

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

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

1. Operator Name and Address OCCIDENTAL PERMIAN LTD PO Box 4294 Houston, TX 77210		2. OGRID Number 157984
		3. API Number 30-025-38023
4. Property Code 19520	5. Property Name NORTH HOBBS G/SA UNIT	6. Well No. 516

**7. Surface Location**

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
M	13	18S	37E	M	480	S	1275	W	LEA

**8. Pool Information**

HOBBS,GRAYBURG-SAN ANDRES	31920
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**Additional Well Information**

9. Work Type New Well	10. Well Type OIL	11. Cable/Rotary	12. Lease Type State	13. Ground Level Elevation 3677
14. Multiple N	15. Proposed Depth 4600	16. Formation San Andres	17. Contractor	18. Spud Date 10/15/2006
Depth to Ground water 50		Distance from nearest fresh water well > 1000		Distance to nearest surface water > 1000
Pit: Liner: Synthetic <input checked="" type="checkbox"/> 12 _____ miles thick Clay <input type="checkbox"/> Pit Volume: 8000 _____ bbls Drilling Method: Closed Loop System <input type="checkbox"/> Fresh Water <input checked="" type="checkbox"/> Brine <input type="checkbox"/> Diesel/Oil-based <input type="checkbox"/> Gas/Air <input type="checkbox"/>				

**19. Proposed Casing and Cement Program**

Type	Hole Size	Casing Type	Casing Weight/ft	Setting Depth	Sacks of Cement	Estimated TOC
Surf	12.25	8.625	24	1560	850	0
Prod	7.875	5.5	15.5	4600	1000	0

**Casing/Cement Program: Additional Comments**

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**Proposed Blowout Prevention Program**

Type	Working Pressure	Test Pressure	Manufacturer
Annular	3000	1100	
DoubleRam	3000	1100	

I hereby certify that the information given above is true and complete to the best of my knowledge and belief. I further certify that the drilling pit will be constructed according to NMOCD guidelines <input checked="" type="checkbox"/> a general permit <input type="checkbox"/> or an (attached) alternative OCD-approved plan <input type="checkbox"/> .	<b>OIL CONSERVATION DIVISION</b>
Printed Name: Electronically filed by Elizabeth Bush-Ivie	Approved By: Paul Kautz
Title: Regulatory Team Leader	Title: Geologist
Email Address: Elizabeth_Bush@oxy.com	Approved Date: 8/3/2006   Expiration Date: 8/3/2007
Date: 7/24/2006   Phone: 713-366-5303	Conditions of Approval Attached

District I  
1625 N. French Dr., Hobbs, NM 88240  
Phone:(505) 393-6161 Fax:(505) 393-0720  
District II  
1301 W. Grand Ave., Artesia, NM 88210  
Phone:(505) 748-1283 Fax:(505) 748-9720  
District III  
1000 Rio Brazos Rd., Aztec, NM 87410  
Phone:(505) 334-6178 Fax:(505) 334-6170  
District IV  
1220 S. St Francis Dr., Santa Fe, NM 87505  
Phone:(505) 476-3470 Fax:(505) 476-3462

State of New Mexico  
Energy, Minerals and Natural Resources  
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1220 S. St Francis Dr.  
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Form C-102  
Permit 16314

WELL LOCATION AND ACREAGE DEDICATION PLAT

1. API Number 30-025-38023	2. Pool Code 31920	3. Pool Name HOBBS;GRAYBURG-SAN ANDRES
4. Property Code 19520	5. Property Name NORTH HOBBS G/SA UNIT	6. Well No. 516
7. OGRID No. 157984	8. Operator Name OCCIDENTAL PERMIAN LTD	9. Elevation 3677

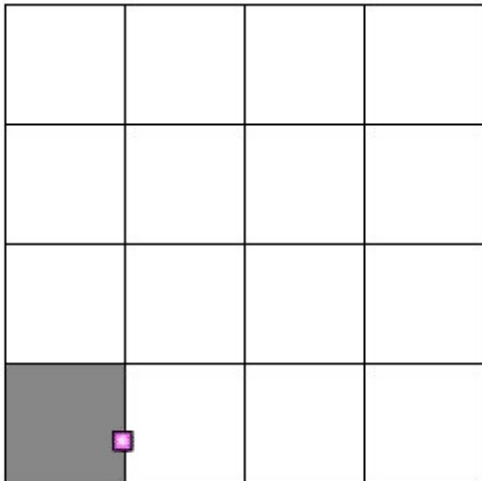
10. Surface Location

UL - Lot M	Section 13	Township 18S	Range 37E	Lot Idn	Feet From 480	N/S Line S	Feet From 1275	E/W Line W	County LEA
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11. Bottom Hole Location If Different From Surface

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
12. Dedicated Acres 40.00	13. Joint or Infill	14. Consolidation Code	15. Order No.						

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

	<p><b>OPERATOR CERTIFICATION</b></p> <p><i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</i></p> <p>E-Signed By: Elizabeth Bush-Ivie Title: Regulatory Team Leader Date: 7/24/2006</p> <hr/> <p><b>SURVEYOR CERTIFICATION</b></p> <p><i>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.</i></p> <p>Surveyed By: Gary Eidson Date of Survey: 4/7/2006 Certificate Number: 12641</p>
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## Permit Comments

Operator: OCCIDENTAL PERMIAN LTD , 157984

Well: NORTH HOBBS G/SA UNIT #516

API: 30-025-38023

Created By	Comment	Comment Date
MSTEPHENS	The BOP for this well will include an annular, a double ram (pipe & blind), and a rotating head.	7/24/2006
MSTEPHENS	This well will be drilled with open pits.	7/24/2006
MSTEPHENS	In the event that hydrogen sulfide is encountered, an H2S Contingency Plan has been prepared and a copy of this document is being mailed to the Hobbs Office of the NMOCD.	7/24/2006
MSTEPHENS	Form C-144 for this well will be faxed to the OCDs Hobbs Office.	7/24/2006
MSTEPHENS	Surface hole will be drilled with fresh water using a 2000 bbl open pit. Production hole will be drilled with brine using a 6000 bbl open pit.	7/24/2006

# Permit Conditions of Approval

Operator: OCCIDENTAL PERMIAN LTD , 157984

Well: NORTH HOBBS G/SA UNIT #516

API: 30-025-38023

OCD Reviewer	Condition
pkautz	Pit construction and closure must satisfy all requirements of your approved plan, O.C.D. Rule 19.15.2.50, and the Pit and Below-Grade Tank Guidelines
pkautz	prior to any pit construction notify Gary Wink at 505-393-6161 ext 114