

NM OIL CONSERVATION
ARTESIA DISTRICT

Form 3160-3
(June 2015)

OCT 09 2019

FORM APPROVED
OMB No. 1004-0137
Expires: January 31, 2018

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

RECEIVED

APPLICATION FOR PERMIT TO DRILL OR REENTER

1a. Type of work: <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER		5. Lease Serial No. NMNM0546732A
1b. Type of Well: <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other		6. If Indian, Allottee or Tribe Name
1c. Type of Completion: <input type="checkbox"/> Hydraulic Fracturing <input type="checkbox"/> Single Zone <input checked="" type="checkbox"/> Multiple Zone		7. If Unit or CA Agreement, Name and No.
2. Name of Operator OXY USA INCORPORATED		8. Lease Name and Well No. ARKENSTONE 31 FEDERAL 171H 326150
3a. Address 5 Greenway Plaza, Suite 110 Houston TX 77046	3b. Phone No. (include area code) (713)366-5716	9. API Well No. 30-015-46371
4. Location of Well (Report location clearly and in accordance with any State requirements. *) At surface NWNW / 130 FNL / 1195 FWL / LAT 32.267818 / LONG -103.821775 At proposed prod. zone SWSW / 20 FSL / 430 FWL / LAT 32.253706 / LONG -103.824251		10. Field and Pool, or Exploratory WILDCAT WOLFCAMP / WOLFCAMP
11. Sec., T. R. M. or Blk. and Survey or Area SEC 31 / T2S / R31E / NMP		
14. Distance in miles and direction from nearest town or post office* 8 miles	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) 20 feet	16. No of acres in lease 607.8	17. Spacing Unit dedicated to this well 320
18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. 35 feet	19. Proposed Depth 11448 feet / 16976 feet	20. BLM/BIA Bond No. in file FED: ESB000226
21. Elevations (Show whether DF, KDB, RT, GL, etc.) 3347 feet	22. Approximate date work will start* 11/04/2019	23. Estimated duration 15 days

24. Attachments

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No. 1, and the Hydraulic Fracturing rule per 43 CFR 3162.3-3 (as applicable)

- | | |
|---|---|
| <ul style="list-style-type: none"> 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 must be filed with the appropriate Forest Service Office). | <ul style="list-style-type: none"> 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 requested by the BLM. |
|---|---|

25. Signature (Electronic Submission)	Name (Printed/Typed) Sarah Chapman / Ph: (575)631-2442	Date 03/07/2019
Title Regulatory Specialist		
Approved by (Signature) (Electronic Submission)	Name (Printed/Typed) Christopher Walls / Ph: (575)234-2234	Date 10/07/2019
Title Petroleum Engineer		
Office CARLSBAD		

Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Conditions of approval, if any, are attached.

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

APPROVED WITH CONDITIONS
Approval Date: 10/07/2019

(Continued on page 2)

*(Instructions on page 2)

RuP 10-10-19.

INSTRUCTIONS

GENERAL: This form is designed for submitting proposals to perform certain well operations, as indicated on Federal and Indian lands and leases for action by appropriate Federal agencies, pursuant to applicable Federal laws and regulations. Any necessary special instructions concerning the use of this form and the number of copies to be submitted, particularly with regard to local, area, or regional procedures and practices, either are shown below or will be issued by, or may be obtained from local Federal offices.

ITEM 1: If the proposal is to redrill to the same reservoir at a different subsurface location or to a new reservoir, use this form with appropriate notations. Consult applicable Federal regulations concerning subsequent work proposals or reports on the well.

ITEM 4: Locations on Federal or Indian land should be described in accordance with Federal requirements. Consult local Federal offices for specific instructions.

ITEM 14: Needed only when location of well cannot readily be found by road from the land or lease description. A plat, or plats, separate or on the reverse side, showing the roads to, and the surveyed location of, the well, and any other required information, should be furnished when required by Federal agency offices.

ITEMS 15 AND 18: If well is to be, or has been directionally drilled, give distances for subsurface location of hole in any present or objective productive zone.

ITEM 22: Consult applicable Federal regulations, or appropriate officials, concerning approval of the proposal before operations are started.

ITEM 24: If the proposal will involve hydraulic fracturing operations, you must comply with 43 CFR 3162.3-3, including providing information about the protection of usable water. Operators should provide the best available information about all formations containing water and their depths. This information could include data and interpretation of resistivity logs run on nearby wells. Information may also be obtained from state or tribal regulatory agencies and from local BLM offices.

NOTICES

The Privacy Act of 1974 and regulation in 43 CFR 2.48(d) provide that you be furnished the following information in connection with information required by this application.

AUTHORITY: 30 U.S.C. 181 et seq., 25 U.S.C. 396; 43 CFR 3160

PRINCIPAL PURPOSES: The information will be used to: (1) process and evaluate your application for a permit to drill a new oil, gas, or service well or to reenter a plugged and abandoned well; and (2) document, for administrative use, information for the management, disposal and use of National Resource Lands and resources including (a) analyzing your proposal to discover and extract the Federal or Indian resources encountered; (b) reviewing procedures and equipment and the projected impact on the land involved; and (c) evaluating the effects of the proposed operation on the surface and subsurface water and other environmental impacts.

ROUTINE USE: Information from the record and/or the record will be transferred to appropriate Federal, State, and local or foreign agencies, when relevant to civil, criminal or regulatory investigations or prosecution, in connection with congressional inquiries and for regulatory responsibilities.

EFFECT OF NOT PROVIDING INFORMATION: Filing of this application and disclosure of the information is mandatory only if you elect to initiate a drilling or reentry operation on an oil and gas lease.

The Paperwork Reduction Act of 1995 requires us to inform you that:

The BLM collects this information to allow evaluation of the technical, safety, and environmental factors involved with drilling for oil and/or gas on Federal and Indian oil and gas leases. This information will be used to analyze and approve applications. Response to this request is mandatory only if the operator elects to initiate drilling or reentry operations on an oil and gas lease. The BLM would like you to know that you do not have to respond to this or any other Federal agency-sponsored information collection unless it displays a currently valid OMB control number.

BURDEN HOURS STATEMENT: Public reporting burden for this form is estimated to average 8 hours per response, including the time for reviewing instructions, gathering and maintaining data, and completing and reviewing the form. Direct comments regarding the burden estimate or any other aspect of this form to U.S. Department of the Interior, Bureau of Land Management (1004-0137), Bureau Information Connection Clearance Officer (WO-630), 1849 C Street, N.W., Mail Stop 401 LS, Washington, D.C. 20240.

Additional Operator Remarks

Location of Well

1. SHL: NWNW / 130 FNL / 1195 FWL / TWSP: 23S / RANGE: 31E / SECTION: 31 / LAT: 32.267818 / LONG: -103.821775 (TVD: 0 feet, MD: 0 feet)
PPP: NWNW / 100 FNL / 430 FWL / TWSP: 23S / RANGE: 31E / SECTION: 31 / LAT: 32.267898 / LONG: -103.82425 (TVD: 11403 feet, MD: 11812 feet)
BHL: SWSW / 20 FSL / 430 FWL / TWSP: 23S / RANGE: 31E / SECTION: 31 / LAT: 32.253706 / LONG: -103.824251 (TVD: 11448 feet, MD: 16976 feet)

BLM Point of Contact

Name: Deborah Ham

Title: Legal Landlaw Examiner

Phone: 5752345965

Email: dham@blm.gov

Review and Appeal Rights

A person contesting a decision shall request a State Director review. This request must be filed within 20 working days of receipt of the Notice with the appropriate State Director (see 43 CFR 3165.3). The State Director review decision may be appealed to the Interior Board of Land Appeals, 801 North Quincy Street, Suite 300, Arlington, VA 22203 (see 43 CFR 3165.4). Contact the above listed Bureau of Land Management office for further information.

**PECOS DISTRICT
DRILLING CONDITIONS OF APPROVAL**

OPERATOR'S NAME:	Oxy USA Incorporated
LEASE NO.:	NMNM0546732A
WELL NAME & NO.:	Arkenstone 31 Federal 171H
SURFACE HOLE FOOTAGE:	130'/N & 1195'/W
BOTTOM HOLE FOOTAGE:	20'/S & 430'/W
LOCATION:	Section 31, T.23 S., R.31 E., NMPM
COUNTY:	Eddy County, New Mexico

COA

H2S	<input type="radio"/> Yes	<input type="radio"/> No	
Potash	<input type="radio"/> None	<input type="radio"/> Secretary	<input checked="" type="radio"/> R-111-P
Cave/Karst Potential	<input checked="" type="radio"/> Low	<input type="radio"/> Medium	<input type="radio"/> High
Variance	<input type="radio"/> None	<input checked="" type="radio"/> Flex Hose	<input type="radio"/> Other
Wellhead	<input type="radio"/> Conventional	<input type="radio"/> Multibowl	<input checked="" type="radio"/> Both
Other	<input type="checkbox"/> 4 String Area	<input type="checkbox"/> Capitan Reef	<input type="checkbox"/> WIPP
Other	<input checked="" type="checkbox"/> Fluid Filled	<input checked="" type="checkbox"/> Cement Squeeze	<input type="checkbox"/> Pilot Hole
Special Requirements	<input type="checkbox"/> Water Disposal	<input type="checkbox"/> COM	<input type="checkbox"/> Unit

Break Testing	<input type="radio"/> Yes	<input checked="" type="radio"/> No
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A. CASING

Casing Design:

1. The 13-3/8 inch surface casing shall be set at approximately 400 feet (a minimum of 70 feet (Eddy County) into the Rustler Anhydrite and above the salt) and cemented to the surface.
 - a. If cement does not circulate to the surface, the appropriate BLM office shall be notified and a temperature survey utilizing an electronic type temperature survey with surface log readout will be used or a cement bond log shall be run to verify the top of the cement. Temperature survey will be run a minimum of six hours after pumping cement and ideally between 8-10 hours after completing the cement job.
 - b. Wait on cement (WOC) time for a primary cement job will be a minimum of **24 hours in the Potash Area** or 500 pounds compressive strength, whichever is greater. (This is to include the lead cement)
 - c. Wait on cement (WOC) time for a remedial job will be a minimum of 4 hours after bringing cement to surface or 500 pounds compressive strength, whichever is greater.

- d. If cement falls back, remedial cementing will be done prior to drilling out that string.
2. The minimum required fill of cement behind the 9-5/8 inch intermediate casing is:

Option 1 (Single Stage):

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

Option 2:

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

- a. First stage to DV tool: Cement to circulate. If cement does not circulate off the DV tool, contact the appropriate BLM office before proceeding with second stage cement job.
- b. Second stage above DV tool:
- Cement to surface. If cement does not circulate, contact the appropriate BLM office.
Wait on cement (WOC) time for a primary cement job is to include the lead cement slurry due to cave/karst or potash.

2nd Intermediate casing must be kept fluid filled to meet BLM minimum collapse requirement.

3. The minimum required fill of cement behind the 7-5/8 inch production casing is:

Option 1 (Single Stage):

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

Option 2:

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

- a. First stage to DV tool: Cement to circulate. If cement does not circulate off the DV tool, contact the appropriate BLM office before proceeding with second stage cement job.
- b. Second stage above DV tool:
 - Cement to surface. If cement does not circulate, contact the appropriate BLM office.

Operator has proposed to pump down 9-5/8" X 7-5/8" annulus. Operator must run a CBL from TD of the 7-5/8" casing to surface. Submit results to BLM. Excess calculates to 8% - additional cement might be required.

4. The minimum required fill of cement behind the 5-1/2 inch production liner is:
 - Cement should tie-back **500 feet** into the previous casing. Operator shall provide method of verification.

B. PRESSURE CONTROL

1. Variance approved to use flex line from BOP to choke manifold. Manufacturer's specification to be readily available. No external damage to flex line. Flex line to be installed as straight as possible (no hard bends).
- 2.

Option 1:

- a. Minimum working pressure of the blowout preventer (BOP) and related equipment (BOPE) required for drilling below the surface casing shoe shall be **3000 (3M)** psi.
- b. Minimum working pressure of the blowout preventer (BOP) and related equipment (BOPE) required for drilling below the intermediate casing shoe shall be **5000 (5M)** psi.

Option 2:

1. Operator has proposed a multi-bowl wellhead assembly. This assembly will only be tested when installed on the surface casing. Minimum working pressure of the blowout preventer (BOP) and related equipment (BOPE) required for drilling below the surface casing shoe shall be **5000 (5M)** psi.
 - a. Wellhead shall be installed by manufacturer's representatives, submit documentation with subsequent sundry.

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

C. SPECIAL REQUIREMENT (S)

Offline Cementing

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

BOP Break Testing Variance

- BOP break testing is not permitted on this well.

GENERAL REQUIREMENTS

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

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

Eddy County

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

Lea County

Call the Hobbs Field Station, 414 West Taylor, Hobbs NM 88240, (575)
393-3612

1. Unless the production casing has been run and cemented or the well has been properly plugged, the drilling rig shall not be removed from over the hole without prior approval.
 - a. In the event the operator has proposed to drill multiple wells utilizing a skid/walking rig. Operator shall secure the wellbore on the current well, after installing and testing the wellhead, by installing a blind flange of like pressure rating to the wellhead and a pressure gauge that can be monitored while drilling is performed on the other well(s).
 - b. When the operator proposes to set surface casing with Spudder Rig
 - Notify the BLM when moving in and removing the Spudder Rig.
 - Notify the BLM when moving in the 2nd Rig. Rig to be moved in within 90 days of notification that Spudder Rig has left the location.
 - BOP/BOPE test to be conducted per Onshore Oil and Gas Order No. 2 as soon as 2nd Rig is rigged up on well.
2. Floor controls are required for 3M or Greater systems. These controls will be on the rig floor, unobstructed, readily accessible to the driller and will be operational at all times during drilling and/or completion activities. Rig floor is defined as the area immediately around the rotary table; the area immediately above the substructure on which the draw works are located, this does not include the dog house or stairway area.
3. The record of the drilling rate along with the GR/N well log run from TD to surface (horizontal well – vertical portion of hole) shall be submitted to the BLM office as well as all other logs run on the borehole 30 days from completion. If available, a digital copy of the logs is to be submitted in addition to the paper copies. The Rustler top and top and bottom of Salt are to be recorded on the Completion Report.

A. CASING

1. Changes to the approved APD casing program need prior approval if the items substituted are of lesser grade or different casing size or are Non-API. The Operator can exchange the components of the proposal with that of superior strength (i.e. changing from J-55 to N-80, or from 36# to 40#). Changes to the approved cement program need prior approval if the altered cement plan has less volume or strength or if the changes are substantial (i.e. Multistage tool, ECP, etc.). The initial wellhead installed on the well will remain on the well with spools used as needed.
2. Wait on cement (WOC) for Potash Areas: After cementing but before commencing any tests, the casing string shall stand cemented under pressure until both of the following conditions have been met: 1) cement reaches a minimum compressive strength of 500 psi for all cement blends, 2) until cement has been in place at least 24 hours. WOC time will be recorded in the driller's log. The casing integrity test can be done (prior to the cement setting up) immediately after bumping the plug.
3. Wait on cement (WOC) for Water Basin: After cementing but before commencing any tests, the casing string shall stand cemented under pressure until both of the following conditions have been met: 1) cement reaches a minimum compressive strength of 500 psi at the shoe, 2) until cement has been in place at least 8 hours. WOC time will be recorded in the driller's log. See individual casing strings for details regarding lead cement slurry requirements. The casing integrity test can be done (prior to the cement setting up) immediately after bumping the plug.
4. Provide compressive strengths including hours to reach required 500 pounds compressive strength prior to cementing each casing string. Have well specific cement details onsite prior to pumping the cement for each casing string.
5. No pea gravel permitted for remedial or fall back remedial without prior authorization from the BLM engineer.
6. On that portion of any well approved for a 5M BOPE system or greater, a pressure integrity test of each casing shoe shall be performed. Formation at the shoe shall be tested to a minimum of the mud weight equivalent anticipated to control the formation pressure to the next casing depth or at total depth of the well. This test shall be performed before drilling more than 20 feet of new hole.
7. If hardband drill pipe is rotated inside casing, returns will be monitored for metal. If metal is found in samples, drill pipe will be pulled and rubber protectors which have a larger diameter than the tool joints of the drill pipe will be installed prior to continuing drilling operations.
8. Whenever a casing string is cemented in the R-111-P potash area, the NMOCD requirements shall be followed.

B. PRESSURE CONTROL

1. All blowout preventer (BOP) and related equipment (BOPE) shall comply with well control requirements as described in Onshore Oil and Gas Order No. 2 and API RP 53 Sec. 17.
2. If a variance is approved for a flexible hose to be installed from the BOP to the choke manifold, the following requirements apply: The flex line must meet the requirements of API 16C. Check condition of flexible line from BOP to choke manifold, replace if exterior is damaged or if line fails test. Line to be as straight as possible with no hard bends and is to be anchored according to Manufacturer's requirements. The flexible hose can be exchanged with a hose of equal size and equal or greater pressure rating. Anchor requirements, specification sheet and hydrostatic pressure test certification matching the hose in service, to be onsite for review. These documents shall be posted in the company man's trailer and on the rig floor.
3. 5M or higher system requires an HCR valve, remote kill line and annular to match. The remote kill line is to be installed prior to testing the system and tested to stack pressure.
4. If the operator has proposed a multi-bowl wellhead assembly in the APD. The following requirements must be met:
 - a. Wellhead shall be installed by manufacturer's representatives, submit documentation with subsequent sundry.
 - b. If the welding is performed by a third party, the manufacturer's representative shall monitor the temperature to verify that it does not exceed the maximum temperature of the seal.
 - c. Manufacturer representative shall install the test plug for the initial BOP test.
 - d. Whenever any seal subject to test pressure is broken, all the tests in OOGO2.III.A.2.i must be followed.
 - e. If the cement does not circulate and one inch operations would have been possible with a standard wellhead, the well head shall be cut off, cementing operations performed and another wellhead installed.
5. The appropriate BLM office shall be notified a minimum of 4 hours in advance for a representative to witness the tests.
 - a. In a water basin, for all casing strings utilizing slips, these are to be set as soon as the crew and rig are ready and any fallback cement remediation has been done. The casing cut-off and BOP installation can be initiated four hours after installing the slips, which will be approximately six hours after bumping the plug. For those casing strings not using slips, the minimum wait time before cut-off is eight hours after bumping the plug. BOP/BOPE testing can begin after cut-off or once cement reaches 500 psi compressive strength (including

lead when specified), whichever is greater. However, if the float does not hold, cut-off cannot be initiated until cement reaches 500 psi compressive strength (including lead when specified).

- b. In potash areas, for all casing strings utilizing slips, these are to be set as soon as the crew and rig are ready and any fallback cement remediation has been done. For all casing strings, casing cut-off and BOP installation can be initiated at twelve hours after bumping the plug. However, **no tests** shall commence until the cement has had a minimum of 24 hours setup time, except the casing pressure test can be initiated immediately after bumping the plug (only applies to single stage cement jobs).
- c. The tests shall be done by an independent service company utilizing a test plug not a cup or J-packer. The operator also has the option of utilizing an independent tester to test without a plug (i.e. against the casing) pursuant to Onshore Order 2 with the pressure not to exceed 70% of the burst rating for the casing. Any test against the casing must meet the WOC time for water basin (8 hours) or potash (24 hours) or 500 pounds compressive strength, whichever is greater, prior to initiating the test (see casing segment as lead cement may be critical item).
- d. The test shall be run on a 5000 psi chart for a 2-3M BOP/BOP, on a 10000 psi chart for a 5M BOP/BOPE and on a 15000 psi chart for a 10M BOP/BOPE. If a linear chart is used, it shall be a one hour chart. A circular chart shall have a maximum 2 hour clock. If a twelve hour or twenty-four hour chart is used, tester shall make a notation that it is run with a two hour clock.
- e. The results of the test shall be reported to the appropriate BLM office.
- f. All tests are required to be recorded on a calibrated test chart. A copy of the BOP/BOPE test chart and a copy of independent service company test will be submitted to the appropriate BLM office.
- g. The BOP/BOPE test shall include a low pressure test from 250 to 300 psi. The test will be held for a minimum of 10 minutes if test is done with a test plug and 30 minutes without a test plug. This test shall be performed prior to the test at full stack pressure.
- h. BOP/BOPE must be tested by an independent service company within 500 feet of the top of the Wolfcamp formation if the time between the setting of the intermediate casing and reaching this depth exceeds 20 days. This test does not exclude the test prior to drilling out the casing shoe as per Onshore Order No. 2.

C. DRILLING MUD

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

D. WASTE MATERIAL AND FLUIDS

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

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

NMK9272019

**PECOS DISTRICT
SURFACE USE
CONDITIONS OF APPROVAL**

OPERATOR'S NAME:	Oxy USA Incorporated
WELL NAME & NO.:	Arkenstone 31 Federal 171H
SURFACE HOLE FOOTAGE:	130'/N & 1160'/W
BOTTOM HOLE FOOTAGE:	20'/S & 430'/W
LOCATION:	Section 31, T.23 S., R.31 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.

- General Provisions**
- Permit Expiration**
- Archaeology, Paleontology, and Historical Sites**
- Noxious Weeds**
- Special Requirements**
 - Lesser Prairie-Chicken Timing Stipulations
 - Ground-level Abandoned Well Marker
 - Range
 - Potash Minerals
 - Lesser Prairie Chicken exemption

- Construction**
 - Notification
 - Topsoil
 - Closed Loop System
 - Federal Mineral Material Pits
 - Well Pads
 - Roads
- Road Section Diagram**
- Production (Post Drilling)**
 - Well Structures & Facilities
 - Pipelines
 - Electric Lines
 - Oil and Gas related sites
- Interim Reclamation**
- Final Abandonment & Reclamation**

Approval Date: 10/07/2019

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.

V. SPECIAL REQUIREMENT(S)

Timing Limitation Stipulation / Condition of Approval for lesser prairie-chicken:

Oil and gas activities including 3-D geophysical exploration, and drilling will not be allowed in lesser prairie-chicken habitat during the period from March 1st through June 15th annually. During that period, other activities that produce noise or involve human activity, such as the maintenance of oil and gas facilities, pipeline, road, and well pad construction, will be allowed except between 3:00 am and 9:00 am. The 3:00 am to 9:00 am restriction will not apply to normal, around-the-clock operations, such as venting, flaring, or pumping, which do not require a human presence during this period. Additionally, no new drilling will be allowed within up to 200 meters of leks known at the time of permitting. Normal vehicle use on existing roads will not be restricted. Exhaust noise from pump jack engines must be muffled or otherwise controlled so as not to exceed 75 db measured at 30 feet from the source of the noise.

Ground-level Abandoned Well Marker to avoid raptor perching: Upon the plugging and subsequent abandonment of the well, the well marker will be installed at ground level on a plate containing the pertinent information for the plugged well. For more installation details, contact the Carlsbad Field Office at 575-234-5972.

This authorization is subject to your Certificate of Participation and/or Certificate of Inclusion under the New Mexico Candidate Conservation Agreement. Because it involves surface disturbing activities covered under your Certificate, your Habitat Conservation Fund Account with the Center of Excellence for Hazardous Materials Management (CEHMM) will be debited according to Exhibit B Part 2 of the Certificate of Participation.

Timing Limitation Exceptions:

The Carlsbad Field Office will publish an annual map of where the LPC timing and noise stipulations and conditions of approval (Limitations) will apply for the identified year (between March 1 and June 15) based on the latest survey information. The LPC Timing Area map will identify areas which are Habitat Areas (HA), Isolated Population Area (IPA), and Primary Population Area (PPA). The LPC Timing Area map will also have an area in red crosshatch. The red crosshatch area is the only area where an operator is required to submit a request for exception to the LPC Limitations. If an operator is operating outside the red crosshatch area, the LPC Limitations do not apply for that year and an exception to LPC Limitations is not required.

Cattleguards

Where a permanent cattleguard is approved, an appropriately sized cattleguard(s) sufficient to carry out the project shall be installed and maintained at fence crossing(s). Any existing cattleguard(s) on the access road 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 cattleguard(s) that are in place and are utilized during lease operations. A gate shall be constructed on one side of the cattleguard and fastened securely to H-braces.

Fence Requirement

Where entry granted across a fence line, the fence must be braced and tied off on both sides of the passageway prior to cutting. Once the work is completed, the fence will be restored to its prior condition, or better. The operator shall notify the private surface landowner or the grazing allotment holder prior to crossing any fence(s).

Livestock Watering Requirement

Structures that provide water to livestock, such as windmills, pipelines, drinking troughs, and earthen reservoirs, will be avoided by moving the proposed action

Potash Minerals

Measures to minimize impacts to potash mineral reserves have been considered during the BLM's planning process by establishment of the Twin Wells Drill Island. No additional special mitigation or requirements have been identified by the BLM.

VI. 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

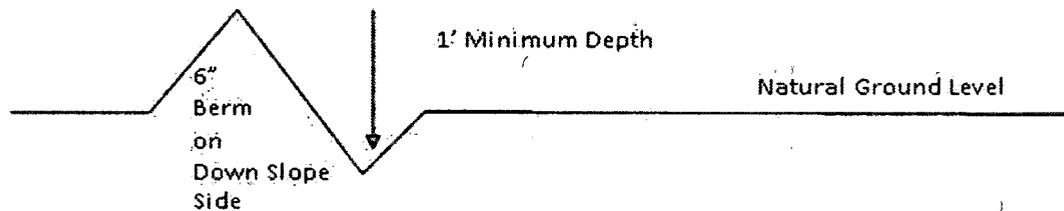
Vehicle turnouts shall be constructed on the road. Turnouts shall be intervisible with interval spacing distance less than 1000 feet. Turnouts shall conform to Figure 1; cross section and plans for typical road construction.

Drainage

Drainage control systems shall be constructed on the entire length of road (e.g. ditches, sidehill outloping 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:

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

Cattle guards

An appropriately sized cattle guard sufficient to carry out the project shall be installed and maintained at fence/road crossings. Any existing cattle guards 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 cattle guards 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

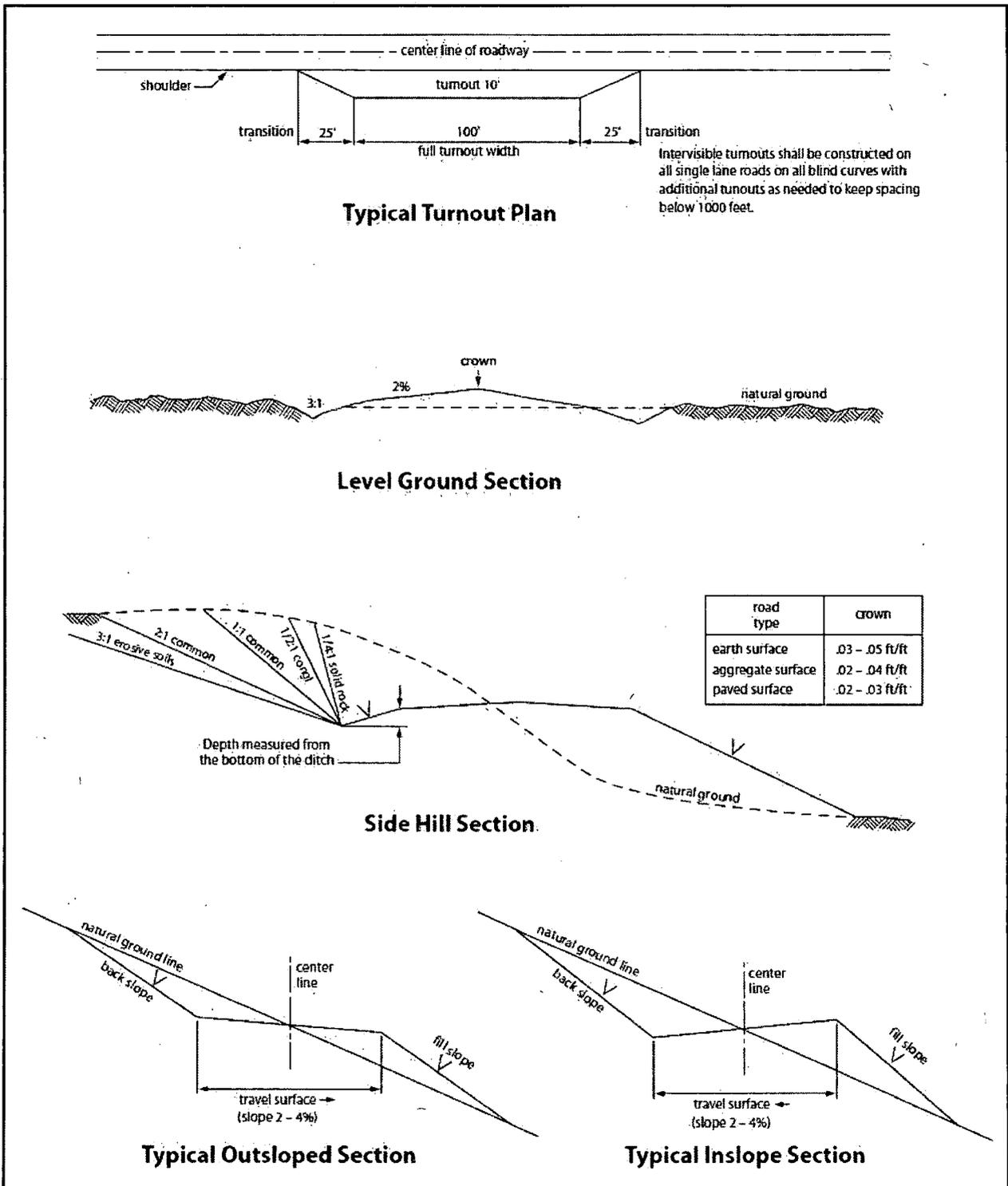


Figure 1. Cross-sections and plans for typical road sections representative of BLM resource or FS local and higher-class roads.

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

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.

- | | |
|--|--|
| <input type="checkbox"/> seed mixture 1 | <input type="checkbox"/> seed mixture 3 |
| <input type="checkbox"/> seed mixture 2 | <input type="checkbox"/> seed mixture 4 |
| <input checked="" type="checkbox"/> seed mixture 2/LPC | <input type="checkbox"/> 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.

19. Special Stipulations:

Lesser Prairie-Chicken

Oil and gas activities will not be allowed in lesser prairie-chicken habitat during the period from March 1st through June 15th annually. During that period, other activities that produce noise or involve human activity, such as the maintenance of oil and gas facilities, geophysical exploration other than 3-D operations, and pipeline, road, and well pad construction, will be allowed except between 3:00 am and 9:00 am. The 3:00 am to 9:00 am restriction will not apply to normal, around-the-clock operations, such as venting, flaring, or pumping, which do not require a human presence during this period. Normal vehicle use on existing roads will not be restricted. Exhaust noise from pump jack engines must be muffled or otherwise controlled so as not to exceed 75 db measured at 30 ft. from the source of the noise.

Timing Limitation Exceptions:

The Carlsbad Field Office will publish an annual map of where the LPC timing and noise stipulations and conditions of approval (Limitations) will apply for the identified year (between March 1 and June 15) based on the latest survey information. The LPC Timing Area map will identify areas which are Habitat Areas (HA), Isolated Population Area (IPA), and Primary Population Area (PPA). The LPC Timing Area map will also have an area in red crosshatch. The red crosshatch area is the only area where an operator is required to submit a request for exception to the LPC Limitations. If an operator is operating outside the red crosshatch area, the LPC Limitations do not apply for that year and an exception to LPC Limitations is not required.

STANDARD STIPULATIONS FOR SURFACE INSTALLED PIPELINES

A copy of the application (Grant, Sundry Notice, APD) 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 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 agreement applies without regard to whether a release is caused by the holder, its agent, or unrelated third parties.

4. The holder shall be liable for damage or injury to the United States to the extent provided by 43 CFR Sec. 2883.1-4. The 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 the 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 the holder, regardless of fault. Upon failure of the 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 the holder of any responsibility as provided herein.

6. All construction and maintenance activity will 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 must 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 must be installed immediately adjacent to the outer surface pipeline. All construction and maintenance activity will be confined to existing roads or right-of-ways.

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

8. The 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 or dune areas, the pipeline will 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 must be less than or equal to 4 inches and a working pressure below 125 psi.
18. Special Stipulations:

- a. **Lesser Prairie-Chicken:** Oil and gas activities will not be allowed in lesser prairie-chicken habitat during the period from March 1st through June 15th annually. During that period, other activities that produce noise or involve human activity, such as the maintenance of oil and gas facilities and pipeline, road, and well pad construction, will be allowed except between 3:00 am and 9:00 am. The 3:00 am to 9:00 am restriction will not apply to normal, around-the-clock operations, such as venting, flaring, or pumping, which do not require a human presence during this period. Normal vehicle use on existing roads will not be restricted.
- b. **Timing Limitation Exceptions:**
The Carlsbad Field Office will publish an annual map of where the LPC timing and noise stipulations and conditions of approval (Limitations) will apply for the identified year (between March 1 and June 15) based on the latest survey information. The LPC Timing Area map will identify areas which are Habitat Areas (HA), Isolated Population Area (IPA), and Primary Population Area (PPA). The LPC Timing Area map will also have an area in red crosshatch. The red crosshatch area is the only area where an operator is required to submit a request for exception to the LPC Limitations. If an operator is operating outside the red crosshatch area, the LPC Limitations do not apply for that year and an exception to LPC Limitations is not required.

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.

Timing Limitation Stipulation/Condition of Approval for Lesser Prairie-Chicken:

Oil and gas activities including 3-D geophysical exploration, and drilling will not be allowed in lesser prairie-chicken habitat during the period from March 1st through June 15th annually. During that period, other activities that produce noise or involve human activity, such as the maintenance of oil and gas facilities, geophysical exploration other than 3-D operations, and pipeline, road, and well pad construction, will be allowed except between 3:00 am and 9:00 am. The 3:00 am to 9:00 am restriction will not apply to normal, around-the-clock operations, such as venting, flaring, or pumping, which do not require a human presence during this period. Additionally, no new drilling will be allowed within up to 200 meters of leks known at the time of permitting. Normal vehicle use on existing roads will not be restricted. Exhaust noise from pump jack engines must be muffled or otherwise controlled so as not to exceed 75 db measured at 30 ft. from the source of the noise.

Timing Limitation Exceptions:

The Carlsbad Field Office will publish an annual map of where the LPC timing and noise stipulations and conditions of approval (Limitations) will apply for the identified year (between March 1 and June 15) based on the latest survey information. The LPC Timing Area map will identify areas which are Habitat Areas (HA), Isolated Population Area (IPA), and Primary Population Area (PPA). The LPC Timing Area map will also have an area in red crosshatch. The red crosshatch area is the only area where an operator is required to submit a request for exception to the LPC Limitations. If an operator is operating outside the red crosshatch area, the LPC Limitations do not apply for that year and an exception to LPC Limitations is not required.

D. OIL AND GAS RELATED SITES

STANDARD STIPULATIONS FOR OIL AND GAS RELATED SITES

A copy of the application (Grant/Sundry Notice) and attachments, including stipulations and map, will be on location during construction. BLM personnel may request to view a copy of your permit during construction to ensure compliance with all stipulations.

The holder agrees to comply with the following stipulations to the satisfaction of the Authorized Officer, BLM.

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 and for all response costs, penalties, damages, claims, and other costs arising from the provisions of the Resource Conservation and Recovery Act (RCRA), 42 U.S.C. Chap. 82, Section 6901 et. seq., from the Comprehensive Environmental Response, Compensation and Liability Act (CERCLA), 42 U.S.C. Chap. 109, Section 9601 et. seq., and from other applicable environmental statutes.

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 U.S.C. 2601, et. seq.) with regard to any toxic substances that are used, generated by or stored on the right-of-way or on facilities authorized by this 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). 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 site or related pipeline(s), any oil or other pollutant should be discharged from site facilities, the pipeline(s) or from containers or vehicles impacting Federal lands, the control and total removal, disposal, and cleanup of such oil or other pollutant, wherever found, shall be the responsibility of the holder, regardless of fault. Upon failure of the

holder to control, dispose of, or clean up such discharge on or affecting Federal lands, or to repair all damages to Federal lands resulting therefrom, the Authorized Officer may take such measures as deemed necessary to control and cleanup 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 the holder of any liability or responsibility.

5. Sites shall be maintained in an orderly, sanitary condition at all times. Waste materials, both liquid and solid, shall be disposed of promptly at an appropriate, authorized waste disposal facility in accordance with all applicable State and Federal laws. "Waste" means all discarded matter including, but not limited to, human waste, trash, garbage, refuse, petroleum products, brines, chemicals, oil drums, ashes, and equipment.
6. The operator will notify the Bureau of Land Management (BLM) authorized officer and nearest Fish and Wildlife Service (FWS) Law Enforcement office within 24 hours, if the operator discovers a dead or injured federally protected species (i.e., migratory bird species, bald or golden eagle, or species listed by the FWS as threatened or endangered) in or adjacent to a pit, trench, tank, exhaust stack, or fence. (If the operator is unable to contact the FWS Law Enforcement office, the operator must contact the nearest FWS Ecological Services office.)
7. 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 a color which simulates "Standard Environmental Colors" designated by the Rocky Mountain Five-State Interagency Committee. The color selected for this project is **Shale Green**, Munsell Soil Color Chart Number 5Y 4/2.
8. Any cultural and/or paleontological resource (historic or prehistoric site or object) discovered by the holder, or any person working on the holder's behalf, on public or Federal land shall be immediately reported to the Authorized Officer. The 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 the proper mitigation measures will be made by the Authorized Officer after consulting with the holder.
9. A sales contract for removal of mineral material (caliche, sand, gravel, fill dirt) from an authorized pit, site, or on location must be obtained from the BLM prior to commencing construction. There are several options available for purchasing mineral material: contact the BLM office (575-234-5972).
10. 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.

11. Once the site is no longer in service or use, the site must undergo final abandonment. At final abandonment, the site 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 the abandonment of the site. All pads and 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. 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).

12. The holder shall stockpile an adequate amount of topsoil where blading occurs. The topsoil to be stripped is approximately 6 inches in depth. The topsoil will be segregated from other spoil piles. The topsoil will be used for final reclamation.

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

- | | |
|--|--|
| <input type="checkbox"/> seed mixture 1 | <input type="checkbox"/> seed mixture 3 |
| <input type="checkbox"/> seed mixture 2 | <input type="checkbox"/> seed mixture 4 |
| <input checked="" type="checkbox"/> seed mixture 2/LPC | <input type="checkbox"/> Aplomado Falcon Mixture |

14. In those areas where erosion control structures are required to stabilize soil conditions, the holder shall install such structures as are suitable for the specific soil conditions being encountered and which are in accordance with sound management practices. Any earth work will require prior approval by the Authorized Officer.

15. Open-topped Tanks - 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

16. 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 enclosure systems such as fencing, netting, expanded metal mesh, lids, and grate covers. Use a maximum netting mesh size of 1 ½ inches.

17. Open-Vent Exhaust Stack Enclosures – 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 enclosure 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.

18. 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.

19. Special Stipulations:

- 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.

Lesser Prairie-Chicken

Oil and gas activities will not be allowed in lesser prairie-chicken habitat during the period from March 1st through June 15th annually. During that period, other activities that produce noise or

involve human activity, such as the maintenance of oil and gas facilities, geophysical exploration other than 3-D operations, and pipeline, road, and well pad construction, will be allowed except between 3:00 am and 9:00 am. The 3:00 am to 9:00 am restriction will not apply to normal, around-the-clock operations, such as venting, flaring, or pumping, which do not require a human presence during this period. Normal vehicle use on existing roads will not be restricted. Exhaust noise from permanent engines must be muffled or otherwise controlled so as not to exceed 75 db measured at 30 ft. from the source of the noise.

Timing Limitation Exceptions:

The Carlsbad Field Office will publish an annual map of where the LPC timing and noise stipulations and conditions of approval (Limitations) will apply for the identified year (between March 1 and June 15) based on the latest survey information. The LPC Timing Area map will identify areas which are Habitat Areas (HA), Isolated Population Area (IPA), and Primary Population Area (PPA). The LPC Timing Area map will also have an area in red crosshatch. The red crosshatch area is the only area where an operator is required to submit a request for exception to the LPC Limitations. If an operator is operating outside the red crosshatch area, the LPC Limitations do not apply for that year and an exception to LPC Limitations is not required.

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).

IX. 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).

Ground-level Abandoned Well Marker to avoid raptor perching: Upon the plugging and subsequent abandonment of the well, the well marker will be installed at ground level on a plate containing the pertinent information for the plugged well.

Seed Mixture for LPC Sand/Shinnery Sites

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 shall be done in accordance with State law(s) and within nine (9) months prior to purchase. Commercial seed shall be either certified or registered seed. The seed container shall 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). 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. Seeding shall be repeated until a satisfactory stand is established as determined by the Authorized Officer. Evaluation of growth may 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:

<u>Species</u>	<u>lb/acre</u>
Plains Bristlegrass	5lbs/A
Sand Bluestem	5lbs/A
Little Bluestem	3lbs/A
Big Bluestem	6lbs/A
Plains Coreopsis	2lbs/A
Sand Dropseed	1lbs/A

*Pounds of pure live seed:

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



U.S. Department of the Interior
BUREAU OF LAND MANAGEMENT

Operator Certification Data Report

10/08/2019

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 which currently 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.

NAME: Sarah Chapman

Signed on: 03/07/2019

Title: Regulatory Specialist

Street Address:

City:

State:

Zip:

Phone: (575)631-2442

Email address: sarah_chapman@oxy.com

Field Representative

Representative Name: Jim Wilson

Street Address: 6001 Deauville

City: Midland

State: TX

Zip: 79706

Phone: (575)631-2442

Email address: jim_wilson@oxy.com



APD ID: 10400039776

Submission Date: 03/07/2019

Highlighted data
reflects the most
recent changes

Operator Name: OXY USA INCORPORATED

Well Name: ARKENSTONE 31 FEDERAL

Well Number: 171H

[Show Final Text](#)

Well Type: OIL WELL

Well Work Type: Drill

Section 1 - General

APD ID: 10400039776

Tie to previous NOS?

Submission Date: 03/07/2019

BLM Office: CARLSBAD

User: Sarah Chapman

Title: Regulatory Specialist

Federal/Indian APD: FED

Is the first lease penetrated for production Federal or Indian? FED

Lease number: NMNM0546732A

Lease Acres: 607.8

Surface access agreement in place?

Allotted?

Reservation:

Agreement in place? NO

Federal or Indian agreement:

Agreement number:

Agreement name:

Keep application confidential? NO

Permitting Agent? NO

APD Operator: OXY USA INCORPORATED

Operator letter of designation:

Operator Info

Operator Organization Name: OXY USA INCORPORATED

Operator Address: 5 Greenway Plaza, Suite 110

Zip: 77046

Operator PO Box:

Operator City: Houston

State: TX

Operator Phone: (713)366-5716

Operator Internet Address:

Section 2 - Well Information

Well in Master Development Plan? NO

Master Development Plan name:

Well in Master SUPO? NO

Master SUPO name:

Well in Master Drilling Plan? NO

Master Drilling Plan name:

Well Name: ARKENSTONE 31 FEDERAL

Well Number: 171H

Well API Number:

Field/Pool or Exploratory? Field and Pool

Field Name: WILDCAT
WOLFCAMP

Pool Name: WOLFCAMP

Is the proposed well in an area containing other mineral resources? POTASH

Operator Name: OXY USA INCORPORATED

Well Name: ARKENSTONE 31 FEDERAL

Well Number: 171H

Is the proposed well in an area containing other mineral resources? POTASH

Is the proposed well in a Helium production area? N Use Existing Well Pad? NO New surface disturbance?

Type of Well Pad: MULTIPLE WELL

Multiple Well Pad Name: ARKENSTONE 31 FEDERAL
Number of Legs:

Number: 1H

Well Class: HORIZONTAL

Well Work Type: Drill

Well Type: OIL WELL

Describe Well Type:

Well sub-Type: INFILL

Describe sub-type:

Distance to town: 8 Miles

Distance to nearest well: 35 FT

Distance to lease line: 20 FT

Reservoir well spacing assigned acres Measurement: 320 Acres

Well plat: Arkenstone31Fd171H_c_102Supplemental_20190903111408.pdf

Arkenstone31Fd171H_SitePlan_20190903111409.pdf

Well work start Date: 11/04/2019

Duration: 15 DAYS

Section 3 - Well Location Table

Survey Type: RECTANGULAR

Describe Survey Type:

Datum: NAD83

Vertical Datum: NAVD88

Survey number: 17777

Reference Datum:

	NS-Foot	NS Indicator	EW-Foot	EW Indicator	Twsp	Range	Section	Aliquot/Lot/Tract	Latitude	Longitude	County	State	Meridian	Lease Type	Lease Number	Elevation	MD	TVD
SHL Leg #1	130	FNL	119 5	FWL	23S	31E	31	Aliquot NWN W	32.26781 8	- 103.8217 75	EDD Y	NEW MEXI CO	NEW MEXI CO	F	NMNM 054673 2A	334 7	0	0
KOP Leg #1	50	FNL	430	FWL	23S	31E	31	Aliquot NWN W	32.26803 6	- 103.8242 5	EDD Y	NEW MEXI CO	NEW MEXI CO	F	NMNM 054673 2A	- 758 3	110 17	109 30
PPP Leg #1	100	FNL	430	FWL	23S	31E	31	Aliquot NWN W	32.26789 8	- 103.8242 5	EDD Y	NEW MEXI CO	NEW MEXI CO	F	NMNM 054673 2A	- 805 6	118 12	114 03

Operator Name: OXY USA INCORPORATED

Well Name: ARKENSTONE 31 FEDERAL

Well Number: 171H

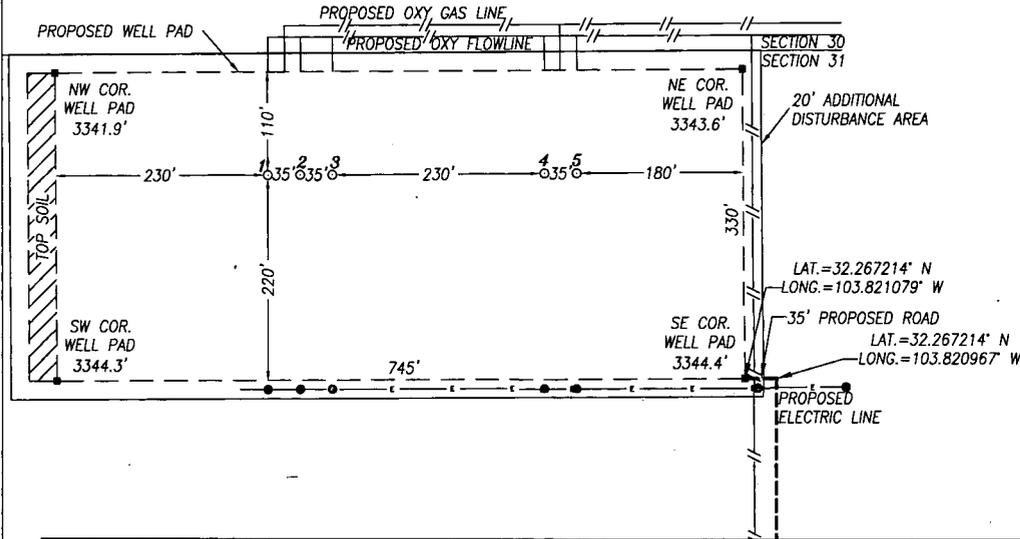
	NS-Foot	NS Indicator	EW-Foot	EW Indicator	Twsp	Range	Section	Aliquot/Lot/Tract	Latitude	Longitude	County	State	Meridian	Lease Type	Lease Number	Elevation	MD	TVD
EXIT Leg #1	100	FSL	430	FWL	23S	31E	31	Aliquot SWS W	32.25392 6	- 103.8242 5	EDD Y	NEW MEXI CO	NEW MEXI CO	F	NMNM 054673 2A	- 810 1	168 96	114 48
BHL Leg #1	20	FSL	430	FWL	23S	31E	31	Aliquot SWS W	32.25370 6	- 103.8242 51	EDD Y	NEW MEXI CO	NEW MEXI CO	F	NMNM 054673 2A	- 810 1	169 76	114 48

OXY USA INC.

SITE PLAN

SNDDNS 3102

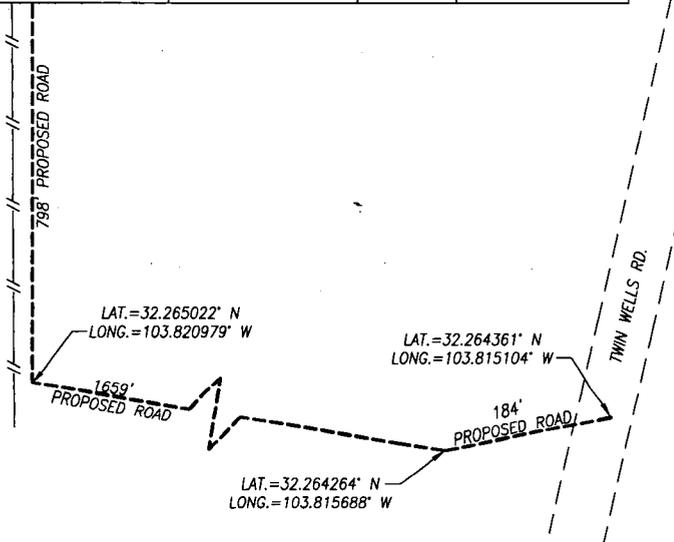
FAA PERMIT: NO



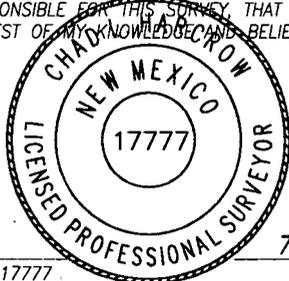
NO.	WELL	FOOTAGE	LAT.	LONG.	ELEV.	ID#
1	ARKENSTONE 31 FED #1H	130' FNL & 895' FWL	32.267817° N	103.822745° W	3346.9'	N/A
2	ARKENSTONE 31 FED #2H	130' FNL & 930' FWL	32.267817° N	103.822632° W	3347.4'	IP-SMS-2413
3	ARKENSTONE 31 FED #7H	130' FNL & 965' FWL	32.267817° N	103.822519° W	3346.5'	IP-SMS-2415
4	ARKENSTONE 31 FED #171H	130' FNL & 1195' FWL	32.267818° N	103.821775° W	3347.4'	IP-SMS-2411
5	ARKENSTONE 31 FED #172H	130' FNL & 1230' FWL	32.267818° N	103.821662° W	3350.5'	IP-SMS-2412

NOTES:

- 1) LATS & LONGS SHOWN HEREON ARE MERCATOR GRID AND CONFORM TO THE NEW MEXICO COORDINATE SYSTEM "NEW MEXICO EAST ZONE" NORTH AMERICAN DATUM 1983.
- 2) DISTANCES ARE GRID VALUES.
- 3) ALL FEATURES ARE EXISTING UNLESS OTHERWISE NOTED



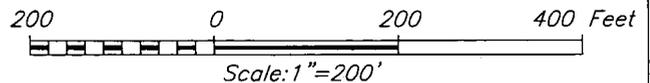
CERTIFICATION
I, CHAD HARCROW, A NEW MEXICO REGISTERED PROFESSIONAL SURVEYOR CERTIFY THAT I DIRECTED AND AM RESPONSIBLE FOR THIS SURVEY, THAT THIS SURVEY IS TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF.



Chad Harrow
CHAD HARCROW N.M.P.S. NO. 17777

7/22/19
DATE

HARCROW SURVEYING, LLC
2316 W. MAIN ST, ARTESIA, N.M. 88210
PH: (575) 746-2158
c.harcrow@harcrowsurveying.com



OXY USA INC.		
SURVEY DATE: JULY 10, 2019	SITE PLAN	
DRAFTING DATE: JULY 18, 2019	PAGE: 1 OF 1	
APPROVED BY: CH	DRAWN BY: AM	FILE: 19-1282



APD ID: 10400039776

Submission Date: 03/07/2019

Highlighted data reflects the most recent changes

Operator Name: OXY USA INCORPORATED

Well Name: ARKENSTONE 31 FEDERAL

Well Number: 171H

[Show Final Text](#)

Well Type: OIL WELL

Well Work Type: Drill

Section 1 - Geologic Formations

Formation ID	Formation Name	Elevation	True Vertical Depth	Measured Depth	Lithologies	Mineral Resources	Producing Formation
1	RUSTLER	3347	349	349	ANHYDRITE, SHALE, DOLOMITE	USEABLE WATER	N
2	SALADO	2682	666	666	HALITE, ANHYDRITE, SHALE, DOLOMITE	OTHER : SALT	N
3	CASTILE	754	2594	2594	ANHYDRITE	OTHER : SALT	N
4	LAMAR	-672	4020	4020	LIMESTONE, SILTSTONE, SANDSTONE	OTHER, NATURAL GAS, OIL : BRINE	N
5	BELL CANYON	-703	4051	4051	SILTSTONE, SANDSTONE	USEABLE WATER, OTHER, NATURAL GAS, OIL : BRINE	N
6	CHERRY CANYON	-1607	4955	4955	SILTSTONE, SANDSTONE	OTHER, NATURAL GAS, OIL : BRINE	N
7	BRUSHY CANYON	-2900	6248	6248	LIMESTONE, SILTSTONE, SANDSTONE	OTHER, NATURAL GAS, OIL : BRINE	N
8	BONE SPRING	-4578	7926	8000	LIMESTONE, SILTSTONE, SANDSTONE	NATURAL GAS, OIL	N
9	BONE SPRING 1ST	-5607	8955	9030	LIMESTONE, SILTSTONE, SANDSTONE	NATURAL GAS, OIL	Y
10	BONE SPRING 2ND	-6249	9597	9650	LIMESTONE, SILTSTONE, SANDSTONE	NATURAL GAS, OIL	Y
11	BONE SPRING 3RD	-7472	10820	10900	LIMESTONE, SILTSTONE, SANDSTONE	NATURAL GAS, OIL	Y
12	WOLFCAMP	-7938	11286	11400	LIMESTONE, SILTSTONE, SANDSTONE	NATURAL GAS, OIL	Y

Section 2 - Blowout Prevention

Pressure Rating (PSI): 5M

Rating Depth: 9911

Equipment: 13-5/8" 5M Annular, Blind Ram, Double Ram

Requesting Variance? YES

Variance request: Request for the use of a flexible choke line from the BOP to Choke Manifold.

Testing Procedure: 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

Operator Name: OXY USA INCORPORATED

Well Name: ARKENSTONE 31 FEDERAL

Well Number: 171H

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. A multibowl wellhead or a unionized multibowl wellhead system will be employed. The wellhead and connection to the BOPE will meet all API 6A requirements. The BOP will be tested per Onshore Order #2 after installation on the surface casing which will cover testing requirements for a maximum of 30 days. If any seal subject to test pressure is broken the system will be tested. We will test the flange connection of the wellhead with a test port that is directly in the flange. BOP Break Testing Request - As per the agreement reached in the OXY/BLM meeting on Feb 22, 2018, OXY requests permission to allow BOP Break Testing under the following conditions: 1. After a full BOP test is conducted on the first well on the pad. 2. When skidding to drill an intermediate section that the casing point is either shallower than the 3rd Bone Spring or 10000' TVD. 3. Full BOP test will be required prior to drilling any production section.

Choke Diagram Attachment:

Arkenstone31Fed171H_ChkManifold_20190307110340.pdf

BOP Diagram Attachment:

Arkenstone31Fed171H_FlexHoseCert_20190307110352.pdf

Arkenstone31Fed171H_BOP_5M_20190307110359.pdf

Section 3 - Casing

Casing ID	String Type	Hole Size	Csg Size	Condition	Standard	Tapered String	Top Set MD	Bottom Set MD	Top Set TVD	Bottom Set TVD	Top Set MSL	Bottom Set MSL	Calculated casing length MD	Grade	Weight	Joint Type	Collapse SF	Burst SF	Joint SF Type	Joint SF	Body SF Type	Body SF
1	SURFACE	17.5	13.375	NEW	API	N	0	400	0	400			400	J-55	54.5	BUTT	1.125	1.2	BUOY	1.4	BUOY	1.4
2	INTERMEDIATE	12.25	9.625	NEW	API	N	0	4070	0	4070			4070	L-80	40	BUTT	1.125	1.2	BUOY	1.4	BUOY	1.4
3	INTERMEDIATE	8.5	7.625	NEW	API	N	0	11017	0	10930			11017	HCL-80	26.4	OTHER - SF/FJ	1.125	1.2	BUOY	1.4	BUOY	1.4
4	PRODUCTION	6.75	5.5	NEW	API	N	0	16976	0	11448			16976	P-110	20	OTHER - DQX/SFTORQ	1.125	1.2	BUOY	1.4	BUOY	1.4

Casing Attachments

Operator Name: OXY USA INCORPORATED

Well Name: ARKENSTONE 31 FEDERAL

Well Number: 171H

Casing Attachments

Casing ID: 1 **String Type:** SURFACE

Inspection Document:

Spec Document:

Tapered String Spec:

Casing Design Assumptions and Worksheet(s):

Arkenstone31Fed171H_CsgCriteria_20190307110435.pdf

Casing ID: 2 **String Type:** INTERMEDIATE

Inspection Document:

Spec Document:

Tapered String Spec:

Casing Design Assumptions and Worksheet(s):

Arkenstone31Fed171H_CsgCriteria_20190307110459.pdf

Casing ID: 3 **String Type:** INTERMEDIATE

Inspection Document:

Spec Document:

Tapered String Spec:

Casing Design Assumptions and Worksheet(s):

Arkenstone31Fed171H_7.625_26.4_HCL80_TMKUPFJ_20190307110543.pdf

Arkenstone31Fed171H_7.625_26.4_HCL80_TMKUPSF_20190307110549.pdf

Arkenstone31Fed171H_CsgCriteria_20190307110557.pdf

Operator Name: OXY USA INCORPORATED

Well Name: ARKENSTONE 31 FEDERAL

Well Number: 171H

Casing Attachments

Casing ID: 4 String Type: PRODUCTION

Inspection Document:

Spec Document:

Tapered String Spec:

Casing Design Assumptions and Worksheet(s):

Arkenstone31Fed171H_5.5_20_P110_DQX_20190307110639.pdf

Arkenstone31Fed171H_5.5_20_P110HC_TMKUPSFTORQ_20190307110644.pdf

Arkenstone31Fed171H_CsgCriteria_20190307110651.pdf

Arkenstone31Fd171H_5.5_20_P110CY_TMKUPDQWTORQ_20190702083537.pdf

Section 4 - Cement

String Type	Lead/Tail	Stage Tool Depth	Top MD	Bottom MD	Quantity(sx)	Yield	Density	Cu Ft	Excess%	Cement type	Additives
SURFACE	Lead		0	400	429	1.33	14.8	571	100	CI C	Accelerator

INTERMEDIATE	Lead		0	3570	870	1.88	12.9	1636	50	Pozzolan/C	Retarder
INTERMEDIATE	Tail		3570	4070	155	1.33	14.8	206	20	CI C	Accelerator
INTERMEDIATE	Lead		0	6497	358	1.92	12.9	687	25	CI C	Accelerator
INTERMEDIATE	Tail		6497	10917	217	1.65	13.2	358	5	CI H	Retarder, Dispersant, Salt
PRODUCTION	Lead		10417	16976	848	1.38	13.2	668	20	CI H	Retarder, Dispersant, Salt

Operator Name: OXY USA INCORPORATED

Well Name: ARKENSTONE 31 FEDERAL

Well Number: 171H

Section 5 - Circulating Medium

Mud System Type: Closed

Will an air or gas system be Used? NO

Description of the equipment for the circulating system in accordance with Onshore Order #2:

Diagram of the equipment for the circulating system in accordance with Onshore Order #2:

Describe what will be on location to control well or mitigate other conditions: Sufficient mud materials to maintain mud properties and meet minimum lost circulation and weight increase requirements. The following is a general list of products: Barite, Bentonite, Gypsum, Lime, Soda Ash, Caustic Soda, Nut Plug, Cedar Fiber, Cotton Seed Hulls, Drilling Paper, Salt Water Clay, CaCl₂.

Describe the mud monitoring system utilized: PVT/MD Totco/Visual Monitoring

Circulating Medium Table

Top Depth	Bottom Depth	Mud Type	Min Weight (lbs/gal)	Max Weight (lbs/gal)	Density (lbs/cu ft)	Gel Strength (lbs/100 sqft)	PH	Viscosity (CP)	Salinity (ppm)	Filtration (cc)	Additional Characteristics
1091 7	1697 6	OTHER : Water-Based and/or Oil-Based Mud	9.5	12							
400	4070	OTHER : Saturated Brine Based Mud	9.8	10							
4070	1091 7	OTHER : Water-Based and/or Oil-Based Mud	8	9.6							
0	400	WATER-BASED MUD	8.6	8.8							

Operator Name: OXY USA INCORPORATED

Well Name: ARKENSTONE 31 FEDERAL

Well Number: 171H

Section 6 - Test, Logging, Coring

List of production tests including testing procedures, equipment and safety measures:

GR from TD to surface (horizontal well – vertical portion of hole). Mud Log from intermediate shoe to TD.

List of open and cased hole logs run in the well:

GR,MUDLOG

Coring operation description for the well:

No coring is planned at this time.

Section 7 - Pressure

Anticipated Bottom Hole Pressure: 7144

Anticipated Surface Pressure: 4625.44

Anticipated Bottom Hole Temperature(F): 172

Anticipated abnormal pressures, temperatures, or potential geologic hazards? NO

Describe:

Contingency Plans geohazards description:

Contingency Plans geohazards attachment:

Hydrogen Sulfide drilling operations plan required? YES

Hydrogen sulfide drilling operations plan:

Arkenstone31Fed171H_EmergencyContacts_20190307111012.pdf

Arkenstone31Fed171H_H2S1_20190307111019.pdf

Arkenstone31Fed171H_H2S2_20190307111024.pdf

Section 8 - Other Information

Proposed horizontal/directional/multi-lateral plan submission:

Arkenstone31Fed171H_DirectPlan_20190307111037.pdf

Arkenstone31Fed171H_DirectPlot_20190307111043.pdf

Other proposed operations facets description:

*The 3rd Bone Spring Geologic Formation Top that was provided was the 3rd Bone Spring Lime Formation Top as required by the Potash operator's agreement. The only selection under Section 1 Geologic Formations was the Bone Spring 3rd.

OXY requests the option to set casing shallower yet still below the salts if losses or hole conditions require this. Cement volumes may be adjusted if casing is set shallower and a DV tool will be run in case a contingency second stage is required for cement to reach surface. If cement circulated to surface during first stage we will drop a cancelation cone and not pump the second stage.

OXY respectfully requests a variance to cement the 9-5/8" and/or 7-5/8" intermediate casing strings offline, see attached for additional information.

OXY requests the option to run production casing with DQX, SF TORQ, and/or DQW TORQ connections to

Operator Name: OXY USA INCORPORATED

Well Name: ARKENSTONE 31 FEDERAL

Well Number: 171H

accommodate hole conditions or drilling operations.

OXY requests to pump a two stage cement job on the intermediate II casing string with the first stage being pumped conventionally with the calculated TOC @ the Bone Spring and the second stage performed as a bradenhead squeeze with planned cement from the Bone Spring to surface.

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

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

Well will be drilled with a walking/skidding operation. Plan to drill the multiple well pad in batch by section: all surface sections, intermediate sections and production sections. The wellhead will be secured with a night cap whenever the rig is not over the well.

OXY requests the option to contract a Surface Rig to drill, set surface casing, and cement for this well. If the timing between rigs is such that OXY would not be able to preset surface, the Primary Rig will MIRU and drill the well in its entirety per the APD. Please see the attached document for information on the spudder rig.

Other proposed operations facets attachment:

Arkenstone31Fed171H_SpudRigData_20190307111107.pdf

Arkenstone31Fd171H_DrillPlan_20190903112409.pdf

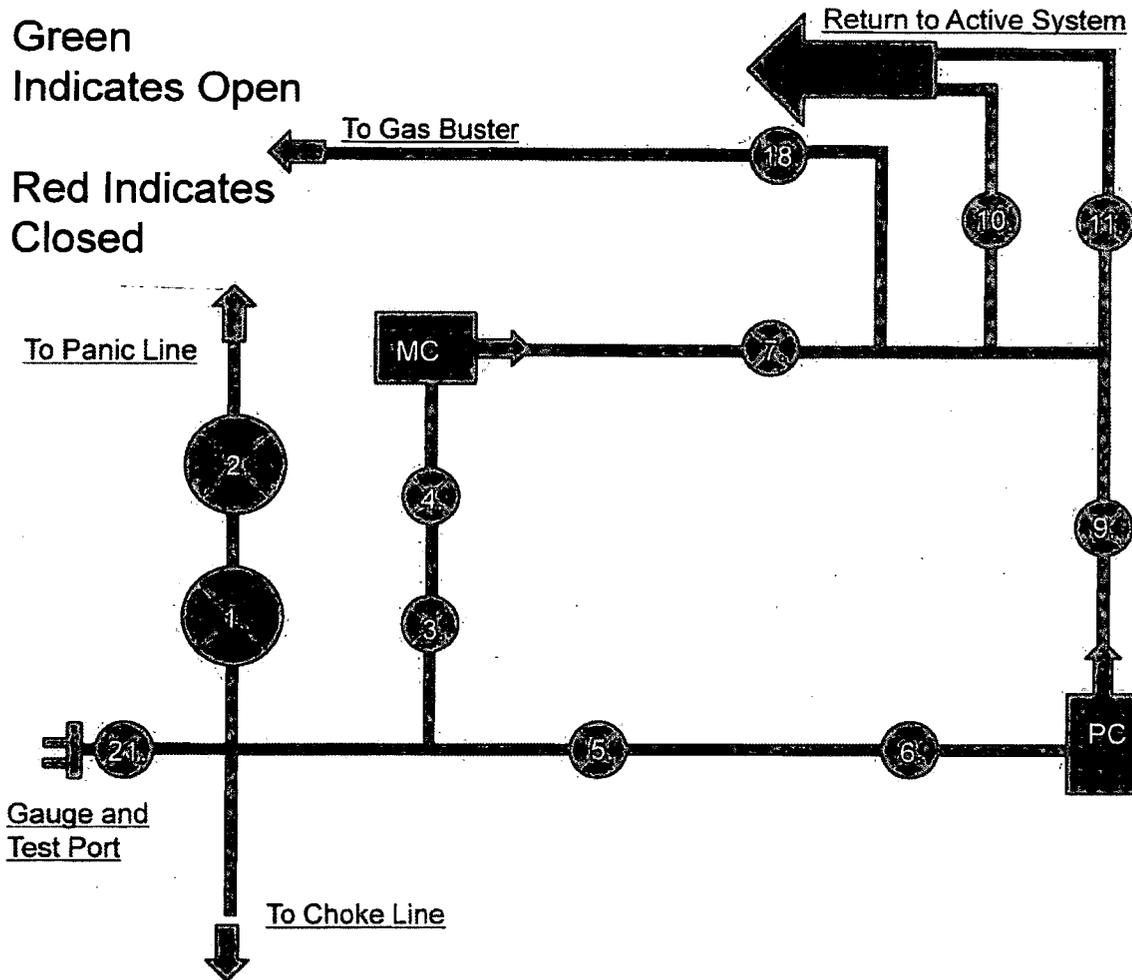
Arkenstone31Fd171H_GasCapPlan_20190903112410.pdf

Other Variance attachment:

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

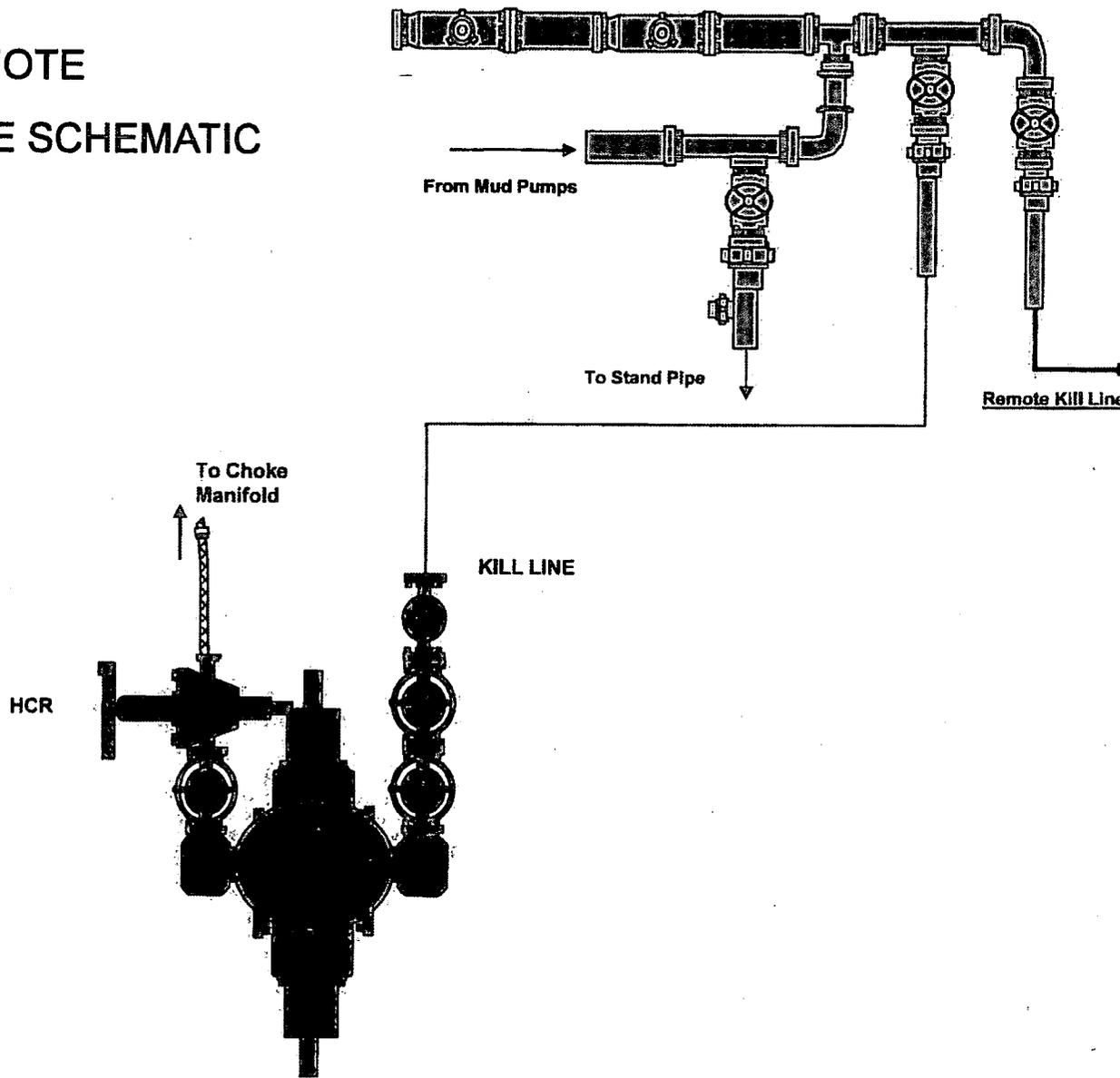
18. Choke Manifold Valve

21. Vertical Choke Manifold
Valve

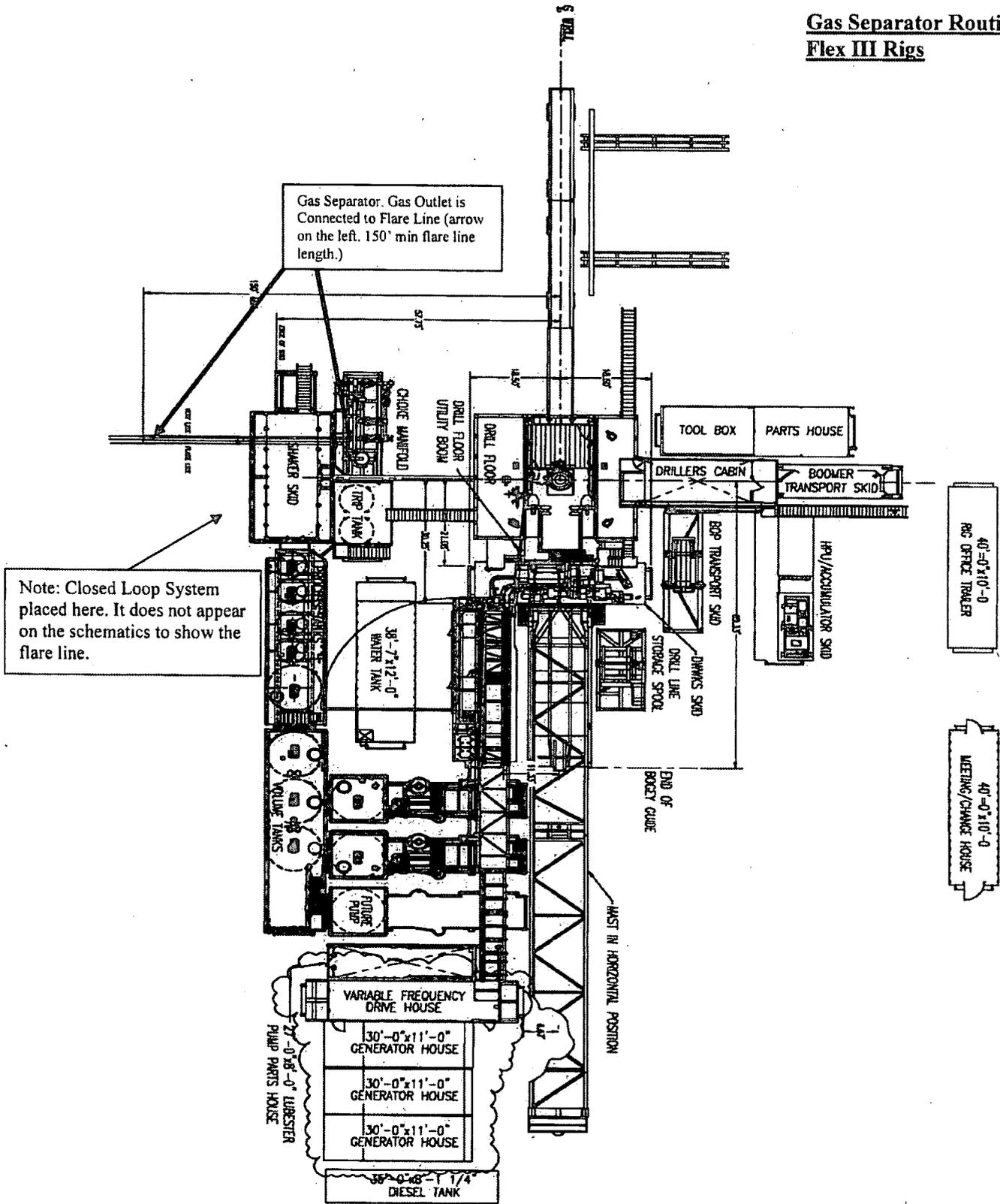
***All Valves 3" minimum**



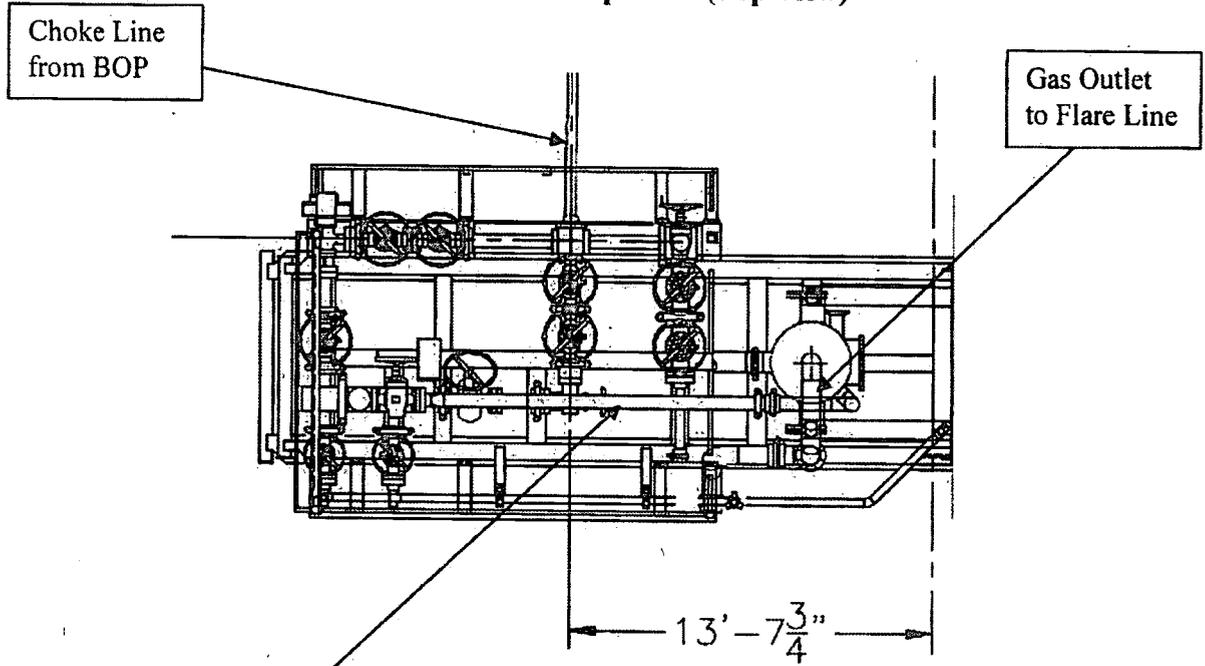
10M REMOTE KILL LINE SCHEMATIC



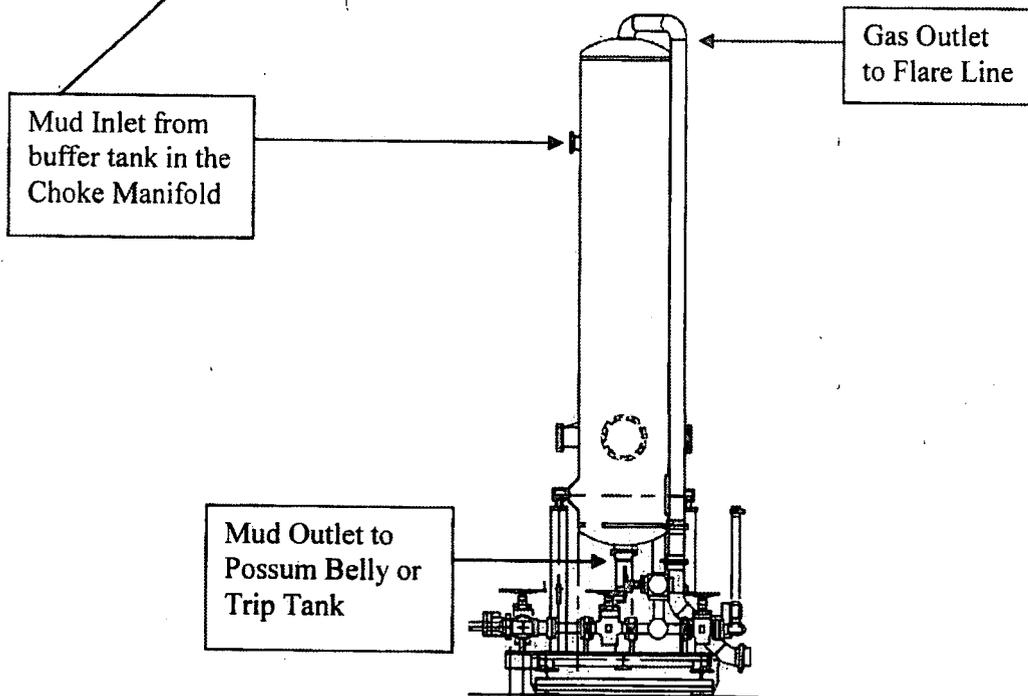
Gas Separator Routing Flex III Rigs



Choke Manifold – Gas Separator (Top View)



Choke Manifold – Gas Separator (Side View)



Coflex Hose Certification



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 <p align="center">See attachment. (1 page)</p>				
↑ 10 mm = 10 Min. → 10 mm = 25 MPa				
COUPLINGS				
Type	Serial N°	Quality	Heat N°	
3" coupling with 4 1/16" Flange end	917 913	AISI 4130	T7998A	
		AISI 4130	28984	
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: 04. April. 2008	Inspector	Quality Control <div style="text-align: center;"> </div>		

Coflex Hose Certification

[Handwritten Signature]
Coflex
Industrial Kft.
Supply Central Dept.
72

Coflex Hose Certification

Form No 100/12



Phoenix Beattie Corp

11535 Brittonmoore Park Drive
Houston, TX 77041
Tel: (832) 327-0141
Fax: (832) 327-0149
E-mail: esr1@phoenixbeattie.com
www.phoenixbeattie.com

Delivery Note

Customer Order Number	370-369-001	Delivery Note Number	003078	Page	1
Customer / Invoice Address HELMERICH & PAYNE INT'L DRILLING CO 1437 SOUTH BOULDER TULSA, OK 74119		Delivery / Address 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" 10Kps1 API Spec 6A Type 6BX Flange End 2: 4.1/16" 10Kps1 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...

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.

Coflex Hose Certification

Form No 100/12



Phoenix Beattie Corp

11535 Brittonshire Park Drive
Houston, TX 77041
Tel: (832) 327-0141
Fax: (832) 327-0148
E-mail: us1@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	OOCERT-HYDRO HYDROSTATIC PRESSURE TEST CERTIFICATE	1	1	0
6	OOCERT-LOAD LOAD TEST CERTIFICATES	1	1	0
7	OOFREIGHT 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.

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 :



Position: Q.C. Manager

ContiTech Rubber
Industrial Kft.
Quality Control Dept.
(1)

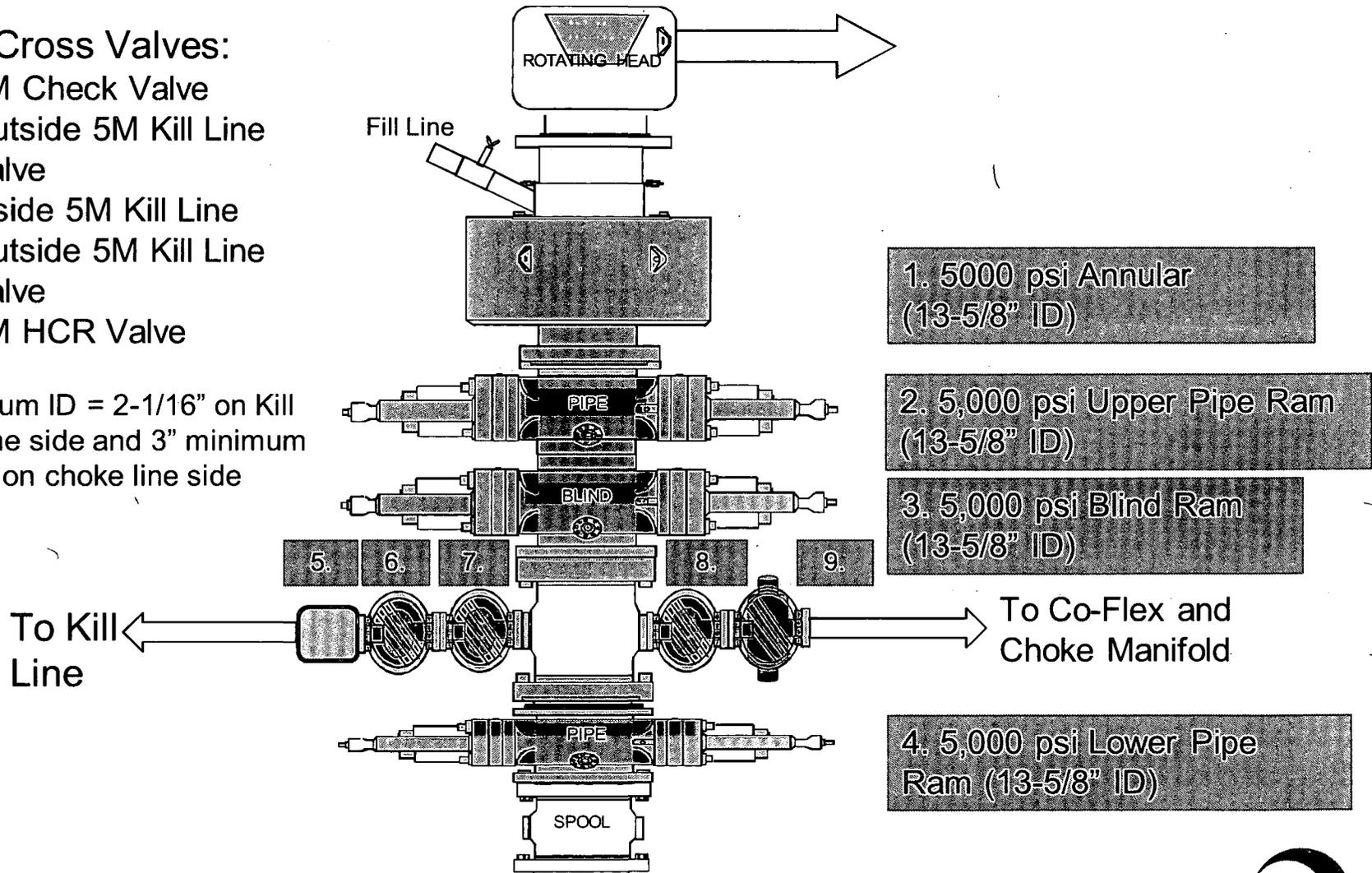
Date: 04. April. 2008

5M BOP Stack

Mud Cross Valves:

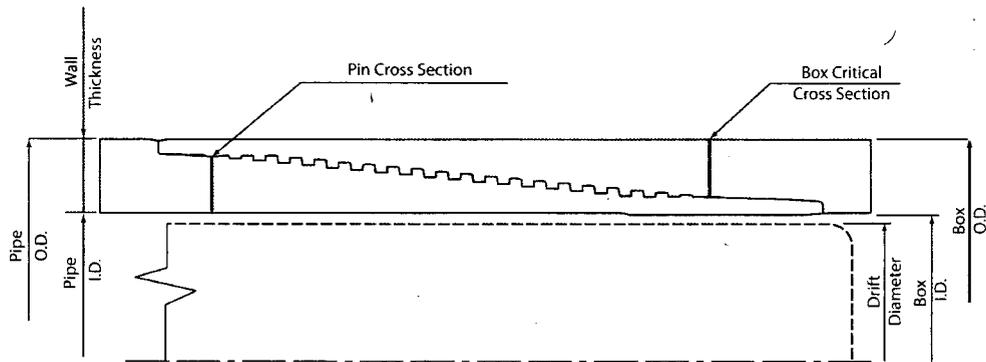
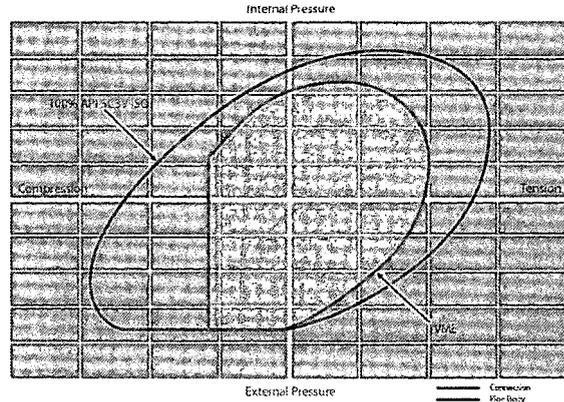
- 5. 5M Check Valve
- 6. Outside 5M Kill Line Valve
- 7. Inside 5M Kill Line Valve
- 8. Outside 5M Kill Line Valve
- 9. 5M HCR Valve

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



TECHNICAL DATA SHEET TMK UP FJ 7.625 X 26.4 L80 HC

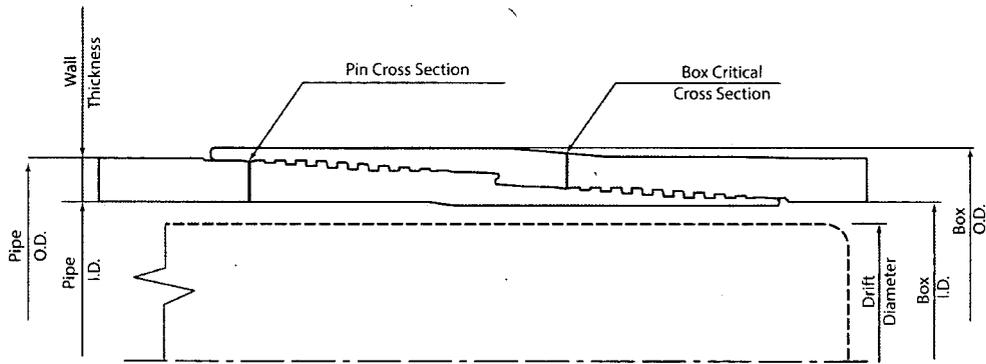
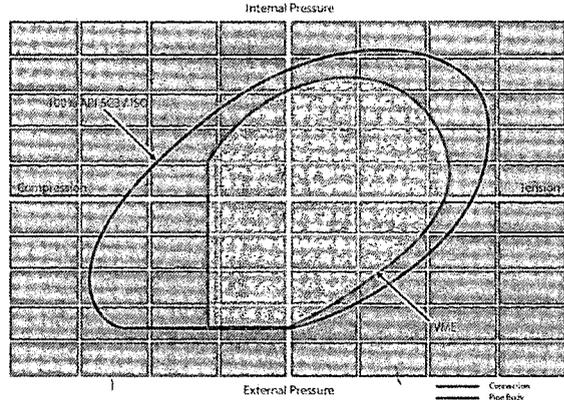
TUBULAR PARAMETERS		PIPE BODY PROPERTIES	
Nominal OD, (inch)	7.625	PE Weight, (lbs/ft)	25.56
Wall Thickness, (inch)	0.328	Nominal Weight, (lbs/ft)	26.40
Pipe Grade	L80 HC	Nominal ID, (inch)	6.969
Drift	Standard	Drift Diameter, (inch)	6.844
		Nominal Pipe Body Area, (sq inch)	7.519
		Yield Strength in Tension, (klbs)	601
		Min. Internal Yield Pressure, (psi)	6 020
		Collapse Pressure, (psi)	3 910
CONNECTION PARAMETERS			
Connection OD (inch)	7.63		
Connection ID, (inch)	6.975		
Make-Up Loss, (inch)	4.165		
Connection Critical Area, (sq inch)	2.520		
Yield Strength in Tension, (klbs)	347		
Yield Strength in Compression, (klbs)	347		
Tension Efficiency	58%		
Compression Efficiency	58%		
Min. Internal Yield Pressure, (psi)	6 020		
Collapse Pressure, (psi)	3 910		
Uniaxial Bending (deg/100ft)	28.0		
MAKE-UP TORQUES			
Yield Torque, (ft-lb)	22 200		
Minimum Make-Up Torque, (ft-lb)	12 500		
Optimum Make-Up Torque, (ft-lb)	13 900		
Maximum Make-Up Torque, (ft-lb)	15 300		



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TECHNICAL DATA SHEET TMK UP SF 7.625 X 26.4 L80 HC

TUBULAR PARAMETERS		PIPE BODY PROPERTIES	
Nominal OD, (inch)	7.625	PE Weight, (lbs/ft)	25.56
Wall Thickness, (inch)	0.328	Nominal Weight, (lbs/ft)	26.40
Pipe Grade	L80 HC	Nominal ID, (inch)	6.969
Drift	Standard	Drift Diameter, (inch)	6.844
CONNECTION PARAMETERS		Nominal Pipe Body Area, (sq inch)	7.519
Connection OD (inch)	7.79	Yield Strength in Tension, (klbs)	601
Connection ID, (inch)	6.938	Min. Internal Yield Pressure, (psi)	6 020
Make-Up Loss, (inch)	6.029	Collapse Pressure, (psi)	3 910
Connection Critical Area, (sq inch)	5.948		
Yield Strength in Tension, (klbs)	533		
Yield Strength in Compression, (klbs)	533		
Tension Efficiency	89%		
Compression Efficiency	89%		
Min. Internal Yield Pressure, (psi)	6 020		
Collapse Pressure, (psi)	3 910		
Uniaxial Bending (deg/100ft)	42.7		
MAKE-UP TORQUES			
Yield Torque, (ft-lb)	22 600		
Minimum Make-Up Torque, (ft-lb)	15 000		
Optimum Make-Up Torque, (ft-lb)	16 500		
Maximum Make-Up Torque, (ft-lb)	18 200		



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OXY's Minimum Design Criteria

Burst, Collapse, and Tensile SF are calculated using Landmark's Stress Check (Casing Design) software. A sundry will be requested if any lesser grade or different size casing is substituted.

1) Casing Design Assumptions

a) Burst Loads

CSG Test (Surface)

- Internal: Displacement fluid + pressure required to comply with regulatory casing test pressures. This will comply with both Onshore Oil and Gas Order No. 2 and 19.15.16 of the OCD Rules.
- External: Pore pressure in open hole.

CSG Test (Intermediate)

- Internal: Displacement fluid + pressure required to comply with regulatory casing test pressures. This will comply with both Onshore Oil and Gas Order No. 2 and 19.15.16 of the OCD Rules.
- External: Mud Weight to TOC, cement mix water gradient (8.4 ppg) below TOC, and pore pressure in open hole.

CSG Test (Production)

- Internal:
 - For Drilling: Displacement fluid + pressure required to comply with regulatory casing test pressures. This will comply with both Onshore Oil and Gas Order No. 2 and 19.15.16 of the OCD Rules.
 - For Production: The design pressure test should be the greater of (1) the planned test pressure prior to stimulation down the casing. (2) the regulatory test pressure, and (3) the expected gas lift system pressure. The design test fluid should be the fluid associated with pressure test having the greatest pressure.
- External:
 - For Drilling: Mud Weight to TOC, cement mix water gradient (8.4 ppg) below TOC, and pore pressure in open hole.
 - For Production: Mud base-fluid density to TOC, cement mix water gradient (8.4 ppg) below TOC, and pore pressure in open hole.

Gas Column (Surface)

- Internal: Assumes a full column of gas in the casing with a Gas/Oil Gradient of 0.1 psi/ft in the absence of better information. It is limited to the controlling pressure based on the fracture pressure at the shoe or the maximum expected pore pressure within the next drilling interval, whichever results in a lower surface pressure.
- External: Fluid gradient below TOC, pore pressure from the TOC to the Intermediate CSG shoe (if applicable), and MW of the drilling mud that was in the hole when the CSG was run from Intermediate CSG shoe to surface.

Bullheading (Surface / Intermediate)

- Internal: The string must be designed to withstand a pressure profile based on the fracture pressure at the casing shoe with a column of water above the shoe plus an additional surface pressure (in psi) of $0.02 \times MD$ of the shoe to account for pumping friction pressure.
- External: Mud weight to TOC, cement mix water gradient (8.4 ppg) below TOC, and pore pressure in open hole.

Gas Kick (Intermediate)

- The string must be designed to at least a gas kick load case unless the rig is unable to detect a kick. For the gas kick load case, the internal pressure profile must be based on a minimum volume of 50 bbl or the minimum kick detection capability of the rig, whichever is greater, and a kick intensity of 2.0 ppg for Class 1, 1.0 ppg of Class 2, and 0.5 ppg for Class 3 and 4 wells.
- Internal: Influx depth of the maximum pore pressure of 0.55 "gas kick gravity" of gas to surface while drilling the next hole section.
- External: Mud weight to the TOC, cement mix water gradient below TOC, and pore pressure in open hole.

Tubing Leak Near Surface While Producing (Production)

- Internal: SITP plus a packer fluid gradient to the shoe or top of packer.
- External: Mud base-fluid density to TOC, cement mix water gradient (8.4 ppg) below TOC, and pore pressure in open hole.

Tubing Leak Near Surface While Stimulating (Production)

- Internal: Surface pressure or pressure-relief system pressure, whichever is lower plus packer fluid gradient.
- External: Mud base-fluid density to TOC, cement mix water gradient (8.4 ppg) below TOC, and pore pressure in open hole.

Injection / Stimulation Down Casing (Production)

- Internal: Surface pressure plus injection fluid gradient.
- External: Mud base-fluid density to TOC, cement mix water gradient (8.4 ppg) below TOC, and pore pressure in open hole.

b) Collapse Loads

Lost Circulation (Surface / Intermediate)

- Internal: Lost circulation at the TD of the next hole section, and the fluid level falls to a depth where the hydrostatic of the mud equals pore pressure at the depth of the lost circulation zone.
- External: MW of the drilling mud that was in the hole when the casing was run.

Cementing (Surface / Intermediate / Production)

- Internal: Displacement fluid density.
- External: Mud weight from TOC to surface and cement slurry weight from TOC to casing shoe.

Full Evacuation (Production)

- Internal: Full void pipe.
- External: MW of drilling mud in the hole when the casing was run.

c) Tension Loads

Running Casing (Surface / Intermediate / Production)

- Axial: Buoyant weight of the string plus the lesser of 100,000 lb or the string weight in air.

Green Cement (Surface / Intermediate / Production)

- Axial: Buoyant weight of the string plus cement plug bump pressure load.

OXY's Minimum Design Criteria

Burst, Collapse, and Tensile SF are calculated using Landmark's Stress Check (Casing Design) software. A sundry will be requested if any lesser grade or different size casing is substituted.

1) Casing Design Assumptions

a) Burst Loads

CSG Test (Surface)

- Internal: Displacement fluid + pressure required to comply with regulatory casing test pressures. This will comply with both Onshore Oil and Gas Order No. 2 and 19.15.16 of the OCD Rules.
- External: Pore pressure in open hole.

CSG Test (Intermediate)

- Internal: Displacement fluid + pressure required to comply with regulatory casing test pressures. This will comply with both Onshore Oil and Gas Order No. 2 and 19.15.16 of the OCD Rules.
- External: Mud Weight to TOC, cement mix water gradient (8.4 ppg) below TOC, and pore pressure in open hole.

CSG Test (Production)

- Internal:
 - For Drilling: Displacement fluid + pressure required to comply with regulatory casing test pressures. This will comply with both Onshore Oil and Gas Order No. 2 and 19.15.16 of the OCD Rules.
 - For Production: The design pressure test should be the greater of (1) the planned test pressure prior to stimulation down the casing, (2) the regulatory test pressure, and (3) the expected gas lift system pressure. The design test fluid should be the fluid associated with pressure test having the greatest pressure.
- External:
 - For Drilling: Mud Weight to TOC, cement mix water gradient (8.4 ppg) below TOC, and pore pressure in open hole.
 - For Production: Mud base-fluid density to TOC, cement mix water gradient (8.4 ppg) below TOC, and pore pressure in open hole.

Gas Column (Surface)

- Internal: Assumes a full column of gas in the casing with a Gas/Oil Gradient of 0.1 psi/ft in the absence of better information. It is limited to the controlling pressure based on the fracture pressure at the shoe or the maximum expected pore pressure within the next drilling interval, whichever results in a lower surface pressure.
- External: Fluid gradient below TOC, pore pressure from the TOC to the Intermediate CSG shoe (if applicable), and MW of the drilling mud that was in the hole when the CSG was run from Intermediate CSG shoe to surface.

Bullheading (Surface / Intermediate)

- Internal: The string must be designed to withstand a pressure profile based on the fracture pressure at the casing shoe with a column of water above the shoe plus an additional surface pressure (in psi) of $0.02 \times MD$ of the shoe to account for pumping friction pressure.
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- Internal: Influx depth of the maximum pore pressure of 0.55 "gas kick gravity" of gas to surface while drilling the next hole section.
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Injection / Stimulation Down Casing (Production)

- Internal: Surface pressure plus injection fluid gradient.
- External: Mud base-fluid density to TOC, cement mix water gradient (8.4 ppg) below TOC, and pore pressure in open hole.

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- Internal: Lost circulation at the TD of the next hole section, and the fluid level falls to a depth where the hydrostatic of the mud equals pore pressure at the depth of the lost circulation zone.
- External: MW of the drilling mud that was in the hole when the casing was run.

Cementing (Surface / Intermediate / Production)

- Internal: Displacement fluid density.
- External: Mud weight from TOC to surface and cement slurry weight from TOC to casing shoe.

Full Evacuation (Production)

- Internal: Full void pipe.
- External: MW of drilling mud in the hole when the casing was run.

c) Tension Loads

Running Casing (Surface / Intermediate / Production)

- Axial: Buoyant weight of the string plus the lesser of 100,000 lb or the string weight in air.

Green Cement (Surface / Intermediate / Production)

- Axial: Buoyant weight of the string plus cement plug bump pressure load.

OXY's Minimum Design Criteria

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- External: Mud Weight to TOC, cement mix water gradient (8.4 ppg) below TOC, and pore pressure in open hole.

CSG Test (Production)

- Internal:
 - For Drilling: Displacement fluid + pressure required to comply with regulatory casing test pressures. This will comply with both Onshore Oil and Gas Order No. 2 and 19.15.16 of the OCD Rules.
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- External:
 - For Drilling: Mud Weight to TOC, cement mix water gradient (8.4 ppg) below TOC, and pore pressure in open hole.
 - For Production: Mud base-fluid density to TOC, cement mix water gradient (8.4 ppg) below TOC, and pore pressure in open hole.

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- External: Fluid gradient below TOC, pore pressure from the TOC to the Intermediate CSG shoe (if applicable), and MW of the drilling mud that was in the hole when the CSG was run from Intermediate CSG shoe to surface.

Bullheading (Surface / Intermediate)

- Internal: The string must be designed to withstand a pressure profile based on the fracture pressure at the casing shoe with a column of water above the shoe plus an additional surface pressure (in psi) of $0.02 \times MD$ of the shoe to account for pumping friction pressure.
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- Internal: Influx depth of the maximum pore pressure of 0.55 "gas kick gravity" of gas to surface while drilling the next hole section.
- External: Mud weight to the TOC, cement mix water gradient below TOC, and pore pressure in open hole.

Tubing Leak Near Surface While Producing (Production)

- Internal: SITP plus a packer fluid gradient to the shoe or top of packer.
- External: Mud base-fluid density to TOC, cement mix water gradient (8.4 ppg) below TOC, and pore pressure in open hole.

Tubing Leak Near Surface While Stimulating (Production)

- Internal: Surface pressure or pressure-relief system pressure, whichever is lower plus packer fluid gradient.
- External: Mud base-fluid density to TOC, cement mix water gradient (8.4 ppg) below TOC, and pore pressure in open hole.

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- Internal: Surface pressure plus injection fluid gradient.
- External: Mud base-fluid density to TOC, cement mix water gradient (8.4 ppg) below TOC, and pore pressure in open hole.

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Lost Circulation (Surface / Intermediate)

- Internal: Lost circulation at the TD of the next hole section, and the fluid level falls to a depth where the hydrostatic of the mud equals pore pressure at the depth of the lost circulation zone.
- External: MW of the drilling mud that was in the hole when the casing was run.

Cementing (Surface / Intermediate / Production)

- Internal: Displacement fluid density.
- External: Mud weight from TOC to surface and cement slurry weight from TOC to casing shoe.

Full Evacuation (Production)

- Internal: Full void pipe.
- External: MW of drilling mud in the hole when the casing was run.

c) Tension Loads

Running Casing (Surface / Intermediate / Production)

- Axial: Buoyant weight of the string plus the lesser of 100,000 lb or the string weight in air.

Green Cement (Surface / Intermediate / Production)

- Axial: Buoyant weight of the string plus cement plug bump pressure load.

PERFORMANCE DATA

TMK UP DQX
Technical Data Sheet

5.500 in

20.00 lbs/ft

P-110

Tubular Parameters

Size	5.500	in	Minimum Yield	110,000	psi
Nominal Weight	20.00	lbs/ft	Minimum Tensile	125,000	psi
Grade	P-110		Yield Load	641,000	lbs
PE Weight	19.81	lbs/ft	Tensile Load	729,000	lbs
Wall Thickness	0.361	in	Min. Internal Yield Pressure	12,600	psi
Nominal ID	4.778	in	Collapse Pressure	11,100	psi
Drift Diameter	4.653	in			
Nom. Pipe Body Area	5.828	in ²			

Connection Parameters

Connection OD	6.050	in
Connection ID	4.778	in
Make-Up Loss	4.122	in
Critical Section Area	5.828	in ²
Tension Efficiency	100.0	%
Compression Efficiency	100.0	%
Yield Load In Tension	641,000	lbs
Min. Internal Yield Pressure	12,600	psi
Collapse Pressure	11,100	psi

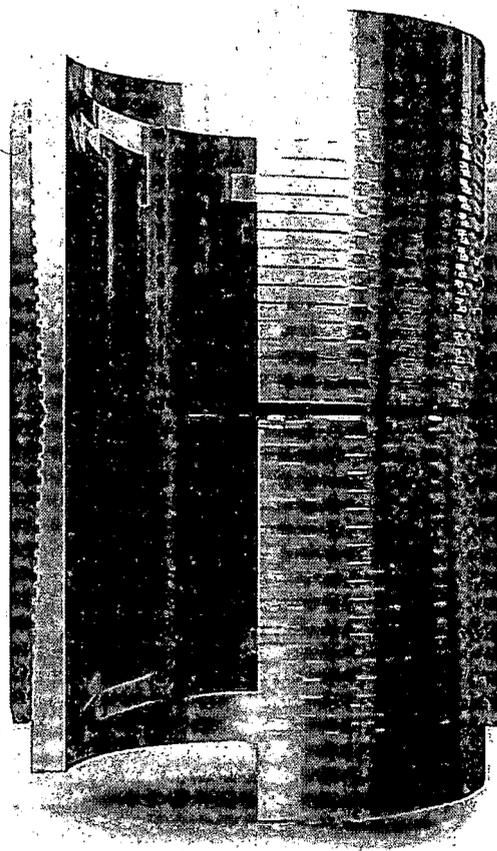
Make-Up Torques

Min. Make-Up Torque	11,600	ft-lbs
Opt. Make-Up Torque	12,900	ft-lbs
Max. Make-Up Torque	14,100	ft-lbs
Yield Torque	20,600	ft-lbs

Printed on: July-29-2014

NOTE:

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TECHNICAL DATA SHEET TMK UP DQX 5.5 X 20 P110

TUBULAR PARAMETERS

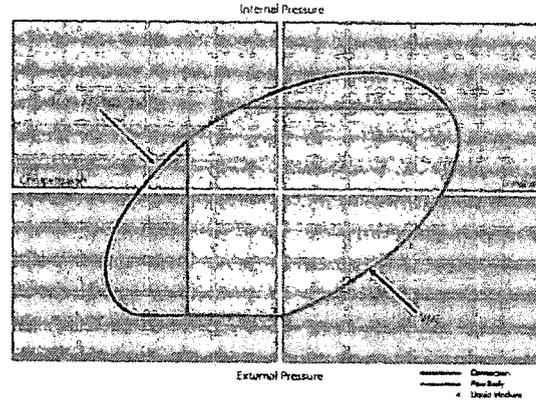
Nominal OD, (inch)	5.500
Wall Thickness, (inch)	0.361
Pipe Grade	P110
Coupling	Regular
Coupling Grade	P110
Drift	Standard

PIPE BODY PROPERTIES

PE Weight, (lbs/ft)	19.81
Nominal Weight, (lbs/ft)	20.00
Nominal ID, (inch)	4.778
Drift Diameter, (inch)	4.653
Nominal Pipe Body Area, (sq inch)	5.828
Yield Strength In Tension, (kbs)	641
Min. Internal Yield Pressure, (psi)	12 640
Collapse Pressure, (psi)	11 110

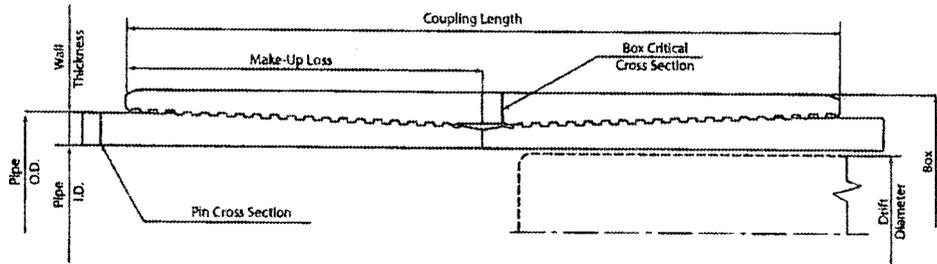
CONNECTION PARAMETERS

Connection OD (inch)	6.05
Connection ID, (inch)	4.778
Make-Up Loss, (inch)	4.122
Connection Critical Area, (sq inch)	5.828
Yield Strength In Tension, (kbs)	641
Yield Strength in Compression, (kbs)	641
Tension Efficiency	100%
Compression Efficiency	100%
Min. Internal Yield Pressure, (psi)	12 640
Collapse Pressure, (psi)	11 110
Uniaxial Bending (deg/100ft)	91.7



MAKE-UP TORQUES

Yield Torque, (ft-lb)	20 600
Minimum Make-Up Torque, (ft-lb)	11 600
Optimum Make-Up Torque, (ft-lb)	12 900
Maximum Make-Up Torque, (ft-lb)	14 100



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Print date: 12/07/2017 16:09

PERFORMANCE DATA

TMK UP SF TORQ™
Technical Data Sheet

5.500 in

20.00 lbs/ft

P110 HC

Tubular Parameters

Size	5.500	in	Minimum Yield	110,000	psi
Nominal Weight	20.00	lbs/ft	Minimum Tensile	125,000	psi
Grade	P110 HC		Yield Load	641,000	lbs
PE Weight	19.81	lbs/ft	Tensile Load	728,000	lbs
Wall Thickness	0.361	in	Min. Internal Yield Pressure	12,640	psi
Nominal ID	4.778	in	Collapse Pressure	12,780	psi
Drift Diameter	4.653	in			
Nom. Pipe Body Area	5.828	in ²			

Connection Parameters

Connection OD	5.777	in
Connection ID	4.734	in
Make-Up Loss	5.823	in
Critical Section Area	5.875	in ²
Tension Efficiency	90.0	%
Compression Efficiency	90.0	%
Yield Load In Tension	576,000	lbs
Min. Internal Yield Pressure	12,640	psi
Collapse Pressure	12,780	psi
Uniaxial Bending	83	°/ 100 ft

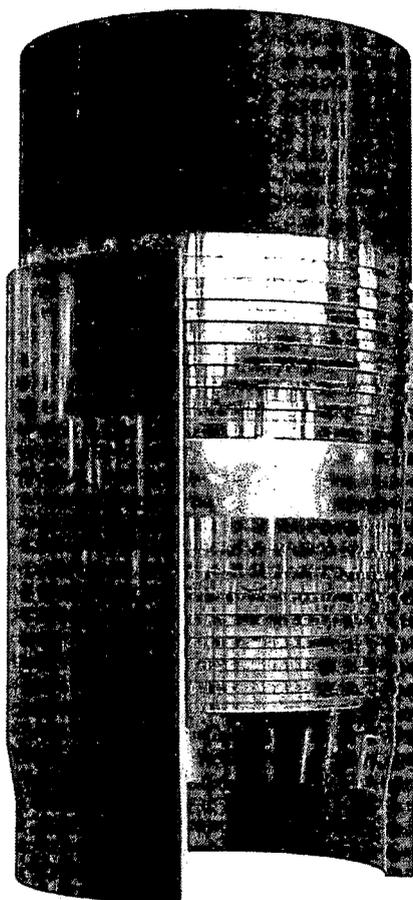
Make-Up Torques

Min. Make-Up Torque	15,700	ft-lbs
Opt. Make-Up Torque	19,600	ft-lbs
Max. Make-Up Torque	21,600	ft-lbs
Operating Torque	29,000	ft-lbs
Yield Torque	36,000	ft-lbs

Printed on: February-22-2018

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OXY's Minimum Design Criteria

Burst, Collapse, and Tensile SF are calculated using Landmark's Stress Check (Casing Design) software. A sundry will be requested if any lesser grade or different size casing is substituted.

1) Casing Design Assumptions

a) Burst Loads

CSG Test (Surface)

- Internal: Displacement fluid + pressure required to comply with regulatory casing test pressures. This will comply with both Onshore Oil and Gas Order No. 2 and 19.15.16 of the OCD Rules.
- External: Pore pressure in open hole.

CSG Test (Intermediate)

- Internal: Displacement fluid + pressure required to comply with regulatory casing test pressures. This will comply with both Onshore Oil and Gas Order No. 2 and 19.15.16 of the OCD Rules.
- External: Mud Weight to TOC, cement mix water gradient (8.4 ppg) below TOC, and pore pressure in open hole.

CSG Test (Production)

- Internal:
 - For Drilling: Displacement fluid + pressure required to comply with regulatory casing test pressures. This will comply with both Onshore Oil and Gas Order No. 2 and 19.15.16 of the OCD Rules.
 - For Production: The design pressure test should be the greater of (1) the planned test pressure prior to stimulation down the casing, (2) the regulatory test pressure, and (3) the expected gas lift system pressure. The design test fluid should be the fluid associated with pressure test having the greatest pressure.
- External:
 - For Drilling: Mud Weight to TOC, cement mix water gradient (8.4 ppg) below TOC, and pore pressure in open hole.
 - For Production: Mud base-fluid density to TOC, cement mix water gradient (8.4 ppg) below TOC, and pore pressure in open hole.

Gas Column (Surface)

- Internal: Assumes a full column of gas in the casing with a Gas/Oil Gradient of 0.1 psi/ft in the absence of better information. It is limited to the controlling pressure based on the fracture pressure at the shoe or the maximum expected pore pressure within the next drilling interval, whichever results in a lower surface pressure.
- External: Fluid gradient below TOC, pore pressure from the TOC to the Intermediate CSG shoe (if applicable), and MW of the drilling mud that was in the hole when the CSG was run from Intermediate CSG shoe to surface.

Bullheading (Surface / Intermediate)

- Internal: The string must be designed to withstand a pressure profile based on the fracture pressure at the casing shoe with a column of water above the shoe plus an additional surface pressure (in psi) of $0.02 \times MD$ of the shoe to account for pumping friction pressure.
- External: Mud weight to TOC, cement mix water gradient (8.4 ppg) below TOC, and pore pressure in open hole.

Gas Kick (Intermediate)

- The string must be designed to at least a gas kick load case unless the rig is unable to detect a kick. For the gas kick load case, the internal pressure profile must be based on a minimum volume of 50 bbl or the minimum kick detection capability of the rig, whichever is greater, and a kick intensity of 2.0 ppg for Class 1, 1.0 ppg of Class 2, and 0.5 ppg for Class 3 and 4 wells.
- Internal: Influx depth of the maximum pore pressure of 0.55 "gas kick gravity" of gas to surface while drilling the next hole section.
- External: Mud weight to the TOC, cement mix water gradient below TOC, and pore pressure in open hole.

Tubing Leak Near Surface While Producing (Production)

- Internal: SITP plus a packer fluid gradient to the shoe or top of packer.
- External: Mud base-fluid density to TOC, cement mix water gradient (8.4 ppg) below TOC, and pore pressure in open hole.

Tubing Leak Near Surface While Stimulating (Production)

- Internal: Surface pressure or pressure-relief system pressure, whichever is lower plus packer fluid gradient.
- External: Mud base-fluid density to TOC, cement mix water gradient (8.4 ppg) below TOC, and pore pressure in open hole.

Injection / Stimulation Down Casing (Production)

- Internal: Surface pressure plus injection fluid gradient.
- External: Mud base-fluid density to TOC, cement mix water gradient (8.4 ppg) below TOC, and pore pressure in open hole.

b) Collapse Loads

Lost Circulation (Surface / Intermediate)

- Internal: Lost circulation at the TD of the next hole section, and the fluid level falls to a depth where the hydrostatic of the mud equals pore pressure at the depth of the lost circulation zone.
- External: MW of the drilling mud that was in the hole when the casing was run.

Cementing (Surface / Intermediate / Production)

- Internal: Displacement fluid density.
- External: Mud weight from TOC to surface and cement slurry weight from TOC to casing shoe.

Full Evacuation (Production)

- Internal: Full void pipe.
- External: MW of drilling mud in the hole when the casing was run.

c) Tension Loads

Running Casing (Surface / Intermediate / Production)

- Axial: Buoyant weight of the string plus the lesser of 100,000 lb or the string weight in air.

Green Cement (Surface / Intermediate / Production)

- Axial: Buoyant weight of the string plus cement plug bump pressure load.

PERFORMANCE DATA

TMK UP TORQ™ DQW
Technical Data Sheet

5.500 in

20.00 lbs/ft

P110 CY

Tubular Parameters

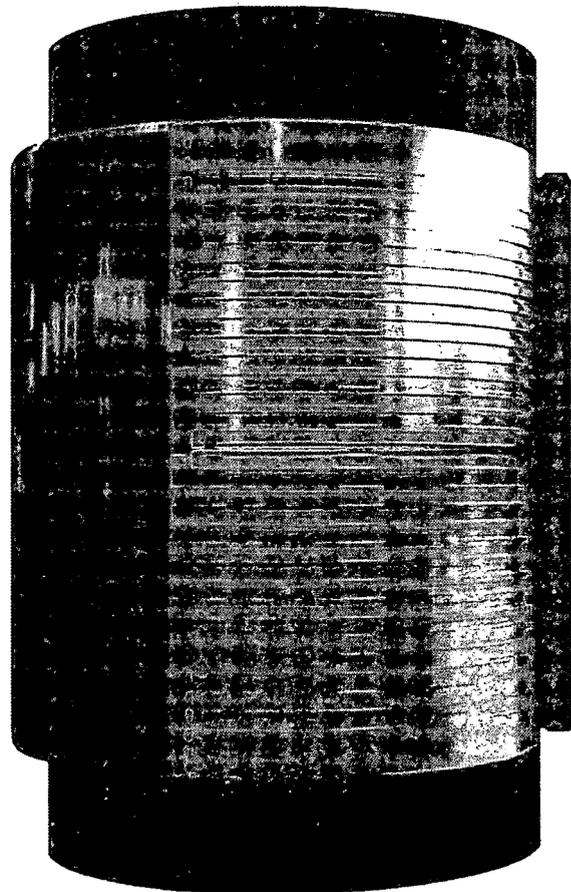
Size	5.500	in	Minimum Yield	110,000	psi
Nominal Weight	20.00	lbs/ft	Minimum Tensile	125,000	psi
Grade	P110 CY		Yield Load	641,000	lbs
PE Weight	19.81	lbs/ft	Tensile Load	729,000	lbs
Wall Thickness	0.361	in	Min. Internal Yield Pressure	12,640	psi
Nominal ID	4.778	in	Collapse Pressure	11,110	psi
Drift Diameter	4.653	in			
Nom. Pipe Body Area	5.828	in ²			

Connection Parameters

Connection OD	6.050	in
Connection ID	4.778	in
Make-Up Loss	4.324	in
Critical Section Area	5.828	in ²
Tension Efficiency	100.0	%
Compression Efficiency	100.0	%
Yield Load In Tension	641,000	lbs
Min. Internal Yield Pressure	12,640	psi
Collapse Pressure	11,110	psi
Uniaxial Bending	92	% / 100 ft

Make-Up Torques

Min. Make-Up Torque	14,000	ft-lbs
Opt. Make-Up Torque	16,000	ft-lbs
Max. Make-Up Torque	18,000	ft-lbs
Operating Torque	36,800	ft-lbs
Yield Torque	46,000	ft-lbs



Printed on: March-05-2019

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OXY Permian Delaware NM Basin Drilling & Completions Incident Reporting
OXY Permian Crisis Team Hotline Notification

Person	Location	Office Phone	Cell/Mobile Phone	Home Phone	Pager Number
Drilling & Completions Department					
Drilling & Completions Manager: John Willis	Houston	(713) 366-5556	(713) 259-1417		
Drilling Superintendent: Simon Benavides	Houston	(713) 215-7403	(832) 528-3547		
Completions Superintendent: Chris Winter	Houston	(713) 366-5212	(806) 239-8774		
Drilling Eng. Supervisor: Diego Tellez	Houston	(713) 350-4602	(713) 303-4932		
Drilling Eng. Supervisor: Randy Neel	Houston	(713) 215-7987	(713) 517-5544		
Completions Eng. Supervisor: Evan Hinkel	Houston	(713) 366-5436	(281) 236-6153		
Drilling & Completions HES Lead: Ryan Green	Houston	(713) 336-5753	(281) 520-5216		
Drilling & Completions HES Advisor: Kenny Williams	Carlsbad	(432) 686-1434	(337) 208-0911		
Drilling & Completions HES Advisor: Kyle Holden	Carlsbad	(432) 686-1435	(661) 369-5328		
Drilling & Completions HES Advisor Sr: Dave Schmidt	Carlsbad		(559) 310-8572		
Drilling & Completions HES Advisor: Seth Doyle	Carlsbad		(337) 499-0756		
HES / Environmental & Regulatory Department					
	Location	Office	Cell Phone		
Jon Hamil-HES Manager	Houston	(713) 497-2494	(832) 537-9885		
Mark Birk-HES Manager	Houston	(713) 350-4615	(949) 413-3127		
Austin Trammell	Midland	(432) 699-4208	(575) 499-4919		
Rico Munoz	Midland	(432) 699-8366	(432) 803-4116		
Amber DuckWorth	Midland		(832) 966-1879		
Kelley Montgomery- Regulatory Manager	Houston	(713) 366-5716	(832) 454-8137		
Sandra Musallam -Regulatory Lead	Houston	+1 (713) 366-5106	+1 (713) 504-8577		
Bishop, Steve-DOT Pipeline Coordinator	Midland	432-685-5614			
Wilson, Dusty-Safety Advisor	Midland	432-685-5771	(432) 254-2336		
John W Dittrich Eniromental Advisor	Midland		(575) 390-2828		
William (Jack) Calhoun-Environmental Lead	Houston	713 (350) 4906	(281) 917-8571		
Robert Barrow-Risk Engineer Manager	Houston	(713) 366-5611	(832) 867-5336		
Sarah Holmes-HSE Cordinator	Midland	(432) 685-5758			
Administrative					
	Location	Office			
Sarah Holmes	Midland	(432) 685-5830			
Robertson, Debbie	Midland	(432) 685-5812			
Laci Hollaway	Midland	(432) 685-5716	(432) 631-6341		
Administrative					
	Location	Office			
Rosalinda Escajeda	Midland	(432) 685-5831			
Moreno, Leslie (contract)	Hobbs	(575) 397-8247			
Sehon, Angela (contractor)	Levelland	(806) 894-8347			
Vasquez, Claudia (contractor)	North Cowden	(432) 385-3120			
XstremeMD					
	Location	Office			
Medical Case Management	Orta, TX	(337) 205-9314			
Axiom Medical Consulting					
	Location	Office			
Medical Case Management		(877) 502-9466			
Regulatory Agencies					
Bureau of Land Management	Carlsbad, NM	(505) 887-6544			
Bureau of Land Management	Hobbs, NM	(505) 393-3612			
Bureau of Land Management	Roswell, NM	(505) 393-3612			
Bureau of Land Management	Santa Fe, NM	(505) 988-6030			
DOT Juisdictional Pipelines-Incident Reporting New Mexico		(505) 827-3549			
Public Regulation Commission	Santa Fe, NM	(505) 490-2375			
DOT Juisdictional Pipelines-Incident Reporting Texas					
Railroad Commission	Austin, TX	(512) 463-6788			
EPA Hot Line	Dallas, Texas	(214) 665-6444			
Federal OSHA, Area Office	Lubbock, Texas	(806) 472-7681			
National Response Center	Washington, D. C.	(800) 424-8802			
National Infrastructure Coordinator Center		(202) 282-9201			
New Mexico Air Quality Bureau	Santa Fe, NM	(505) 827-1494			
New Mexico Oil Conservation Division	Artesia, NM	(505) 748-1283	After Hours (505) 370-7545		
New Mexico Oil Conservation Division	Hobbs, NM	(505) 393-6161			
New Mexico Oil Conservation Division	Santa Fe, NM	(505) 471-1068			
		(505) 827-7152			
New Mexico OCD Environmental Bureau	Santa Fe, NM	(505) 476-3470			
New Mexico Environmental Department	Hobbs, NM	(505) 827-9329			
NM State Emergency Response Center	Santa Fe, NM	(505) 827-9222			
Railroad Commission of TX	District 1 San Antonio, TX	(210) 227-1313			
Railroad Commission of TX	District 7C San Angelo, TX	(325) 657-7450			
Railroad Commission of TX	District 8, 8A Midland, TX	(432) 684-5581			
Texas Emergency Response Center	Austin, TX	(512) 463-7727			
TCEQ Air	Region 2 Lubbock, TX	(806) 796-3494			
TCEQ Water/Waste/Air	Region 3 Abilene, TX	(325) 698-9674			
TCEQ Water/Waste/Air	Region 7 Midland, TX	(432) 570-1359			
TCEQ Water/Waste/Air	Region 9 San Antonio, TX	(512) 734-7981			
TCEQ Water/Waste/Air	Region 8 San Angelo	(325) 655-9479			

Medical Facilities					
Abemathy Medical Clinic	Abemathy, TX	(806) 298-2524			
Alliance Hospital	Odessa, TX	(432) 550-1000			
Artesia General Hospital	Artesia, NM	(505) 748-3333			
Brownfield Regional Medical Center	Brownfield, TX	(806) 637-3551			
Cogdell Memorial Hospital	Snyder, TX	(325) 573-6374			
Covenant Hospital Levelland	Levelland, TX	(806) 894-4963			
Covenant Medical Center	Lubbock, TX	(806) 725-1011			
Covenant Medical Center Lakeside	Lubbock, TX	(806) 725-6000			
Covenant Family Health	Snyder, TX	(325) 573-1300			
Crockett County Hospital	Ozona, TX	(325) 392-2671			
Guadalupe Medical Center	Carlsbad, NM	(505) 887-6633			
Lea Regional Hospital	Hobbs, NM	(505) 492-5000			
McCamey Hospital	McCamey, TX	(432) 652-8626			
Medical Arts Hospital	Lamesa, TX	(806) 872-2183			
Medical Center Hospital	Odessa, TX	(432) 640-4000			
Medi Center Hospital	San Angelo, TX	(325) 653-6741			
Memorial Hospital	Fl. Stockton	(432) 336-2241			
Memorial Hospital	Seminole, TX	(432) 758-5811			
Midland Memorial Hospital	Midland, TX	(432) 685-1111			
Nor-Lea General Hospital	Lovington, NM	(505) 396-6611			
Odessa Regional Hospital	Odessa, TX	(432) 334-8200			
Permian General Hospital	Andrews, TX	(432) 523-2200			
Reagan County Hospital	Big Lake, TX	(325) 884-2561			
Reeves County Hospital	Pecos, TX	(432) 447-3551			
Shannon Medical Center	San Angelo, TX	(325) 653-6741			
Union County General Hospital	Clayton, NM	(505) 374-2585			
University Medical Center	Lubbock, TX	(806) 725-8200			
Val Verde Regional Medical Center	Del Rio, TX	(830) 775-8566			
Ward Memorial Hospital	Monahans, TX	(432) 943-2511			
Yoakum County Hospital	Denver City, TX	(806) 592-5484			
Law Enforcement - Sheriff					
Andrews City Sheriff's Department	Andrews County(Andrews)	(432) 523-5545			
Crane City Sheriff's Department	Crane, County (Crane)	(432) 558-3571			
Crockett City Sheriff's Department	Crockett County (Ozona)	(325) 392-2661			
Dawson City Sheriff's Department	Dawson County (Lamesa)	(806) 872-7560			
Ector City Sheriff's Department	Ector County (Odessa)	(432) 335-3050			
Eddy City Sheriff's Department	Eddy County (Artesia)	(505) 746-2704			
Eddy City Sheriff's Department	Eddy County (Carlsbad)	(505) 887-7551			
Gaines City Sheriff's Department	Gaines County (Seminole)	(432) 758-9871			
Hockley City Sheriff's Department	Hockley County(Lvelland)	(806) 894-3126			
Kent City (Jayton City Sheriff's Dept.)	Kent County(Jayton)	(806) 237-3801			
Lea City Sheriff's Department	Lea County (Eunice)	(505) 384-2020			
Lea City Sheriff's Department	Lea County (Hobbs)	(505) 393-2515			
Lea City Sheriff's Department	Lea County (Lovington)	(505) 396-3611			
Lubbock City Sheriff's Department	Lubbock City (Abemathy)	(806) 298-2724			
Midland City Sheriff's Department	Midland County (Midland)	(432) 688-1277			
Pecos City Sheriff's Department	Pecos County (Iraan)	(432) 639-2251			
Reeves City Sheriff's Department	Reeves County (Pecos)	(432) 445-4901			
Scurry City Sheriff's Department	Scurry County (Snyder)	(325) 573-3551			
Terry City Sheriff's Department	Terry County (Brownfield)	(806) 637-2212			
Union City Sheriff's Department	Union County (Clayton)	(505) 374-2583			
Upton City Sheriff's Department	Upton County (Rankin)	(432) 693-2422			
Ward City Sheriff's Department	Ward County (Monahans)	(432) 943-3254			
Yoakum City Sheriff's Department	Yoakum Co. (Denever City)	(806) 456-2377			

Law Enforcement - Police					
Abernathy City Police	Abernathy, TX	(806) 298-2545			
Andrews City Police	Andrews, TX	(432) 523-5675			
Artesia City Police	Artesia, NM	(505) 746-2704			
Brownfield City Police	Brownfield, TX	(806) 637-2544			
Carlsbad City Police	Carlsbad, NM	(505) 885-2111			
Clayton City Police	Clayton, NM	(505) 374-2504			
Denver City Police	Denver City, TX	(806) 592-3516			
Eunice City Police	Eunice, NM	(505) 394-2112 (505) 397-9265			
Hobbs City Police	Hobbs, NM	(505) 393-2677			
Jai City Police	Jai, NM	(505) 395-2501			
Jayton City Police	Jayton, TX	(806) 237-3801			
Lamesa City Police	Lamesa, TX	(806) 872-2121			
Levelland City Police	Levelland, TX	(806) 894-6164			
Lovington City Police	Lovington, NM	(505) 396-2811			
Midland City Police	Midland, TX	(432) 685-7113			
Monahans City Police	Monahans, TX	(432) 943-3254			
Odessa City Police	Odessa, TX	(432) 335-3378			
Seminole City Police	Seminole, TX	(432) 758-9871			
Snyder City Police	Snyder, TX	(325) 573-2611			
Sundown City Police	Sundown, TX	(806) 229-8241			
Law Enforcement - FBI					
FBI	Albuquerque, NM	(505) 224-2000			
FBI	Midland, TX	(432) 570-0255			
Law Enforcement - DPS					
NM State Police	Artesia, NM	(505) 746-2704			
NM State Police	Carlsbad, NM	(505) 885-3137			
NM State Police	Eunice, NM	(505) 392-5588			
NM State Police	Hobbs, NM	(505) 392-5588			
NM State Police	Clayton, NM	(505) 374-2473; 911			
TX Dept of Public Safety	Andrews, TX	(432) 524-1443			
TX Dept of Public Safety	Big Lake, TX	(325) 884-2301			
TX Dept of Public Safety	Brownfield, TX	(806) 637-2312			
TX Dept of Public Safety	Iraan, TX	(432) 639-3232			
TX Dept of Public Safety	Lamesa, TX	(806) 872-8675			
TX Dept of Public Safety	Levelland, TX	(806) 894-4385			
TX Dept of Public Safety	Lubbock, TX	(806) 747-4491			
TX Dept of Public Safety	Midland, TX	(432) 697-2211			
TX Dept of Public Safety	Monahans, TX	(432) 943-5857			
TX Dept of Public Safety	Odessa, TX	(432) 332-6100			
TX Dept of Public Safety	Ozona, TX	(325) 392-2621			
TX Dept of Public Safety	Pecos, TX	(432) 447-3533			
TX Dept of Public Safety	Seminole, TX	(432) 758-4041			
TX Dept of Public Safety	Snyder, TX	(325) 573-0113			
TX Dept of Public Safety	Terry County TX	(806) 637-8913			
TX Dept of Public Safety	Yoakum County TX	(806) 456-2377			

Firefighting & Rescue					
Abernathy	Abernathy, TX	(806) 298-2022			
Amistad/Rosebud	Amistad/Rosebud, NM	(505) 633-9113			
		(432) 523-4820			
Andrews	Andrews, TX	(432) 523-3111			
Artesia	Artesia, NM	(505) 748-5051			
Big Lake	Big Lake, TX	(325) 884-3650			
Brownfield-Administrative & other calls	Brownfield, TX	(816) 637-4547			
Brownfield emergency only	Brownfield, TX	911			
Carlsbad	Carlsbad, NM	(505) 885-3125			
Clayton	Clayton, NM	(505) 374-2435			
Cotton Center	Cotton Center, TX	(806) 879-2157			
Crane	Crane, TX	(432) 558-2361			
Del Rio	Del Rio, TX	(830) 774-8650			
Denver City	Denver City, TX	(806) 592-3516			
Eldorado	Eldorado, TX	(325) 853-2691			
Eunice	Eunice, NM	(505) 394-2111			
Garden City	Garden City, TX	(432) 354-2404			
Goldsmith	Goldsmith, TX	(432) 827-3445			
Hale Center	Hale Center, TX	(806) 839-2411			
Halfway	Halfway, TX				
Hobbs	Hobbs, NM	(505) 397-9308			
Jal	Jal, NM	(505) 395-2221			
Jayton	Jayton, TX	(806) 237-3801			
Kermit	Kermit, TX	(432) 586-3468			
Lamesa	Lamesa, TX	(806) 872-4352			
Levelland	Levelland, TX	(806) 894-3154			
Lovington	Lovington, NM	(505) 396-2359			
Majamar	Majamar, NM	(505) 678-4100			
McCamey	McCamey, TX	(432) 652-8232			
Midland	Midland, TX	(432) 685-7346			
Monahans	Monahans, TX	(432) 943-4343			
Nara Visa	Nara Visa, NM	(505) 461-3300			
Notrees	Notrees, TX	(432) 827-3445			
Odessa	Odessa, TX	(432) 335-4659			
Ozona	Ozona, TX	(325) 392-2626			
Pecos	Pecos, TX	(432) 445-2421			
Petersburg	Petersburg, TX	(806) 667-3461			
Plains	Plains, TX	(806) 456-8067			
Plainview	Plainview, TX	(806) 296-1170			
Rankin	Rankin, TX	(432) 693-2252			
San Angelo	San Angelo, TX	(325) 657-4355			
Sanderson	Sanderson, TX	(432) 345-2525			
		(432) 758-3676			
Seminole	Seminole, TX	(432) 758-9871			
Smyer	Smyer, TX	(806) 234-3861			
Snyder	Snyder, TX	(325) 573-6215			
Sundown	Sundown, TX	911			
Tucumcari	Tucumcari, NM	911			
West Odessa	Odessa, TX	(432) 381-3033			

Ambulance			
Abernathy Ambulance	Abernathy, TX	(806) 298-2241	
Amistad/Rosebud	Amistad/Rosebud, NM	(505) 633-9113	
Andrews Ambulance	Andrews, TX	(432) 523-5675	
Artesia Ambulance	Artesia, NM	(505) 746-2701	
Big Lake Ambulance	Big Lake, TX	(325) 884-2423	
Big Spring Ambulance	Big Spring, TX	(432) 264-2550	
Brownfield Ambulance	Brownfield, TX	(806) 637-2511	
Carlsbad Ambulance	Carlsbad, NM	(505) 885-2111; 911	
Clayton, NM	Clayton, NM	(505) 374-2501	
Denver City Ambulance	Denver City, TX	(806) 592-3516	
Eldorado Ambulance	Eldorado, TX	(325) 853-3456	
Eunice Ambulance	Eunice, NM	(505) 394-3258	
Goldsmith Ambulance	Goldsmith, TX	(432) 827-3445	
Hobbs, NM	Hobbs, NM	(505) 397-9308	
Jal, NM	Jal, NM	(505) 395-2501	
Jayton Ambulance	Jayton, TX	(806) 237-3801	
Lamesa Ambulance	Lamesa, TX	(806) 872-3464	
Levelland Ambulance	Levelland, TX	(806) 894-8855	
Lovington Ambulance	Lovington, NM	(505) 396-2811	
McCamey Hospital	McCamey, TX	(432) 652-8626	
Midland Ambulance	Midland, TX	(432) 685-7499	
Monahans Ambulance	Monahans, TX	(432) 943-3385 or 3731	
Nara Visa, NM	Nara Visa, NM	(505) 461-3300	
Odessa Ambulance	Odessa, TX	(432) 335-3378	
Ozona Ambulance	Ozona, TX	(325) 392-2671	
Pecos Ambulance	Pecos, TX	(432) 445-4444	
Rankin Ambulance	Rankin, TX	(432) 693-2443	
San Angelo Ambulance	San Angelo, TX	(325) 657-4357	
		(432) 758-8816	
Seminole Ambulance	Seminole, TX	(432) 758-9871	
Snyder Ambulance	Snyder, TX	(325) 573-1911	
Stanton Ambulance	Stanton, TX	(432) 756-2211	
Sundown Ambulance	Sundown, TX	911	
Tucumcari, NM	Tucumcari, NM	911	
Medical Air Ambulance Service			
AEROCARE - Methodist Hospital	Lubbock, TX	(800) 627-2376	
San Angelo Med-Vac Air Ambulance	San Angelo, TX	(800) 277-4354	
Southwest Air Ambulance Service	Stanford, TX	(800) 242-6199	
Southwest MediVac	Snyder, TX	(800) 242-6199	
Southwest MediVac	Hobbs, NM	(800) 242-6199	
Odessa Care Star	Odessa, TX	(888) 624-3571	
NWTH MediVac	Amarillo, TX	(800) 692-1331	



Permian Drilling Hydrogen Sulfide Drilling Operations Plan Arkenstone 31 Federal 171H

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.

▲ 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.

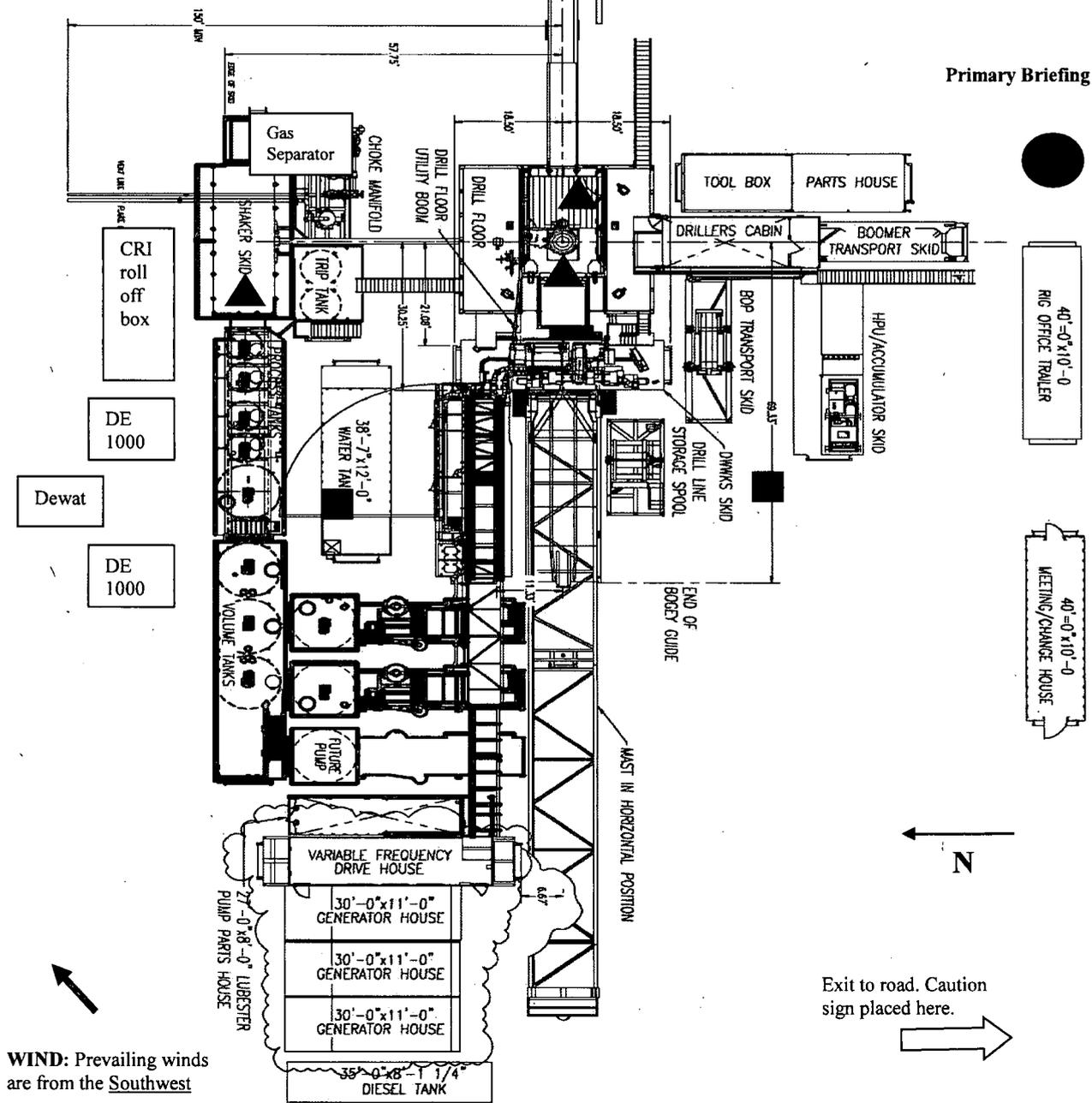
■ Wind direction indicators. Visible from rig floor and from the mud pits area.

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

Secondary Briefing Area

Secondary Egress

Primary Briefing Area



WIND: Prevailing winds are from the Southwest



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 <u>commence</u> .
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 is 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

<u>Percent (%)</u>	<u>Ppm</u>	<u>Concentration</u> Grains <u>100 std. Ft3*</u>	<u>Physical effects</u>
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.

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

Rescue
First aid for H₂S poisoning

Do not panic!

Remain calm – think!

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

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

Revised CM 6/27/2012

OXY USA Inc
APD ATTACHMENT: SPUDDER RIG DATA

OPERATOR NAME / NUMBER: OXY USA Inc

1. SUMMARY OF REQUEST:

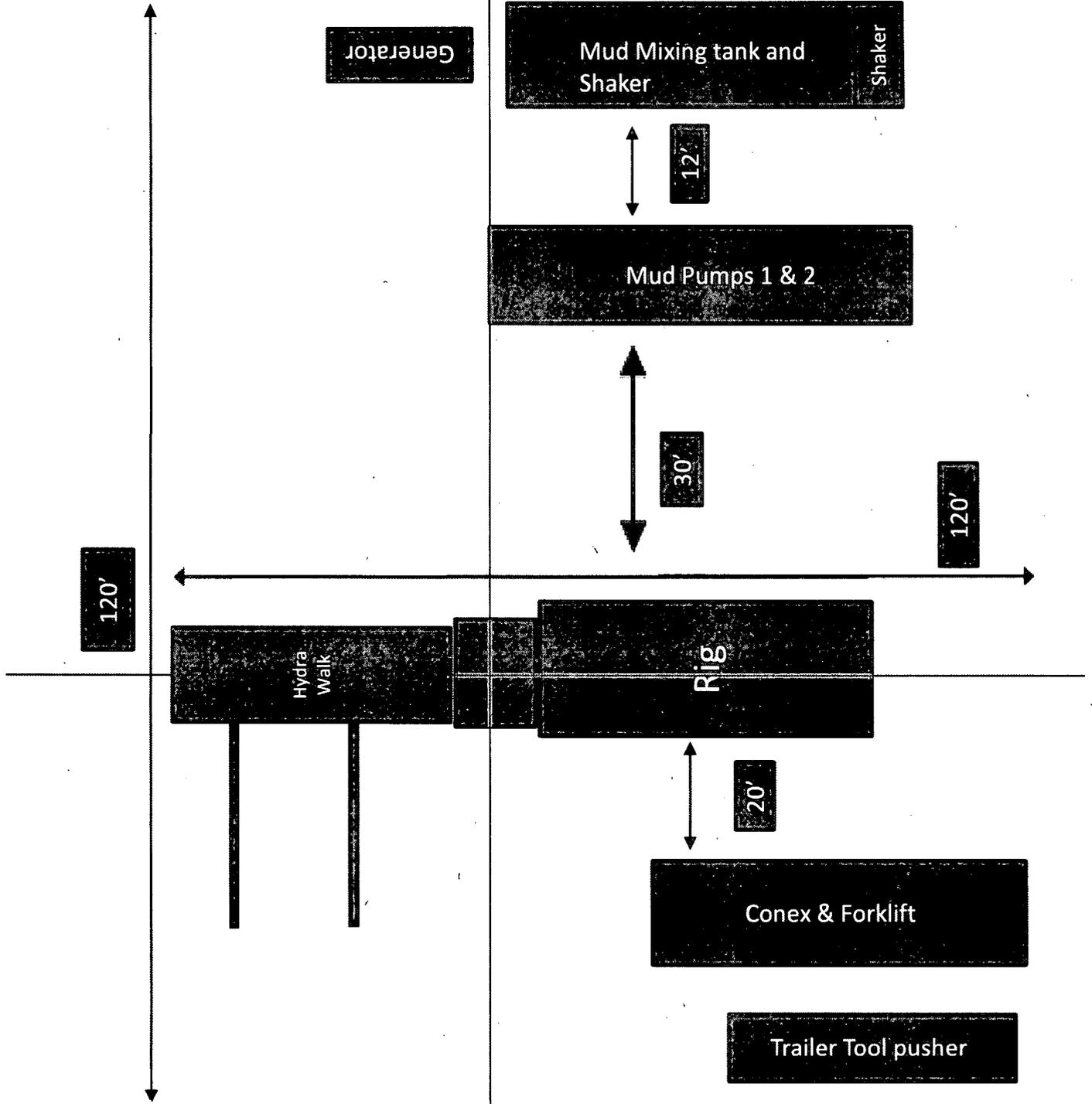
Oxy USA respectfully requests approval for the following operations for the surface hole in the drill plan:

1. Utilize a spudder rig to pre-set surface casing for time and cost savings.

2. Description of Operations

1. Spudder rig will move in to drill the surface hole and pre-set surface casing on the well.
 - a. After drilling the surface hole section, the spudder rig will run casing and cement following all of the applicable rules and regulations (OnShore Order 2, all COAs and NMOCD regulations).
 - b. The spudder rig will utilize fresh water-based mud to drill the surface hole to TD. Solids control will be handled entirely on a closed loop basis. No earth pits will be used.
2. The wellhead will be installed and tested as soon as the surface casing is cut off and the WOC time has been reached.
3. A blind flange at the same pressure rating as the wellhead will be installed to seal the wellbore. Pressure will be monitored with needle valves installed on two wingvalves.
 - a. A means for intervention will be maintained while the drilling rig is not over the well.
4. Spudder rig operations are expected to take 2-3 days per well on the pad.
5. The BLM will be contacted and notified 24 hours prior to commencing spudder rig operations.
6. Drilling operations will begin with a larger rig and a BOP stack equal to or greater than the pressure rating that was permitted will be nipped up and tested on the wellhead before drilling operations resume on each well.
 - a. The larger rig will move back onto the location within 90 days from the point at which the wells are secured and the spudder rig is moved off location.
 - b. The BLM will be contacted / notified 24 hours before the larger rig moves back on the pre-set locations.
7. Oxy will have supervision on the rig to ensure compliance with all BLM and NMOCD regulations and to oversee operations.
8. Once the rig is removed, Oxy will secure the wellhead area by placing a guard rail around the cellar area.

Spudder Rig Layout



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1. Geologic Formations

TVD of target	11448'	Pilot Hole Depth	N/A
MD at TD:	16976'	Deepest Expected fresh water:	349'

Delaware Basin

Formation	TVD - RKB	Expected Fluids
Rustler	349	
Salado	666	Salt
Castile	2,593	Salt
Lamar/Delaware	4,020	Oil/Gas/Brine
Bell Canyon	4,051	Oil/Gas/Brine
Cherry Canyon	4,955	Oil/Gas/Brine
Brushy Canyon	6,247	Losses
Bone Spring	7,926	Oil/Gas
1st Bone Spring	8,955	Oil/Gas
2nd Bone Spring	9,597	Oil/Gas
3rd Bone Spring	10,820	Oil/Gas
Wolfcamp	11,286	Oil/Gas

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

2. Casing Program

Hole Size (in)	Casing Interval		Csg. Size (in)	Weight (lbs)	Grade	Conn.	SF		Buoyant	Buoyant
	From (ft)	To (ft)					Collapse	SF Burst	Body SF Tension	Joint SF Tension
17.5	0	400	13.375	54.5	J-55	BTC	1.125	1.2	1.4	1.4
12.25	0	4070	9.625	40	L-80	BTC	1.125	1.2	1.4	1.4
8.5	0	10917	7.625	26.4	L-80 HC	SF (0 ft to 6000 ft) FJ (6000 ft to 10917 ft)	1.125	1.2	1.4	1.4
6.75	0	16976	5.5	20	P-110	DQX	1.125	1.2	1.4	1.4
SF Values will meet or Exceed										

All casing strings will be tested in accordance with Onshore Oil and Gas Order #2 III.B.1.h

*Oxy requests the option to set casing shallower yet still below the salts if losses or hole conditions require this. Cement volumes may be adjusted if casing is set shallower and a DV tool may be run in case hole conditions merit pumping a second stage cement job to comply with permitted top of cement. If cement circulated to surface during first stage, we will drop a cancellation cone and not pump the second stage.

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

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Annular Clearance Variance Request

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

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

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

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3. Cementing Program

Casing String	# Sks	Wt. (lb/gal)	Yld (ft ³ /sack)	H2O (gal/sk)	500# Comp. Strength (hours)	Slurry Description
Surface (Lead)	N/A	N/A	N/A	N/A	N/A	N/A
Surface (Tail)	429	14.8	1.33	6.365	5:26	Class C Cement, Accelerator
Intermediate (Lead)	870	12.9	1.88	10.130	14:22	Pozzolan Cement, Retarder
Intermediate (Tail)	155	14.8	1.33	6.370	12:45	Class C Cement, Accelerator
Intermediate II 1st Stage (Lead)	N/A	N/A	N/A	N/A	N/A	N/A
Intermediate II 1st Stage (Tail)	217	13.2	1.65	8.640	11:54	Class H Cement, Retarder, Dispersant, Salt
Intermediate II 2nd Stage (Tail Slurry) to be pumped as Bradenhead Squeeze from surface, down the Intermediate annulus						
Intermediate II 2nd Stage (Lead)	N/A	N/A	N/A	N/A	N/A	N/A
Intermediate II 2nd Stage (Tail)	358	12.9	1.92	10.410	23:10	Class C Cement, Accelerator
Production (Lead)	N/A	N/A	N/A	N/A	N/A	N/A
Production (Tail)	484	13.2	1.38	6.686	3:49	Class H Cement, Retarder, Dispersant, Salt

Casing String	Top (ft)	Bottom (ft)	% Excess
Surface (Lead)	N/A	N/A	N/A
Surface (Tail)	0	400	100%
Intermediate (Lead)	0	3570	50%
Intermediate (Tail)	3570	4070	20%
Intermediate II 1st Stage (Lead)	N/A	N/A	N/A
Intermediate II 1st Stage (Tail)	6497	10917	5%
Intermediate II 2nd Stage (Lead)	N/A	N/A	N/A
Intermediate II 2nd Stage (Tail)	0	6497	25%
Production (Lead)	N/A	N/A	N/A
Production (Tail)	10417	16976	20%

Offline Cementing

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

The summarized operational sequence will be as follows:

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

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8. If well is not static notify BLM and kill well prior to cementing or nipping up for further remediation.
9. Install offline cement tool.
10. Rig up cement equipment.
 - a. Notify BLM prior to cement job.
11. Perform cement job.
12. Confirm well is static and floats are holding after cement job.
13. Remove cement equipment, offline cement tools and install night cap with pressure gauge for monitoring.

4. Pressure Control Equipment

BOP installed and tested before drilling which hole?	Size?	Min. Required WP	Type	✓	Tested to:
12.25" Hole	13-5/8"	3M	Annular	✓	70% of working pressure
		3M	Blind Ram	✓	250 psi / 3000 psi
			Pipe Ram		
			Double Ram	✓	
Other*					
8.5" Hole	13-5/8"	5M	Annular	✓	70% of working pressure
		5M	Blind Ram	✓	250 psi / 5000 psi
			Pipe Ram		
			Double Ram	✓	
Other*					
6.75" Hole	13-5/8"	5M	Annular	✓	70% of working pressure
		5M	Blind Ram	✓	250 psi / 5000 psi
			Pipe Ram		
			Double Ram	✓	
Other*					

*Specify if additional ram is utilized.

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

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

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Formation integrity test will be performed per Onshore Order #2. On Exploratory wells or on that portion of any well approved for a 5M BOPE system or greater, a pressure integrity test of each casing shoe shall be performed. Will be tested in accordance with Onshore Oil and Gas Order #2 III.B.1.i.	
A variance is requested for the use of a flexible choke line from the BOP to Choke Manifold. See attached for specs and hydrostatic test chart.	
Y	Are anchors required by manufacturer?
A multibowl or a unionized multibowl wellhead system will be employed. The wellhead and connection to the BOPE will meet all API 6A requirements. The BOP will be tested per Onshore Order #2 after installation on the surface casing which will cover testing requirements for a maximum of 30 days. If any seal subject to test pressure is broken the system must be tested. We will test the flange connection of the wellhead with a test port that is directly in the flange. We are proposing that we will run the wellhead through the rotary prior to cementing surface casing as discussed with the BLM on October 8, 2015. See attached schematics.	

BOP Break Testing Request

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

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

5. Mud Program

Depth		Type	Weight (ppg)	Viscosity	Water Loss
From (ft)	To (ft)				
0	400	Water-Based Mud	8.6-8.8	40-60	N/C
400	4070	Saturated Brine-Based Mud	9.8-10.0	35-45	N/C
4070	10917	Water-Based or Oil-Based Mud	8.0-9.6	38-50	N/C
10917	16976	Water-Based or Oil-Based Mud	9.5-12.0	38-50	N/C

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

What will be used to monitor the loss or gain of fluid?	PVT/MD Totco/Visual Monitoring
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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	ICP - TD
No	PEX	

7. Drilling Conditions

Condition	Specify what type and where?
BH Pressure at deepest TVD	7144 psi
Abnormal Temperature	No
BH Temperature at deepest TVD	172°F

Pump high viscosity sweeps as needed for hole cleaning. The mud system will be monitored visually/manually as well as with an electronic PVT. The necessary mud products for additional weight and fluid loss control will be on location at all times. Appropriately weighted mud will be used to isolate potential gas, oil, and water zones until such time as casing can be cemented into place for zonal isolation.

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

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8. Other facets of operation

	Yes/No
Will the well be drilled with a walking/skidding operation? If yes, describe. <ul style="list-style-type: none"> We plan to drill the two well pad in batch by section: all surface sections, intermediate sections and production sections. The wellhead will be secured with a night cap whenever the rig is not over the well. 	Yes
Will more than one drilling rig be used for drilling operations? If yes, describe. <ul style="list-style-type: none"> Oxy requests the option to contract a Surface Rig to drill, set surface casing, and cement for this well. If the timing between rigs is such that Oxy would not be able to preset surface, the Primary Rig will MIRU and drill the well in its entirety per the APD. Please see the attached document for information on the spudder rig. 	Yes

Total estimated cuttings volume: 1402.7 bbls.

Attachments

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

9. Company Personnel

<u>Name</u>	<u>Title</u>	<u>Office Phone</u>	<u>Mobile Phone</u>
Linsay Earle	Drilling Engineer	713-350-4921	832-596-5507
Margaret Giltner	Drilling Engineer Supervisor	713-366-5026	210-683-8480
Simon Benavides	Drilling Superintendent	713-522-8652	281-684-6897
Diego Tellez	Drilling Manager	713-350-4602	713-303-4932

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

State of New Mexico
Energy, Minerals and Natural Resources Department
Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

Submit Original
to Appropriate
District Office

GAS CAPTURE PLAN

Date: 8-28-2019

Original Operator & OGRID No.: OXY USA INC. - 16696
 Amended - Reason for Amendment: _____

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

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

Well(s)/Production Facility – Name of facility

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

Well Name	API	Well Location (ULSTR)	Footages	Expected MCF/D	Flared or Vented	Comments
Arkenstone 31 Federal 1H	Pending	D-1-31-23S-31E	130 FNL 895 FWL	2300	0	
Arkenstone 31 Federal 2H	Pending	D-1-31-23S-31E	130 FNL 930 FWL	2300	0	
Arkenstone 31 Federal 3H	Pending	B-31-23S-31E	130 FNL 2613 FEL	2300	0	
Arkenstone 31 Federal 4H	Pending	B-31-23S-31E	130 FNL 2578 FEL	2300	0	
Arkenstone 31 Federal 7H	Pending	C-31-23S-31E	130 FNL 965 FWL	2300	0	
Arkenstone 31 Federal 171H	Pending	D-1-31-23S-31E	130 FNL 1195 FWL	2700	0	
Arkenstone 31 Federal 172H	Pending	D-1-31-23S-31E	130 FNL 1230 FWL	2700	0	
Arkenstone 31 Federal 173H	Pending	C-31-23S-31E	130 FNL 2465 FWL	2700	0	
Arkenstone 31 Federal 174H	Pending	C-31-23S-31E	130 FNL 2500 FWL	2700	0	
Arkenstone 31 Federal Com 5H	Pending	A-31-23S-31E	130 FNL 865 FEL	2300	0	
Arkenstone 31 Federal Com 6H	Pending	A-31-23S-31E	100 FNL 830 FEL	2300	0	
Arkenstone 31 Federal Com 9H	Pending	C-31-23S-31E	130 FNL 2648 FEL	2300	0	
Arkenstone 31 Federal Com 10H	Pending	A-31-23S-31E	100 FNL 795 FEL	2300	0	
Precious 30_18 Federal Com 1H	Pending	D-1-31-23S-31E	570 FNL 550 FWL	3900	0	
Precious 30_18 Federal Com 2H	Pending	D-1-31-23S-31E	570 FNL 585 FWL	3900	0	
Precious 30_18 Federal Com 3H	Pending	B-31-23S-31E	570 FNL 2635 FEL	3900	0	
Precious 30_18 Federal Com 4H	Pending	B-31-23S-31E	570 FNL 2600 FEL	3900	0	
Precious 30_18 Federal Com 5H	Pending	A-31-23S-31E	520 FNL 800 FEL	3900	0	
Precious 30_18 Federal Com 6H	Pending	A-31-23S-31E	520 FNL 765 FEL	3900	0	
Precious 30_18 Federal Com 7H	Pending	D-1-31-23S-31E	570 FNL 620 FWL	3900	0	
Precious 30_18 Federal Com 9H	Pending	C-31-23S-31E	520 FNL 2670 FEL	3900	0	
Precious 30_18 Federal Com 10H	Pending	A-31-23S-31E	520 FNL 730 FEL	3900	0	
Precious 30_18 Federal Com 11H	Pending	C-31-23S-31E	130 FNL 1935 FWL	1800	0	
Precious 30_18 Federal Com 12H.	Pending	C-31-23S-31E	130 FNL 1970 FWL	1800	0	
Precious 30_18 Federal Com 13H	Pending	B-31-23S-31E	100 FNL 1395 FEL	1800	0	
Precious 30_18 Federal Com 14H	Pending	B-31-23S-31E	100 FNL 1360 FEL	1800	0	
Precious 30_18 Federal Com 21H	Pending	D-1-31-23S-31E	570 FNL 285 FWL	3000	0	
Precious 30_18 Federal Com 22H	Pending	D-1-31-23S-31E	570 FNL 320 FWL	3000	0	
Precious 30_18 Federal Com 23H	Pending	C-31-23S-31E	130 FNL 2200 FWL	3000	0	
Precious 30_18 Federal Com 24H	Pending	C-31-23S-31E	130 FNL 2235 FWL	3000	0	
Precious 30_18 Federal Com 25H	Pending	A-31-23S-31E	100 FNL 1130 FEL	3000	0	
Precious 30_18 Federal Com 26H	Pending	A-31-23S-31E	100 FNL 1095 FEL	3000	0	
Precious 30-18 Federal Com 31H	Pending	D-1-31-23S-31E	570 FNL 850 FWL	2600	0	
Precious 30-18 Federal Com 32H	Pending	D-1-31-23S-31E	570 FNL 950 FWL	2600	0	

Well Name	API	Well Location (ULSTR)	Footages	Expected MCF/D	Flared or Vented	Comments
Precious 30-18 Federal Com 33H	Pending	B-31-23S-31E	280 FNL 2150 FEL	2600	0	
Precious 30-18 Federal Com 34H	Pending	B-31-23S-31E	315 FNL 2150 FEL	2600	0	
Precious 30_18 Federal Com 41H	Pending	D-1-31-23S-31E	570 FNL 1180 FWL	4000	0	
Precious 30_18 Federal Com 42H	Pending	D-1-31-23S-31E	570 FNL 1215 FWL	4000	0	
Precious 30_18 Federal Com 43H	Pending	C-31-23S-31E	570 FNL 2178 FWL	4000	0	
Precious 30_18 Federal Com 44H	Pending	C-31-23S-31E	570 FNL 2213 FWL	4000	0	
Precious 30_18 Federal Com 45H	Pending	B-31-23S-31E	520 FNL 1330 FEL	4000	0	
Precious 30_18 Federal Com 46H	Pending	A-31-23S-31E	520 FNL 1295 FEL	4000	0	
Precious 30_18 Federal Com 171H	Pending	D-1-31-23S-31E	570 FNL 880 FWL	3100	0	
Precious 30_18 Federal Com 172H	Pending	D-1-31-23S-31E	570 FNL 915 FWL	3100	0	
Precious 30_18 Federal Com 173H	Pending	C-31-23S-31E	570 FNL 2443 FWL	3100	0	
Precious 30_18 Federal Com 174H	Pending	C-31-23S-31E	570 FNL 2478 FWL	3100	0	
Precious 30_18 Federal Com 175H	Pending	A-31-23S-31E	520 FNL 1065 FEL	3100	0	
Precious 30_18 Federal Com 176H	Pending	A-31-23S-31E	520 FNL 1030 FEL	3100	0	

Gathering System and Pipeline Notification

Well(s) will be connected to a production facility after flowback operations are complete, where a gas transporter system is in place. The gas produced from production facility is dedicated to Enterprise Field Services, LLC (“Enterprise”) and is connected to Enterprise low/high pressure gathering system located in Eddy County, New Mexico. OXY USA INC. (“OXY”) provides (periodically) to Enterprise a drilling, completion and estimated first production date for wells that are scheduled to be drilled in the foreseeable future. In addition, OXY and Enterprise have periodic conference calls to discuss changes to drilling and completion schedules. Gas from these wells will be processed at Enterprise’s Processing Plant located in Sec. 36, Twn. 24S, Rng. 30E, Eddy County, New Mexico. The actual flow of the gas will be based on compression operating parameters and gathering system pressures.

Flowback Strategy

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

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

Alternatives to Reduce Flaring

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

- Power Generation – On lease
 - Only a portion of gas is consumed operating the generator, remainder of gas will be flared
- Compressed Natural Gas – On lease
 - Gas flared would be minimal, but might be uneconomical to operate when gas volume declines
- NGL Removal – On lease
 - Plants are expensive, residue gas is still flared, and uneconomical to operate when gas volume declines



APD ID: 10400039776

Submission Date: 03/07/2019

Highlighted data
reflects the most
recent changes

Operator Name: OXY USA INCORPORATED

Well Name: ARKENSTONE 31 FEDERAL

Well Number: 171H

[Show Final Text](#)

Well Type: OIL WELL

Well Work Type: Drill

Section 1 - Existing Roads

Will existing roads be used? YES

Existing Road Map:

Arkenstone31Fed171H_VM_20190307111131.pdf

Arkenstone31Fed171H_DrillPath_20190307111138.pdf

Arkenstone31Fed171H_ExistRoads_20190307111143.pdf

Existing Road Purpose: FLUID TRANSPORT

Row(s) Exist? NO

ROW ID(s)

ID:

Do the existing roads need to be improved? NO

Existing Road Improvement Description:

Existing Road Improvement Attachment:

Section 2 - New or Reconstructed Access Roads

Will new roads be needed? YES

New Road Map:

Arkenstone31Fed171H_NewRoad_20190307111205.pdf

New road type: LOCAL

Length: 2478

Feet

Width (ft.): 25

Max slope (%): 0

Max grade (%): 0

Army Corp of Engineers (ACOE) permit required? NO

ACOE Permit Number(s):

New road travel width: 14

New road access erosion control: Watershed Diversion every 200' if needed.

New road access plan or profile prepared? YES

New road access plan attachment:

Operator Name: OXY USA INCORPORATED

Well Name: ARKENSTONE 31 FEDERAL

Well Number: 171H

Arkenstone31Fed171H_NewRoad_20190307111213.pdf

Access road engineering design? NO

Access road engineering design attachment:

Turnout? N

Access surfacing type: OTHER

Access topsoil source: ONSITE

Access surfacing type description: Caliche

Access onsite topsoil source depth: 0

Offsite topsoil source description:

Onsite topsoil removal process: If available

Access other construction information: None

Access miscellaneous information: The access road will run from an existing road going 447' north through pasture to the southwest corner of the pad.

Number of access turnouts:

Access turnout map:

Drainage Control

New road drainage crossing: CULVERT

Drainage Control comments: Watershed Diversion every 200' if needed.

Road Drainage Control Structures (DCS) description: Watershed Diversion every 200' if needed.

Road Drainage Control Structures (DCS) attachment:

Access Additional Attachments

Section 3 - Location of Existing Wells

Existing Wells Map? YES

Attach Well map:

Arkenstone31Fed171H_ExistWells_20190307111225.pdf

Section 4 - Location of Existing and/or Proposed Production Facilities

Submit or defer a Proposed Production Facilities plan? SUBMIT

Production Facilities description: a. In the event the well is found productive, the Precious Central Tank Battery and the Little Precious Central Tank Battery will 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 three – 4" composite flowlines operating 75% MAWP, surface to follow surveyed route. Survey nine strips of land 30' wide and 13877.1' in length crossing USA land in Sections 30 & 31 T23S R31E, Eddy County, NM and being 15' left and 15' right of the centerline surveys. Two–20" steel gas lift lines operating 75% MAWP from Precious CTB to Little Precious CTB. Two-8" steel gas

Operator Name: OXY USA INCORPORATED

Well Name: ARKENSTONE 31 FEDERAL

Well Number: 171H

suction lines operating at 75% MAWP to Compressor Pad. All well pads have two-6" buried steel gas injection lines operating at 75% MAWP from the two-8" gas injection trunk lines to the wells. Survey eight strips of land 30' wide and 16863.3' in length crossing Sections 30 & 31 T23S R31E, Eddy County, NM and being 15' left and 15' right of the centerline survey and a survey of a strip of land 50' wide and 3830.1' in length crossing USA Land in Sections 29 & 30 T23S R31E, 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 11040.6 in length crossing USA land in Sections 30 & 31 T23S R31E NMPM, Eddy County, NM and being 15' left and 15' right of the centerline survey, see attached. d. See attached for additional information on the Sand Dunes Precious/Arkenstone Central Corridor Surface Production Facilities.

Production Facilities map:

Arkenstone31Fd171H_FacilityPLEL_20190903112440.pdf

Arkenstone31Fd171H_LeaseFacilityInfo_20190903112442.pdf

Section 5 - Location and Types of Water Supply

Water Source Table

Water source type: GW WELL

Water source use type: SURFACE CASING

INTERMEDIATE/PRODUCTION
CASING
OTHER

Describe use type: Drilling

Source latitude:

Source longitude:

Source datum:

Water source permit type: WATER WELL

Water source transport method: TRUCKING

PIPELINE

Source land ownership: COMMERCIAL

Source transportation land ownership: COMMERCIAL

Water source volume (barrels): 2000

Source volume (acre-feet): 0.25778618

Source volume (gal): 84000

Water source and transportation map:

Arkenstone31Fed171H_GRRWtrSrc_20190307111331.pdf

Arkenstone31Fed171H_MesqWtrSrc_20190307111338.pdf

Water source comments: This well will be drilled using a combination of water mud systems. It will be obtained from commercial water stations (Gregory Rockhouse, Mesquite) in the area and will be hauled to location by transport truck using existing and proposed roads.

New water well? NO

New Water Well Info

Operator Name: OXY USA INCORPORATED

Well Name: ARKENSTONE 31 FEDERAL

Well Number: 171H

Well latitude:

Well Longitude:

Well datum:

Well target aquifer:

Est. depth to top of aquifer(ft):

Est thickness of aquifer:

Aquifer comments:

Aquifer documentation:

Well depth (ft):

Well casing type:

Well casing outside diameter (in.):

Well casing inside diameter (in.):

New water well casing?

Used casing source:

Drilling method:

Drill material:

Grout material:

Grout depth:

Casing length (ft.):

Casing top depth (ft.):

Well Production type:

Completion Method:

Water well additional information:

State appropriation permit:

Additional information attachment:

Section 6 - Construction Materials

Using any construction materials: YES

Construction Materials description: 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. Caliche will be provided from a pit located in Section 7 T24S R31E. Water will be provided from a frac pond located in Sections 7 T24S R31E.

Construction Materials source location attachment:

Section 7 - Methods for Handling Waste

Waste type: DRILLING

Waste content description: Water-Based Cuttings, Water-Based Mud, Oil-Based Cuttings, Oil-Based Mud, Produced Water

Amount of waste: 1402.7 barrels

Waste disposal frequency : Daily

Safe containment description: Haul-Off Bins

Safe containmant attachment:

Operator Name: OXY USA INCORPORATED

Well Name: ARKENSTONE 31 FEDERAL

Well Number: 171H

Waste disposal type: HAUL TO COMMERCIAL FACILITY **Disposal location ownership:** COMMERCIAL FACILITY

Disposal type description:

Disposal location description: An approved facility that can process drill cuttings, drill fluids, flowback water, produced water, contaminated soils, and other non-hazardous wastes.

Reserve Pit

Reserve Pit being used? NO

Temporary disposal of produced water into reserve pit?

Reserve pit length (ft.)

Reserve pit width (ft.)

Reserve pit depth (ft.)

Reserve pit volume (cu. yd.)

Is at least 50% of the reserve pit in cut?

Reserve pit liner

Reserve pit liner specifications and installation description

Cuttings Area

Cuttings Area being used? NO

Are you storing cuttings on location? YES

Description of cuttings location 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.

Cuttings area length (ft.)

Cuttings area width (ft.)

Cuttings area depth (ft.)

Cuttings area volume (cu. yd.)

Is at least 50% of the cuttings area in cut?

WCuttings area liner

Cuttings area liner specifications and installation description

Section 8 - Ancillary Facilities

Are you requesting any Ancillary Facilities?: NO

Ancillary Facilities attachment:

Comments:

Operator Name: OXY USA INCORPORATED

Well Name: ARKENSTONE 31 FEDERAL

Well Number: 171H

Section 9 - Well Site Layout

Well Site Layout Diagram:

Arkenstone31Fd171H_WellSiteCL_20190903112618.pdf

Comments: V-Door-East - CL Tanks-North - 330' X 745' – 5 Well Pad

Section 10 - Plans for Surface Reclamation

Type of disturbance: New Surface Disturbance

Multiple Well Pad Name: ARKENSTONE 31 FEDERAL

Multiple Well Pad Number: 1H

Recontouring attachment:

Drainage/Erosion control construction: Reclamation to be wind rowed as needed to control erosion

Drainage/Erosion control reclamation: Reclamation to be wind rowed as needed to control erosion

Well pad proposed disturbance (acres): 7.39	Well pad interim reclamation (acres): 1.83	Well pad long term disturbance (acres): 5.56
Road proposed disturbance (acres): 1.71	Road interim reclamation (acres): 0.91	Road long term disturbance (acres): 0.8
Powerline proposed disturbance (acres): 1.14	Powerline interim reclamation (acres): 1.14	Powerline long term disturbance (acres): 0
Pipeline proposed disturbance (acres): 1.76	Pipeline interim reclamation (acres): 1.17	Pipeline long term disturbance (acres): 0.59
Other proposed disturbance (acres): 0	Other interim reclamation (acres): 0.33	Other long term disturbance (acres): 0
Total proposed disturbance: 12	Total interim reclamation: 5.38	Total long term disturbance: 6.95

Disturbance Comments: See Below

Reconstruction method: 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. 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.

Topsoil redistribution: The original topsoil will be returned to the area of the drill pad not necessary to operate the well.

Soil treatment: To be determined by the BLM.

Existing Vegetation at the well pad: To be determined by the BLM at Onsite.

Existing Vegetation at the well pad attachment:

Existing Vegetation Community at the road: To be determined by the BLM at Onsite.

Existing Vegetation Community at the road attachment:

Operator Name: OXY USA INCORPORATED

Well Name: ARKENSTONE 31 FEDERAL

Well Number: 171H

Existing Vegetation Community at the pipeline: To be determined by the BLM at Onsite.

Existing Vegetation Community at the pipeline attachment:

Existing Vegetation Community at other disturbances: To be determined by the BLM at Onsite.

Existing Vegetation Community at other disturbances attachment:

Non native seed used? NO

Non native seed description:

Seedling transplant description:

Will seedlings be transplanted for this project? NO

Seedling transplant description attachment:

Will seed be harvested for use in site reclamation? NO

Seed harvest description:

Seed harvest description attachment:

Seed Management

Seed Table

Seed type:

Seed source:

Seed name:

Source name:

Source address:

Source phone:

Seed cultivar:

Seed use location:

PLS pounds per acre:

Proposed seeding season:

Seed Summary

Total pounds/Acre:

Seed Type	Pounds/Acre
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Seed reclamation attachment:

Operator Contact/Responsible Official Contact Info

First Name: JIM

Last Name: WILSON

Phone: (575)631-2442

Email: jim_wilson@oxy.com

Operator Name: OXY USA INCORPORATED

Well Name: ARKENSTONE 31 FEDERAL

Well Number: 171H

Seedbed prep:

Seed BMP:

Seed method:

Existing invasive species? NO

Existing invasive species treatment description:

Existing invasive species treatment attachment:

Weed treatment plan description: To be determined by the BLM.

Weed treatment plan attachment:

Monitoring plan description: To be determined by the BLM.

Monitoring plan attachment:

Success standards: To be determined by the BLM.

Pit closure description: NA

Pit closure attachment:

Section 11 - Surface Ownership

Disturbance type: WELL PAD

Describe:

Surface Owner: BUREAU OF LAND MANAGEMENT

Other surface owner description:

BIA Local Office:

BOR Local Office:

COE Local Office:

DOD Local Office:

NPS Local Office:

State Local Office:

Military Local Office:

USFWS Local Office:

Other Local Office:

USFS Region:

USFS Forest/Grassland:

USFS Ranger District:

Operator Name: OXY USA INCORPORATED

Well Name: ARKENSTONE 31 FEDERAL

Well Number: 171H

Disturbance type: PIPELINE

Describe:

Surface Owner: BUREAU OF LAND MANAGEMENT

Other surface owner description:

BIA Local Office:

BOR Local Office:

COE Local Office:

DOD Local Office:

NPS Local Office:

State Local Office:

Military Local Office:

USFWS Local Office:

Other Local Office:

USFS Region:

USFS Forest/Grassland:

USFS Ranger District:

Disturbance type: OTHER

Describe: Electric Line

Surface Owner: BUREAU OF LAND MANAGEMENT

Other surface owner description:

BIA Local Office:

BOR Local Office:

COE Local Office:

DOD Local Office:

NPS Local Office:

State Local Office:

Military Local Office:

USFWS Local Office:

Other Local Office:

USFS Region:

USFS Forest/Grassland:

USFS Ranger District:

Operator Name: OXY USA INCORPORATED

Well Name: ARKENSTONE 31 FEDERAL

Well Number: 171H

Disturbance type: NEW ACCESS ROAD

Describe:

Surface Owner: BUREAU OF LAND MANAGEMENT

Other surface owner description:

BIA Local Office:

BOR Local Office:

COE Local Office:

DOD Local Office:

NPS Local Office:

State Local Office:

Military Local Office:

USFWS Local Office:

Other Local Office:

USFS Region:

USFS Forest/Grassland:

USFS Ranger District:

Section 12 - Other Information

Right of Way needed? YES

Use APD as ROW? YES

ROW Type(s): 281001 ROW - ROADS,285003 ROW – POWER TRANS,288100 ROW – O&G Pipeline,289001 ROW- O&G Well Pad

ROW Applications

SUPO Additional Information: Permian Basin MOA - To be submitted after APD acceptance. GIS Shapefiles available for BLM download from shared FTP site after APD submittal.

Use a previously conducted onsite? NO

Previous Onsite information:

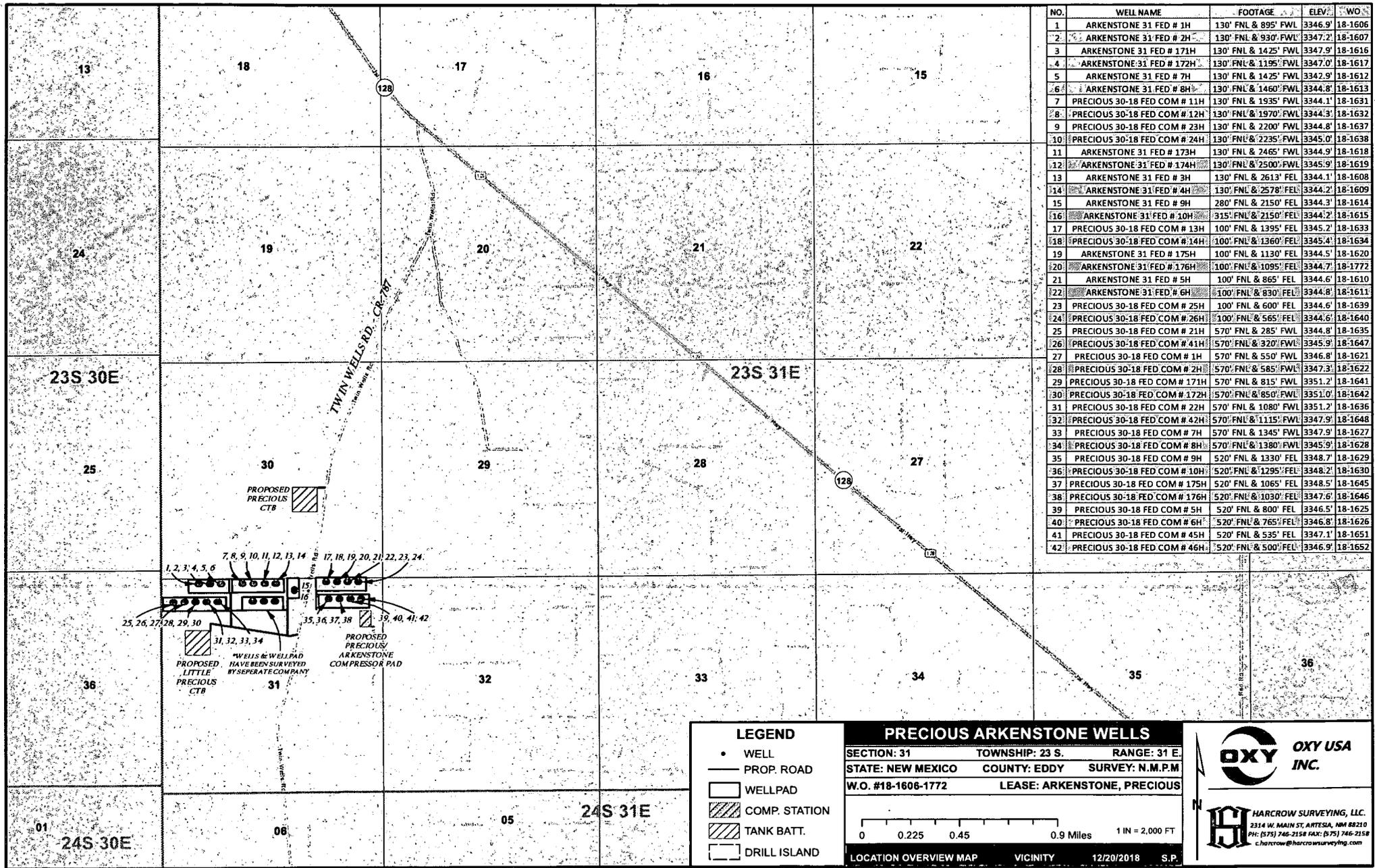
Other SUPO Attachment

Arkenstone31Fd171H_GasCapPlan_20190903112702.pdf

Arkenstone31Fd171H_StakeForm_20190903112705.pdf

Arkenstone31Fd171H_MiscSvyPlats_20190903112704.pdf

Arkenstone31Fd171H_SUPO_20190903112706.pdf



NO.	WELL NAME	FOOTAGE	ELEV.	W.O.
1	ARKENSTONE 31 FED # 1H	130' FNL & 895' FWL	3346.9'	18-1606
2	ARKENSTONE 31 FED # 2H	130' FNL & 930' FWL	3347.2'	18-1607
3	ARKENSTONE 31 FED # 171H	130' FNL & 1425' FWL	3347.9'	18-1616
4	ARKENSTONE 31 FED # 172H	130' FNL & 1195' FWL	3347.0'	18-1617
5	ARKENSTONE 31 FED # 7H	130' FNL & 1425' FWL	3342.9'	18-1612
6	ARKENSTONE 31 FED # 8H	130' FNL & 1460' FWL	3344.8'	18-1613
7	PRECIOUS 30-18 FED COM # 11H	130' FNL & 1935' FWL	3344.1'	18-1631
8	PRECIOUS 30-18 FED COM # 12H	130' FNL & 1970' FWL	3344.3'	18-1632
9	PRECIOUS 30-18 FED COM # 23H	130' FNL & 2200' FWL	3344.8'	18-1637
10	PRECIOUS 30-18 FED COM # 24H	130' FNL & 2235' FWL	3345.0'	18-1638
11	ARKENSTONE 31 FED # 173H	130' FNL & 2465' FWL	3344.9'	18-1618
12	ARKENSTONE 31 FED # 174H	130' FNL & 2500' FWL	3345.9'	18-1619
13	ARKENSTONE 31 FED # 3H	130' FNL & 2613' FEL	3344.1'	18-1608
14	ARKENSTONE 31 FED # 4H	130' FNL & 2578' FEL	3344.2'	18-1609
15	ARKENSTONE 31 FED # 9H	280' FNL & 2150' FEL	3344.3'	18-1614
16	ARKENSTONE 31 FED # 10H	315' FNL & 2150' FEL	3344.2'	18-1615
17	PRECIOUS 30-18 FED COM # 13H	100' FNL & 1395' FEL	3345.2'	18-1633
18	PRECIOUS 30-18 FED COM # 14H	100' FNL & 1360' FEL	3345.4'	18-1634
19	ARKENSTONE 31 FED # 175H	100' FNL & 1130' FEL	3344.5'	18-1620
20	ARKENSTONE 31 FED # 176H	100' FNL & 1095' FEL	3344.7'	18-1772
21	ARKENSTONE 31 FED # 5H	100' FNL & 865' FEL	3344.6'	18-1610
22	ARKENSTONE 31 FED # 6H	100' FNL & 830' FEL	3344.8'	18-1611
23	PRECIOUS 30-18 FED COM # 25H	100' FNL & 600' FEL	3344.6'	18-1639
24	PRECIOUS 30-18 FED COM # 26H	100' FNL & 565' FEL	3344.6'	18-1640
25	PRECIOUS 30-18 FED COM # 21H	570' FNL & 285' FWL	3344.8'	18-1635
26	PRECIOUS 30-18 FED COM # 41H	570' FNL & 320' FWL	3345.9'	18-1647
27	PRECIOUS 30-18 FED COM # 1H	570' FNL & 550' FWL	3346.8'	18-1621
28	PRECIOUS 30-18 FED COM # 2H	570' FNL & 585' FWL	3347.3'	18-1622
29	PRECIOUS 30-18 FED COM # 171H	570' FNL & 815' FWL	3351.2'	18-1641
30	PRECIOUS 30-18 FED COM # 172H	570' FNL & 850' FWL	3351.0'	18-1642
31	PRECIOUS 30-18 FED COM # 22H	570' FNL & 1080' FWL	3351.2'	18-1636
32	PRECIOUS 30-18 FED COM # 42H	570' FNL & 1115' FWL	3347.9'	18-1648
33	PRECIOUS 30-18 FED COM # 7H	570' FNL & 1345' FWL	3347.9'	18-1627
34	PRECIOUS 30-18 FED COM # 8H	570' FNL & 1380' FWL	3345.9'	18-1628
35	PRECIOUS 30-18 FED COM # 9H	520' FNL & 1330' FEL	3348.7'	18-1629
36	PRECIOUS 30-18 FED COM # 10H	520' FNL & 1295' FEL	3348.2'	18-1630
37	PRECIOUS 30-18 FED COM # 175H	520' FNL & 1065' FEL	3348.5'	18-1645
38	PRECIOUS 30-18 FED COM # 176H	520' FNL & 1030' FEL	3347.6'	18-1646
39	PRECIOUS 30-18 FED COM # 5H	520' FNL & 800' FEL	3346.5'	18-1625
40	PRECIOUS 30-18 FED COM # 6H	520' FNL & 765' FEL	3346.8'	18-1626
41	PRECIOUS 30-18 FED COM # 45H	520' FNL & 535' FEL	3347.1'	18-1651
42	PRECIOUS 30-18 FED COM # 46H	520' FNL & 500' FEL	3346.9'	18-1652

LEGEND

- WELL
- PROP. ROAD
- WELLPAD
- ▨ COMP. STATION
- ▨ TANK BATT.
- DRILL ISLAND

PRECIOUS ARKENSTONE WELLS

SECTION: 31 TOWNSHIP: 23 S. RANGE: 31 E.
 STATE: NEW MEXICO COUNTY: EDDY SURVEY: N.M.P.M.
 W.O. #18-1606-1772 LEASE: ARKENSTONE, PRECIOUS

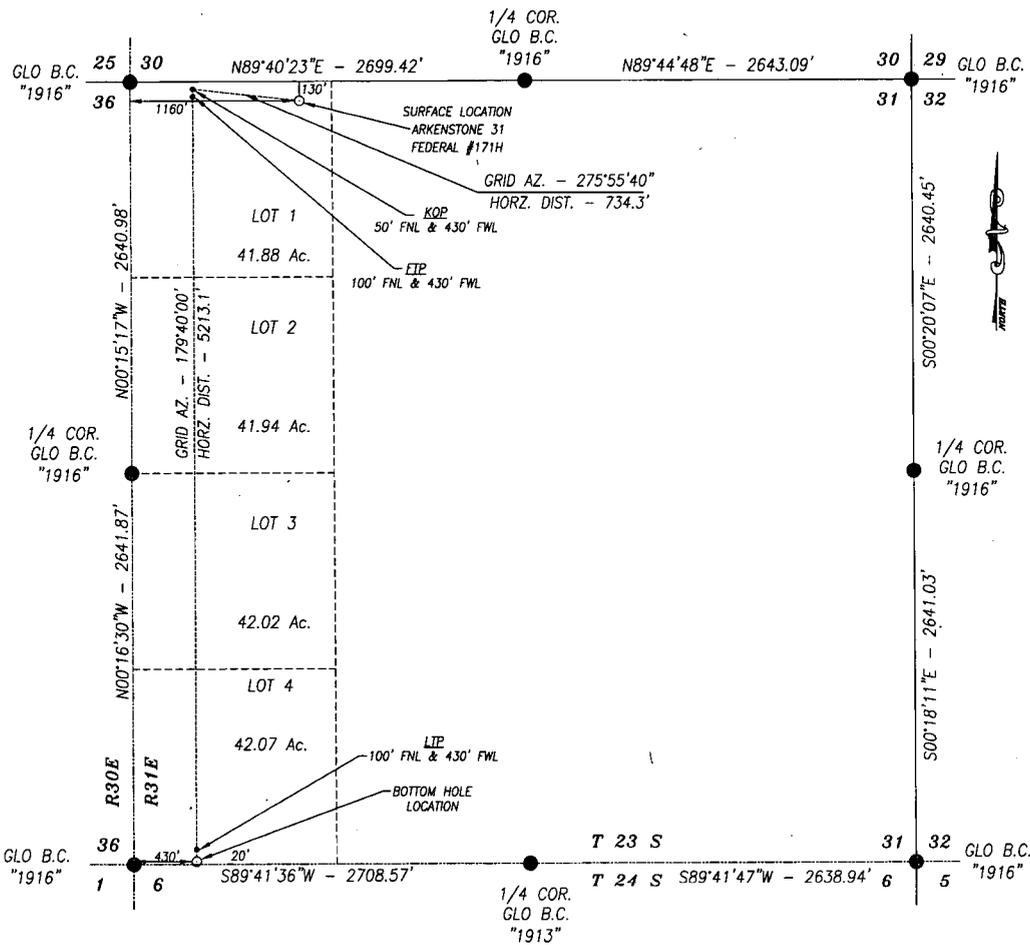
0 0.225 0.45 0.9 Miles 1 IN = 2,000 FT

LOCATION OVERVIEW MAP VICINITY 12/20/2018 S.P.

OXY USA INC.

HARCROW SURVEYING, LLC.
 2314 W. MAIN ST. ARTESIA, NM 88210
 PH: (575) 746-2158 FAX: (575) 746-2158
 charcrow@harcrowsurveying.com

SECTION 31, TOWNSHIP 23 SOUTH, RANGE 31 EAST, N.M.P.M.,
EDDY COUNTY, NEW MEXICO.



DIRECTIONS TO LOCATION:

BEGINNING AT THE INTERSECTION OF N.M. STATE HWY. #128 AND EDDY COUNTY ROAD #787 (TWIN WELLS ROAD), GO SOUTH ON EDDY COUNTY ROAD #787 FOR APPROX. 2.5 MILES; THEN TURN RIGHT ON PROPOSED ROAD AND GO SOUTHWEST FOR APPROX. 184 FEET; THEN TURN RIGHT AND GO NORTHWEST FOR APPROX. .25 MILES; THEN TURN RIGHT AND GO NORTH FOR APPROX. 838 FEET; THEN TURN LEFT AND GO WEST FOR APPROX. 33 FEET; THE PROPOSED WELL LIES APPROX. 560 FEET NORTHWEST.

BASIS OF BEARING:

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

CERTIFICATION

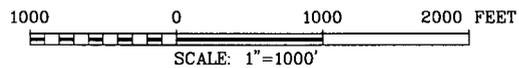
I, CHAD HARCROW, A NEW MEXICO REGISTERED PROFESSIONAL SURVEYOR CERTIFY THAT I DIRECTED AND AM RESPONSIBLE FOR THIS SURVEY, THAT THIS SURVEY IS TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF, AND THIS SURVEY AND PLAT MEET THE MINIMUM STANDARDS FOR SURVEYING IN NEW MEXICO.



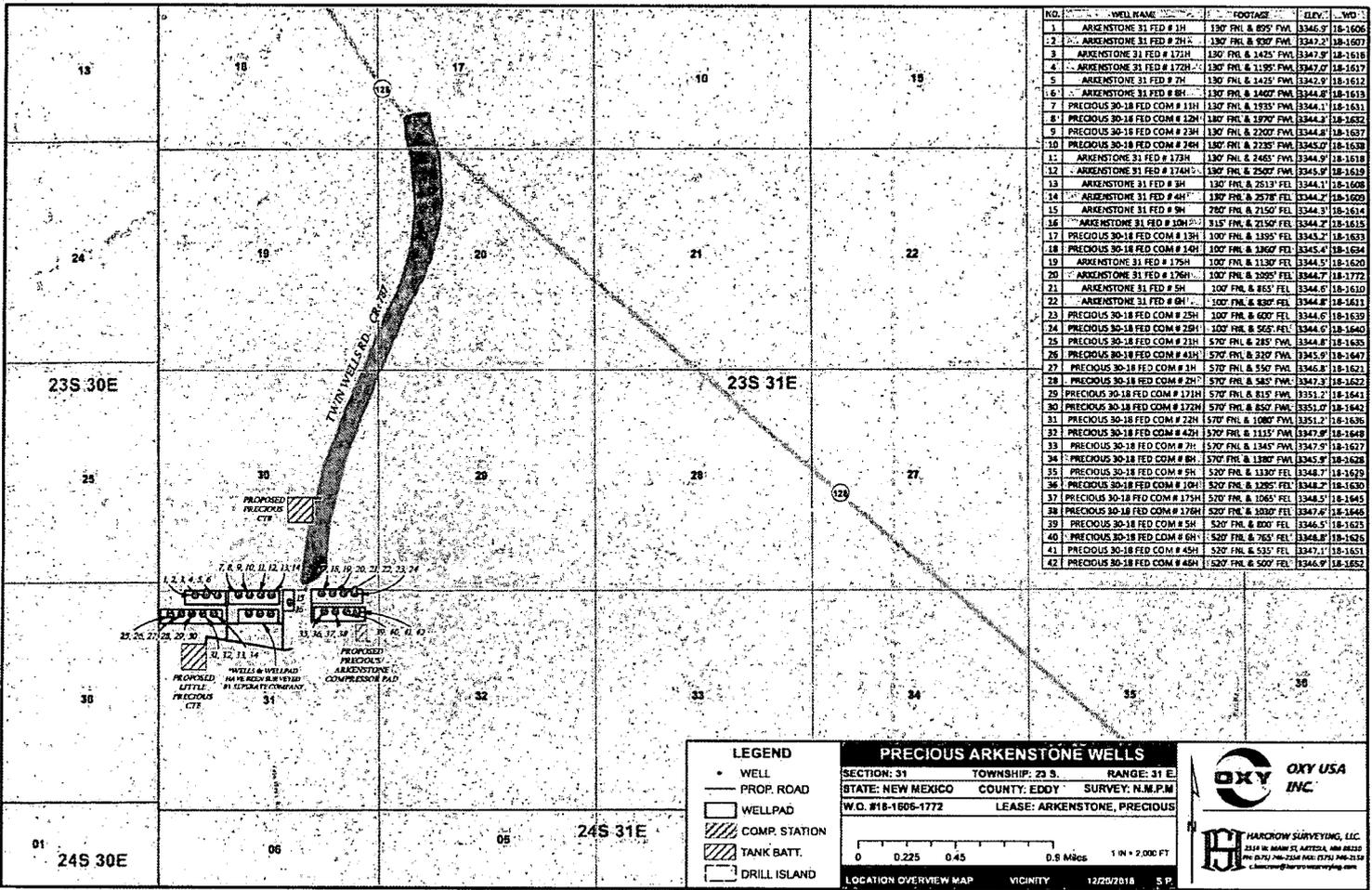
Chad Harcrow
CHAD HARCROW N.M.P.S. NO. 17777

12/14/18
DATE

HARCROW SURVEYING, LLC
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c.harcrow@harcrowsurveying.com

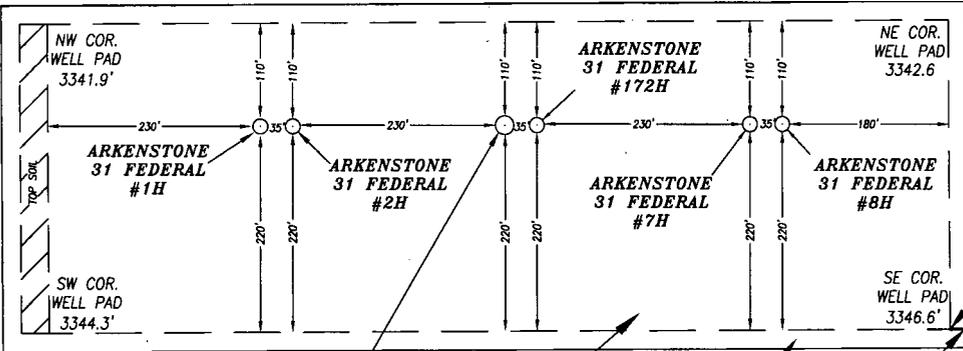


OXY USA INC.	
ARKENSTONE 31 FEDERAL #171H SECTION 31, TOWNSHIP 23 SOUTH, RANGE 31 EAST, NMPM, EDDY COUNTY, NEW MEXICO	
SURVEY DATE: SEPTEMBER 11, 2018	DRILL PATH
DRAFTING DATE: DECEMBER 5, 2018	PAGE 1 OF 1
APPROVED BY: CH	DRAWN BY: JR
	FILE: 18-1616



OXY USA INC.
ARKENSTONE "31" FEDERAL #171H
SITE PLAN
FAA PERMIT: NO

SECTION 30
SECTION 31

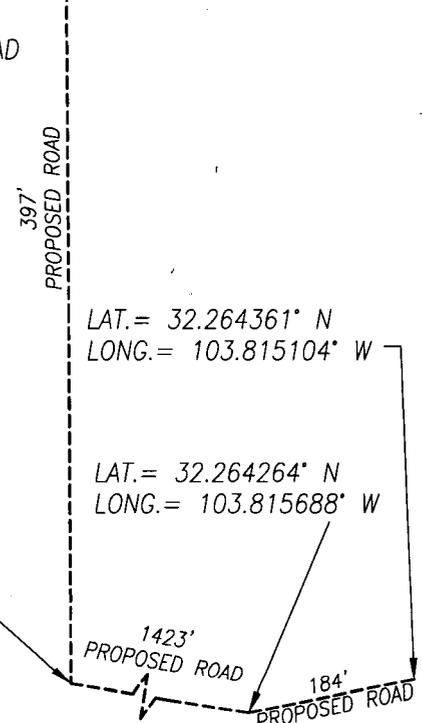


LAT. = 32.267214° N
LONG. = 103.820334° W

LAT. = 32.267216° N
LONG. = 103.820228° W

ARKENSTONE
31 FEDERAL #171H
NAD 83 NME
LAT. = 32.267818° N
LONG. = 103.821888° W
ELEV - 3347.9'

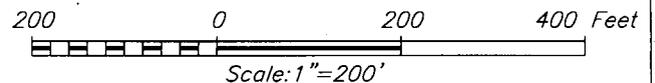
20' ADDITIONAL
DISTURBANCE AREA



HARCROW SURVEYING, LLC
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 c.harcrow@harcrowsurveying.com



ALL FEATURES ARE EXISTING UNLESS OTHERWISE NOTED
 ALL DISTANCES ARE GRID VALUES



CERTIFICATION
 I, CHAD HARCROW, A NEW MEXICO REGISTERED PROFESSIONAL SURVEYOR CERTIFY THAT I DIRECTED AND AM RESPONSIBLE FOR THIS SURVEY, THAT THIS SURVEY IS TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF.



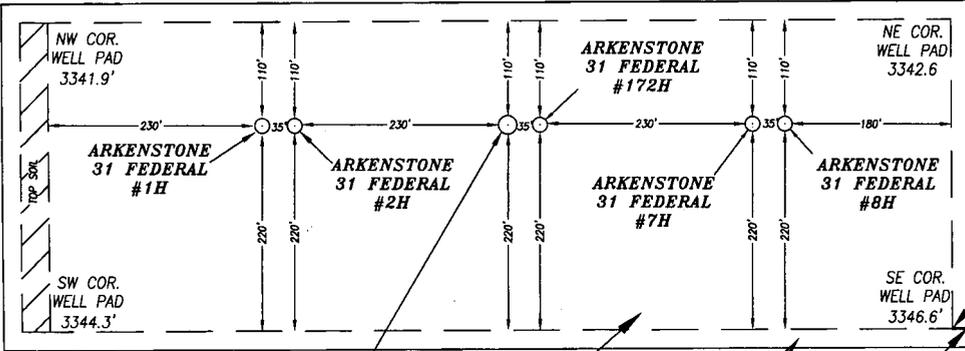
Chad Harcrow
 CHAD HARCROW N.M.P.S. NO. 17777

12/14/18
DATE

OXY USA INC.		
ARKENSTONE 31 FEDERAL #171H LOCATED 130 FEET FROM THE NORTH LINE AND 1160 FEET FROM THE WEST LINE OF SECTION, 31 TOWNSHIP 23 SOUTH, 31 RANGE EAST, N.M.P.M., EDDY COUNTY, NEW MEXICO		
SURVEY DATE: SEPTEMBER 11, 2018	SITE PLAN	
DRAFTING DATE: DECEMBER 11, 2018	PAGE: 1 OF 1	
APPROVED BY: CH	DRAWN BY: JR	FILE: 18-1616

OXY USA INC.
ARKENSTONE "31" FEDERAL #171H
SITE PLAN
FAA PERMIT: NO

SECTION 30
SECTION 31



LAT. = 32.267214° N
LONG. = 103.820334° W

LAT. = 32.267216° N
LONG. = 103.820228° W

ARKENSTONE
31 FEDERAL #171H
NAD 83 NME
LAT. = 32.267818° N
LONG. = 103.821888° W
ELEV - 3347.9'

PROPOSED WELL PAD

33'
PROPOSED ROAD

20' ADDITIONAL
DISTURBANCE AREA

397'
PROPOSED ROAD

LAT. = 32.264361° N
LONG. = 103.815104° W

LAT. = 32.264264° N
LONG. = 103.815688° W

LAT. = 32.264914° N
LONG. = 103.820227° W

1423'
PROPOSED ROAD

184'
PROPOSED ROAD



ALL FEATURES ARE EXISTING UNLESS OTHERWISE NOTED
 ALL DISTANCES ARE GRID VALUES

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200 0 200 400 Feet

Scale: 1" = 200'

CERTIFICATION
 I, CHAD HARCROW, A NEW MEXICO REGISTERED PROFESSIONAL SURVEYOR CERTIFY THAT I DIRECTED AND AM RESPONSIBLE FOR THIS SURVEY, THAT THIS SURVEY IS TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF.



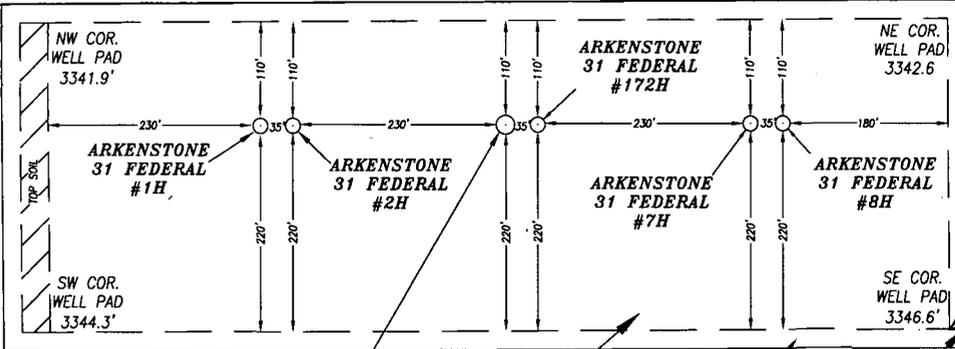
Chad Harcrow
 CHAD HARCROW N.M.P.S. NO. 17777

12/14/18
 DATE

OXY USA INC.		
ARKENSTONE 31 FEDERAL #171H LOCATED 130 FEET FROM THE NORTH LINE AND 1160 FEET FROM THE WEST LINE OF SECTION, 31 TOWNSHIP 23 SOUTH, 31 RANGE EAST, N.M.P.M., EDDY COUNTY, NEW MEXICO		
SURVEY DATE: SEPTEMBER 11, 2018	SITE PLAN	
DRAFTING DATE: DECEMBER 11, 2018	PAGE: 1 OF 1	
APPROVED BY: CH	DRAWN BY: JR	FILE: 18-1616

OXY USA INC.
ARKENSTONE "31" FEDERAL #171H
SITE PLAN
FAA PERMIT: NO

SECTION 30
SECTION 31



LAT. = 32.267214° N
LONG. = 103.820334° W

LAT. = 32.267216° N
LONG. = 103.820228° W

ARKENSTONE
31 FEDERAL #171H
NAD 83 NME
LAT. = 32.267818° N
LONG. = 103.821888° W
ELEV - 3347.9'

PROPOSED WELL PAD

33'
PROPOSED ROAD

20' ADDITIONAL
DISTURBANCE AREA

397'
PROPOSED ROAD

LAT. = 32.264361° N
LONG. = 103.815104° W

LAT. = 32.264264° N
LONG. = 103.815688° W

LAT. = 32.264914° N
LONG. = 103.820227° W

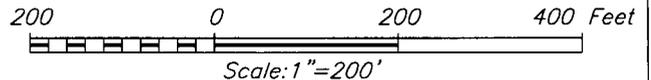
1423'
PROPOSED ROAD
184'
PROPOSED ROAD



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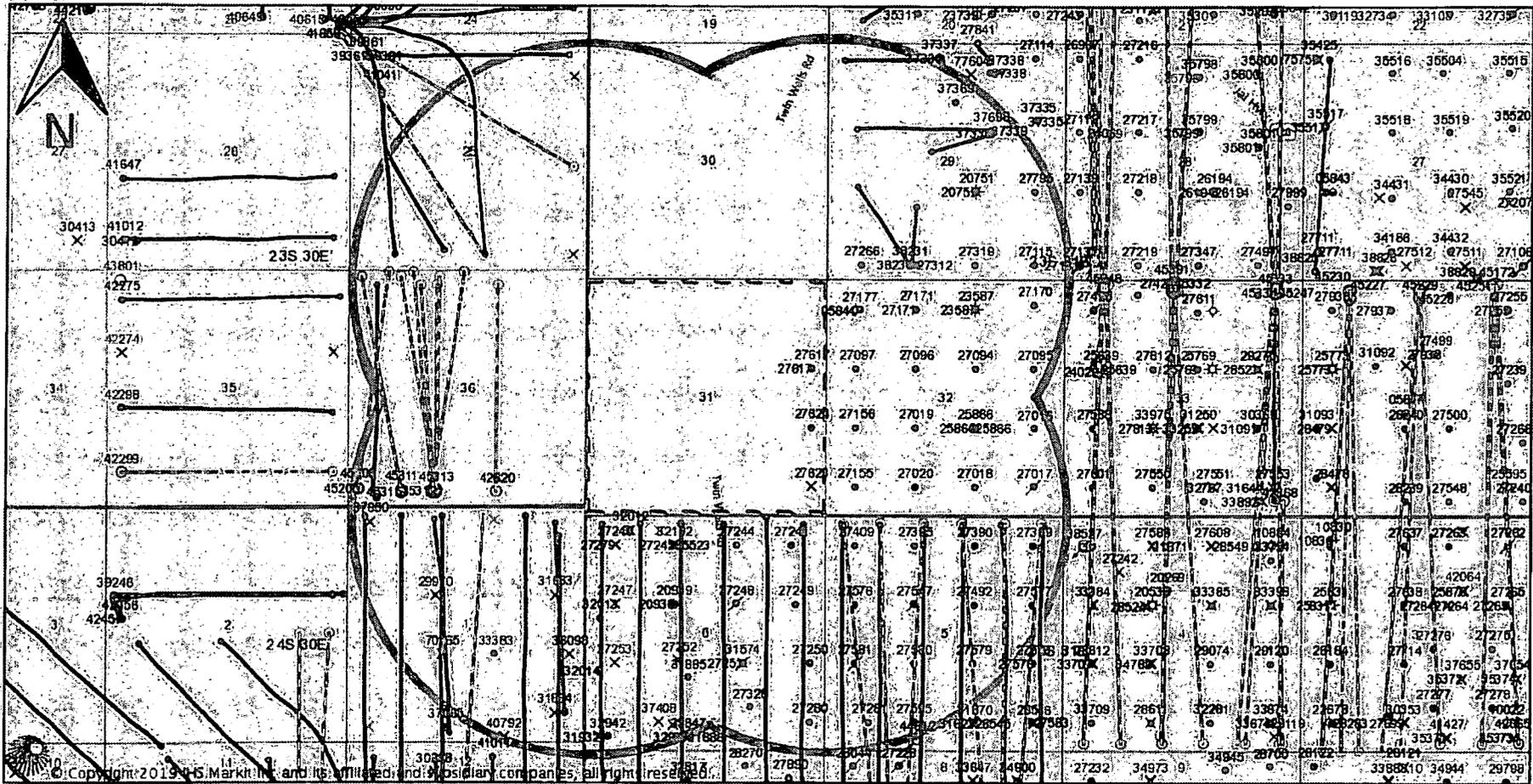


Chad Harcrow
 CHAD HARCROW N.M.P.S. NO. 17777

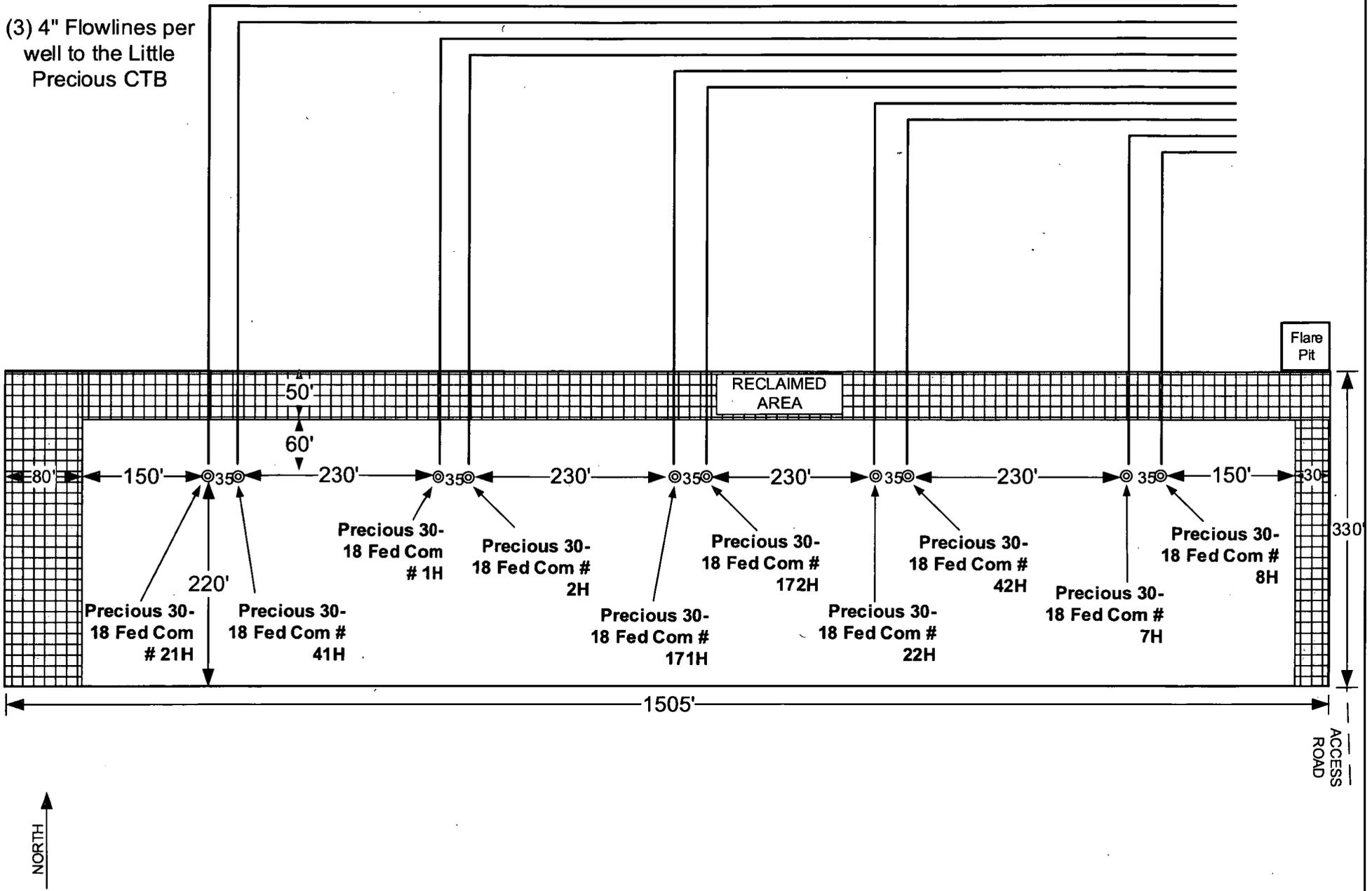
12/14/18
DATE

OXY USA INC.	
ARKENSTONE 31 FEDERAL #171H LOCATED 130 FEET FROM THE NORTH LINE AND 1160 FEET FROM THE WEST LINE OF SECTION, 31 TOWNSHIP 23 SOUTH, 31 RANGE EAST, N.M.P.M., EDDY COUNTY, NEW MEXICO	
SURVEY DATE: SEPTEMBER 11, 2018	SITE PLAN
DRAFTING DATE: DECEMBER 11, 2018	PAGE: 1 OF 1
APPROVED BY: CH	DRAWN BY: JR FILE: 18-1616

Arkenstone 31 Federal - 1 Mile AOR



(3) 4" Flowlines per well to the Little Precious CTB

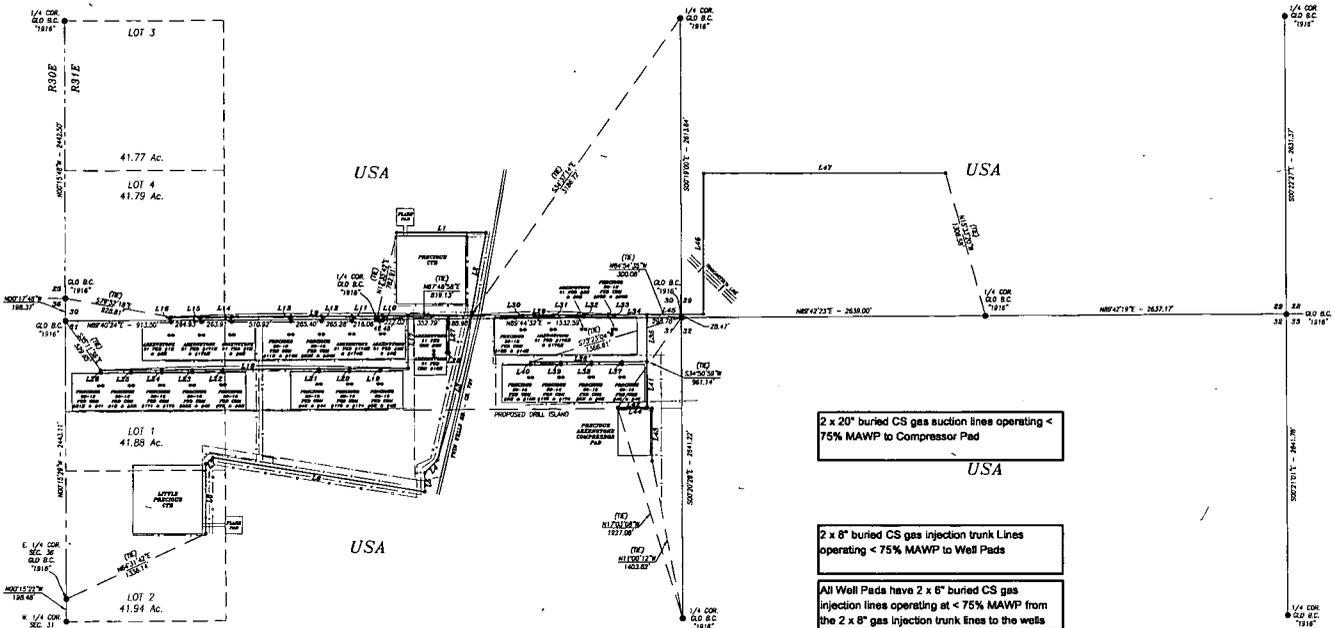


REVISION BLOCK						ENGINEERING RECORD	
NO.	DATE	DESCRIPTION	BY	CHK	APP	BY	DATE

FACILITY LAYOUT DIAGRAM
 Precious 30-18 Fed Com # 1H, 2H, 7H, 8H, 21H, 22H, 41H, 42H, 171H, 172H
 EDDY COUNTY, NEW MEXICO

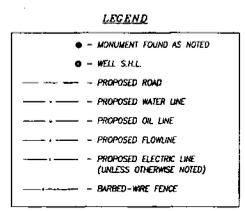
**GAS LINE SYSTEM
OXY USA INC.**

A PROPOSED GAS LINE SYSTEM KNOWN AS THE "PRECIOUS/ARKENSTONE GAS LINE SYSTEM" IN SECTIONS 29, 30, 31, TOWNSHIP 23 SOUTH, RANGE 31 -EAST, N.M.P.M., EDDY COUNTY, NEW MEXICO.



LINES #1 THRU. #8 DESCRIPTION
EIGHT STRIPS OF LAND 30.0 FEET WIDE AND TOTALING 16863.3 FEET OR 1022.02 RODS OR 3.194 MILES IN LENGTH CROSSING USA LAND IN SECTIONS 30 & 31, TOWNSHIP 23 SOUTH, RANGE 31, EAST, EDDY COUNTY, NEW MEXICO AND BEING 15.0 FEET LEFT AND 15.0 FEET RIGHT OF THE ABOVE PLATTED CENTERLINE SURVEYS.

SUCTION LINE DESCRIPTION
A STRIP OF LAND 50.0 FEET WIDE AND BEING 3830.1 FEET OR 232.13 RODS OR 0.725 MILES IN LENGTH CROSSING USA LAND IN SECTIONS 29 & 30, TOWNSHIP 23 SOUTH, RANGE 31, EAST, EDDY COUNTY, NEW MEXICO AND BEING 15.0 FEET LEFT AND 15.0 FEET RIGHT OF THE ABOVE PLATTED CENTERLINE SURVEYS.



2 x 20" buried CS gas suction lines operating < 75% MAWP to Compressor Pad

2 x 8" buried CS gas injection trunk Lines operating < 75% MAWP to Well Pads

All Well Pads have 2 x 8" buried CS gas injection lines operating at < 75% MAWP from the 2 x 8" gas injection trunk lines to the wells

LINE #1
A PROPOSED GAS LINE FROM THE "PRECIOUS CIB" TO THE "LITTLE PRECIOUS CIB"

LINE BEARING	DISTANCE
L1	S89°42'00"W 725.0'
L2	S89°42'00"W 774.0'
L3	S77°48'00"W 1333.0'
L4	S42°30'00"W 135.0'
L5	S89°42'00"W 187.0'
L6	N89°42'00"E 686.0'
L7	S77°30'00"W 82.0'
L8	S89°30'00"W 688.0'

LINE #2
A PROPOSED GAS LINE FROM THE PROPOSED MAIN LINE TO THE NORTHWESTERN MOST PRECIOUS/ARKENSTONE WELLPADS

LINE BEARING	DISTANCE
L1	S89°42'00"W 48.0'
L2	S89°42'00"W 48.0'
L3	S89°42'00"W 48.0'
L4	S89°42'00"W 48.0'
L5	S89°42'00"W 48.0'
L6	S89°42'00"W 48.0'
L7	S89°42'00"W 48.0'
L8	S89°42'00"W 48.0'
L9	S89°42'00"W 48.0'
L10	S89°42'00"W 48.0'
L11	S89°42'00"W 48.0'
L12	S89°42'00"W 48.0'
L13	S89°42'00"W 48.0'
L14	S89°42'00"W 48.0'
L15	S89°42'00"W 48.0'
L16	S89°42'00"W 48.0'
L17	S89°42'00"W 48.0'
L18	S89°42'00"W 48.0'
L19	S89°42'00"W 48.0'
L20	S89°42'00"W 48.0'
L21	S89°42'00"W 48.0'
L22	S89°42'00"W 48.0'
L23	S89°42'00"W 48.0'
L24	S89°42'00"W 48.0'
L25	S89°42'00"W 48.0'
L26	S89°42'00"W 48.0'
L27	S89°42'00"W 48.0'
L28	S89°42'00"W 48.0'
L29	S89°42'00"W 48.0'
L30	S89°42'00"W 48.0'
L31	S89°42'00"W 48.0'
L32	S89°42'00"W 48.0'
L33	S89°42'00"W 48.0'
L34	S89°42'00"W 48.0'
L35	S89°42'00"W 48.0'
L36	S89°42'00"W 48.0'
L37	S89°42'00"W 48.0'
L38	S89°42'00"W 48.0'
L39	S89°42'00"W 48.0'
L40	S89°42'00"W 48.0'
L41	S89°42'00"W 48.0'
L42	S89°42'00"W 48.0'
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L45	S89°42'00"W 48.0'
L46	S89°42'00"W 48.0'
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L48	S89°42'00"W 48.0'
L49	S89°42'00"W 48.0'
L50	S89°42'00"W 48.0'
L51	S89°42'00"W 48.0'
L52	S89°42'00"W 48.0'
L53	S89°42'00"W 48.0'
L54	S89°42'00"W 48.0'
L55	S89°42'00"W 48.0'
L56	S89°42'00"W 48.0'
L57	S89°42'00"W 48.0'
L58	S89°42'00"W 48.0'
L59	S89°42'00"W 48.0'
L60	S89°42'00"W 48.0'
L61	S89°42'00"W 48.0'
L62	S89°42'00"W 48.0'
L63	S89°42'00"W 48.0'
L64	S89°42'00"W 48.0'
L65	S89°42'00"W 48.0'
L66	S89°42'00"W 48.0'
L67	S89°42'00"W 48.0'
L68	S89°42'00"W 48.0'
L69	S89°42'00"W 48.0'
L70	S89°42'00"W 48.0'
L71	S89°42'00"W 48.0'
L72	S89°42'00"W 48.0'
L73	S89°42'00"W 48.0'
L74	S89°42'00"W 48.0'
L75	S89°42'00"W 48.0'
L76	S89°42'00"W 48.0'
L77	S89°42'00"W 48.0'
L78	S89°42'00"W 48.0'
L79	S89°42'00"W 48.0'
L80	S89°42'00"W 48.0'
L81	S89°42'00"W 48.0'
L82	S89°42'00"W 48.0'
L83	S89°42'00"W 48.0'
L84	S89°42'00"W 48.0'
L85	S89°42'00"W 48.0'
L86	S89°42'00"W 48.0'
L87	S89°42'00"W 48.0'
L88	S89°42'00"W 48.0'
L89	S89°42'00"W 48.0'
L90	S89°42'00"W 48.0'
L91	S89°42'00"W 48.0'
L92	S89°42'00"W 48.0'
L93	S89°42'00"W 48.0'
L94	S89°42'00"W 48.0'
L95	S89°42'00"W 48.0'
L96	S89°42'00"W 48.0'
L97	S89°42'00"W 48.0'
L98	S89°42'00"W 48.0'
L99	S89°42'00"W 48.0'
L100	S89°42'00"W 48.0'

LINE #3
A PROPOSED GAS LINE FROM THE PROPOSED LINE #1 TO THE SOUTHWESTERN MOST PRECIOUS WELLPADS

LINE BEARING	DISTANCE
L1	S89°42'00"W 48.0'
L2	S89°42'00"W 48.0'
L3	S89°42'00"W 48.0'
L4	S89°42'00"W 48.0'
L5	S89°42'00"W 48.0'
L6	S89°42'00"W 48.0'
L7	S89°42'00"W 48.0'
L8	S89°42'00"W 48.0'
L9	S89°42'00"W 48.0'
L10	S89°42'00"W 48.0'
L11	S89°42'00"W 48.0'
L12	S89°42'00"W 48.0'
L13	S89°42'00"W 48.0'
L14	S89°42'00"W 48.0'
L15	S89°42'00"W 48.0'
L16	S89°42'00"W 48.0'
L17	S89°42'00"W 48.0'
L18	S89°42'00"W 48.0'
L19	S89°42'00"W 48.0'
L20	S89°42'00"W 48.0'
L21	S89°42'00"W 48.0'
L22	S89°42'00"W 48.0'
L23	S89°42'00"W 48.0'
L24	S89°42'00"W 48.0'
L25	S89°42'00"W 48.0'
L26	S89°42'00"W 48.0'
L27	S89°42'00"W 48.0'
L28	S89°42'00"W 48.0'
L29	S89°42'00"W 48.0'
L30	S89°42'00"W 48.0'
L31	S89°42'00"W 48.0'
L32	S89°42'00"W 48.0'
L33	S89°42'00"W 48.0'
L34	S89°42'00"W 48.0'
L35	S89°42'00"W 48.0'
L36	S89°42'00"W 48.0'
L37	S89°42'00"W 48.0'
L38	S89°42'00"W 48.0'
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L41	S89°42'00"W 48.0'
L42	S89°42'00"W 48.0'
L43	S89°42'00"W 48.0'
L44	S89°42'00"W 48.0'
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L48	S89°42'00"W 48.0'
L49	S89°42'00"W 48.0'
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L52	S89°42'00"W 48.0'
L53	S89°42'00"W 48.0'
L54	S89°42'00"W 48.0'
L55	S89°42'00"W 48.0'
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L70	S89°42'00"W 48.0'
L71	S89°42'00"W 48.0'
L72	S89°42'00"W 48.0'
L73	S89°42'00"W 48.0'
L74	S89°42'00"W 48.0'
L75	S89°42'00"W 48.0'
L76	S89°42'00"W 48.0'
L77	S89°42'00"W 48.0'
L78	S89°42'00"W 48.0'
L79	S89°42'00"W 48.0'
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L87	S89°42'00"W 48.0'
L88	S89°42'00"W 48.0'
L89	S89°42'00"W 48.0'
L90	S89°42'00"W 48.0'
L91	S89°42'00"W 48.0'
L92	S89°42'00"W 48.0'
L93	S89°42'00"W 48.0'
L94	S89°42'00"W 48.0'
L95	S89°42'00"W 48.0'
L96	S89°42'00"W 48.0'
L97	S89°42'00"W 48.0'
L98	S89°42'00"W 48.0'
L99	S89°42'00"W 48.0'
L100	S89°42'00"W 48.0'

LINE #4
A PROPOSED GAS LINE FROM THE PROPOSED LINE #1 TO THE ARKENSTONE 31 FED COM #3H & #1H

LINE BEARING	DISTANCE
L1	S89°42'00"W 48.0'
L2	S89°42'00"W 48.0'
L3	S89°42'00"W 48.0'
L4	S89°42'00"W 48.0'
L5	S89°42'00"W 48.0'
L6	S89°42'00"W 48.0'
L7	S89°42'00"W 48.0'
L8	S89°42'00"W 48.0'
L9	S89°42'00"W 48.0'
L10	S89°42'00"W 48.0'
L11	S89°42'00"W 48.0'
L12	S89°42'00"W 48.0'
L13	S89°42'00"W 48.0'
L14	S89°42'00"W 48.0'
L15	S89°42'00"W 48.0'
L16	S89°42'00"W 48.0'
L17	S89°42'00"W 48.0'
L18	S89°42'00"W 48.0'
L19	S89°42'00"W 48.0'
L20	S89°42'00"W 48.0'
L21	S89°42'00"W 48.0'
L22	S89°42'00"W 48.0'
L23	S89°42'00"W 48.0'
L24	S89°42'00"W 48.0'
L25	S89°42'00"W 48.0'
L26	S89°42'00"W 48.0'
L27	S89°42'00"W 48.0'
L28	S89°42'00"W 48.0'
L29	S89°42'00"W 48.0'
L30	S89°42'00"W 48.0'
L31	S89°42'00"W 48.0'
L32	S89°42'00"W 48.0'
L33	S89°42'00"W 48.0'
L34	S89°42'00"W 48.0'
L35	S89°42'00"W 48.0'
L36	S89°42'00"W 48.0'
L37	S89°42'00"W 48.0'
L38	S89°42'00"W 48.0'
L39	S89°42'00"W 48.0'
L40	S89°42'00"W 48.0'
L41	S89°42'00"W 48.0'
L42	S89°42'00"W 48.0'
L43	S89°42'00"W 48.0'
L44	S89°42'00"W 48.0'
L45	S89°42'00"W 48.0'
L46	S89°42'00"W 48.0'
L47	S89°42'00"W 48.0'
L48	S89°42'00"W 48.0'
L49	S89°42'00"W 48.0'
L50	S89°42'00"W 48.0'
L51	S89°42'00"W 48.0'
L52	S89°42'00"W 48.0'
L53	S89°42'00"W 48.0'
L54	S89°42'00"W 48.0'
L55	S89°42'00"W 48.0'
L56	S89°42'00"W 48.0'
L57	S89°42'00"W 48.0'
L58	S89°42'00"W 48.0'
L59	S89°42'00"W 48.0'
L60	S89°42'00"W 48.0'
L61	S89°42'00"W 48.0'
L62	S89°42'00"W 48.0'
L63	S89°42'00"W 48.0'
L64	S89°42'00"W 48.0'
L65	S89°42'00"W 48.0'
L66	S89°42'00"W 48.0'
L67	S89°42'00"W 48.0'
L68	S89°42'00"W 48.0'
L69	S89°42'00"W 48.0'
L70	S89°42'00"W 48.0'
L71	S89°42'00"W 48.0'
L72	S89°42'00"W 48.0'
L73	S89°42'00"W 48.0'
L74	S89°42'00"W 48.0'
L75	S89°42'00"W 48.0'
L76	S89°42'00"W 48.0'
L77	S89°42'00"W 48.0'
L78	S89°42'00"W 48.0'
L79	S89°42'00"W 48.0'
L80	S89°42'00"W 48.0'
L81	S89°42'00"W 48.0'
L82	S89°42'00"W 48.0'
L83	S89°42'00"W 48.0'
L84	S89°42'00"W 48.0'
L85	S89°42'00"W 48.0'
L86	S89°42'00"W 48.0'
L87	S89°42'00"W 48.0'
L88	S89°42'00"W 48.0'
L89	S89°42'00"W 48.0'
L90	S89°42'00"W 48.0'
L91	S89°42'00"W 48.0'
L92	S89°42'00"W 48.0'
L93	S89°42'00"W 48.0'
L94	S89°42'00"W 48.0'
L95	S89°42'00"W 48.0'
L96	S89°42'00"W 48.0'
L97	S89°42'00"W 48.0'
L98	S89°42'00"W 48.0'
L99	S89°42'00"W 48.0'
L100	S89°42'00"W 48.0'

LINE #5
A PROPOSED GAS LINE FROM THE PROPOSED MAIN LINE TO THE NORTH-EASTERN MOST PRECIOUS/ARKENSTONE WELLPADS

LINE BEARING	DISTANCE
L1	S89°42'00"W 48.0'
L2	S89°42'00"W 48.0'
L3	S89°42'00"W 48.0'
L4	S89°42'00"W 48.0'
L5	S89°42'00"W 48.0'
L6	S89°42'00"W 48.0'
L7	S89°42'00"W 48.0'
L8	S89°42'00"W 48.0'
L9	S89°42'00"W 48.0'
L10	S89°42'00"W 48.0'
L11	S89°42'00"W 48.0'
L12	S89°42'00"W 48.0'
L13	S89°42'00"W 48.0'
L14	S89°42'00"W 48.0'
L15	S89°42'00"W 48.0'
L16	S89°42'00"W 48.0'
L17	S89°42'00"W 48.0'
L18	S89°42'00"W 48.0'
L19	S89°42'00"W 48.0'
L20	S89°42'00"W 48.0'
L21	S89°42'00"W 48.0'
L22	S89°42'00"W 48.0'
L23	S89°42'00"W 48.0'
L24	S89°42'00"W 48.0'
L25	S89°42'00"W 48.0'
L26	S89°42'00"W 48.0'
L27	S89°42'00"W 48.0'
L28	S89°42'00"W 48.0'
L29	S89°42'00"W 48.0'
L30	S89°42'00"W 48.0'
L31	S89°42'00"W 48.0'
L32	S89°42'00"W 48.0'
L33	S89°42'00"W 48.0'
L34	S89°42'00"W 48.0'
L35	S89°42'00"W 48.0'
L36	S89°42'00"W 48.0'

Sand Dunes Precious/Arkenstone Development – Surface Production Facilities

CTB/Satellite Site

One new Central Tank Batteries in NW section 31 is required which will be composed of (3) tracts with the following dimensions: 600'x600', 200'x30', and 150'x150' and access roads. This will be called the Little Precious CTB.

Reference plats:

- (2) John West Surveying Company W.O. No: 18110359 Survey: 3/26/18 CAD: 4/12/18

Production Flowlines

Each well will have (3) surface laid flowlines operating at less than 75% of the MAWP of the flowline per the survey plats from the well site to the CTB following access roads. The flowlines will be routed to the CTB.

Reference plats per well APD package

- (1) Harcrow Surveying, LLC File No: 18-1578 Survey: 11/18 CAD: 12/19/18

Gas Lift

A new Centralized Gas Lift Station will be required in NE section 31 with two (2) 20" CS buried suction lines operating at < 250 PSIG and two (2) 8" CS buried gas lift injection trunk lines operating at < 1500 PSIG. Each well pad will have two (2) 6" CS buried gas lift supply lines operating at < 1500 PSIG branching off the 2 common 8" CS main lines.

Reference plats per well APD package

- (1) Harcrow Surveying, LLC File No: 18-1571 Survey: 11/18 CAD: 12/13/18
- (1) Harcrow Surveying, LLC File No: 19-46 Survey: 11/18 CAD: 1/9/19

Gas Sales

The Little Precious CTB in Section 31 will require gas sales pipelines to existing 3rd party compression. Gas will flow into two (2) 20" CS buried sales line operating at < 250 PSIG.

Reference plats:

- (1) John West Surveying Company W.O. No: 18110384 Survey: 3/29/18 CAD: 4/11/18

Oil Sales

The Little Precious CTB will require an oil sales pipeline. Oil will be pumped into two (2) 12" buried pipelines operating less than 750 PSIG and will be sold via pipeline through a 3rd Party Processor.

Reference plats:

- (1) John West Surveying Company W.O. No: 18110384 Survey: 3/29/18 CAD: 4/11/18

Water Disposal

The Little Precious CTB will require a Water Disposal pipeline to the existing water disposal system. Water will be pumped through two (2) 16" HDPE buried lines operating at less than 300 PSIG.

Reference plats:

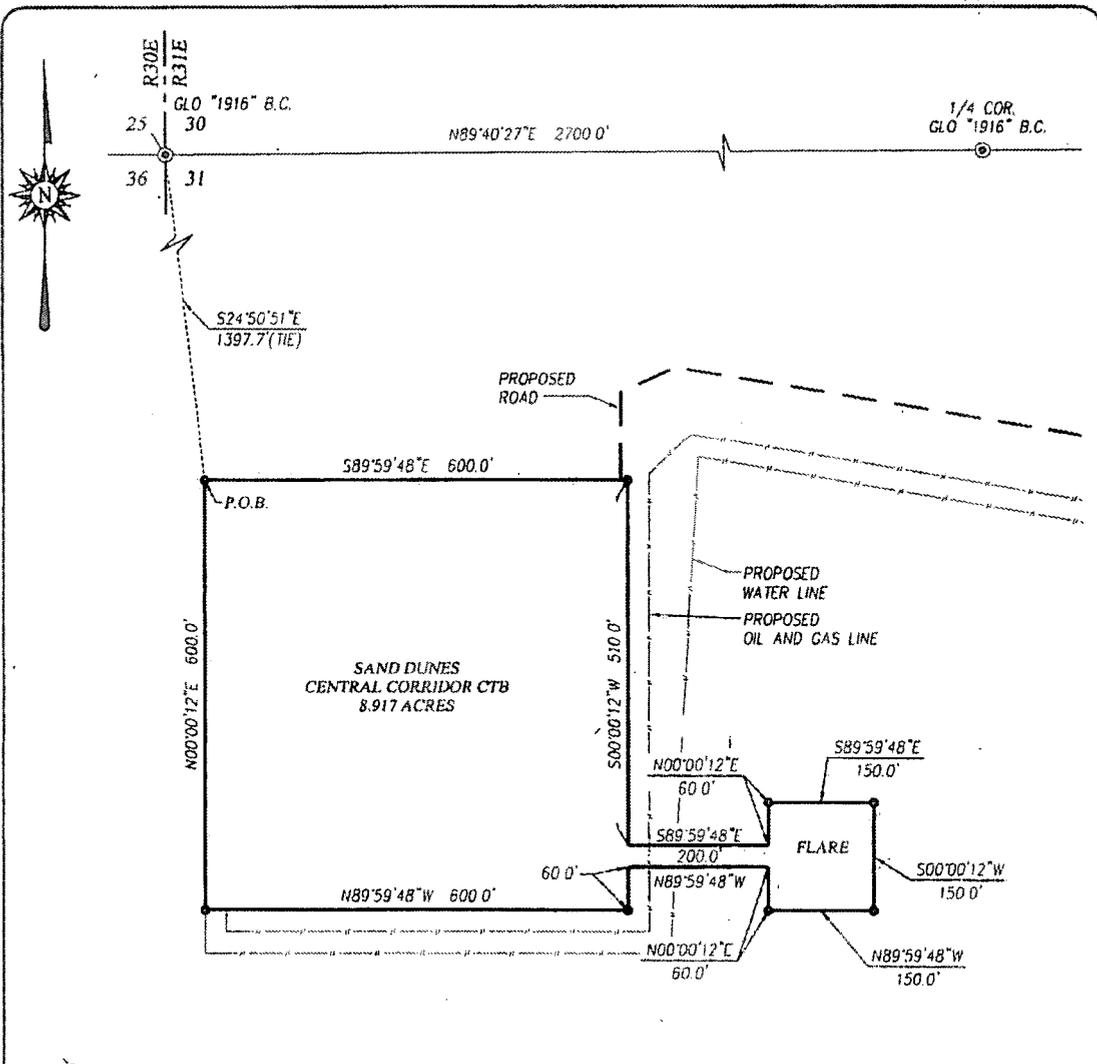
- (1) John West Surveying Company W.O. No: 18110360 Survey: 3/28/18 CAD: 4/11/18

Electrical Systems

The Little Precious CTB will require electricity for site lighting, PLC, pumps, etc. Overhead electrical will be taken from the main electrical lines. Electrical overhead connections are required from the existing electrical infrastructure to connect to each individual well pad.

Reference plats:

- (1) Harcrow Surveying, LLC File No: 18-1573 Survey: 11/18 CAD: 12/17/18



DESCRIPTION:
 SURVEY OF A TRACT IN THE NORTHWEST QUARTER OF SECTION 31, TOWNSHIP 23 SOUTH, RANGE 31 EAST, N.M.P.M., EDDY COUNTY, NEW MEXICO AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE NORTHWEST CORNER OF THIS TRACT WHICH LIES S24°50'51"E 1397.7 FEET FROM THE NORTHWEST CORNER; THEN S89°59'48"E 600.0 FEET; THEN S00°00'12"W 510.0 FEET; THEN S89°59'48"E 200.0 FEET; THEN N00°00'12"E 60.0 FEET; THEN S89°59'48"E 150.0 FEET; THEN S00°00'12"W 150.0 FEET; THEN N89°59'48"W 150.0 FEET; N00°00'12"E 60.0 FEET; THEN N89°59'48"W 200.0 FEET; THEN S00°00'12"W 60.0 FEET; THEN N89°59'48"W 600.0 FEET; THEN N00°00'12"E 600.0 FEET TO THE POINT OF BEGINNING AND CONTAINING 8.917 ACRES MORE OR LESS.

NOTE

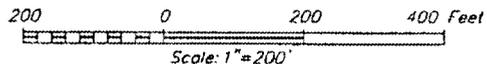
BEARINGS SHOWN HEREON ARE MERCATOR GRID AND CONFORM TO THE NEW MEXICO COORDINATE SYSTEM "NEW MEXICO EAST ZONE" NORTH AMERICAN DATUM 1983. DISTANCES ARE SURFACE VALUES.

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

RONALD J. EIDSON
 DATE: 4/13/2018

LEGEND

- ⊙ DENOTES FOUND CORNER AS NOTED
- DENOTES SPIKE NAIL

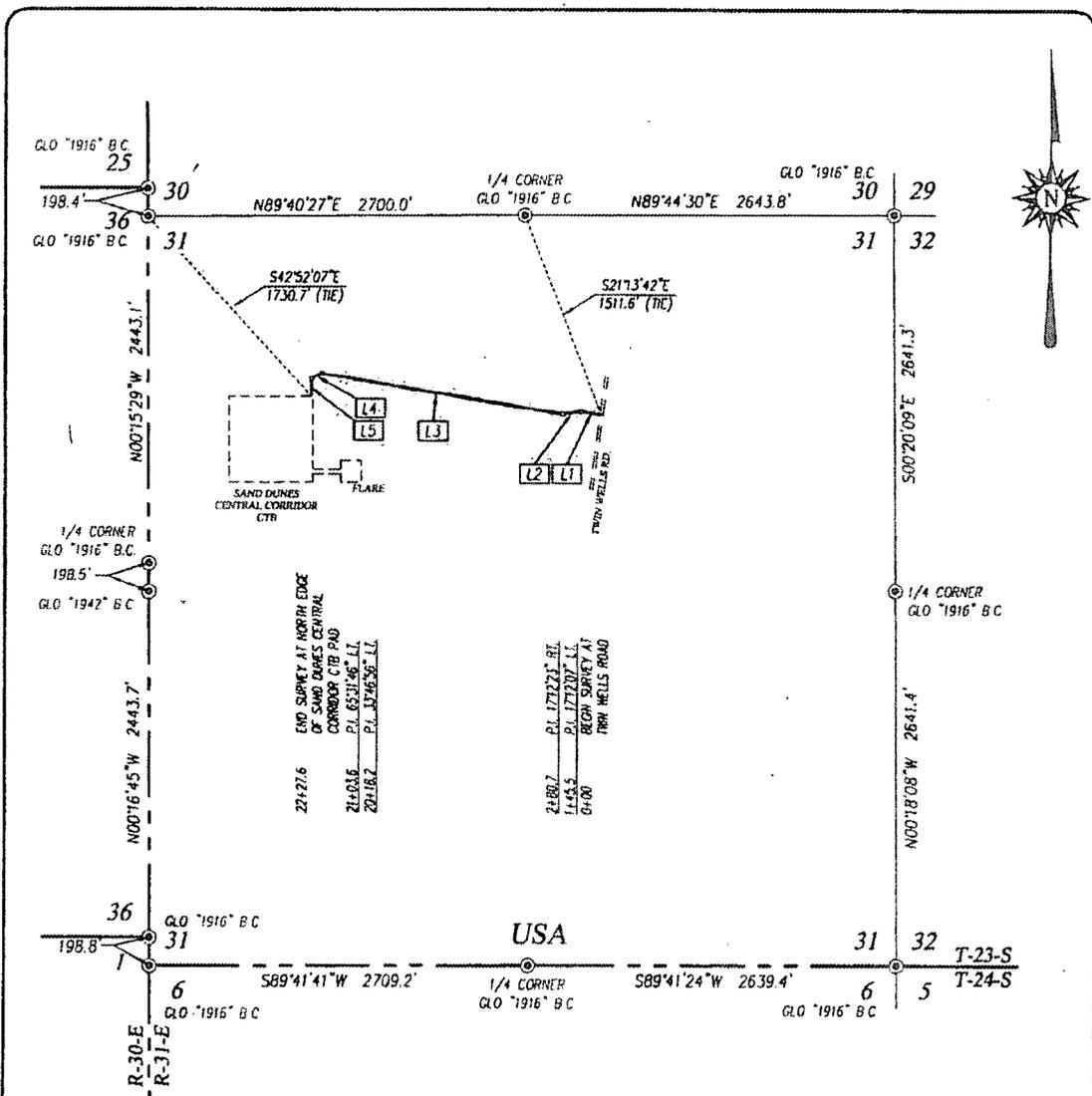


OXY U.S.A. INC.

SURVEY FOR THE SAND DUNES CENTRAL CORRIDOR CTB AND FLARE PAD SITUATED IN THE NW/4 OF SECTION 31, TOWNSHIP 23 SOUTH, RANGE 31 EAST, N.M.P.M., EDDY COUNTY, NEW MEXICO

Survey Date: 03/26/18	CAD Date: 04/12/18	Drawn By: LSL
W.O. No.: 18110359	Rev.:	Rel. W.O.:

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



DESCRIPTION

SURVEY FOR A STRIP OF LAND 30.0 FEET WIDE AND 2227.6 FEET OR 0.422 MILES IN LENGTH CROSSING USA LAND IN SECTION 31, TOWNSHIP 23 SOUTH, RANGE 31 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.

LINE TABLE

LINE	BEARING	DISTANCE
L1	N80°44'02"W	145.5'
L2	S82°03'51"W	135.2'
L3	N80°43'46"W	1737.5'
L4	S65°29'18"W	85.4'
L5	S00°02'28"E	124.0'

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.

I, RONALD J. EIDSON, NEW MEXICO PROFESSIONAL SURVEYOR No. 3239, DO HEREBY CERTIFY THAT THIS SURVEY PLAN 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

DATE: 4/13/2018



PROVIDING SURVEYING SERVICES SINCE 1946

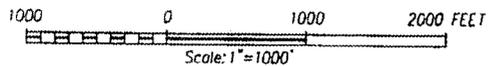
JOHN WEST SURVEYING COMPANY

412 N. DAL PASO, HOBBS, N.M. 88240
(575) 393-3117 www.jwsc.biz
TBPLS# 10021000



LEGEND

⊙ DENOTES FOUND CORNER AS NOTED



OXY U.S.A. INC.

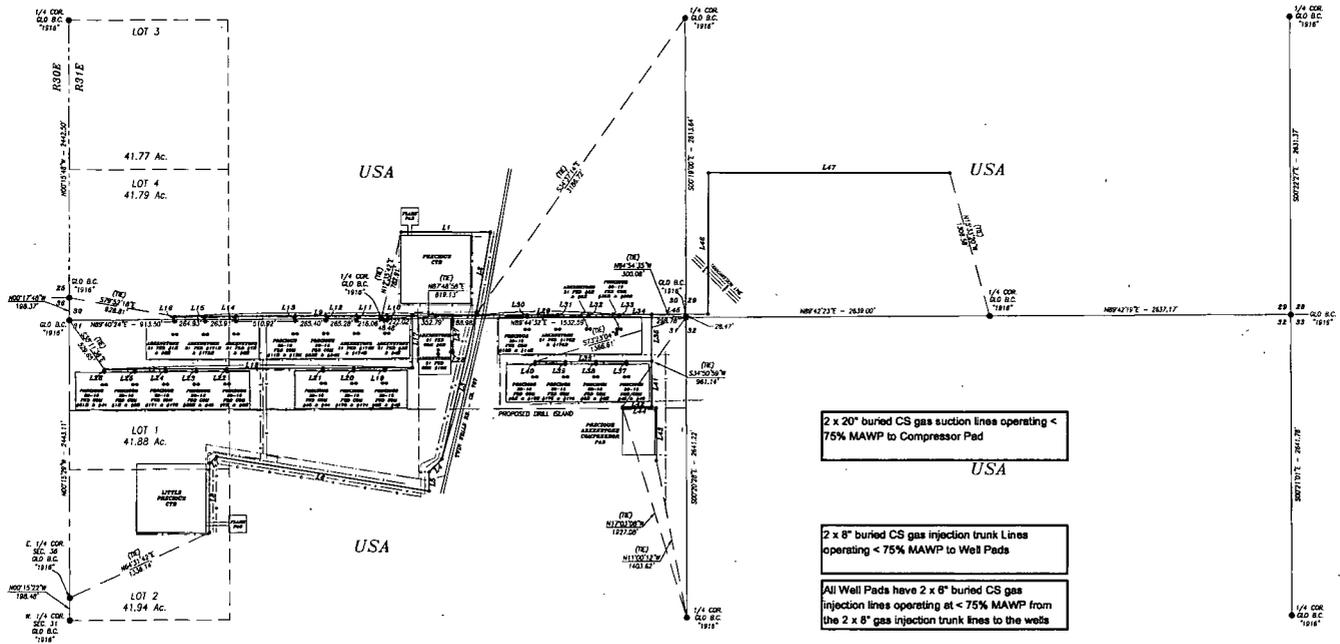
SURVEY FOR A ROAD TO SAND DUNES
CENTRAL CORRIDOR CTB PAD
CROSSING SECTION 31,
TOWNSHIP 23 SOUTH, RANGE 31 EAST, N.M.P.M.
EDDY COUNTY, NEW MEXICO

Survey Date: 03/26/18	CAD Date: 04/12/18	Drawn By: LSL
W.O. No.: 18110359	Rev.:	Rel. W.O.:

Sheet 1 of 1

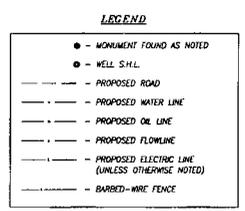
**GAS LINE SYSTEM
OXY USA INC.**

A PROPOSED GAS LINE SYSTEM KNOWN AS THE "PRECIOUS/ARKENSTONE GAS LINE SYSTEM" IN SECTIONS 29, 30, 31, TOWNSHIP 23 SOUTH, RANGE 31 EAST, N.M.P.M., EDDY COUNTY, NEW MEXICO.



LINE #1 THRU #8 DESCRIPTION
EIGHT STRIPS OF LAND 30.0 FEET WIDE AND TOTALING 16863.3 FEET OR 1022.02 RODS OR 3.194 MILES IN LENGTH CROSSING USA LAND IN SECTIONS 30 & 31, TOWNSHIP 23 SOUTH, RANGE 31 EAST, EDDY COUNTY, NEW MEXICO AND BEING 15.0 FEET LEFT AND 15.0 FEET RIGHT OF THE ABOVE PLATTED CENTERLINE SURVEYS.

SUCTION LINE DESCRIPTION
A STRIP OF LAND 50.0 FEET WIDE AND BEING 3830.1 FEET OR 232.13 RODS OR 0.725 MILES IN LENGTH CROSSING USA LAND IN SECTIONS 29 & 30, TOWNSHIP 23 SOUTH, RANGE 31 EAST, EDDY COUNTY, NEW MEXICO AND BEING 15.0 FEET LEFT AND 15.0 FEET RIGHT OF THE ABOVE PLATTED CENTERLINE SURVEYS.



2 x 20" buried CS gas suction lines operating < 75% MAWP to Compressor Pad

2 x 8" buried CS gas injection trunk Lines operating < 75% MAWP to Well Pads

All Well Pads have 2 x 8" buried CS gas injection lines operating at < 75% MAWP from the 2 x 8" gas injection trunk lines to the wells

LINE #1
A PROPOSED GAS LINE FROM THE "PRECIOUS CRT" TO THE "LITTLE PRECIOUS CRT"

LINE	BEARING	DISTANCE
L1	S89°41'47"W	775.7
L2	S89°41'47"W	774.7
L3	S17°48'51"W	1331.0
L4	S42°30'51"W	1335.5
L5	S89°41'47"W	1677.7
L6	S89°41'47"W	885.1
L7	S47°20'50"W	85.7
L8	S89°41'47"W	888.4

LINE #2
A PROPOSED GAS LINE FROM THE PROPOSED MAIN LINE TO THE NORTHWESTERN MOST PRECIOUS/ARKENSTONE WELLPADS

LINE	BEARING	DISTANCE
L1	S89°41'47"W	262.7
L2	S89°41'47"W	481.4

LINE #3
A PROPOSED GAS LINE FROM THE PROPOSED LINE #1 TO THE SOUTHWESTERN MOST PRECIOUS WELLPADS

LINE	BEARING	DISTANCE
L1	S89°41'47"W	481.4
L2	S89°41'47"W	22.7

LINE #4
A PROPOSED GAS LINE FROM THE PROPOSED LINE #1 TO THE ARKENSTONE 31 FED COM #1 & #10H

LINE	BEARING	DISTANCE
L1	S89°41'47"W	481.4
L2	S89°41'47"W	22.7

LINE #5
A PROPOSED GAS LINE FROM THE PROPOSED LINE #1 TO THE ARKENSTONE 31 FED COM #1 & #10H

LINE	BEARING	DISTANCE
L1	S89°41'47"W	481.4
L2	S89°41'47"W	22.7

LINE #6
A PROPOSED GAS LINE FROM THE PROPOSED LINE #4 TO THE SOUTHEASTERN MOST PRECIOUS WELLPADS

LINE	BEARING	DISTANCE
L1	S89°41'47"W	250.7
L2	S89°41'47"W	151.4
L3	S89°41'47"W	1072.7

LINE #8
A PROPOSED GAS LINE FROM A PROPOSED GAS LINE TIE-IN TO THE PRECIOUS/ARKENSTONE COMPRESSOR PAD

LINE	BEARING	DISTANCE
L1	S89°41'47"W	481.4
L2	S89°41'47"W	250.7

LINE #7
A PROPOSED GAS LINE FROM THE PROPOSED LINE #5 TO THE PRECIOUS/ARKENSTONE COMPRESSOR PAD

LINE	BEARING	DISTANCE
L1	S89°41'47"W	22.7
L2	S89°41'47"W	22.7

LINE #8
A PROPOSED GAS LINE FROM THE PROPOSED LINE #5 TO THE PRECIOUS/ARKENSTONE COMPRESSOR PAD

LINE	BEARING	DISTANCE
L1	S89°41'47"W	22.7
L2	S89°41'47"W	22.7

LINE #9
A PROPOSED GAS LINE FROM THE PROPOSED LINE #5 TO THE PRECIOUS/ARKENSTONE COMPRESSOR PAD

LINE	BEARING	DISTANCE
L1	S89°41'47"W	22.7
L2	S89°41'47"W	22.7

LINE #10
A PROPOSED GAS LINE FROM THE PROPOSED LINE #5 TO THE PRECIOUS/ARKENSTONE COMPRESSOR PAD

LINE	BEARING	DISTANCE
L1	S89°41'47"W	22.7
L2	S89°41'47"W	22.7

LINE #11
A PROPOSED GAS LINE FROM THE PROPOSED LINE #5 TO THE PRECIOUS/ARKENSTONE COMPRESSOR PAD

LINE	BEARING	DISTANCE
L1	S89°41'47"W	22.7
L2	S89°41'47"W	22.7

BASIS OF BEARING:
BEARINGS SHOWN HEREIN ARE VERGATOR GRID AND CONFORM TO THE NEW MEXICO COORDINATE SYSTEM "NEW MEXICO EAST ZONE" NORTH AMERICAN DATUM 1983. DISTANCES ARE SURFACE MEASURES.

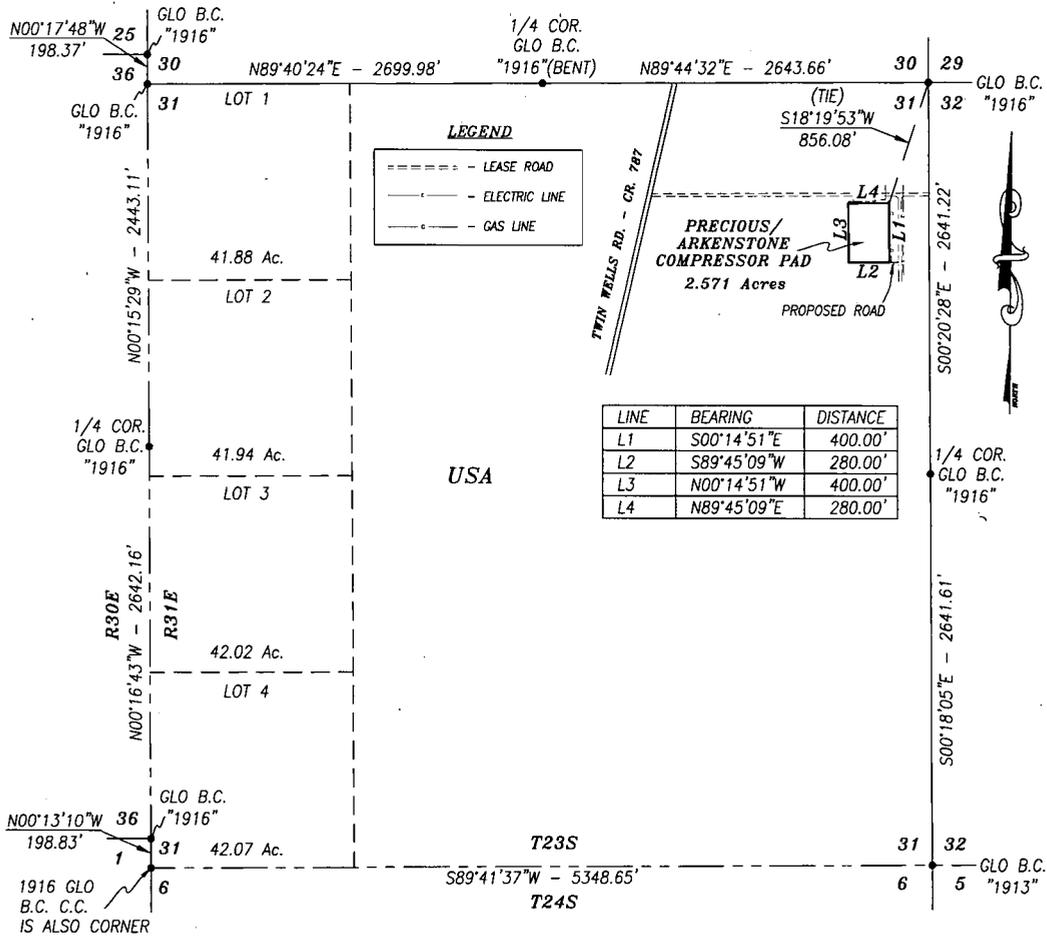
HARCROW SURVEYING, LLC
234 N. WALDEN BLVD., ALBUQUERQUE, NM 87102
PH: (505) 762-1111 FAX: (505) 762-1111
www.harcrow-surveying.com

OXY USA INC.
SURVEY OF A PROPOSED GAS LINE SYSTEM LOCATED IN SECTIONS 29, 30, 31, TOWNSHIP 23 SOUTH, RANGE 31 EAST, N.M.P.M., EDDY COUNTY, NEW MEXICO

DATE: 12/19/18
BY: Chad Peterson
SCALE: 1"=500'

SURFACE SITE EASEMENT OXY USA INC.

A SURFACE SITE EASEMENT FOR THE 'PROPOSED "PRECIOUS/ARKENSTONE COMPRESSOR PAD" IN SECTION 31, TOWNSHIP 23 SOUTH, RANGE 31 EAST, N.M.P.M., EDDY COUNTY, NEW MEXICO.



DESCRIPTION

A PROPOSED COMPRESSOR PAD LYING WITHIN USA LAND IN SECTION 31, TOWNSHIP 23 SOUTH, RANGE 31 EAST, NMPM, EDDY COUNTY, NEW MEXICO AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE NORTHEAST CORNER OF SAID COMPRESSOR PAD, WHICH LIES S18°19'53"W 856.08 FEET FROM THE NORTHEAST CORNER OF SAID SECTION; THEN S00°14'51"E 400.00 FEET; THEN S89°45'09"W 280.00 FEET; THEN N00°14'51"W 400.00 FEET; THEN N89°45'09"E 280.00 FEET TO THE POINT OF BEGINNING.

SAID COMPRESSOR PAD CONTAINS 2.571 ACRES.

BASIS OF BEARING:

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.

CERTIFICATION

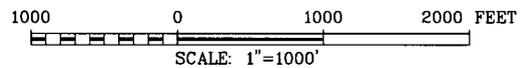
I, CHAD HARCROW, A NEW MEXICO REGISTERED PROFESSIONAL SURVEYOR CERTIFY THAT I DIRECTED AND AM RESPONSIBLE FOR THIS SURVEY, THAT THIS SURVEY IS TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF, AND THIS SURVEY AND PLAT MEET THE MINIMUM STANDARDS FOR SURVEYING IN NEW MEXICO.



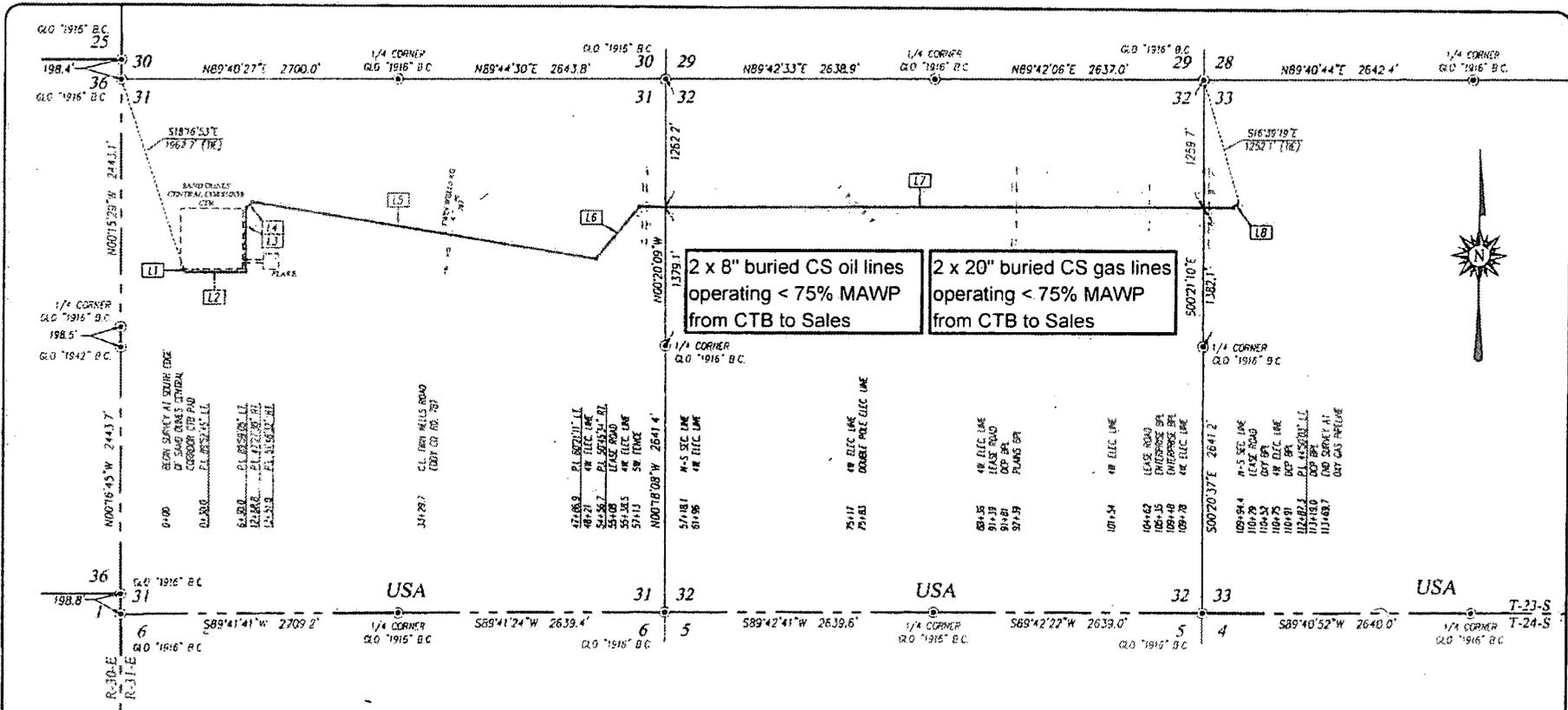
Chad Harcrow
CHAD HARCROW N.M.P.S. NO. 17777

1/10/19
DATE

HARCROW SURVEYING, LLC
2314 W. MAIN ST, ARTESIA, N.M. 88210
PH: (575) 746-2158 FAX: (575) 746-2158
c.harcrow@harcrowsurveying.com



OXY USA INC.	
SURVEY OF A PROPOSED COMPRESSOR PAD LOCATED IN SECTION 31, TOWNSHIP 23 SOUTH, RANGE 31 EAST, NMPM, EDDY COUNTY, NEW MEXICO	
SURVEY DATE: NOVEMBER 2018	SITE EASEMENT
DRAFTING DATE: JANUARY 9, 2019	PAGE 1 OF 1
APPROVED BY: CH	DRAWN BY: SP
	FILE: 19-46



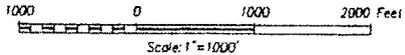
LINE TABLE

LIN#	BEARING	DISTANCE
L1	S00°07'54"E	30.0'
L2	N89°59'21"E	600.0'
L3	N00°00'16"E	638.8'
L4	N47°27'46"E	82.2'
L5	S80°43'42"E	3435.9'
L6	N38°52'06"E	669.8'
L7	N00°00'16"E	630.6'
L8	N44°50'30"E	82.4'

DESCRIPTION

SURVEY FOR A STRIP OF LAND 30.0 FEET WIDE AND 11,369.7 FEET OR 2.153 MILES IN LENGTH CROSSING USA LAND IN SECTIONS 31, 32 & 33, TOWNSHIP 23 SOUTH, RANGE 31 EAST, N.M.P.M., EDDY COUNTY, NEW MEXICO, AND BEING 25.0 FEET LEFT AND 25.0 FEET RIGHT OF THE ABOVE PLATTED CENTERLINE SURVEY.

LEGEND
 ⊙ DENOTES FOUND CORNER AS NOTED



I, RENEAL J. EDISON, NEW MEXICO LICENSED 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 MAMARUA STANDARDS FOR SURVEYING IN NEW MEXICO, AND THAT IT IS TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF.

RONALD J. EDISON _____ DATE: 4/13/2018

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.

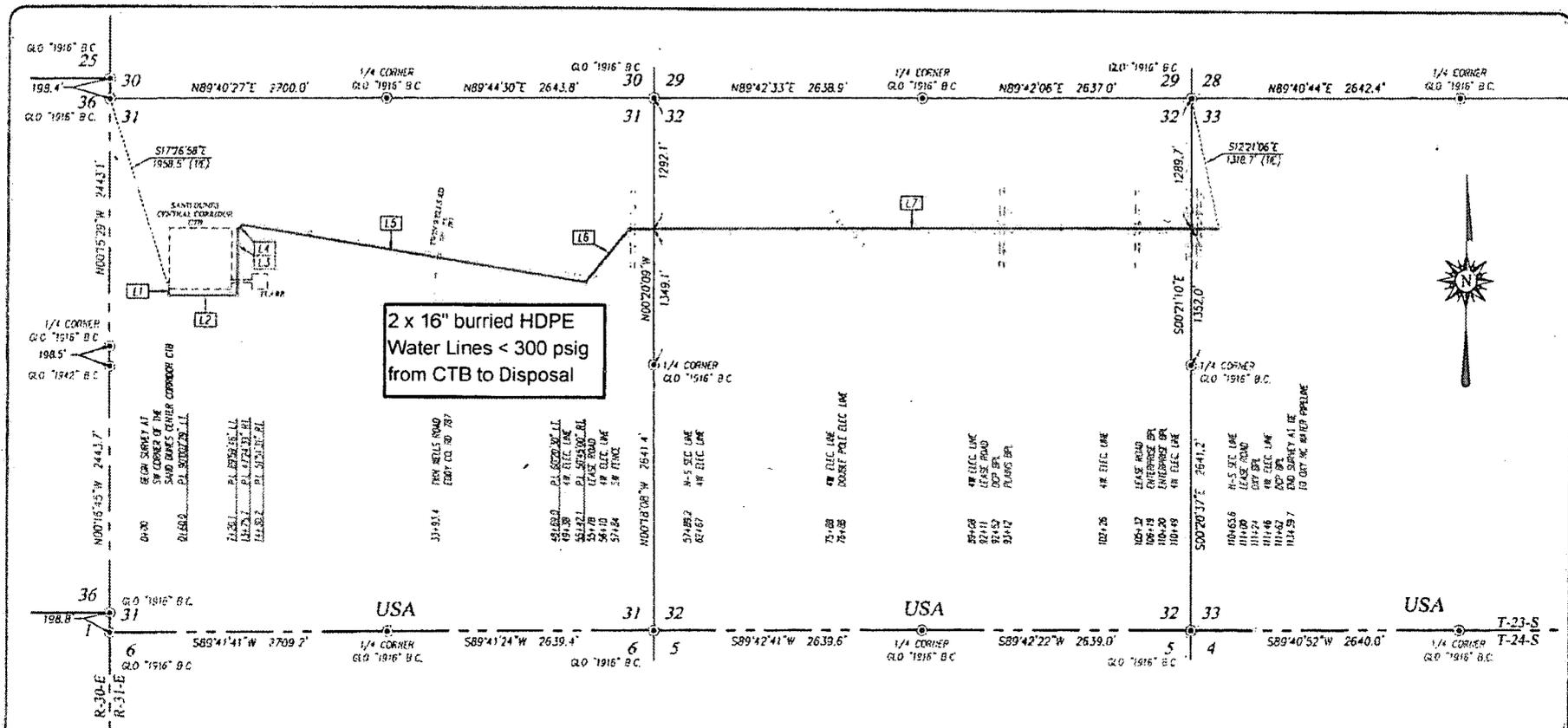
PROVIDING SURVEYING SERVICES SINCE 1946

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

OXY U.S.A. INC.

SURVEY FOR BURIED OIL AND GAS LINE FROM SAND DUNES CENTRAL CORRIDOR CTB TO OXY WATER PIPELINE, CROSSING SECTIONS 31, 32 & 33, TOWNSHIP 23 SOUTH, RANGE 31 EAST, N.M.P.M., EDDY COUNTY, NEW MEXICO

Survey Date: 03/29/18 CAD Date: 04/11/18 Drawn By: LSL
 W.O. No.: 18110384 Rev: Rel. W.O.: Sheet 1 of 1



**2 x 16" buried HDPE
Water Lines < 300 psig
from CTB to Disposal**

LINE TABLE

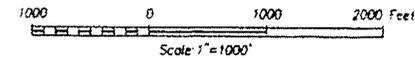
LINE	BEARING	DISTANCE
L1	S00°02'21"W	60.0'
L2	N89°59'52"E	660.1'
L3	N00°00'04"E	655.6'
L4	N47°24'43"E	54.4'
L5	S80°43'46"E	34.38'
L6	N38°55'44"E	673.1'
L7	N89°42'22"E	2639.0'

DESCRIPTION

SURVEY FOR A STRIP OF LAND 30.0 FEET WIDE AND 11339.7 FEET OR 2.148 MILES IN LENGTH CROSSING USA LAND IN SECTIONS 31, 32 & 33, TOWNSHIP 23 SOUTH, RANGE 31 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.

LEGEND

⊙ DENOTES FOUND CORNER AS NOTED



I, RONALD J. EDSON, NEW MEXICO PROFESSIONAL SURVEYOR No. 3239, DO HEREBY CERTIFY THAT THIS SURVEY PLAT AND INSTRUMENT WERE MADE AND THE SURVEY THEREON WAS PERFORMED BY ME OR UNDER MY DIRECT SUPERVISION; THAT I AM RESPONSIBLE FOR THIS SURVEY; THAT THIS SURVEY MEETS THE HIGHEST STANDARDS FOR SURVEYING IN NEW MEXICO; AND THAT IT IS TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF.

RONALD J. EDSON _____ DATE: 4/13/2018

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.

PROVIDING SURVEYING SERVICES SINCE 1946

JOHN WEST SURVEYING COMPANY
412 N. DAL PASO HOBBBS, N.M. 88240
(575) 393-3117 www.jwsc.biz
TRPLS# 10021000

OXY U.S.A. INC.

SURVEY FOR BURIED WATER LINE FROM SAND DUNES CENTRAL CORRIDOR CTB TO OXY WATER PIPELINE, CROSSING SECTIONS 31, 32 & 33, TOWNSHIP 23 SOUTH, RANGE 31 EAST, N.M.P.M., EDDY COUNTY, NEW MEXICO

Survey Date: 03/28/18	CAD Date: 04/11/18	Drawn By: LSL
W.O. No.: 18110360	Rev:	Rel. W.O.:

Sheet 1 of 1

© DRAFTING/DATE: 2018 OXY U.S.A. INC./PROJECT: 2110160 BURIED WATER LINE TO OXY WATER PIPELINE SEC 33 1235 R3E

Prepared by:
Dave Andersen
GRR Land Department

GRR, INC. WATER SOURCES
FOR OXY CERTAIN POND LOCATIONS

08/26/2016

<u>Pond Name</u>	<u>Water Source1</u>	<u>Water Source2</u>	<u>Water Source3</u>	<u>Water Source4</u>
Cedar Canyon	<u>Mine Industrial</u>	<u>C-3478</u>	<u>C-2772</u>	<u>C-1360</u>
Corral Fly	<u>C-1360</u>	<u>C-1361</u>	<u>C-3358</u>	<u>C-3836</u>
Cypress	<u>Mine Industrial</u>	<u>C-3478</u>	<u>C-2772</u>	<u>C-1361</u>
Mesa Verde	<u>C-2571</u>	<u>C-2574</u>	<u>J-27</u>	<u>J-5</u>
Peaches	<u>C-906</u>	<u>C-3200</u>	<u>SP-55 & SP-1279</u> A	<u>C-100</u>

GRR Inc.

NMOSE WELL NUMBER	WELL COMMON NAME	LAND OWNERSHIP	GPS LOCATION
C-100	Tres Rios - Next to well shack	PRIVATE	32.201921° -104.254317°
C-100-A	Tres Rios - Center of turnaround	PRIVATE	32.201856° -104.254443°
C-272-B	Tres Rios - Northwest	PRIVATE	32.202315° -104.254812°
C-906	Whites City Commercial	PRIVATE	32.176949° -104.374371°
C-1246-AC & C-1246-AC-S	Lackey	PRIVATE	32.266978° -104.271212°
C-1886	1886 Tank	BLM	32.229316° -104.312930°
C-1083	Petska	PRIVATE	32.30904° -104.16979°
C-1142	Winston West	BLM	32.507845 -104.177410
C-1360	ENG#1	PRIVATE	32.064922° -103.908818°
C-1361	ENG#2	PRIVATE	32.064908° -103.906266°
C-1573	Cooksey	PRIVATE	32.113463° -104.108092°
C-1575	ROCKHOUSE Ranch Well - Wildcat	BLM	32.493190° -104.444163°
C-2270	CW#1 (Oliver Kiehne)	PRIVATE	32.021440° -103.559208°
C-2242	Walterscheid	PRIVATE	32.39199° -104.17694°
C-2492POD2	Stacy Mills	PRIVATE	32.324203° -103.812472°
C-2569	Paduca well #2	BLM	32.160588 -103.742051
C-2569POD2	Paduca well replacement	BLM	32.160588 -103.742051
C-2570	Paduca (tank) well #4	BLM	32.15668 -103.74114
C-2571	Paduca (road) well	BLM	32.163993° -103.745457°
C-2572	Paduca well #6	BLM	32.163985 -103.7412
C-2573	Paduca (in the bush) well	BLM	32.16229 -103.74363
C-2574	Paduca well (on grid power)	BLM	32.165777° -103.747590°
C-2701	401 Water Station	BLM	32.458767° -104.528097°
C-2772	Mobley Alternate	BLM	32.305220° -103.852360°
C-3011	ROCKY ARROYO - MIDDLE	BLM	32.409046° -104.452045°
C-3060	Max Vasquez	PRIVATE	32.31291° -104.17033°
C-3095	ROCKHOUSE Ranch Well - North of Rockcrusher	PRIVATE	32.486794° -104.426227°
C-3200	Beard East	PRIVATE	32.168720 -104.276600
C-3260	Hayhurst	PRIVATE	32.227110° -104.150925°
C-3350	Winston Barn	PRIVATE	32.511871° -104.139094°
C-3358	Branson	PRIVATE	32.19214° -104.06201°
C-3363	Watts#2	PRIVATE	32.444637° -103.931313°
C-3453	ROCKY ARROYO - FIELD	PRIVATE	32.458657° -104.460804°
C-3478	Mobley Private	PRIVATE	32.294937° -103.888656°
C-3483pod1	ENG#3	BLM	32.065556° -103.894722°
C-3483pod3	ENG#5	BLM	32.06614° -103.89231°
C-3483POD4	CW#4 (Oliver Kiehne)	PRIVATE	32.021803° -103.559030°
C-3483POD5	CW#5 (Oliver Kiehne)	PRIVATE	32.021692° -103.560158°
C-3554	Jesse Baker #1 well	PRIVATE	32.071937° -103.723030°
C-3577	CW#3 (Oliver Kiehne)	PRIVATE	32.021773° -103.559738°
C-3581	ENG#4	BLM	32.066083° -103.895024°
C-3595	Oliver Kiehne house well #2	PRIVATE	32.025484° -103.682529°
C-3596	CW#2 (Oliver Kiehne)	PRIVATE	32.021793° -103.559018°

GRR Inc.

NMOSE WELL NUMBER	WELL COMMON NAME	LAND OWNERSHIP	GPS LOCATION
C-3614	Dale Hood #2 well	PRIVATE	32.449290° -104.214500°
C-3639	Jesse Baker #2 well	PRIVATE	32.073692° -103.727121°
C-3679	McCloy-Batty	PRIVATE	32.215790° -103.537690°
C-3689	Winston Barn_South	PRIVATE	32.511504° -104.139073°
C-3731	Ballard Construction	PRIVATE	32.458551° -104.144219°
C-3764	Watts#4	PRIVATE	32.443360° -103.942890°
C-3795	Beckham#6	BLM	32.023434° -103.321968°
C-3821	Three River Trucking	PRIVATE	32.34636° -104.21355
C-3824	Collins	PRIVATE	32.224053° -104.090129°
C-3829	Jesse Baker #3 well	PRIVATE	32.072545° -103.722258°
C-3830	Paduca	BLM	32.156400° -103.742060°
C-3836	Granger	PRIVATE	32.10073° -104.10284°
C-384	ROCKHOUSE Ranch Well - Rockcrusher	PRIVATE	32.481275° -104.420706°
C-459	Walker	PRIVATE	32.3379° -104.1498°
C-496pod2	Munoz #3 Trash Pit Well	PRIVATE	32.34224° -104.15365°
C-496pod3&4	Munoz #2 Corner of Porter & Derrick	PRIVATE	32.34182° -104.15272°
C-552	Dale Hood #1 well	PRIVATE	32.448720° -104.214330°
C-764	Mike Vasquez	PRIVATE	32.230553° -104.083518°
C-766(old)	Grandi	PRIVATE	32.32352° -104.16941°
C-93-S	Don Kidd well	PRIVATE	32.344876 -104.151793
C-987	ROCKY ARROYO - HOUSE	PRIVATE	32.457049° -104.461506°
C-98-A	Bindel well	PRIVATE	32.335125° -104.187255°
CP-1170POD1	Beckham#1	PRIVATE	32.065889° -103.312583°
CP-1201	Winston Ballard	BLM	32.580380° -104.115980°
CP-1202	Winston Ballard	BLM	32.538178° -104.046024°
CP-1231	Winston Ballard	PRIVATE	32.618968° -104.122690°
CP-1263POD5	Beckham#5	PRIVATE	32.065670° -103.307530°
CP-1414	Crawford #1	PRIVATE	32.238380° -103.260890°
CP-1414 POD 1	RRR	PRIVATE	32.23911° -103.25988°
CP-1414 POD 2	RRR	PRIVATE	32.23914° -103.25981°
CP-519	Bond_Private	PRIVATE	32.485546 -104.117583
CP-556	Jimmy Mills (Stacy)	STATE	32.317170° -103.495080°
CP-626	Oi Loco (W)	STATE	32.692660° -104.068064°
CP-626-S	Beach Exploration/ Oi Loco (E)	STATE	32.694229° -104.064759°
CP-73	Laguna #1	BLM	32.615015° -103.747615°
CP-74	Laguna #2	BLM	32.615255° -103.747688°
CP-741	Jimmy Richardson	BLM	32.61913° -104.06101°
CP-742	Jimmy Richardson	BLM	32.614061° -104.017211°
CP-742	Hidden Well	BLM	32.614061 -104.017211
CP-745	Leaning Tower of Pisa	BLM	32.584619° -104.037179°
CP-75	Laguna #3	BLM	32.615499° -103.747715°
CP-924	Winston Ballard	BLM	32.545888° -104.110114°
CP-926	Winchester well (Winston)	BLM	32.601125° -104.128358°

GRR Inc.

NMOSE WELL NUMBER	WELL COMMON NAME	LAND OWNERSHIP	GPS LOCATION
J-27	Beckham	PRIVATE	32.020403° -103.299333°
J-5	EPNG Jal Well	PRIVATE	32.050232° -103.313117°
J-33	Beckham	PRIVATE	32.016443° -103.297714°
J-34	Beckham	PRIVATE	32.016443° -103.297714°
J-35	Beckham	PRIVATE	32.016443° -103.297714°
L-10167	Angell Ranch well	PRIVATE	32.785847° -103.644705°
L-10613	Northcutt3 (2nd House well)	PRIVATE	32.687922° -103.472452°
L-11281	Northcutt4	PRIVATE	32.687675° -103.471512°
L-12459	Northcutt1 (House well)	PRIVATE	32.689498° -103.472697°
L-12462	Northcutt8 Private Well	PRIVATE	32.686238° -103.435409°
L-13049	EPNG Maljamar well	PRIVATE	32.81274° -103.67730°
L-13129	Pearce State	STATE	32.726305° -103.553172°
L-13179	Pearce Trust	STATE	32.731304° -103.548461°
L-13384	Northcutt7 (State) CAZA	STATE	32.694651° -103.434997°
L-1880S-2	HB Intrepid well #7	PRIVATE	32.842212° -103.621299°
L-1880S-3	HB Intrepid well #8	PRIVATE	32.852415° -103.620405°
L-1881	HB Intrepid well #1	PRIVATE	32.829124° -103.624139°
L-1883	HB Intrepid well #4	PRIVATE	32.828041° -103.607654°
L-3887	Northcutt2 (Tower or Pond well)	PRIVATE	32.689036° -103.472437°
L-5434	Northcutt5 (State)	STATE	32.694074° -103.405111°
L-5434-S	Northcutt6 (State)	STATE	32.693355° -103.407004°
RA-14	Horner Can	PRIVATE	32.89348° -104.37208°
RA-1474	Irvin Smith	PRIVATE	32.705773° -104.393043°
RA-1474-B	NLake WS / Jack Clayton	PRIVATE	32.561221° -104.293095°
RA-9193	Angell Ranch North Hummingbird	PRIVATE	32.885162° -103.676376°
SP-55 & SP-1279-A	Blue Springs Surface POD	PRIVATE	32.181358° -104.294009°
SP-55 & SP-1279 (Bounds)	Bounds Surface POD	PRIVATE	32.203875° -104.247076°
SP-55 & SP-1279 (Wilson)	Wilson Surface POD	PRIVATE	32.243010° -104.052197°
City Treated Effluent	City of Carlsbad Waste Treatment Plant	PRIVATE	32.411122° -104.177030°
Mine Industrial	Mosaic Industrial Water	PRIVATE	32.370286° -103.947839°
Mobley State Well (NO OSE)	Mobley Ranch	STATE	32.308859° -103.891806°
EPNG Industrial	Monument Water Well Pipeline (Oil Center, Eunice)	PRIVATE	32.512943° -103.290300°
MCOX Commercial	Matt Cox Commercial	PRIVATE	32.529431° -104.188017°
AMAX Mine Industrial	Mosaic Industrial Water	N/A	VARIOUS TAPS
WAG Mine Industrial	Mosaic Industrial Water	N/A	VARIOUS TAPS
HB Mine Industrial	Intrepid Industrial Water	N/A	VARIOUS TAPS

Mesquite

Cedar Canyon

Major Source: C464 (McDonald) Sec. 13 T24S R28E

Secondary Source: C-00738 (McDonald/Faulk) Sec. 12 T24S R28E

Corral Fly – South of Cedar Canyon

Major Source: C464 (McDonald) Sec. 13 T24S R28E

Secondary Source: C-00738 (McDonald/Faulk) Sec. 12 T24S R28E

Cypress – North of Cedar Canyon

Major Source: Caviness B: C-501-AS2 Sec 23 T28S R15E

Secondary Source: George Arnis; C-1303

Sand Dunes – new frac pond

Major Source: 128 Fresh Water Pond (Mesquite/Mosaic) – located at MM 4 on 128; 240,000 bbl pond

Secondary Source: George Arnis; C-1303

Mesa Verde – east of Sand Dunes

Major Source: 128 Fresh Water Pond (Mesquite/Mosaic) – located at MM 4 on 128; 240,000 bbl pond

Secondary Source: Unknown at this time; needs coordinates to determine secondary source

Smokey Bits/Ivore/Misty – had posiden tanks before

Major Source: Unknown at this time; need coordinates to determine major source

Secondary Source: Unknown at this time; needs coordinates to determine secondary source

Red Tank/Lost Tank

Major Source: Unknown at this time; need coordinates to determine major source

Secondary Source: Unknown at this time; needs coordinates to determine secondary source

Peaches

Major Source: Unknown at this time; need coordinates to determine major source

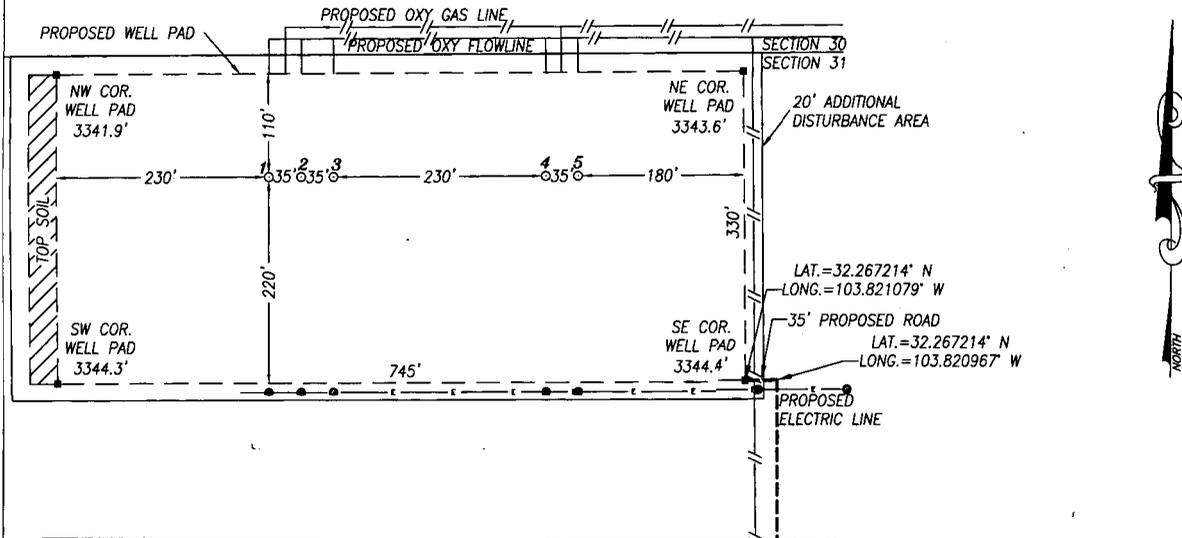
Secondary Source: Unknown at this time; needs coordinates to determine secondary source

OXY USA INC.

SITE PLAN

SNDDNS 3102

FAA PERMIT: NO



NO.	WELL	FOOTAGE	LAT.	LONG.	ELEV.	ID#
1	ARKENSTONE 31 FED #1H	130' FNL & 895' FWL	32.267817° N	103.822745° W	3346.9'	N/A
2	ARKENSTONE 31 FED #2H	130' FNL & 930' FWL	32.267817° N	103.822632° W	3347.4'	IP-SMS-2413
3	ARKENSTONE 31 FED #7H	130' FNL & 965' FWL	32.267817° N	103.822519° W	3346.5'	IP-SMS-2415
4	ARKENSTONE 31 FED #171H	130' FNL & 1195' FWL	32.267818° N	103.821775° W	3347.4'	IP-SMS-2411
5	ARKENSTONE 31 FED #172H	130' FNL & 1230' FWL	32.267818° N	103.821662° W	3350.5'	IP-SMS-2412

NOTES:

- 1) LATS & LONGS SHOWN HEREON ARE MERCATOR GRID AND CONFORM TO THE NEW MEXICO COORDINATE SYSTEM "NEW MEXICO EAST ZONE" NORTH AMERICAN DATUM 1983.
- 2) DISTANCES ARE GRID VALUES.
- 3) ALL FEATURES ARE EXISTING UNLESS OTHERWISE NOTED

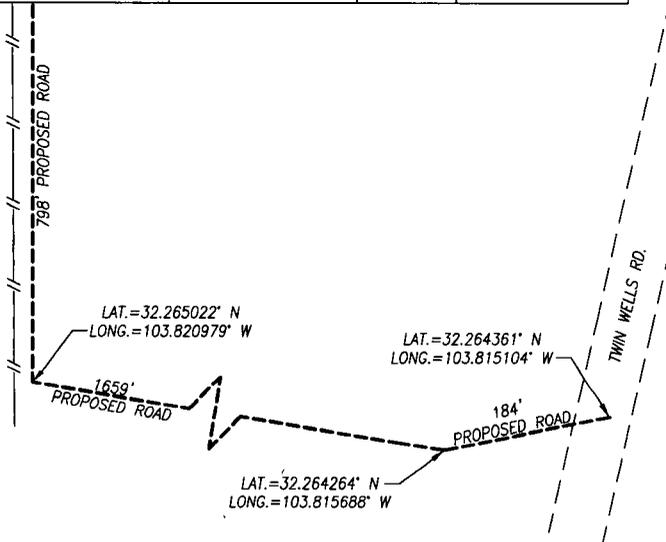
CERTIFICATION

I, CHAD HARCROW, A NEW MEXICO REGISTERED PROFESSIONAL SURVEYOR CERTIFY THAT I DIRECTED AND AM RESPONSIBLE FOR THIS SURVEY, THAT THIS SURVEY IS TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF.

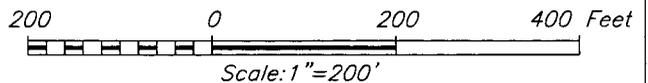


Chad Harcrow
CHAD HARCROW N.M.P.S. NO. 17777

7/22/19
DATE

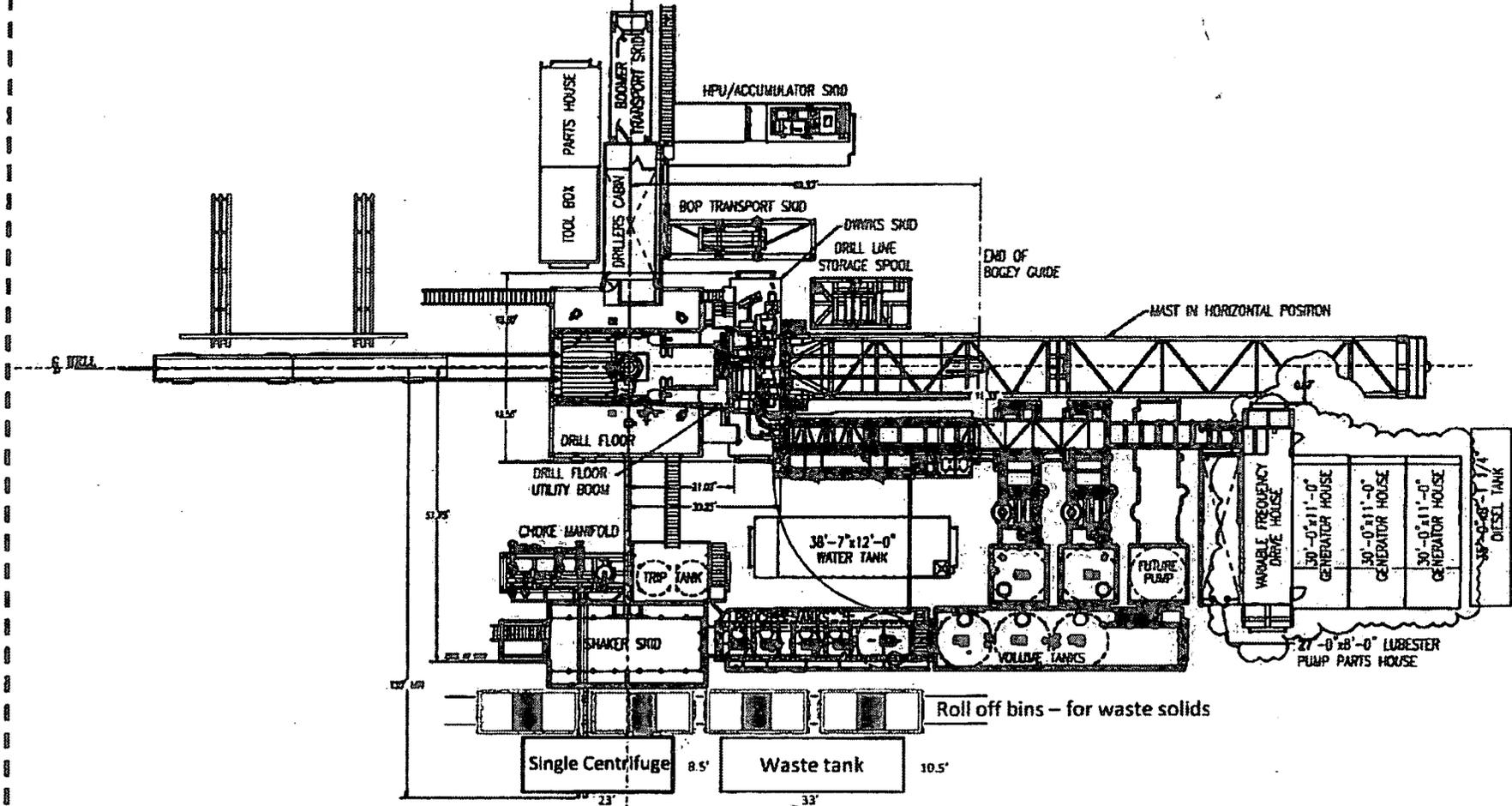


HARCROW SURVEYING, LLC
2316 W. MAIN ST, ARTESIA, N.M. 88210
PH: (575) 746-2158
c.harcrow@harcrowsurveying.com

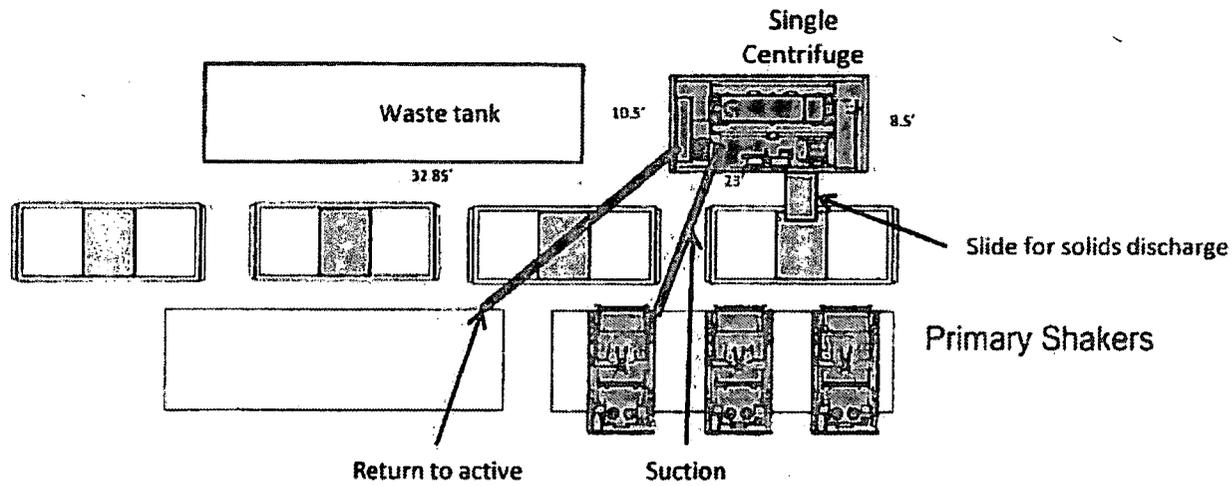


OXY USA INC.		
SURVEY DATE: JULY 10, 2019	SITE PLAN	
DRAFTING DATE: JULY 18, 2019	PAGE: 1 OF 1	
APPROVED BY: CH	DRAWN BY: AM	FILE: 19-1282

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



Oxy



Well Head



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

PAD 3102

745x330'



OXY U.S.A. INC.

NEW MEXICO STAKING FORM

Date Staked: 9-11-18

Lease / Well Name: ARKenSTONE 31 Fed #171H

Legal Description: 130' FNL 1195' FWL Sec 31 T23S R31E

Latitude: 32° 16' 04.14" NAD 83

Longitude: 103° 49' 18.39" NAD 83

X: 699452.86 NAD 83

Y: 461542.06 NAD 83

Elevation: 3347.40 NAD 83

Move information:

County: Eddy

Surface Owner BLM

Nearest Residence: ?

Nearest Water Well:

V-Door: EAST

Top soil: West

Road Description: SE Cor From EAST

New Road:

Upgrade Existing Road:

Interim Reclamation: 50' NORTH

Source of Caliche:

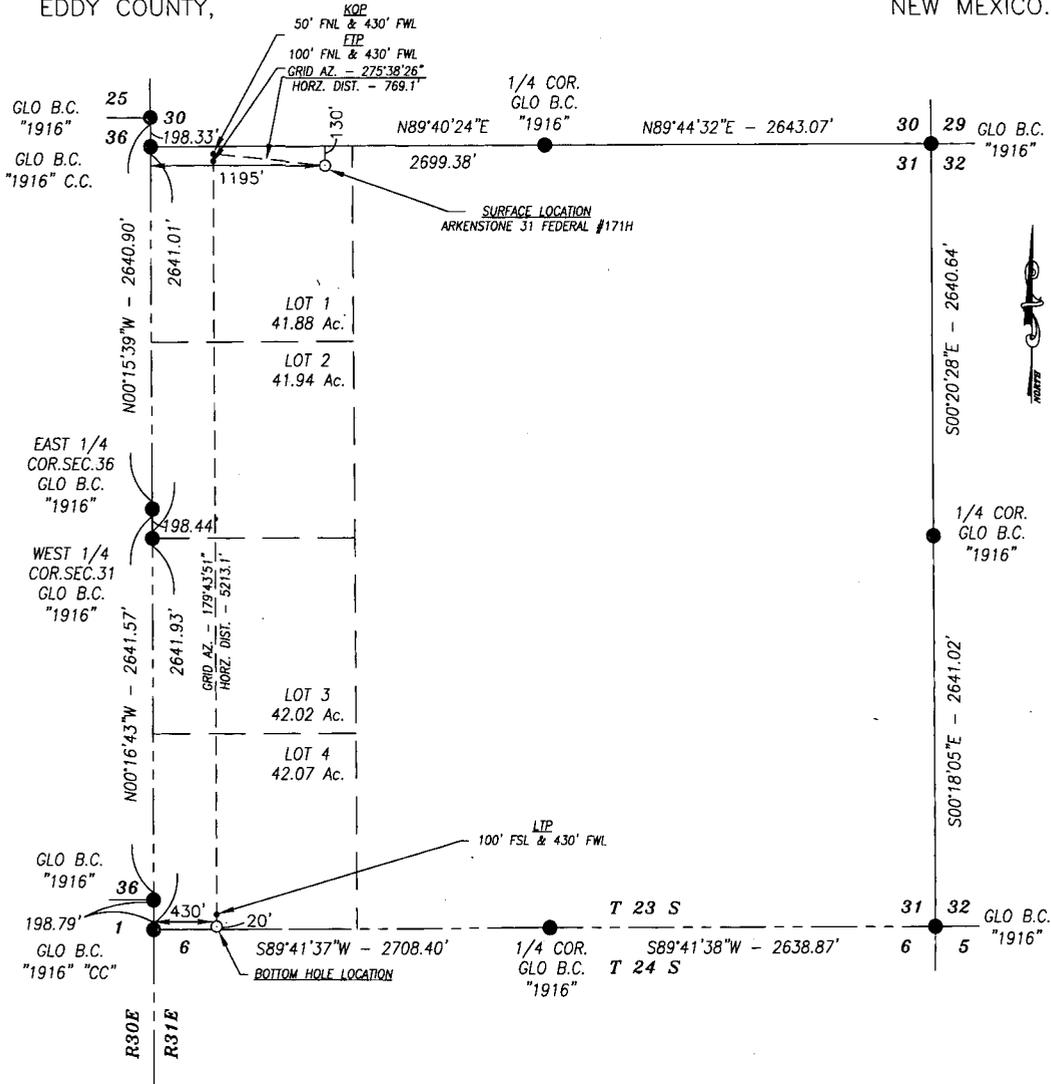
Jessie Bassett - BLM

Jim Wilson - Oxy

Onsite Attendees: SWCA Asst Survey

DATE 2-22-18

SECTION 31, TOWNSHIP 23 SOUTH, RANGE 31 EAST, N.M.P.M.,
EDDY COUNTY, NEW MEXICO.



DIRECTIONS TO LOCATION:

BEGINNING AT THE INTERSECTION OF N.M. STATE HWY. 128 AND EDDY COUNTY ROAD 787 (TWIN WELLS ROAD), GO SOUTH-SOUTHWEST ON EDDY COUNTY ROAD 787 FOR APPROX. 2.5 MILES TO PROPOSED ROAD; TURN RIGHT AT PROPOSED ROAD AND GO WEST-SOUTHWEST APPROX. 184 FEET; BEND RIGHT AND CONTINUE WEST-NORTHWEST APPROX 0.31 MILES; TURN RIGHT AND GO NORTH APPROX. 0.15 MILES; TURN LEFT AND GO WEST APPROX. 35 FEET TO THE SOUTHEAST CORNER PROPOSED PAD. THIS WELL IS NORTHWEST 308 FEET.

BASIS OF BEARING:

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

CERTIFICATION

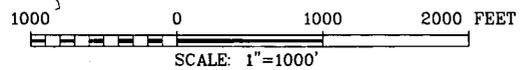
I, CHAD HARCROW, A NEW MEXICO REGISTERED PROFESSIONAL SURVEYOR CERTIFY THAT I DIRECTED AND AM RESPONSIBLE FOR THIS SURVEY, THAT THIS SURVEY IS TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF, AND THIS SURVEY AND PLAT MEET THE MINIMUM STANDARDS FOR SURVEYING IN NEW MEXICO.



Chad Harcrow
CHAD HARCROW N.M.P.S. NO. 17777

7/22/19
DATE

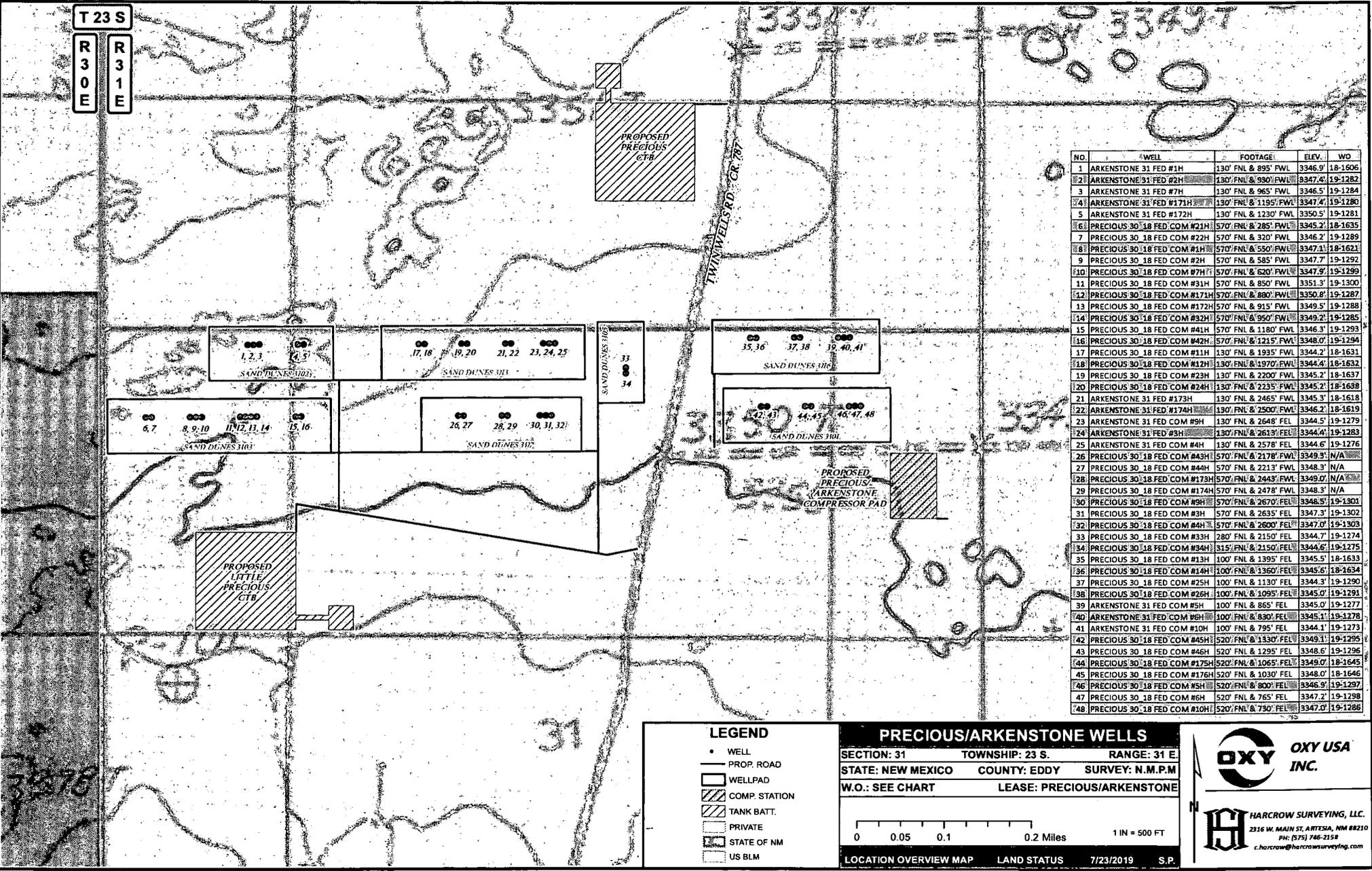
HARCROW SURVEYING, LLC
2316 W. MAIN ST, ARTESIA, N.M. 88210
PH: (575) 746-2158
c.harcrow@harcrowsurveying.com



OXY USA INC.	
ARKENSTONE 31 FEDERAL #171H SECTION 31, TOWNSHIP 23 SOUTH, RANGE 31 EAST, NMPM, EDDY COUNTY, NEW MEXICO	
SURVEY DATE: JULY 10, 2019	DRILL PATH
DRAFTING DATE: JULY 15, 2019	PAGE 1 OF 1
APPROVED BY: CH	DRAWN BY: AM
	FILE: 19-1280

T 23 S

R 30 E R 31 E



NO.	WELL	FOOTAGE	ELEV.	WO
1	ARKENSTONE 31 FED #1H	130' FNL & 895' FWL	3346.9'	18-1606
2	ARKENSTONE 31 FED #2H	130' FNL & 950' FWL	3347.4'	19-1282
3	ARKENSTONE 31 FED #7H	130' FNL & 965' FWL	3346.5'	19-1284
4	ARKENSTONE 31 FED #171H	130' FNL & 1195' FWL	3347.4'	19-1280
5	ARKENSTONE 31 FED #172H	130' FNL & 1230' FWL	3350.5'	19-1281
6	PRECIOUS 30 18 FED COM #21H	570' FNL & 285' FWL	3345.2'	18-1635
7	PRECIOUS 30 18 FED COM #22H	570' FNL & 320' FWL	3346.2'	19-1289
8	PRECIOUS 30 18 FED COM #1H	570' FNL & 550' FWL	3347.3'	18-1621
9	PRECIOUS 30 18 FED COM #2H	570' FNL & 585' FWL	3347.7'	19-1292
10	PRECIOUS 30 18 FED COM #7H	570' FNL & 620' FWL	3347.9'	19-1299
11	PRECIOUS 30 18 FED COM #31H	570' FNL & 850' FWL	3351.3'	19-1300
12	PRECIOUS 30 18 FED COM #171H	570' FNL & 890' FWL	3350.8'	19-1287
13	PRECIOUS 30 18 FED COM #172H	570' FNL & 915' FWL	3349.5'	19-1288
14	PRECIOUS 30 18 FED COM #32H	570' FNL & 950' FWL	3349.2'	19-1285
15	PRECIOUS 30 18 FED COM #41H	570' FNL & 1180' FWL	3346.3'	19-1293
16	PRECIOUS 30 18 FED COM #42H	570' FNL & 1215' FWL	3348.0'	19-1294
17	PRECIOUS 30 18 FED COM #11H	130' FNL & 1935' FWL	3344.2'	18-1631
18	PRECIOUS 30 18 FED COM #12H	130' FNL & 1970' FWL	3344.4'	18-1632
19	PRECIOUS 30 18 FED COM #23H	130' FNL & 2200' FWL	3345.2'	18-1637
20	PRECIOUS 30 18 FED COM #24H	130' FNL & 2235' FWL	3345.2'	18-1638
21	ARKENSTONE 31 FED #173H	130' FNL & 2465' FWL	3345.3'	18-1618
22	ARKENSTONE 31 FED #174H	130' FNL & 2500' FWL	3346.2'	18-1619
23	ARKENSTONE 31 FED COM #9H	130' FNL & 2648' FEL	3344.5'	19-1279
24	ARKENSTONE 31 FED #3H	130' FNL & 2613' FEL	3344.4'	19-1283
25	ARKENSTONE 31 FED COM #4H	130' FNL & 2578' FEL	3344.6'	19-1276
26	PRECIOUS 30 18 FED COM #A3H	570' FNL & 2178' FWL	3349.3'	N/A
27	PRECIOUS 30 18 FED COM #A4H	570' FNL & 2213' FWL	3348.3'	N/A
28	PRECIOUS 30 18 FED COM #173H	570' FNL & 2443' FWL	3349.0'	N/A
29	PRECIOUS 30 18 FED COM #174H	570' FNL & 2478' FWL	3348.3'	N/A
30	PRECIOUS 30 18 FED COM #9H	570' FNL & 2670' FEL	3346.5'	19-1301
31	PRECIOUS 30 18 FED COM #3H	570' FNL & 2635' FEL	3347.3'	19-1302
32	PRECIOUS 30 18 FED COM #A4H	570' FNL & 2600' FEL	3347.0'	19-1303
33	PRECIOUS 30 18 FED COM #33H	280' FNL & 2150' FEL	3344.7'	19-1274
34	PRECIOUS 30 18 FED COM #34H	315' FNL & 2150' FEL	3344.6'	19-1275
35	PRECIOUS 30 18 FED COM #13H	100' FNL & 1395' FEL	3345.5'	18-1633
36	PRECIOUS 30 18 FED COM #14H	100' FNL & 1360' FEL	3345.6'	18-1634
37	PRECIOUS 30 18 FED COM #25H	100' FNL & 1130' FEL	3344.3'	19-1290
38	PRECIOUS 30 18 FED COM #26H	100' FNL & 1095' FEL	3345.0'	19-1291
39	ARKENSTONE 31 FED COM #5H	100' FNL & 865' FEL	3345.0'	19-1277
40	ARKENSTONE 31 FED COM #6H	100' FNL & 830' FEL	3345.1'	19-1278
41	ARKENSTONE 31 FED COM #10H	100' FNL & 795' FEL	3344.1'	19-1273
42	PRECIOUS 30 18 FED COM #A5H	520' FNL & 1330' FEL	3349.1'	19-1295
43	PRECIOUS 30 18 FED COM #A6H	520' FNL & 1295' FEL	3348.6'	19-1296
44	PRECIOUS 30 18 FED COM #175H	520' FNL & 1065' FEL	3349.0'	18-1645
45	PRECIOUS 30 18 FED COM #176H	520' FNL & 1030' FEL	3348.0'	18-1646
46	PRECIOUS 30 18 FED COM #5H	520' FNL & 800' FEL	3346.9'	19-1297
47	PRECIOUS 30 18 FED COM #6H	520' FNL & 765' FEL	3347.2'	19-1298
48	PRECIOUS 30 18 FED COM #10H	520' FNL & 730' FEL	3347.0'	19-1286

LEGEND

- WELL
- PROP. ROAD
- WELLPAD
- ▨ COMP. STATION
- ▨ TANK BATT.
- PRIVATE
- ▨ STATE OF NM
- US BLM

PRECIOUS/ARKENSTONE WELLS

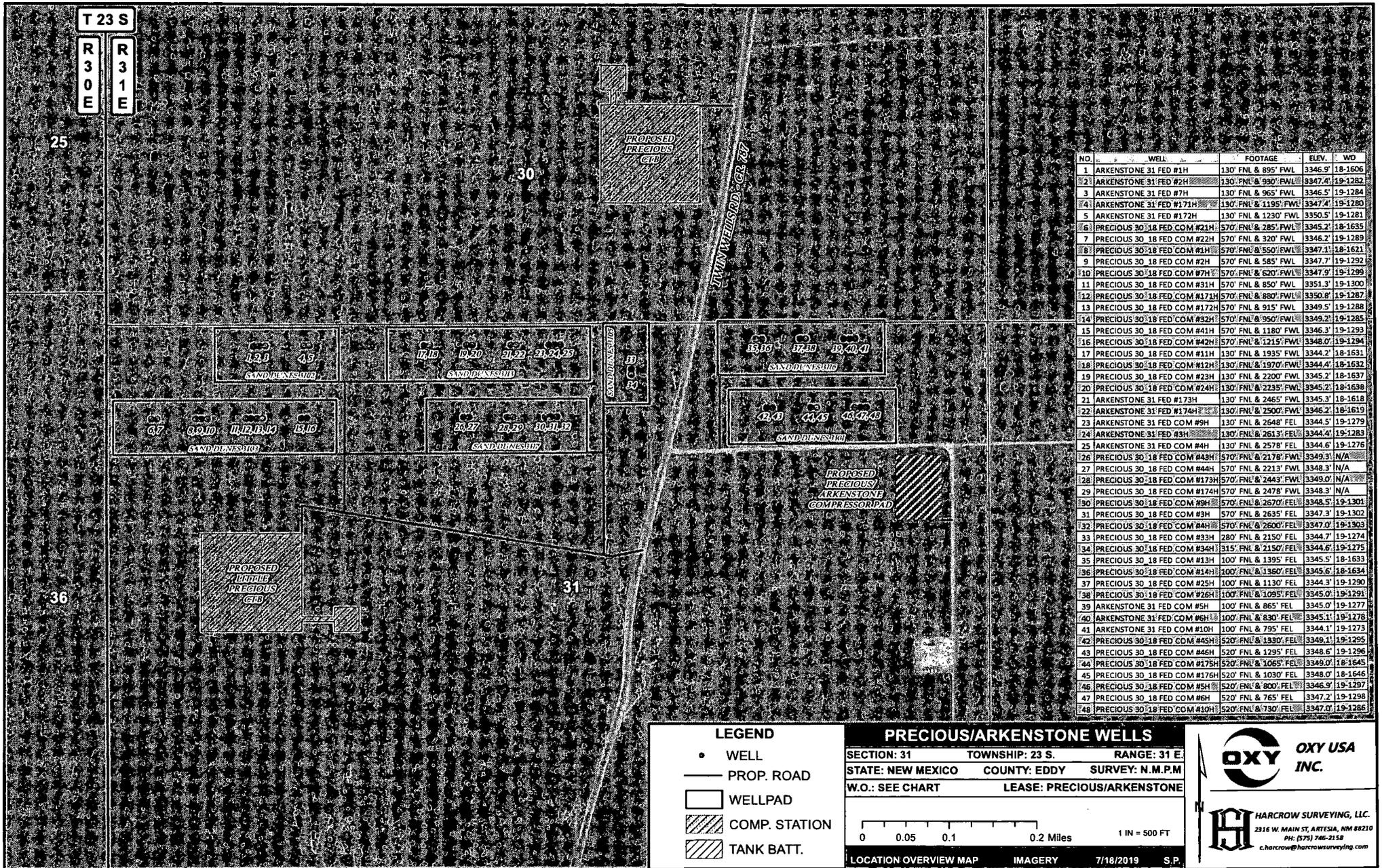
SECTION: 31 TOWNSHIP: 23 S. RANGE: 31 E.
 STATE: NEW MEXICO COUNTY: EDDY SURVEY: N.M.P.M.
 W.O.: SEE CHART LEASE: PRECIOUS/ARKENSTONE



LOCATION OVERVIEW MAP LAND STATUS 7/23/2019 S.P.



HSI HARCROW SURVEYING, LLC.
 2316 W. MAIN ST. ARTESIA, NM 88210
 PH: (575) 746-2158
 c.harcrow@harcrowsurveying.com



NO.	WELL	FOOTAGE	ELEV.	WD
1	ARKENSTONE 31 FED #1H	130' FNL & 895' FWL	3346.9'	18-1606
2	ARKENSTONE 31 FED #2H	130' FNL & 990' FWL	3347.4'	19-1282
3	ARKENSTONE 31 FED #7H	130' FNL & 965' FWL	3346.5'	19-1284
4	ARKENSTONE 31 FED #17H	130' FNL & 1195' FWL	3347.4'	19-1280
5	ARKENSTONE 31 FED #172H	130' FNL & 1230' FWL	3350.5'	19-1281
6	PRECIOUS 30 18 FED COM #21H	570' FNL & 285' FWL	3345.2'	18-1635
7	PRECIOUS 30 18 FED COM #22H	570' FNL & 320' FWL	3346.2'	19-1289
8	PRECIOUS 30 18 FED COM #1H	570' FNL & 550' FWL	3347.1'	18-1621
9	PRECIOUS 30 18 FED COM #2H	570' FNL & 585' FWL	3347.7'	19-1292
10	PRECIOUS 30 18 FED COM #7H	570' FNL & 620' FWL	3347.9'	19-1299
11	PRECIOUS 30 18 FED COM #31H	570' FNL & 850' FWL	3351.3'	19-1300
12	PRECIOUS 30 18 FED COM #171H	570' FNL & 880' FWL	3350.8'	19-1287
13	PRECIOUS 30 18 FED COM #172H	570' FNL & 915' FWL	3349.5'	19-1288
14	PRECIOUS 30 18 FED COM #32H	570' FNL & 950' FWL	3349.2'	19-1285
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20	PRECIOUS 30 18 FED COM #24H	130' FNL & 2235' FWL	3345.2'	18-1638
21	ARKENSTONE 31 FED #173H	130' FNL & 2465' FWL	3345.3'	18-1618
22	ARKENSTONE 31 FED #174H	130' FNL & 2500' FWL	3346.2'	18-1619
23	ARKENSTONE 31 FED COM #9H	130' FNL & 2648' FEL	3344.5'	19-1279
24	ARKENSTONE 31 FED #3H	130' FNL & 2613' FEL	3344.4'	19-1283
25	ARKENSTONE 31 FED COM #4H	130' FNL & 2578' FEL	3344.6'	19-1276
26	PRECIOUS 30 18 FED COM #43H	570' FNL & 2178' FWL	3349.3'	N/A
27	PRECIOUS 30 18 FED COM #44H	570' FNL & 2213' FWL	3348.3'	N/A
28	PRECIOUS 30 18 FED COM #173H	570' FNL & 2443' FWL	3349.0'	N/A
29	PRECIOUS 30 18 FED COM #174H	570' FNL & 2478' FWL	3348.3'	N/A
30	PRECIOUS 30 18 FED COM #9H	570' FNL & 2670' FEL	3348.5'	19-1302
31	PRECIOUS 30 18 FED COM #3H	570' FNL & 2635' FEL	3347.3'	19-1301
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38	PRECIOUS 30 18 FED COM #26H	100' FNL & 1095' FEL	3345.0'	19-1291
39	ARKENSTONE 31 FED COM #5H	100' FNL & 865' FEL	3345.0'	19-1277
40	ARKENSTONE 31 FED COM #6H	100' FNL & 830' FEL	3345.1'	19-1278
41	ARKENSTONE 31 FED COM #10H	100' FNL & 795' FEL	3344.1'	19-1273
42	PRECIOUS 30 18 FED COM #45H	520' FNL & 1330' FEL	3349.1'	19-1295
43	PRECIOUS 30 18 FED COM #46H	520' FNL & 1295' FEL	3348.6'	19-1296
44	PRECIOUS 30 18 FED COM #175H	520' FNL & 1065' FEL	3349.0'	18-1645
45	PRECIOUS 30 18 FED COM #176H	520' FNL & 1030' FEL	3348.0'	18-1646
46	PRECIOUS 30 18 FED COM #5H	520' FNL & 800' FEL	3346.9'	19-1297
47	PRECIOUS 30 18 FED COM #6H	520' FNL & 765' FEL	3347.2'	19-1298
48	PRECIOUS 30 18 FED COM #10H	520' FNL & 730' FEL	3347.0'	19-1285

- LEGEND**
- WELL
 - PROP. ROAD
 - WELLPAD
 - ▨ COMP. STATION
 - ▨ TANK BATT.

PRECIOUS/ARKENSTONE WELLS

SECTION: 31 TOWNSHIP: 23 S. RANGE: 31 E.
 STATE: NEW MEXICO COUNTY: EDDY SURVEY: N.M.P.M.
 W.O.: SEE CHART LEASE: PRECIOUS/ARKENSTONE

0 0.05 0.1 0.2 Miles 1 IN = 500 FT

LOCATION OVERVIEW MAP IMAGERY 7/18/2019 S.P.

OXY USA INC.

HARCROW SURVEYING, LLC.
 2316 W. MAIN ST, ARTESIA, NM 88210
 PH: (575) 746-2158
 c.harcrow@harcrowsurveying.com

Surface Use Plan of Operations

Operator Name/Number: OXY USA Inc. – 16696
Lease Name/Number: Arkenstone 31 Federal #9H
Pool Name/Number: Wildcat Bone Spring
Surface Location: 130 FNL 2648 FEL NENW (C) Sec 31 T23S R31E – NMNM0546732A
Bottom Hole Location: 20 FSL 2300 FWL SESW (N) Sec 31 T23S R31E – NMNM0546732A

1. Existing Roads

- a. A copy of the USGS “Los Medanos, 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 7/10/19, certified 7/22/19.
- c. Directions to Location: From the intersection of NM State Hwy 128 and CR 787 (Twin Wells Rd), go south-southwest on CR 787 for 2.5 miles. Turn right on proposed road and go southwest 184’, turn right and go northwest for 1659’, turn right and go north 798’, turn right and go east for 261’ to location.

2. New or Reconstructed Access Roads:

- a. A new access road will be built. The access road will run from an existing road going 184’ southwest, then 1659’ northwest, then 798’ north, then 261’ east through pasture to the southwest corner of the pad.
- b. The maximum width of the road will be 14’. 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. Turnouts every 1000’ as needed.
- e. Blade, water and repair existing caliche roads as needed.
- f. Water Bars will be incorporated every 200’ during the construction of the road.

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 Sand Dunes Precious Central 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 3 – 4” composite flowlines operating < 75% MAWP, surface to follow surveyed route. Survey of a strip of land 30’ wide and 2151.4’ in length crossing USA land in Sections 30 & 31, T23S R31E, NMPM, Eddy County, NM and being 15’ left and 15’ right of the centerline survey. Two–6” steel gas lift hp line operating <1500 psig, buried, lines to follow surveyed route. Survey of a strip of land 30’ wide and 2654.2’ in length crossing USA land in Section 30 & 31, T23S R31E, 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 1492.6’ in length crossing USA land in Sections 31 T23S R31E NMPM, Eddy County, NM and being 15’ left and 15’ right of the centerline survey, see attached.
- d. See attached for additional information on the Sand Dunes Precious/Arkenstone Central Corridor Surface Production Facilities.

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 1240’ – 9 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: Slash 46 Inc., P.O. Box 1358, 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 PA. Payment to be determined by BLM. This well shares the same pad as the Arkenstone 31 Federal #3H, 4H, 173H, 174H, Precious 30-18 Federal Com #11H, 12H, 23H, 24H.

Copy of this application will be furnished to SWCA Environmental Consultants, 5647 Jefferson St. NE, Albuquerque, NM 87109. Potash lessee within one mile of surface location, Mosaic Potash Carlsbad, Inc., 1361 Potash Mines Rd., Carlsbad, NM 88220.

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:

Leo Ortega
Operations Superintendent
1502 West Commerce Dr.
Carlsbad, NM 88220
Office – 575-628-4012
Cellular – 575-706-8995

Cuong Q. Phan
Asset Manager
P.O. Box 4294
Houston, TX Carlsbad, NM 88220
Office – 713-513-6645
Cellular – 281-832-0978

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

Michael Walton
RMT Lead
P.O. Box 4294
Houston, TX 77210
Office – 713-366-5526
Cellular – 281-814-2971



APD ID: 10400039776

Submission Date: 03/07/2019

Operator Name: OXY USA INCORPORATED

Well Name: ARKENSTONE 31 FEDERAL

Well Number: 171H

Well Type: OIL WELL

Well Work Type: Drill

Section 1 - General

Would you like to address long-term produced water disposal? NO

Section 2 - Lined Pits

Would you like to utilize Lined Pit PWD options? NO

Produced Water Disposal (PWD) Location:

PWD surface owner:

PWD disturbance (acres):

Lined pit PWD on or off channel:

Lined pit PWD discharge volume (bbl/day):

Lined pit specifications:

Pit liner description:

Pit liner manufacturers information:

Precipitated solids disposal:

Describe precipitated solids disposal:

Precipitated solids disposal permit:

Lined pit precipitated solids disposal schedule:

Lined pit precipitated solids disposal schedule attachment:

Lined pit reclamation description:

Lined pit reclamation attachment:

Leak detection system description:

Leak detection system attachment:

Operator Name: OXY USA INCORPORATED

Well Name: ARKENSTONE 31 FEDERAL

Well Number: 171H

Lined pit Monitor description:

Lined pit Monitor attachment:

Lined pit: do you have a reclamation bond for the pit?

Is the reclamation bond a rider under the BLM bond?

Lined pit bond number:

Lined pit bond amount:

Additional bond information attachment:

Section 3 - Unlined Pits

Would you like to utilize Unlined Pit PWD options? NO

Produced Water Disposal (PWD) Location:

PWD disturbance (acres):

PWD surface owner:

Unlined pit PWD on or off channel:

Unlined pit PWD discharge volume (bbl/day):

Unlined pit specifications:

Precipitated solids disposal:

Describe precipitated solids disposal:

Precipitated solids disposal permit:

Unlined pit precipitated solids disposal schedule:

Unlined pit precipitated solids disposal schedule attachment:

Unlined pit reclamation description:

Unlined pit reclamation attachment:

Unlined pit Monitor description:

Unlined pit Monitor attachment:

Do you propose to put the produced water to beneficial use?

Beneficial use user confirmation:

Estimated depth of the shallowest aquifer (feet):

Does the produced water have an annual average Total Dissolved Solids (TDS) concentration equal to or less than that of the existing water to be protected?

TDS lab results:

Geologic and hydrologic evidence:

State authorization:

Unlined Produced Water Pit Estimated percolation:

Unlined pit: do you have a reclamation bond for the pit?

Operator Name: OXY USA INCORPORATED

Well Name: ARKENSTONE 31 FEDERAL

Well Number: 171H

Is the reclamation bond a rider under the BLM bond?

Unlined pit bond number:

Unlined pit bond amount:

Additional bond information attachment:

Section 4 - Injection

Would you like to utilize Injection PWD options? NO

Produced Water Disposal (PWD) Location:

PWD surface owner:

PWD disturbance (acres):

Injection PWD discharge volume (bbl/day):

Injection well mineral owner:

Injection well type:

Injection well number:

Injection well name:

Assigned injection well API number?

Injection well API number:

Injection well new surface disturbance (acres):

Minerals protection information:

Mineral protection attachment:

Underground Injection Control (UIC) Permit?

UIC Permit attachment:

Section 5 - Surface Discharge

Would you like to utilize Surface Discharge PWD options? NO

Produced Water Disposal (PWD) Location:

PWD surface owner:

PWD disturbance (acres):

Surface discharge PWD discharge volume (bbl/day):

Surface Discharge NPDES Permit?

Surface Discharge NPDES Permit attachment:

Surface Discharge site facilities information:

Surface discharge site facilities map:

Section 6 - Other

Would you like to utilize Other PWD options? NO

Produced Water Disposal (PWD) Location:

PWD surface owner:

PWD disturbance (acres):

Other PWD discharge volume (bbl/day):

Operator Name: OXY USA INCORPORATED

Well Name: ARKENSTONE 31 FEDERAL

Well Number: 171H

Other PWD type description:

Other PWD type attachment:

Have other regulatory requirements been met?

Other regulatory requirements attachment:



U.S. Department of the Interior
BUREAU OF LAND MANAGEMENT

Bond Info Data Report

10/08/2019

APD ID: 10400039776

Submission Date: 03/07/2019

Highlighted data
reflects the most
recent changes

Operator Name: OXY USA INCORPORATED

Well Name: ARKENSTONE 31 FEDERAL

Well Number: 171H

[Show Final Text](#)

Well Type: OIL WELL

Well Work Type: Drill

Bond Information

Federal/Indian APD: FED

BLM Bond number: ESB000226

BIA Bond number:

Do you have a reclamation bond? NO

Is the reclamation bond a rider under the BLM bond?

Is the reclamation bond BLM or Forest Service?

BLM reclamation bond number:

Forest Service reclamation bond number:

Forest Service reclamation bond attachment:

Reclamation bond number:

Reclamation bond amount:

Reclamation bond rider amount:

Additional reclamation bond information attachment:

NM OIL CONSERVATION
ARTESIA DISTRICT

OCT 09 2019

RECEIVED

OXY

**PRD NM DIRECTIONAL PLANS (NAD 1983)
ARKENSTONE 31 FEDERAL
ARKENSTONE 31 FEDERAL 171H**

WB00

Plan: Permitting Plan

Standard Planning Report

15 November, 2018

Oxy Planning Report

Database:	HOPSPP	Local Co-ordinate Reference:	Well ARKENSTONE 31 FEDERAL 171H
Company:	ENGINEERING DESIGNS	TVD Reference:	DATUM @ 3374.40ft
Project:	PRD NM DIRECTIONAL PLANS (NAD 1983)	MD Reference:	DATUM @ 3374.40ft
Site:	ARKENSTONE 31 FEDERAL	North Reference:	Grid
Well:	ARKENSTONE 31 FEDERAL 171H	Survey Calculation Method:	Minimum Curvature
Wellbore:	WB00		
Design:	Permitting Plan		

Project:	PRD NM DIRECTIONAL PLANS (NAD 1983)		
Map System:	US State Plane 1983	System Datum:	Mean Sea Level
Geo Datum:	North American Datum 1983		
Map Zone:	New Mexico Eastern Zone		Using geodetic scale factor

Site:	ARKENSTONE 31 FEDERAL				
Site Position:	Northing:	461,540.55 usft	Latitude:	32° 16' 4.142175 N	
From:	Map	Easting:	699,187.86 usft	Longitude:	103° 49' 21.474809 W
Position Uncertainty:	0.00 ft	Slot Radius:	13.200 in	Grid Convergence:	0.27 °

Well:	ARKENSTONE 31 FEDERAL 171H					
Well Position	+N/-S	1.31 ft	Northing:	461,541.86 usft	Latitude:	32° 16' 4.144300 N
	+E/-W	230.01 ft	Easting:	699,417.86 usft	Longitude:	103° 49' 18.795957 W
Position Uncertainty		0.00 ft	Wellhead Elevation:	0.00 ft	Ground Level:	3,347.90 ft

Wellbore:	WB00		
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Magnetics	Model Name	Sample Date	Declination (°)	Dip Angle (°)	Field Strength (nT)
	HDGM	11/15/2018	6.88	60.00	48,011

Design:	Permitting Plan		
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Audit Notes:				
Version:	Phase:	PROTOTYPE	Tie On Depth:	0.00
Vertical Section:	Depth From (TVD) (ft)	+N/-S (ft)	+E/-W (ft)	Direction (°)
	0.00	0.00	0.00	187.83

Plan Sections										
Measured Depth (ft)	Inclination (°)	Azimuth (°)	Vertical Depth (ft)	+N/-S (ft)	+E/-W (ft)	Dogleg Rate (°/100ft)	Build Rate (°/100ft)	Turn Rate (°/100ft)	TFO (°)	Target
0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
6,160.00	0.00	0.00	6,160.00	0.00	0.00	0.00	0.00	0.00	0.00	
6,659.28	9.99	275.91	6,656.76	4.47	-43.17	2.00	2.00	0.00	275.91	
10,393.37	9.99	275.91	10,334.28	71.10	-687.23	0.00	0.00	0.00	0.00	
10,892.66	0.00	179.73	10,831.04	75.56	-730.40	2.00	-2.00	0.00	180.00	ARKENSTONE_171
11,789.66	89.70	179.73	11,403.99	-494.39	-727.74	10.00	10.00	0.00	179.73	
16,432.99	89.61	179.73	11,432.00	-5,137.59	-706.14	0.00	0.00	0.00	-180.00	ARKENSTONE_171

Oxy Planning Report

Database:	HOPSPP	Local Co-ordinate Reference:	Well ARKENSTONE 31 FEDERAL 171H
Company:	ENGINEERING DESIGNS	TVD Reference:	DATUM @ 3374.40ft
Project:	PRD NM DIRECTIONAL PLANS (NAD 1983)	MD Reference:	DATUM @ 3374.40ft
Site:	ARKENSTONE 31 FEDERAL	North Reference:	Grid
Well:	ARKENSTONE 31 FEDERAL 171H	Survey Calculation Method:	Minimum Curvature
Wellbore:	WB00		
Design:	Permitting Plan		

Planned Survey										
Measured Depth (ft)	Inclination (°)	Azimuth (°)	Vertical Depth (ft)	+N/-S (ft)	+E/-W (ft)	Vertical Section (ft)	Dogleg Rate (°/100ft)	Build Rate (°/100ft)	Turn Rate (°/100ft)	
0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
100.00	0.00	0.00	100.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
200.00	0.00	0.00	200.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
300.00	0.00	0.00	300.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
400.00	0.00	0.00	400.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
500.00	0.00	0.00	500.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
600.00	0.00	0.00	600.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
700.00	0.00	0.00	700.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
800.00	0.00	0.00	800.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
900.00	0.00	0.00	900.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
1,000.00	0.00	0.00	1,000.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
1,100.00	0.00	0.00	1,100.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
1,200.00	0.00	0.00	1,200.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
1,300.00	0.00	0.00	1,300.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
1,400.00	0.00	0.00	1,400.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
1,500.00	0.00	0.00	1,500.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
1,600.00	0.00	0.00	1,600.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
1,700.00	0.00	0.00	1,700.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
1,800.00	0.00	0.00	1,800.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
1,900.00	0.00	0.00	1,900.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2,000.00	0.00	0.00	2,000.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2,100.00	0.00	0.00	2,100.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2,200.00	0.00	0.00	2,200.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2,300.00	0.00	0.00	2,300.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2,400.00	0.00	0.00	2,400.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2,500.00	0.00	0.00	2,500.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2,600.00	0.00	0.00	2,600.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2,700.00	0.00	0.00	2,700.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2,800.00	0.00	0.00	2,800.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2,900.00	0.00	0.00	2,900.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
3,000.00	0.00	0.00	3,000.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
3,100.00	0.00	0.00	3,100.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
3,200.00	0.00	0.00	3,200.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
3,300.00	0.00	0.00	3,300.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
3,400.00	0.00	0.00	3,400.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
3,500.00	0.00	0.00	3,500.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
3,600.00	0.00	0.00	3,600.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
3,700.00	0.00	0.00	3,700.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
3,800.00	0.00	0.00	3,800.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
3,900.00	0.00	0.00	3,900.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
4,000.00	0.00	0.00	4,000.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
4,100.00	0.00	0.00	4,100.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
4,200.00	0.00	0.00	4,200.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
4,300.00	0.00	0.00	4,300.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
4,400.00	0.00	0.00	4,400.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
4,500.00	0.00	0.00	4,500.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
4,600.00	0.00	0.00	4,600.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
4,700.00	0.00	0.00	4,700.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
4,800.00	0.00	0.00	4,800.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
4,900.00	0.00	0.00	4,900.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
5,000.00	0.00	0.00	5,000.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
5,100.00	0.00	0.00	5,100.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
5,200.00	0.00	0.00	5,200.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
5,300.00	0.00	0.00	5,300.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

Oxy Planning Report

Database:	HOPSPP	Local Co-ordinate Reference:	Well ARKENSTONE 31 FEDERAL 171H
Company:	ENGINEERING DESIGNS	TVD Reference:	DATUM @ 3374.40ft
Project:	PRD NM DIRECTIONAL PLANS (NAD 1983)	MD Reference:	DATUM @ 3374.40ft
Site:	ARKENSTONE 31 FEDERAL	North Reference:	Grid
Well:	ARKENSTONE 31 FEDERAL 171H	Survey Calculation Method:	Minimum Curvature
Wellbore:	WB00		
Design:	Permitting Plan		

Planned Survey									
Measured Depth (ft)	Inclination (°)	Azimuth (°)	Vertical Depth (ft)	+N/S (ft)	+E/W (ft)	Vertical Section (ft)	Dogleg Rate (°/100ft)	Build Rate (°/100ft)	Turn Rate (°/100ft)
5,400.00	0.00	0.00	5,400.00	0.00	0.00	0.00	0.00	0.00	0.00
5,500.00	0.00	0.00	5,500.00	0.00	0.00	0.00	0.00	0.00	0.00
5,600.00	0.00	0.00	5,600.00	0.00	0.00	0.00	0.00	0.00	0.00
5,700.00	0.00	0.00	5,700.00	0.00	0.00	0.00	0.00	0.00	0.00
5,800.00	0.00	0.00	5,800.00	0.00	0.00	0.00	0.00	0.00	0.00
5,900.00	0.00	0.00	5,900.00	0.00	0.00	0.00	0.00	0.00	0.00
6,000.00	0.00	0.00	6,000.00	0.00	0.00	0.00	0.00	0.00	0.00
6,100.00	0.00	0.00	6,100.00	0.00	0.00	0.00	0.00	0.00	0.00
6,160.00	0.00	0.00	6,160.00	0.00	0.00	0.00	0.00	0.00	0.00
6,200.00	0.80	275.91	6,200.00	0.03	-0.28	0.01	2.00	2.00	0.00
6,300.00	2.80	275.91	6,299.94	0.35	-3.40	0.11	2.00	2.00	0.00
6,400.00	4.80	275.91	6,399.72	1.03	-9.99	0.34	2.00	2.00	0.00
6,500.00	6.80	275.91	6,499.20	2.07	-20.05	0.67	2.00	2.00	0.00
6,600.00	8.80	275.91	6,598.27	3.47	-33.54	1.13	2.00	2.00	0.00
6,659.28	9.99	275.91	6,656.76	4.47	-43.17	1.45	2.00	2.00	0.00
6,700.00	9.99	275.91	6,696.86	5.19	-50.19	1.69	0.00	0.00	0.00
6,800.00	9.99	275.91	6,795.34	6.98	-67.44	2.27	0.00	0.00	0.00
6,900.00	9.99	275.91	6,893.83	8.76	-84.69	2.85	0.00	0.00	0.00
7,000.00	9.99	275.91	6,992.31	10.55	-101.94	3.43	0.00	0.00	0.00
7,100.00	9.99	275.91	7,090.80	12.33	-119.18	4.01	0.00	0.00	0.00
7,200.00	9.99	275.91	7,189.29	14.11	-136.43	4.59	0.00	0.00	0.00
7,300.00	9.99	275.91	7,287.77	15.90	-153.68	5.17	0.00	0.00	0.00
7,400.00	9.99	275.91	7,386.26	17.68	-170.93	5.76	0.00	0.00	0.00
7,500.00	9.99	275.91	7,484.74	19.47	-188.18	6.34	0.00	0.00	0.00
7,600.00	9.99	275.91	7,583.23	21.25	-205.42	6.92	0.00	0.00	0.00
7,700.00	9.99	275.91	7,681.71	23.04	-222.67	7.50	0.00	0.00	0.00
7,800.00	9.99	275.91	7,780.20	24.82	-239.92	8.08	0.00	0.00	0.00
7,900.00	9.99	275.91	7,878.68	26.61	-257.17	8.66	0.00	0.00	0.00
8,000.00	9.99	275.91	7,977.17	28.39	-274.42	9.24	0.00	0.00	0.00
8,100.00	9.99	275.91	8,075.65	30.17	-291.66	9.82	0.00	0.00	0.00
8,200.00	9.99	275.91	8,174.14	31.96	-308.91	10.40	0.00	0.00	0.00
8,300.00	9.99	275.91	8,272.62	33.74	-326.16	10.98	0.00	0.00	0.00
8,400.00	9.99	275.91	8,371.11	35.53	-343.41	11.56	0.00	0.00	0.00
8,500.00	9.99	275.91	8,469.59	37.31	-360.66	12.14	0.00	0.00	0.00
8,600.00	9.99	275.91	8,568.08	39.10	-377.91	12.72	0.00	0.00	0.00
8,700.00	9.99	275.91	8,666.56	40.88	-395.15	13.31	0.00	0.00	0.00
8,800.00	9.99	275.91	8,765.05	42.67	-412.40	13.89	0.00	0.00	0.00
8,900.00	9.99	275.91	8,863.53	44.45	-429.65	14.47	0.00	0.00	0.00
9,000.00	9.99	275.91	8,962.02	46.23	-446.90	15.05	0.00	0.00	0.00
9,100.00	9.99	275.91	9,060.50	48.02	-464.15	15.63	0.00	0.00	0.00
9,200.00	9.99	275.91	9,158.99	49.80	-481.39	16.21	0.00	0.00	0.00
9,300.00	9.99	275.91	9,257.47	51.59	-498.64	16.79	0.00	0.00	0.00
9,400.00	9.99	275.91	9,355.96	53.37	-515.89	17.37	0.00	0.00	0.00
9,500.00	9.99	275.91	9,454.44	55.16	-533.14	17.95	0.00	0.00	0.00
9,600.00	9.99	275.91	9,552.93	56.94	-550.39	18.53	0.00	0.00	0.00
9,700.00	9.99	275.91	9,651.41	58.73	-567.64	19.11	0.00	0.00	0.00
9,800.00	9.99	275.91	9,749.90	60.51	-584.88	19.69	0.00	0.00	0.00
9,900.00	9.99	275.91	9,848.38	62.29	-602.13	20.27	0.00	0.00	0.00
10,000.00	9.99	275.91	9,946.87	64.08	-619.38	20.86	0.00	0.00	0.00
10,100.00	9.99	275.91	10,045.35	65.86	-636.63	21.44	0.00	0.00	0.00
10,200.00	9.99	275.91	10,143.84	67.65	-653.88	22.02	0.00	0.00	0.00
10,300.00	9.99	275.91	10,242.32	69.43	-671.12	22.60	0.00	0.00	0.00
10,393.37	9.99	275.91	10,334.28	71.10	-687.23	23.14	0.00	0.00	0.00
10,400.00	9.85	275.91	10,340.81	71.22	-688.36	23.18	2.00	-2.00	0.00

Oxy Planning Report

Database:	HOPSPP	Local Co-ordinate Reference:	Well ARKENSTONE 31 FEDERAL 171H
Company:	ENGINEERING DESIGNS	TVD Reference:	DATUM @ 3374.40ft
Project:	PRD NM DIRECTIONAL PLANS (NAD 1983)	MD Reference:	DATUM @ 3374.40ft
Site:	ARKENSTONE 31 FEDERAL	North Reference:	Grid
Well:	ARKENSTONE 31 FEDERAL 171H	Survey Calculation Method:	Minimum Curvature
Wellbore:	WB00		
Design:	Permitting Plan		

Planned Survey									
Measured Depth (ft)	Inclination (°)	Azimuth (°)	Vertical Depth (ft)	+N/-S (ft)	+E/-W (ft)	Vertical Section (ft)	Dogleg Rate (°/100ft)	Build Rate (°/100ft)	Turn Rate (°/100ft)
10,500.00	7.85	275.91	10,439.61	72.80	-703.67	23.69	2.00	-2.00	0.00
10,600.00	5.85	275.91	10,538.89	74.03	-715.54	24.09	2.00	-2.00	0.00
10,700.00	3.85	275.91	10,638.53	74.90	-723.96	24.38	2.00	-2.00	0.00
10,800.00	1.85	275.91	10,738.40	75.41	-728.91	24.54	2.00	-2.00	0.00
10,892.66	0.00	179.73	10,831.04	75.56	-730.40	24.59	2.00	-2.00	0.00
10,900.00	0.73	179.73	10,838.39	75.52	-730.40	24.64	10.00	10.00	0.00
11,000.00	10.73	179.73	10,937.76	65.54	-730.35	34.52	10.00	10.00	0.00
11,100.00	20.73	179.73	11,033.89	38.46	-730.22	61.33	10.00	10.00	0.00
11,200.00	30.73	179.73	11,123.86	-4.91	-730.02	104.27	10.00	10.00	0.00
11,300.00	40.73	179.73	11,204.93	-63.24	-729.75	162.01	10.00	10.00	0.00
11,400.00	50.73	179.73	11,274.64	-134.76	-729.42	232.82	10.00	10.00	0.00
11,500.00	60.73	179.73	11,330.87	-217.30	-729.03	314.54	10.00	10.00	0.00
11,600.00	70.73	179.73	11,371.91	-308.34	-728.61	404.68	10.00	10.00	0.00
11,700.00	80.73	179.73	11,396.52	-405.14	-728.16	500.51	10.00	10.00	0.00
11,789.66	89.70	179.73	11,403.99	-494.39	-727.74	588.88	10.00	10.00	0.00
11,800.00	89.70	179.73	11,404.04	-504.73	-727.70	599.12	0.00	0.00	0.00
11,900.00	89.70	179.73	11,404.57	-604.73	-727.23	698.12	0.00	0.00	0.00
12,000.00	89.70	179.73	11,405.10	-704.73	-726.77	797.12	0.00	0.00	0.00
12,100.00	89.69	179.73	11,405.63	-804.72	-726.30	896.13	0.00	0.00	0.00
12,200.00	89.69	179.73	11,406.17	-904.72	-725.83	995.13	0.00	0.00	0.00
12,300.00	89.69	179.73	11,406.71	-1,004.72	-725.37	1,094.13	0.00	0.00	0.00
12,400.00	89.69	179.73	11,407.25	-1,104.72	-724.90	1,193.13	0.00	0.00	0.00
12,500.00	89.69	179.73	11,407.80	-1,204.71	-724.44	1,292.14	0.00	0.00	0.00
12,600.00	89.68	179.73	11,408.35	-1,304.71	-723.97	1,391.14	0.00	0.00	0.00
12,700.00	89.68	179.73	11,408.90	-1,404.71	-723.51	1,490.14	0.00	0.00	0.00
12,800.00	89.68	179.73	11,409.46	-1,504.71	-723.04	1,589.14	0.00	0.00	0.00
12,900.00	89.68	179.73	11,410.02	-1,604.70	-722.58	1,688.15	0.00	0.00	0.00
13,000.00	89.68	179.73	11,410.58	-1,704.70	-722.11	1,787.15	0.00	0.00	0.00
13,100.00	89.67	179.73	11,411.15	-1,804.70	-721.65	1,886.15	0.00	0.00	0.00
13,200.00	89.67	179.73	11,411.72	-1,904.70	-721.18	1,985.16	0.00	0.00	0.00
13,300.00	89.67	179.73	11,412.29	-2,004.69	-720.72	2,084.16	0.00	0.00	0.00
13,400.00	89.67	179.73	11,412.87	-2,104.69	-720.25	2,183.16	0.00	0.00	0.00
13,500.00	89.67	179.73	11,413.45	-2,204.69	-719.78	2,282.16	0.00	0.00	0.00
13,600.00	89.66	179.73	11,414.03	-2,304.68	-719.32	2,381.17	0.00	0.00	0.00
13,700.00	89.66	179.73	11,414.62	-2,404.68	-718.85	2,480.17	0.00	0.00	0.00
13,800.00	89.66	179.73	11,415.21	-2,504.68	-718.39	2,579.17	0.00	0.00	0.00
13,900.00	89.66	179.73	11,415.80	-2,604.68	-717.92	2,678.17	0.00	0.00	0.00
14,000.00	89.66	179.73	11,416.40	-2,704.67	-717.46	2,777.17	0.00	0.00	0.00
14,100.00	89.65	179.73	11,417.00	-2,804.67	-716.99	2,876.18	0.00	0.00	0.00
14,200.00	89.65	179.73	11,417.61	-2,904.67	-716.53	2,975.18	0.00	0.00	0.00
14,300.00	89.65	179.73	11,418.22	-3,004.66	-716.06	3,074.18	0.00	0.00	0.00
14,400.00	89.65	179.73	11,418.83	-3,104.66	-715.60	3,173.18	0.00	0.00	0.00
14,500.00	89.65	179.73	11,419.44	-3,204.66	-715.13	3,272.19	0.00	0.00	0.00
14,600.00	89.64	179.73	11,420.06	-3,304.66	-714.67	3,371.19	0.00	0.00	0.00
14,700.00	89.64	179.73	11,420.68	-3,404.65	-714.20	3,470.19	0.00	0.00	0.00
14,800.00	89.64	179.73	11,421.31	-3,504.65	-713.73	3,569.19	0.00	0.00	0.00
14,900.00	89.64	179.73	11,421.94	-3,604.65	-713.27	3,668.20	0.00	0.00	0.00
15,000.00	89.64	179.73	11,422.57	-3,704.64	-712.80	3,767.20	0.00	0.00	0.00
15,100.00	89.63	179.73	11,423.20	-3,804.64	-712.34	3,866.20	0.00	0.00	0.00
15,200.00	89.63	179.73	11,423.84	-3,904.64	-711.87	3,965.20	0.00	0.00	0.00
15,300.00	89.63	179.73	11,424.48	-4,004.63	-711.41	4,064.20	0.00	0.00	0.00
15,400.00	89.63	179.73	11,425.13	-4,104.63	-710.94	4,163.21	0.00	0.00	0.00
15,500.00	89.63	179.73	11,425.78	-4,204.63	-710.48	4,262.21	0.00	0.00	0.00
15,600.00	89.63	179.73	11,426.43	-4,304.62	-710.01	4,361.21	0.00	0.00	0.00

Oxy Planning Report

Database:	HOPSPP	Local Co-ordinate Reference:	Well ARKENSTONE 31 FEDERAL 171H
Company:	ENGINEERING DESIGNS	TVD Reference:	DATUM @ 3374.40ft
Project:	PRD NM DIRECTIONAL PLANS (NAD 1983)	MD Reference:	DATUM @ 3374.40ft
Site:	ARKENSTONE 31 FEDERAL	North Reference:	Grid
Well:	ARKENSTONE 31 FEDERAL 171H	Survey Calculation Method:	Minimum Curvature
Wellbore:	WB00		
Design:	Permitting Plan		

Planned Survey										
Measured Depth (ft)	Inclination (°)	Azimuth (°)	Vertical Depth (ft)	+N/-S (ft)	+E/-W (ft)	Vertical Section (ft)	Dogleg Rate (°/100ft)	Build Rate (°/100ft)	Turn Rate (°/100ft)	
15,700.00	89.62	179.73	11,427.09	-4,404.62	-709.55	4,460.21	0.00	0.00	0.00	
15,800.00	89.62	179.73	11,427.75	-4,504.62	-709.08	4,559.21	0.00	0.00	0.00	
15,900.00	89.62	179.73	11,428.41	-4,604.61	-708.62	4,658.22	0.00	0.00	0.00	
16,000.00	89.62	179.73	11,429.08	-4,704.61	-708.15	4,757.22	0.00	0.00	0.00	
16,100.00	89.62	179.73	11,429.75	-4,804.61	-707.69	4,856.22	0.00	0.00	0.00	
16,200.00	89.61	179.73	11,430.42	-4,904.60	-707.22	4,955.22	0.00	0.00	0.00	
16,300.00	89.61	179.73	11,431.10	-5,004.60	-706.75	5,054.22	0.00	0.00	0.00	
16,400.00	89.61	179.73	11,431.78	-5,104.60	-706.29	5,153.23	0.00	0.00	0.00	
16,432.99	89.61	179.73	11,432.00	-5,137.59	-706.14	5,185.89	0.00	0.00	0.00	

Design Targets										
Target Name	hit/miss target	Dip Angle (°)	Dip Dir. (°)	TVD (ft)	+N/-S (ft)	+E/-W (ft)	Northing (usft)	Easting (usft)	Latitude	Longitude
ARKENSTONE_171H	- plan hits target center	0.00	0.00	10,831.04	75.56	-730.40	461,617.42	698,687.51	32° 16' 4.926375 N	103° 49' 27.298074
	- Point									
ARKENSTONE_171H	- plan hits target center	0.00	0.01	11,432.00	-5,137.59	-706.14	456,404.60	698,711.77	32° 15' 13.341175 N	103° 49' 27.303471
	- Point									

Plan Annotations					
Measured Depth (ft)	Vertical Depth (ft)	Local Coordinates		Comment	
		+N/-S (ft)	+E/-W (ft)		
6,160.00	6,160.00	0.00	0.00	STEP OUT DLS 2.00	
6,659.28	6,656.76	4.47	-43.17	HOLD 10 DEG TANGENT	
10,393.37	10,334.28	71.10	-687.23	DROP BACK TO VERTICAL DLS 2.00	
10,892.66	10,831.04	75.56	-730.40	BUILD CURVE 10 DEG / 100	
11,789.66	11,403.99	-494.39	-727.74	LANDING POINT	
16,432.99	11,432.00	-5,137.59	-706.14	TD at 16432.99	

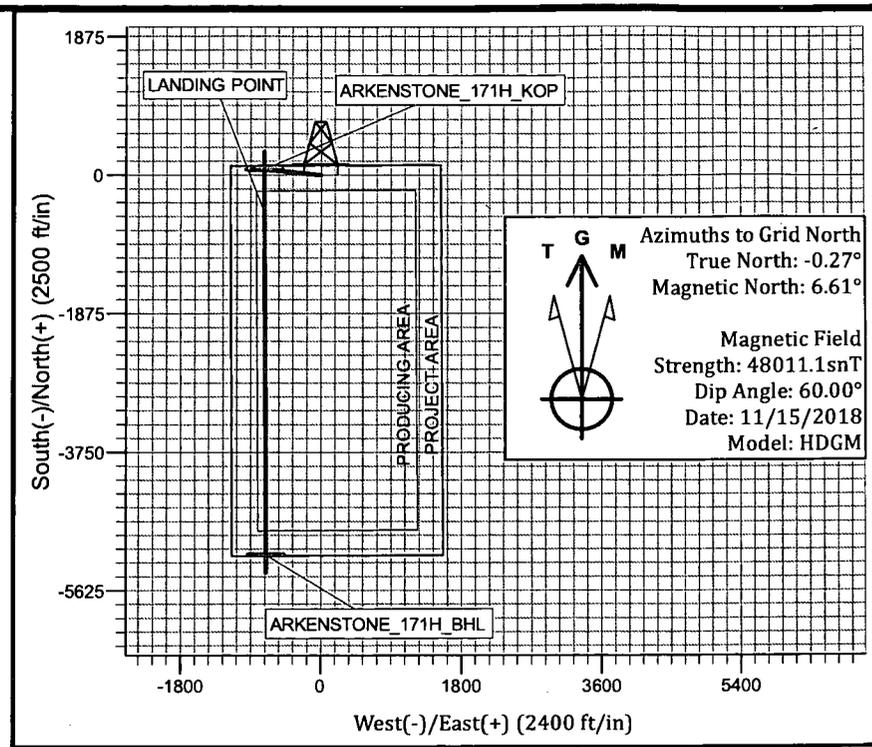
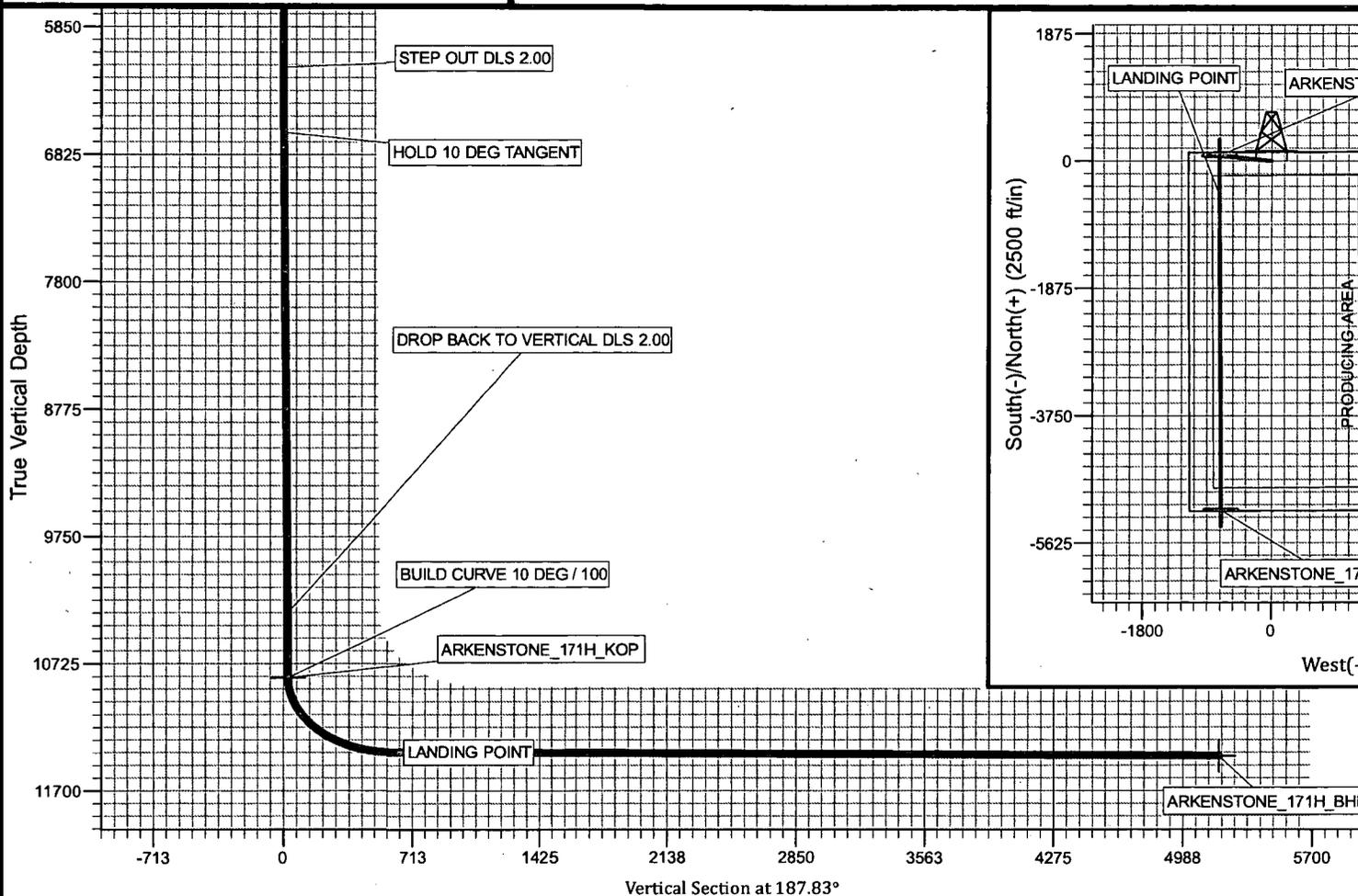


Project: PRD NM DIRECTIONAL PLANS (NAD 1983)
 Site: ARKENSTONE 31 FEDERAL
 Well: ARKENSTONE 31 FEDERAL 171H
 Wellbore: WB00
 Design: Permitting Plan

WELL DETAILS: ARKENSTONE 31 FEDERAL 171H

+N/-S +E/-W Northing
 0.00 0.00 461541.86

Ground Level: 3347.90
 Easting Latitude Longitude
 699417.86 32° 16' 4.144300 N 103° 49' 18.795957 W
 DATUM @ 3374.40ft



PROJECT DETAILS NM DIRECTIONAL PLANS (NAD 1983)
 Geodetic System: US State Plane 1983
 Datum: North American Datum 1983
 Ellipsoid: GRS 1980
 Zone: New Mexico Eastern Zone
 System Datum: Mean Sea Level

SECTION DETAILS

Sec	MD	Inc	Azi	TVD	+N/-S	+E/-W	Dleg	TFace	VSect	Target	Annotation
1	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00		
2	6160.00	0.00	0.00	6160.00	0.00	0.00	0.00	0.00	0.00		STEP OUT DLS 2.00
3	6659.28	9.99	275.91	6656.76	4.47	-43.17	2.00	275.91	1.45		HOLD 10 DEG TANGENT
4	10393.37	9.99	275.91	10334.28	71.10	-687.23	0.00	0.00	23.14		DROP BACK TO VERTICAL DLS 2.00
5	10892.65	0.00	179.73	10831.04	75.56	-730.40	2.00	180.00	24.59		BUILD CURVE 10 DEG / 100
6	111789.65	89.70	179.73	11403.99	-494.39	-727.74	10.00	179.73	588.88		LANDING POINT
7	16432.99	89.61	179.73	11432.00	-5137.59	-706.14	0.00	-180.00	5185.89		TD at 16432.99