

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

N.M. Oil Cons. DIV-Dist. 2  
1301 W. Grand Avenue  
Artesia, NM 88210

FORM APPROVED  
OMB NO. 1004-0136  
Expires: November 30, 2000

APPLICATION FOR PERMIT TO DRILL OR REENTER

1a. Type of Work <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER		5. Lease Serial No. NM0455265	
1b. Type of Well <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input checked="" type="checkbox"/> Single Zone <input type="checkbox"/> Multiple Zone		6. If Indian, Allottee or Tribe Name	
2. Name of Operator OXY USA WTP Limited Partnership		7. Unit or CA Agreement Name and No.	
3a. Address P.O. Box 50250 Midland, TX 79710-0250		8. Lease Name and Well No. OXY Jet Deck Federal #1	
3b. Phone No. (include area code) 915-685-5717		9. API Well No. 30-015-32610	
4. Location of Well (Report location clearly and in accordance with any State requirements)* At surface 660 FSL <del>660</del> FWL SWSW(M) At proposed prod. zone 810 B. H. per SN Dated 11/9/03		10. Field and Pool, or Exploratory Undsg. Avalon Morrow	
14. Distance in miles and direction from nearest town or post office* 7 miles northwest from Carlsbad, NM		11. Sec., T., R., M., or Blk. and Survey or Area Sec 15 T20S R27E	
15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drg. unit line, if any) 660'		12. County or Parish Eddy	
16. No. of Acres in lease 320		13. State NM	
17. Spacing Unit dedicated to this well 320			
18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. N/A		19. Proposed Depth 11400'	
20. BLM/BIA Bond No. on file 9312774			
21. Elevations (Show whether DF, KDB, RT, GL, etc.) 3299'		22. Approximate date work will start* 1/30/03	
		23. Estimated duration 30 days	

24. Attachments

Capitan Controlled Water Basin

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

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

25. Signature 	Name (Printed/Typed) David Stewart	Date 12/20/02
-------------------	---------------------------------------	------------------

Title  
Sr. Regulatory Analyst

Approved by (Signature) /s/ JOE G. LARA	Name (Printed/Typed) /s/ JOE G. LARA	Date JAN 28 2003
--	---	---------------------

Title FIELD MANAGER	Office CARLSBAD FIELD OFFICE
------------------------	---------------------------------

Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.  
Conditions of approval, if any, are attached.

APPROVAL FOR 1 YEAR

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.

\*(Instructions on Reverse)

APPROVAL SUBJECT TO  
GENERAL REQUIREMENTS AND  
SPECIAL STIPULATIONS  
ATTACHED



RECEIVED  
JAN 26 AM 6 02  
FIELD OFFICE

OXY Jet Deck Federal #1  
660 FSL 660 FWL SWSW(M) SEC 15 T20S R27E Eddy County, NM  
Federal Lease No. NM0455265

PROPOSED TD: 11400' TVD

BOP PROGRAM: 0-625' None  
625-3000' 13-3/8" 3M annular preventer, to be used as  
divertor only.  
3000-11400' 11" 5M blind pipe rams with 5M annular  
preventer and rotating head below 8500'.

CASING: Surface: 13-3/8" OD 48# H40 ST&C new casing set at 625'  
17-1/2" hole  
Intermediate: 9-5/8" OD 36# K55/HCK55 ST&C new casing from 0-3000'  
12-1/4" hole  
Production: 5-1/2" OD 17# N80/HP110 LT&C new casing from 0-11400'  
8-3/4" hole 8800'-N80 2600'-HP110

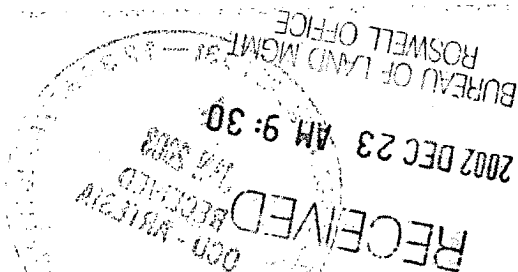
CEMENT: Surface - Circulate cement with 350sx 35:65 POZ/C with 6% Bentonite +  
2% CaCl<sub>2</sub> + .25#/sx Cello-Seal followed by 200sx Cl C with 2% CaCl<sub>2</sub>.

Intermediate - Circulate cement with 800sx 35:65 POZ/C with 6%  
Bentonite + 2% CaCl<sub>2</sub> + .25#/sx Cello-Seal followed by 200sx Cl C  
with 2% CaCl<sub>2</sub>.

Production - Cement with 800sx 15:61:11 POZ/C/CSE with .5% FL-52  
+ .5% FL-25 + 8#/sx Gilsonite followed by 100sx Cl C with .7%  
FL-25. Estimated top of cement is 8000'.

Note: Cement volumes may need to be adjusted to hole caliper.

MUD: 0-625' Fresh water/native mud. Lime for pH control  
(9-10). Paper for seepage.  
Wt 8.7-9.2 ppg, Vis 32-34 sec  
625-3000' Fresh/\*Brine water. Lime for pH control (10.0-  
10.5). Paper for seepage.  
Wt 8.3-9.0/10.0-10.1ppg, Vis 28-29 sec  
\*Fresh water will be used unless chlorides in  
the mud system increases to 20000PPM.  
3000-8300' Fresh water. Lime for pH control (9-9.5). Paper  
for seepage.  
Wt 8.3-8.5 ppg, Vis 28-29 sec  
8300-10000' Cut brine. Lime for pH control (10-10.5).  
Wt 9.6-10.0 ppg, Vis 28-29sec  
10000-11400' Mud up with an Duo Vis/Flo Trol mud system.  
Wt 9.6-10.0ppg, Vis 32-36sec, WL<10cc



UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

OCD-ARTESIA

FORM APPROVED  
OMB NO. 1004-0135  
Expires: November 30, 2000

**SUNDRY NOTICES AND REPORTS ON WELLS**

*Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.*

**SUBMIT IN TRIPLICATE - Other instructions on reverse side**

1. Type of Well  
☐ Oil Well ☒ Gas Well ☐ Other

2. Name of Operator

OXY USA WTP LP

192463

3a. Address

P.O. Box 50250, Midland, TX 79710-0250

3b. Phone No. (include area code)

915-685-5717

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

660 FSL 810 FWL SWSW(N) Sec 15 T20S R27E

5. Lease Serial No.

NM0455265

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No

8. Well Name and No.

OXY Jet Deck #1

Federal

9. API Well No.

30-015-

10. Field and Pool, or Exploratory Area  
Undsg Avalon Morrow

11. County or Parish, State

Eddy NM

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION

- ☒ Notice of Intent  
☐ Subsequent Report  
☐ Final Abandonment Notice

TYPE OF ACTION

- |   |   |  |   |
|---|---|--|---|
| <input type="checkbox"/> Acidize              | <input type="checkbox"/> Deepen           | <input type="checkbox"/> Production (Start/Resume) | <input type="checkbox"/> Water Shut-Off                 |
| <input type="checkbox"/> Alter Casing         | <input type="checkbox"/> Fracture Treat   | <input type="checkbox"/> Reclamation               | <input type="checkbox"/> Well Integrity                 |
| <input type="checkbox"/> Casing Repair        | <input type="checkbox"/> New Construction | <input type="checkbox"/> Recomplete                | <input checked="" type="checkbox"/> Other <u>Change</u> |
| <input type="checkbox"/> Change Plans         | <input type="checkbox"/> Plug and Abandon | <input type="checkbox"/> Temporarily Abandon       | <u>Wellsite Layout</u>                                  |
| <input type="checkbox"/> Convert to Injection | <input type="checkbox"/> Plug Back        | <input type="checkbox"/> Water Disposal            |   |

13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompleat horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompleat in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the final site is ready for final inspection.)

At the request of the BLM, the wellsite layout will be amended to the v-door to the north and the pits to the west.

RECEIVED  
2003 JUN 24 PM 1 35  
BUREAU OF LAND MANAGEMENT  
CARLSBAD FIELD OFFICE

14. I hereby certify that the foregoing is true and correct

Name (Printed/Typed)

David Stewart

Title

Sr. Regulatory Analyst

Date

11/7/03

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

/S/ JOE G. LARA

FIELD MANAGER

Date

JAN 28 2003

Conditions of approval, if any, are attached. Approval of this notice 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.

Office

CARLSBAD FIELD OFFICE

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DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

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OMB NO. 1004-0135  
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Oil Cons.

N.M. DIV-Dist. 2

1301 W. Grand Avenue

Alamosa, NM 88210

**SUBMIT IN TRIPLICATE - Other instructions on reverse side**

1. Type of Well

☐ Oil Well ☒ Gas Well ☐ Other

2. Name of Operator

OXY USA WTP LP

192463

3a. Address

P.O. Box 50250, Midland, TX 79710-0250

3b. Phone No. (include area code)

915-685-5717

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

660 FSL 810 FwL SWSW(N) Sec 15 T20S R27E

5. Lease Serial No.

NM0455265

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No.

8. Well Name and No.

OXY Jet Deck #1

Federal

9. API Well No.

30-015-

10. Field and Pool, or Exploratory Area

Undsg Avalon Morrow

11. County or Parish, State

Eddy NM

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION

☒ Notice of Intent

☐ Subsequent Report

☐ Final Abandonment Notice

TYPE OF ACTION

☐ Acidize

☐ Alter Casing

☐ Casing Repair

☐ Change Plans

☐ Convert to Injection

☐ Deepen

☐ Fracture Treat

☐ New Construction

☐ Plug and Abandon

☐ Plug Back

☐ Production (Start/Resume)

☐ Reclamation

☐ Recomplete

☐ Temporarily Abandon

☐ Water Disposal

☐ Water Shut-Off

☐ Well Integrity

☒ Other Move

Surface Location

13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompleat horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompleat in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the final site is ready for final inspection.)

At the request of the BLM, the surface location was moved 150' to the east and the access road rerouted.

Please see attached for an amended C-102 plat and Exhibit's B.

New Location: 660 FSL 810 FWL SWSW(M) Sec 15 T20S R27E

Old Location: 660 FSL 660 FWL SWSW(M) Sec 15 T20S R27E

14. I hereby certify that the foregoing is true and correct  
Name (Printed/Typed)

David Stewart

Title

Sr. Regulatory Analyst

Date

11/9/03

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

/s/ JOE G. LARA

FIELD MANAGER

Date

JAN 28 2003

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Office

CARLSBAD FIELD OFFICE

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DISTRICT I  
1825 N. French Dr., Hobbs, NM 88240

DISTRICT II  
811 South First, Artesia, NM 88210

DISTRICT III  
1000 Rio Brazos Rd., Aztec, NM 87410

DISTRICT IV  
2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico  
Energy, Minerals and Natural Resources Department

Form C-102  
Revised March 17, 1999

Submit to Appropriate District Office  
State Lease - 4 Copies  
Fee Lease - 3 Copies

OIL CONSERVATION DIVISION

2040 South Pacheco  
Santa Fe, New Mexico 87504-2088

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-015-	Pool Code 79920	Pool Name Undesignated Avalon Morrow
Property Code	Property Name OXY JET DECK FEDERAL	Well Number 1
OGRID No. 192463	Operator Name OXY USA WTP, L.P.	Elevation 3296'

Surface Location

UL or lot No. M	Section 15	Township 20 S	Range 27 E	Lot Idn	Feet from the 660	North/South line SOUTH	Feet from the 810	East/West line WEST	County EDDY
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Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
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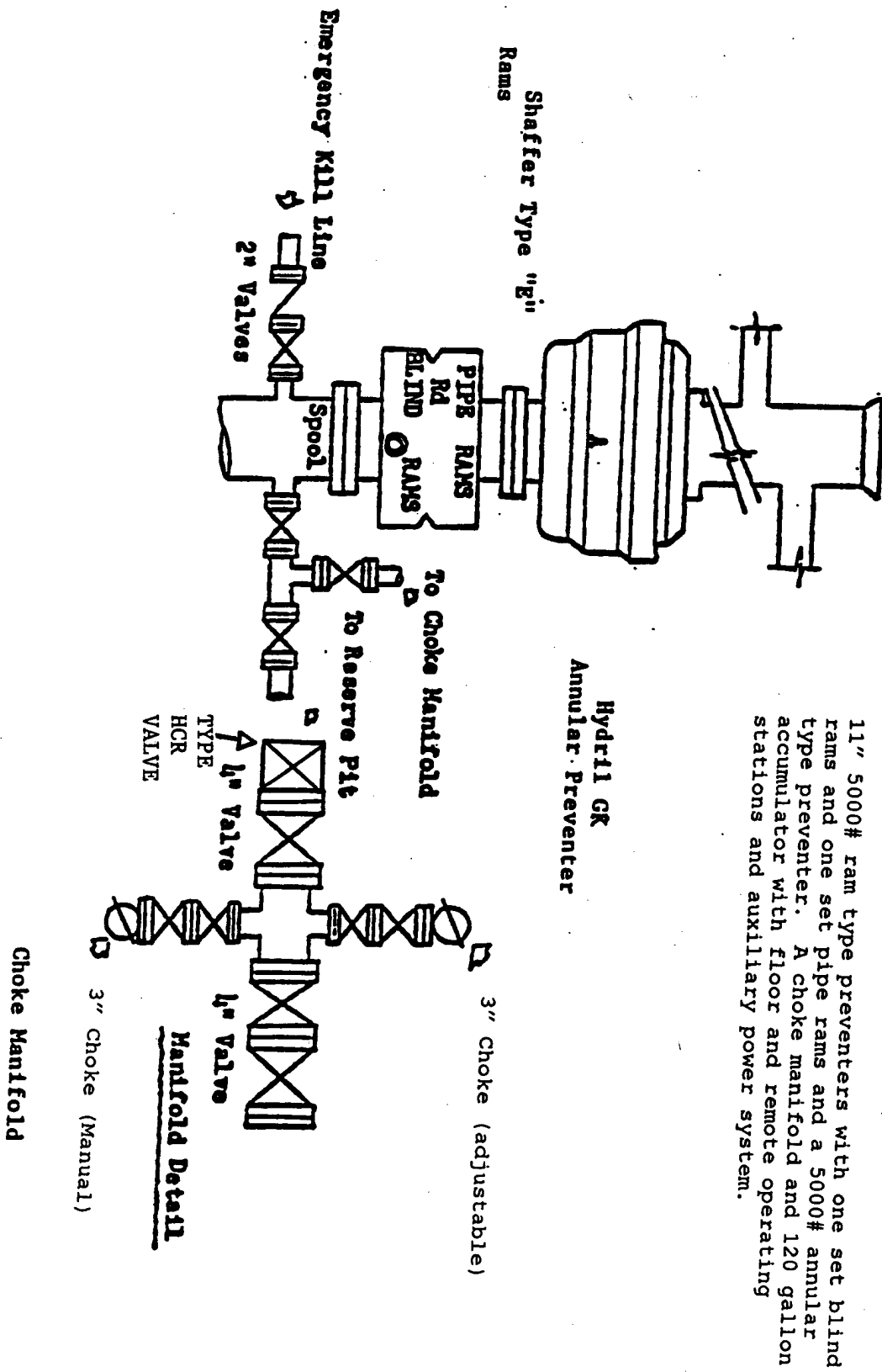
Dedicated Acres 320	Joint or Infill N	Consolidation Code	Order No.
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NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED  
OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

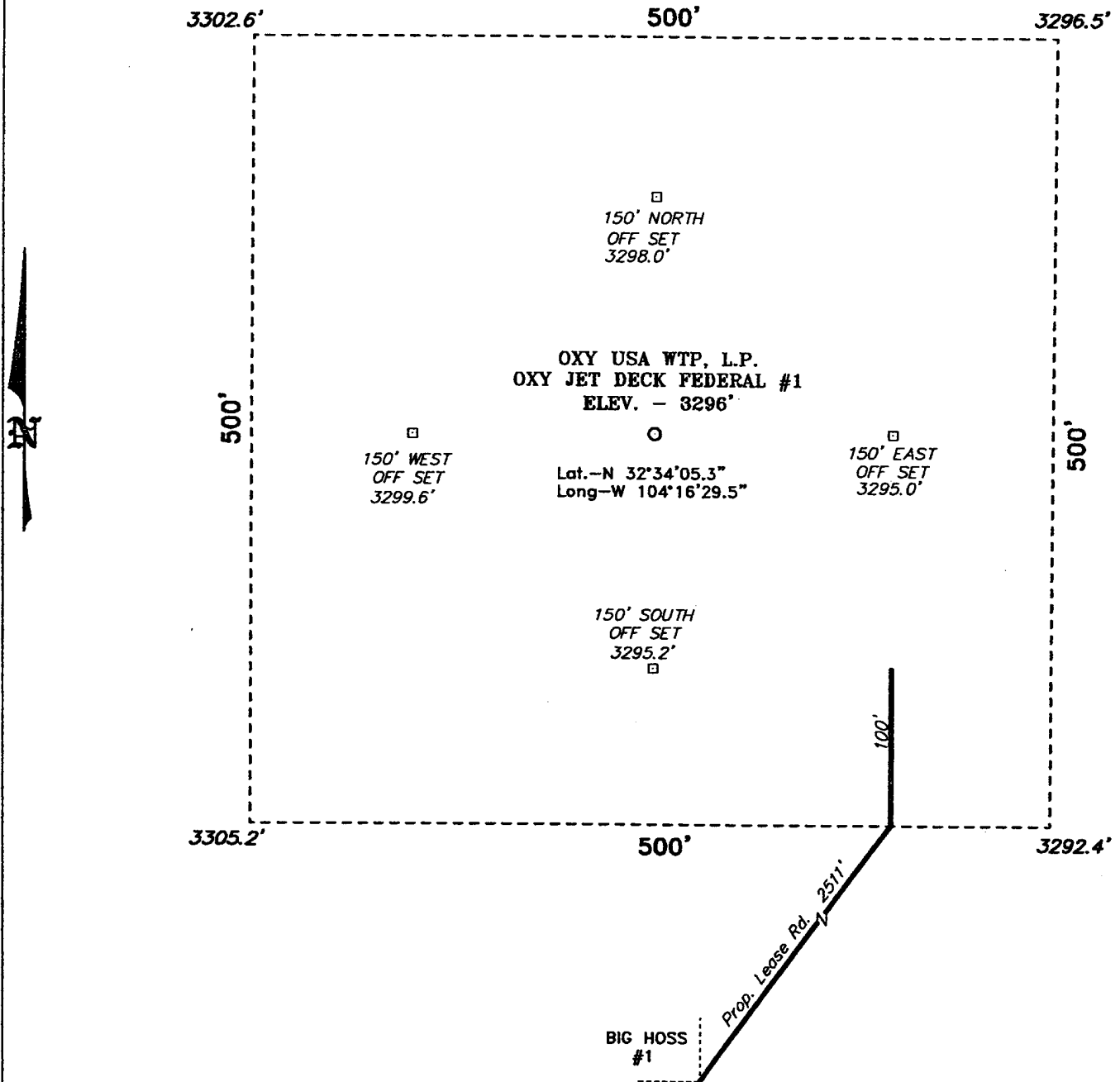
	<b>OPERATOR CERTIFICATION</b>  I hereby certify the information contained herein is true and complete to the best of my knowledge and belief.   Signature David Stewart Printed Name Sr. Regulatory Analyst Title 1/9/03 Date	
	<b>SURVEYOR CERTIFICATION</b>  I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision and that the same is true and correct to the best of my belief.  JANUARY 06, 2003 Date Surveyed  Signature Seal of Gary L. Jones Professional Surveyor NEW MEXICO 7977 W.O. No. 2942 Certificate No. Gary L. Jones 7977 PROFESSIONAL LAND SURVEYOR BASIN SURVEYS	

# EXHIBIT A

## BLOWOUT PREVENTOR SCHEME

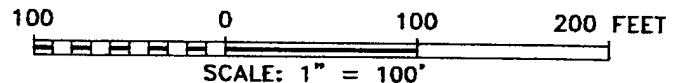


**SECTION 15, TOWNSHIP 20 SOUTH, RANGE 27 EAST, N.M.P.M.,  
EDDY COUNTY, NEW MEXICO.**



## Directions to Location:

FROM THE JUNCTION OF CO. ROAD #208 AND CO. ROAD #237, GO WEST ON LEASE ROAD APPROX. 1.0 MILES THEN SOUTH WITH MAIN LEASE ROAD 4500 FEET THEN WEST & SOUTH 2000 FEET TO "Y" GO WEST 1.2 MILES LOCATION IS 660 FEET NORTH.



**OXY USA WTP, L.P.**

REF: OXY JET DECK FED. #1 / Well Pad Topo

THE OXY JET DECK FED. No. 1 LOCATED 660' FROM THE SOUTH LINE AND 810' FROM THE WEST LINE OF SECTION 15, TOWNSHIP 20 SOUTH, RANGE 27 EAST, N.M.P.M., EDDY COUNTY, NEW MEXICO.

**BASIN SURVEYS** P.O. BOX 1786-HOBBS, NEW MEXICO

W.O. Number: 2942

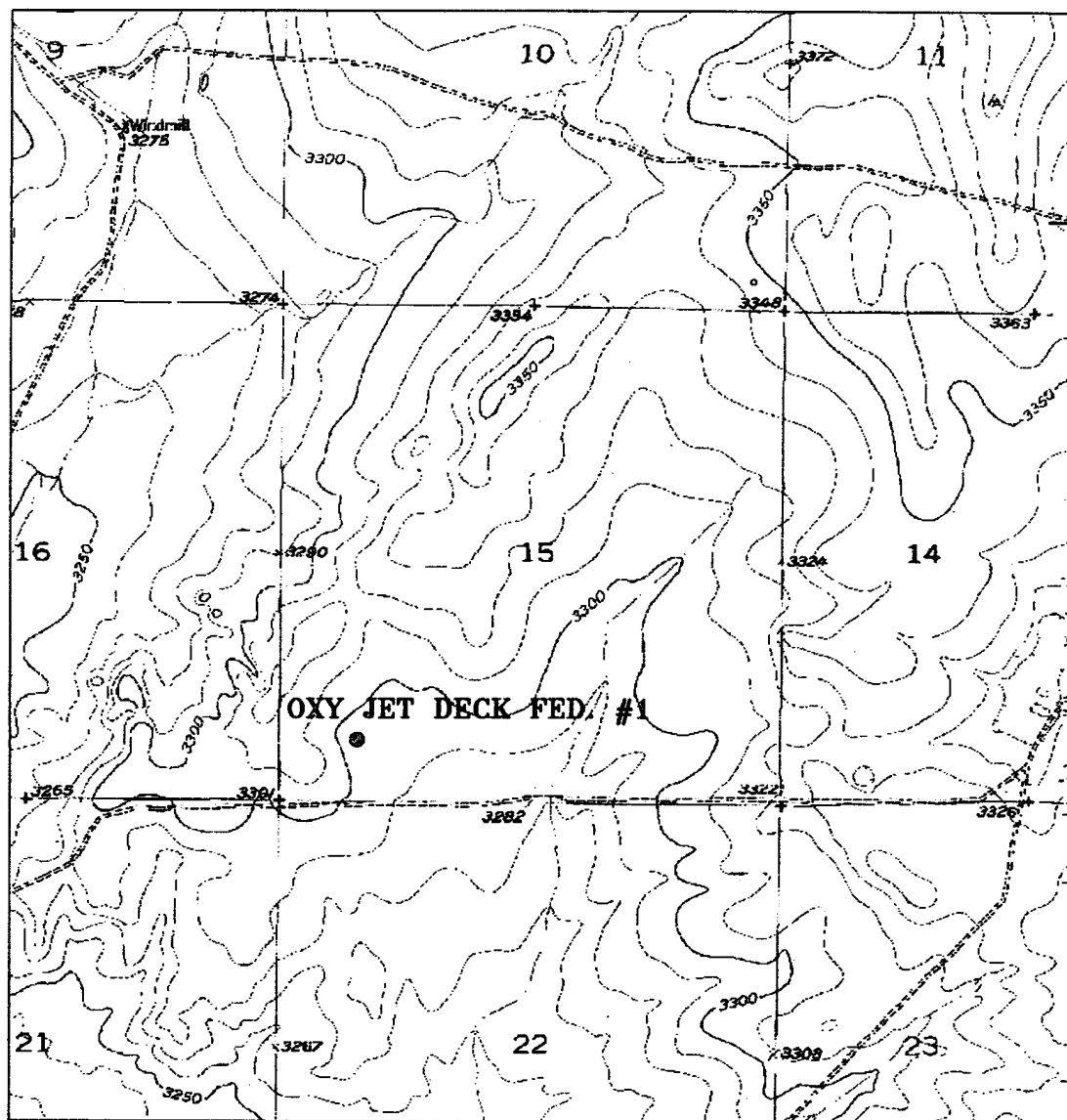
Drawn By: K. GOAD

Date: 01-07-2003

Disk: KJG CD#5 - 2942A.DWG

Survey Date: 01-06-2003

Sheet 1 of 1 Sheets



### OXY JET DECK FEDERAL #1

Located at 660' FSL and 810' FWL  
 Section 15, Township 20 South, Range 27 East,  
 N.M.P.M., Eddy County, New Mexico.



P.O. Box 1786  
 1120 N. West County Rd.  
 Hobbs, New Mexico 88241  
 (505) 393-7316 - Office  
 (505) 392-3074 - Fax  
 basinsurveys.com

W.O. Number: 2942AA - KJG CD#4

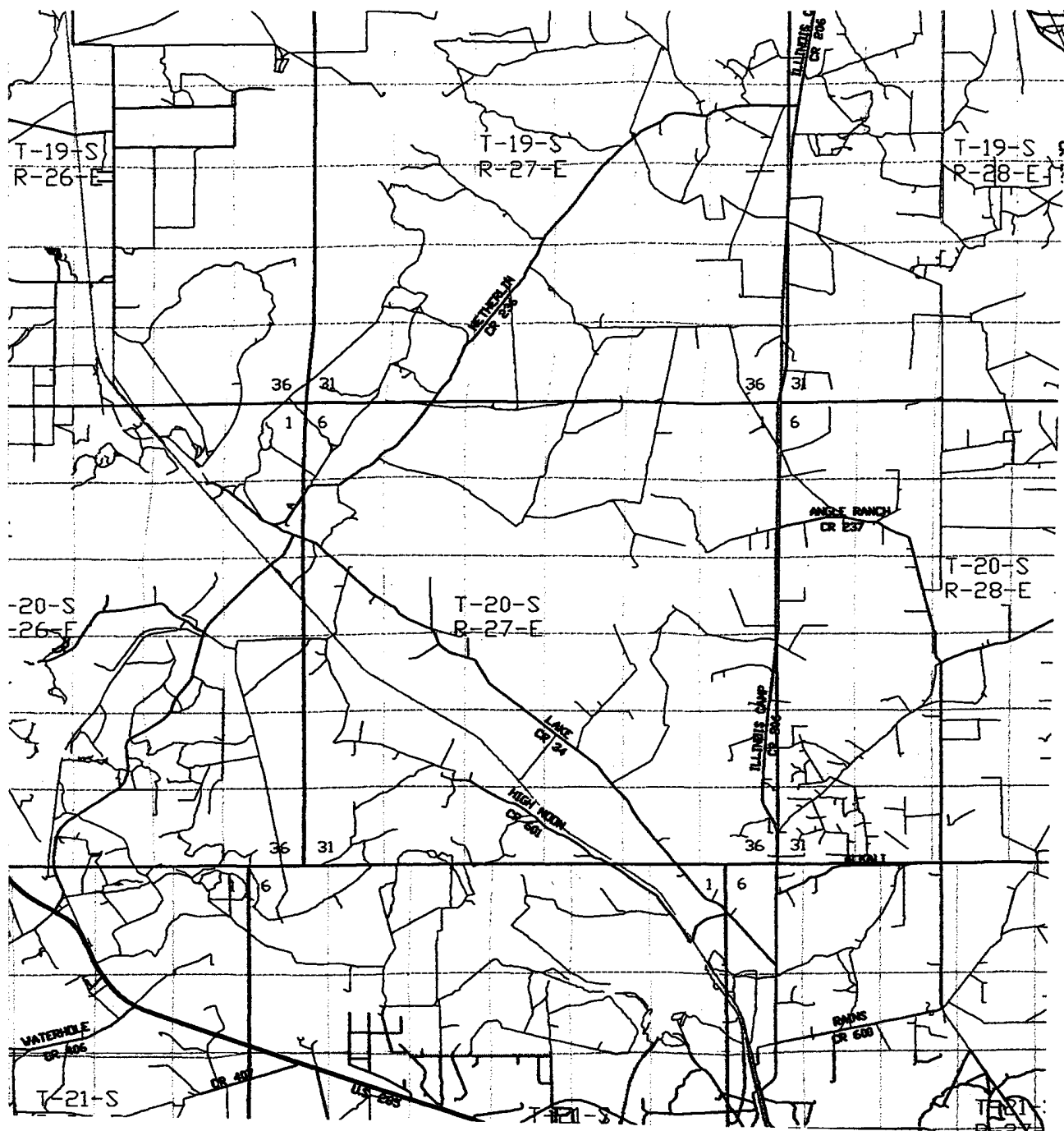
Survey Date: 01-06-2003

Scale: 1" = 2000'

Date: 01-07-2003

**OXY USA  
 WTP, L.P.**





### OXY JET DECK FEDERAL #1

Located at 660' FSL and 810' FWL

Section 15, Township 20 South, Range 27 East,  
N.M.P.M., Eddy County, New Mexico.

**basin**  
**surveys**

focused on excellence  
in the oilfield

P.O. Box 1786  
1120 N. West County Rd.  
Hobbs, New Mexico 88241  
(505) 393-7316 - Office  
(505) 392-3074 - Fax  
basinsurveys.com

W.O. Number: 2942AA - KJG CD#4

Survey Date: 01-06-2003

Scale: 1" = 2 MILES

Date: 01-07-2003

**OXY USA**  
**WTP, L.P.**

## DISTRICT I

1625 N. French Dr., Hobbs, NM 88240

## DISTRICT II

811 South First, Artesia, NM 88210

## DISTRICT III

1000 Rio Brazos Rd., Artec, NM 87410

## DISTRICT IV

2040 South Pacheco, Santa Fe, NM 87505

## State of New Mexico

Energy, Minerals and Natural Resources Department

Form C-102

Revised March 17, 1999

Submit to Appropriate District Office

State Lease - 4 Copies

Fee Lease - 3 Copies

## OIL CONSERVATION DIVISION

2040 South Pacheco

Santa Fe, New Mexico 87504-2088

☐ AMENDED REPORT

## WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-015-	Pool Code 79920	Pool Name Undesignated Avalon Morrow
Property Code	Property Name OXY JET DECK FEDERAL	Well Number 1
OGRID No. 192463	Operator Name OXY USA WTP LP	Elevation 3299'

## Surface Location

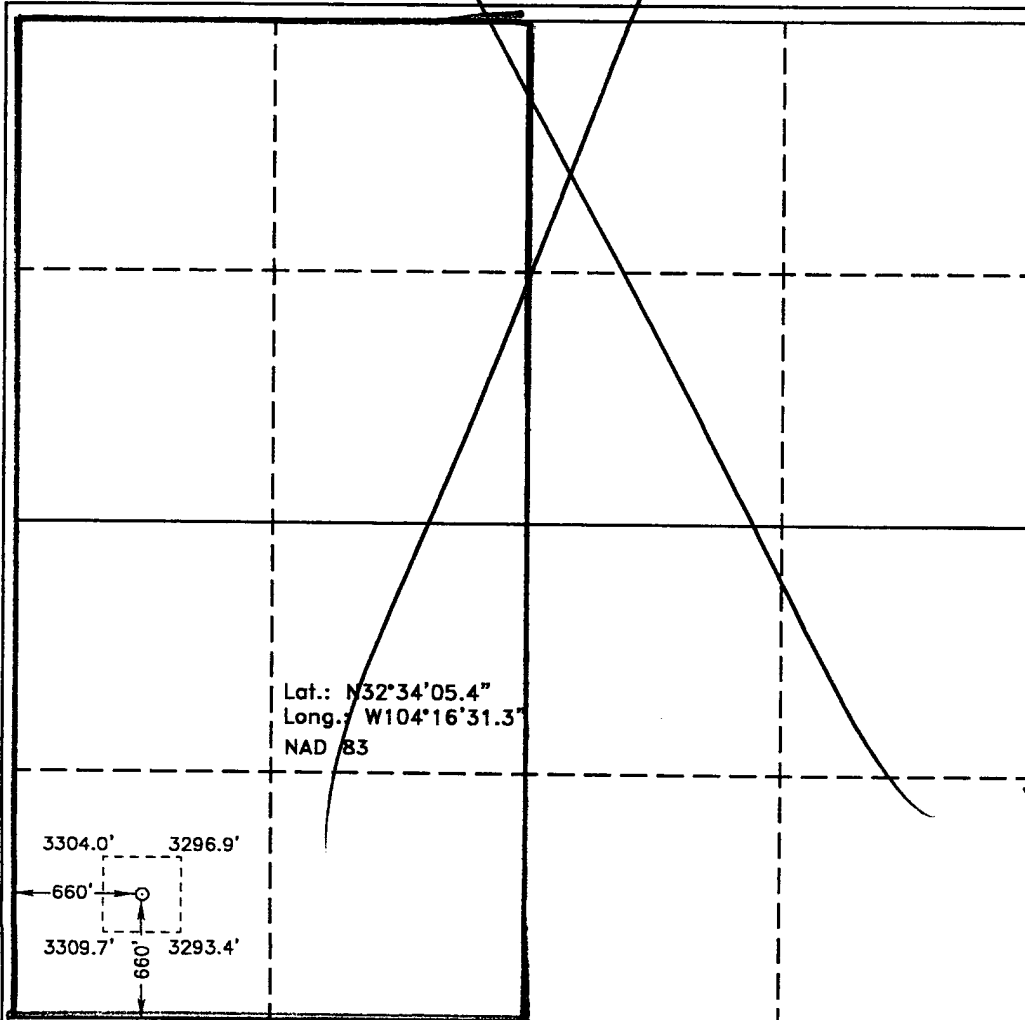
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
M	15	20 S	27 E		660	SOUTH	660	WEST	EDDY

## Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

Dedicated Acres 320	Joint or Infill N	Consolidation Code	Order No.
------------------------	----------------------	--------------------	-----------

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED  
OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION



## OPERATOR CERTIFICATION

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

*David Stewart*  
Signature

David Stewart  
Printed Name

Sr. Regulatory Analyst  
Title

12/20/02  
Date

## SURVEYOR CERTIFICATION

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

MAY 14, 2001

Date Surveyed  
Signature & Seal of  
Professional Surveyor

*Gary L. Jones*  
Signature

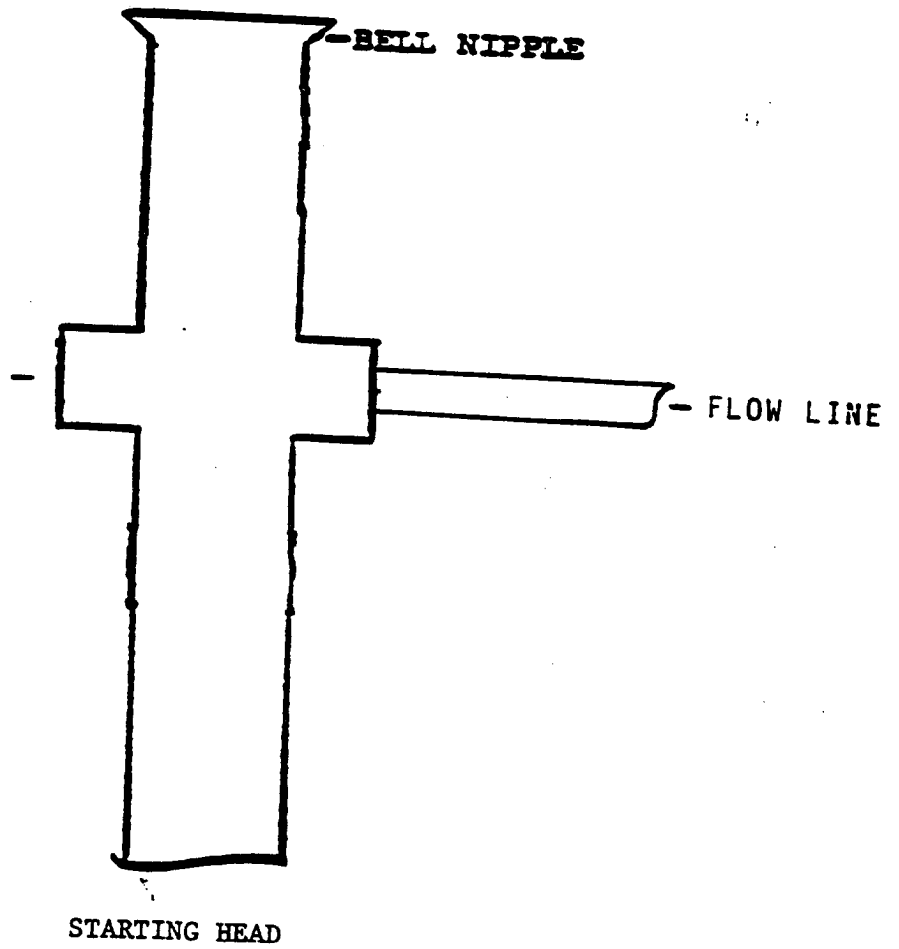
W.O. No. 1458

Certificate No. Gary L. Jones 7977

JLP BASIN SURVEYS

EXHIBIT A

ANNULAR PREVENTOR  
TO BE USED AS DIVERTOR ONLY



## MULTI-POINT SURFACE USE AND OPERATIONS PLAN

OXY USA WTP Limited Partnership  
OXY Jet Deck Federal #1  
Eddy County, New Mexico  
Lease No. NM0455265

This plan is submitted with the Application for Permit to Drill the above described well. The purpose of the plan is to identify the location of the proposed well, the proposed construction activities and operations plan, the magnitude of necessary surface disturbance involved and the procedures to be followed in rehabilitating the surface after completion of the operation so that a complete appraisal may be made of the environmental effects associated with the operation.

The well, and work area have been staked by a registered New Mexico land surveyor. Geo-Marine Inc. has been engaged to make an archaeological reconnaissance of the work area. Their findings concerning cultural resources will be reported to the Bureau of Land Management.

### 1. Existing Roads

A copy of a USGS "Red Lake, SE New Mexico" quadrangle map is attached showing the proposed location. The well location is spotted on this map, which also shows the existing road system. Exhibit B.

Directions to location:

From the junction of CR 208 and CR 237, go west on lease road approximately 1 mile then south on main lease road 3000', then west and south 2000' to a Y. Go west 1.2 miles, location is 600' north.

### 2. Planned Access Road

- A. A new access road will be built. The access road will run approximately 1768' northeast, then 505' north from an existing lease road to the location. Exhibit B.
- B. Surfacing material: Six inches of caliche and water, compacted and graded.
- C. Maximum Grade: Less than 3%.
- D. Turnouts: None needed
- E. Drainage Design: N/A
- F. Culverts: None needed
- G. Cuts and Fills: Leveling the location will require minimal cuts or fills.
- H. Gates or Cattleguards: None required

### 3. Existing wells within a one mile radius of the proposed development well are shown on Exhibit C.

## **Multi-Point Surface Use and Operations Plan**

### **OXY Jet Deck Federal #1**

#### **Page 2**

#### **4. Location of Existing and/or Proposed Facilities**

- A. If the well is productive, production facilities will be constructed on the well pad. The facility will consist of a stack pack, one 300 bbl oil tank and one 300 bbl fiberglass water tank. All permanent above ground facilities will be painted in accordance with the BLM's painting guidelines simulating the color of sandstone brown.
- B. All site security guidelines identified in 43 CFR 3162.7 regulations will be adhered to and a site security plan will be submitted for the OXY Jet Deck Federal #1 tank battery. All product lines entering and leaving hydrocarbon storage tanks will be effectively sealed.

#### **5. Location and Type of Water Supply**

Fresh water and brine water will be used to drill this well. It will be purchased from a supply in Loco Hills and transported to the well site.

#### **6. Source of Construction Materials**

Caliche for surfacing the well pad will be obtained from a Federal pit located in Section 36, T20S, R27E, Eddy County, New Mexico.

#### **7. Method of Handling Waste Disposal**

- A. Drill Cuttings will be disposed of in drilling pits.
- B. Drilling fluids will be allowed to evaporate in the drilling pits until pits are dry.
- C. Water produced during tests will be disposed of in the drilling pits. Oil produced during tests will be stored in test tanks until sold.
- D. Current laws and regulations pertaining to the disposal of human waste will be complied with.
- E. Trash, waste paper, garbage and junk will be collected in steel trash bins and removed after drilling and completion operations are completed. All waste material will be contained to prevent scattering by the wind.
- F. All trash and debris will be removed from the wellsite within 30 days after finishing drilling and/or completion operations.

#### **8. Ancillary Facilities**

- A. None needed.

#### **9. Wellsite Layout**

- A. The location and dimensions of the well pad, mud pits, reserve pit and location of major rig components are shown on the well site layout sketch. The V-door will be to the east and the pits to the north. Exhibit D.
- B. Leveling of the wellsite will be required with minimal cuts or fills anticipated.

- C. The reserve pit will be plastic lined.
- D. While constructing the pits and material is encountered at a depth which would not allow the pits to meet the BLM stipulations without blasting, OXY requests a variance. There will be an adequate amount of material to reclaim the pit per the stipulations.
- E. The pad and pit area have been staked and flagged.

10. Plans for Restoration of the Surface

- A. After completion of drilling and/or completion operations, all equipment and other materials not needed for operations will be removed.
- B. Pits will be filled and location cleaned of all trash and junk to leave the well site in as aesthetically pleasing condition as possible. Any plastic material used to line the pits or sumps will be cut off below ground level as far as possible and disposed of before the pits are covered. All unattended pits containing liquid will be fenced and the liquid portion allowed to evaporate before the pits are broken and backfilled.
- C. After abandonment of the well, surface restoration will be in accordance with the land owner. This will be accomplished as expeditiously as possible. Barring unforeseen problems, all pits will be filled and leveled within 90 days after abandonment.

11. Surface Ownership

The wellsite is on federal owned surface. The surface is leased to: Harvey Ballard, P.O. Box 1371, Carlsbad, NM 88220. They will be notified of our intention to drill prior to any activity.

12. Other Information

- A. Topography: The location is a flat plain. GL elevation is 3299'.
- B. Soil: Sandy clay loams.
- C. Flora and Fauna: The vegetative cover is generally sparse consisting of mesquite, yucca, shinnery oak, sandsage and perennial native range grasses. Wildlife in the area is also sparse consisting of coyotes, rabbits, rodents, reptiles, dove and quail.
- D. Ponds and Streams: There are no rivers, streams, lakes or ponds in the area.
- E. Residences and Other Structures: Nearest residence is 1.1 miles west of the proposed location.
- F. Archaeological, Historical and Cultural Sites: Cultural resources have been recorded in the area. Geo-Marine Inc. will be engaged to make an archaeological reconnaissance of the work area.
- G. Land Use: Cattle ranching.

**Multi-Point Surface Use and Operations Plan**

**OXY Jet Deck Federal #1**

**Page 4**

- H. The well site, if a producer, will be maintained and kept clean of all trash and litter which detracts from the surrounding environment. Equipment will be maintained in accordance with good operating practice.
- I. After the wellsite is cleaned and pits and sumps backfilled, any obstruction to the natural drainage will be corrected by ditching or terracing. All disturbed areas, including any access road no longer needed, will be ripped. Those areas will be reseeded with grass if, in the opinion of the land owner, it is required.

**13. Operator's Representatives and Certification**

The field representative responsible for assuring compliance with the approved surface use and operations plan are as follows:

John Erickson  
Production Coordinator  
P.O. Box 69  
Hobbs, New Mexico 88240  
Office Phone: 505-393-2174  
Cellular: 505-390-6426

Joe Fleming  
Drilling Coordinator  
P.O. Box 50250  
Midland, TX 79710-0250  
Office Phone: 915-685-5858

Calvin C. (Dusty) Weaver  
Operation Specialist  
P.O. Box 2000  
Levelland, TX 79336  
Office Phone: 806-229-9467  
Cellular: 806-893-3067

Terry Asel  
Operation Specialist  
1017 W. Stanolind Rd.  
Hobbs, NM 88240  
Office Phone: 505-397-8217  
Cellular: 505-631-0393

I hereby certify that I, or persons under my direct supervision, have inspected the proposed drill site and access route; that I am familiar with the conditions which presently exist; that the statements made in this plan are, to the best of my knowledge, true and correct; and, that the work associated with the operations proposed herein will be performed by OXY USA WTP Limited Partnership and its contractors and sub-contractors in conformity with this plan and the terms and conditions under which it is approved.

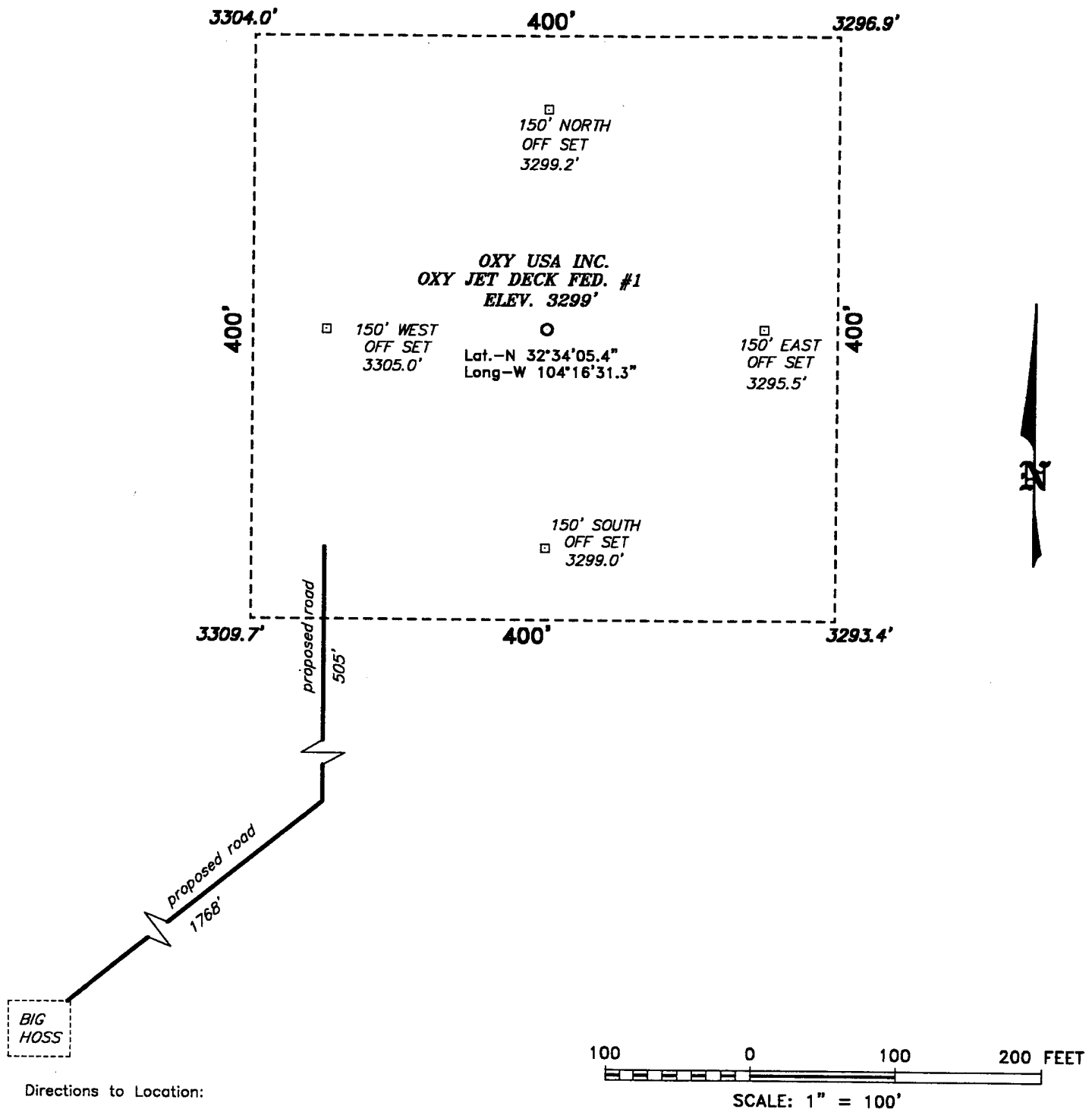
12/20/02

DATE



Jeff Davis  
Sr. Engineering Technician  
915-685-5710  
South Permian Asset Team  
OXY USA WTP Limited Partnership

**SECTION 15, TOWNSHIP 20 SOUTH, RANGE 27 EAST, N.M.P.M.,  
EDDY COUNTY, NEW MEXICO.**



**Directions to Location:**

FROM THE JUNCTION OF CO. ROAD #208 AND CO. ROAD #237, GO WEST ON LEASE ROAD APPROX. 1.0 MILES THEN SOUTH WITH MAIN LEASE ROAD 4500 FEET THEN WEST & SOUTH 2000 FEET TO "Y" GO WEST 1.2 MILES LOCATION IS 660 FEET NORTH.

**BASIN SURVEYS** P.O. BOX 1786-HOBBS, NEW MEXICO

W.O. Number: 1458

Drawn By: **JAMES PRESLEY**

Date: 05/15/01

Disk: JLP #1 - 1458A.DWG

**OXY USA INC.**

REF: OXY JET DECK FEDERAL #1 / Well Pad Topo

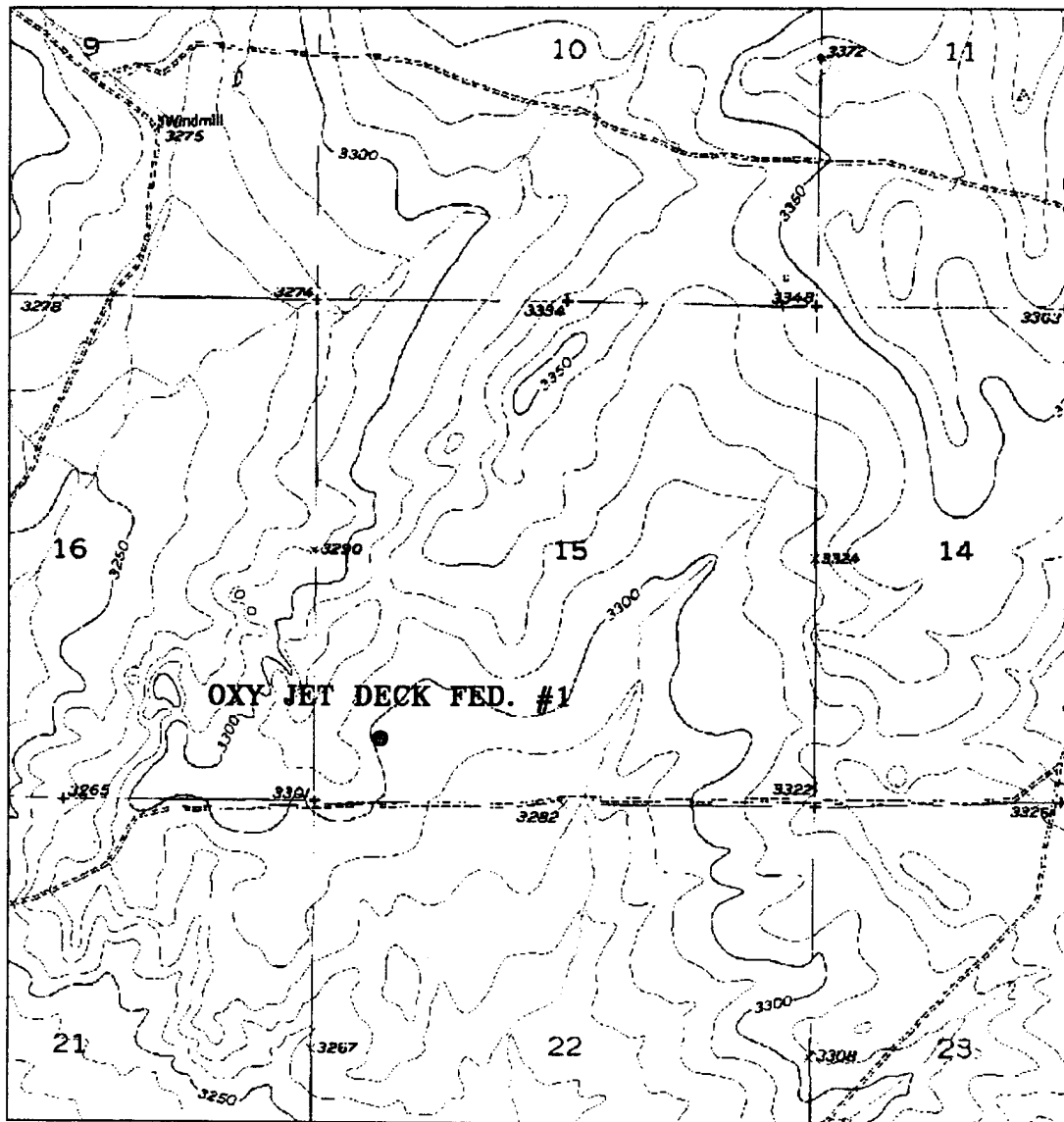
THE OXY JET DECK FEDERAL No. 1 LOCATED 660' FROM THE SOUTH LINE AND 660' FROM THE EAST LINE OF SECTION 15, TOWNSHIP 20 SOUTH, RANGE 27 EAST, N.M.P.M., EDDY COUNTY, NEW MEXICO.

Survey Date: 05/14/01

Sheet 1 of 1 Sheets

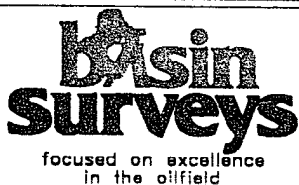


EXHIBIT B



**OXY JET DECK FED. #1**

Located at 660' FSL and 660' FWL  
 Section 15, Township 20 South, Range 27 East,  
 N.M.P.M., Eddy County, New Mexico.



P.O. Box 1786  
 1120 N. West County Rd.  
 Hobbs, New Mexico 88241  
 (505) 393-7316 - Office  
 (505) 392-3074 - Fax  
 basinsurveys.com

W.O. Number: 1458AA - JLP #1

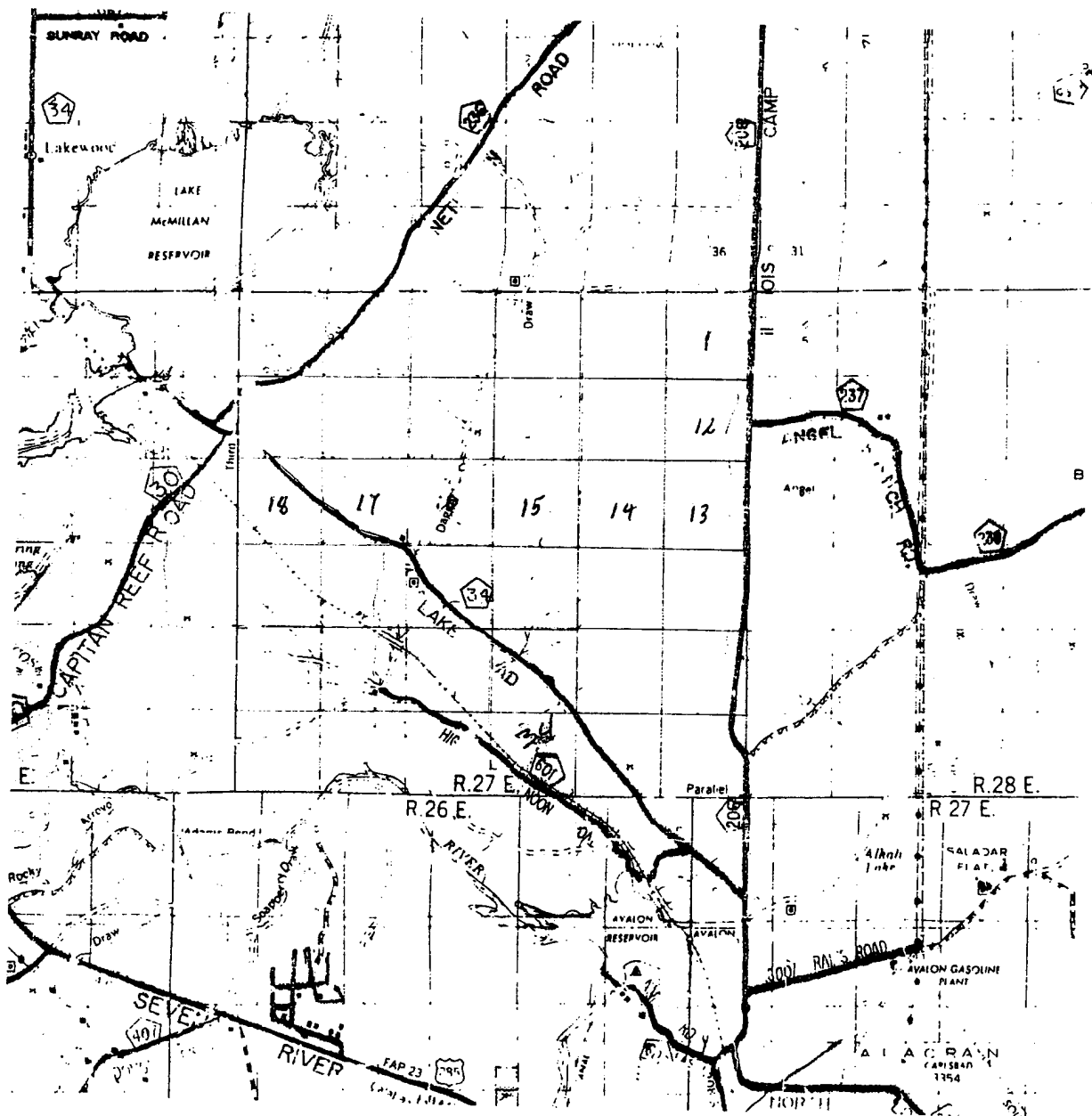
Survey Date: 05/14/01

Scale: 1" = 2000'

Date: 05/15/01

**OXY USA INC.**

# EXHIBIT B



**OXY JET DECK FED. #1**  
 Located at 660' FSL and 660' FWL  
 Section 15, Township 20 South, Range 27 East,  
 N.M.P.M., Eddy County, New Mexico.

**basin**  
**surveys**

focused on excellence  
 in the oilfield

P.O. Box 1786  
 1120 N. West County Rd.  
 Hobbs, New Mexico 88241  
 (505) 393-7316 - Office  
 (505) 392-3074 - Fax  
 basinsurveys.com

W.O. Number: 1458AA - JLP #1

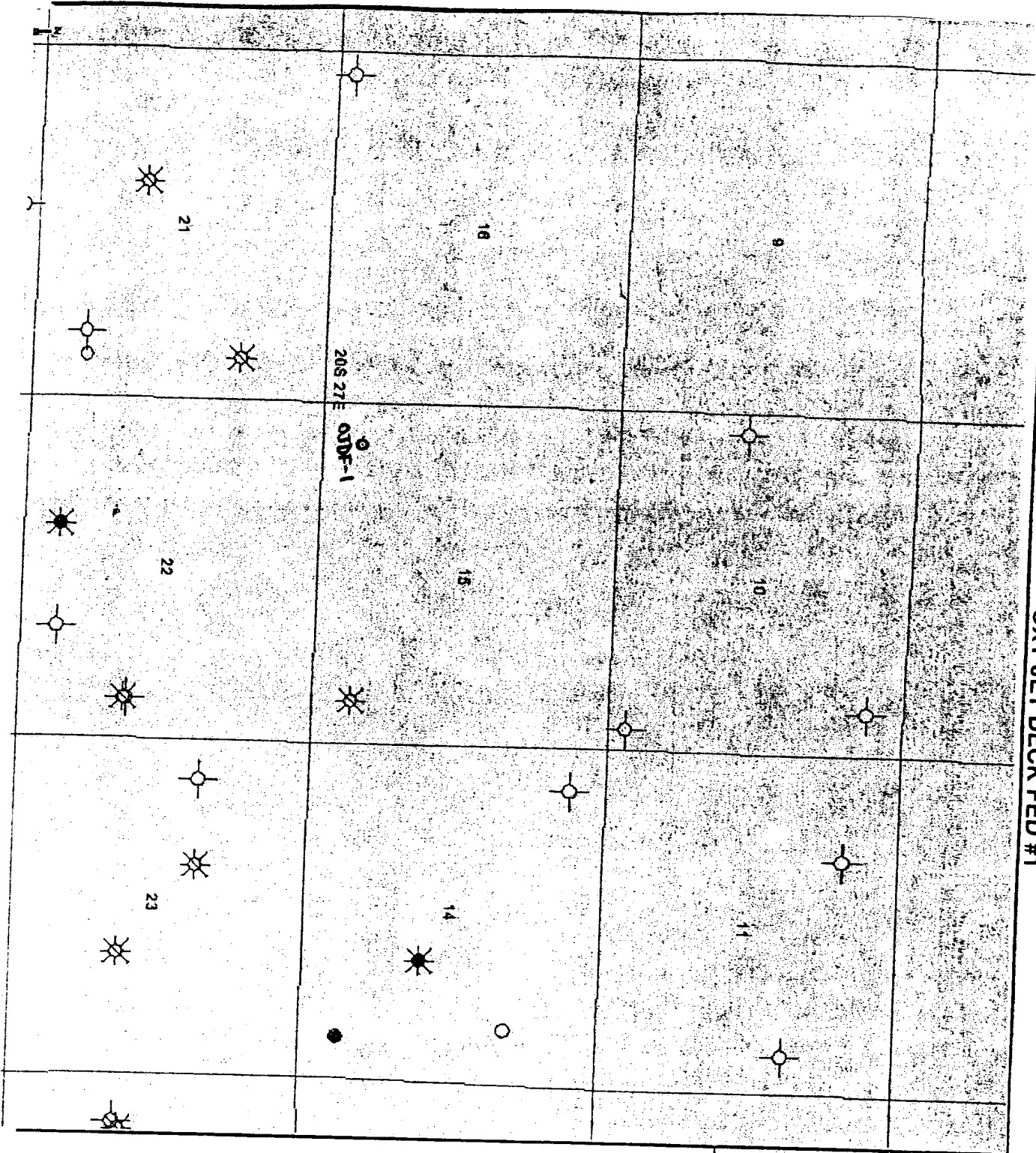
Survey Date: 05/14/01

Scale: 1" = 2000'

Date: 05/15/01

**OXY USA INC.**

# OXY JET DECK #1



- Legend**
- ☐ State Outlines
  - ☐ County Outlines
  - IHS Well Locations**
    - Dry Hole, Temp Aband
    - Oil
    - Gas
    - Oil Muds Comp
    - Gas Muds Comp
    - Gas Oil
    - WPA & Abandoned
    - Location
    - Suspended
    - Work Start
    - Other
  - ☐ Township Outlines
  - ☐ Township Labels
  - ☐ Section Outlines
  - ☐ Section Labels

United States Department of the Interior  
Bureau of Land Management  
Roswell District  
2909 W. Second Street  
Roswell, New Mexico 88202

Attention: Armando A. Lopez

RE: OXY Jet Deck Federal #1  
Section 15, T20S-R27E  
Eddy County, New Mexico

**STATEMENT ACCEPTING RESPONSIBILITY FOR OPERATIONS**

**OPERATOR NAME:** OXY USA WTP Limited Partnership  
**ADDRESS:** P. O. Box 50250  
Midland, Texas 79710

**The undersigned accepts all applicable terms, conditions, stipulations, and restrictions concerning operations conducted on the leased land or portion thereof, as described below:**

**LEASE NO.:** NM-0455265  
**LEGAL DESCRIPTION:** 660' FSL and 660' FWL Section 15,  
T20S-R27E  
Eddy County, New Mexico  
**FORMATIONS:** Limited to rights below a depth of 4,951'  
**BOND COVERAGE:** Nationwide  
**BLM BOND FILE NO.:** ES 0136

OXY USA WTP Limited Partnership

**AUTHORIZED SIGNATURE:**

**BY:**



David R. Evans

**TITLE:** Sr. Landman Advisor  
**DATE:** December 18, 2002

cc: David Stewart

**TITLE PAGE/ABSTRACT/  
NEGATIVE SITE REPORT  
CFO/RFO**

1/95

1. BLM Report No.	2. (ACCEPTED) (REJECTED)	3. NMCRIS No. 75736
4. Title of Report (Project Title)  Class III archaeological survey of OXY USA INC.'s proposed pad for the OXY Jet Deck Fed well No. 1 in Section 15 and access road in Sections 15, 22 and 21, T 20 S, R 27 E, NMPM, Eddy County, NM.		5. Project Date(s) 8-16-01 to
		6. Report Date 8-20-01
7. Consultant Name & Address: Direct Charge: Mark C. Slaughter Name: Geo-Marine Inc. Address: 150-A N. Festival Drive, El Paso, TX 79912 Authors Name: Danny Boone Field Personnel Names: Danny Boone Phone: (915) 585-0168		8. Permit No.  103-2920-01-P
		9. Consultant Report No.  427-EP
10. Sponsor Name and Address: Indiv. Responsible: OXY USA INC. Name: Dusty Weaver Address: 2028 Buffalo Levelland, Tx 79336 Phone: (806) 894-8307		11. For BLM Use Only.
		12. ACREAGE: Total No. of acres surveyed: 8.54 SURFACE OWNERSHIP: Federal: 8.54 State: 0, Private: 0
13. Location: (Maps Attached if Negative Survey)		
a. State: New Mexico		
b. County: Eddy		
c. BLM Office Carlsbad		
d. Nearest City or Town: Carlsbad, NM		
e. Legal Location: T 20 S R 27 E Sec. Pad, Sec. 15, SW SW; Access Road, Sec. 15, SW SW SW; Sec. 22, NW NW NW; Sec. 21, SE NE NE, NE SE NE: Well Footages: 660' FSL, 660' FWL		
f. USGS 7.5 Map Name(s) and Code Number(s): LAKE MC MILLAN SOUTH, NM (1955) 32104-E		
g. Area: Block: surveyed: 400' x 400' Impact: Within survey area Linear: Surveyed: 100' x 2,123' (+/-) Impact: 50' x 2,273'		

14. a. Records Search; ARMS: Date(s): 8-16-01 Name(s): Danny Boone  
BLM Office: Date(s): 8-16-01 Name(s): Danny Boone  
List Sites within .25 miles of Project: None  
Show sites within 500' on Project Map

b. Description of Undertaking:

The project is a well pad and access road. From approximately 50' inside of the southwest portion of the proposed pad the access road runs south and then southwest along the same rocky ridge to enter approximately 100' into the northeast portion of the pad for the Big Boss State well No. 1. The Big Boss State No. 1 shows to be all Federal on BLM Surface-Minerals Management Status Map, Artesia, NM, dated 1982.

c. Environmental Setting (NRCS soil designation; vegetative community; etc.):

The pad is situated with the eastern approximate 2/3 on a flat loamy plain and the west approximate 1/3 on a rocky ridge. Vegetation cover is approximately 50% and consists primarily of creosotebush, mesquite, pricklypear cactus, tarbush, various grasses and other flora.

NRCS: Reagan-Upton association: Loamy, deep soils and soils that are shallow to caliche; from old alluvium.

d. Field Methods:

For the pad, a grid of parallel transects spaced fifteen meters or less and for the road, transects spaced up to 15 meters each side of flagged center line.

15. Cultural Resource Findings:

- a. Identification and description  
None

16. Management Summary (Recommendations):

Archaeological clearance for OXY USA INC.'s proposed pad for the OXY Jet Deck Fed well No. 1 in Section 15 and access road in Sections 15, 22 and 21, T 20 S, R 27 E, NMPM, Eddy County, NM as presently staked is recommended. All activity should cease and the BLM archaeologist be notified immediately if any cultural resources are encountered at any time.

I certify that the information provided above is correct and accurate and meets all appreciable BLM standards.

Responsible Archaeologist

Signature

Date

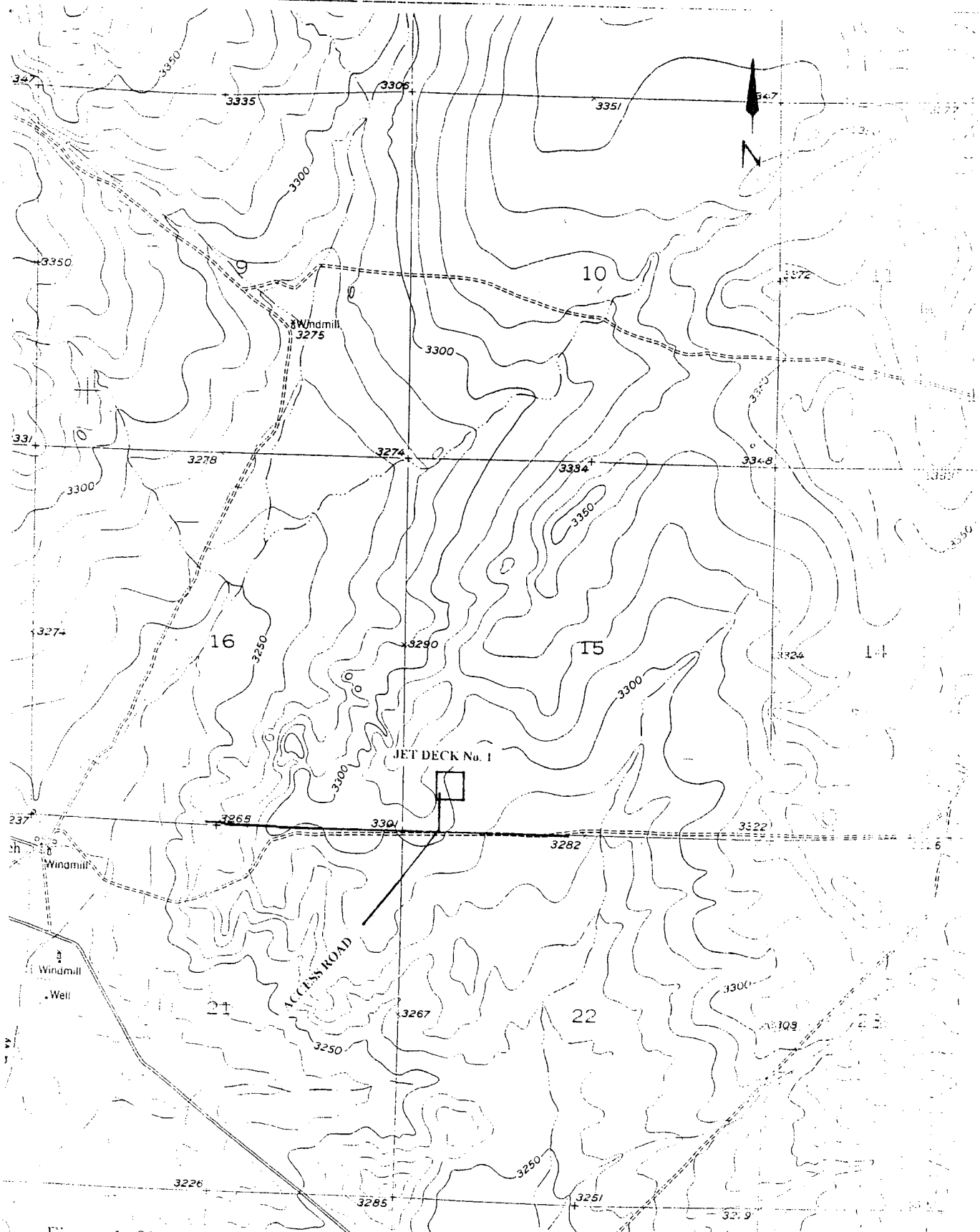


Figure 1. Showing the location of OXY USA INC.'s proposed pad for the OXY Jet Deck well No. 1 in Section 15 and access road in Sections 15, 22 and 21, T 20 S, R 17 E, NMPM Eddy County, NM.  
 Map Reference: USGS 7.5' Series; LAKE MC MILLAN SOUTH, NM (1955) 32104 E.

**OXY USA WTP Limited Partnership**  
P.O. Box 50250, Midland, TX 79710-0250

December 20, 2002

United States Department of the Interior  
Bureau of Land Management  
Roswell District Office  
2909 West Second Street  
Roswell, New Mexico 88201

Re: Application for Permit to Drill  
OXY USA WTP Limited Partnership  
OXY Jet Deck Federal #1  
Eddy County, New Mexico  
Lease No. NM0455265

Gentlemen:

OXY USA WTP Limited Partnership respectfully requests permission to drill our OXY Jet Deck Federal #1 located 660 FSL and 660 FWL of Section 15, T20S, R27E, Eddy County, New Mexico, Federal Lease No. NM0455265. The proposed well will be drilled to a TD of approximately 11400' (TVD). The location and work area has been staked. It is approximately 7 miles northwest of Carlsbad, New Mexico.

In accordance with requirements stipulated in Federal Onshore Oil and Gas Order No. 1 under 43 CFR 3162.1, our Application for Permission to Drill and supporting evidence is hereby submitted.

I. Application for Permit to Drill:

1. Form 3160.3, Application for Permit to Drill.
2. Form C-102 Location and Acreage Dedication Plat certified by Gary L. Jones, Registered Land Surveyor No. 7977 in the State of New Mexico, dated May 14, 2001.
3. The elevation of the unprepared ground is 3299 feet above sea level.
4. The geologic name of the surface formation is Permian Rustler.
5. Rotary drilling equipment will be utilized to drill the well to TD 11400' (TVD), and run casing. This equipment will then be rigged down and the well will be completed with a pulling unit.
6. Proposed total depth is 11400' TVD.
7. Estimated tops of important geologic markers.

Wolfcamp	8350' TVD
Strawn	9780' TVD
Atoka	10000' TVD
Morrow	10375' TVD

8. Estimated depths at which anticipated water, oil, gas or other mineral bearing formations are expected to be encountered:

Primary Objective:	Morrow	10375' TVD
Secondary Objective:	Atoka	10000' TVD



9. The proposed casing program is as follows:

Surface: 13-3/8" 48# H40 ST&C new casing set at 625'  
Intermediate: 9-5/8" 36# K55/HCK55 ST&C new casing from 0-3000'  
Production: 5-1/2" 17# N80/HP110 LT&C new casing from 0-11400'  
N80-8800' HP110-2600'

10. Casing setting depth and cementing program:

- A. 13-3/8" surface casing set at 625' in 17-1/2" hole.  
Circulate cement with 350sx 35:65 POZ/C w/ 6% Bentonite + 2%  
CaCl<sub>2</sub> + .25#/sx Cello-Seal followed by 200sx Class C w/ 2%  
CaCl<sub>2</sub>.

WITNESS

If cement does not circulate, a temperature survey will be run to find the TOC and then finish cementing to surface through 1" using Class C with 2% CaCl<sub>2</sub>.

- B. 9-5/8" intermediate casing set at 3000' in 12-1/4" hole.  
Circulate cement with 800sx 35:65 POZ/C w/ 6% Bentonite + 2%  
CaCl<sub>2</sub> + .25#/sx Cello-Seal followed by 200sx Class C w/ 2%  
CaCl<sub>2</sub>.

If hole conditions dictate, a DV tool may be run to ensure that the intermediate string is cemented to surface.

If cement does not circulate, a temperature survey will be run to find the TOC and then finish cementing to surface through 1" using Class C with 2% CaCl<sub>2</sub>.

Note: Cement volumes may be adjusted according to fluid caliper.

- C. 5-1/2" production casing set at 11000' in 8-3/4" hole.  
Cement with 800sx 15:61:11 POZ/C/CSE w/ .5% FL-25 + .5% FL-52 + 8#/sx Gilsonite followed by 100sx Class C w/ .7% FL-25.

Estimated top of cement is 8000'.

Note: Cement volumes may need to be adjusted to hole caliper.

11. Pressure Control Equipment

0-625'	None
625-3000'	13-3/8" 3M annular preventer, to be used as diverter only. Exhibit A
3000-11000'	11" 5000# ram type preventers with one set blind rams and one set pipe rams and a 5000# annular type preventer. A choke manifold and 120 gallon accumulator with floor and remote operating stations and auxiliary power system. Rotating head below 8500'. Exhibit A.

A kelly cock will be installed and maintained in operable condition and a drill string safety valve in the open position will be available on the rig floor.

After setting the 9-5/8" casing, the blowout preventers and related control equipment shall be pressure tested to 5000 psi. Any equipment failing to test satisfactorily shall be repaired or replaced. Results of the BOP test will be recorded in the Driller's Log. The BOP's will be maintained ready for use until drilling operations are completed.

BOP drills will be conducted as necessary to assure that equipment is operational and each crew is properly trained to carry out emergency duties.

Accumulator shall maintain a pressure capacity reserve at all times to provide for the close-open-close sequence of the blind and pipe rams of the hydraulic preventers.

12. Mud Program:

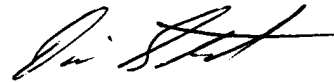
0-625'	Fresh water/native mud. Lime for pH control (9-10). Paper for seepage. Wt. 8.7-9.2 ppg, vis 32-34 sec.
625-3000'	Fresh/*brine water. Lime for pH control (10-10.5). Paper for seepage. Wt. 8.3-9.0/10.0-10.1ppg, vis 28-29 sec. *Fresh water will be used unless chlorides in the mud system increase to 20000PPM.
3000-8300'	Fresh water. Lime for pH control (9-9.5). Paper for seepage. Wt. 8.3-8.5 ppg, vis 28-29 sec.
8300-10000'	Cut brine. Lime for pH control (10-10.5). Wt. 9.6-10.0 ppg, vis 28-29 sec.
10000-11400'	Mud up with an Duo Vis/Flo Trol system. Wt. 9.6-10.0 ppg, Vis 32-36sec, WL<10cc.

Mud system monitoring equipment with derrick floor indicators and visual/audio alarms shall be installed and operative prior to drilling into the Wolfcamp formation. This equipment will remain in use until the production casing is run and cemented. Monitoring equipment shall consist of the following:

- 1) A recording pit level indicator.
- 2) A pit volume totalizer.
- 3) A flowline sensor.

13. Testing, Logging and Coring Program:
  - A. Testing program: No DST's are anticipated.
  - B. Mud logging program: One-man unit from 6000' to TD.
  - C. Electric logging program: CNL/LDT/CAL/GR, DLL/CAL/GR.
  - D. Coring program: Possible sidewall rotary cores.
14. No abnormal temperatures, or H2S gas are anticipated. The highest anticipated pressure gradient would be .55psi/ft. Adequate flare lines will be installed off the mud/gas separator where gas may be flared safely.
15. Anticipated starting date is January 30, 2003. It should take approximately 30 days to drill the well and another 10 days to complete.
16. The Multi-Point Surface Use & Operation Plan is attached.
17. If the Bureau of Land Management needs additional information to evaluate this application, please advise.

Very truly yours,



David Stewart  
Sr. Regulatory Analyst  
OXY USA WTP Limited Partnership

DRS/drs

Attachments

EXHIBIT D  
LOCATION PLAT

