

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 30-025-38087
4. Property Code 19520	5. Property Name NORTH HOBBS G/SA UNIT	6. Well No. 517

7. Surface Location

UL - Lot M	Section 18	Township 18S	Range 38E	Lot Idn 4	Feet From 635	N/S Line S	Feet From 660	E/W Line W	County LEA
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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 Private	13. Ground Level Elevation 3669
14. Multiple N	15. Proposed Depth 4600	16. Formation San Andres	17. Contractor	18. Spud Date 11/11/2006
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	1545	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"/> . Printed Name: Electronically filed by Elizabeth Bush-Ivie Title: Regulatory Team Leader Email Address: Elizabeth_Bush@oxy.com Date: 8/23/2006   Phone: 713-366-5303	OIL CONSERVATION DIVISION	
	Approved By: Paul Kautz	
	Title: Geologist	
	Approved Date: 8/23/2006	Expiration Date: 8/23/2007
	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

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Energy, Minerals and Natural Resources  
Oil Conservation Division  
1220 S. St Francis Dr.  
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Form C-102  
Permit 36695

WELL LOCATION AND ACREAGE DEDICATION PLAT

1. API Number 30-025-38087	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. 517
7. OGRID No. 157984	8. Operator Name OCCIDENTAL PERMIAN LTD	9. Elevation 3669




10. Surface Location

UL - Lot M	Section 18	Township 18S	Range 38E	Lot Idn 4	Feet From 635	N/S Line S	Feet From 660	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 37.60	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

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## Permit Comments

Operator: OCCIDENTAL PERMIAN LTD , 157984

Well: NORTH HOBBS G/SA UNIT #517

API: 30-025-38087

Created By	Comment	Comment Date
MSTEPHENS	The BOP for this well will include an annular, a double ram (pipe & blind), and a rotating head.	8/23/2006
MSTEPHENS	This well will be drilled with open pits.	8/23/2006
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.	8/23/2006
MSTEPHENS	In the event that hydrogen sulfide is encountered, an H2S Contingency Plan has been prepared and a copy of this document will be mailed to the Hobbs Office of the NMOCD.	8/23/2006
MSTEPHENS	Form C-144 for this well will be mailed to the OCD's Hobbs Office.	8/23/2006

# Permit Conditions of Approval

Operator: OCCIDENTAL PERMIAN LTD , 157984

Well: NORTH HOBBS G/SA UNIT #517

API: 30-025-38087

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
pkautz	Prior to any pit construction notify Gary Wink at 505-393-6161 ext 114