

District I  
PO Box 1980, Hobbs, NM 88241-1980  
District II  
PO Drawer DD, Artesa, NM 88211-0719  
District III  
1000 Rio Brazos Rd., Aztec, NM 87410  
District IV  
PO Box 2088, Santa Fe, NM 87504-2088

State of New Mexico  
Geology, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION  
PO Box 2088  
Santa Fe, NM 87504-2088

Form C-101  
Revised February 10, 1994  
Instructions on back  
Submit to Appropriate District Office  
State Lease - 6 Copies  
Fee Lease - 5 Copies

☐ AMENDED REPORT

APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE

|                                                                                        |                          |                            |  |
|----------------------------------------------------------------------------------------|--------------------------|----------------------------|--|
| Operator Name and Address:<br>OXY USA Inc.<br>P.O. Box 50250<br>Midland, TX 79710-0250 |                          | OGRID Number<br>16696      |  |
| JUL 21 1997                                                                            |                          | API Number<br>30-015-22886 |  |
| Property Code<br>08673                                                                 | Property Name<br>Villa A | Well No.<br>1              |  |

| Surface Location |         |          |       |         |               |                  |               |                |        |
|------------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| UL or lot no.    | Section | Township | Range | Lot Ida | Feet from the | North/South line | Feet from the | East/West line | County |
| K                | 8       | 23S      | 28E   |         | 1650          | South            | 1980          | West           | Eddy   |

| Proposed Bottom Hole Location If Different From Surface |         |          |       |         |               |                  |               |                |        |
|---------------------------------------------------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| UL or lot no.                                           | Section | Township | Range | Lot Ida | Feet from the | North/South line | Feet from the | East/West line | County |
| J                                                       | 8       | 23S      | 28E   |         | 1320          | South            | 1750          | East           | Eddy   |
| Proposed Pool 1<br>North Loving - Atoka Gas Pool        |         |          |       |         | 80694         | Proposed Pool 2  |               |                |        |

| Work Type Code | Well Type Code    | Cable/ Rotary | Lease Type Code | Ground Level Elevation |
|----------------|-------------------|---------------|-----------------|------------------------|
| P - DD         | G                 | R             | P               | 3025'                  |
| Multiple       | Proposed Depth    | Formation     | Compressor      | Spud Date              |
| No             | 11700-VD 12000-MD | Atoka         | N/A             | 7/25/97                |

Proposed Casing and Cement Program

| Hole Size | Casing Size | Casing weight/foot | Setting Depth | Seals of Cement | Estimated TOC |
|-----------|-------------|--------------------|---------------|-----------------|---------------|
| 26"       | 20"         | 94#                | 427'          | 900             | Circulated    |
| 17-1/2"   | 13-3/8"     | 48#                | 3011'         | 2400            | Circulated    |
| 12-1/4"   | 9-5/8"      | 43.5#              | 9398'         | 2475            | Circulated    |
| 7-7/8"    | 5-1/2"      | 17-20#             | 7500-12000'   | 900             | 7500'         |

Describe the proposed program. If this application is to DEEPEN or PLUG BACK give the data on the present productive zone and proposed new productive zone. Describe the blowout prevention program, if any. Use additional sheets if necessary.

It is proposed to Plug Back and Directionally Drill to test the Atoka formation. The producing interval for the Atoka is entirely orthodox per Rule 111.

See other side for procedure.

The Blowout Prevention Program is as follows:

- 1) One set of Drill Pipe Rams(5M).
- 2) One set of Blind Rams(5M).
- 3) One set of Hydril(5M).

I hereby certify that the information given above is true and complete to the best of my knowledge and belief.

Signature:   
Printed name: David Stewart  
Title: Regulatory Analyst  
Date: 7/17/97  
Phone: 915-685-5717

OIL CONSERVATION DIVISION

Approved by: ORIGINAL SIGNED BY TIM W. GUM  
Title: DISTRICT II SUPERVISOR  
Approval Date: AUG 8 1997  
Expiration Date:  
Conditions of Approval:  
Attached ☐

1. MIRU DD workover rig with sills or pipe racks, respirators, and H2S monitors.
2. POOH W/ 2-7/8" production string.
3. RIH w/ packer and pressure test 9-5/8" casing above 7500'. POOH.
4. Dump 4 sx cmt on top of Model DB packer at 11,880.
5. Place cement plugs in casing as directed by NMOCD at approximately 11,000-11,100, and 9,350-9,450'.
6. Set plug in and out of liner top from 8,950-9050'.
7. Move off workover rig and move in drilling rig. Nipple up 10M psi blind and pipe rams 5M Hydril, and choke manifold. Test blind and pipe rams to 10000 psi and test annular preventer to 10000 psi.
8. RIH w/ packer type whipstock assembly to 7000'. Orient and set whipstock.
9. Mill out casing .
10. RIH w/ 7-7/8" sidetrack bit, MWD, and high RPM motor and drill approximately 10' of new hole.
11. Run mud weight equivalency test of 13.5 ppg.
12. Drill with MWD to MD of 12,000' and 11,700 TVD. ( target BHL is 1320 FSL & 1750 FEL, Sec. 8, T23S, R28E, Eddy County, NM.
13. RU loggers and possibly take sidewall cores. If logs indicate commercial production, RIH w/BHA and C&CM to run casing.
14. Set 5-1/2" liner from 7500-12000' utilizing a float shoe and float collar.
15. Cement liner.