

**District I**  
1625 N. French Dr., Hobbs, NM 88240  
Phone:(575) 393-6161 Fax:(575) 393-0720  
**District II**  
811 S. First St., Artesia, NM 88210  
Phone:(575) 748-1283 Fax:(575) 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**  
**Oil Conservation Division**  
**1220 S. St Francis Dr.**  
**Santa Fe, NM 87505**

Form C-101  
August 1, 2011  
Permit 161545

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

|                                                                                 |  |                               |
|---------------------------------------------------------------------------------|--|-------------------------------|
| 1. Operator Name and Address<br>OXY USA INC<br>PO Box 4294<br>Houston, TX 77210 |  | 2. OGRID Number<br>16696      |
| 4. Property Code<br>39046                                                       |  | 3. API Number<br>30-015-41032 |
| 5. Property Name<br>CEDAR CANYON 15                                             |  | 6. Well No.<br>002H           |

**7. Surface Location**

| UL - Lot | Section | Township | Range | Lot Idn | Feet From | N/S Line | Feet From | E/W Line | County |
|----------|---------|----------|-------|---------|-----------|----------|-----------|----------|--------|
| M        | 15      | 24S      | 29E   | M       | 170       | S        | 360       | W        | EDDY   |

**8. Proposed Bottom Hole Location**

| UL - Lot | Section | Township | Range | Lot Idn | Feet From | N/S Line | Feet From | E/W Line | County |
|----------|---------|----------|-------|---------|-----------|----------|-----------|----------|--------|
| P        | 15      | 24S      | 29E   | P       | 330       | S        | 350       | E        | Eddy   |

**9. Pool Information**

|                                    |       |
|------------------------------------|-------|
| PIERCE CROSSING; BONE SPRING, EAST | 96473 |
|------------------------------------|-------|

**Additional Well Information**

|                           |                             |                                        |                           |                                    |
|---------------------------|-----------------------------|----------------------------------------|---------------------------|------------------------------------|
| 11. Work Type<br>New Well | 12. Well Type<br>OIL        | 13. Cable/Rotary                       | 14. Lease Type<br>Private | 15. Ground Level Elevation<br>2927 |
| 16. Multiple<br>N         | 17. Proposed Depth<br>13029 | 18. Formation<br>2nd Bone Spring Sand  | 19. Contractor            | 20. Spud Date<br>2/15/2013         |
| Depth to Ground water     |                             | Distance from nearest fresh water well |                           | Distance to nearest surface water  |

**21. Proposed Casing and Cement Program**

| Type | Hole Size | Casing Type | Casing Weight/ft | Setting Depth | Sacks of Cement | Estimated TOC |
|------|-----------|-------------|------------------|---------------|-----------------|---------------|
| Surf | 17.5      | 13.375      | 48               | 320           | 480             | 0             |
| Int1 | 12.25     | 9.625       | 40               | 3100          | 1100            | 0             |
| Prod | 8.75      | 5.5         | 17               | 13029         | 2440            | 2500          |

**Casing/Cement Program: Additional Comments**

|                                                                     |
|---------------------------------------------------------------------|
| Additional information will be sent with the C-144 CLEZ & H2S Plan. |
|---------------------------------------------------------------------|

**22. Proposed Blowout Prevention Program**

| Type      | Working Pressure | Test Pressure | Manufacturer |
|-----------|------------------|---------------|--------------|
| DoubleRam | 10000            | 10000         |              |
| Annular   | 5000             | 5000          |              |

|                                                                                                                                                                                                                                                                                                                    |                                                             |                                 |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------|---------------------------------|
| 23. I hereby certify that the information given above is true and complete to the best of my knowledge and belief.<br>I further certify I have complied with 19.15.14.9 (A) NMAC <input checked="" type="checkbox"/> and/or 19.15.14.9 (B) NMAC <input checked="" type="checkbox"/> , if applicable.<br>Signature: | <b>OIL CONSERVATION DIVISION</b><br>Approved By: Randy Dade |                                 |
| Printed Name: Electronically filed by KAREN M SINARD                                                                                                                                                                                                                                                               | Title: District Supervisor                                  |                                 |
| Title:                                                                                                                                                                                                                                                                                                             | Approved Date: 1/31/2013                                    | Expiration Date: 1/31/2015      |
| Email Address: karen_sinard@oxy.com                                                                                                                                                                                                                                                                                |                                                             |                                 |
| Date: 1/31/2013                                                                                                                                                                                                                                                                                                    | Phone: 713-366-5485                                         | Conditions of Approval Attached |

Form C-102  
Revised August 1, 2011  
Submit one copy to appropriate  
District Office

| API Number               | Pool Code                         | Pool Name                       |
|--------------------------|-----------------------------------|---------------------------------|
| 30-015-                  | 914473                            | River Crossing Bone Springs, E. |
| Property Code:<br>390416 | CEDAR CANYON 15                   | Well Number<br>2H               |
| OGUID No.<br>16646       | Operator Name<br>OXY U.S.A., INC. | Elevation<br>2927'              |

| UL or lot No. | Section | Township | Range | Lot | Feet from the North | Feet from the South | Feet from the East | Feet from the West | County |
|---------------|---------|----------|-------|-----|---------------------|---------------------|--------------------|--------------------|--------|
| M             | 15      | 24-S     | 29-E  |     | 170                 | SOUTH               | 360                | WEST               | EDDY   |

| Bottom Hole Location IF Different From Surface |                 |                    |       |           |                                |                              |        |       |
|------------------------------------------------|-----------------|--------------------|-------|-----------|--------------------------------|------------------------------|--------|-------|
| UL or lot No.                                  | Section         | Township           | Range | Lot Idn   | Feet from the North/South line | Feet from the East/West line | County |       |
| P                                              | 15              | 24-S               | 29-E  |           | 330                            | 350                          | EAST   | EBDDY |
| Dedicated Acres                                | Joint or Infill | Consolidation Code |       | Order No. |                                |                              |        |       |
| 160                                            | N               |                    |       |           |                                |                              |        |       |

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

[illegible]

## Permit Comments

**Operator:** OXY USA INC , 16696

**Well:** CEDAR CANYON 15 #002H

**API:** 30-015-41032

| Created By | Comment                                                                                                                                         | Comment Date |
|------------|-------------------------------------------------------------------------------------------------------------------------------------------------|--------------|
| STEWARTD   | BOP-13-5/8" 10M three ram stack w/ 5m annular preventor, 5M choke manifold                                                                      | 1/29/2013    |
| CSHAPARD   | Reject APD; SE/SE Federal minerals, must file BLM APD.                                                                                          | 1/30/2013    |
| STEWARTD   | This well will be completed in the 2nd Bone Spring. The wells currently in the same pool and spacing unit are completed in the 1st Bone Spring. | 1/31/2013    |
| CSHAPARD   | Land p/P                                                                                                                                        | 1/31/2013    |

## Permit Conditions of Approval

**Operator:** OXY USA INC , 16696

**Well:** CEDAR CANYON 15 #002H

**API:** 30-015-41032

| OCD<br>Reviewer | Condition                                                                                                                                                                                                                                                            |
|-----------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| CSHAPARD        | Once the well is spud, to prevent ground water contamination through whole or partial conduits from the surface, the operator shall drill without interruption through the fresh water zone or zones and shall immediately set in cement the water protection string |