


UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
OCD-ARTESIAATS-10-567
FORM APPROVED 10-1012
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		R-111-POTASH	
1b. Type of Well <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other <input checked="" type="checkbox"/> Single Zone <input type="checkbox"/> Multiple Zone			
2. Name of Operator OXY USA Inc.		16696	
3a. Address P.O. Box 50250 Midland, TX 79710-0250		3b. Phone No. (include area code) 432-685-5717	
4. Location of Well (Report location clearly and in accordance with any State requirements)* At surface ⁴³⁵ 735 FNL ⁶⁰ 380 FWL NWNW(D) At proposed prod. zone 660 FNL 1700 FEL NWNE(B)		5. Lease Serial No. NMNM86024	
14. Distance in miles and direction from nearest town or post office* 6 miles northeast from Loving, NM		6. If Indian, Allottee or Tribe Name	
15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drg. unit line, if any) 330'		7. Unit or CA Agreement Name and No.	
16. No. of Acres in lease 480		8. Lease Name and Well No. 32803 Cypress 28 Federal #3H	
17. Spacing Unit dedicated to this well 120		9. API Well No. 30-015- 38287	
18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. 11075' 7784' 10623' M 7775' V		10. Field and Pool, or Exploratory Laguna Salado Bone Spring, S.	
21. Elevations (Show whether DF, KDB, RT, GL, etc.) 3020.5' GL		11. Sec., T., R., M., or Blk. and Survey or Area Sec 28 T23S R29E	
22. Approximate date work will start* 9/1/10		12. County or Parish Eddy	
23. Estimated duration 45		13. State NM	
24. Attachments			

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

- | | |
|---|--|
| 1. Well plat certified by a registered surveyor. | 4. Bond to cover the operations unless covered by an existing bond on file (see Item 20 above). |
| 2. A Drilling Plan | 5. Operator certification. |
| 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). | 6. Such other site specific information and/or plans as may be required by the authorized officer. |

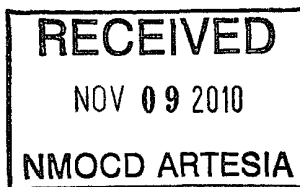
25. Signature 	Name (Printed/Typed) David Stewart	Date 5/12/10
Title Sr. Regulatory Analyst		
Approved by (Signature) /s/ Linda S.C. Rundell	Name (Printed/Typed) /s/ Linda S.C. Rundell	Date OCT 27 2010
Title STATE DIRECTOR	Office NM STATE OFFICE	

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 TWO YEARS**

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

*(Instructions on Reverse)

Carlsbad Controlled Water Basin

**KZ 11/22/10****SEE ATTACHED FOR
CONDITIONS OF APPROVAL****Approval Subject to General Requirements
& Special Stipulations Attached**

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

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

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

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-015-38287	Pool Code 96857	Pool Name Laguna Salado Bone Spring, South
Property Code 37803	Property Name CYPRESS 28 FED.	Well Number 3H
OGRID No. 16696	Operator Name OXY USA, INC.	Elevation 3029.9'

Surface Location

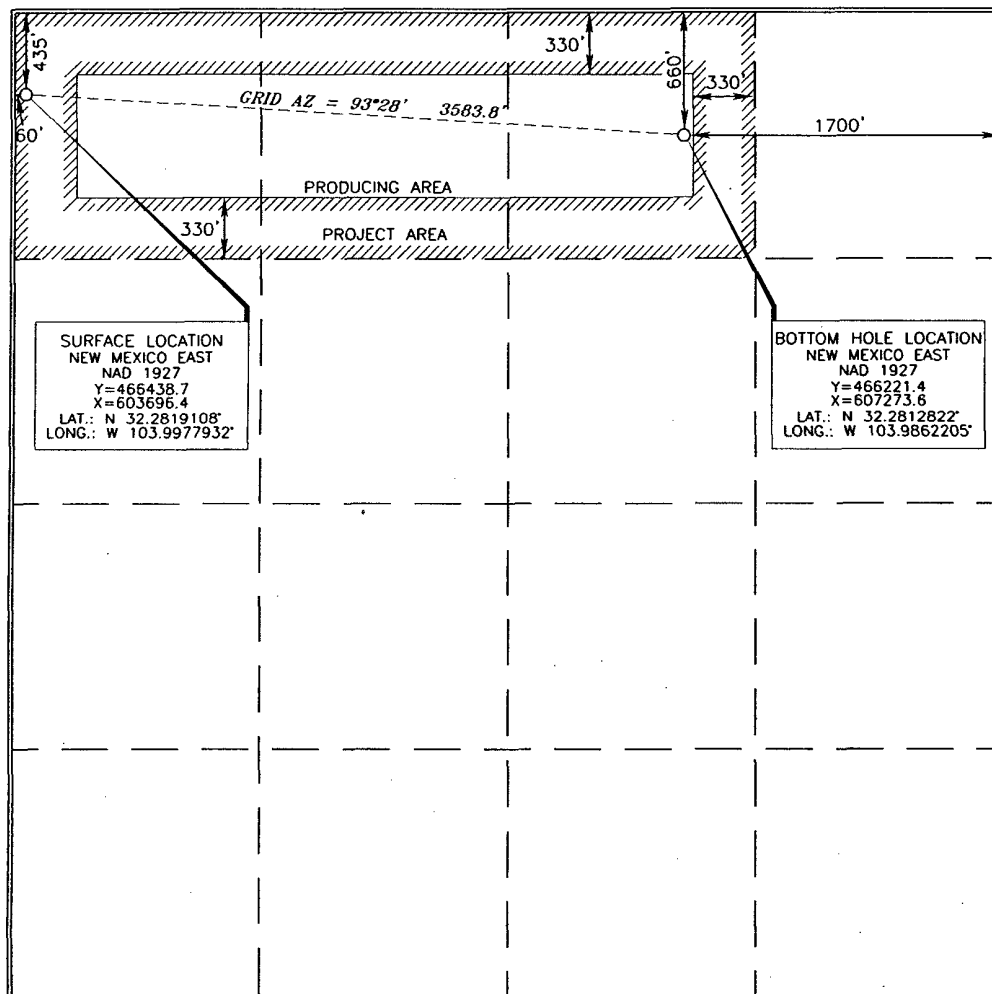
UL or lot no. D	Section 28	Township 23 SOUTH	Range 29 EAST, N.M.P.M.	Lot Idn	Feet from the 435'	North/South line NORTH	Feet from the 60'	East/West line WEST	County EDDY
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Bottom Hole Location If Different From Surface

UL or lot no. B	Section 28	Township 23 SOUTH	Range 29 EAST, N.M.P.M.	Lot Idn	Feet from the 660'	North/South line NORTH	Feet from the 1700'	East/West line EAST	County EDDY
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Dedicated Acres 120	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.



OPERATOR CERTIFICATION

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

David Stewart 9/27/10
Signature Date

David Stewart
Printed Name

SURVEYOR CERTIFICATION

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

DATE: JUNE 16, 2010
Date of Survey

Signature and Seal of
Professional Surveyor

Terry J. Abel 6/24/2010
Certificate Number 15079

WO# 080708WL-b (Rev. A) (KA)

UNITED STATES
DEPARTMENT OF THE INTERIOR **OCD-ARTESIA**
BUREAU OF LAND MANAGEMENTF10-10-561
R-III POTASH
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 <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other		5. Lease Serial No. NMNM86024
2. Name of Operator OXY USA Inc.		6. If Indian, Allottee or Tribe Name
3a. Address P.O. Box 50250, Midland, TX 79710-0250	3b. Phone No. (include area code) 432-685-5717	7. If Unit or CA/Agreement, Name and/or No.
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) SL - 435 FNL 60 FWL NWNW(D) Sec 28 T23S R29E PBHL-660 FNL 1700 FEL NWNE(B) Sec 28 T23S R29E		8. Well Name and No. Cypress 28 Federal #3H
		9. API Well No. 30-015-
		10. Field and Pool, or Exploratory Area Laguna Salado Bone Spring, S
		11. County or Parish, State Eddy NM

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

TYPE OF SUBMISSION	TYPE OF ACTION			
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input checked="" type="checkbox"/> Other <u>Move</u>
	<input checked="" type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	<u>Surface Location</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.)

LOCATION BECOMES ORTHODOX @ 7840' MD

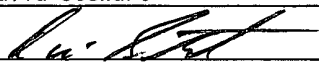
At the request of the BLM, OXY USA Inc. moved the surface location 404' northwest. The APD was originally filed 5/12/10.

Original Surface Location - 735 FNL 330 FWL NWNW(D)

New Surface Location - 435 FNL 60 FWL NWNW(D)
PBHL - 660 FNL 1700 FEL NWNE(B)

Attachments - Amended Drilling Plan, C-102 Plat, Proposed Directional Plan, Location Plats

**SEE ATTACHED FOR
CONDITIONS OF APPROVAL**

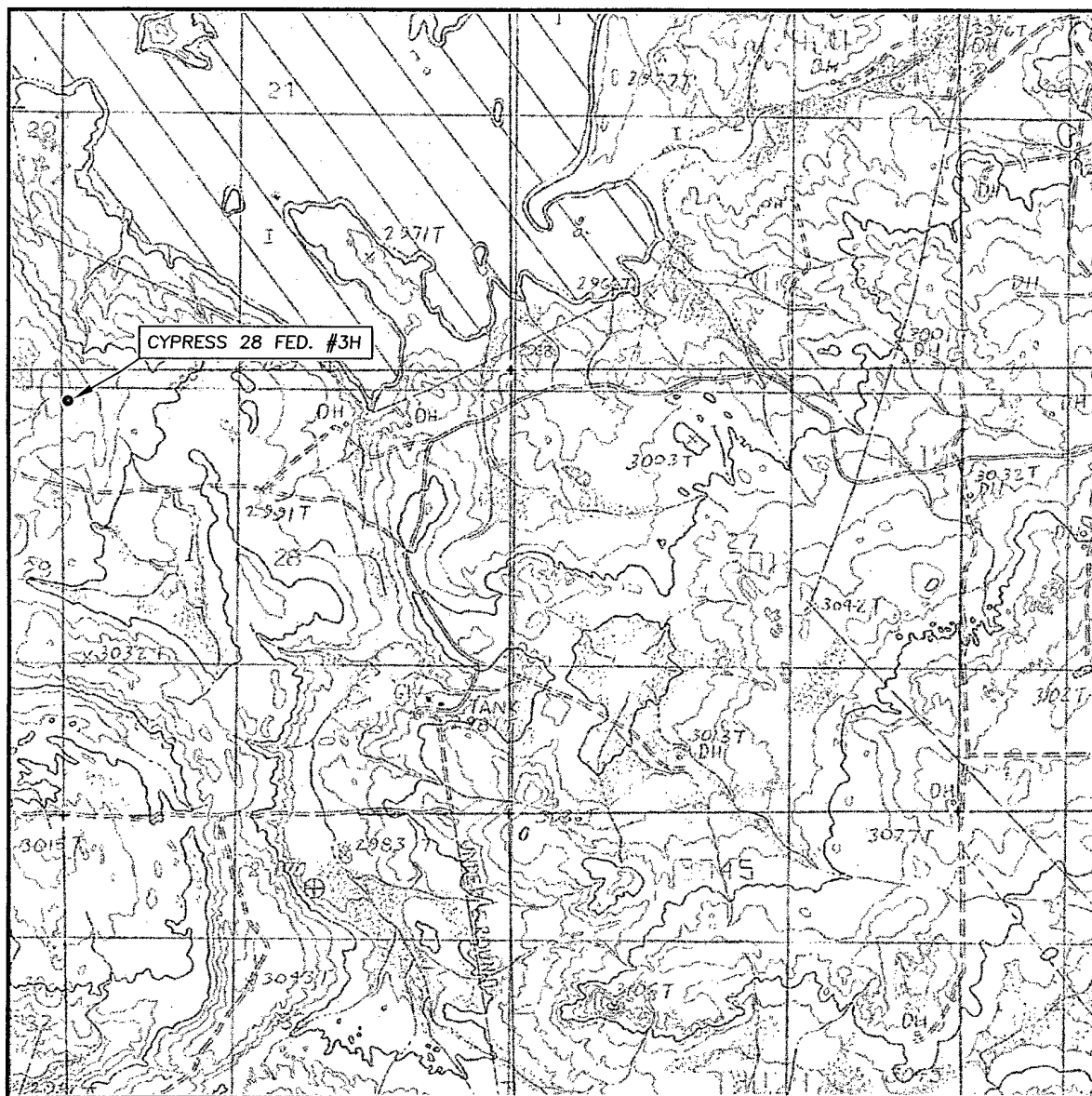
14. I hereby certify that the foregoing is true and correct Name (Printed/Typed) David Stewart		Title Sr. Regulatory Analyst
		Date 9/27/10

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by /s/ Linda S.C. Rundell	Title STATE DIRECTOR	Date OCT 27 2010
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 NM STATE OFFICE

Title 18 U.S.C. Section 1001, and Title 43 U.S.C. Section 1212, makes 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.

LOCATION VERIFICATION MAP



SCALE: 1" = 2000'

CONTOUR INTERVAL: 10'

SEC. 28 TWP. 23-S RGE. 29-E

SURVEY N.M.P.M.

COUNTY EDDY

DESCRIPTION 435' FNL & 60' FWL

ELEVATION 3029.9'

OPERATOR OXY USA, INC.

LEASE CYPRESS 28 FED. #3H

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

Asel Surveying

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

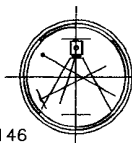
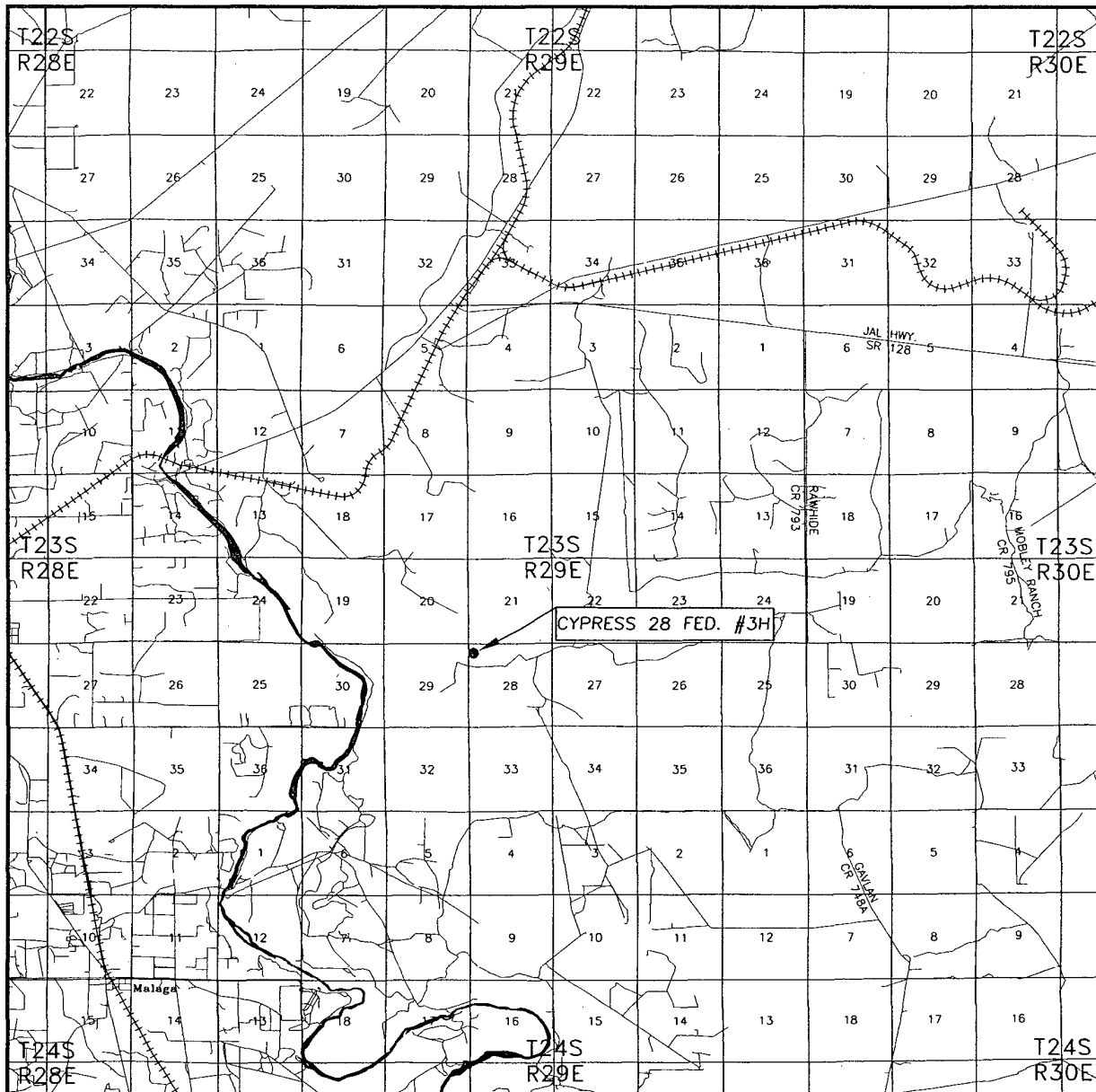


Exhibit # 2A

VICINITY MAP

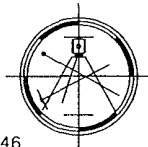


SEC. 28 TWP. 23-S RGE. 29-E
SURVEY N.M.P.M.
COUNTY EDDY
DESCRIPTION 435' FNL & 60' FWL
ELEVATION 3029.9'
OPERATOR OXY USA, INC.
LEASE CYPRESS 28 FED. #3H

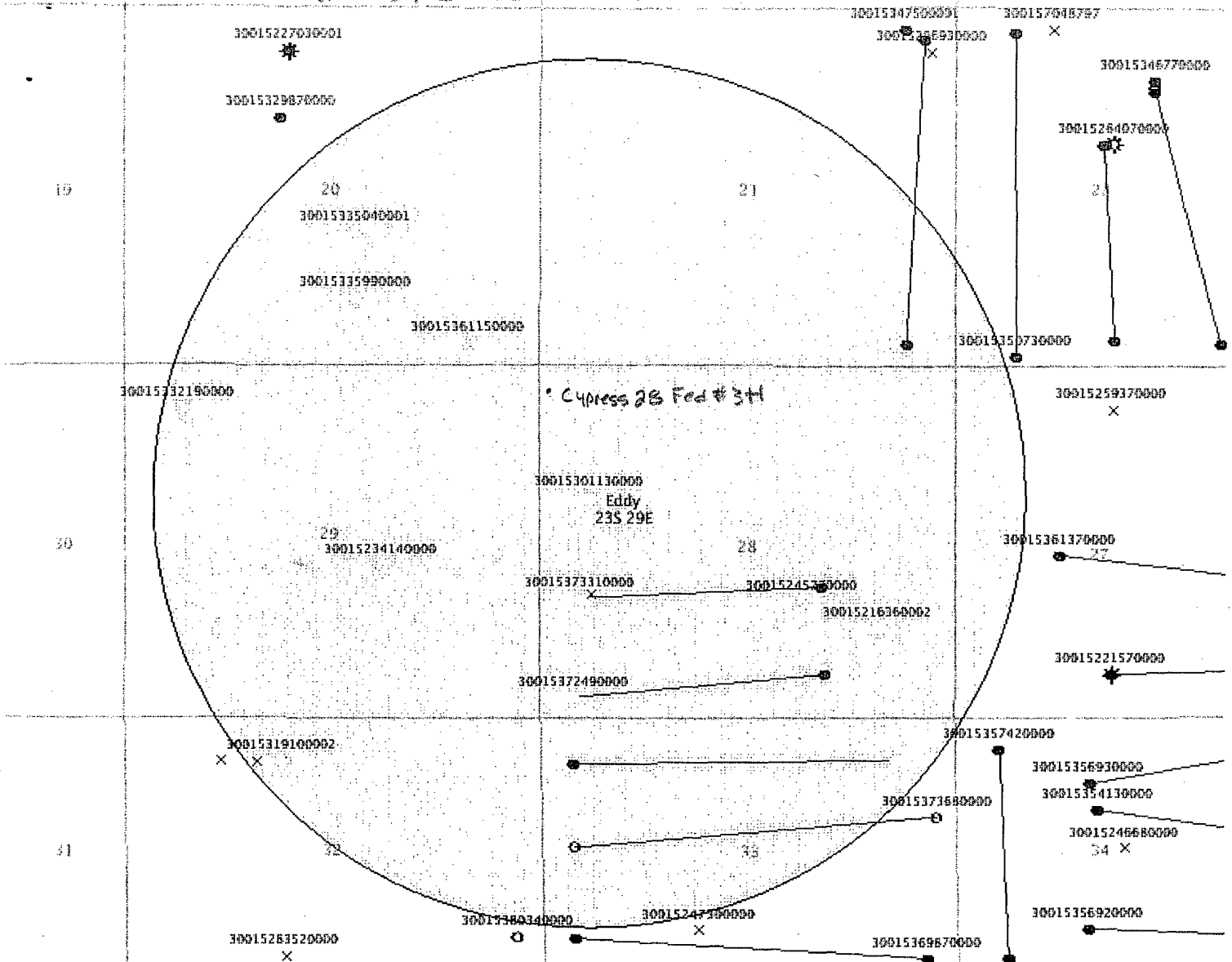
SCALE: 1" = 2 MILES

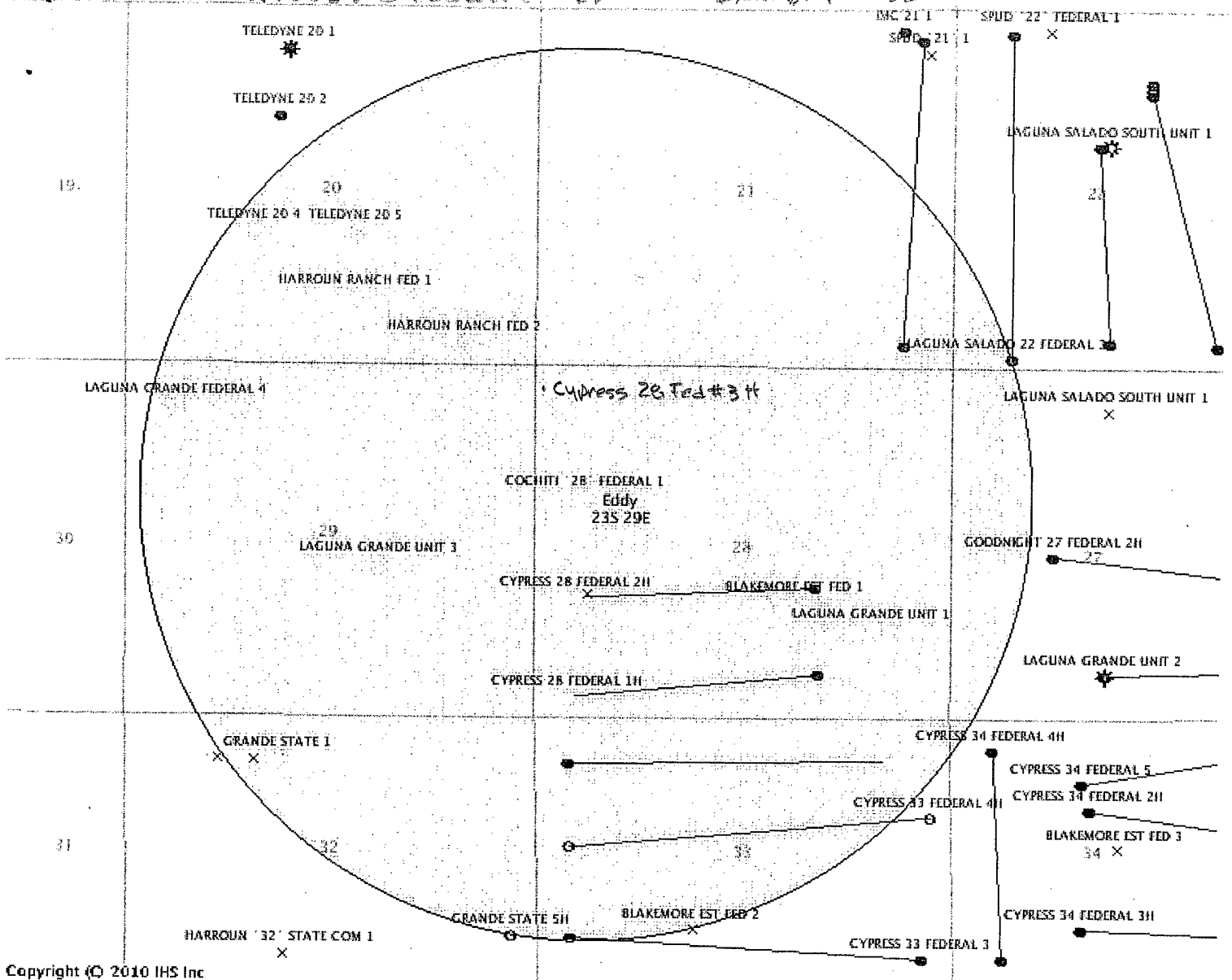
Asel Surveying

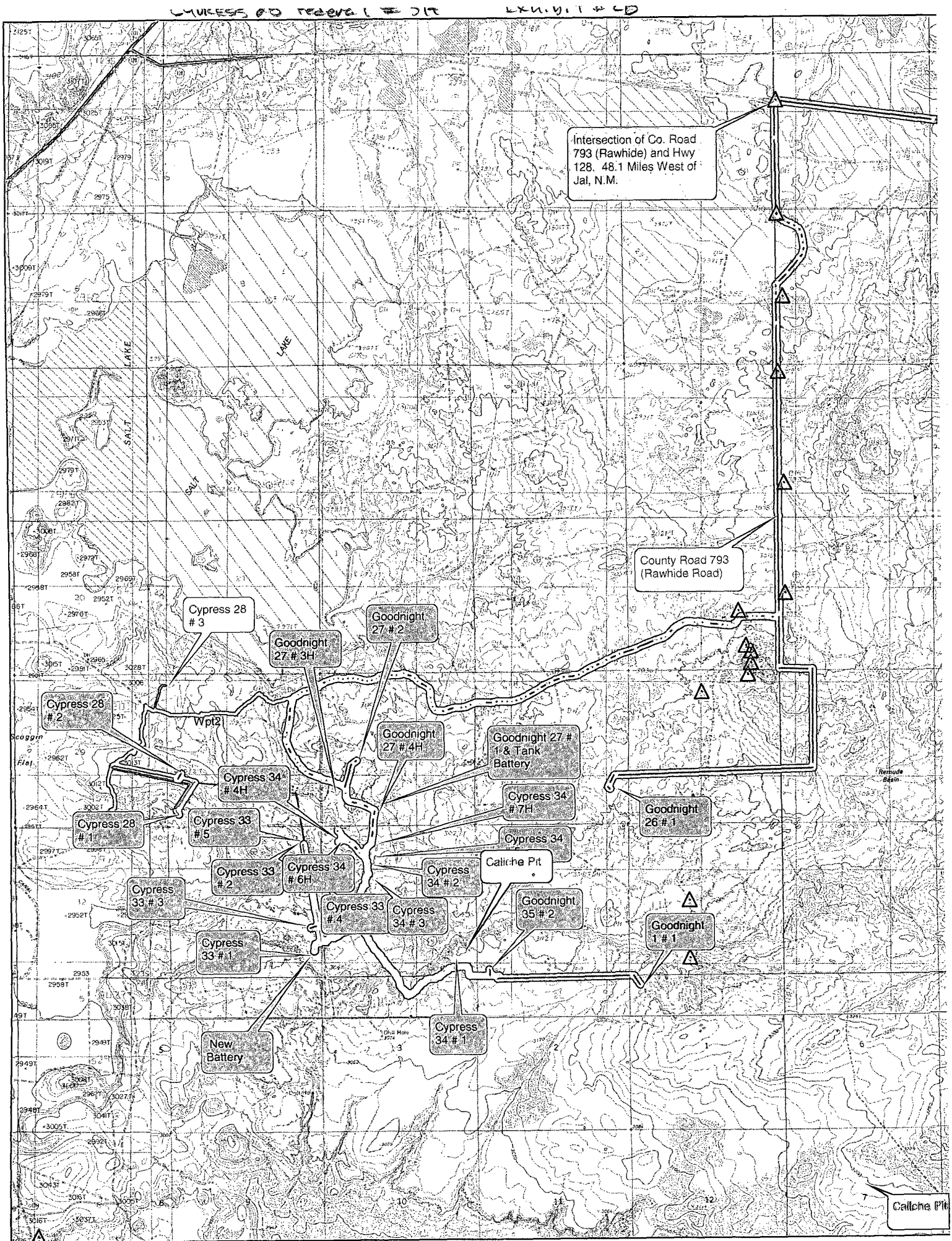
P.O. BOX 393 - 310 W. TAYLOR
HOBBS, NEW MEXICO - 575-393-9146



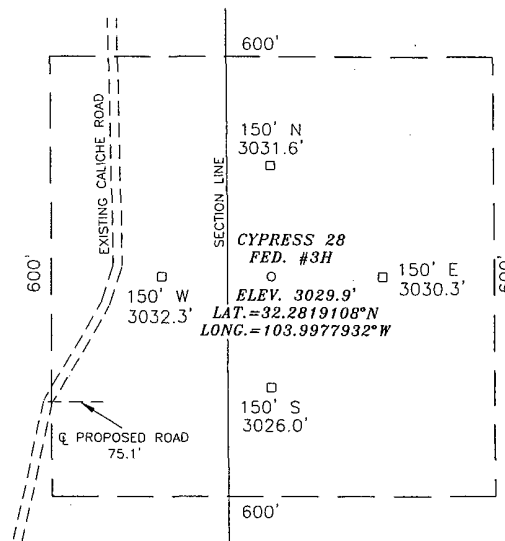
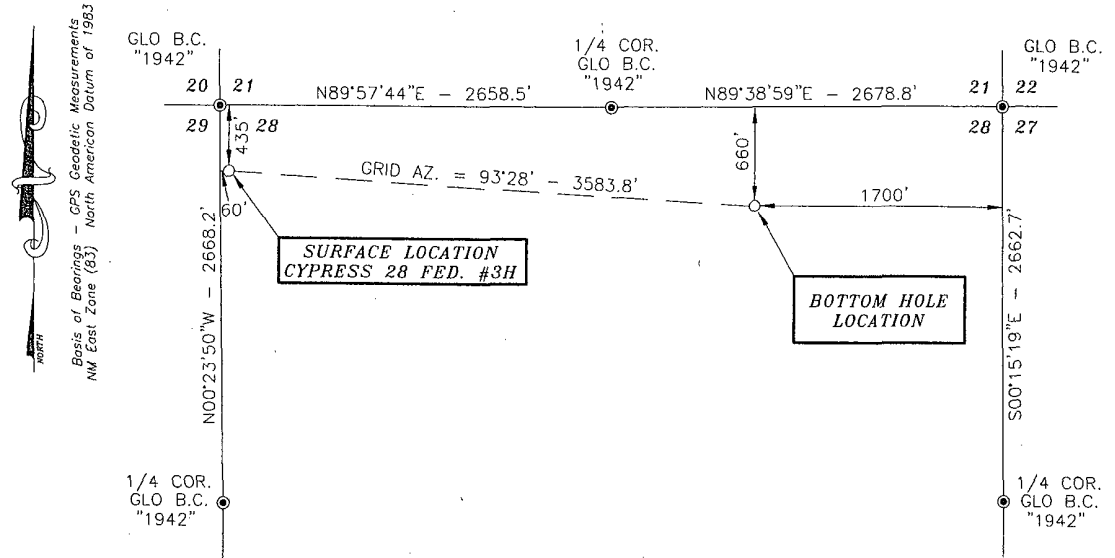
DIRECTIONS BEGINNING IN JAL AT THE INTERSECTION OF HWY. #128 AND HWY. #18, GO WEST ON HWY. #128 FOR APPX. 48.1 MILES, TURN SOUTH ON EDDY CO. ROAD #793 (RAWHIDE ROAD) FOR 3.5 MILES, TURN WEST ON LEASE ROAD FOR 4.5 MILES, TURN NORTH FOR 0.2 MILES, TURN EAST ON PROPOSED ROAD FOR 75.1 FEET TO LOCATION.







SECTION 28, TOWNSHIP 23 SOUTH, RANGE 29 EAST, N.M.P.M.,
EDDY COUNTY
NEW MEXICO



DRIVING DIRECTIONS:
BEGINNING IN JAL AT THE INTERSECTION
OF HWY. #128 AND HWY. #18, GO WEST
ON HWY. #128 FOR APPX. 48.1 MILES,
TURN SOUTH ON EDDY CO. ROAD #793
(RAWHIDE ROAD) FOR 3.5 MILES, TURN
WEST ON LEASE ROAD FOR 4.5 MILES,
TURN NORTH FOR 0.2 MILES, TURN
EAST ON PROPOSED ROAD FOR 75.1
FEET TO LOCATION.

SCALE - 1" = 200'



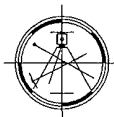
SURVEYORS CERTIFICATE

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

Terry J. Aseel 6/24/2010
Terry J. Aseel N.M. R.P.S. No. 15079

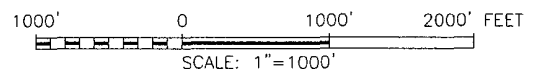
Asel Surveying

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



LEGEND

● - DENOTES FOUND MONUMENT AS NOTED



OXY USA WTP LP

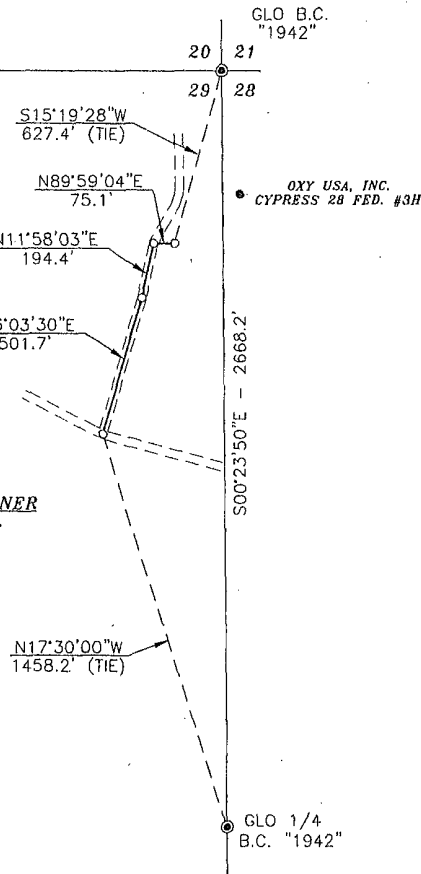
CYPRESS 28 FED. #3H AT
435' FNL & 60' FWL IN SECTION 28,
TOWNSHIP 23 SOUTH, RANGE 29 EAST,
N.M.P.M., EDDY COUNTY, NEW MEXICO

Survey Date: 06/16/10	Sheet 1 of 1 Sheets
W.O. Number: 080708WL-b (Rev. A)	Drawn By: KA Rev: A
Date: 06/17/10	080708WL-b Scale: 1" = 1000'

SECTION 28, TOWNSHIP 23 SOUTH, RANGE 29 EAST, N.M.P.M.,
EDDY COUNTY
NEW MEXICO

7+71.2 END SURVEY @
OXY USA, INC.
CYPRESS 28 FED. #3H
LAT. = 32°16'53.20"N
NAD 27 LONG. = 103°59'54.73"W
6+96.1 P.I. 78°01'01" RT.
5+01.7 P.I. 04°05'27" LT.
0+00.0 BEGIN SURVEY @
EXISTING 30' CALICHE LEASE ROAD
LAT. = 32°16'46.56"N
NAD 27 LONG. = 103°59'57.71"W

LANDOWNER
U.S.A.



North
Basis of Bearings - GPS Geodetic Measurements
NM East Zone (83) North American Datum of 1983

DESCRIPTION

A STRIP OF LAND 30.0 FEET WIDE AND 771.2 FEET OR 0.146 MILES IN LENGTH CROSSING U.S.A. LAND IN SECTION 28, TOWNSHIP 23 SOUTH, RANGE 29 EAST, N.M.P.M., EDDY COUNTY, NEW MEXICO AND BEING 15.0 FEET LEFT AND 15.0 FEET RIGHT OF THE ABOVE PLATTED CENTERLINE SURVEY.

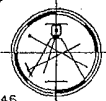
SURVEYORS CERTIFICATE

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

Terry J. Asel 6/24/2010
Terry J. Asel, N.M. R.P.S. No. 15079

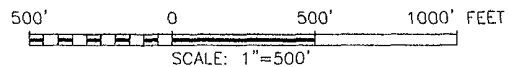
Asel Surveying

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



LEGEND

● - DENOTES FOUND MONUMENT AS NOTED



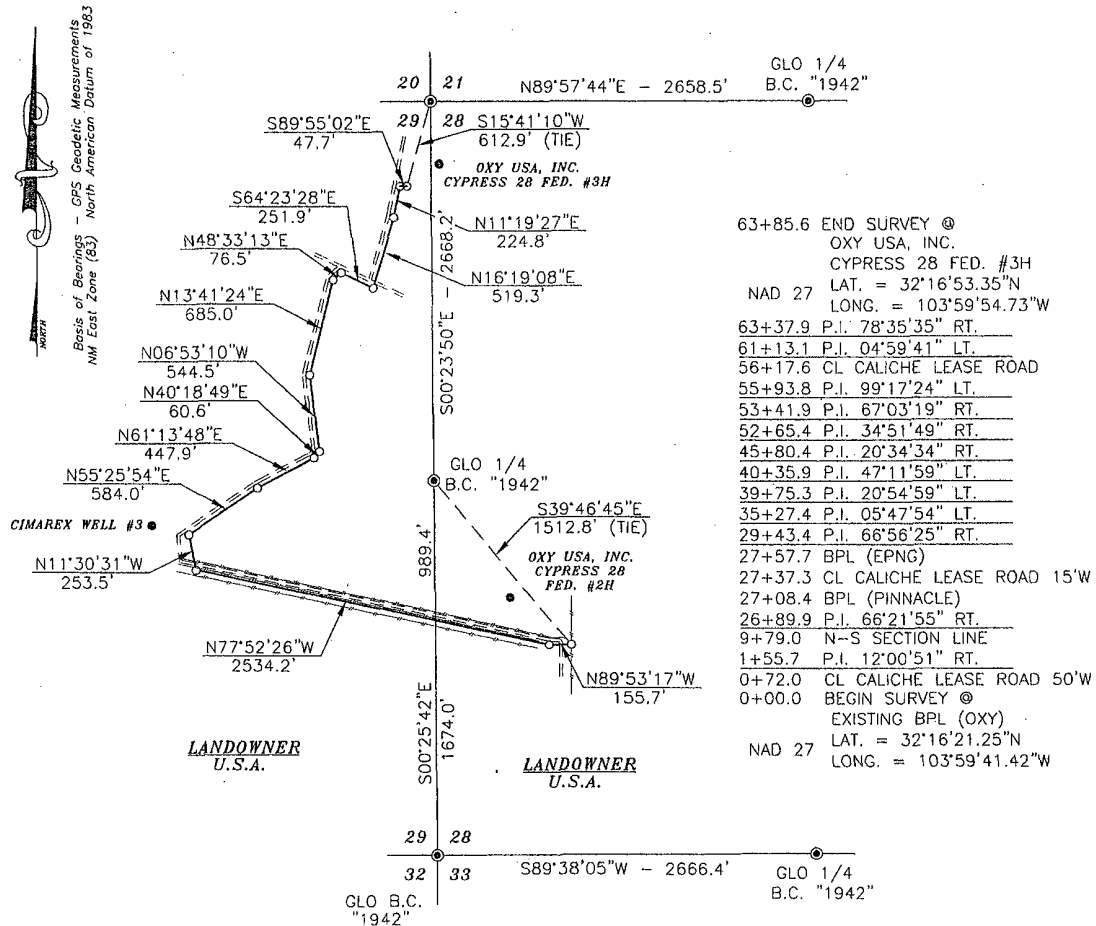
OXY USA, INC.

SURVEY FOR A ROAD EASEMENT
CROSSING U.S.A. LAND IN SECTION 28,
TOWNSHIP 23 SOUTH, RANGE 29 EAST,
N.M.P.M., EDDY COUNTY, NEW MEXICO

Survey Date: 06/16/10	Sheet 1 of 1 Sheets
W.O. Number: 100616RD	Drawn By: KA
Date: 06/17/10	100616RD.DWG Scale: 1"=500'

Exhibit #1D

SECTIONS 28 & 29, TOWNSHIP 23 SOUTH, RANGE 29 EAST, N.M.P.M., EDDY COUNTY NEW MEXICO



DESCRIPTION

A STRIP OF LAND 30.0 FEET WIDE AND 6385.6 FEET OR 1.209 MILES IN LENGTH CROSSING U.S.A. LAND IN SECTIONS 28 & 29, TOWNSHIP 23 SOUTH, RANGE 29 EAST, N.M.P.M., EDDY COUNTY, NEW MEXICO AND BEING 15.0 FEET LEFT AND 15.0 FEET RIGHT OF THE ABOVE PLATTED CENTERLINE SURVEY.



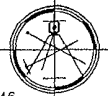
SURVEYORS CERTIFICATE

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

Terry J. Asel 6/29/2010
Terry J. Asel, N.M.R.P.S. No. 15079

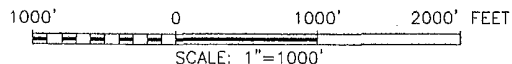
Asel Surveying

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



LEGEND

● - DENOTES FOUND MONUMENT AS NOTED



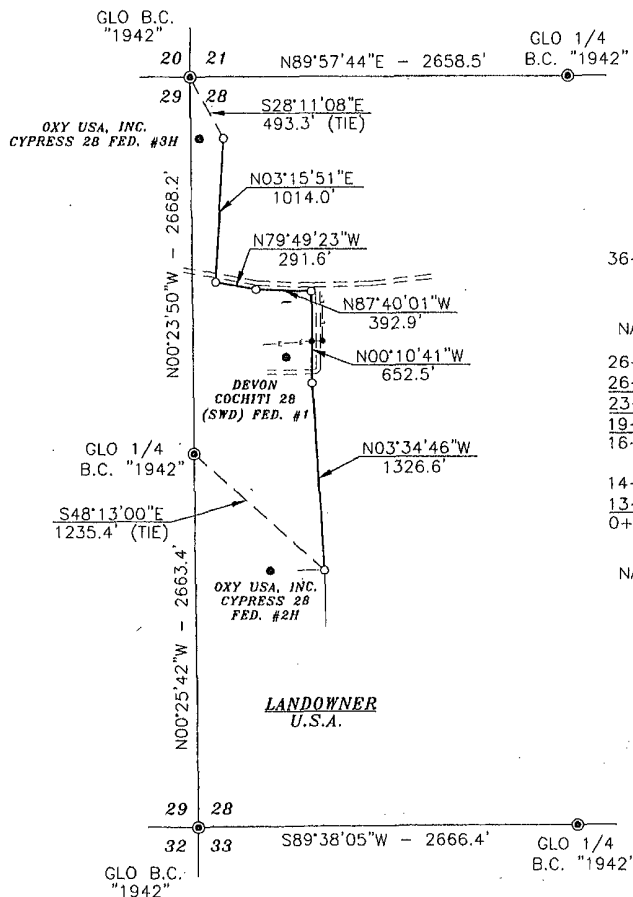
OXY USA, INC.

SURVEY FOR A PIPELINE EASEMENT
CROSSING U.S.A. LAND IN SECTIONS 28 &
29, TOWNSHIP 23 SOUTH, RANGE 29 EAST,
N.M.P.M., EDDY COUNTY, NEW MEXICO

Survey Date: 06/16/10	Sheet 1 of 1 Sheets
W.O. Number: 100323PL (Rev. A)	Drawn By: KA
Date: 06/18/10	100323PL (Rev. A).DWG Scale: 1"=1000'

Exhibit #1E

SECTION 28, TOWNSHIP 23 SOUTH, RANGE 29 EAST, N.M.P.M.,
EDDY COUNTY NEW MEXICO



36+77.6 END SURVEY @
OXY USA, INC.
CYPRESS 28 FED. #3H
LAT. = 32°16'54.87"N
LONG. = 103°59'50.08"W
26+90.9 CL CALICHE LEASE ROAD 20'W
26+63.6 P.I. 83°05'14" RT.
23+72.0 P.I. 07°50'38" RT.
19+79.1 P.I. 87°29'20" LT.
16+26.6 OH ELECTRIC LINE 3W.
& PROPOSED POLE
14+07.0 CL CALICHE LEASE ROAD 30'W
13+26.6 P.I. 03°24'05" RT.
0+00.0 BEGIN SURVEY @ STA. 4+02.1
ON PREVIOUS SURVEY
LAT. = 32°16'24.61"N
LONG. = 103°59'41.96"W

DESCRIPTION

A STRIP OF LAND 30.0 FEET WIDE AND 3677.6 FEET OR 0.697 MILES IN LENGTH CROSSING U.S.A. LAND IN SECTION 28, TOWNSHIP 23 SOUTH, RANGE 29 EAST, N.M.P.M., EDDY COUNTY, NEW MEXICO AND BEING 15.0 FEET LEFT AND 15.0 FEET RIGHT OF THE ABOVE PLATTED CENTERLINE SURVEY.



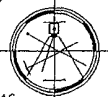
SURVEYORS CERTIFICATE

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

Terry J. Asel 6/24/2010
Terry J. Asel, N.M. R.P.S. No. 15079

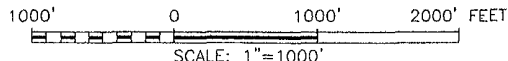
Asel Surveying

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



LEGEND

● - DENOTES FOUND MONUMENT AS NOTED



OXY USA, INC.

SURVEY FOR AN ELECTRIC LINE EASEMENT
CROSSING U.S.A. LAND IN SECTION 28,
TOWNSHIP 23 SOUTH, RANGE 29 EAST,
N.M.P.M., EDDY COUNTY, NEW MEXICO

Survey Date: 06/16/10	Sheet 1 of 1 Sheets
W.O. Number: 100323EL-b (Rev. A)	Drawn By: KA
Date: 06/17/10	100323EL-b (Rev. A) DWG Scale: 1"=1000'

<p>30015227030001</p> <p>30015329670000</p> <p>30015335040001</p> <p>30015335990000</p> <p>30015361150000</p>		<p>3001526930000</p> <p>30015346770000</p> <p>30015264070000</p>		<p>30015227030001</p> <p>30015329670000</p> <p>30015335040001</p> <p>30015335990000</p> <p>30015361150000</p>
<p>30015332180000</p> <p>30015332140000</p> <p>30015301130000</p> <p>30015305040000</p> <p>30015245770000</p> <p>30015216360002</p> <p>30015372490000</p>	<p>28</p> <p>235 29E</p> <p>New Mexico</p> <p>Edley</p>	<p>30015259370000</p> <p>30015361370000</p> <p>30015221570000</p>	<p>30015373080000</p> <p>30015356930000</p> <p>30015241300000</p> <p>30015246880000</p> <p>30015363210000</p> <p>30015305450000</p>	<p>30015332180000</p> <p>30015332140000</p> <p>30015301130000</p> <p>30015305040000</p> <p>30015245770000</p> <p>30015216360002</p> <p>30015372490000</p>
<p>30015283120000</p> <p>30015247300000</p> <p>30015369870000</p> <p>30015356920000</p>	<p>30015373080000</p> <p>30015356930000</p> <p>30015241300000</p> <p>30015246880000</p>	<p>30015259370000</p> <p>30015361370000</p> <p>30015221570000</p>	<p>30015373080000</p> <p>30015356930000</p> <p>30015241300000</p> <p>30015246880000</p> <p>30015363210000</p> <p>30015305450000</p>	<p>30015283120000</p> <p>30015247300000</p> <p>30015369870000</p> <p>30015356920000</p>

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Attachment C-103 – Amended APD

OXY USA Inc.

Cypress 28 Federal #3H

SL-435 FNL 60 FWL NWNW(D) Sec 28 T23S R29E

BHL-660 FNL 1700 FEL NWNE(B) Sec 28 T23S R29E

Eddy County, NM

- 1.** Directions – From Jal go west on SH 128 for 48.1 miles. Turn south on CR 793 (Rawhide Road) for 3.5 miles. Turn west on lease road for 4.5 miles, turn north for 0.2 miles, turn east on proposed road for 75 feet to location.
- 2.** Blade and water existing road from CR 793 (Rawhide Road) to location and repair any bad areas of the existing road with caliche.
- 3.** Caliche for location and road will come from a caliche pit located in Sec 34 T23S R29E, Eddy County, NM.
- 4.** See attached for the proposed Well Site Layout, proposed facilities, road, flow line, and electric line, Exhibits #1A, 1B, 1C, 1D, 1E.
- 5.** See attached for vicinity and access route to the proposed location, Exhibits #2A, #2B, #2C, #2D.
- 6.** One mile AOR map, see attached for Exhibit #3A, 3B
- 7.** Schematic and description of BOP with required valves and choke lines, expanded view of flex hose routing and clamp location, see attached for Exhibit #4A, 4B, 4C, 4D.

BILLING PROGRAM

Operator Name/Number:
Lease Name/Number:
Pool Name/Number:
Surface Location:
Bottom Hole Location:

OXY USA Inc.

Cypress 28 Federal #3H

South Laguna Salado Bone Spring - 96857

735 FNL 330 FWL NWNW(D) Sec 28 T23S R29E

660 FNL 1700 FEL NWNE(B) Sec 28 T23S R29E

Elevation: 3020.5' GR
NAD - 1927
NAD - 1927

Proposed TD:

SL - Lat: 32.2810843

BH - Lat: 32.2812822

Long: 103.9969159

Long: 103.9862205

1. Geologic Name of Surface Formation:

a. Permian

2. Estimated Tops of Geological Markers & Depths of Anticipated Fresh Water, Oil or Gas:

- Geological Marker
- Upper Permian Sand
 - Top Salt
 - Bottom Salt
 - Delaware
 - Bell Canyon
 - Brushy Canyon
 - Bone Springs
 - 1st Bone Springs

P.
Th
incc
Kelly
OXY
See
Reques
Contitec
tested to
clamps, cc

3. Casing Program:

Hole Size	Interval	OD Csg	Weight	Collar	Grade	Condition	Collapse Design Factor	Burst Design Factor
17-1/2"	450'	13-3/8"	48#	STC	H40	New	3.57	4.4'
12-1/4"	2970'	9-5/8"	40#	LTC	J55	New	3.4	
8-1/2"	10623'M	5-1/2"	17#	LTC	N80	New	1.69	
	DVT-5000'							
	DVT/ECP-3020'							

6. Proposed Mud

Depth

0-450'
450-2970'
2970-7300'
7300'-TD
Pump high viscosity
well as with an electric
location at all times.

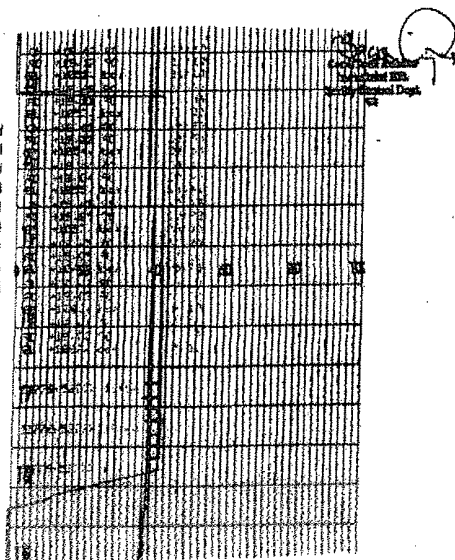
7. Auxiliary Well Control and

- A Kelly cock will be in the
- A full opening drill pipe stat
- Hydrogen Sulfide detection
production casing is cemented
until total depth is reached.

Drilling Program 1

Drilling Program 2

QUALITY CONTROL INSPECTION AND TEST CERTIFICATE				CERT. N°:	746
PURCHASER:				Phoenix Bottle Co.	
CONTITECH ORDER N°:				412636	
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: 90 min.	
Pressure test with water at ambient temperature					
See attachment. (1 page)					
† 10 mm = 10 Min. → 10 mm = 25 MPa					
COUPLINGS					
Type	Serial N°		Quality	Heat N°	
3" coupling with 4 1/16" Flange end	917	913	AISI 4130	T7908A	
			AISI 4130	26664	
INFOCHIP INSTALLED				API Spec 18 C Temperature rate: "B"	
All metal parts are flowtest					
WE CERTIFY THAT THE ABOVE HOSE HAS BEEN MANUFACTURED IN ACCORDANCE WITH THE TERMS OF THE ORDER AND PRODUCE TESTED AS ABOVE WITH SATISFACTORY RESULT.					
Date:	Inspector:	Quality Control:			
04. April. 2008		Continental Rubber Industrial R&D Quality Control Dept. (U)			



Delivery Note

Customer Order Number	379-369-001	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 10C ATTN: JOE STEPHENSON - RIG 370 13609 INDUSTRIAL ROAD HOUSTON, TX 77015			

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

Item No	Beattie Part Number / Description	Qty Ordered	Qty Sent	Qty To Follow
1	HP1003A-36-F1 3" 10K 10C C&K HOSE x 36ft OAL ON 4.1/16" API SPEC FLANGE E/ End 1: 4.1/16" 10Kpsi API Spec 6A Type 6BX Flange End 2: 4.1/16" 10Kpsi API Spec 6A Type 6BX Flange c/w B0156 Standard ring groove at each end Suitable for H2S Service Working pressure: 10,000psi Test pressure: 15,000psi Standard: API 10C Full specification Armor Guarding: Included Fire Rating: Not Included Temperature rating: -20 Deg C to +100 Deg C	1	1	0
2	SEDCS-HPF3 LIFTING & SAFETY EQUIPMENT TO SUIT HP1003A-36-F1 2 x 16mm ID Safety Clevis 2 x 24mm ID Lifting Collars & element C's 2 x 7/8 Stainless Steel wire rope 3/4" OD 4 x 7.76 Shackles	1	1	0
3	SC725-206CS SAFETY CLAMP 200MM 7.25T C/S GALVANIZED	1	1	0

Delivery Note

Customer Order Number	379-369-001	Delivery Note Number	003078	Page	2
Customer / Invoice Address HELMERICH & PAYNE INT'L DRILLING CO 1437 SOUTH BOULDER TULSA, OK 74119		Delivery / Address HELMERICH & PAYNE 10C ATTN: JOE STEPHENSON - RIG 370 13609 INDUSTRIAL ROAD HOUSTON, TX 77015			

Customer Acc No	Phoenix Beattie Contract Manager	Phoenix Beattie Reference	Date
H01	JUL	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	DOCERT-HYDRO HYDROSTATIC PRESSURE TEST CERTIFICATE	1	1	0
6	DOCERT-LOAD LOAD TEST CERTIFICATES	1	1	0
7	DOFREIGHT 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

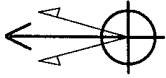
Phoenix Beattie Inspection Signature :

Received in Good Condition : Signature

Notes



Project: Eddy County, NM
Site: Cypress 28 Fed.
Well: Well #3H
Wellbore: OH
Plan: Plan #1 (Well #3H/OH)



Magnetic North: 7.76°
Magnetic Field
Strength: 48733.4snT
Dip Angle: 60.19°
Date: 2010/03/02
Model: IGRF2010



WELL DETAILS: Well #3H

Ground Elevation: 3020.50
RKB Elevation: RKB to MSL @ 3045.50ft (H&P 370)
Rig Name: H&P 370

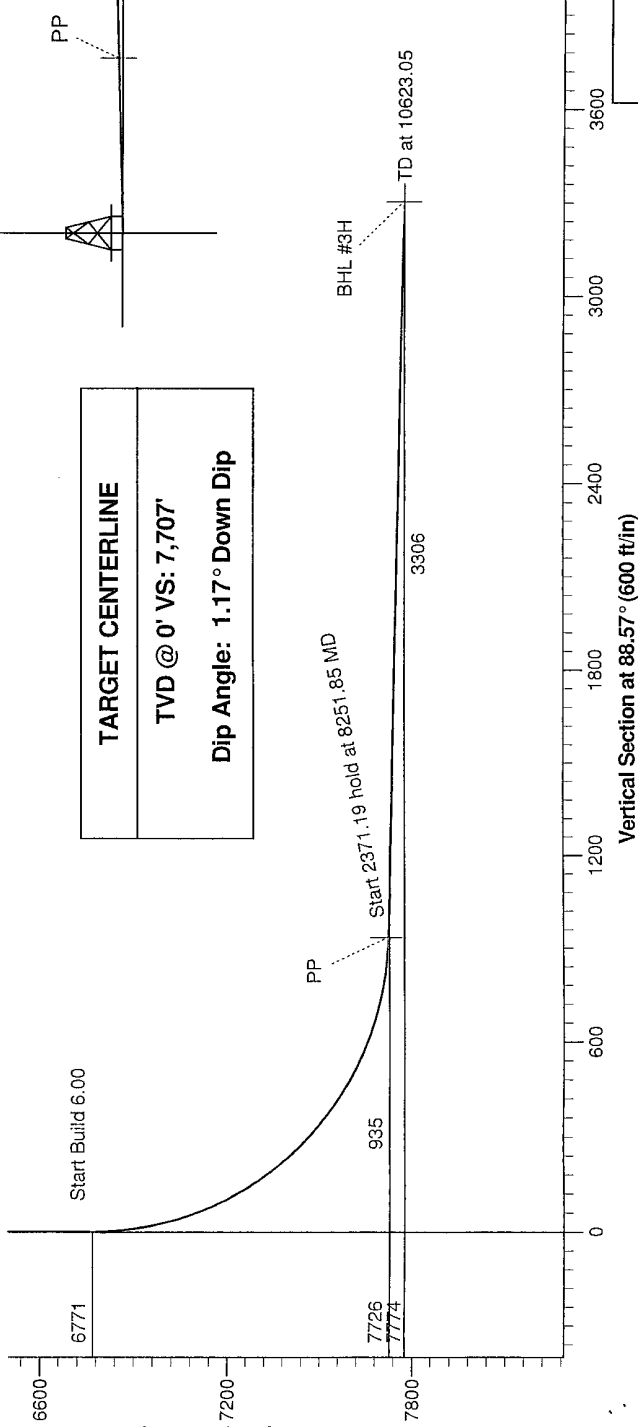
+N/-S	+E/-W	Northing	Easting	Latitude	Longitude	Slot
0.00	0.00	466138.90	603968.50	32° 16' 51.90397 N	103° 59' 48.89703 W	

SECTION DETAILS

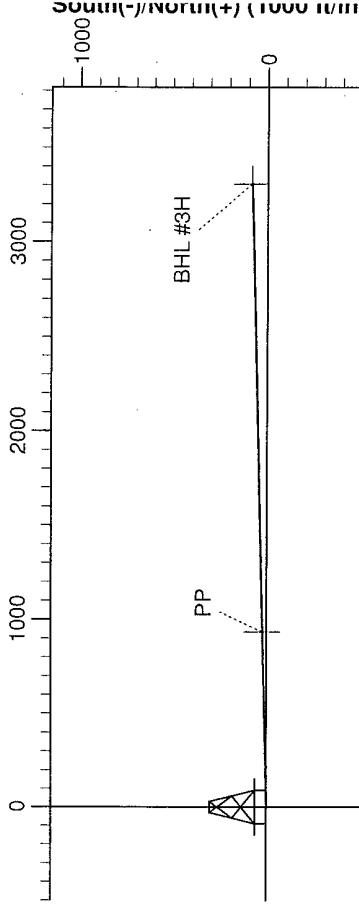
Sec	MD	Inc	Azi	TVD	+N/-S	+E/-W	DLeg	TFace	VSec	Target
1	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
2	6771.35	0.00	0.00	6771.35	0.00	0.00	0.00	0.00	0.00	
3	8251.85	88.83	88.57	7726.08	23.34	935.14	6.00	88.57	935.43	BHL #3H
4	10623.05	88.83	88.57	7774.50	82.50	3305.10	0.00	0.00	3306.13	BHL #3H

TARGET DETAILS

Name	TVD	+N/-S	+E/-W	Northing	Easting	Shape
PP	7725.50	23.34	935.14	466162.24	604903.64	Point
BHL #3H	7774.50	82.50	3305.10	466221.40	607273.60	Point



West(-)/East(+) (1000 ft/in)



PROJECT DETAILS: Eddy County, NM
Geodetic System: US State Plane 1927 (Exact solution)
Datum: NAD 1927 (NADCON CONUS)
Ellipsoid: Clarke 1866
Zone: New Mexico East 3001
Magnetic Model: IGRF2010

System Datum: Mean Sea Level
Local North: Grid

Vertical Section at 88.57° (600 ft/in)



PathFinder Energy Services
PathFinder Standard X&Y Report



Company:	OXY Permian	Well-Well #3H
Project:	Eddy County, NM	RKB to MSL @ 3045.50ft (H&P 370)
Site:	Cypress 28 Fed	RKB to MSL @ 3045.50ft (H&P 370)
Well:	Well #3H	Grid
Wellbore:	OH	Minimum Curvature
Design:	Plan #1	Landmark Network DB

Project	Eddy County, NM	System Datum:	Mean Sea Level
---------	-----------------	---------------	----------------

Map System:	US State Plane 1927 (Exact solution)
Geo Datum:	NAD 1927 (NADCON CONUS)
Map Zone:	New Mexico East 3001

Site	Cypress 28 Fed	Northings:	463,378.60 ft	Latitude:	32° 16' 24.58087 N
Site Position:		Eastings:	604,188.10 ft	Longitude:	103° 59' 46.44003 W
Position Uncertainty:	Map	Slot Radius:	"	Grid Convergence:	0.18 °

Well	Well #3H	Northings:	466,138.90 ft	Latitude:	32° 16' 51.90397 N
Well Position	+N/-S	Eastings:	603,968.50 ft	Longitude:	103° 59' 48.89703 W
Position Uncertainty	+E/-W	Wellhead Elevation:	ft	Ground Level:	3,020.50 ft

Wellbore	OH				
Magnetics	Model Name	Sample Date	Declination (°)	Dip Angle (°)	Field Strength (nT)
	IGRF2010	2010/03/02	7.94	60.19	48.733

Design	Plan #1
Audit Notes:	
Version:	Phase: PLAN Tie On Depth: 0.00
Vertical Section:	Depth From (TVD) +N/-S +E/-W Direction
	(ft) (ft) (ft) (°)
	0.00 0.00 0.00 88.57

Survey Tool/Program	Date	2010/03/02
From	To	
(ft)	(ft)	
Survey (Wellbore)	Tool Name	Description
0.00	10,623.05 Plan #1 (OH)	MWD - Standard



2010/03/02 9:39:05AM Page 3 COMPASS 2003.16 Build 42H



PathFinder Energy Services
PathFinder Standard X&Y Report



Company: OXY Permian		Local Co-ordinate Reference:				Well Well #3H		
Project: Eddy County, NM		TVD Reference:				RKB to MSL @ 3045.50ft (H&P 370)		
Site: Cypress 28 Fed.		MD Reference:				RKB to MSL @ 3045.50ft (H&P 370)		
Well: Well #3H		North Reference:				Grid		
Wellbore: OH		Survey Calculation Method:				Minimum Curvature		
Design: Plan #1		Database:				Landmark Network DB		
Planned Survey								
MD (ft)	Inc (°)	Azi (°)	TVD (ft)	TVDSS (ft)	V. Sec (ft)	N/S (ft)	E/W (ft)	D Leg (°/100ft)
8,100.00	79.72	88.57	7,710.95	-4,665.45	784.49	19.58	784.25	6.00
8,150.00	82.72	88.57	7,718.58	-4,673.08	833.90	20.81	833.64	6.00
8,200.00	85.72	88.57	7,723.62	-4,678.12	883.64	22.05	883.37	6.00
8,251.85	88.83	88.57	7,726.08	-4,680.58	935.43	23.34	935.14	6.00
8,300.00	88.83	88.57	7,727.07	-4,681.57	983.57	24.54	983.26	0.00
8,400.00	88.83	88.57	7,729.11	-4,683.61	1,083.55	27.04	1,083.21	0.00
8,500.00	88.83	88.57	7,731.15	-4,685.65	1,183.53	29.53	1,183.16	0.00
8,600.00	88.83	88.57	7,733.19	-4,687.69	1,283.51	32.03	1,283.11	0.00
8,700.00	88.83	88.57	7,735.23	-4,689.73	1,383.48	34.52	1,383.05	0.00
8,800.00	88.83	88.57	7,737.28	-4,691.78	1,483.46	37.02	1,483.00	0.00
8,900.00	88.83	88.57	7,739.32	-4,693.82	1,583.44	39.51	1,582.95	0.00
9,000.00	88.83	88.57	7,741.36	-4,695.86	1,683.42	42.01	1,682.90	0.00
9,100.00	88.83	88.57	7,743.40	-4,697.90	1,783.40	44.50	1,782.85	0.00
9,200.00	88.83	88.57	7,745.44	-4,699.94	1,883.38	47.00	1,882.79	0.00
9,300.00	88.83	88.57	7,747.48	-4,701.98	1,983.36	49.49	1,982.74	0.00
9,400.00	88.83	88.57	7,749.53	-4,704.03	2,083.34	51.99	2,082.69	0.00
9,500.00	88.83	88.57	7,751.57	-4,706.07	2,183.32	54.48	2,182.64	0.00
9,600.00	88.83	88.57	7,753.61	-4,708.11	2,283.30	56.98	2,282.59	0.00
9,700.00	88.83	88.57	7,755.65	-4,710.15	2,383.28	59.47	2,382.53	0.00
9,800.00	88.83	88.57	7,757.69	-4,712.19	2,483.26	61.97	2,482.48	0.00
9,900.00	88.83	88.57	7,759.74	-4,714.24	2,583.23	64.46	2,582.43	0.00
10,000.00	88.83	88.57	7,761.78	-4,716.28	2,683.21	66.96	2,682.38	0.00
10,100.00	88.83	88.57	7,763.82	-4,718.32	2,783.19	69.45	2,782.33	0.00
10,200.00	88.83	88.57	7,765.86	-4,720.36	2,883.17	71.95	2,882.27	0.00
10,300.00	88.83	88.57	7,767.90	-4,722.40	2,983.15	74.44	2,982.22	0.00
10,400.00	88.83	88.57	7,769.95	-4,724.45	3,083.13	76.94	3,082.17	0.00
10,500.00	88.83	88.57	7,771.99	-4,726.49	3,183.11	79.43	3,182.12	0.00



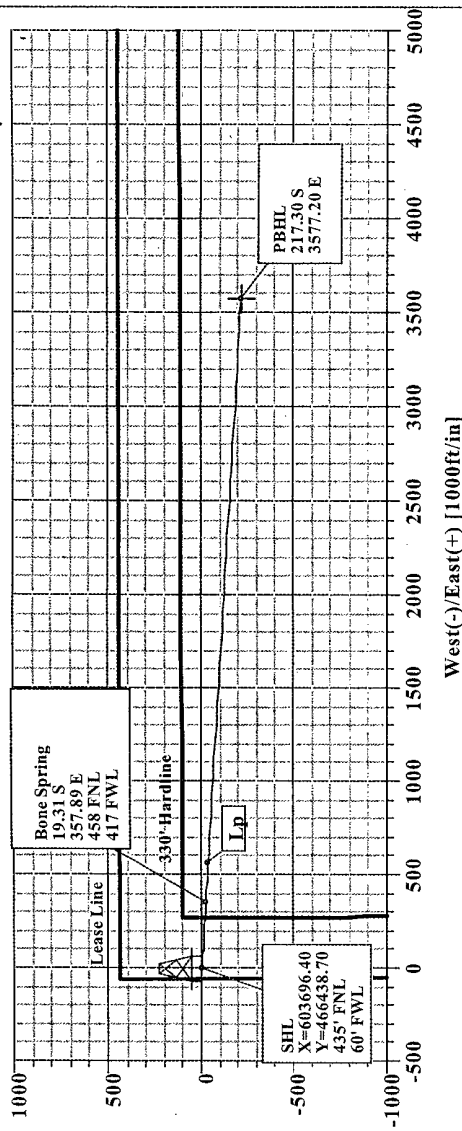
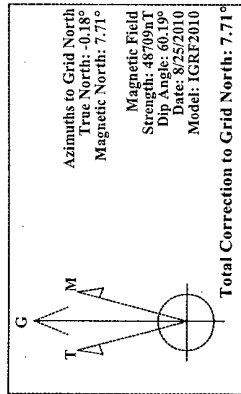
Planned Survey									
MD (ft)	Inc (°)	Azi (°)	TVD (ft)	TV/DSS (ft)	V Sec (ft)	N/S (ft)	E/W (ft)	DLeg (°/100ft)	
10,600.00	88.83	88.57	7,774.03	-4,728.53	3,283.09	81.93	3,282.07	0.00	
10,623.05	88.83	88.57	7,774.50	-4,729.00	3,306.13	82.50	3,305.10	0.00	

Targets									
Target Name - hit/miss target Shape	Dip Angle (°)	Dip Dir (°)	TVD (ft)	+N/-S (ft)	+E/-W (ft)	Northing (ft)	Easting (ft)	Latitude	Longitude
PP - plan hits target center - Point	0.00	0.00	7,725.50	23.34	935.14	466,162.24	604,903.64	32° 16' 52.10583 N	03° 59' 38.00314 W
BHL #3H - plan hits target center - Point	0.00	0.00	7,774.50	82.50	3,305.10	466,221.40	607,273.60	32° 16' 52.61620 N	03° 59' 10.39424 W

Checked By: _____ Approved By: _____ Date: _____

Occidental Permian Ltd.

Cypress 28 Fed #3H
Eddy Co, New Mexico



FORMATION TOP DETAILS			
No.	TVDPath	MDPath	Formation
1	7695.00	7843.91	Bone Spring

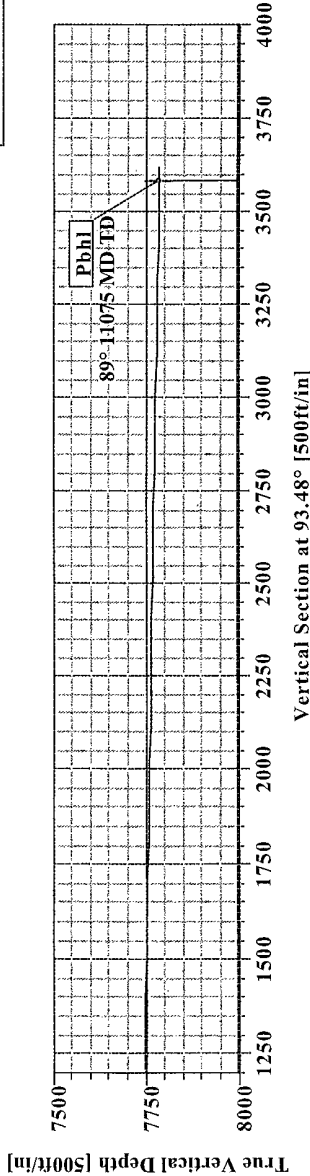
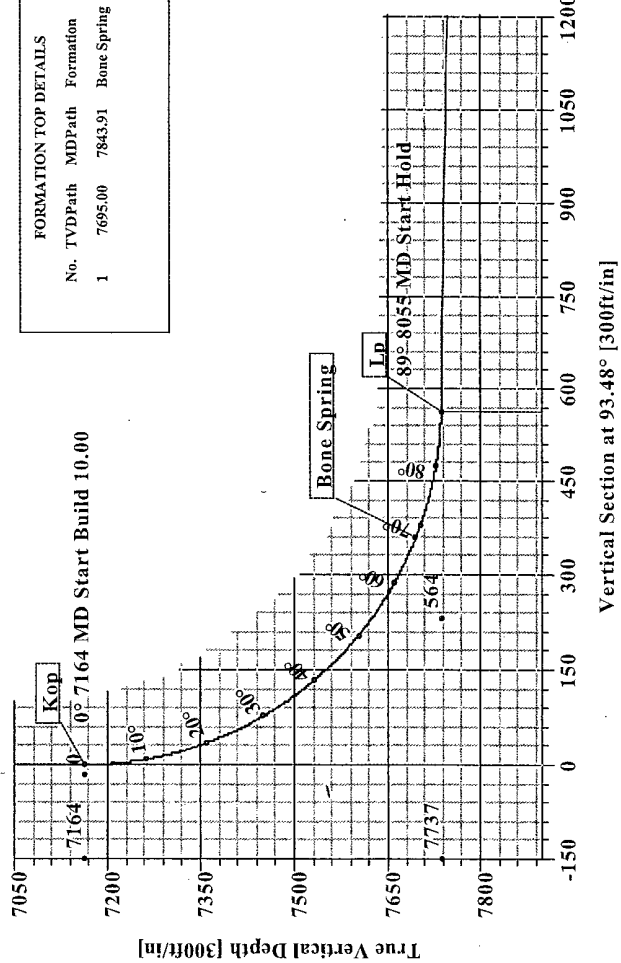
SECTION DETAILS									
Sec	MD	Inc	Azi	TVD	+N/-S	+E/-W	DI Leg	TFace	VSec Target
1	0.00	0.00	93.48	0.00	0.00	0.00	0.00	0.00	0.00
2	7163.67	0.00	93.48	7163.67	0.00	0.00	0.00	0.00	0.00
3	8054.67	89.10	93.48	7736.56	-34.20	562.92	10.00	93.48	563.96
4	11074.88	89.10	93.48	7784.00	-217.30	3577.20	0.00	0.00	3583.79 Pohl

WELL DETAILS					
Name	+N/-S	+E/-W	Northing	Easting	Latitude Longitude Slot
Cypress 28 Fed #3H	0.00	0.00	466438.70	603696.40	32°16'54.879N 103°59'52.056W N/A

TARGET DETAILS					
Name	TVD	+N/-S	+E/-W	Northing	Easting Shape Point
Pohl	7784.00	-217.30	3577.20	466221.40	607273.60 Point

FIELD DETAILS	
Eddy Co, NM (Nad 27)	
Geodetic System: US State Plane Coordinate System 1927	
Ellipsoid: NAD27 (Clarke 1866)	
Zone: New Mexico, Eastern Zone	
Magnetic Model: IGRF2010	
System Datum: Mean Sea Level	
Local North: Grid North	

SITE DETAILS	
Cypress 28 Fed #3H	
Site Centre Northing: 466438.70	
Easting: 603696.40	
Ground Level: 3029.90	
Positional Uncertainty: 0.00	
Convergence: 0.18	



Vertical Section at 93.48° [500ft/in]

Weatherford International Ltd.

WFT Plan Report



Weatherford

Company: Occidental Permian Ltd.	Date: 8/9/2010	Time: 12:54:24	Page: 1
Field: Eddy Co. NM (Nad 27)	Co-ordinate(NE) Reference:	Well: Cypress 28 Fed #3H; Grid North	
Site: Cypress 28 Fed #3H	Vertical (TVD) Reference:	SITE 3054.9	
Well: Cypress 28 Fed #3H	Section (VS) Reference:	Well (0.00N:0.00E:93.48Azi)	
Wellpath: Bone Spring @7695 TVD	Survey Calculation Method:	Minimum Curvature	Db: Sybase

Plan: Plan #1	Date Composed: 8/9/2010
Principal: Yes	Version: 1
	Tied-to: From Surface

Field:	Eddy Co, NM (Nad 27)		
Map System:	US State Plane Coordinate System 1927	Map Zone:	New Mexico, Eastern Zone
Geo Datum:	NAD27 (Clarke 1866)	Coordinate System:	Well Centre
Sys Datum:	Mean Sea Level	Geomagnetic Model:	IGRF2010

Site: Cypress 28 Fed #3H
Site Position: Northing: 466438.70 ft Latitude: 32 16 54.879 N
From: Map Easting: 603696.40 ft Longitude: 103 59 52.056 W
Position Uncertainty: 0.00 ft North Reference: Grid
Ground Level: 3029.90 ft Grid Convergence: 0.18 deg

Well:	Cypress 28 Fed #3H				Slot Name:			
Well Position:	+N/-S	0.00	ft	Northing:	466438.70	ft	Latitude:	32 16 54.879 N
	+E/-W	0.00	ft	Easting :	603696.40	ft	Longitude:	103 59 52.056 W
Position Uncertainty:		0.00	ft					

Wellpath: Bone Spring @7695 TVD	Drilled From: Surface
Current Datum: SITE	Tie-on Depth: 0.00 ft
Magnetic Data: 8/25/2010	Above System Datum: Mean Sea Level
Field Strength: 48709 nT	Declination: 7.88 deg
Vertical Section: Depth From (TVD)	Mag Dip Angle: 60.19 deg
ft	+N/-S
	ft
0.00	0.00
	0.00
	93.48

Plan Section Information

MD	Incl	Azim	TVD	+N/-S	+E/-W	DLS	Build	Turn	TFO	Target
ft	deg	deg	ft	ft	ft	deg/100ft	deg/100ft	deg/100ft	deg	
0.00	0.00	93.48	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
7163.67	0.00	93.48	7163.67	0.00	0.00	0.00	0.00	0.00	0.00	
8054.67	89.10	93.48	7736.56	-34.20	562.92	10.00	10.00	0.00	93.48	
11074.88	89.10	93.48	7784.00	-217.30	3577.20	0.00	0.00	0.00	0.00	Pbhl

Survey

MD	Incl	Azim	TVD	N/S	E/W	VS	DLS	Build	Turn	Comment
ft	deg	deg	ft	ft	ft	ft	deg/100ft	deg/100ft	deg/100ft	
7100.00	0.00	93.48	7100.00	0.00	0.00	0.00	0.00	0.00	0.00	
7163.67	0.00	93.48	7163.67	0.00	0.00	0.00	0.00	0.00	0.00	Kop
7200.00	3.63	93.48	7199.98	-0.07	1.15	1.15	10.00	10.00	0.00	
7300.00	13.63	93.48	7298.72	-0.98	16.11	16.14	10.00	10.00	0.00	
7400.00	23.63	93.48	7393.36	-2.91	47.96	48.05	10.00	10.00	0.00	
7500.00	33.63	93.48	7481.02	-5.82	95.73	95.91	10.00	10.00	0.00	
7600.00	43.63	93.48	7559.03	-9.60	157.97	158.26	10.00	10.00	0.00	
7700.00	53.63	93.48	7625.04	-14.14	232.79	233.22	10.00	10.00	0.00	
7800.00	63.63	93.48	7677.02	-19.31	317.91	318.49	10.00	10.00	0.00	
7843.91	68.02	93.48	7695.00	-21.74	357.89	358.55	10.00	10.00	0.00	Bone Spring
7900.00	73.63	93.48	7713.41	-24.95	410.74	411.50	10.00	10.00	0.00	
8000.00	83.63	93.48	7733.10	-30.89	508.48	509.42	10.00	10.00	0.00	
8054.67	89.10	93.48	7736.56	-34.20	562.92	563.96	10.00	10.00	0.00	Lp
8100.00	89.10	93.48	7737.27	-36.94	608.16	609.28	0.00	0.00	0.00	
8200.00	89.10	93.48	7738.84	-43.01	707.96	709.27	0.00	0.00	0.00	
8300.00	89.10	93.48	7740.41	-49.07	807.77	809.25	0.00	0.00	0.00	
8400.00	89.10	93.48	7741.98	-55.13	907.57	909.24	0.00	0.00	0.00	

Weatherford International Ltd.

WFT Plan Report



Weatherford

Company:	Occidental Permian Ltd.	Date:	8/9/2010	Time:	12:54:24	Page:	2
Field:	Eddy Co. NM (Nad 27)	Co-ordinate(NE) Reference:	Well: Cypress 28 Fed #3H	Grid:	North		
Site:	Cypress 28 Fed #3H	Vertical (TVD) Reference:	SITE 3054 9				
Well:	Cypress 28 Fed #3H	Section (VS) Reference:	Well (0.00N:0.00E:93.48Azi)				
Wellpath:	Bone Spring @7695 TVD	Survey Calculation Method:	Minimum Curvature	Db:	Sybase		

Survey

MD ft	Incl deg	Azim deg	TVD ft	N/S ft	E/W ft	VS ft	DLS deg/100ft	Build deg/100ft	Turn deg/100ft	Comment
8500.00	89.10	93.48	7743.56	-61.19	1007.37	1009.23	0.00	0.00	0.00	
8600.00	89.10	93.48	7745.13	-67.26	1107.18	1109.22	0.00	0.00	0.00	
8700.00	89.10	93.48	7746.70	-73.32	1206.98	1209.21	0.00	0.00	0.00	
8800.00	89.10	93.48	7748.27	-79.38	1306.78	1309.19	0.00	0.00	0.00	
8900.00	89.10	93.48	7749.84	-85.44	1406.59	1409.18	0.00	0.00	0.00	
9000.00	89.10	93.48	7751.41	-91.51	1506.39	1509.17	0.00	0.00	0.00	
9100.00	89.10	93.48	7752.98	-97.57	1606.19	1609.16	0.00	0.00	0.00	
9200.00	89.10	93.48	7754.55	-103.63	1706.00	1709.14	0.00	0.00	0.00	
9300.00	89.10	93.48	7756.12	-109.69	1805.80	1809.13	0.00	0.00	0.00	
9400.00	89.10	93.48	7757.69	-115.76	1905.61	1909.12	0.00	0.00	0.00	
9500.00	89.10	93.48	7759.26	-121.82	2005.41	2009.11	0.00	0.00	0.00	
9600.00	89.10	93.48	7760.83	-127.88	2105.21	2109.09	0.00	0.00	0.00	
9700.00	89.10	93.48	7762.40	-133.95	2205.02	2209.08	0.00	0.00	0.00	
9800.00	89.10	93.48	7763.98	-140.01	2304.82	2309.07	0.00	0.00	0.00	
9900.00	89.10	93.48	7765.55	-146.07	2404.62	2409.06	0.00	0.00	0.00	
10000.00	89.10	93.48	7767.12	-152.13	2504.43	2509.04	0.00	0.00	0.00	
10100.00	89.10	93.48	7768.69	-158.20	2604.23	2609.03	0.00	0.00	0.00	
10200.00	89.10	93.48	7770.26	-164.26	2704.04	2709.02	0.00	0.00	0.00	
10300.00	89.10	93.48	7771.83	-170.32	2803.84	2809.01	0.00	0.00	0.00	
10400.00	89.10	93.48	7773.40	-176.38	2903.64	2909.00	0.00	0.00	0.00	
10500.00	89.10	93.48	7774.97	-182.45	3003.45	3008.98	0.00	0.00	0.00	
10600.00	89.10	93.48	7776.54	-188.51	3103.25	3108.97	0.00	0.00	0.00	
10700.00	89.10	93.48	7778.11	-194.57	3203.05	3208.96	0.00	0.00	0.00	
10800.00	89.10	93.48	7779.68	-200.63	3302.86	3308.95	0.00	0.00	0.00	
10900.00	89.10	93.48	7781.25	-206.70	3402.66	3408.93	0.00	0.00	0.00	
11000.00	89.10	93.48	7782.82	-212.76	3502.47	3508.92	0.00	0.00	0.00	
11074.88	89.10	93.48	7784.00	-217.30	3577.20	3583.79	0.00	0.00	0.00	Pbhl

Targets

Name	Description Dip Dir.	TVD ft	+N/-S ft	+E/-W/ ft	Map Northing ft	Map Easting ft	<--- Latitude ---> Deg Min Sec			<--- Longitude ---> Deg Min Sec		
Pbhl		7784.00	-217.30	3577.20	466221.40	607273.60	32	16	52.616 N	103	59	10.394 W

Casing Points

MD	TVD	Diameter	Hole Size	Name

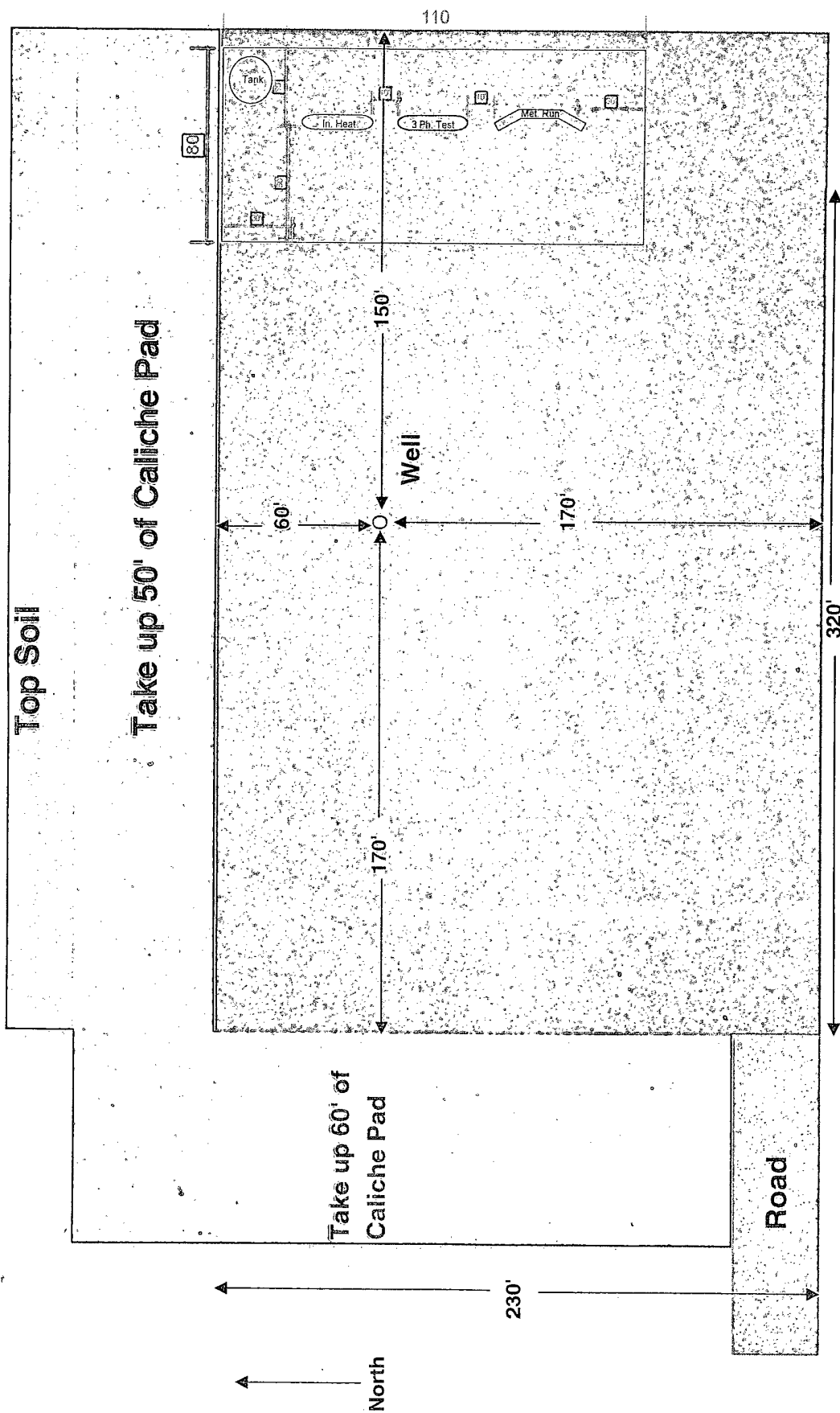
Formations

MD ft	TVD ft	Formations	Lithology	Dip Angle deg	Dip Direction deg
7843.91	7695.00	Bone Spring		0.00	0.00

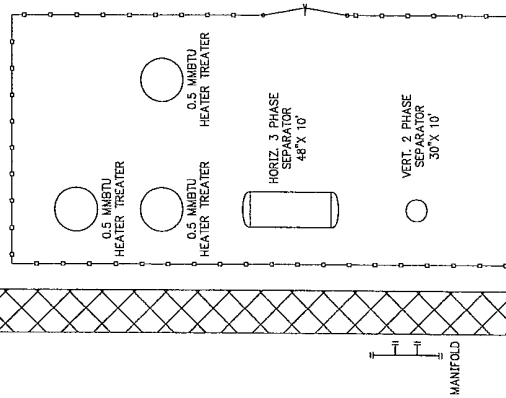
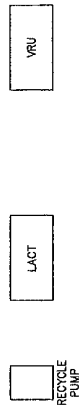
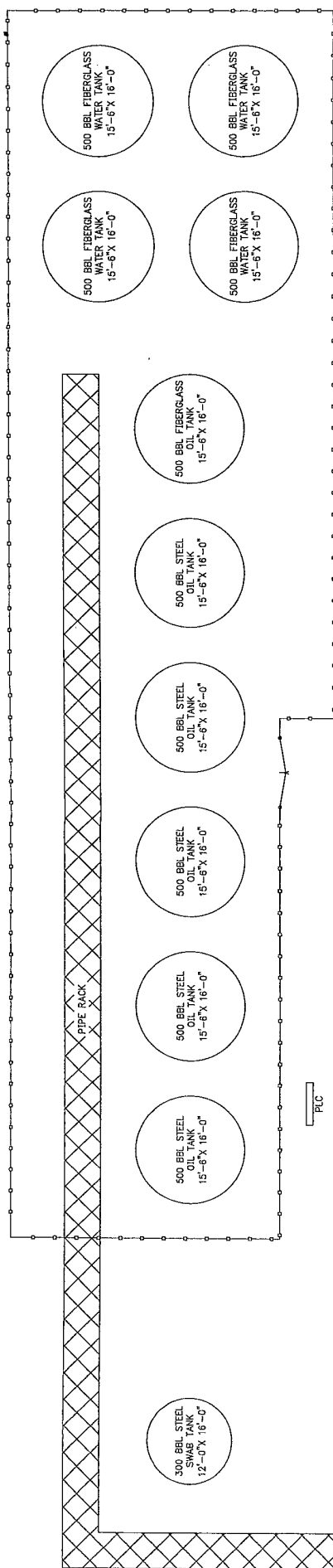
Annotation

MD ft	TVD ft	
7163.67	7163.67	Kop
8054.67	7736.56	Lp
11074.88	7784.00	Pbhl

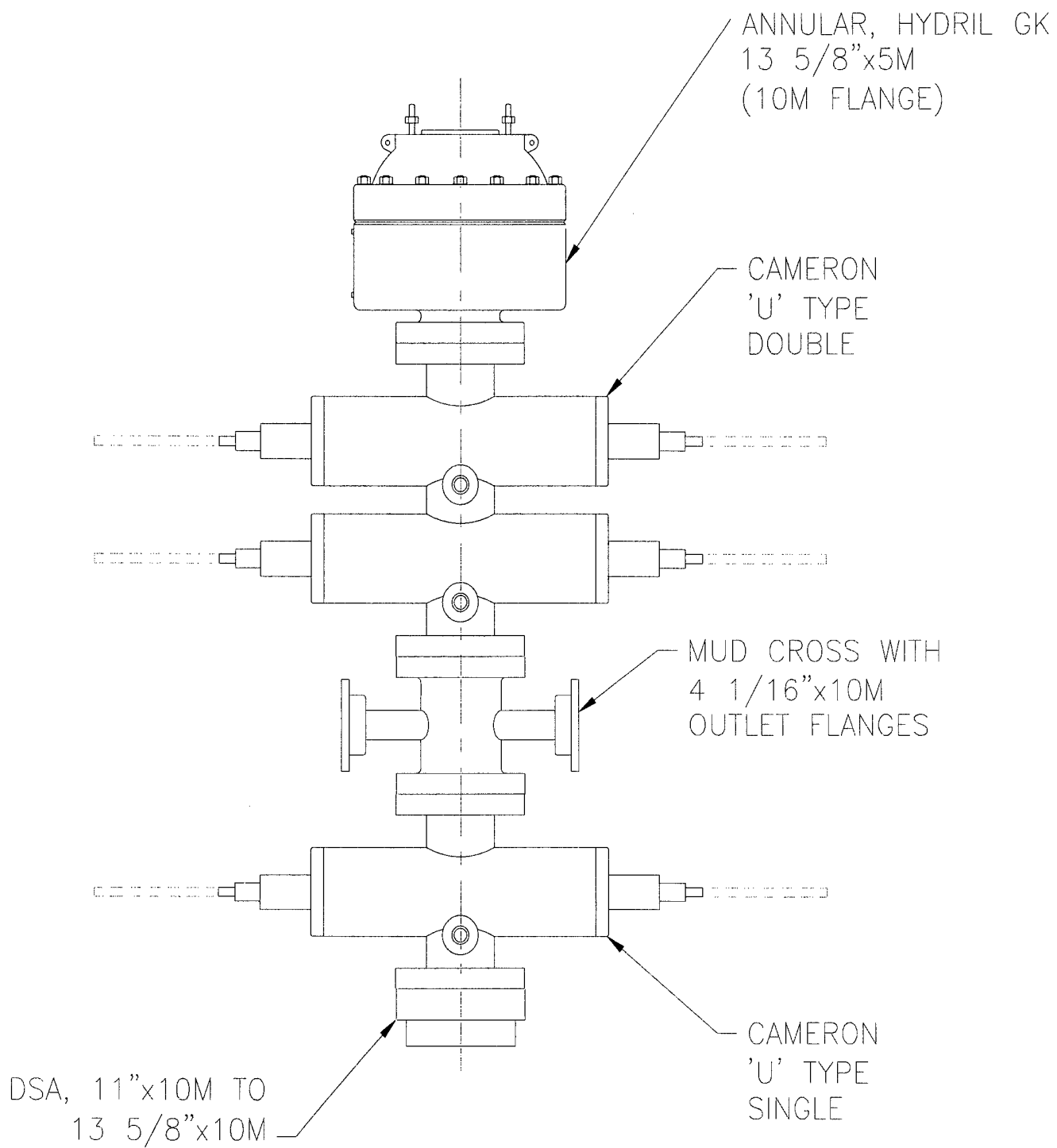
OXY-Cypress 23 Fed #34
 H & P Flex 3 Rig
 Exhibit # 1B



- 1 ea. In-Line Heater (30"x10')
- 1 ea. 3-Phase Tester (36"x10')
- 1 ea. Meter Run
- 1 ea. Swab Tank (300 bbl)

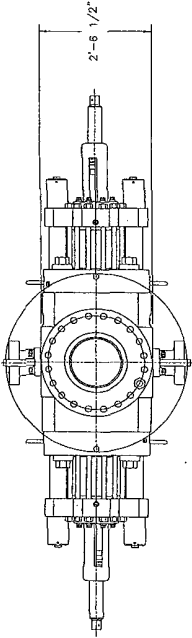
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BOP Diagram

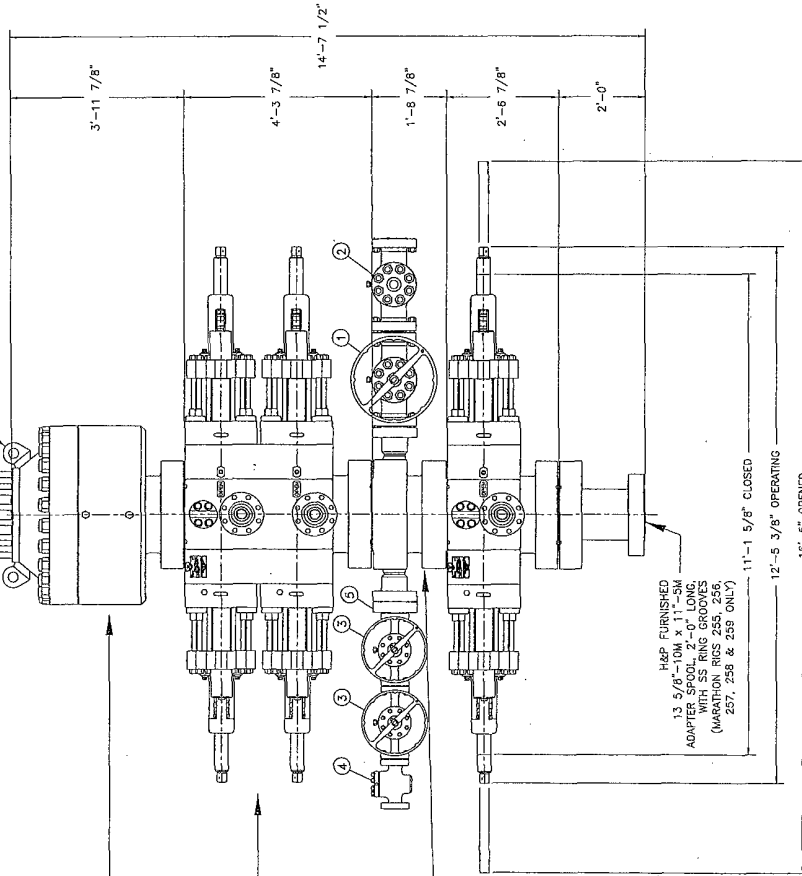


BOP STACK

- LEGEND
- ①— 4 1/16"-10M FLANGED END GATE VALVE WITH DOUBLE ACTING HYDRAULIC ACTUATOR
 - ②— 4 1/16"-10M FLANGED END GATE VALVE WITH DOUBLE ACTING HYDRAULIC ACTUATOR
 - ③— 2 1/8"-10M FLANGED END GATE VALVE WITH DOUBLE ACTING HYDRAULIC ACTUATOR
 - ④— 2 1/8"-10M FLANGED END GATE VALVE WITH DOUBLE ACTING HYDRAULIC ACTUATOR
 - ⑤— DOUBLE STUDDED ADAPTER



SEE LIFT LUG DETAIL



SHAFTER BOLTED-COVER SPHERICAL
RAM-PRER (API 16A)
MONOGRAMMED (API 16A)
10M BOTTOM FLANGE x SM
STUDDED TOP (WEIGHT = 14,300
LBS WITH SHAFTER API 16A HOT
ELEMENT)

CAMERON UM DOUBLE
RAM-TYPE PREVENTER (API 16A)
MONOGRAMMED (API 16A)
WITH 5" CAMERON PIPE
& TOP SEALS IN TOP CAVITY
AND CAMERON OS SHEARING
BOLTS IN BOTTOM CAVITY.
BOTTOM FLANGE STUDDED
TOP (WEIGHT = 21,100 LBS,
WITH RAMS)

13 5/8"-10M WP
CAMERON DRILLING SPOOL
(API 16A MONOGRAMMED)
STUDDED TOP x FLANGED BOTTOM,
WITH 4 1/16"-10M WP FLANGED OUTLETS
(WEIGHT APPROXIMATELY 6,000 LBS)

CAMERON UM SINGLE RAM-TYPE
PREVENTER (API 16A)
MONOGRAMMED (API 16A)
WITH 5" CAMERON PIPE
& TOP SEALS IN TOP CAVITY
& TOP
STUDDED TOP
WEIGHT = 10,900 LBS

CAMERON LIFT EYES,
2 SETS PROVIDED, 50
SHORT TON RATED
CAPACITY EACH.



API 6A MONOGRAMMED CAMERON CHOKES AND KILL
WING VALVE ASSEMBLIES ARE NOT SHOWN FOR
CLARITY
WEIGHTS DO NOT INCLUDE HOSES, ADAPTER SPOOLS
OR QUICK CONNECT FITTINGS

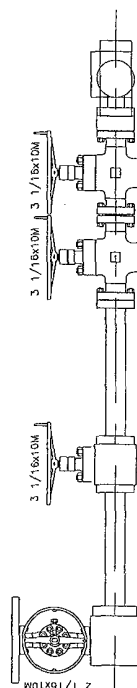
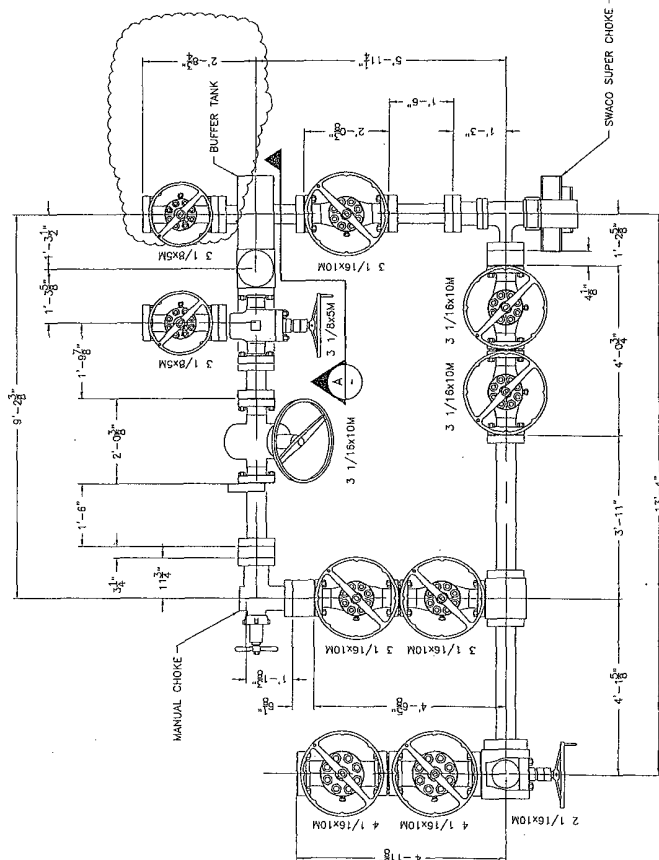
HELMERICH & PAYNE
INTERNATIONAL DRILLING CO.

ENGINEERING APPROVAL		DATE		TITLE	
ADD	12/18/07	ADD	12/18/07	13 5/8"-10M BOP 3 RAM STACK	-
ADD	4-10-07	ADD	4-10-07	13 5/8"-10M BOP 3 RAM STACK	-
ADD	4-24-07	ADD	4-24-07	13 5/8"-10M BOP 3 RAM STACK	-
ADD	10-20-07	ADD	10-20-07	13 5/8"-10M BOP 3 RAM STACK	-
ADD	08-13-02	ADD	08-13-02	13 5/8"-10M BOP 3 RAM STACK	-
REV	DNE	REV	DNE	13 5/8"-10M BOP 3 RAM STACK	-

PROPRIETARY

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Exhibit #4A



HELMERICH & PAYNE
INTERNATIONAL DRILLING CO.

CHOKE MANIFOLD
RIG 216-234

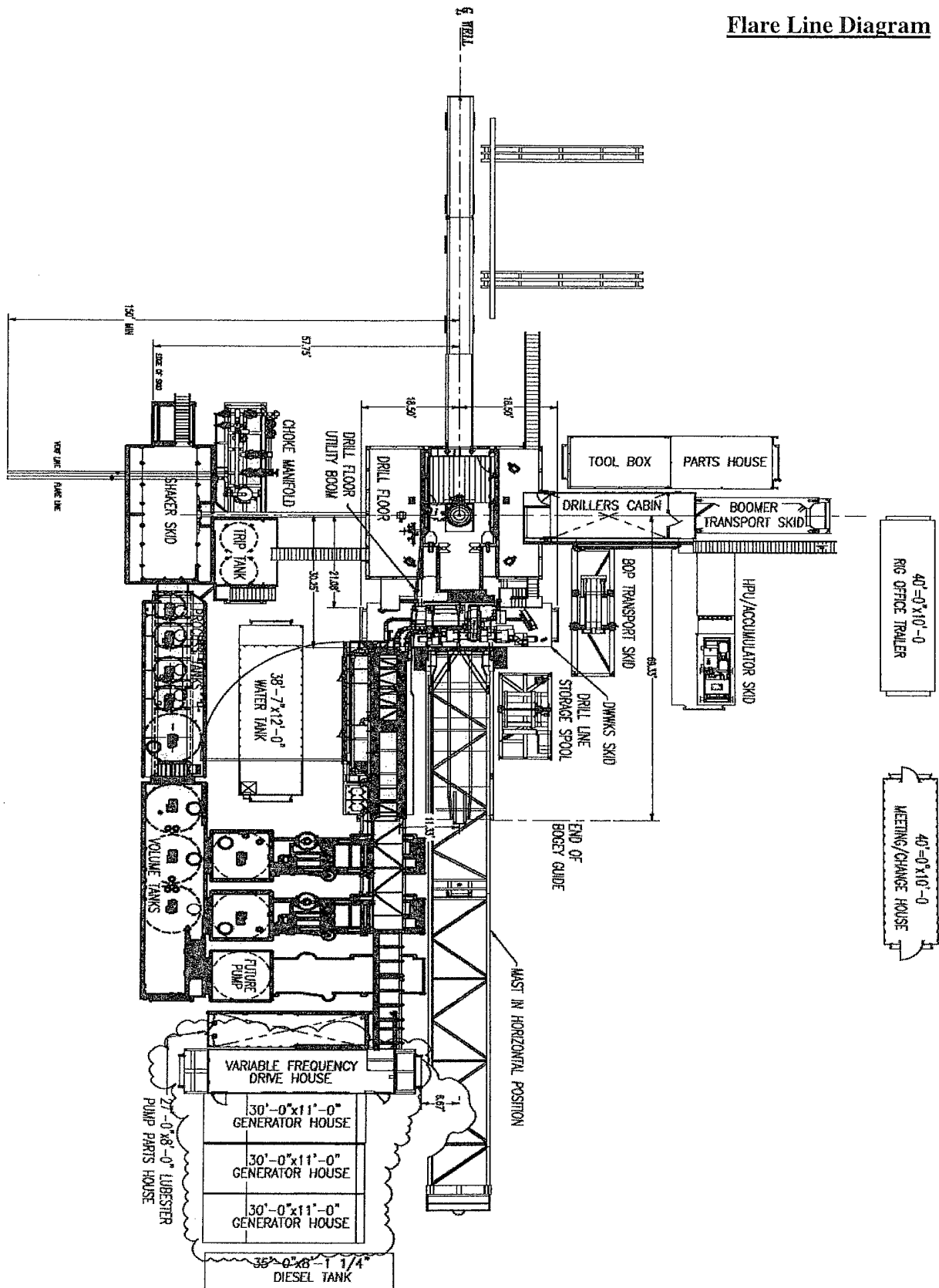
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PROPRIETARY

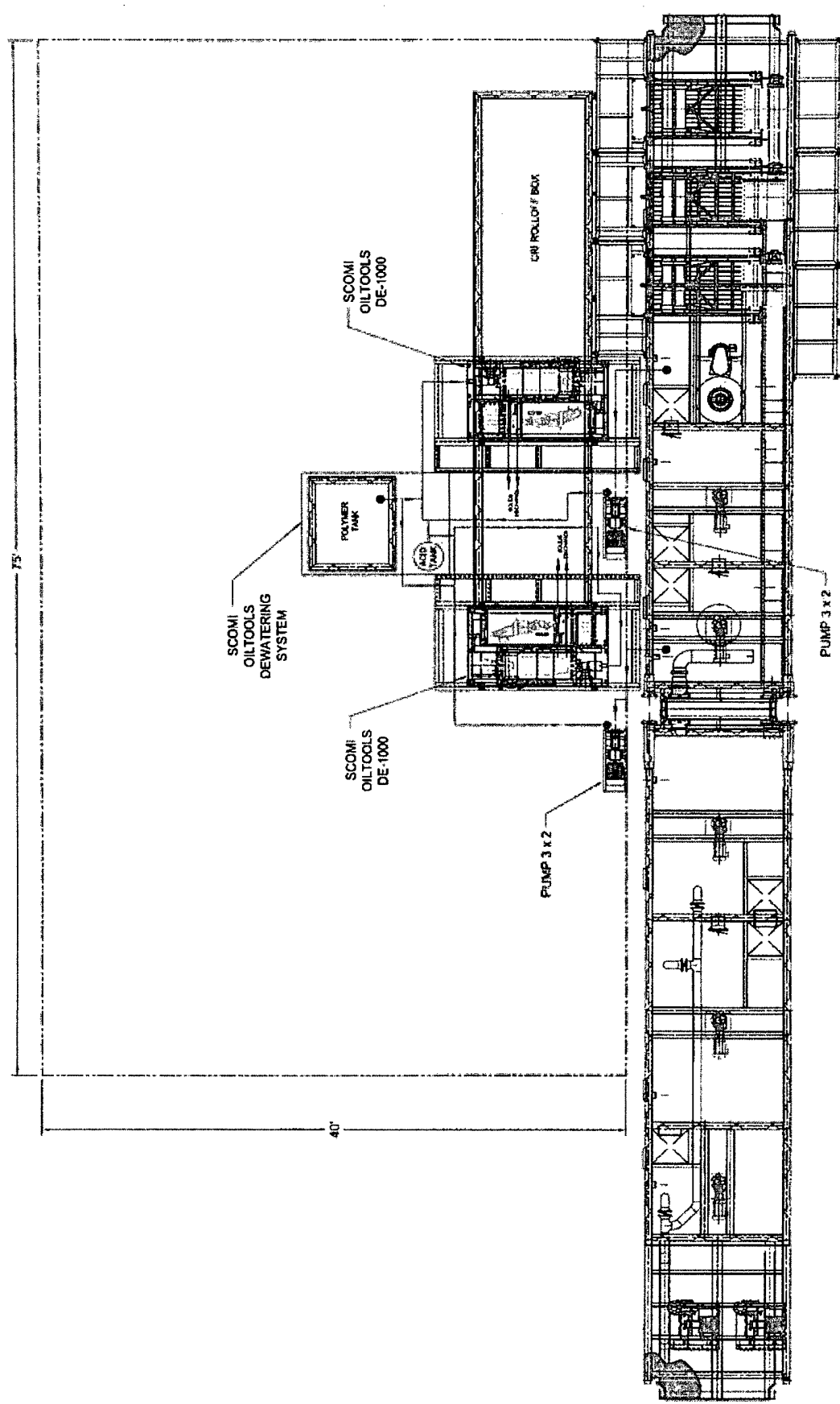
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Exhibit # 23

Flare Line Diagram



ALL OF MATERIAL
DESCRIPTION



<p>SCOMI</p> <p>801 E. Main Street, P.O. Box 100 P.O. Box 100, 801 E. Main Street, P.O. Box 100 P.O. Box 100, 801 E. Main Street, P.O. Box 100</p>		<p>521S-014</p> <p>REV. 01</p>	
<p>CLOSED LOOP SYSTEM</p> <p>BASIC LAYOUT AND TIE IN</p> <p>OXY - H&P - FLEX RIGS / PG 2 OF 2</p>		<p>DATE: 10/20/08</p> <p>SCALE: NTS</p> <p>DATE: 10/20/08</p> <p>SCALE: NTS</p>	
<p>1. ALL DIMENSIONS SHOWN SHALL BE IN FEET - INCHES</p> <p>2. ALL DIMENSIONS SHALL BE SHOWN AS NOTED IN THE DRAWING</p> <p>3. ALL DIMENSIONS SHALL BE SHOWN AS NOTED IN THE DRAWING</p> <p>4. ALL DIMENSIONS SHALL BE SHOWN AS NOTED IN THE DRAWING</p> <p>5. ALL DIMENSIONS SHALL BE SHOWN AS NOTED IN THE DRAWING</p>		<p>DATE: 10/20/08</p> <p>SCALE: NTS</p> <p>DATE: 10/20/08</p> <p>SCALE: NTS</p>	

Level Area-No Calche-For Offices and Living Quarters



OXY Permian

EMERGENCY ACTION PLAN

CYPRESS 28 Federal #3H

DRILLING/WORKOVER

DRILLING AND CRITICAL WELL OPERATIONS

**DRILLING/WORKOVER
DRILLING AND CRITICAL WELL OPERATIONS
EMERGENCY ACTION PLAN**

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PREFACE

An effective and viable Emergency Action Plan (EAP) is intended to provide prior planning and guidance in responding to emergency incidents. The primary considerations in its development are protection of personnel, the public, company and public property, and the environment.

Although the plan addresses varied emergency situations that may occur, it recognizes that flexibility and the use of the organization's knowledge and experience is critical to safe resolution of emergency incidents. Response actions outlined in the plan provide a framework, which may be placed into operation without confusion. These actions should promote quick and decisive actions during the critical initial period and immediately following an emergency. As the response progresses, additional guidelines and procedures may need to be implemented as the situation dictates. In addition, all emergency incidents must be properly reported per the Oxy Incident Reporting and Notification Policy, state and federal requirements, etc.

The following procedures are provided as Oxy Permian's minimum expectations. The Contractor's own procedures may be utilized in lieu of Oxy Permian's, provided that it meets or exceeds the minimum deliverables. It should be understood that this list is not all-inclusive, but the overall plan should assist in lateral application to similar incidents.

This EAP is intended for use on Oxy Drilling/Workover projects and the operations within their area of responsibility, such as drilling, critical well work, etc.

EMERGENCY RESPONSE ACTIVATION AND GENERAL RESPONSIBILITIES

Activation of the Emergency Action Plan

- A. In the event of any emergency situation, all personnel on location should first ensure that the following items are initiated. After that, they should refer to the appropriate Specific Emergency Guidance sections on pages five (5) through nine (9) in this document for further responsibilities:
 - 1. Notify the senior ranking contract representative on site.
 - 2. Notify Oxy representative in charge.
 - 3. Notify civil authorities if the Oxy Representative cannot be contacted and the situation dictates.
 - 4. Perform rescue and first aid as required (without jeopardizing additional personnel).

General Responsibilities

Oxy Permian Personnel:

- A. Drill Site Manager: The Oxy Drilling/Critical Well Servicing Operations Specialist or contract personnel serving in that capacity will serve as Operations Chief Officer for all emergency incidents. The Operations Chief Officer is responsible for:
 - 1. Notification to the Drilling/Workover Team Leader of the incident occurrence.
 - 2. Notification to the local RMT/PMT leader of the incident occurrence, and the need for the designated local RMT/PMT Incident Commander to act in that capacity for the response effort.
 - 3. Sole control of all tactical activities directed toward reducing the immediate hazard, establishing situational control and restoring the operations to a non-emergency state.
- B. Local RMT/PMT Designated Incident Commander: The Oxy local RMT/PMT Designated Incident Commander will serve as the overall Incident Commander for the drilling or critical well servicing emergency incident. The Incident Commander is responsible for:
 - 1. Coordinating with the Drilling Manager for notification to the Oxy Crisis Management team of the incident occurrence.
 - 2. Establishing and managing the overall incident command structure and response from inception through restoration of normal activities in the area.
- C. Drilling/Workover HES Tech: The Drilling/Workover HES Tech (or his designate) is responsible for reporting to the incident as soon as reasonably possible, to provide support to the response effort as required by the Operations Chief Officer or the Incident Commander.

Contract Drilling Personnel will immediately report to their assigned stations and perform their duties as outlined in the appropriate Specific Emergency Guidance sections on pages five (5) through nine (9) in this document.

Other Contractor Personnel will report to the safe briefing area to assist Oxy personnel and civil authorities as requested when it is safe to do so and if they have been adequately trained in their assigned duties.

Civil Authorities (Law Enforcement, Fire, and EMS) will be responsible for:

- 1. Establishing membership in the Unified Incident Command.
- 2. As directed by the Incident Commander and the Unified Command, control site access, re-route traffic, and provide escort services for response personnel.
- 3. Perform all fire control activities in coordination with the Unified Command.
- 4. Initiate public evacuation plans as instructed by the Incident Commander.
- 5. Perform rescue or recovery activities with coordination from the Unified Command.
- 6. Provide medical assistance as dictated by the situation at hand.

WELL CONTROL

The following procedures will be implemented when a loss of primary control is indicated. Indicators of loss of primary control are flow from the well, an increase in pit volume, or when the drilling fluid used to fill the hole on trips is less than the calculated pipe displacement volume. The emergency signal for well control procedures will be a single long blast of the rig air horn.

Kick While Drilling - Procedures And Responsibilities

Driller:

1. Stop the rotary and hoist the kelly above the rotary table.
2. Stop the mud pump(s).
3. Check for flow.
4. If flowing, sound the alarm immediately.
5. Ensure that all crew members fill their responsibilities to secure the well.
6. Record drill pipe and casing shut-in pressures and pit volume increase and begin kill sheet.

Derrickman:

1. Go to BOP/choke manifold area.
2. Open choke line valve on BOP.
3. Signal to Floorman #1 that the choke line is open.
4. Close chokes after annular or pipe rams are closed.
5. Record shut-in casing pressure and pit volume increase.
6. Report readings and observations to Driller.
7. Verify actual mud weight in suction pit and report to Driller.
8. Be readily available as required for additional tasks.

Floorman # 1:

1. Go to accumulator control station and await signal from Derrickman.
2. Close annular preventer and HCR on signal (if available, if not then close pipe rams).
3. Record accumulator pressures and check for leaks in the BOP or accumulator system.
4. Report to Driller, and be readily available as required for additional tasks.

Floorman # 2:

1. Start water on motor exhausts.
2. Notify Contractor Tool Pusher or Rig Manager of well control situation.
3. Check location for ignition sources and extinguish or turn off, and stop any welding in progress.
4. Report to Driller, and be readily available as required for additional tasks.

Floorman # 3:

1. Stand-by with Driller, and be readily available as required for additional tasks.

Tool Pusher/Rig Manager:

1. Notify Oxy Representative and report to rig floor.
2. Review and verify all pertinent information.
3. Communicate information to Oxy Representative, and confer on an action plan.
4. Finalize well control worksheets, calculations and preparatory work for action plan.
5. Initiate and ensure the action plan is carried out.
6. Communicate any changes in well or site conditions, or any indications that the action plan needs to be revised to the Oxy representative.

Oxy Representative:

1. Notify Drilling Superintendent or Drilling Manager and RMT Leader or Local Incident Commander, and Police, Fire Department, or other local emergency services as required.

WELL CONTROL (continued)

Kick While Tripping - Procedures and Responsibilities

Driller:

1. Sound the alarm immediately when pipe displacement volume is less than 75% of calculated.
2. Position the upper tool joint just above rotary table and set slips.
3. Check for flow.
4. Ensure that all crew members fill their responsibilities to secure the well.
5. Record drill pipe and casing shut-in pressures and pit volume increase, and begin kill sheets.

Derrickman: (same as while drilling)

Floor Man # 1:

1. Install full opening valve (with help from Floorman #2) in top drill string connection.
2. Tighten valve with make up tongs.
3. Go to accumulator control station and await signal from Derrickman.
4. Close annular preventer and HCR valve on signal (if available, if not then close pipe rams).
5. Record accumulator pressures and check for leaks in the BOP and accumulator system.
6. Report to Driller, and be readily available as required for additional tasks.

Floor Man # 2:

1. Assist installing full opening valve in drill string.
2. Position back-up tongs for valve make-up.
3. Start water on motor exhausts.
4. Notify Contractor Tool Pusher or Rig Manager of well control situation.
5. Check location for ignition sources and extinguish or turn off, and stop any welding in progress.
6. Report to Driller, and be readily available as required for additional tasks.

Floorman # 3, Rig Manager/Tool Pusher, and Oxy Representative: (same as while drilling)

H2S RELEASE

The following procedures and responsibilities will be implemented on activation of the H2S siren and lights.

All Personnel:

1. On alarm, don escape unit (if available) and report to upwind briefing area.

Rig Manager/Tool Pusher:

1. Check that all personnel are accounted for and their condition.
2. Administer or arrange for first aid treatment, and /or call EMTs as needed.
3. Identify two people best suited to secure well and perform rescue, and instruct them to don SCBA.
4. Notify Contractor management and Oxy Representative.
5. Remain at the briefing area, assess and monitor personnel and overall situation for hazards or conditions that might warrant a change in the action plan.

Two People Responsible For Shut-in and Rescue:

1. Don SCBA and acquire tools to secure well and perform rescue, i.e., wrenches, retrieval ropes, etc.
2. Utilize the buddy system to secure well and perform rescue(s).
3. Return to the briefing area and stand by for further instructions.

All Other Personnel:

1. Remain at the briefing area and await further instructions - do not leave unless instructed.

Oxy Representative:

1. Remain at the briefing area, assess and monitor personnel and overall situation for hazards or conditions that might warrant a change in the action plan.
2. Notify Drilling Superintendent or Drilling Manager and RMT Leader or Local Incident Commander, and Police, Fire Department, or other local emergency services as required.

PERSONAL INJURY OR DEATH

Call for assistance, and then administer first aid for the injured. Treatment should be prioritized by life-threatening conditions.

- A. Do not move injured personnel unless they are in imminent danger. An ambulance should be summoned for any injury that appears to be serious.

FIRE OR EXPLOSION

Fire Fighting Philosophy

It is Oxy Permian's intent that Oxy and contract personnel will only extinguish incipient or beginning stage fires and perform or assist in initial non-threatening rescue operations. The responding fire department will be given primacy when they arrive to control a fire on any Oxy property. Any Oxy or contract employee who participates in a fire response must be fully trained and qualified as such, and must be utilizing appropriate Personal Protective Equipment.

Contract and Oxy Personnel Deployment

In the event of a fire or explosion all personnel will report to the safe briefing area. The Senior Contract Representative on site will designate personnel for rescue as appropriate depending on their qualifications and the risks of the rescue. Any rescue which involves significant risk to those performing the rescue should be deferred to professional response personnel.

No personnel will leave the area without direction / permission from the Senior Contract Representative on-site.

The Senior Contract Representative on site will notify local emergency response personnel as required, along with the Contract Company management and the Oxy Representative as soon as reasonably possible.

SPILLS

In the event of a significant spill of any substance, the person discovering it should immediately notify the rig supervisor and the Oxy Representative. Personnel onsite should **NOT** attempt identification, control or containment unless they are absolutely sure of the product spilled, are fully aware of the hazard characteristics, and are equipped with the appropriate personal protective equipment.

HYDROCARBON VAPOR CLOUD RELEASE

Upon discovery of a Hydrocarbon Vapor Cloud (NGL) release, take immediate safety precautions to protect any company personnel or others that might be in the area. Other emergency actions should be initiated only by trained expert personnel from the appropriate pipeline company.

The following guidelines should be followed:

1. Immediately notify the rig supervisor and the Oxy Representative.
2. Determine wind direction, and evacuate upwind or at 90 degrees to the release.
3. Maintain a safe distance from the cloud.
4. Render first aid and call for an ambulance as necessary.
5. Attempt to warn approaching individuals of the hazard.

BOMB THREAT

In the event of a bomb threat, the person receiving the call, on or off site, should try to get as much information as possible from the caller. The person receiving the call should immediately contact the supervisor in charge. Evacuation of the field should be considered at this time. Roadblocks may need to be installed. The supervisor in charge should make all appropriate contacts.

The Supervisor contacted should:

- a. Realize that every bomb threat is serious.
- b. Notify Corporate Security
- c. Inform Police/Sheriff's Department and Fire Department
- d. Contact RMT Leader or his designated relief to coordinate search efforts with the assistance of the local law enforcement agencies.

BOMB THREAT CHECKLIST

Date _____ Name of person taking call _____ Phone # call came on _____

FILL OUT COMPLETELY IMMEDIATELY AFTER BOMB THREAT

1. When is the bomb set to explode? _____
2. Where is the bomb located? _____
3. What does the bomb look like? _____
4. What type of bomb is it? _____
5. What will cause the bomb to explode? _____
6. Did the caller place the bomb? _____
7. Why did the caller place the bomb? _____
8. What is the caller's name and address? _____

Callers: Sex _____ Age _____ Race _____ Length of call _____

DESCRIPTION OF CALLER'S VOICE (Check all that apply)

<input type="checkbox"/> Calm	<input type="checkbox"/> Rapid	<input type="checkbox"/> Laughing	<input type="checkbox"/> Lisp	<input type="checkbox"/> Disguised
<input type="checkbox"/> Angry	<input type="checkbox"/> Crying	<input type="checkbox"/> Raspy	<input type="checkbox"/> Accent	<input type="checkbox"/> Familiar? Who did
<input type="checkbox"/> Excited	<input type="checkbox"/> Normal	<input type="checkbox"/> Deep	<input type="checkbox"/> Stutter	<input type="checkbox"/> it sound like?
<input type="checkbox"/> Slow	<input type="checkbox"/> Distinct	<input type="checkbox"/> Ragged	<input type="checkbox"/> Deep	<input type="checkbox"/> Deep Breathing
<input type="checkbox"/> Loud	<input type="checkbox"/> Slurred	<input type="checkbox"/> Nasal	<input type="checkbox"/> Clearing Throat	

BACKGROUND SOUNDS:

<input type="checkbox"/> Street	<input type="checkbox"/> House	<input type="checkbox"/> Factory	<input type="checkbox"/> Music	<input type="checkbox"/> Local Call
<input type="checkbox"/> Noises	<input type="checkbox"/> Noises	<input type="checkbox"/> Machinery	<input type="checkbox"/> Static	<input type="checkbox"/> Long Distance
<input type="checkbox"/> Voices	<input type="checkbox"/> Motor	<input type="checkbox"/> Animals	<input type="checkbox"/> PA System	<input type="checkbox"/> Phone Booth
<input type="checkbox"/> Office	<input type="checkbox"/> Clear	<input type="checkbox"/> Other		

THREAT LANGUAGE:

<input type="checkbox"/> Well-Spoken	<input type="checkbox"/> Foul	<input type="checkbox"/> Incoherent	<input type="checkbox"/> Irrational	<input type="checkbox"/> Taped
<input type="checkbox"/> Message Read by Threat Maker				

REMARKS:

NATURAL DISASTERS

Tornadoes

These general procedures should be followed by everyone seeking shelter from a severe storm or tornado:

Indoors:

1. Protect yourself from flying glass and debris.
2. Take refuge near the core of the building for maximum protection.
3. Do not smoke while taking shelter.
4. Shut all doors to offices, if time permits.

In the field:

1. Seek cover in a low-lying area, such as a culvert, ditch, pit, or water injection valve box.
2. Get out of and away from your vehicle.
3. Stay away from power lines.
4. Cover your head with your arms and clothing.

Thunderstorms

Indoors:

1. Avoid water pipes, sinks, showers, tubs, etc.
2. Stay away from doors and windows.
3. Do not use the telephone.
4. Take off head sets.
5. Turn off, unplug, and stay away from appliances, computers, power tools, & TV sets.

In the field:

1. Avoid water.
2. Avoid high ground and open spaces.
3. Avoid all metal objects including electric wires, fences, machinery, motors, power tools, etc. Unsafe places include underneath canopies, small picnic or rain shelters, or near trees. Where possible, find shelter in a substantial building or in a fully enclosed metal vehicle such as a car, truck or a van with the windows completely shut. If lightning is striking nearby when you are outside, you should:
 - a. Crouch down, feet together, hands over ears
 - b. Avoid proximity (minimum of 15 ft.) to other people.
4. SUSPEND ACTIVITIES for 30 minutes after the last observed lightning or thunder.

PUBLIC RELATIONS

Oxy recognizes that the news media have a legitimate interest in incidents at Oxy facilities that could affect the public. It is to the company's benefit to cooperate with the news media when incidents occur because these media are our best liaison with the public.

Our objective is to see that all reports of any emergency are factual and represent the company's position fairly and accurately. Cooperation with news media representatives is the most reliable guarantee that this objective will be met.

All contract and Oxy employees are instructed **NOT** to make any statement to the media concerning the emergency incident. If a media representative contacts any employee, they should refer them to the designated Emergency Command Center where they should contact the Incident Commander or his designated relief for any information concerning the incident.

Drilling Manager	Richard Jackson	713-215-7235 office 281-467-6383 cell
Drilling Superintendent	Nelson Emery	713-215-7357 office 281-467-2862 cell
Drilling Superintendent	Sergio Abauat	432-366-5689 office 432-893-3067 cell
HES Specialist-Drilling	Brian Bielss	432-685-5719 office 432-813-6335 cell
HES Specialist-Drilling	Robert Lovelady	432-685-5630 office 432-813-6332 cell
Drilling Coordinator	Drue Dunaway	432-685-5715 office 432-556-3288 cell
Drilling Coordinator	Kevin Videtich	806-592-6213 office 806-891-2000 cell

OXY Permian Incident Reporting Phone List**OXY Permian Crisis Team Hotline Notification****(713) 935-7210**

Person	Location	Office Phone	Cell/Mobile Phone
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Asset Management-Operations Areas

OXY Permian President & General Manager: Ken Dillon	Houston	(713) 366-5140	(661) 333-9315
Operations Support Manager: Vicki Hollub	Houston	(713)-215-7332	(713) 885-6347
Asset Development Manager-Jeff Simmons	Houston	(713) 366-5124	(713) 560-8073
Public Affairs: Stacey Crews	Houston	(713) 366-5304	(713) 416-8381

Operations South-Frontier

RMT Lead Frontier-Barry Beresik	Houston	(713) 366-5016	(713) 560-8061
RMT Lead South-Keith Brown	Houston	(713) 366-5354	(713) 264-1114
Surface Operations Team Lead-Bill Elliott	Midland	(432) 685-5845	(432) 557-6736
Well Operations Team Lead-Leamon Hood	Midland	(432) 685-5794	(432) 634-4486
Well Servicing Team Lead-Keith Sevin	Midland	(432) 685-5749	(432) 661-4121
WST Coord Frontier-Terrell Rowe	Midland	(432) 685-5821	(432) 664-8888
WST Coord South-Randy Baker	Midland	(432) 685-5913	(432) 661-3892
NM Frontier Oper Coord -Marvin McElroy	Carlsbad	(432) 652-8607	(806) 215-6750
NM-South Oper Coord-Gilbert Williams	Seminole	(432) 385-2778	(806) 215-0009
NM Frontier Oper Coord -Van Barton	Carlsbad	(575) 628-4111	(575) 706-7671
Completion Specialist-Dale Redding	Hobbs	(432) 385-3206	

HES Staff & Areas of First Contact Support

HES Manager: John Kirby	Houston	(713) 366-5460	(281) 974-9523
Environmental Engineer, Air: Peggy Waisanen	Midland	(432) 685-5673	(432) 894-1968
Administrative Assistant: Judy Browning	Midland	(432) 685 5692	(432) 661 1048
Environmental Consultant: Dennis Newman	Houston	(713) 366-5485	(713) 560-8060
Safety Engineer: Derek Purvis	Houston	(713) 366-5932	(713) 582-1848
Pipeline Safety: Don Bales	Midland	(432) 685-5844	(432) 894-1960
HES Lead-Pete Maciula	Midland	(432) 685-5667	(432) 557-2450
HES Specialist: Eddie Gonzales	Midland	(432) 685-5929	(432) 556-6790
HES Specialist-Drilling: Robert Lovelady	Midland	(432) 685-5630	(432) 813-6332

HES Tech & Area of Responsibility

Wasson San Andres RMT: Mark Andersen	Denver City	(806) 592-6299	(806) 215-0077
Hobbs RMT: Steve Bishop	Hobbs	(575) 397-8251	(575) 390-4784
Frontier-New Mexico: Rick Kerby	Carlsbad	(575) 887-8337	(575) 631-4972
South-New Mexico-CJ Summers	Hobbs	(575) 397-8236	(575) 390-9228

Regulatory Affairs

Lead-Liz Bush-Ivie	Houston	(713) 366-5303	832-474-3701
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Regulatory Analyst-David Stewart	Midland	(432) 685-5717	
Regulatory Analyst-Elizabeth Casbeer	Midland	(432) 685-5755	
Regulatory Analyst-Mark Stephens	Houston	(713) 366-5158	

DOT-Pipeline Response Numbers

N. Hobbs Unit: Steve Bishop	Hobbs	(575) 397-8251	(575) 390-4784
Wasson PMT: Todd King	Denver City	(806) 592-6274	(806) 215-0183
Bravo/Slaughter PMT: Gary Polk	Levelland	(806) 229-9708	(806) 638-2425
Cogdell RMT: Dean Peevy	Cogdell	(325) 573-7272	(325) 207-3367
Sharon Ridge: Carl Morales	Sharon Ridge	(325) 573-6341	(325) 207-3374
All DOT Pipeline Support: Donald Bales	Midland	(432) 685-5844	(432) 894-1960

OOGC HES Contacts

Manager HES: Wes Scott	OOGC – Houston	(713) 215-7171	(713) 203-4050
Worldwide Safety Mgr: Greg Hardin alternate	OOGC – Houston	(713) 366-5324	(713) 560-8037
Worldwide Environ. Mgr: Ravi Ravishankar	OOGC – Houston	(713) 366-5039	(832) 863-2240

OOGC Risk Management

Jim Garrett	Los Angeles	(310) 443-6588	(310) 710-3233
Greg LaSalle, alternate	Los Angeles	(310) 443-6542	(310) 710-2255

OSI

Workers Comp. Claim Manager: Steve Jones	Dallas	(972) 404-3542	
Workers Comp. Claims: Mark Ryan	Dallas	(972) 404-3974	
Auto Claims: Steve Jones	Dallas	(972) 404-3542	

Gallagher Bassett

Workers Comp. & Property Damage Claims- OXY Permian Ltd.: Danny Ross		(972) 728-3600 X252	(800) 349-8492
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Axiom Medical Consulting

Medical Case Management		(877) 502-9466	
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OXY Permian Legal

Tom Janiszewski	Houston	(713) 366-5529	(713) 560-8049
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Human Resources

H.R. Manager: Barbara Bernhard	Houston	(713) 215-7150	(713) 702-7949
H.R. Consultant: Amy Thompson	Houston	(713) 215-7863	(281) 799-7348
H.R. Consultant: Laura Matthews	Houston	(713) 366-5137	(713) 569-0386
H.R. Consultant: Jill Williams	Midland	(432) 685-5818	(432) 661-4581

Corporate Security

Frank Zapalac	Houston	(713) 215-7157	(713) 829-5753
Hugh Moreno, alternate	Houston	(713) 215-7162	(713) 817-3322

Regulatory Agencies

Bureau of Land Management	Carlsbad, NM	(575) 887-6544	
Bureau of Land Management	Hobbs, NM	(575) 393-3612	
Bureau of Land Management	Roswell, NM	(575) 393-3612	
Bureau of Land Management	Santa Fe, NM	(505) 988-6030	
DOT Juisdictional Pipelines-Incident Reporting New Mexico Public Regulation Commission	Santa Fe, NM	(505) 827-3549 (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	(575) 748-1283	
New Mexico Oil Conservation Division	Hobbs, NM	(575) 393-6161	
New Mexico Oil Conservation Division	Santa Fe, NM	(505) 471-1068	
New Mexico OCD Environmental Bureau	Santa Fe, NM	(505) 827-7152 (505) 476-3470	
New Mexico Environmental Department	Hobbs, NM	(575) 827-9329	
NM State Emergency Response Center	Santa Fe, NM	(505) 827-9222	
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 7 Midland, TX	(432) 570-1359	

Medical Facilities

Artesia General Hospital	Artesia, NM	(575) 748-3333	
Guadalupe Medical Center	Carlsbad, NM	(575) 887-6633	
Lea Regional Hospital	Hobbs, NM	(575) 492-5000	
Medical Arts Hospital	Lamesa, TX	(806) 872-2183	
Medical Center Hospital	Odessa, TX	(432) 640-4000	
Memorial Hospital	Seminole, TX	(432) 758-5811	
Midland Memorial Hospital	Midland, TX	(432) 685-1111	
Nor-Lea General Hospital	Lovington, NM	(575) 396-6611	
Odessa Regional Hospital	Odessa, TX	(432) 334-8200	
St. Mary's Hospital	Lubbock, TX	(806) 796-6000	
Union County General Hospital	Clayton, NM	(575) 374-2585	
University Medical Center	Lubbock, TX	(806) 743-3111	

Local Emergency Planning Comm.

Richard H. Dolgener	Andrews County, TX	(432) 524-1401	
Joel Arnwine	Eddy County, NM	(575) 887-9511	
County Judge Judy House	Gaines County, TX	(432) 758-5411	
Myra Sande	Harding County, NM	(575) 673-2231	
Jerry Reynolds	Lea County, NM	(575) 396-8600	(575) 399-2376

Royce Creager	Loving County, TX	(432) 377-2231	
Mike Cherry	Quay County, NM	(575) 461-2476	
Della Wetsel	Union County, NM	(575) 374-8896	
Bonnie Leck	Winkler County, TX	(432) 586-6658	
Carl Whitaker	Yoakum County, TX	(806) 456-7491	

Law Enforcement - Sheriff

Andrews Cty Sheriff's Department	Andrews County	(432) 523-5545	
Eddy Cty Sheriff's Department	Eddy County (Artesia)	(575) 746-2704	
Eddy Cty Sheriff's Department	Eddy County (Carlsbad)	(575) 887-7551	
Gaines Cty Sheriff's Department	Gaines County (Seminole)	(432) 758-9871	
Lea Cty Sheriff's Department	Lea County (Eunice)	(575) 384-2020	
Lea Cty Sheriff's Department	Lea County (Hobbs)	(575) 393-2515	
Lea Cty Sheriff's Department	Lea County (Lovington)	(575) 396-3611	
Union Cty Sheriff's Department	Union County (Clayton)	(505) 374-2583	
Yoakum City Sheriff's Department	Yoakum Co.	(806) 456-2377	

Law Enforcement - Police

Andrews City Police	Andrews, TX	(432) 523-5675	
Artesia City Police	Artesia, NM	(575) 746-2704	
Carlsbad City Police	Carlsbad, NM	(575) 885-2111	
Clayton City Police	Clayton, NM	(575) 374-2504	
Denver City Police	Denver City, TX	(806) 592-3516	
Eunice City Police	Eunice, NM	(575) 394-2112	
Hobbs City Police	Hobbs, NM	(575) 397-9265 (575) 393-2677	
Jal City Police	Jal, NM	(575) 395-2501	
Lovington City Police	Lovington, NM	(575) 396-2811	
Seminole City Police	Seminole, TX	(432) 758-9871	

Law Enforcement - FBI

FBI	Albuquerque, NM	(505) 224-2000	
FBI	Midland, TX	(432) 570-0255	

Law Enforcement - DPS

NM State Police	Artesia, NM	(575) 746-2704	
NM State Police	Carlsbad, NM	(575) 885-3137	
NM State Police	Eunice, NM	(575) 392-5588	
NM State Police	Hobbs, NM	(575) 392-5588	
NM State Police	Clayton, NM	(575) 374-2473; 911	
TX Dept of Public Safety	Andrews, TX	(432) 524-1443	
TX Dept of Public Safety	Seminole, TX	(432) 758-4041	
TX Dept of Public Safety	Yoakum County TX	(806) 456-2377	

Firefighting & Rescue

Amistad/Rosebud	Amistad/Rosebud, NM	(505) 633-9113	
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Andrews	Andrews, TX	(432) 523-4820 (432) 523-3111	
Artesia	Artesia, NM	(575) 746-5051	
Carlsbad	Carlsbad, NM	(575) 885-3125	
Clayton	Clayton, NM	(575) 374-2435	
Denver City	Denver City, TX	(806) 592-5426	
Eunice	Eunice, NM	(575) 394-2111	
Hobbs	Hobbs, NM	(575) 397-9308	
Jal	Jal, NM	(575) 395-2221	
Kermit	Kermit, TX	(432) 586-3468	
Lovington	Lovington, NM	(575) 396-2359	
Maljamar	Maljamar, NM	(575) 676-4100	
Monahans	Monahans, TX	(432) 943-4343	
Nara Visa	Nara Visa, NM	(575) 461-3300	
Pecos	Pecos, TX	(432) 445-2421	
Seminole	Seminole, TX	(432) 758-3676 (432) 758-9871	

Ambulance

Amistad/Rosebud	Amistad/Rosebud, NM	(575) 633-9113	
Andrews Ambulance	Andrews, TX	(432) 523-5675	
Artesia Ambulance	Artesia, NM	(575) 746-2701	
Carlsbad Ambulance	Carlsbad, NM	(575) 885-2111; 911	
Clayton, NM	Clayton, NM	(575) 374-2501	
Denver City Ambulance	Denver City, TX	(806) 592-3516	
Eunice Ambulance	Eunice, NM	(575) 394-3258	
Hobbs, NM	Hobbs, NM	(575) 397-9308	
Jal, NM	Jal, NM	(575) 395-2501	
Lovington Ambulance	Lovington, NM	(575) 396-2811	
Nara Visa, NM	Nara Visa, NM	(575) 461-3300	
Pecos Ambulance	Pecos, TX	(432) 445-4444	
Seminole Ambulance	Seminole, TX	(432) 758-8816 (432) 758-9871	

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	

SURFACE USE PLAN OF OPERATIONS

Operator Name/Number:	OXY USA Inc.	16696
Lease Name/Number:	Cypress 28 Federal #3H	37803 Federal Lease No. NMNM86024
Pool Name/Number:	South Laguna Salado Bone Spring - 96857	
Surface Location:	435 735 FNL 230 FWL NWNW(D) Sec 28 T23S R29E	
Bottom Hole Location:	660 FNL 1700 FEL NWNE(B) Sec 28 T23S R29E	

LD60'

1. Existing Roads

- A copy of a USGS "Remuda Basin, New Mexico" quadrangle map is attached showing the proposed location. The well location is spotted on this map, which shows the existing road system.
- The well was staked by Terry J. Asel, Certificate No. 15079 on 7/8/08, certified 7/21/08.
- At the intersection of Hwy 128 and Hwy 18, go west on Hwy 128 for 48.1 miles. Turn south on CR 793 (Rawhide) for 3.5 miles, turn west on lease road for 4.4 miles. Turn north on proposed road for 0.1 miles to location.

2. New or Reconstructed Access Roads:

- A new access road will be built. The access road will run approximately 537' north from an existing road to the location. See Exhibit #2.
- The maximum width of the road will be 15'. It will be crowned and made up of 6" of rolled and compacted caliche. Water will be deflected, as necessary, to avoid accumulation and prevent surface erosion.
- 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%.
- No cattle guards, grates or fence cuts will be required. No turnouts are planned.

3. Location of Existing Wells:

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

4. Location of Existing and/or Proposed Production Facilities.

- In the event the well is found productive, the Cypress 28 Federal tank battery would be utilized and the necessary production equipment will be installed at the well site and the tank battery. See proposed Production Facilities Layout diagrams, Exhibit #4.
- If necessary, electric power poles will be set along side of the access road.
- All flowlines will adhere to API Standards, see Exhibit #4.

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:

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

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, see C-144 CLEZ.
 1. Solids - CRI
 2. 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 pick up 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

Exhibit #5 shows the proposed well site layout with dimensions of the pad layout and equipment location.

V-door - East

Tanks - North

Pad Size - 380' X 280'

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 top soil will again be returned to the pad and contoured, as close as possible, to the original topography.
- b. If the well is deemed commercially productive, caliche from areas of the pad site not required for operations will be reclaimed. The original top soil 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: Tyson Mahaffey P.O. Box 161 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 2 miles of the proposed well site.

- d. A Cultural Resources Examination - this well is located in the Permian Basin MOA.

Pad + 1/4 mile road	<u>\$1,339.00</u>	\$0.15/ft over 1/4 mile	<u>\$0.00</u>	<u>\$1,339.00</u>
Pipeline - up to 1mile	<u>\$1,236.00</u>	\$250 per 1/4 mile	<u>\$0.00</u>	<u>\$1,236.00</u>
Electric Line - up to 1mile	<u>\$618.00</u>	\$0.17/ft over 1 mile	<u>\$0.00</u>	<u>\$618.00</u>
Total	<u><u>\$3,193.00</u></u>		<u><u>\$0.00</u></u>	<u><u>\$3,193.00</u></u>

13. Bond Coverage:

Bond Coverage is Nationwide Bond No. ES0136.

Operators Representatives:

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

Marvin McElroy
Production Coordinator
P.O. Box 50250
Midland, TX 79710
Office Phone: 432-652-8607
Cellular: 806-215-6750

Larry Sammons
Production Lead
P.O. Box 50250
Midland, TX 79710
Office Phone: 432-685-5724
Cellular: 432-296-9323

Sergio Abauat
Drilling Superintendent
P.O. Box 4294
Houston, TX 77210
Office Phone: 432-366-5689
Cellular: 432-893-3067


Calvin (Dusty) Weaver
Operation Specialist
P.O. Box 50250
Midland, TX 79710
Office Phone: 432-685-5723
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OPERATOR CERTIFICATION

I hereby certify that I, or someone under my direct supervision, have inspected the drill site and access route proposed herein; that I am familiar with the conditions that presently exist; that I have full knowledge of State and Federal laws applicable to this operation; that the statements made in this APD package are, to the best of my knowledge, true and correct; and that the work associated with the operations proposed herein will be performed in conformity with this APD package and the terms and conditions under which it is approved. I also certify that I, or the company I represent, am responsible for the operations conducted under this application. These statements are subject to the provisions of 18 U.S.C. 1001 for the filing of false statements. Executed this 10th day of March, 2010.

Name: Barry Beresik 
Position: Reservoir Management Team Leader
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Telephone: 713-366-5016
E-mail: (optional): barry_beresik@oxy.com
Company: OXY USA Inc.
Field Representative (if not above signatory): Marvin McElroy
Address (If different from above): P.O. Box 50250 Midland, TX 79710
Telephone (if different from above): 432-652-8607 - 806-215-6750
E-mail (if different from above): marvin_mcelroy@oxy.com

PECOS DISTRICT CONDITIONS OF APPROVAL

OPERATOR'S NAME:.	OXY USA, Inc.
LEASE NO.:	NM86024
WELL NAME & NO.:	Cypress 28 Federal # 3H
SURFACE HOLE FOOTAGE:	0435FNL & 0060' FWL
BOTTOM HOLE FOOTAGE	0660' FNL & 1700' FEL
LOCATION:	Section 28, T. 23 S., R 29 E., NMPPM
COUNTY:	Eddy County, New Mexico

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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**
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 - Production facilities
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- ☒ **Construction**
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- ☐ **Production (Post Drilling)**
 - Well Structures & Facilities
 - Pipelines
- ☒ **Interim Reclamation**
- ☒ **Final Abandonment & Reclamation**

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)

Production facilities

If production facilities are built on location, they should be constructed on the west side of the well pad to allow for increased interim reclamation unless other arrangements are made with the authorized officer.

Cave and Karst

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

Cave/Karst Surface Mitigation

The following stipulations will be applied to minimize impacts during construction, drilling and production.

Construction:

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

No Blasting:

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

Pad Berming:

The pad will be bermed to prevent oil, salt, and other chemical contaminants from leaving the pad. All sides will be bermed.

Tank Battery Liners and Berms:

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

Leak Detection System:

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

Automatic Shut-off Systems:

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

Cave/Karst Subsurface Mitigation

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

Rotary Drilling with Fresh Water:

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

Directional Drilling:

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

Lost Circulation:

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

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

Abandonment Cementing:

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

Pressure Testing:

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

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) 234-5972 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. V-DOOR DIRECTION: east

C. TOPSOIL

The operator shall stockpile the topsoil in a low profile manner in order to prevent wind/water erosion of the topsoil. The topsoil to be stripped is approximately 6 inches in depth. The topsoil will be used for interim and final reclamation.

D. CLOSED LOOP SYSTEM

Tanks are required for drilling operations: No Pits.

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

E. 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.

F. 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.

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 thirty (30) 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

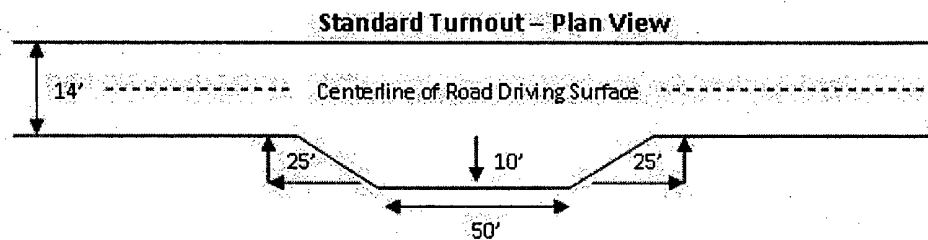
Crowning shall be done on the access road driving surface. The road crown shall have a grade of approximately 2% (i.e., a 1" crown on a 14' wide road). The road shall conform to Figure 1; cross section and plans for typical road construction.

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 be constructed on all blind curves. Turnouts shall conform to the following diagram:

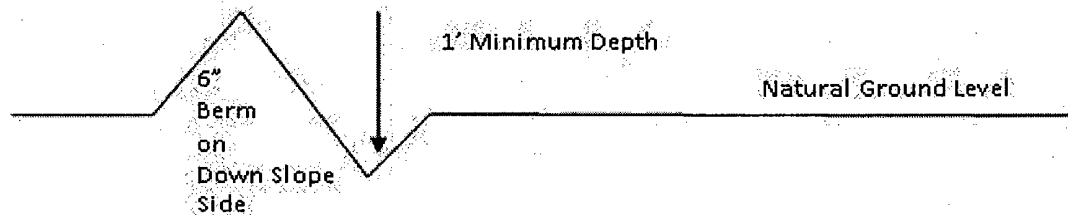


Drainage

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:

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

Culvert Installations

Appropriately sized culvert(s) shall be installed at the deep waterway channel flow crossing.

Cattleguards

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 and fastened securely to H-braces.

Fence Requirement

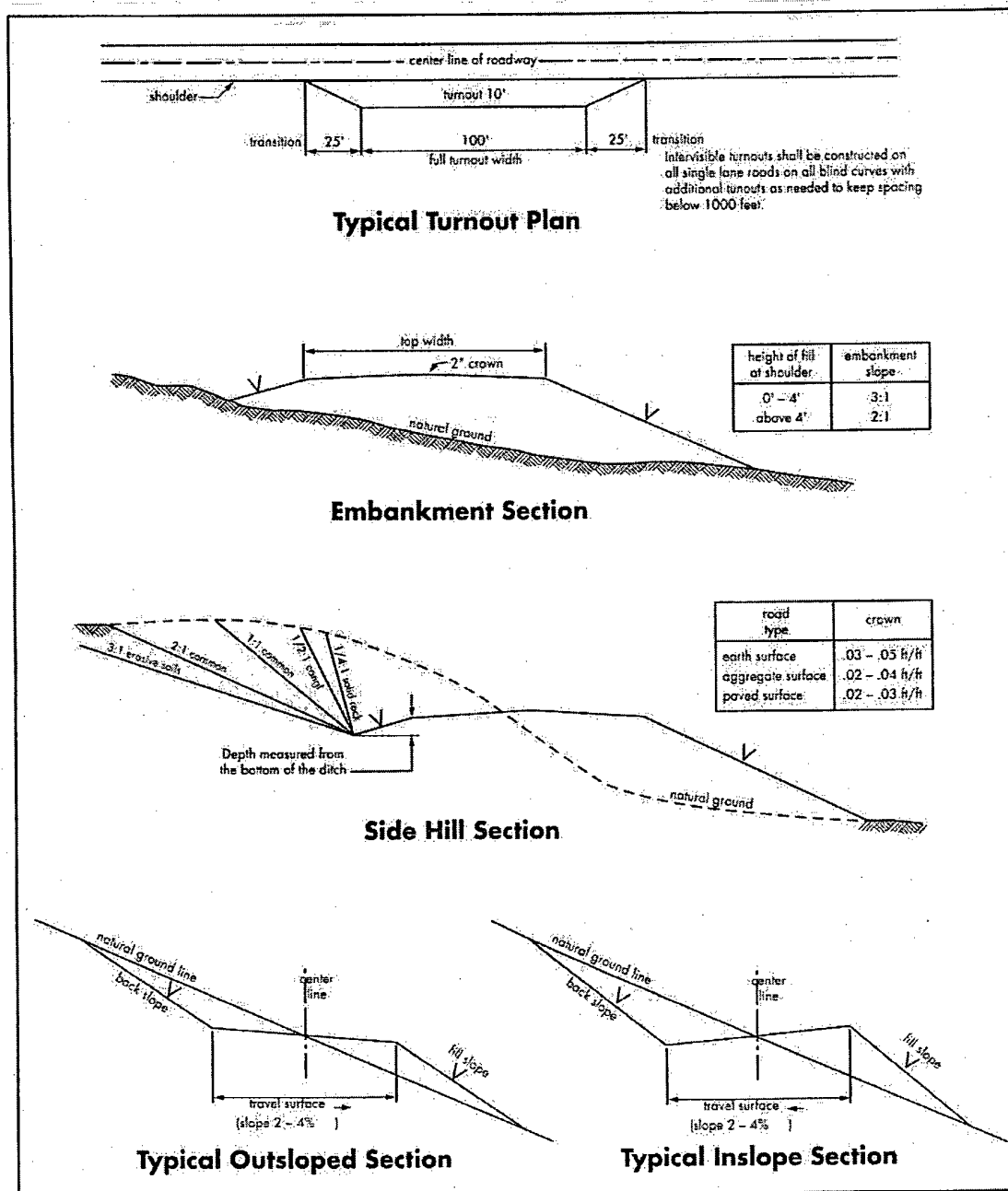
Where entry is required across a fence line, the fence shall be braced and tied off on both sides of the passageway prior to cutting.

The operator shall notify the private surface landowner or the grazing allotment holder prior to crossing any fence(s).

Public Access

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

Figure 1 – Cross Sections and Plans For Typical Road Sections



VII. DRILLING

A. DRILLING OPERATIONS REQUIREMENTS

The BLM is to be notified a minimum of 4 hours in advance for a representative to witness:

- a. Spudding well
- b. Setting and/or Cementing of all casing strings
- c. BOPE tests

☒ **Eddy County**

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

1. **Due to recent H₂S encounters in the salt formation, it is recommended that monitoring equipment be onsite for potential Hydrogen Sulfide prior to drilling out the surface shoe. If Hydrogen Sulfide is encountered, please report measurements and formations to the BLM.**
2. Unless the production casing has been run and cemented or the well has been properly plugged, the drilling rig shall not be removed from over the hole without prior approval. **If the drilling rig is removed without approval – an Incident of Non-Compliance will be written and will be a “Major” violation.**
3. Floor controls are required for 3M or Greater systems. These controls will be on the rig floor, unobstructed, readily accessible to the driller and will be operational at all times during drilling and/or completion activities. Rig floor is defined as the area immediately around the rotary table; the area immediately above the substructure on which the draw works are located, this does not include the dog house or stairway area.
4. **The record of the drilling rate along with the GR/N well log run from TD to surface (horizontal well – vertical portion of hole) will be submitted to the BLM office as well as all other logs run on the borehole 30 days from completion. If available, a digital copy of the logs is to be submitted in addition to the paper copies. The Rustler top and top and bottom of Salt are to be recorded on the Completion Report.**

B. CASING

Changes to the approved APD casing and cement program require submitting a sundry and receiving approval prior to work. Failure to obtain approval prior to work will result in an Incident of Non-Compliance being issued.

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

Wait on cement (WOC) time prior to drilling out for a primary cement job will be a minimum 18 hours for a water basin, 24 hours in the potash area, or 500 pounds compressive strength, whichever is greater for all casing strings. DURING THIS WOC TIME, NO DRILL PIPE, ETC. SHALL BE RUN IN THE HOLE. Provide compressive strengths including hours to reach required 500 pounds compressive strength prior to cementing each casing string. See individual casing strings for details regarding lead cement slurry requirements.

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

**R-111- Potash
High cave/karst**

1. The 13-3/8 inch surface casing shall be set at approximately 380 feet (a minimum of 25 feet into the Rustler Anhydrite and above the salt) and cemented to the surface. **If the salt is encountered at a shallower depth, the casing is to be set a minimum of 25 feet above the salt.**
 - a. If cement does not circulate to the surface, the appropriate BLM office shall be notified and a temperature survey utilizing an electronic type temperature survey with surface log readout will be used or a cement bond log shall be run to verify the top of the cement. Temperature survey will be run a minimum of six hours after pumping cement and ideally between 8-10 hours after completing the cement job.
 - b. **Wait on cement (WOC) time for a primary cement job is to include the lead cement slurry.**
 - c. Wait on cement (WOC) time for a remedial job will be a minimum of 4 hours after bringing cement to surface or 500 pounds compressive strength, whichever is greater.
 - d. If cement falls back, remedial cementing will be done prior to drilling out that string.
2. The minimum required fill of cement behind the 9-5/8 inch intermediate casing is: **The intermediate should be set at approximately 2940 within the Lamar Limestone.**
 - ☒ Cement to surface. If cement does not circulate see B.1.a, c-d above. **Wait on cement (WOC) time for a primary cement job is to include the lead cement slurry due to cave/karst and potash.**

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

The DV tool should be placed a minimum of 50 feet below the intermediate casing shoe.

Centralizers required on horizontal leg, must be type for horizontal service and minimum of one every other joint.

3. The minimum required fill of cement behind the 5-1/2 inch production casing is:
 - a. First stage to DV tool, cement shall:
 - ☒ Cement to circulate. If cement does not circulate, contact the appropriate BLM office before proceeding with second stage cement job. Operator should have plans as to how they will achieve circulation on the next stage.
 - b. Second stage above DV tool, cement shall:
 - ☒ Cement to circulate. If cement does not circulate, contact the appropriate BLM office before proceeding with third stage cement job. Operator should have plans as to how they will achieve circulation on the next stage.
 - c. Third stage above Pack-off Stage tool, cement shall:
 - ☒ Cement to surface. If cement does not circulate, contact the appropriate BLM office.
4. If hardband drill pipe is rotated inside casing, returns will be monitored for metal. If metal is found in samples, drill pipe will be pulled and rubber protectors which have a larger diameter than the tool joints of the drill pipe will be installed prior to continuing drilling operations.

C. PRESSURE CONTROL

1. All blowout preventer (BOP) and related equipment (BOPE) shall comply with well control requirements as described in Onshore Oil and Gas Order No. 2 and API RP 53 Sec. 17.

2. **Variance approved to use flex line (Serial #'s 52754, 52755, 52776, 52777, 52778 52782) from BOP to choke manifold. Check condition of 3" 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.**
3. 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. Operator is using a 5M system but testing as a 3M.**
 - a. **For surface casing only:** If the BOP/BOPE is to be tested against casing, the wait on cement (WOC) time for that casing is to be met (see WOC statement at start of casing section). Independent service company required.
4. Minimum working pressure of the blowout preventer (BOP) and related equipment (BOPE) required for drilling below the 9-5/8 intermediate casing shoe shall be **5000 (5M) psi. 5M system requires an HCR valve, remote kill line and annular to match. The remote kill line is to be installed prior to testing the system and tested to stack pressure.**
5. The appropriate BLM office shall be notified a minimum of 4 hours in advance for a representative to witness the tests.
 - a. In potash areas, for all casing strings utilizing slips, these are to be set as soon as the crew and rig are ready and any fallback cement remediation has been done. For all casing strings, casing cut-off and BOP installation can be initiated at twelve hours after bumping the plug. However, **no tests** shall commence until the cement has had a minimum of 24 hours setup time.
 - b. The tests shall be done by an independent service company utilizing a test plug **not a cup or J-packer**. 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 (18 hours) or potash (24 hours) prior to initiating the test.
 - c. The results of the test shall be reported to the appropriate BLM office.
 - d. 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.**
 - e. 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.

- f. **Effective November 1, 2008, no variances will be granted on reduced pressure tests on the surface casing and BOP/BOPE. Onshore Order 2 requirements will be in effect.**

D. DRILL STEM TEST

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

E. WASTE MATERIAL AND FLUIDS

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

EGF 100510

VIII. 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.

Containment Structures

The containment structure shall be constructed to hold the capacity of the entire contents of the largest tank, plus 24 hour production, unless more stringent protective requirements are deemed necessary by the Authorized Officer.

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, Munsell Soil Color Chart # 5Y 4/2

B. PIPELINES (not applied for in APD)

C. ELECTRIC LINES (not applied for in APD)

IX. INTERIM RECLAMATION

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

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

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

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

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

X. FINAL ABANDONMENT & RECLAMATION

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

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

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

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

Seed Mixture 1, for Loamy Sites

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

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

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

<u>Species</u>	<u>lb/acre</u>
Plains lovegrass (<i>Eragrostis intermedia</i>)	0.5
Sand dropseed (<i>Sporobolus cryptandrus</i>)	1.0
Sideoats grama (<i>Bouteloua curtipendula</i>)	5.0

*Pounds of pure live seed:

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