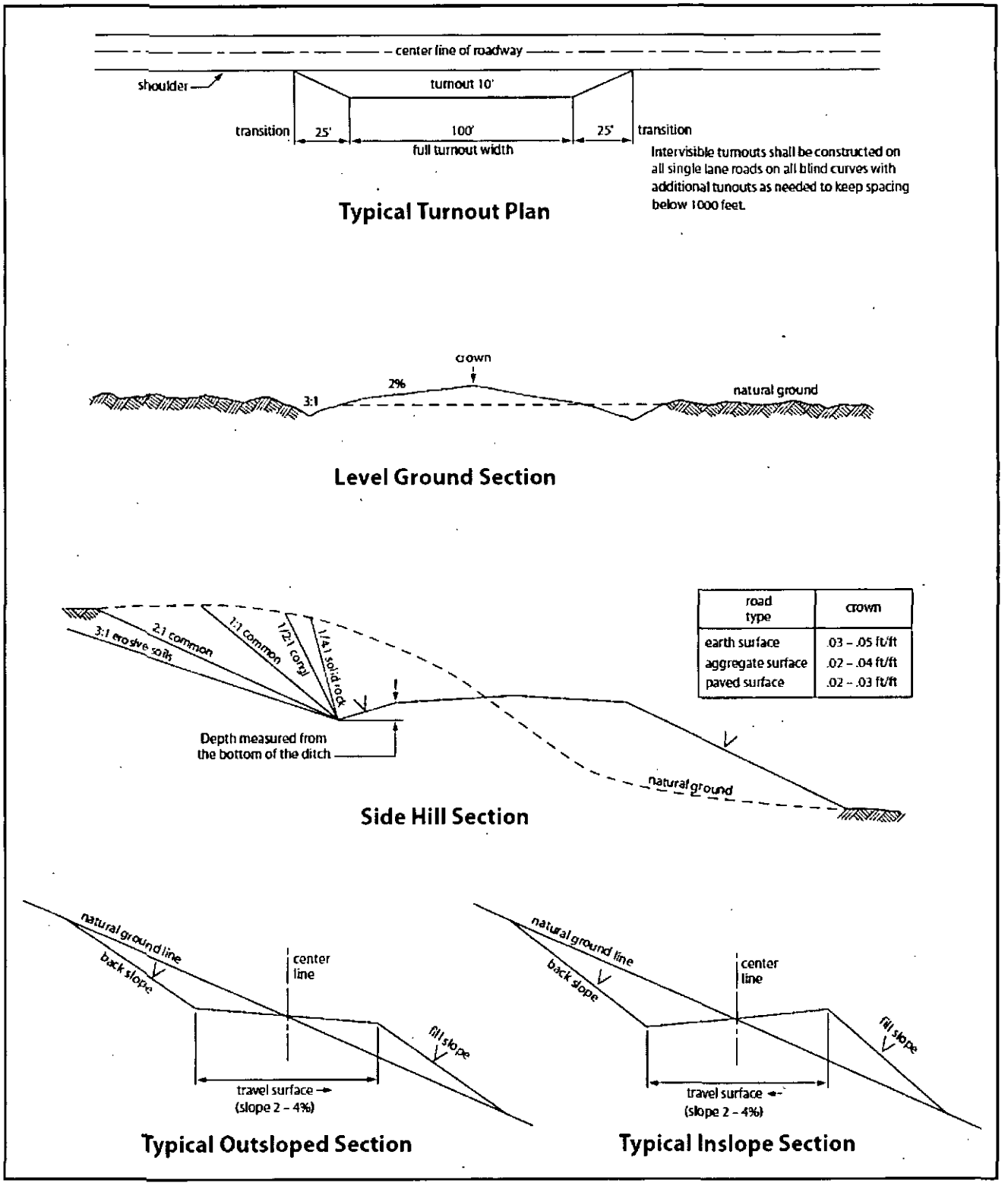


Figure 1. Cross-sections and plans for typical road sections representative of BLM resource or FS local and higher-class roads.

VI. DRILLING

A. DRILLING OPERATIONS REQUIREMENTS

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

a. Spudding well (minimum of 24 hours)
b. Setting and/or Cementing of all casing strings (minimum of 4 hours)
c. BOPE tests (minimum of 4 hours)

☒ **Eddy County**
Call the Carlsbad Field Office, 620 East Greene St., Carlsbad, NM 88220, (575) 361-2822

1. **Hydrogen Sulfide (H2S) monitors shall be installed prior to drilling out the surface shoe. If H2S is detected in concentrations greater than 100 ppm, the Hydrogen Sulfide area shall meet Onshore Order 6 requirements, which includes equipment and personnel/public protection items. If Hydrogen Sulfide is encountered, provide measured values and formations to the BLM.**

2. 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. **If the drilling rig is removed without approval – an Incident of Non-Compliance will be written and will be a "Major" violation.**

3. 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 is located, this does not include the dog house or stairway area.

4. **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.**

B. CASING

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.

Centralizers required on surface casing per Onshore Order 2.III.B.1.f.

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.

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.

No pea gravel permitted for remedial or fall back remedial without prior authorization from the BLM engineer.

Secretary's Potash
Medium Cave/Karst
Possibility of water flows in the Salado and Castile.
Possibility of lost circulation in the Rustler, Red Beds, and Delaware.

1. The **13-3/8** inch surface casing shall be set at approximately **350** feet (a minimum of 25 feet into the Rustler Anhydrite and above the salt) and cemented to the surface. **If salt is encountered, set casing at least 25 feet above the salt.**

    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 is to include the lead cement slurry.

    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.

Formation below the 13-3/8" shoe to be tested according to Onshore Order 2.III.B.1.i. Test to be done as a mud equivalency test using the mud weight necessary for the pore pressure of the formation below the shoe and the mud weight for the bottom of the hole. Report results to BLM office.

2. The minimum required fill of cement behind the **9-5/8** inch intermediate casing is:

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

Formation below the 9-5/8" shoe to be tested according to Onshore Order 2.III.B.1.i. Test to be done as a mud equivalency test using the mud weight necessary for the pore pressure of the formation below the shoe (not the mud weight required to prevent dissolving the salt formation) and the mud weight for the bottom of the hole. Report results to BLM office.

3. The minimum required fill of cement behind the **5-1/2 X 4-1/2** inch production casing is:

   ☒ Cement to surface. If cement does not circulate, contact the appropriate BLM office.

4. 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.

5. Whenever a casing string is cemented in the R-111-P potash area, the NMOCD requirements shall be followed.

C. 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 53.

2. Variance approved to use flex line from BOP to choke manifold. 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.** If the BLM inspector questions the straightness of the hose, a BLM engineer will be contacted and will review in the

field or via picture supplied by inspector to determine if changes are required (operator shall expect delays if this occurs).

3. **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 5000 (5M) psi.**

    a. **Wellhead shall be installed by manufacturer's representatives, submit documentation with subsequent sundry.**
    b. **If the welding is performed by a third party, the manufacturer's representative shall monitor the temperature to verify that it does not exceed the maximum temperature of the seal.**
    c. **Manufacturer representative shall install the test plug for the initial BOP test.**
    d. **Operator shall perform the intermediate casing integrity test to 70% of the casing burst. This will test the multi-bowl seals.**
    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.**

5M 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. The appropriate BLM office shall be notified a minimum of 4 hours in advance for a representative to witness the tests.

    a. 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.

    b. The tests shall be done by an independent service company utilizing a test plug **not a cup or J-packer**.

    c. 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.

    d. The results of the test shall be reported to the appropriate BLM office.

    e. 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.

f. 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.

D. DRILL STEM TEST

If drill stem tests are performed, Onshore Order 2.III.D shall be followed.

E. 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.

MHH 06202016

VII. PRODUCTION (POST DRILLING)

A. WELL STRUCTURES & FACILITIES

Placement of Production Facilities
Production facilities should be placed on the well pad to allow for maximum interim recontouring and revegetation of the well location.

Exclosure Netting (Open-top Tanks)
Immediately following active drilling or completion operations, the operator will take actions necessary to prevent wildlife and livestock access, including avian wildlife, to all open-topped tanks that contain or have the potential to contain salinity sufficient to cause harm to wildlife or livestock, hydrocarbons, or Resource Conservation and Recovery Act of 1976-exempt hazardous substances. At a minimum, the operator will net, screen, or cover open-topped tanks to exclude wildlife and livestock and prevent mortality. If the operator uses netting, the operator will cover and secure the open portion of the tank to prevent wildlife entry. The operator will net, screen, or cover the tanks until the operator removes the tanks from the location or the tanks no longer contain substances that could

be harmful to wildlife or livestock. Use a maximum netting mesh size of 1 ½ inches. The netting must not be in contact with fluids and must not have holes or gaps.

Chemical and Fuel Secondary Containment and Exclosure Screening
The operator will prevent all hazardous, poisonous, flammable, and toxic substances from coming into contact with soil and water. At a minimum, the operator will install and maintain an impervious secondary containment system for any tank or barrel containing hazardous, poisonous, flammable, or toxic substances sufficient to contain the contents of the tank or barrel and any drips, leaks, and anticipated precipitation. The operator will dispose of fluids within the containment system that do not meet applicable state or U. S. Environmental Protection Agency livestock water standards in accordance with state law; the operator must not drain the fluids to the soil or ground. The operator will design, construct, and maintain all secondary containment systems to prevent wildlife and livestock exposure to harmful substances. At a minimum, the operator will install effective wildlife and livestock exclosure systems such as fencing, netting, expanded metal mesh, lids, and grate covers. Use a maximum netting mesh size of 1 ½ inches.

Open-Vent Exhaust Stack Exclosures
The operator will construct, modify, equip, and maintain all open-vent exhaust stacks on production equipment to prevent birds and bats from entering, and to discourage perching, roosting, and nesting. (*Recommended exclosure structures on open-vent exhaust stacks are in the shape of a cone.*) Production equipment includes, but may not be limited to, tanks, heater-treaters, separators, dehydrators, flare stacks, in-line units, and compressor mufflers.

Containment Structures
Proposed production facilities such as storage tanks and other vessels will have a secondary containment structure that is constructed to hold the capacity of 1.5 times the largest tank, plus freeboard to account for precipitation, unless more stringent protective requirements are deemed necessary.

Painting Requirement
All above-ground structures including meter housing that are not subject to safety requirements shall be painted a flat non-reflective paint color, **Shale Green** from the BLM Standard Environmental Color Chart (CC-001: June 2008).

B. PIPELINES
STANDARD STIPULATIONS FOR SURFACE INSTALLED PIPELINES

A copy of the Grant and attachments, including stipulations, survey plat(s) and/or map(s), shall be on location during construction. BLM personnel may request to review a copy of your permit during construction to ensure compliance with all stipulations.

Holder agrees to comply with the following stipulations to the satisfaction of the Authorized Officer:

1. Holder shall indemnify the United States against any liability for damage to life or property arising from the occupancy or use of public lands under this grant.

2. Holder shall comply with all applicable Federal laws and regulations existing or hereafter enacted or promulgated. In any event, Holder shall comply with the Toxic Substances Control Act of 1976 as amended, 15 USC § 2601 *et seq.* (1982) with regard to any toxic substances that are used, generated by or stored on the right-of-way or on facilities authorized under this right-of-way grant (*see* 40 CFR, Part 702-799 and in particular, provisions on polychlorinated biphenyls, 40 CFR 761.1-761.193). Additionally, any release of toxic substances (leaks, spills, etc.) in excess of the reportable quantity established by 40 CFR, Part 117 shall be reported as required by the Comprehensive Environmental Response, Compensation, and Liability Act, section 102b. A copy of any report required or requested by any Federal agency or State government as a result of a reportable release or spill of any toxic substances shall be furnished to the Authorized Officer concurrent with the filing of the reports to the involved Federal agency or State government.

3. Holder agrees to indemnify the United States against any liability arising from the release of any hazardous substance or hazardous waste (as these terms are defined in the Comprehensive Environmental Response, Compensation and Liability Act of 1980, 42 U.S.C. § 9601, *et seq.* or the Resource Conservation and Recovery Act, 42 U.S.C. 6901, *et seq.*) on the Right-of-Way (unless the release or threatened release is wholly unrelated to activity of the Right-of-Way Holder's activity on the Right-of-Way), or resulting from the activity of the Right-of-Way Holder on the Right-of-Way. This provision applies without regard to whether a release is caused by Holder, its agent, or unrelated third parties.

4. Holder shall be liable for damage or injury to the United States to the extent provided by 43 CFR Sec. 2883.1-4. Holder shall be held to a standard of strict liability for damage or injury to the United States resulting from pipe rupture, fire, or spills caused or substantially aggravated by any of the following within the right-of-way or permit area:

a. Activities of Holder including, but not limited to: construction, operation, maintenance, and termination of the facility;

b. Activities of other parties including, but not limited to:
   (1) Land clearing
   (2) Earth-disturbing and earth-moving work
   (3) Blasting
   (4) Vandalism and sabotage;

c. Acts of God.

The maximum limitation for such strict liability damages shall not exceed one million dollars ($1,000,000) for any one event, and any liability in excess of such amount shall be

determined by the ordinary rules of negligence of the jurisdiction in which the damage or injury occurred.

This section shall not impose strict liability for damage or injury resulting primarily from an act of war or from the negligent acts or omissions of the United States.

5. If, during any phase of the construction, operation, maintenance, or termination of the pipeline, any oil, salt water, or other pollutant should be discharged from the pipeline system, impacting Federal lands, the control and total removal, disposal, and cleaning up of such oil, salt water, or other pollutant, wherever found, shall be the responsibility of Holder, regardless of fault. Upon failure of Holder to control, dispose of, or clean up such discharge on or affecting Federal lands, or to repair all damages resulting therefrom, on the Federal lands, the Authorized Officer may take such measures as he/she deems necessary to control and clean up the discharge and restore the area, including, where appropriate, the aquatic environment and fish and wildlife habitats, at the full expense of Holder. Such action by the Authorized Officer shall not relieve Holder of any responsibility as provided herein.

6. All construction and maintenance activity shall be confined to the authorized right-of-way width of **20** feet. If the pipeline route follows an existing road or buried pipeline right-of-way, the surface pipeline shall be installed no farther than 10 feet from the edge of the road or buried pipeline right-of-way. If existing surface pipelines prevent this distance, the proposed surface pipeline shall be installed immediately adjacent to the outer surface pipeline. All construction and maintenance activity shall be confined to existing roads or right-of-ways.

7. No blading or clearing of any vegetation shall be allowed unless approved in writing by the Authorized Officer.

8. Holder shall install the pipeline on the surface in such a manner that will minimize suspension of the pipeline across low areas in the terrain. In hummocky of duney areas, the pipeline shall be "snaked" around hummocks and dunes rather than suspended across these features.

9. The pipeline shall be buried with a minimum of **24** inches under all roads, "two-tracks," and trails. Burial of the pipe will continue for 20 feet on each side of each crossing. The condition of the road, upon completion of construction, shall be returned to at least its former state with no bumps or dips remaining in the road surface.

10. The holder shall minimize disturbance to existing fences and other improvements on public lands. The holder is required to promptly repair improvements to at least their former state. Functional use of these improvements will be maintained at all times. The holder will contact the owner of any improvements prior to disturbing them. When necessary to pass through a fence line, the fence shall be braced on both sides of the passageway prior to cutting of the fence. No permanent gates will be allowed unless approved by the Authorized Officer.

11. In those areas where erosion control structures are required to stabilize soil conditions, the holder will install such structures as are suitable for the specific soil conditions being encountered and which are in accordance with sound resource management practices.

12. Excluding the pipe, all above-ground structures not subject to safety requirement shall be painted by the holder to blend with the natural color of the landscape. The paint used shall be a color which simulates "Standard Environmental Colors" – **Shale Green**, Munsell Soil Color No. 5Y 4/2; designated by the Rocky Mountain Five State Interagency Committee.

13. The pipeline will be identified by signs at the point of origin and completion of the right-of-way and at all road crossings. At a minimum, signs will state the holder's name, BLM serial number, and the product being transported. Signs will be maintained in a legible condition for the life of the pipeline.

14. The holder shall not use the pipeline route as a road for purposes other than routine maintenance as determined necessary by the Authorized Officer in consultation with the holder. The holder will take whatever steps are necessary to ensure that the pipeline route is not used as a roadway.

15. Any cultural and/or paleontological resource (historic or prehistoric site or object) discovered by the holder, or any person working on his behalf, on public or Federal land shall be immediately reported to the authorized officer. Holder shall suspend all operations in the immediate area of such discovery until written authorization to proceed is issued by the authorized officer. An evaluation of the discovery will be made by the authorized officer to determine appropriate cultural or scientific values. The holder will be responsible for the cost of evaluation and any decision as to proper mitigation measures will be made by the authorized officer after consulting with the holder.

16. The operator shall be held responsible if noxious weeds become established within the areas of operations. Weed control shall be required on the disturbed land where noxious weeds exist, which includes the roads, powerline corridor, and adjacent land affected by the establishment of weeds due to this action. The operator shall consult with the Authorized Officer for acceptable weed control methods, which include following EPA and BLM requirements and policies.

17. Surface pipelines shall be less than or equal to 4 inches and a working pressure below 125 psi.

BURIED PIPELINE STIPULATIONS

A copy of the application (Grant, APD, or Sundry Notice) and attachments, including conditions of approval, survey plat and/or map, will be on location during construction.

BLM personnel may request to you a copy of your permit during construction to ensure compliance with all stipulations.

Holder agrees to comply with the following stipulations to the satisfaction of the Authorized Officer:

1. The Holder shall indemnify the United States against any liability for damage to life or property arising from the occupancy or use of public lands under this grant.

2. The Holder shall comply with all applicable Federal laws and regulations existing or hereafter enacted or promulgated. In any event, the holder shall comply with the Toxic Substances Control Act of 1976 as amended, 15 USC 2601 et seq. (1982) with regards to any toxic substances that are used, generated by or stored on the right-of-way or on facilities authorized under this right-of-way grant. (See 40 CFR Part 702-799 and especially, provisions on polychlorinated biphenyls, 40 CFR 761.1-761.193.) Additionally, any release of toxic substances (leaks, spills, etc.) in excess of the reportable quantity established by 40 CFR Part 117 shall be reported as required by the Comprehensive Environmental Response, Compensation, and Liability Act, section 102b. A copy of any report required or requested by any Federal agency or State government as a result of a reportable release or spill of any toxic substances shall be furnished to the authorized officer concurrent with the filing of the reports to the involved Federal agency or State government.

3. The holder agrees to indemnify the United States against any liability arising from the release of any hazardous substance or hazardous waste (as these terms are defined in the Comprehensive Environmental Response, Compensation and Liability Act of 1980, 42 U.S.C. 9601, et seq. or the Resource Conservation and Recovery Act, 42 U.S.C.6901, et seq.) on the Right-of-Way (unless the release or threatened release is wholly unrelated to the Right-of-Way holder's activity on the Right-of-Way), or resulting from the activity of the Right-of-Way holder on the Right-of-Way. This agreement applies without regard to whether a release is caused by the holder, its agent, or unrelated third parties.

4. If, during any phase of the construction, operation, maintenance, or termination of the pipeline, any oil or other pollutant should be discharged from the pipeline system, impacting Federal lands, the control and total removal, disposal, and cleaning up of such oil or other pollutant, wherever found, shall be the responsibility of holder, regardless of fault. Upon failure of holder to control, dispose of, or clean up such discharge on or affecting Federal lands, or to repair all damages resulting therefrom, on the Federal lands, the Authorized Officer may take such measures as he deems necessary to control and clean up the discharge and restore the area, including where appropriate, the aquatic environment and fish and wildlife habitats, at the full expense of the holder. Such action by the Authorized Officer shall not relieve holder of any responsibility as provided herein.

5. All construction and maintenance activity will be confined to the authorized right-of-way.

6. The pipeline will be buried with a minimum cover of **36** inches between the top of the pipe and ground level.

7. The maximum allowable disturbance for construction in this right-of-way will be **30** feet:

- Blading of vegetation within the right-of-way will be allowed: maximum width of blading operations will not exceed **20** feet. The trench is included in this area. (*Blading is defined as the complete removal of brush and ground vegetation.*)
- Clearing of brush species within the right-of-way will be allowed: maximum width of clearing operations will not exceed **30** feet. The trench and bladed area are included in this area. (*Clearing is defined as the removal of brush while leaving ground vegetation (grasses, weeds, etc.) intact. Clearing is best accomplished by holding the blade 4 to 6 inches above the ground surface.*)
- The remaining area of the right-of-way (if any) shall only be disturbed by compressing the vegetation. (*Compressing can be caused by vehicle tires, placement of equipment, etc.*)

8. The holder shall stockpile an adequate amount of topsoil where blading is allowed. The topsoil to be stripped is approximately 6 inches in depth. The topsoil will be segregated from other spoil piles from trench construction. The topsoil will be evenly distributed over the bladed area for the preparation of seeding.

9. The holder shall minimize disturbance to existing fences and other improvements on public lands. The holder is required to promptly repair improvements to at least their former state. Functional use of these improvements will be maintained at all times. The holder will contact the owner of any improvements prior to disturbing them. When necessary to pass through a fence line, the fence shall be braced on both sides of the passageway prior to cutting of the fence. No permanent gates will be allowed unless approved by the Authorized Officer.

10. Vegetation, soil, and rocks left as a result of construction or maintenance activity will be randomly scattered on this right-of-way and will not be left in rows, piles, or berms, unless otherwise approved by the Authorized Officer. The entire right-of-way shall be recontoured to match the surrounding landscape. The backfilled soil shall be compacted and a 6 inch berm will be left over the ditch line to allow for settling back to grade.

11. In those areas where erosion control structures are required to stabilize soil conditions, the holder will install such structures as are suitable for the specific soil

conditions being encountered and which are in accordance with sound resource management practices.

12. The holder will reseed all disturbed areas. Seeding will be done according to the attached seeding requirements, using the following seed mix.

( ) seed mixture 1	(X) seed mixture 3
() seed mixture 2	( ) seed mixture 4
( ) seed mixture 2/LPC	( ) Aplomado Falcon Mixture

13. All above-ground structures not subject to safety requirements shall be painted by the holder to blend with the natural color of the landscape. The paint used shall be color which simulates "Standard Environmental Colors" – **Shale Green**, Munsell Soil Color No. 5Y 4/2.

14. The pipeline will be identified by signs at the point of origin and completion of the right-of-way and at all road crossings. At a minimum, signs will state the holder's name, BLM serial number, and the product being transported. All signs and information thereon will be posted in a permanent, conspicuous manner, and will be maintained in a legible condition for the life of the pipeline.

15. The holder shall not use the pipeline route as a road for purposes other than routine maintenance as determined necessary by the Authorized Officer in consultation with the holder before maintenance begins. The holder will take whatever steps are necessary to ensure that the pipeline route is not used as a roadway. As determined necessary during the life of the pipeline, the Authorized Officer may ask the holder to construct temporary deterrence structures.

16. Any cultural and/or paleontological resources (historic or prehistoric site or object) discovered by the holder, or any person working on his behalf, on public or Federal land shall be immediately reported to the Authorized Officer. Holder shall suspend all operations in the immediate area of such discovery until written authorization to proceed is issued by the Authorized Officer. An evaluation of the discovery will be made by the Authorized Officer to determine appropriate actions to prevent the loss of significant cultural or scientific values. The holder will be responsible for the cost of evaluation and any decision as to proper mitigation measures will be made by the Authorized Officer after consulting with the holder.

17. The operator shall be held responsible if noxious weeds become established within the areas of operations. Weed control shall be required on the disturbed land where noxious weeds exist, which includes associated roads, pipeline corridor and adjacent land affected by the establishment of weeds due to this action. The operator shall consult with

the Authorized Officer for acceptable weed control methods, which include following EPA and BLM requirements and policies.

18. Escape Ramps - The operator will construct and maintain pipeline/utility trenches [that are not otherwise fenced, screened, or netted] to prevent livestock, wildlife, and humans from becoming entrapped. At a minimum, the operator will construct and maintain escape ramps, ladders, or other methods of avian and terrestrial wildlife escape in the trenches according to the following criteria:

a. Any trench left open for eight (8) hours or less is not required to have escape ramps; however, before the trench is backfilled, the contractor/operator shall inspect the trench for wildlife, remove all trapped wildlife, and release them at least 100 yards from the trench.
b. For trenches left open for eight (8) hours or more, earthen escape ramps (built at no more than a 30 degree slope and spaced no more than 500 feet apart) shall be placed in the trench.

C. ELECTRIC LINES

STANDARD STIPULATIONS FOR OVERHEAD ELECTRIC DISTRIBUTION LINES

A copy of the grant and attachments, including stipulations, survey plat and/or map, will be on location during construction. BLM personnel may request to you a copy of your permit during construction to ensure compliance with all stipulations.

Holder agrees to comply with the following stipulations to the satisfaction of the Authorized Officer:

1. The holder shall indemnify the United States against any liability for damage to life or property arising from the occupancy or use of public lands under this grant.

2. The holder shall comply with all applicable Federal laws and regulations existing or hereafter enacted or promulgated. In any event, the holder shall comply with the Toxic Substances Control Act of 1976 as amended, 15 USC 2601 et seq. (1982) with regards to any toxic substances that are used, generated by or stored on the right-of-way or on facilities authorized under this right-of-way grant. (See 40 CFR, Part 702-799 and especially, provisions on polychlorinated biphenyls, 40 CFR 761.1-761.193.) Additionally, any release of toxic substances (leaks, spills, etc.) in excess of the reportable quantity established by 40 CFR, Part 117 shall be reported as required by the Comprehensive Environmental Response, Compensation, and Liability Act, section 102b. A copy of any report required or requested by any Federal agency or State government as a result of a reportable release or spill of any toxic substances shall be furnished to the authorized officer concurrent with the filing of the reports to the involved Federal agency or State government.

3. The holder agrees to indemnify the United States against any liability arising from the

release of any hazardous substance or hazardous waste (as these terms are defined in the Comprehensive Environmental Response, Compensation and Liability Act of 1980, 42 U.S.C. 9601, et seq. or the Resource Conservation and Recovery Act, 42 U.S.C. 6901, et seq.) on the Right-of-Way (unless the release or threatened release is wholly unrelated to the Right-of-Way holder's activity on the Right-of-Way), or resulting from the activity of the Right-of-Way holder on the Right-of-Way. This agreement applies without regard to whether a release is caused by the holder, its agent, or unrelated third parties.

4. There will be no clearing or blading of the right-of-way unless otherwise agreed to in writing by the Authorized Officer.

5. Power lines shall be constructed and designed in accordance to standards outlined in "Suggested Practices for Avian Protection on Power lines: The State of the Art in 2006" Edison Electric Institute, APLIC, and the California Energy Commission 2006 . The holder shall assume the burden and expense of proving that pole designs not shown in the above publication deter raptor perching, roosting, and nesting. Such proof shall be provided by a raptor expert approved by the Authorized Officer. The BLM reserves the right to require modification or additions to all powerline structures placed on this right-of-way, should they be necessary to ensure the safety of large perching birds. Such modifications and/or additions shall be made by the holder without liability or expense to the United States.

Raptor deterrence will consist of but not limited to the following: triangle perch discouragers shall be placed on each side of the cross arms and a nonconductive perching deterrence shall be placed on all vertical poles that extend past the cross arms.

6. The holder shall minimize disturbance to existing fences and other improvements on public lands. The holder is required to promptly repair improvements to at least their former state. Functional use of these improvements will be maintained at all times. The holder will contact the owner of any improvements prior to disturbing them. When necessary to pass through a fence line, the fence shall be braced on both sides of the passageway prior to cutting the fence. No permanent gates will be allowed unless approved by the Authorized Officer.

7. The BLM serial number assigned to this authorization shall be posted in a permanent, conspicuous manner where the power line crosses roads and at all serviced facilities. Numbers will be at least two inches high and will be affixed to the pole nearest the road crossing and at the facilities served.

8. Upon cancellation, relinquishment, or expiration of this grant, the holder shall comply with those abandonment procedures as prescribed by the Authorized Officer.

9. All surface structures (poles, lines, transformers, etc.) shall be removed within 180 days of abandonment, relinquishment, or termination of use of the serviced facility or facilities or within 180 days of abandonment, relinquishment, cancellation, or expiration of this grant, whichever comes first. This will not apply where the power line extends

service to an active, adjoining facility or facilities.

10. Any cultural and/or paleontological resource (historic or prehistoric site or object) discovered by the holder, or any person working on his behalf, on public or Federal land shall be immediately reported to the Authorized Officer. Holder shall suspend all operations in the immediate area of such discovery until written authorization to proceed is issued by the Authorized Officer. An evaluation of the discovery will be made by the Authorized Officer to determine appropriate actions to prevent the loss of significant cultural or scientific values. The holder will be responsible for the cost of evaluation and any decision as to proper mitigation measures will be made by the Authorized Officer after consulting with the holder.

11. Special Stipulations:
- For reclamation remove poles, lines, transformer, etc. and dispose of properly.
- Fill in any holes from the poles removed.

VIII. INTERIM RECLAMATION

During the life of the development, all disturbed areas not needed for active support of production operations should undergo interim reclamation in order to minimize the environmental impacts of development on other resources and uses.

Within six (6) months of well completion, operators should work with BLM surface management specialists (Jim Amos: 575-234-5909) to devise the best strategies to reduce the size of the location. Interim reclamation should allow for remedial well operations, as well as safe and efficient removal of oil and gas.

During reclamation, the removal of caliche is important to increasing the success of revegetating the site. Removed caliche that is free of contaminants may be used for road repairs, fire walls or for building other roads and locations. In order to operate the well or complete workover operations, it may be necessary to drive, park and operate on restored interim vegetation within the previously disturbed area. Disturbing revegetated areas for production or workover operations will be allowed. If there is significant disturbance and loss of vegetation, the area will need to be revegetated. Communicate with the appropriate BLM office for any exceptions/exemptions if needed.

All disturbed areas after they have been satisfactorily prepared need to be reseeded with the seed mixture provided below.

Upon completion of interim reclamation, the operator shall submit a Sundry Notices and Reports on Wells, Subsequent Report of Reclamation (Form 3160-5).

X. FINAL ABANDONMENT & RECLAMATION

At final abandonment, well locations, production facilities, and access roads must undergo "final" reclamation so that the character and productivity of the land are restored.

Earthwork for final reclamation must be completed within six (6) months of well plugging. All pads, pits, facility locations and roads must be reclaimed to a satisfactory revegetated, safe, and stable condition, unless an agreement is made with the landowner or BLM to keep the road and/or pad intact.

After all disturbed areas have been satisfactorily prepared, these areas need to be revegetated with the seed mixture provided below. Seeding should be accomplished by drilling on the contour whenever practical or by other approved methods. Seeding may need to be repeated until revegetation is successful, as determined by the BLM.

Operators shall contact a BLM surface protection specialist prior to surface abandonment operations for site specific objectives (Jim Amos: 575-234-5909).

Seed Mixture 3, for Shallow Sites

The holder shall seed all disturbed areas with the seed mixture listed below. The seed mixture shall be planted in the amounts specified in pounds of pure live seed (PLS)* per acre. There shall be no primary or secondary noxious weeds in the seed mixture. Seed will be tested and the viability testing of seed will be done in accordance with State law(s) and within nine (9) months prior to purchase. Commercial seed will be either certified or registered seed. The seed container will be tagged in accordance with State law(s) and available for inspection by the authorized officer.

Seed will be planted using a drill equipped with a depth regulator to ensure proper depth of planting where drilling is possible. The seed mixture will be evenly and uniformly planted over the disturbed area (smaller/heavier seeds have a tendency to drop the bottom of the drill and are planted first). The holder shall take appropriate measures to ensure this does not occur. Where drilling is not possible, seed will be broadcast and the area shall be raked or chained to cover the seed. When broadcasting the seed, the pounds per acre are to be doubled. The seeding will be repeated until a satisfactory stand is established as determined by the authorized officer. Evaluation of growth will not be made before completion of at least one full growing season after seeding.

Species to be planted in pounds of pure live seed* per acre:

Species	lb/acre
Plains Bristlegrass (*Setaria macrostachya*)	1.0
Green Sprangletop (*Leptochloa dubia*)	2.0
Sideoats Grama (*Bouteloua curtipendula)*	5.0

*Pounds of pure live seed:
Pounds of seed **x** percent purity **x** percent germination = pounds pure live seed