

Form 3160-3  
(June 2015)FORM APPROVED  
OMB No. 1004-0137  
Expires: January 31, 2018

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT  
**APPLICATION FOR PERMIT TO DRILL OR REENTER**

|   |  |  |   |                        |
|---|--|--|---|------------------------|
| 1a. Type of work: <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER<br>1b. Type of Well: <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other<br>1c. Type of Completion: <input type="checkbox"/> Hydraulic Fracturing <input type="checkbox"/> Single Zone <input checked="" type="checkbox"/> Multiple Zone |  |  | 5. Lease Serial No.<br><b>NMNM82904</b>   |                        |
| 2. Name of Operator<br><b>OXY USA INCORPORATED</b>  |  |  | 6. If Indian, Allottee or Tribe Name<br><br>7. If Unit or CA Agreement, Name and No.<br><br>8. Lease Name and Well No.<br><b>NUGGET 6 31 FEDERAL COM</b><br><b>7H</b> |                        |
| 3a. Address<br><b>P.O. BOX 1002, TUPMAN, CA 93276-1002</b>  |  | 3b. Phone No. (include area code)<br><b>(661) 763-6046</b> | 9. API Well No.<br><b>30-015-56037</b>  |                        |
| 4. Location of Well (Report location clearly and in accordance with any State requirements. *)<br>At surface <b>SESE / 646 FSL / 1223 FEL / LAT 32.2408901 / LONG -103.8123364</b><br>At proposed prod. zone <b>NENE / 20 FNL / 330 FEL / LAT 32.2681214 / LONG -103.8094239</b>  |  |  | 10. Field and Pool, or Exploratory<br><b>COTTON DRAW/BONE SPRING</b><br><br>11. Sec., T. R. M. or Blk. and Survey or Area<br><b>SEC 6/T24S/R31E/NMP</b>               |                        |
| 14. Distance in miles and direction from nearest town or post office*   |  |  | 12. County or Parish<br><b>EDDY</b>   | 13. State<br><b>NM</b> |
| 15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) <b>646 feet</b>   |  | 16. No of acres in lease                                   | 17. Spacing Unit dedicated to this well<br><b>640.0</b>   |                        |
| 18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. <b>30 feet</b>   |  | 19. Proposed Depth<br><b>11141 feet / 21890 feet</b>       | 20. BLM/BIA Bond No. in file<br><b>FED: ESB000226</b>   |                        |
| 21. Elevations (Show whether DF, KDB, RT, GL, etc.)<br><b>3464 feet</b>   |  | 22. Approximate date work will start*<br><b>05/01/2025</b> | 23. Estimated duration<br><b>45 days</b>  |                        |
| 24. Attachments   |  |  |   |                        |

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No. 1, and the Hydraulic Fracturing rule per 43 CFR 3162.3-3 (as applicable)

- |   |   |
|---|---|
| 1. Well plat certified by a registered surveyor.<br>2. A Drilling Plan.<br>3. A Surface Use Plan (if the location is on National Forest System Lands, the SUPO must be filed with the appropriate Forest Service Office). | 4. Bond to cover the operations unless covered by an existing bond on file (see Item 20 above).<br>5. Operator certification.<br>6. Such other site specific information and/or plans as may be requested by the BLM. |
|---|---|

|  |  |  |  |                           |  |
|--|--|--|--|---------------------------|--|
| 25. Signature<br>(Electronic Submission)                     |  | Name (Printed/Typed)<br><b>MELISSA GUIDRY / Ph: (713) 366-5716</b> |  | Date<br><b>05/30/2024</b> |  |
| Title<br><b>Advisor Regulatory Sr.</b>                       |  |  |  |                           |  |
| Approved by (Signature)<br>(Electronic Submission)           |  | Name (Printed/Typed)<br><b>CODY LAYTON / Ph: (575) 234-5959</b>    |  | Date<br><b>12/20/2024</b> |  |
| Title<br><b>Assistant Field Manager Lands &amp; Minerals</b> |  | Office<br><b>Carlsbad Field Office</b>                             |  |                           |  |

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.

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.

(Continued on page 2)

\*(Instructions on page 2)



## INSTRUCTIONS

**GENERAL:** This form is designed for submitting proposals to perform certain well operations, as indicated on Federal and Indian lands and leases for action by appropriate Federal agencies, pursuant to applicable Federal laws and regulations. Any necessary special instructions concerning the use of this form and the number of copies to be submitted, particularly with regard to local, area, or regional procedures and practices, either are shown below or will be issued by, or may be obtained from local Federal offices.

**ITEM I:** If the proposal is to redrill to the same reservoir at a different subsurface location or to a new reservoir, use this form with appropriate notations. Consult applicable Federal regulations concerning subsequent work proposals or reports on the well.

**ITEM 4:** Locations on Federal or Indian land should be described in accordance with Federal requirements. Consult local Federal offices for specific instructions.

**ITEM 14:** Needed only when location of well cannot readily be found by road from the land or lease description. A plat, or plats, separate or on the reverse side, showing the roads to, and the surveyed location of, the well, and any other required information, should be furnished when required by Federal agency offices.

**ITEMS 15 AND 18:** If well is to be, or has been directionally drilled, give distances for subsurface location of hole in any present or objective productive zone.

**ITEM 22:** Consult applicable Federal regulations, or appropriate officials, concerning approval of the proposal before operations are started.

**ITEM 24:** If the proposal will involve hydraulic fracturing operations, you must comply with 43 CFR 3162.3-3, including providing information about the protection of usable water. Operators should provide the best available information about all formations containing water and their depths. This information could include data and interpretation of resistivity logs run on nearby wells. Information may also be obtained from state or tribal regulatory agencies and from local BLM offices.

## NOTICES

The Privacy Act of 1974 and regulation in 43 CFR 2.48( d) provide that you be furnished the following information in connection with information required by this application.

**AUTHORITY:** 30 U.S.C. 181 et seq., 25 U.S.C. 396; 43 CFR 3160

**PRINCIPAL PURPOSES:** The information will be used to: (1) process and evaluate your application for a permit to drill a new oil, gas, or service well or to reenter a plugged and abandoned well; and (2) document, for administrative use, information for the management, disposal and use of National Resource Lands and resources including (a) analyzing your proposal to discover and extract the Federal or Indian resources encountered; (b) reviewing procedures and equipment and the projected impact on the land involved; and (c) evaluating the effects of the proposed operation on the surface and subsurface water and other environmental impacts.

**ROUTINE USE:** Information from the record and/or the record will be transferred to appropriate Federal, State, and local or foreign agencies, when relevant to civil, criminal or regulatory investigations or prosecution, in connection with congressional inquiries and for regulatory responsibilities.

**EFFECT OF NOT PROVIDING INFORMATION:** Filing of this application and disclosure of the information is mandatory only if you elect to initiate a drilling or reentry operation on an oil and gas lease.

The Paperwork Reduction Act of 1995 requires us to inform you that:

The BLM connects this information to an evaluation of the technical, safety, and environmental factors involved with drilling for oil and/or gas on Federal and Indian oil and gas leases. This information will be used to analyze and approve applications. Response to this request is mandatory only if the operator elects to initiate drilling or reentry operations on an oil and gas lease. The BLM would like you to know that you do not have to respond to this or any other Federal agency-sponsored information collection unless it displays a currently valid OMB control number.

**BURDEN HOURS STATEMENT:** Public reporting burden for this form is estimated to average 8 hours per response, including the time for reviewing instructions, gathering and maintaining data, and completing and reviewing the form. Direct comments regarding the burden estimate or any other aspect of this form to U.S. Department of the Interior, Bureau of Land Management (1004-0137), Bureau Information Connection Clearance Officer (WO-630), 1849 C Street, N.W., Mail Stop 401 LS, Washington, D.C. 20240.

## Additional Operator Remarks

### Location of Well

0. SHL: SESE / 646 FSL / 1223 FEL / TWSP: 24S / RANGE: 31E / SECTION: 6 / LAT: 32.2408901 / LONG: -103.8123364 ( TVD: 0 feet, MD: 0 feet )

PPP: SESE / 0 FSL / 338 FEL / TWSP: 23S / RANGE: 31E / SECTION: 31 / LAT: 32.2536577 / LONG: -103.8094376 ( TVD: 11141 feet, MD: 16628 feet )

PPP: SENE / 2641 FSL / 335 FEL / TWSP: 23S / RANGE: 31E / SECTION: 31 / LAT: 32.2609174 / LONG: -103.8094305 ( TVD: 11141 feet, MD: 19269 feet )

PPP: NESE / 1321 FSL / 336 FEL / TWSP: 23S / RANGE: 31E / SECTION: 31 / LAT: 32.2572875 / LONG: -103.8094341 ( TVD: 11141 feet, MD: 17949 feet )

PPP: SESE / 100 FSL / 330 FEL / TWSP: 24S / RANGE: 31E / SECTION: 6 / LAT: 32.2393896 / LONG: -103.8094515 ( TVD: 11141 feet, MD: 11610 feet )

BHL: NENE / 20 FNL / 330 FEL / TWSP: 23S / RANGE: 31E / SECTION: 31 / LAT: 32.2681214 / LONG: -103.8094239 ( TVD: 11141 feet, MD: 21890 feet )

### BLM Point of Contact

Name: TENILLE C MOLINA

Title: Land Law Examiner

Phone: (575) 234-2224

Email: TCMOLINA@BLM.GOV

### **Review and Appeal Rights**

A person contesting a decision shall request a State Director review. This request must be filed within 20 working days of receipt of the Notice with the appropriate State Director (see 43 CFR 3165.3). The State Director review decision may be appealed to the Interior Board of Land Appeals, 801 North Quincy Street, Suite 300, Arlington, VA 22203 (see 43 CFR 3165.4). Contact the above listed Bureau of Land Management office for further information.



|   |   |  |                 |   |
|---|---|--|-----------------|---|
| <u>C-102</u><br><br>Submit Electronically<br>Via OCD Permitting | State of New Mexico<br>Energy, Minerals & Natural Resources Department<br><b>OIL CONSERVATION DIVISION</b>                              | Revised July 9, 2024<br><br><table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 20%; padding: 5px;">Submittal Type:</td> <td style="padding: 5px;"> <input checked="" type="checkbox"/> Initial Submittal<br/> <input type="checkbox"/> Amended Report<br/> <input type="checkbox"/> As Drilled         </td> </tr> </table> | Submittal Type: | <input checked="" type="checkbox"/> Initial Submittal<br><input type="checkbox"/> Amended Report<br><input type="checkbox"/> As Drilled |
| Submittal Type:   | <input checked="" type="checkbox"/> Initial Submittal<br><input type="checkbox"/> Amended Report<br><input type="checkbox"/> As Drilled |  |                 |   |

## WELL LOCATION INFORMATION

|  |   |  |
|--|---|--|
| API Number<br>30-015- <b>56037</b>   | Pool Code<br>13367                          | Pool Name<br><b>COTTON DRAW; BONE SPRING</b>   |
| Property Code<br><b>329887</b>   | Property Name<br><b>NUGGET 6_31 FED COM</b> | Well Number<br>7H  |
| OGRID No.<br>16696   | Operator Name<br><b>OXY USA INC.</b>        | Ground Level Elevation<br><b>3464'</b>   |
| Surface Owner: <input type="checkbox"/> State <input type="checkbox"/> Fee <input type="checkbox"/> Tribal <input checked="" type="checkbox"/> Federal |   | Mineral Owner: <input type="checkbox"/> State <input type="checkbox"/> Fee <input type="checkbox"/> Tribal <input checked="" type="checkbox"/> Federal |

### Surface Location

|    |         |          |       |     |              |              |             |               |        |
|----|---------|----------|-------|-----|--------------|--------------|-------------|---------------|--------|
| UL | Section | Township | Range | Lot | Ft. from N/S | Ft. from E/W | Latitude    | Longitude     | County |
| P  | 6       | 24S      | 31E   |     | 646' FSL     | 1223' FEL    | 32.24089017 | -103.81233645 | EDDY   |

### Bottom Hole Location

|    |         |          |       |     |              |              |             |               |        |
|----|---------|----------|-------|-----|--------------|--------------|-------------|---------------|--------|
| UL | Section | Township | Range | Lot | Ft. from N/S | Ft. from E/W | Latitude    | Longitude     | County |
| A  | 31      | 23S      | 31E   |     | 20' FNL      | 330' FEL     | 32.26812144 | -103.80942398 | EDDY   |

|                                  |  |   |  |                    |
|----------------------------------|--|---|--|--------------------|
| Dedicated Acres<br><b>640.41</b> | Infill or Defining Well<br><b>INFILL</b> | Defining Well API<br><b>14H - pending</b> | Overlapping Spacing Unit (Y/N)<br><b>Y</b>   | Consolidation Code |
| Order Numbers.                   |  |   | Well setbacks are under Common Ownership: <input type="checkbox"/> Yes <input type="checkbox"/> No |                    |

### Kick Off Point (KOP)

|    |         |          |       |     |              |              |             |               |        |
|----|---------|----------|-------|-----|--------------|--------------|-------------|---------------|--------|
| UL | Section | Township | Range | Lot | Ft. from N/S | Ft. from E/W | Latitude    | Longitude     | County |
| A  | 7       | 24S      | 31E   |     | 300' FNL     | 330' FEL     | 32.23829015 | -103.80945262 | EDDY   |



### First Take Point (FTP)

|                |                     |                        |                     |     |                                 |                                 |                                |                                   |                       |
|----------------|---------------------|------------------------|---------------------|-----|---------------------------------|---------------------------------|--------------------------------|-----------------------------------|-----------------------|
| UL<br><b>P</b> | Section<br><b>6</b> | Township<br><b>24S</b> | Range<br><b>31E</b> | Lot | Ft. from N/S<br><b>100' FSL</b> | Ft. from E/W<br><b>330' FEL</b> | Latitude<br><b>32.23938968</b> | Longitude<br><b>-103.80945157</b> | County<br><b>EDDY</b> |
|----------------|---------------------|------------------------|---------------------|-----|---------------------------------|---------------------------------|--------------------------------|-----------------------------------|-----------------------|

### **Last Take Point (LTP)**

|    |         |          |       |     |              |              |             |               |        |
|----|---------|----------|-------|-----|--------------|--------------|-------------|---------------|--------|
| UL | Section | Township | Range | Lot | Ft. from N/S | Ft. from E/W | Latitude    | Longitude     | County |
| A  | 31      | 23S      | 31E   |     | 100' FNL     | 330' FEL     | 32.26790153 | -103.80942372 | EDDY   |

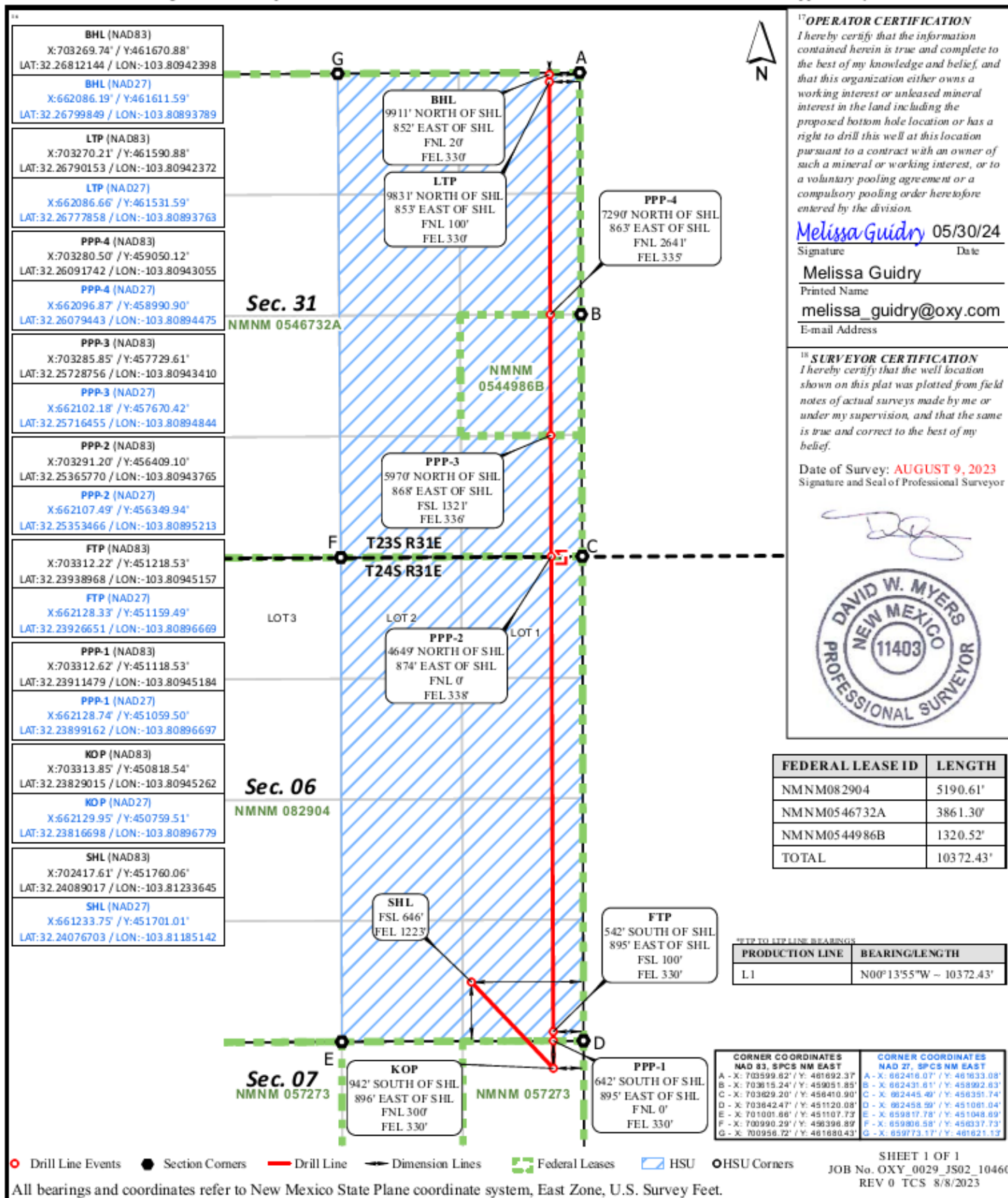
|   |  |                                  |
|---|--|----------------------------------|
| Unitized Area or Area of Uniform Interest | Spacing Unit Type <input checked="" type="checkbox"/> Horizontal <input type="checkbox"/> Vertical | Ground Floor Elevation:<br>3464' |
|---|--|----------------------------------|

|   |  |   |   |
|---|--|---|---|
| <p><b>OPERATOR CERTIFICATIONS</b></p> <p><i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and, if the well is a vertical or directional well, 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 a working interest or unleased mineral interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</i></p> <p><i>If this well is a horizontal well, I further certify that this organization has received the consent of at least one lessee or owner of a working interest or unleased mineral interest in each tract (in the target pool or formation) in which any part of the well's completed interval will be located or obtained a compulsory pooling order from the division.</i></p> <p><i>Melissa Guidry</i> 12/26/24</p> |  | <p><b>SURVEYOR CERTIFICATIONS</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> <div style="border: 1px solid black; padding: 5px; margin: 10px auto; width: fit-content;"> <p><small><b>SURVEYOR CERTIFICATION</b></small><br/> <small>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.</small><br/> <small>Date of Survey: <b>AUGUST 9, 2023</b></small><br/> <small>Signature and Seal of Professional Surveyor</small></p> <br/>  </div> |   |
| <p>Signature _____ Date _____</p> <p>Melissa Guidry</p>   |  | <p>Signature and Seal of Professional Surveyor _____</p>  |   |
| <p>Printed Name _____</p> <p>melissa_guidry@oxy.com</p> <p>Email Address _____</p>  |  | <p>Certificate Number _____</p>   | <p>Date of Survey _____</p> <p>August 9, 2023</p> |

This grid represents a standard section. You may superimpose a non-standard section, or larger area, over this grid. Operators must outline the dedicated acreage in a red box, clearly show the well surface location and bottom hole location, if it is directionally drilled, with the dimensions from the section lines in the cardinal directions. If this is a horizontal wellbore show on this plat the location of the First Take Point and Last Take Point, and the point within the Completed interval (other than the First Take Point or Last Take Point) that is closest to any outer boundary of the tract.

Surveyors shall use the latest United States government survey or dependent resurvey. Well locations will be in reference to the New Mexico Principal Meridian. If the land is not surveyed, contact the OCD Engineering Bureau. Independent subdivision surveys will not be acceptable.

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.



State of New Mexico  
Energy, Minerals and Natural Resources Department

Submit Electronically  
Via E-permitting

Oil Conservation Division  
1220 South St. Francis Dr.  
Santa Fe, NM 87505

## NATURAL GAS MANAGEMENT PLAN

This Natural Gas Management Plan must be submitted with each Application for Permit to Drill (APD) for a new or recompleted well.

### Section 1 – Plan Description

Effective May 25, 2021

**I. Operator:** OXY USA INC. **OGRID:** 16696 **Date:** 0 5/ 2 0/ 2 4

**II. Type:** ☒ Original ☐ Amendment due to ☐ 19.15.27.9.D(6)(a) NMAC ☐ 19.15.27.9.D(6)(b) NMAC ☐ Other.

If Other, please describe: \_\_\_\_\_

**III. Well(s):** Provide the following information for each new or recompleted well or set of wells proposed to be drilled or proposed to be recompleted from a single well pad or connected to a central delivery point.

| Well Name    | API | ULSTR | Footages | Anticipated<br>Oil BBL/D | Anticipated<br>Gas MCF/D | Anticipated<br>Produced Water<br>BBL/D |
|--------------|-----|-------|----------|--------------------------|--------------------------|--|
| SEE ATTACHED |     |       |          |                          |                          |  |
|              |     |       |          |                          |                          |  |

**IV. Central Delivery Point Name:** Sand Dunes South Corridor 18 CTB [See 19.15.27.9(D)(1) NMAC]

**V. Anticipated Schedule:** Provide the following information for each new or recompleted well or set of wells proposed to be drilled or proposed to be recompleted from a single well pad or connected to a central delivery point.

| Well Name    | API | Spud Date | TD Reached<br>Date | Completion<br>Commencement Date | Initial Flow<br>Back Date | First Production<br>Date |
|--------------|-----|-----------|--------------------|---------------------------------|---------------------------|--------------------------|
| SEE ATTACHED |     |           |                    |                                 |                           |                          |
|              |     |           |                    |                                 |                           |                          |

**VI. Separation Equipment:** ☒ Attach a complete description of how Operator will size separation equipment to optimize gas capture.

**VII. Operational Practices:** ☒ Attach a complete description of the actions Operator will take to comply with the requirements of Subsection A through F of 19.15.27.8 NMAC.

**VIII. Best Management Practices:** ☒ Attach a complete description of Operator's best management practices to minimize venting during active and planned maintenance.

## **Section 2 – Enhanced Plan**

### **EFFECTIVE APRIL 1, 2022**

Beginning April 1, 2022, an operator that is not in compliance with its statewide natural gas capture requirement for the applicable reporting area must complete this section.

☒ Operator certifies that it is not required to complete this section because Operator is in compliance with its statewide natural gas capture requirement for the applicable reporting area.

#### **IX. Anticipated Natural Gas Production:**

| Well | API | Anticipated Average Natural Gas Rate MCF/D | Anticipated Volume of Natural Gas for the First Year MCF |
|------|-----|--|--|
|      |     |  |  |
|      |     |  |  |

#### **X. Natural Gas Gathering System (NGGS):**

| Operator | System | ULSTR of Tie-in | Anticipated Gathering Start Date | Available Maximum Daily Capacity of System Segment Tie-in |
|----------|--------|-----------------|----------------------------------|---|
|          |        |                 |                                  |   |
|          |        |                 |                                  |   |

**XI. Map.** ☐ Attach an accurate and legible map depicting the location of the well(s), the anticipated pipeline route(s) connecting the production operations to the existing or planned interconnect of the natural gas gathering system(s), and the maximum daily capacity of the segment or portion of the natural gas gathering system(s) to which the well(s) will be connected.

**XII. Line Capacity.** The natural gas gathering system ☐ will ☐ will not have capacity to gather 100% of the anticipated natural gas production volume from the well prior to the date of first production.

**XIII. Line Pressure.** Operator ☐ does ☐ does not anticipate that its existing well(s) connected to the same segment, or portion, of the natural gas gathering system(s) described above will continue to meet anticipated increases in line pressure caused by the new well(s).

☐ Attach Operator's plan to manage production in response to the increased line pressure.

**XIV. Confidentiality:** ☐ Operator asserts confidentiality pursuant to Section 71-2-8 NMSA 1978 for the information provided in Section 2 as provided in Paragraph (2) of Subsection D of 19.15.27.9 NMAC, and attaches a full description of the specific information for which confidentiality is asserted and the basis for such assertion.

### **Section 3 - Certifications**

**Effective May 25, 2021**

Operator certifies that, after reasonable inquiry and based on the available information at the time of submittal:

☒ Operator will be able to connect the well(s) to a natural gas gathering system in the general area with sufficient capacity to transport one hundred percent of the anticipated volume of natural gas produced from the well(s) commencing on the date of first production, taking into account the current and anticipated volumes of produced natural gas from other wells connected to the pipeline gathering system; or

☐ Operator will not be able to connect to a natural gas gathering system in the general area with sufficient capacity to transport one hundred percent of the anticipated volume of natural gas produced from the well(s) commencing on the date of first production, taking into account the current and anticipated volumes of produced natural gas from other wells connected to the pipeline gathering system.

***If Operator checks this box, Operator will select one of the following:***

**Well Shut-In.** ☐ Operator will shut-in and not produce the well until it submits the certification required by Paragraph (4) of Subsection D of 19.15.27.9 NMAC; or

**Venting and Flaring Plan.** ☐ Operator has attached a venting and flaring plan that evaluates and selects one or more of the potential alternative beneficial uses for the natural gas until a natural gas gathering system is available, including:

- (a) power generation on lease;
- (b) power generation for grid;
- (c) compression on lease;
- (d) liquids removal on lease;
- (e) reinjection for underground storage;
- (f) reinjection for temporary storage;
- (g) reinjection for enhanced oil recovery;
- (h) fuel cell production; and
- (i) other alternative beneficial uses approved by the division.

### **Section 4 - Notices**

1. If, at any time after Operator submits this Natural Gas Management Plan and before the well is spud:

(a) Operator becomes aware that the natural gas gathering system it planned to connect the well(s) to has become unavailable or will not have capacity to transport one hundred percent of the production from the well(s), no later than 20 days after becoming aware of such information, Operator shall submit for OCD's approval a new or revised venting and flaring plan containing the information specified in Paragraph (5) of Subsection D of 19.15.27.9 NMAC; or

(b) Operator becomes aware that it has, cumulatively for the year, become out of compliance with its baseline natural gas capture rate or natural gas capture requirement, no later than 20 days after becoming aware of such information, Operator shall submit for OCD's approval a new or revised Natural Gas Management Plan for each well it plans to spud during the next 90 days containing the information specified in Paragraph (2) of Subsection D of 19.15.27.9 NMAC, and shall file an update for each Natural Gas Management Plan until Operator is back in compliance with its baseline natural gas capture rate or natural gas capture requirement.

2. OCD may deny or conditionally approve an APD if Operator does not make a certification, fails to submit an adequate venting and flaring plan which includes alternative beneficial uses for the anticipated volume of natural gas produced, or if OCD determines that Operator will not have adequate natural gas takeaway capacity at the time a well will be spud.

I certify that, after reasonable inquiry, the statements in and attached to this Natural Gas Management Plan are true and correct to the best of my knowledge and acknowledge that a false statement may be subject to civil and criminal penalties under the Oil and Gas Act.

|  |
|--|
| Signature: <i>Melissa Guidry</i>   |
| Printed Name: Melissa Guidry   |
| Title: Regulatory Advisor Sr.  |
| E-mail Address: melissa_guidry@oxy.com   |
| Date: 05/20/2024   |
| Phone: 713-497-2481  |
| <b>OIL CONSERVATION DIVISION</b><br><b>(Only applicable when submitted as a standalone form)</b> |
| Approved By:   |
| Title:   |
| Approval Date:   |
| Conditions of Approval:  |

## III. Well(s)

| Well Name                   | API     | WELL LOCATION (ULSTR) | Footages         | ANTICIPATED OIL BBL/D | ANTICIPATED GAS MCF/D | ANTICIPATED PROD WATER BBL/D |
|-----------------------------|---------|-----------------------|------------------|-----------------------|-----------------------|------------------------------|
| NUGGET 6_31 FEDERAL COM 4H  | Pending | C-7-24S-31E           | 419 FNL 1822 FWL | 2200                  | 4017                  | 3570                         |
| NUGGET 6_31 FEDERAL COM 5H  | Pending | C-7-24S-31E           | 419 FNL 1852 FWL | 2200                  | 4017                  | 3570                         |
| NUGGET 6_31 FEDERAL COM 6H  | Pending | P-6-24S-31E           | 646 FSL 1253 FEL | 2200                  | 4017                  | 3570                         |
| NUGGET 6_31 FEDERAL COM 7H  | Pending | P-6-24S-31E           | 646 FSL 1223 FEL | 2200                  | 4017                  | 3570                         |
| NUGGET 6_31 FEDERAL COM 35H | Pending | P-6-24S-31E           | 521 FSL 1284 FEL | 2000                  | 3000                  | 3700                         |
| NUGGET 6_31 FEDERAL COM 36H | Pending | P-6-24S-31E           | 520 FSL 1254 FEL | 2000                  | 3000                  | 3700                         |

**V. Anticipated Schedule**

| Well Name                   | API     | Spud Date | TD Reached Date | Completion Commencement Date | Initial Flow Back Date | First Production Date |
|-----------------------------|---------|-----------|-----------------|------------------------------|------------------------|-----------------------|
| NUGGET 6_31 FEDERAL COM 4H  | Pending | TBD       | TBD             | TBD                          | TBD                    | TBD                   |
| NUGGET 6_31 FEDERAL COM 5H  | Pending | TBD       | TBD             | TBD                          | TBD                    | TBD                   |
| NUGGET 6_31 FEDERAL COM 6H  | Pending | TBD       | TBD             | TBD                          | TBD                    | TBD                   |
| NUGGET 6_31 FEDERAL COM 7H  | Pending | TBD       | TBD             | TBD                          | TBD                    | TBD                   |
| NUGGET 6_31 FEDERAL COM 35H | Pending | TBD       | TBD             | TBD                          | TBD                    | TBD                   |
| NUGGET 6_31 FEDERAL COM 36H | Pending | TBD       | TBD             | TBD                          | TBD                    | TBD                   |



Central Delivery Point Name : Sand Dunes South Corridor 18 CTB

**Part VI. Separation Equipment**

Operator will size the flowback separator to handle 11,000 Bbls of fluid and 6-10MMscfd which is more than the expected peak rates for these wells. Each separator is rated to 1440psig, and pressure control valves and automated communication will cause the wells to shut in in the event of an upset at the facility, therefore no gas will be flared on pad during an upset. Current Oxy practices avoid use of flare or venting on pad, therefore if there is an upset or emergency condition at the facility, the wells will immediately shut down, and reassume production once the condition has cleared.

## **VII. Operational Practices**

### **Gathering System and Pipeline Notification**

Well(s) will be connected to a production facility after flowback operations are complete, where a gas transporter system is in place. The gas produced from production facility is dedicated to Enterprise Field Services, LLC ("Enterprise") and is connected to Enterprise low/high pressure gathering system located in Eddy County, New Mexico. OXY USA INC. ("OXY") provides (periodically) to Enterprise a drilling, completion and estimated first production date for wells that are scheduled to be drilled in the foreseeable future. In addition, OXY and Enterprise have periodic conference calls to discuss changes to drilling and completion schedules. Gas from these wells will be processed at Enterprise's Processing Plant located in Sec. 36, Twn. 24S, Rng. 30E, Eddy County, New Mexico. The actual flow of the gas will be based on compression operating parameters and gathering system pressures.

### **Flowback Strategy**

After the fracture treatment/completion operations, well(s) will be produced to temporary production tanks and gas will be flared or vented. During flowback, the fluids and sand content will be monitored. When the produced fluids contain minimal sand, the wells will be turned to production facilities. Gas sales should start as soon as the wells start flowing through the production facilities, unless there are operational issues on Enterprise system at that time. Based on current information, it is OXY's belief the system can take this gas upon completion of the well(s).

Safety requirements during cleanout operations from the use of underbalanced air cleanout systems may necessitate that sand and non-pipeline quality gas be vented and/or flared rather than sold on a temporary basis.

## **VIII. Best Management Practices**

### **Alternatives to Reduce Flaring**

Below are alternatives considered from a conceptual standpoint to reduce the amount of gas flared.

#### **Power Generation – On lease**

Only a portion of gas is consumed operating the generator, remainder of gas will be flared

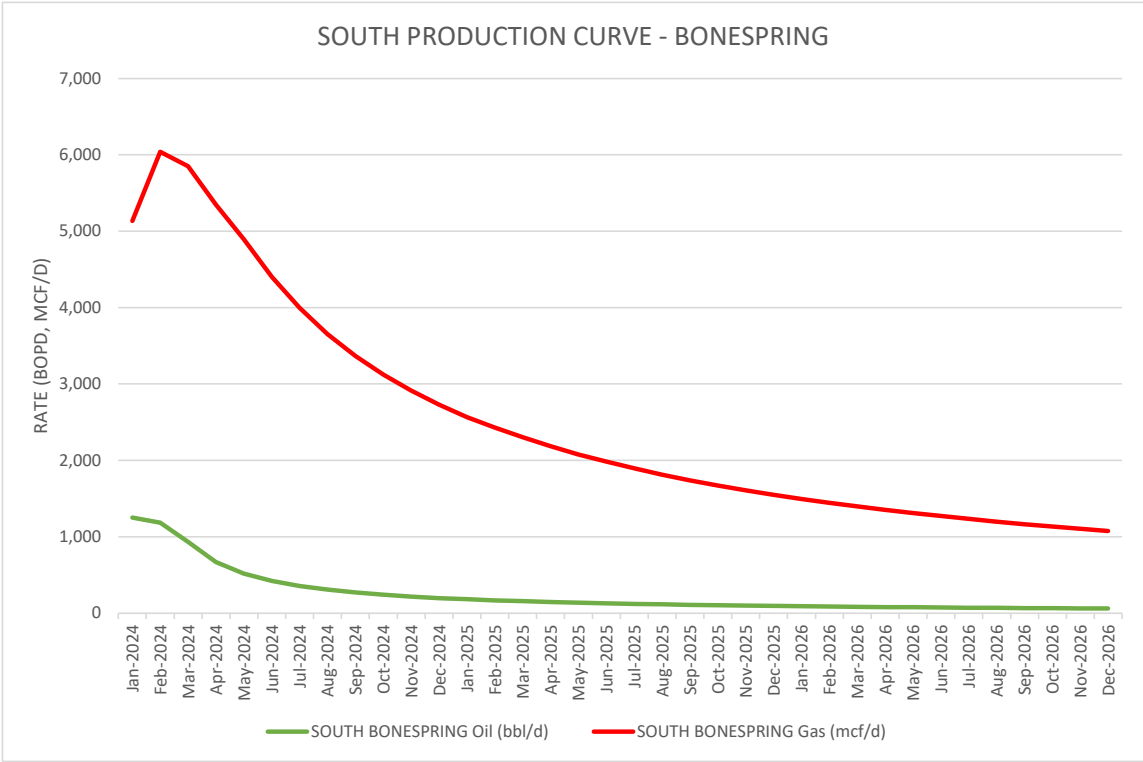
#### **Compressed Natural Gas – On lease**

Gas flared would be minimal, but might be uneconomical to operate when gas volume declines

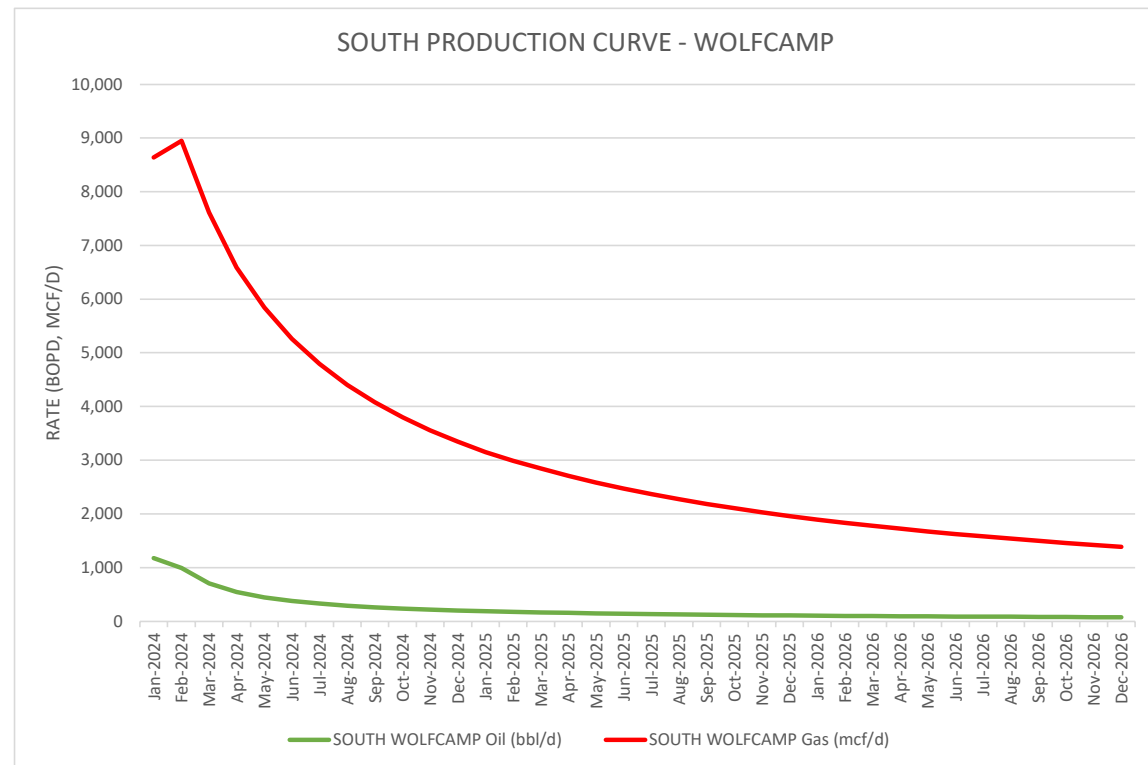
#### **NGL Removal – On lease**

Plants are expensive, residue gas is still flared, and uneconomical to operate when gas volume declines

|          | SOUTH BONESPRING |             |
|----------|------------------|-------------|
|          | Oil (bbl/d)      | Gas (mcf/d) |
| Jan-2024 | 1,250            | 5,135       |
| Feb-2024 | 1,184            | 6,041       |
| Mar-2024 | 933              | 5,849       |
| Apr-2024 | 670              | 5,349       |
| May-2024 | 517              | 4,893       |
| Jun-2024 | 421              | 4,401       |
| Jul-2024 | 355              | 3,994       |
| Aug-2024 | 306              | 3,652       |
| Sep-2024 | 270              | 3,368       |
| Oct-2024 | 240              | 3,125       |
| Nov-2024 | 217              | 2,915       |
| Dec-2024 | 197              | 2,731       |
| Jan-2025 | 181              | 2,566       |
| Feb-2025 | 167              | 2,426       |
| Mar-2025 | 155              | 2,301       |
| Apr-2025 | 145              | 2,184       |
| May-2025 | 136              | 2,078       |
| Jun-2025 | 127              | 1,982       |
| Jul-2025 | 120              | 1,894       |
| Aug-2025 | 114              | 1,812       |
| Sep-2025 | 108              | 1,739       |
| Oct-2025 | 102              | 1,670       |
| Nov-2025 | 98               | 1,607       |
| Dec-2025 | 93               | 1,549       |
| Jan-2026 | 89               | 1,493       |
| Feb-2026 | 85               | 1,444       |
| Mar-2026 | 82               | 1,398       |
| Apr-2026 | 79               | 1,353       |
| May-2026 | 76               | 1,311       |
| Jun-2026 | 73               | 1,271       |
| Jul-2026 | 71               | 1,234       |
| Aug-2026 | 68               | 1,198       |
| Sep-2026 | 66               | 1,165       |
| Oct-2026 | 64               | 1,133       |
| Nov-2026 | 62               | 1,104       |
| Dec-2026 | 60               | 1,075       |



|          | SOUTH WOLFCAMP |             |
|----------|----------------|-------------|
|          | Oil (bbl/d)    | Gas (mcf/d) |
| Jan-2024 | 1,178          | 8,636       |
| Feb-2024 | 995            | 8,951       |
| Mar-2024 | 706            | 7,614       |
| Apr-2024 | 544            | 6,588       |
| May-2024 | 445            | 5,841       |
| Jun-2024 | 377            | 5,261       |
| Jul-2024 | 328            | 4,794       |
| Aug-2024 | 291            | 4,402       |
| Sep-2024 | 261            | 4,076       |
| Oct-2024 | 238            | 3,797       |
| Nov-2024 | 218            | 3,555       |
| Dec-2024 | 201            | 3,343       |
| Jan-2025 | 187            | 3,152       |
| Feb-2025 | 175            | 2,990       |
| Mar-2025 | 165            | 2,844       |
| Apr-2025 | 156            | 2,708       |
| May-2025 | 148            | 2,584       |
| Jun-2025 | 140            | 2,471       |
| Jul-2025 | 133            | 2,368       |
| Aug-2025 | 127            | 2,272       |
| Sep-2025 | 122            | 2,184       |
| Oct-2025 | 117            | 2,104       |
| Nov-2025 | 112            | 2,029       |
| Dec-2025 | 108            | 1,959       |
| Jan-2026 | 104            | 1,893       |
| Feb-2026 | 101            | 1,834       |
| Mar-2026 | 97             | 1,778       |
| Apr-2026 | 94             | 1,725       |
| May-2026 | 91             | 1,674       |
| Jun-2026 | 89             | 1,626       |
| Jul-2026 | 86             | 1,581       |
| Aug-2026 | 84             | 1,538       |
| Sep-2026 | 81             | 1,498       |
| Oct-2026 | 79             | 1,460       |
| Nov-2026 | 77             | 1,423       |
| Dec-2026 | 75             | 1,389       |



# Oxy USA Inc. - NUGGET 6\_31 FED COM 7H

## Drill Plan

### 1. Geologic Formations

|                            |       |                                    |     |
|----------------------------|-------|------------------------------------|-----|
| TVD of Target (ft):        | 11141 | Pilot Hole Depth (ft):             |     |
| Total Measured Depth (ft): | 21890 | Deepest Expected Fresh Water (ft): | 579 |

### Delaware Basin

| Formation       | MD-RKB (ft) | TVD-RKB (ft) | Expected Fluids |
|-----------------|-------------|--------------|-----------------|
| Rustler         | 579         | 579          |                 |
| Salado          | 953         | 953          | Salt            |
| Castile         | 2826        | 2826         | Salt            |
| Delaware        | 4216        | 4216         | Oil/Gas/Brine   |
| Bell Canyon     | 4238        | 4238         | Oil/Gas/Brine   |
| Cherry Canyon   | 5179        | 5177         | Oil/Gas/Brine   |
| Brushy Canyon   | 6441        | 6414         | Losses          |
| Bone Spring     | 8146        | 8075         | Oil/Gas         |
| Bone Spring 1st | 9198        | 9100         | Oil/Gas         |
| Bone Spring 2nd | 9897        | 9781         | Oil/Gas         |
| Bone Spring 3rd | 11239       | 11026        | Oil/Gas         |
| Wolfcamp        |             |              | Oil/Gas         |
| Penn            |             |              | Oil/Gas         |
| Strawn          |             |              | Oil/Gas         |

\*H2S, water flows, loss of circulation, abnormal pressures, etc.

### 2. Casing Program

|              |                | MD        |         | TVD       |         |              |               |         |           |
|--------------|----------------|-----------|---------|-----------|---------|--------------|---------------|---------|-----------|
| Section      | Hole Size (in) | From (ft) | To (ft) | From (ft) | To (ft) | Csg. OD (in) | Csg Wt. (ppf) | Grade   | Conn.     |
| Surface      | 14.75          | 0         | 893     | 0         | 893     | 10.75        | 45.5          | J-55    | BTC       |
| Intermediate | 9.875          | 0         | 10511   | 0         | 10377   | 7.625        | 26.4          | L-80 HC | BTC       |
| Production   | 6.75           | 0         | 21890   | 0         | 11141   | 5.5          | 20            | P-110   | Sprint-SF |

All casing strings will be tested in accordance with 43 CFR part 3170 Subpart 3172

|  |          |                 |                  |
|--|----------|-----------------|------------------|
| All Casing SF Values will meet or exceed those below |          |                 |                  |
| SF Collapse  | SF Burst | Body SF Tension | Joint SF Tension |
| 1.00   | 1.100    | 1.4             | 1.4              |

|   |        |
|---|--------|
|   | Y or N |
| Is casing new? If used, attach certification as required in 43 CFR 3160   | Y      |
| Does casing meet API specifications? If no, attach casing specification sheet.  | Y      |
| Is premium or uncommon casing planned? If yes attach casing specification sheet.  | Y      |
| Does the above casing design meet or exceed BLM’s minimum standards?<br>If not provide justification (loading assumptions, casing design criteria). | Y      |
| Will the intermediate pipe be kept at a minimum 1/3 fluid filled to avoid approaching the collapse pressure rating of the casing?                   | Y      |
|   |        |
| Is well located within Capitan Reef?  | N      |
| If yes, does production casing cement tie back a minimum of 50’ above the Reef?   |        |
| Is well within the designated 4 string boundary.  |        |
|   |        |
| Is well located in SOPA but not in R-111-P?   | Y      |
| If yes, are the first 2 strings cemented to surface and 3 <sup>rd</sup> string cement tied back 500’ into previous casing?                          | Y      |
|   |        |
| Is well located in R-111-P and SOPA?  | N      |
| If yes, are the first three strings cemented to surface?  |        |
| Is 2 <sup>nd</sup> string set 100’ to 600’ below the base of salt?  |        |
|   |        |
| Is well located in high Cave/Karst?   | N      |
| If yes, are there two strings cemented to surface?  |        |
| (For 2 string wells) If yes, is there a contingency casing if lost circulation occurs?  |        |
|   |        |
| Is well located in critical Cave/Karst?   | N      |
| If yes, are there three strings cemented to surface?  |        |

3. Cementing Program

| Section | Stage | Slurry:                   | Sacks | Yield<br>(ft^3/ft) | Density<br>(lb/gal) | Excess: | TOC    | Placement  | Description           |
|---------|-------|---------------------------|-------|--------------------|---------------------|---------|--------|------------|-----------------------|
| Surface | 1     | Surface - Tail            | 747   | 1.33               | 14.8                | 100%    | -      | Circulate  | Class C+Accel.        |
| Int.    | 1     | Intermediate 1S - Tail    | 513   | 1.68               | 13.2                | 5%      | 6,691  | Circulate  | Class C+Ret., Disper. |
| Int.    | 2     | Intermediate 2S - Tail BH | 1032  | 1.71               | 13.3                | 25%     | -      | Bradenhead | Class C+Accel.        |
| Prod.   | 1     | Production - Tail         | 673   | 1.84               | 13.3                | 25%     | 10,011 | Circulate  | Class C+Ret.          |

Offline Cementing Request

Oxy requests a variance to cement the 9.625” and/or 7.625” intermediate casing strings offline in accordance to the approved variance, EC Tran 461365. Please see Offline Cementing Variance attachment for further details.

Bradenhead CBL Request

Oxy requests permission to adjust the CBL requirement after bradenhead cement jobs, on 7-5/8” intermediate casings, as per the agreement reached in the OXY/BLM meeting on September 5, 2019. Please see Bradenhead CBL Variance attachment for further details.



4. Pressure Control Equipment

| BOP installed and tested before drilling which hole? | Size?   | Min. Required WP | Type       |  | ✓ | Tested to:               | Deepest TVD Depth (ft) per Section: |
|--|---------|------------------|------------|--|---|--------------------------|-------------------------------------|
| 9.875" Hole  | 13-5/8" | 5M               | Annular    |  | ✓ | 70% of working pressure  | 10377                               |
|  |         | 5M               | Blind Ram  |  | ✓ | 250 psi / 5000 psi       |                                     |
|  |         |                  | Pipe Ram   |  |   |                          |                                     |
|  |         |                  | Double Ram |  | ✓ |                          |                                     |
|  |         |                  | Other*     |  |   |                          |                                     |
| 6.75" Hole   | 13-5/8" | 5M               | Annular    |  | ✓ | 100% of working pressure | 11141                               |
|  |         | 10M              | Blind Ram  |  | ✓ | 250 psi / 10000 psi      |                                     |
|  |         |                  | Pipe Ram   |  |   |                          |                                     |
|  |         |                  | Double Ram |  | ✓ |                          |                                     |
|  |         |                  | Other*     |  |   |                          |                                     |

\*Specify if additional ram is utilized

BOP/BOPE will be tested by an independent service company to 250 psi low and the high pressure indicated above per 43 CFR part 3170 Subpart 3172 requirements. The System may be upgraded to a higher pressure but still tested to the working pressure listed in the table above. If the system is upgraded all the components installed will be functional and tested.

Pipe rams will be operationally checked each 24 hour period. Blind rams will be operationally checked on each trip out of the hole. These checks will be noted on the daily tour sheets. Other accessories to the BOP equipment will include a Kelly cock and floor safety valve (inside BOP) and choke lines and choke

5M Annular BOP Request

Per BLM’s Memorandum No. NM-2017-008: *Decision and Rationale for a Variance Allowing the Use of a 5M Annular Preventer with a 10M BOP Stack*, Oxy requests to employ a 5M annular with a 10M BOPE stack in the pilot and lateral sections of the well and will ensure that two barriers to flow are maintained at all times. Please see Annular BOP Variance attachment for further details.

|  |  |                                       |
|--|--|---------------------------------------|
|  | Formation integrity test will be performed per 43 CFR part 3170 Subpart 3172.  |                                       |
|  | On Exploratory wells or on that portion of any well approved for a 5M BOPE system or greater, a pressure integrity test of each casing shoe shall be performed. Will be tested in accordance with 43 CFR part 3170 Subpart 3172.   |                                       |
|  |  |                                       |
|  | A variance is requested for the use of a flexible choke line from the BOP to Choke Manifold. See attached for specs and hydrostatic test chart.  |                                       |
|  | Y  | Are anchors required by manufacturer? |
|  | <p>A multibowl or a unionized multibowl wellhead system will be employed. The wellhead and connection to the BOPE will meet all API 6A requirements. The BOP will be tested per 43 CFR part 3170 Subpart 3172 after installation on the surface casing which will cover testing requirements for a maximum of 30 days. If any seal subject to test pressure is broken the system must be tested. We will test the flange connection of the wellhead with a test port that is directly in the flange. We are proposing that we will run the wellhead through the rotary prior to cementing surface casing as discussed with the BLM on October 8, 2015.</p> <p>See attached schematics.</p> |                                       |

**BOP Break Testing Request**

Oxy requests permission to adjust the BOP break testing requirements as per the agreement reached in the OXY/BLM meeting on September 5, 2019. Please see BOP Break Testing Variance attachment for further details.

**Oxy will use Cameron ADAPT wellhead system that uses an OEC top flange connection. This connection has been fully vetted and verified by API to Spec 6A and carries an API monogram.**

5. Mud Program

| Section      | Depth - MD |         | Depth - TVD |         | Type                                   | Weight (ppg) | Viscosity | Water Loss |
|--------------|------------|---------|-------------|---------|--|--------------|-----------|------------|
|              | From (ft)  | To (ft) | From (ft)   | To (ft) |  |              |           |            |
| Surface      | 0          | 893     | 0           | 893     | Water-Based Mud                        | 8.6 - 8.8    | 40-60     | N/C        |
| Intermediate | 893        | 10511   | 893         | 10377   | Saturated Brine-Based or Oil-Based Mud | 8.0 - 10.0   | 35-45     | N/C        |
| Production   | 10511      | 21890   | 10377       | 11141   | Water-Based or Oil-Based Mud           | 9.5 - 12.5   | 38-50     | N/C        |

Sufficient mud materials to maintain mud properties and meet minimum lost circulation and weight increase requirements will be kept on location at all times. The following is a general list of products: Barite, Bentonite, Gypsum, Lime, Soda Ash, Caustic Soda, Nut Plug, Cedar Fiber, Cotton Seed Hulls,

|   |                                |
|---|--------------------------------|
| What will be used to monitor the loss or gain of fluid? | PVT/MD Totco/Visual Monitoring |
|---|--------------------------------|

6. Logging and Testing Procedures

| Logging, Coring and Testing. |  |                   |
|------------------------------|--|-------------------|
| Yes                          | Will run GR from TD to surface (horizontal well – vertical portion of hole). |                   |
|                              | Stated logs run will be in the Completion Report and submitted to the BLM.   |                   |
| No                           | Logs are planned based on well control or offset log information.            |                   |
| No                           | Drill stem test? If yes, explain   |                   |
| No                           | Coring? If yes, explain  |                   |
| Additional logs planned      |  | Interval          |
| No                           | Resistivity  |                   |
| No                           | Density  |                   |
| Yes                          | CBL  | Production string |
| Yes                          | Mud log  | Bone Spring – TD  |
| No                           | PEX  |                   |

7. Drilling Conditions

| Condition                     | Specify what type and where? |
|-------------------------------|------------------------------|
| BH Pressure at deepest TVD    | 7242 psi                     |
| Abnormal Temperature          | No                           |
| BH Temperature at deepest TVD | 170°F                        |

Pump high viscosity sweeps as needed for hole cleaning. The mud system will be monitored visually/manually as well as with an electronic PVT. The necessary mud products for additional weight and fluid loss control will be on location at all times. Appropriately weighted mud will be used to isolate potential gas, oil, and water zones until such time as casing can be cemented into place for

|   |                   |
|---|-------------------|
| Hydrogen Sulfide (H2S) monitors will be installed prior to drilling out the surface shoe. If H2S is detected in concentrations greater than 100 ppm, the operator will comply with the provisions of 43 CFR part 3170 Subpart 3172. If Hydrogen Sulfide is encountered, measured values and formations will be provided to the BLM. |                   |
| N   | H2S is present    |
| Y   | H2S Plan attached |

8. Other facets of operation

|   |  | Yes/No    |
|---|--|-----------|
| Will the well be drilled with a walking/skidding operation? If yes, describe.<br>We plan to drill the 2 well pad in batch by section: all surface sections, intermediate sections and production sections. The wellhead will be secured with a night cap whenever the rig is not over the well.   |  | Yes       |
| Will more than one drilling rig be used for drilling operations? If yes, describe.<br>Oxy requests the option to contract a Surface Rig to drill, set surface casing, and cement for this well. If the timing between rigs is such that Oxy would not be able to preset surface, the Primary Rig will MIRU and drill the well in its entirety per the APD. Please see the attached document for information on the spudder rig. |  | Yes       |
| Total Estimated Cuttings Volume:  |  | 1604 bbls |



# Oxy USA Inc. - Blanket Design Pad Document

## OXY - Blanket Design A

**Pad Name:** SNDDNS\_T24SR31E\_6\_6

**SHL:** 1264' FSL 1299' FEL, Sec 6, T24S-R31E

Oxy requests for the bellow wells to be approved for the two designs listed in the Blanket Design document (**Blanket Design A –OXY –3S Slim v7.**) The MDs and TVDs for all intervals are within the boundary conditions. The max inclination and DLS are also within the boundary conditions (directional plans attached separately for review.)

### 1. Blanket Design - Wells

| Well Name                        | APD #            | Surface |     | Intermediate |       | Production |       |
|----------------------------------|------------------|---------|-----|--------------|-------|------------|-------|
|                                  |                  | MD      | TVD | MD           | TVD   | MD         | TVD   |
| NUGGET 6_31 FED COM 6H           | N/A - New Permit | 883     | 883 | 10463        | 10368 | 21844      | 11140 |
| NUGGET 6_31 FED COM 7H           | N/A - New Permit | 893     | 893 | 10511        | 10377 | 21890      | 11141 |
| NUGGET 6_31 FED COM 13H          | N/A - New Permit | 887     | 887 | 8664         | 8550  | 20097      | 9350  |
| NUGGET 6_31 FED COM 14H          | N/A - New Permit | 897     | 897 | 8711         | 8559  | 20144      | 9350  |
| NUGGET 6_31 FED COM 35H          | N/A - New Permit | 888     | 888 | 9896         | 9827  | 21276      | 10599 |
| NUGGET 6_31 FED COM 36H          | N/A - New Permit | 894     | 894 | 9948         | 9841  | 21320      | 10599 |
| NUGGET 6_31 FED COM 45H          | N/A - New Permit | 888     | 888 | 11499        | 11400 | 23049      | 12169 |
| JEFF SMITH MDP1 7_18 FED COM 36H | N/A - New Permit | 899     | 899 | 10010        | 9963  | 21450      | 10619 |
| JEFF SMITH MDP1 7_18 FED COM 33H | N/A - New Permit | 886     | 886 | 10096        | 9968  | 21539      | 10621 |
| JEFF SMITH MDP1 7_18 FED COM 34H | N/A - New Permit | 893     | 893 | 9996         | 9969  | 21430      | 10620 |
|                                  |                  |         |     |              |       |            |       |

### 2. Review Criteria Table

|   | Y or N |
|---|--------|
| Is casing new? If used, attach certification as required in 43 CFR 3160   | Y      |
| Does casing meet API specifications? If no, attach casing specification sheet.  | Y      |
| Is premium or uncommon casing planned? If yes attach casing specification sheet.  | Y      |
| Does the above casing design meet or exceed BLM’s minimum standards?<br>If not provide justification (loading assumptions, casing design criteria). | Y      |
| Will the intermediate pipe be kept at a minimum 1/3 fluid filled to avoid approaching the collapse pressure rating of the casing?                   | Y      |
|   |        |
| Is well located within Capitan Reef?  | N      |
| If yes, does production casing cement tie back a minimum of 50’ above the Reef?   |        |
| Is well within the designated 4 string boundary.  |        |
|   |        |
| Is well located in SOPA but not in R-111-P?   | Y      |
| If yes, are the first 2 strings cemented to surface and 3 <sup>rd</sup> string cement tied back 500’ into previous casing?                          | Y      |
|   |        |
| Is well located in R-111-P and SOPA?  | N      |
| If yes, are the first three strings cemented to surface?  |        |
| Is 2 <sup>nd</sup> string set 100’ to 600’ below the base of salt?  |        |
|   |        |
| Is well located in high Cave/Karst?   | N      |
| If yes, are there two strings cemented to surface?  |        |
| (For 2 string wells) If yes, is there a contingency casing if lost circulation occurs?  |        |
|   |        |
| Is well located in critical Cave/Karst?   | N      |
| If yes, are there three strings cemented to surface?  |        |

3. Geologic Formations

| Formation       | MD-RKB (ft) | TVD-RKB (ft) | Expected Fluids |
|-----------------|-------------|--------------|-----------------|
| Rustler         | 564         | 564          |                 |
| Salado          | 943         | 943          | Salt            |
| Castile         | 2818        | 2818         | Salt            |
| Delaware        | 4196        | 4196         | Oil/Gas/Brine   |
| Bell Canyon     | 4225        | 4225         | Oil/Gas/Brine   |
| Cherry Canyon   | 5139        | 5139         | Oil/Gas/Brine   |
| Brushy Canyon   | 6402        | 6384         | Losses          |
| Bone Spring     | 8101        | 8052         | Oil/Gas         |
| Bone Spring 1st | 9143        | 9075         | Oil/Gas         |
| Bone Spring 2nd | 9862        | 9780         | Oil/Gas         |
| Bone Spring 3rd | 11186       | 11020        | Oil/Gas         |
| Wolfcamp        |             |              | Oil/Gas         |
| Penn            |             |              | Oil/Gas         |
| Strawn          |             |              | Oil/Gas         |

4. Cementing Program

| Section | Stage | Slurry:                   | Sacks | Yield (ft^3/ft) | Density (lb/gal) | Excess: | TOC   | Placement  | Description           |
|---------|-------|---------------------------|-------|-----------------|------------------|---------|-------|------------|-----------------------|
| Surface | 1     | Surface - Tail            | 739   | 1.33            | 14.8             | 100%    | -     | Circulate  | Class C+Accel.        |
| Int.    | 1     | Intermediate 1S - Tail    | 512   | 1.68            | 13.2             | 5%      | 6,652 | Circulate  | Class C+Ret., Disper. |
| Int.    | 2     | Intermediate 2S - Tail BH | 1026  | 1.71            | 13.3             | 25%     | -     | Bradenhead | Class C+Accel.        |
| Prod.   | 1     | Production - Tail         | 673   | 1.84            | 13.3             | 25%     | 9,963 | Circulate  | Class C+Ret.          |



## Oxy Bulk Design - Casing Design "A"



### 1. Casing Program

The designs and associated details listed in this document are the "worst case scenario" boundaries for design safety factors.

Location and lithology have NOT been accounted for in these designs; however, the designs are NOT valid for wells within KPLA Boundaries or Capitan Reef areas. The specific well details will be based on the APD/Sundry package and the information listed in the COA.

The mud program listed below will remain the same between each design variation.

Hole will be full during casing run for well control and tensile SF.

Casing will be kept at least half full during run for these designs to meet BLM collapse SF requirement.

#### Design Variation "A1"

| Section      | Hole Size (in) | MD        |         | TVD       |         | Csg. OD (in) | Csg Wt. (ppf) | Grade   | Conn.                                 |
|--------------|----------------|-----------|---------|-----------|---------|--------------|---------------|---------|---------------------------------------|
|              |                | From (ft) | To (ft) | From (ft) | To (ft) |              |               |         |                                       |
| Surface      | 14.75          | 0         | 1200    | 0         | 1200    | 10.75        | 45.5          | J-55    | BTC                                   |
| Intermediate | 9.875          | 0         | 13111*  | 0         | 12775*  | 7.625        | 26.4          | L-80 HC | BTC<br>Axis HT                        |
| Production   | 6.75           | 0         | 23361   | 0         | 12775   | 5.5          | 20            | P-110   | Wedge 461<br>Sprint SF<br>DWC/C-HT-IS |

\*Curve could be in intermediate or production section

#### Design Variation "A2" - Option to Pivot to Design "B" for Contingency 4S

| Section      | Hole Size (in) | MD        |         | TVD       |         | Csg. OD (in) | Csg Wt. (ppf) | Grade   | Conn.                                 |
|--------------|----------------|-----------|---------|-----------|---------|--------------|---------------|---------|---------------------------------------|
|              |                | From (ft) | To (ft) | From (ft) | To (ft) |              |               |         |                                       |
| Surface      | 17.5           | 0         | 1200    | 0         | 1200    | 13.375       | 54.5          | J-55    | BTC                                   |
| Intermediate | 12.25†         | 0         | 13111*  | 0         | 12775*  | 7.625        | 26.4          | L-80 HC | BTC<br>Axis HT                        |
| Production   | 6.75           | 0         | 23361   | 0         | 12775   | 5.5          | 20            | P-110   | Wedge 461<br>Sprint SF<br>DWC/C-HT-IS |

\*Curve could be in intermediate or production section

†If 4S Contingency is not required, Oxy requests permission to transition from 12.25" to 9.875" Intermediate at some point during the hole section. Cement volumes will be updated on C103 submission.

All casing strings will be tested in accordance with 43 CFR part 3170 Subpart 3172

| All Casing SF Values will meet or exceed those below |          |                 |                  |
|--|----------|-----------------|------------------|
| SF Collapse  | SF Burst | Body SF Tension | Joint SF Tension |
| 1.00   | 1.100    | 1.4             | 1.4              |



## Oxy Bulk Design - Casing Design "A"



### §Annular Clearance Variance Request

As per the agreement reached in the Oxy/BLM face-to-face meeting on Feb 22, 2018, Oxy requests permission to allow deviation from the 0.422" annular clearance requirement. Please see Annular Clearance Variance attachment for further details.

§Annular Clearance Variance Request may not apply to all connections used or presented.

## 2. Trajectory / Boundary Conditions

| Section      | MD                             |                | TVD              |                | Max. Angle | Max. Planned DLS |
|--------------|--------------------------------|----------------|------------------|----------------|------------|------------------|
|              | Deepest KOP (ft)               | End Build (ft) | Deepest KOP (ft) | End Build (ft) |            |                  |
| Surface      | 0                              | 1200           | 0                | 1200           | 5°         | 1°/100 ft        |
| Intermediate | 5000<br>(inside Cherry Canyon) | 6500           | 4980             | 6390           | 20°        | 2°/100 ft        |
|              | 12211                          | 13111          | 12202            | 12775          | 92° ‡      | 12°/100 ft ‡     |
| Production   | 12211<br>(~100' MD past ICP)   | 13111          | 12202            | 12775          | 92° ‡      | 12°/100 ft ‡     |

‡ Applies only when intermediate casing depth is deepened to landing point to match TVD of production in some areas where required to accommodate higher MWs in depleted areas.

Oxy has reviewed casing burst, collapse, and axial loadcases in Landmark StressCheck with the boundary conditions in the table above which satisfies Oxy and BLM minimum design criteria. Triaxial plots for each casing string is shown in Section 7 and intermediate load case inputs are shown in Section 8.





## Oxy Bulk Design - Casing Design "A"



### 3. Cementing Program

NOTE: Blanket design is for technical review only. The cement volumes will be adjusted to ensure cement tops meet BLM requirements.

#### Design Variation "A1"

| Section | Stage | Slurry:                   | Sacks | Yield (ft <sup>3</sup> /ft) | Density (lb/gal) | Excess: | TOC                  | Placement  | Description           |
|---------|-------|---------------------------|-------|-----------------------------|------------------|---------|----------------------|------------|-----------------------|
| Surface | 1     | Surface - Tail            | 819   | 1.33                        | 14.8             | 100%    | -                    | Circulate  | Class C+Accel.        |
| Int.    | 1     | Intermediate 1S - Tail    | 658   | 1.68                        | 13.2             | 5%      | 7,206                | Circulate  | Class C+Ret., Disper. |
| Int.    | 2     | Intermediate 2S - Tail BH | 1111  | 1.71                        | 13.3             | 25%     | -                    | Bradenhead | Class C+Accel.        |
| Prod.   | 1     | Production - Tail         | 665   | 1.84                        | 13.3             | 25%     | 11,611               | Circulate  | Class C+Ret.          |
| Prod.   | 2*    | Production - Tail BH*     | TBD   | 1.84                        | 13.3             | 50%     | 500' inside prev csg | Circulate  | Class C+Ret.          |

\*Only applies in scenario where planned single stage job TOC is not 500' above previous shoe as designed/programmed requiring bradenhead 2nd stage to meet requirements

#### Design Variation "A2"

| Section | Stage | Slurry:                   | Sacks | Yield (ft <sup>3</sup> /ft) | Density (lb/gal) | Excess: | TOC                  | Placement  | Description           |
|---------|-------|---------------------------|-------|-----------------------------|------------------|---------|----------------------|------------|-----------------------|
| Surface | 1     | Surface - Tail            | 1023  | 1.33                        | 14.8             | 100%    | -                    | Circulate  | Class C+Accel.        |
| Int.    | 1     | Intermediate 1S - Tail    | 658   | 1.68                        | 13.2             | 5%      | 7,206                | Circulate  | Class C+Ret., Disper. |
| Int.    | 2     | Intermediate 2S - Tail BH | 1293  | 1.71                        | 13.3             | 25%     | -                    | Bradenhead | Class C+Accel.        |
| Prod.   | 1     | Production - Tail         | 665   | 1.84                        | 13.3             | 25%     | 11,611               | Circulate  | Class C+Ret.          |
| Prod.   | 2*    | Production - Tail BH*     | TBD   | 1.84                        | 13.3             | 50%     | 500' inside prev csg | Circulate  | Class C+Ret.          |

\*Only applies in scenario where planned single stage job TOC is not 500' above previous shoe as designed/programmed requiring bradenhead 2nd stage to meet requirements

#### Offline Cementing Request

Oxy requests a variance to cement the 9.625" and/or 7.625" intermediate casing strings offline in accordance to the approved variance, EC Tran 461365. Please see Offline Cementing Variance attachment for further details.

#### Bradenhead CBL Request

Oxy requests permission to adjust the CBL requirement after bradenhead cement jobs, on 7-5/8" intermediate casings, as per the agreement reached in the OXY/BLM meeting on September 5, 2019. Please see Bradenhead CBL Variance attachment for further details.



## Oxy Bulk Design - Casing Design "A"



### 4. Pressure Control Equipment

| BOP installed and tested before drilling which hole? | Size?   | Min. Required WP | Type       |  | ✓ | Tested to:               | Deepest TVD Depth (ft) per Section: |
|--|---------|------------------|------------|--|---|--------------------------|-------------------------------------|
| 9.875" Hole  | 13-5/8" | 5M               | Annular    |  | ✓ | 70% of working pressure  | 12775**                             |
|  |         | 5M               | Blind Ram  |  | ✓ | 250 psi / 5000 psi       |                                     |
|  |         |                  | Pipe Ram   |  |   |                          |                                     |
|  |         |                  | Double Ram |  | ✓ |                          |                                     |
|  |         |                  | Other*     |  |   |                          |                                     |
| 6.75" Hole   | 13-5/8" | 5M               | Annular    |  | ✓ | 100% of working pressure | 12775                               |
|  |         | 10M              | Blind Ram  |  | ✓ | 250 psi / 10000 psi      |                                     |
|  |         |                  | Pipe Ram   |  |   |                          |                                     |
|  |         |                  | Double Ram |  | ✓ |                          |                                     |
|  |         |                  | Other*     |  |   |                          |                                     |

\*Specify if additional ram is utilized

\*\*Curve could be in intermediate or production section

BOP/BOPE will be tested by an independent service company to 250 psi low and the high pressure indicated above per 43 CFR part 3170 Subpart 3172 requirements. The System may be upgraded to a higher pressure but still tested to the working pressure listed in the table above. If the system is upgraded all the components installed will be functional and tested.

Pipe rams will be operationally checked each 24 hour period. Blind rams will be operationally checked on each trip out of the hole. These checks will be noted on the daily tour sheets. Other accessories to the BOP equipment will include a Kelly cock and floor safety valve (inside BOP) and choke lines and choke manifold. See attached schematics.

#### 5M Annular BOP Request

Per BLM's Memorandum No. NM-2017-008: *Decision and Rationale for a Variance Allowing the Use of a 5M Annular Preventer with a 10M BOP Stack*, Oxy requests to employ a 5M annular with a 10M BOPE stack in the pilot and lateral sections of the well and will ensure that two barriers to flow are



## Oxy Bulk Design - Casing Design "A"



Formation integrity test will be performed per 43 CFR part 3170 Subpart 3172.

On Exploratory wells or on that portion of any well approved for a 5M BOPE system or greater, a pressure integrity test of each casing shoe shall be performed. Will be tested in accordance with 43 CFR part 3170 Subpart 3172.

A variance is requested for the use of a flexible choke line from the BOP to Choke Manifold. Coflex hoses are in compliance with API 16C and meets inspection and testing requirements. See attached for specs and hydrostatic test chart.

Y

Are anchors required by manufacturer?

A multibowl or a unionized multibowl wellhead system will be employed. The wellhead and connection to the BOPE will meet all API 6A requirements. The BOP will be tested per 43 CFR part 3170 Subpart 3172 after installation on the surface casing which will cover testing requirements for a maximum of 30 days. If any seal subject to test pressure is broken the system must be tested. We will test the flange connection of the wellhead with a test port that is directly in the flange. We are proposing that we will run the wellhead through the rotary prior to cementing surface casing as discussed with the BLM on October 8, 2015.

See attached Schematics.

### BOP Break Testing Request

Oxy requests permission to adjust the BOP break testing requirements as per the agreement reached in the OXY/BLM meeting on September 5, 2019. Please see BOP Break Testing Variance attachment for further details.

### Hammer Union Variance

Oxy requests permission for hammer unions behind the choke to be routed to the gas buster. The hammer unions will not be subject to wellbore pressure in compliance with API STD 53.

Oxy will use Cameron ADAPT wellhead system that uses an OEC top flange connection. This connection has been fully vetted and verified by API to Spec 6A and carries an API monogram.



## Oxy Bulk Design - Casing Design "A"



### 5. Mud Program & Drilling Conditions

| Section      | Depth - MD |         | Depth - TVD |         | Type                                   | Weight (ppg) | Viscosity | Water Loss |
|--------------|------------|---------|-------------|---------|--|--------------|-----------|------------|
|              | From (ft)  | To (ft) | From (ft)   | To (ft) |  |              |           |            |
| Surface      | 0          | 1200    | 0           | 1200    | Water-Based Mud                        | 8.6 - 8.8    | 40-60     | N/C        |
| Intermediate | 1200       | 13111*  | 1200        | 12775*  | Saturated Brine-Based or Oil-Based Mud | 8.0 - 10.0   | 35-45     | N/C        |
| Production   | 13111      | 23361   | 12775       | 12775   | Water-Based or Oil-Based Mud           | 9.5 - 13.5   | 38-50     | N/C        |

\*Curve could be in intermediate or production section\*

Sufficient mud materials to maintain mud properties and meet minimum lost circulation and weight increase requirements will be kept on location at all times. The following is a general list of products: Barite, Bentonite, Gypsum, Lime, Soda Ash, Caustic Soda, Nut Plug, Cedar Fiber, Cotton Seed Hulls, Drilling Paper, Salt Water Clay, CACL2. Oxy will use a closed mud system.

#### Drilling Blind Request

In the event total losses are encountered in the intermediate section, Oxy requests permission to drill blind due to depleted formations where risk of hydrocarbon kicks are unlikely.

- Oxy will first attempt to cure losses before proceeding with drilling blind
- Drilling blind will only be allowed in the Castille and formations below
- While drilling blind, will monitor backside by filling-up on connections and utilize gas monitors
- Depths at which losses occurred and attempt to cure losses with relevant details (LCM sweep info, etc.) will be documented in the drillers log and Subsequent Reports to the BLM.
- If a well control event (hydrocarbon kick) occurs while drilling blind, the BLM will be notified after the well is secured and returned to static.

What will be used to monitor the loss or gain of fluid?

PVT/MD Totco/Visual Monitoring

Pump high viscosity sweeps as needed for hole cleaning. The mud system will be monitored visually/manually as well as with an electronic PVT. The necessary mud products for additional weight and fluid loss control will be on location at all times. Appropriately weighted mud will be used to isolate potential gas, oil, and water zones until such time as casing can be cemented into place for zonal isolation.

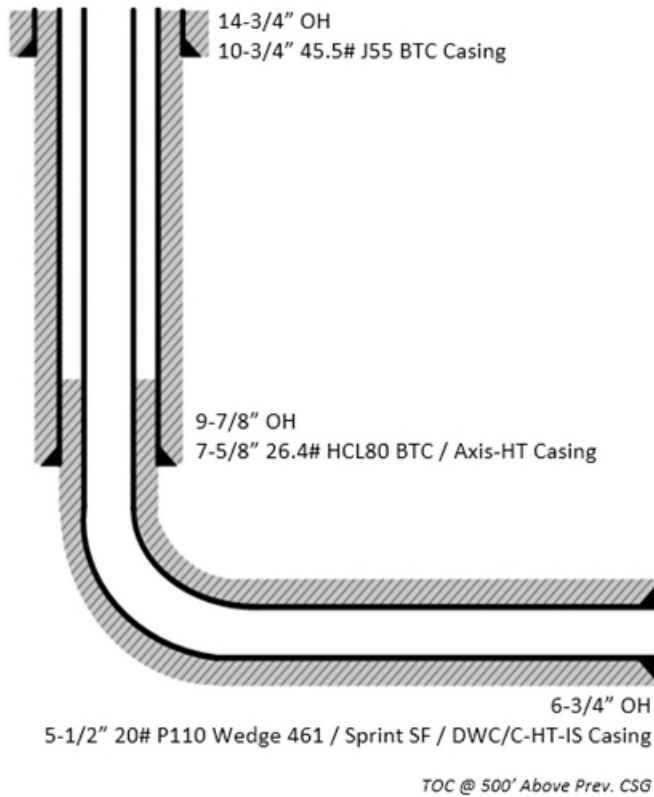


## Oxy Bulk Design - Casing Design "A"

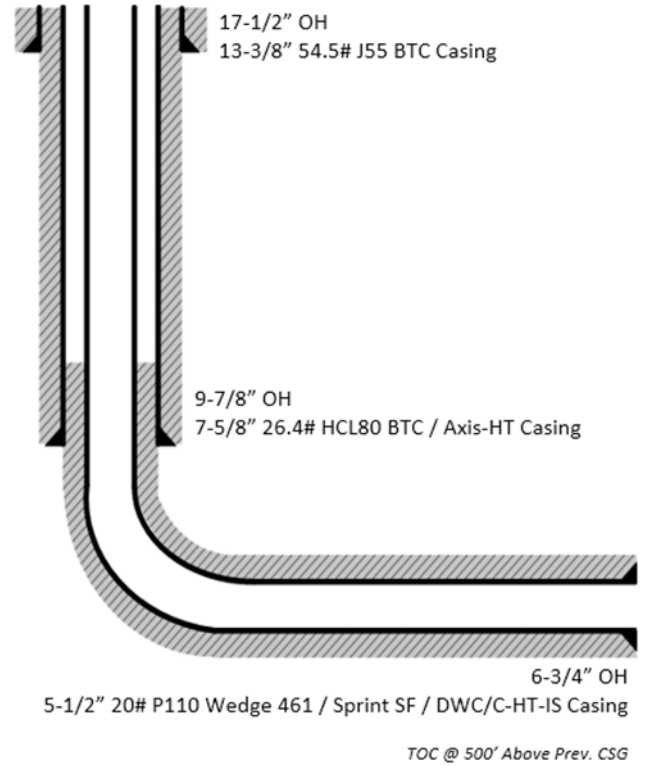


### 6. Wellbore Diagram(s)

Design Variation "A1"



Design Variation "A2"





## Oxy Bulk Design - Casing Design "A"



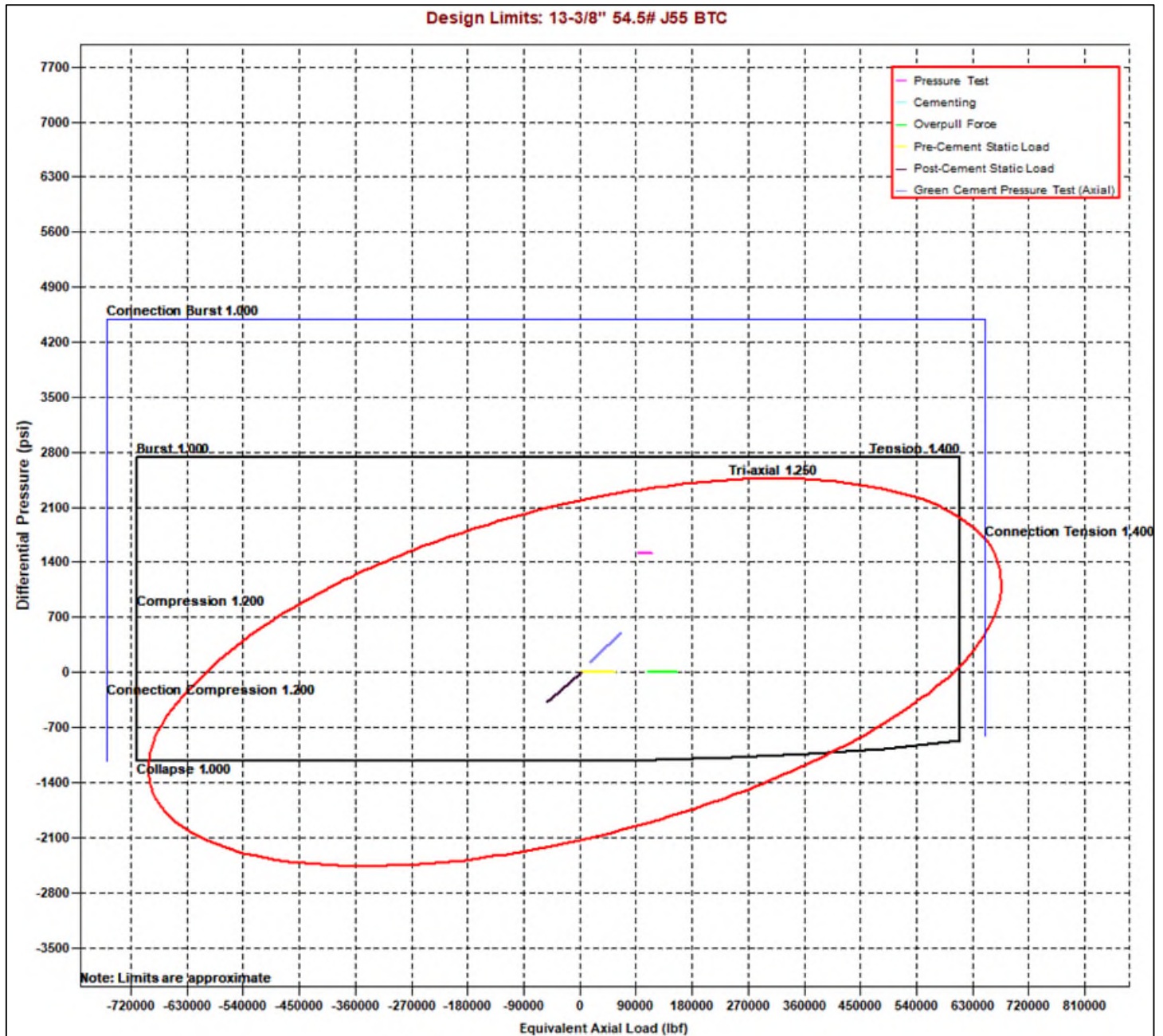
### 7. Landmark StressCheck Screenshots – Triaxial Output







## Oxy Bulk Design - Casing Design "A"





# Oxy Bulk Design - Casing Design "A"







# Oxy Bulk Design - Casing Design "A"



Design Limits: 5-1/2" 20# P110 Sprint SF





## Oxy Bulk Design - Casing Design "A"



### 8. Landmark StressCheck Screenshots – Inputs for Intermediate CSG Load Cases

#### Burst Load Cases

| General                             |   | 7 5/8" Intermediate Casing |
|-------------------------------------|---|----------------------------|
| <b>Burst Loads Data</b>             |   |                            |
| <b>Drilling Load:</b>               | <b>Lost Returns with Water</b>            |                            |
| Fracture at Shoe (MD= 13111.00 ft): | 10591 psi                                 |                            |
| Mud/Water Interface, MD:            | 0.00 ft                                   |                            |
| Mud Weight                          | 11.28 ppg                                 |                            |
| Assigned External Pressure:         | Fluid Gradients (w/ Pore Pressure)        |                            |
| <b>Drilling Load:</b>               | <b>Gas Kick Profile</b>                   |                            |
| Influx Depth, MD:                   | 23361.00 ft                               |                            |
| Kick Volume:                        | 50.0 bbl                                  |                            |
| Kick Intensity                      | 0.50 ppg                                  |                            |
| Maximum Mud Weight:                 | 13.50 ppg                                 |                            |
| Kick Gas Gravity:                   | 0.55 (0.1159 psi/ft @ 182 °F & 9291 psi)  |                            |
| Fracture at Shoe (MD= 13111.00 ft): | 10591 psi                                 |                            |
| Drill Pipe OD:                      | 5.000 in                                  |                            |
| Collar OD:                          | 5.500 in                                  |                            |
| Collar Length:                      | 200.00 ft                                 |                            |
| Assigned External Pressure:         | Fluid Gradients (w/ Pore Pressure)        |                            |
| <b>Drilling Load:</b>               | <b>Pressure Test</b>                      |                            |
| Test Pressure:                      | 3120 psi                                  |                            |
| Mud Weight:                         | 10.00 ppg                                 |                            |
| Assigned External Pressure:         | Fluid Gradients (w/ Pore Pressure)        |                            |
| <b>Drilling Load:</b>               | <b>Green Cement Pressure Test</b>         |                            |
| Test Pressure:                      | 2000 psi                                  |                            |
| Mud Weight at Shoe:                 | 10.00 ppg                                 |                            |
| TOC, MD:                            | 25.00 ft                                  |                            |
| Lead Slurry Density:                | 13.30 ppg                                 |                            |
| Tail Slurry Density:                | 13.30 ppg                                 |                            |
| Tail Slurry Length:                 | 5906.00 ft                                |                            |
| Displacement Fluid Density:         | 10.00 ppg                                 |                            |
| Float Collar Depth, MD:             | 12800.00 ft                               |                            |
| <b>External Pressure:</b>           | <b>Fluid Gradients (w/ Pore Pressure)</b> |                            |
| TOC, MD:                            | 25.00 ft                                  |                            |
| Prior Shoe, MD:                     | 1200.00 ft                                |                            |
| Mud Weight Above TOC:               | 10.00 ppg                                 |                            |
| Fluid Gradient Below TOC:           | 8.33 ppg                                  |                            |
| Wellhead Pressure:                  | 13 psi                                    |                            |
| Pore Pressure In Open Hole:         | Yes                                       |                            |



## Oxy Bulk Design - Casing Design "A"



### Collapse Load Cases

| General                                       |  | 7 5/8" Intermediate Casing                |
|---|--|---|
| <b>Collapse Loads Data</b>                    |  |   |
| <b>Drilling Load:</b>                         |  | <b>Cementing</b>                          |
| Mud Weight at Shoe:                           |  | 10.00 ppg                                 |
| TOC, MD:                                      |  | 25.00 ft                                  |
| Lead Slurry Density:                          |  | 13.30 ppg                                 |
| Tail Slurry Density:                          |  | 13.30 ppg                                 |
| Tail Slurry Length:                           |  | 5906.00 ft                                |
| Displacement Fluid Density:                   |  | 10.00 ppg                                 |
| Float Collar Depth, MD:                       |  | 12800.00 ft                               |
| Assigned External Pressure:                   |  | Fluid Gradients (w/ Pore Pressure)        |
| <b>Drilling Load:</b>                         |  | <b>Lost Returns with Mud Drop</b>         |
| Lost Returns Depth, MD:                       |  | 13110.89 ft                               |
| Pore Pressure at Lost Returns Depth:          |  | 8183 psi                                  |
| Pore Pressure Gradient at Lost Returns Depth: |  | 12.33 ppg                                 |
| Mud Weight:                                   |  | 13.50 ppg                                 |
| Mud Drop Level, MD:                           |  | 1106.39 ft                                |
| Assigned External Pressure:                   |  | Fluid Gradients (w/ Pore Pressure)        |
| <b>External Pressure:</b>                     |  | <b>Fluid Gradients (w/ Pore Pressure)</b> |
| TOC, MD:                                      |  | 25.00 ft                                  |
| Prior Shoe, MD:                               |  | 1200.00 ft                                |
| Fluid Gradient Above TOC:                     |  | 10.00 ppg                                 |
| Fluid Gradient Below TOC:                     |  | 10.00 ppg                                 |
| Wellhead Pressure:                            |  | 13 psi                                    |
| Pore Pressure In Open Hole Below TOC:         |  | No  |

### Axial Load Cases

| General                     |  | 7 5/8" Intermediate Casing |
|-----------------------------|--|----------------------------|
| <b>Axial Loads Data</b>     |  |                            |
| Overpull Force:             |  | 100000 lbf                 |
| Pre-Cement Static Load:     |  | Yes                        |
| Pickup Force:               |  | 0 lbf                      |
| Post-Cement Static Load:    |  | Yes                        |
| Green Cement Pressure Test: |  | 2000 psi                   |
| Service Loads:              |  | Yes                        |





## Oxy Bulk Design - Casing Design "A"



### 9. Landmark StressCheck Screenshot – Int. Casing Triaxial Results Table (Pressure Test)

StressCheck - [Triaxial Results - Blanket Design A1 \*]

File Edit Wellbore Tubular View Composer Tools Window Help

7 5/8" Intermediate Casing

Pressure Test

Triaxial Results

|    | Depth (MD)<br>(ft) | Axial Force (lbf)       |                         | Equivalent<br>Axial Load<br>(lbf) | Bending<br>Stress<br>at OD (psi) | Absolute Safety Factor |       |                 |        | Temperature<br>(°F) | Pressure (psi) |          | Add'l Pickup To<br>Prevent Buck. (lbf) | Buckled<br>Length (ft) |
|----|--------------------|-------------------------|-------------------------|-----------------------------------|----------------------------------|------------------------|-------|-----------------|--------|---------------------|----------------|----------|--|------------------------|
|    |                    | Apparent<br>(w/Bending) | Actual<br>(w/o Bending) |                                   |                                  | Triaxial               | Burst | Collapse<br>(V) | Axial  |                     | Internal       | External |  |                        |
| 28 | 12300              | -142410                 | -17423                  | -94936                            | 16622.5                          | 1.79                   | 2.10  | N/A             | (4.09) | 178                 | 9505           | 6732     |  |                        |
| 29 | 12400              | -149639                 | -24652                  | -100590                           | 16622.5                          | 1.87                   | 2.25  | N/A             | (3.89) | 179                 | 9555           | 6970     |  |                        |
| 30 | 12400              | -149640                 | -24653                  | -100591                           | 16622.5                          | 1.87                   | 2.25  | N/A             | (3.89) | 179                 | 9555           | 6970     |  |                        |
| 31 | 12500              | -156448                 | -31461                  | -105919                           | 16622.5                          | 1.95                   | 2.42  | N/A             | (3.72) | 180                 | 9603           | 7193     |  |                        |
| 32 | 12500              | -156449                 | -31462                  | -105920                           | 16622.5                          | 1.95                   | 2.42  | N/A             | (3.72) | 180                 | 9603           | 7193     |  |                        |
| 33 | 12550              | -159630                 | -34643                  | -108410                           | 16622.5                          | 1.99                   | 2.50  | N/A             | (3.64) | 180                 | 9625           | 7298     |  |                        |
| 34 | 12550              | -159631                 | -34644                  | -108411                           | 16622.5                          | 1.99                   | 2.50  | N/A             | (3.64) | 180                 | 9625           | 7298     |  |                        |
| 35 | 12600              | -162630                 | -37643                  | -110759                           | 16622.5                          | 2.03                   | 2.59  | N/A             | (3.58) | 180                 | 9646           | 7396     |  |                        |
| 36 | 12600              | -162631                 | -37644                  | -110760                           | 16622.5                          | 2.03                   | 2.59  | N/A             | (3.58) | 180                 | 9646           | 7396     |  |                        |
| 37 | 12650              | -165426                 | -40439                  | -112949                           | 16622.5                          | 2.07                   | 2.67  | N/A             | (3.52) | 181                 | 9665           | 7488     |  |                        |
| 38 | 12650              | -165427                 | -40440                  | -112950                           | 16622.5                          | 2.07                   | 2.67  | N/A             | (3.52) | 181                 | 9665           | 7488     |  |                        |
| 39 | 12700              | -167997                 | -43010                  | -114963                           | 16622.5                          | 2.10                   | 2.76  | N/A             | (3.46) | 181                 | 9683           | 7573     |  |                        |
| 40 | 12700              | -167998                 | -43011                  | -114963                           | 16622.5                          | 2.10                   | 2.76  | N/A             | (3.46) | 181                 | 9683           | 7573     |  |                        |
| 41 | 12750              | -170322                 | -45335                  | -116784                           | 16622.5                          | 2.13                   | 2.84  | N/A             | (3.41) | 181                 | 9699           | 7649     |  |                        |
| 42 | 12750              | -170323                 | -45336                  | -116785                           | 16622.5                          | 2.13                   | 2.84  | N/A             | (3.41) | 181                 | 9699           | 7649     |  |                        |
| 43 | 12800              | -172385                 | -47398                  | -118401                           | 16622.5                          | 2.16                   | 2.91  | N/A             | (3.37) | 181                 | 9714           | 7717     |  |                        |
| 44 | 12800              | -172386                 | -47399                  | -118401                           | 16622.5                          | 2.16                   | 2.91  | N/A             | (3.37) | 181                 | 9714           | 7717     |  |                        |
| 45 | 12850              | -174169                 | -49183                  | -119799                           | 16622.5                          | 2.19                   | 2.98  | N/A             | (3.34) | 182                 | 9726           | 7775     |  |                        |
| 46 | 12850              | -174170                 | -49183                  | -119800                           | 16622.5                          | 2.19                   | 2.98  | N/A             | (3.34) | 182                 | 9726           | 7775     |  |                        |
| 47 | 12900              | -175662                 | -50675                  | -120969                           | 16622.5                          | 2.21                   | 3.04  | N/A             | (3.31) | 182                 | 9736           | 7824     |  |                        |
| 48 | 12950              | -176851                 | -51864                  | -121901                           | 16622.5                          | 2.23                   | 3.09  | N/A             | (3.29) | 182                 | 9745           | 7863     |  |                        |
| 49 | 13000              | -177727                 | -52740                  | -122588                           | 16622.5                          | 2.24                   | 3.13  | N/A             | (3.27) | 182                 | 9751           | 7892     |  |                        |
| 50 | 13000              | -177728                 | -52741                  | -122588                           | 16622.5                          | 2.24                   | 3.13  | N/A             | (3.27) | 182                 | 9751           | 7892     |  |                        |
| 51 | 13050              | -178285                 | -53298                  | -123025                           | 16622.5                          | 2.25                   | 3.15  | N/A             | (3.26) | 182                 | 9755           | 7910     |  |                        |
| 52 | 13111              | -178527                 | -53540                  | -123214                           | 16622.5                          | 2.25                   | 3.16  | N/A             | (3.26) | 182                 | 9756           | 7918     |  |                        |
| 53 |                    |                         |                         |                                   |                                  |                        |       |                 |        |                     |                |          |  |                        |
| 54 |                    |                         |                         |                                   |                                  |                        |       |                 |        |                     |                |          |  |                        |
| 55 |                    |                         |                         |                                   |                                  |                        |       |                 |        |                     |                |          |  |                        |
| 56 |                    |                         |                         |                                   |                                  |                        |       |                 |        |                     |                |          |  |                        |

( ) Compression  
(V) Vector Collapse Safety Factor

Internal Pressure = Surface Pressure + Hydrostatic = 9756 psi

External Pressure = Fluid Gradient w/ Pore Pressure = 7918 psi

Burst SF = 3.16

NOTE: Specific load case inputs for the pressure test can be seen in **Section 8** above. The test pressure does not exceed 70% of the minimum internal yield.



## Oxy Bulk Design - Casing Design "A"



### 10. Intermediate Non-API Casing Spec Sheet



## Technical Data Sheet

7 5/8" 26.40 lbs/ft. L80HC - Axis HT

### Mechanical Properties

|                          |      |        |
|--------------------------|------|--------|
| Minimum Yield Strength   | psi. | 80,000 |
| Maximum Yield Strength   | psi. | 95,000 |
| Minimum Tensile Strength | psi. | 95,000 |

### Dimensions

|                       |         | Pipe  | AXIS HT |
|-----------------------|---------|-------|---------|
| Outside Diameter      | in.     | 7.625 | 8.500   |
| Wall Thickness        | in.     | 0.328 | -       |
| Inside Diameter       | in.     | 6.969 | -       |
| Standard Drift        | in.     | 6.844 | 6.844   |
| Alternate Drift       | in.     | -     | -       |
| Plain End Weight      | lbs/ft. | -     | -       |
| Nominal Linear Weight | lbs/ft. | 26.40 | -       |

### Performance

|                                  |      | Pipe        | AXIS HT     |
|----------------------------------|------|-------------|-------------|
| Minimum Collapse Pressure        | psi. | 4,320       | -           |
| Minimum Internal Yield Pressure  | psi. | 6,020       | 6,020       |
| Minimum Pipe Body Yield Strength | lbs. | 602 x 1,000 | -           |
| Joint Strength                   | lbs. | -           | 635 x 1,000 |

### Make-Up Torques

|                            |         | Pipe | AXIS HT |
|----------------------------|---------|------|---------|
| Optimum Make-Up Torque     | ft/lbs. | -    | 8,000   |
| Maximum Operational Torque | ft/lbs. | -    | 25,000  |

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# Oxy Bulk Design - Casing Design "A"



## 11. Production Non-API Casing Spec Sheets

Printed on: 11/09/2021

### TenarisHydril Wedge 461<sup>®</sup> MS



| Coupling             | Pipe Body            |
|----------------------|----------------------|
| Grade: P1104CY       | Grade: P110-4CY      |
| Body: White          | 1st Band: White      |
| 1st Band: Pale Green | 2nd Band: Pale Green |
| 2nd Band: -          | 3rd Band: Pale Green |
| 3rd Band: -          | 4th Band: -          |
|                      | 5th Band: -          |
|                      | 6th Band: -          |

|                      |           |                 |              |       |          |
|----------------------|-----------|-----------------|--------------|-------|----------|
| Outside Diameter     | 5.500 in. | Wall Thickness  | 0.361 in.    | Grade | P110-4CY |
| Min. Wall Thickness  | 87.50 %   | Pipe Body Drift | API Standard | Type  | Casing   |
| Connection OD Option | MS        |                 |              |       |          |

### Pipe Body Data

| Geometry       |           | Performance                  |              |
|----------------|-----------|------------------------------|--------------|
| Nominal OD     | 5.500 in. | Wall Thickness               | 0.361 in.    |
| Nominal Weight | 20 lb/ft  | Plain End Weight             | 19.83 lb/ft  |
| Drift          | 4.653 in. | OD Tolerance                 | API          |
| Nominal ID     | 4.778 in. |                              |              |
|                |           | Body Yield Strength          | 729 x1000 lb |
|                |           | Min. Internal Yield Pressure | 14,360 psi   |
|                |           | SMYS                         | 125,000 psi  |
|                |           | Collapse Pressure            | 12,300 psi   |

### Connection Data

| Geometry             |           | Performance                |              | Make-Up Torques         |              |
|----------------------|-----------|----------------------------|--------------|-------------------------|--------------|
| Connection OD        | 6.050 in. | Tension Efficiency         | 100 %        | Minimum                 | 17,000 ft-lb |
| Coupling Length      | 7.714 in. | Joint Yield Strength       | 729 x1000 lb | Optimum                 | 18,000 ft-lb |
| Connection ID        | 4.778 in. | Internal Pressure Capacity | 14,360 psi   | Maximum                 | 21,600 ft-lb |
| Make-up Loss         | 3.775 in. | Compression Efficiency     | 100 %        |                         |              |
| Threads per inch     | 3.40      | Compression Strength       | 729 x1000 lb | Operation Limit Torques |              |
| Connection OD Option | Ms        | Max. Allowable Bending     | 104 °/100 ft | Operating Torque        | 43,000 ft-lb |
|                      |           | External Pressure Capacity | 12,300 psi   | Yield Torque            | 51,000 ft-lb |
|                      |           | Coupling Face Load         | 273,000 lb   |                         |              |
|                      |           |                            |              | Buck-On                 |              |
|                      |           |                            |              | Minimum                 | 21,600 ft-lb |
|                      |           |                            |              | Maximum                 | 23,100 ft-lb |

### Notes

This connection is fully interchangeable with:  
 Wedge 441® - 5.5 in. - 0.304 / 0.361 in.  
 Wedge 461® - 5.5 in. - 0.304 / 0.415 / 0.476 in.  
 Connections with Dopeless® Technology are fully compatible with the same connection in its Standard version  
 In October 2019, TenarisHydril Wedge XP® 2.0 was renamed TenarisHydril Wedge 461™. Product dimensions and properties remain identical and both connections are fully interchangeable

For the latest performance data, always visit our website: [www.tenaris.com](http://www.tenaris.com)

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Oxy Bulk Design - Casing Design "A"



Generated on May 21, 2024



CONNECTION DATA SHEET

OD: 5.500 in.      Grade: P110  
Weight: 20.00 lb/ft      Drift: 4.653 in. (API)  
Wall Th.: 0.361 in.

VAM® SPRINT-SF



Semi-Flush

Field Torque Values

Make-up Torque (ft-lb)

20,000 MIN  
22,500 OPTI  
25,000 MAX

Torque with Sealability (ft-lb)

36,000 MTS

Locked Flank Torque (ft-lb)

4,500 MIN  
15,750 MAX

(2) MTS: Maximum Torque with Sealability.

PIPE BODY PROPERTIES

|                                   |         |       |
|-----------------------------------|---------|-------|
| Nominal OD                        | 5.500   | in.   |
| Nominal ID                        | 4.778   | in.   |
| Nominal Wall Thickness            | 0.361   | in.   |
| Minimum Wall Thickness            | 87.5    | %     |
| Nominal Weight (API)              | 20.00   | lb/ft |
| Plain End Weight                  | 19.83   | lb/ft |
| Drift                             | 4.653   | in.   |
| Grade Type                        | API 5CT |       |
| Minimum Yield Strength            | 110     | ksi   |
| Maximum Yield Strength            | 140     | ksi   |
| Minimum Ultimate Tensile Strength | 125     | ksi   |
| Pipe Body Yield Strength          | 641     | klb   |
| Internal Yield Pressure           | 12,640  | psi   |
| Collapse Pressure                 | 11,100  | psi   |

CONNECTION PROPERTIES

|                              |                                |             |
|------------------------------|--------------------------------|-------------|
| Connection Type              | Semi-Premium Integral Semi-Flu |             |
| Nominal Connection OD        | 5.783                          | in.         |
| Nominal Connection ID        | 4.718                          | in.         |
| Make-up Loss                 | 5.965                          | in.         |
| Tension Efficiency           | 90                             | % Pipe Body |
| Compression Efficiency       | 90                             | % Pipe Body |
| Internal Pressure Efficiency | 100                            | % Pipe Body |
| External Pressure Efficiency | 100                            | % Pipe Body |

JOINT PERFORMANCES

|                                      |        |          |
|--------------------------------------|--------|----------|
| Tension Strength                     | 577    | klb      |
| Compression Strength                 | 577    | klb      |
| Internal Pressure Resistance         | 12,640 | psi      |
| External Pressure Resistance         | 11,100 | psi      |
| Maximum Bending, Structural          | 78     | °/100 ft |
| Maximum Bending, with Sealability(1) | 30     | °/100 ft |

(1) Sealability rating demonstrated as per API RP 5C5 / ISO 13679



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AND ENSURE 100% WELL INTEGRITY WITH  
VAM® FIELD SERVICE

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Oxy Bulk Design - Casing Design "A"



DWC/C-HT-IS

Connection Data Sheet

| OD (in.) | WEIGHT (lbs./ft.)                  | WALL (in.) | GRADE       | API DRIFT (in.) | RBW% | CONNECTION  |
|----------|------------------------------------|------------|-------------|-----------------|------|-------------|
| 5.500    | Nominal: 20.00<br>Plain End: 19.83 | 0.361      | ‡VST P110MY | 4.653           | 87.5 | DWC/C-HT-IS |

| PIPE PROPERTIES              |         |        |
|------------------------------|---------|--------|
| Nominal OD                   | 5.500   | in.    |
| Nominal ID                   | 4.778   | in.    |
| Nominal Area                 | 5.828   | sq.in. |
| Grade Type                   | API 5CT |        |
| Min. Yield Strength          | 125     | ksi    |
| Max. Yield Strength          | 140     | ksi    |
| Min. Tensile Strength        | 135     | ksi    |
| Yield Strength               | 729     | klb    |
| Ultimate Strength            | 787     | klb    |
| Min. Internal Yield Pressure | 14,360  | psi    |
| Collapse Pressure            | 12,090  | psi    |

| CONNECTION PROPERTIES        |                  |
|------------------------------|------------------|
| Connection Type              | Semi-Premium T&C |
| Connection OD (nom)          | 6.050 in.        |
| Connection ID (nom)          | 4.778 in.        |
| Make-Up Loss                 | 4.125 in.        |
| Coupling Length              | 9.250 in.        |
| Critical Cross Section       | 5.828 sq.in.     |
| Tension Efficiency           | 89.1% of pipe    |
| Compression Efficiency       | 88.0% of pipe    |
| Internal Pressure Efficiency | 86.1% of pipe    |
| External Pressure Efficiency | 100.0% of pipe   |

| CONNECTION PERFORMANCES                     |        |          |
|---|--------|----------|
| Yield Strength                              | 649    | klb      |
| Parting Load                                | 729    | klb      |
| Compression Rating                          | 641    | klb      |
| Min. Internal Yield Pressure                | 12,360 | psi      |
| External Pressure Resistance                | 12,090 | psi      |
| Maximum Uniaxial Bend Rating                | 91.7   | °/100 ft |
| Reference String Length w 1.4 Design Factor | 22,890 | ft.      |

| FIELD TORQUE VALUES            |             |
|--------------------------------|-------------|
| Min. Make-up torque            | 16,600 ftlb |
| Opti. Make-up torque           | 17,950 ftlb |
| Max. Make-up torque            | 19,300 ftlb |
| Min. Shoulder Torque           | 1,660 ftlb  |
| Max. Shoulder Torque           | 13,280 ftlb |
| Max. Delta Turn                | 0.200 Turns |
| ‡Maximum Operational Torque    | 23,800 ftlb |
| ‡Maximum Torsional Value (MTV) | 26,180 ftlb |

‡ Maximum Operational Torque and Maximum Torsional Value only valid with Vallourec P110MY Material.  
‡ P110MY - Coupling Min Yield Strength is 110ksi and Coupling Max Yield is 125ksi.

"VST = Vallourec Star as the mill source for the pipe, "P110EC" is the grade name"

Need Help? Contact: [tech.support@vam-usa.com](mailto:tech.support@vam-usa.com)

For detailed information on performance properties, refer to DWC Connection Data Notes on following page(s).

Connection specifications within the control of VAM USA were correct as of the date printed. Specifications are subject to change without notice. Certain connection specifications are dependent on the mechanical properties of the pipe. Mechanical properties of mill proprietary pipe grades were obtained from mill publications and are subject to change. Properties of mill proprietary grades should be confirmed with the mill. Users are advised to obtain current connection specifications and verify pipe mechanical properties for each application.

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## Oxy Bulk Design - Casing Design "A"



VAM USA  
2107 CityWest Boulevard Suite 1300  
Houston, TX 77042  
Phone: 713-479-3200  
Fax: 713-479-3234  
VAM® USA Sales E-mail: [VAMUSAsales@vam-usa.com](mailto:VAMUSAsales@vam-usa.com)  
Tech Support Email: [tech.support@vam-usa.com](mailto:tech.support@vam-usa.com)

### DWC Connection Data Sheet Notes:

1. DWC connections are available with a seal ring (SR) option.
2. All standard DWC/C connections are interchangeable for a given pipe OD. DWC connections are interchangeable with DWC/C-SR connections of the same OD and wall.
3. Connection performance properties are based on nominal pipe body and connection dimensions.
4. DWC connection internal and external pressure resistance is calculated using the API rating for buttress connections. API Internal pressure resistance is calculated from formulas 31, 32, and 35 in the API Bulletin 5C3.
5. DWC joint strength is the minimum pipe body yield strength multiplied by the connection critical area.
6. API joint strength is for reference only. It is calculated from formulas 42 and 43 in the API Bulletin 5C3.
7. Bending efficiency is equal to the compression efficiency.
8. The torque values listed are recommended. The actual torque required may be affected by field conditions such as temperature, thread compound, speed of make-up, weather conditions, etc.
9. Connection yield torque is not to be exceeded.
10. Reference string length is calculated by dividing the joint strength by both the nominal weight in air and a design factor (DF) of 1.4. These values are offered for reference only and do not include load factors such as bending, buoyancy, temperature, load dynamics, etc.
11. DWC connections will accommodate API standard drift diameters.
12. DWC/C family of connections are compatible with API Buttress BTC connections. Please contact [tech.support@vam-usa.com](mailto:tech.support@vam-usa.com) for details on connection ratings and make-up.

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# **OXY**

**PRD NM DIRECTIONAL PLANS (NAD 1983)**

**Nugget 6\_31**

**Nugget 6\_31 Fed Com 7H**

**Wellbore #1**

**Plan: Permitting Plan**

## **Standard Planning Report**

**10 April, 2024**

OXY  
Planning Report

|           |                                     |                              |                             |
|-----------|-------------------------------------|------------------------------|-----------------------------|
| Database: | HOPSPP                              | Local Co-ordinate Reference: | Well Nugget 6_31 Fed Com 7H |
| Company:  | ENGINEERING DESIGNS                 | TVD Reference:               | RKB=25' @ 3489.00ft         |
| Project:  | PRD NM DIRECTIONAL PLANS (NAD 1983) | MD Reference:                | RKB=25' @ 3489.00ft         |
| Site:     | Nugget 6_31                         | North Reference:             | Grid                        |
| Well:     | Nugget 6_31 Fed Com 7H              | Survey Calculation Method:   | Minimum Curvature           |
| Wellbore: | Wellbore #1                         |                              |                             |
| Design:   | Permitting Plan                     |                              |                             |

|             |                                     |               |                             |
|-------------|-------------------------------------|---------------|-----------------------------|
| Project     | PRD NM DIRECTIONAL PLANS (NAD 1983) |               |                             |
| Map System: | US State Plane 1983                 | System Datum: | Mean Sea Level              |
| Geo Datum:  | North American Datum 1983           |               |                             |
| Map Zone:   | New Mexico Eastern Zone             |               | Using geodetic scale factor |

|                       |     |             |                 |            |             |
|-----------------------|-----|-------------|-----------------|------------|-------------|
| Site                  |     | Nugget 6_31 |                 |            |             |
| Site Position:        |     | Northing:   | 450,899.01 usft | Latitude:  | 32.238572   |
| From:                 | Map | Easting:    | 698,758.94 usft | Longitude: | -103.824183 |
| Position Uncertainty: |     | 0.89 ft     | Slot Radius:    | 13.200 in  |             |

|                      |                        |         |                     |                |               |             |
|----------------------|------------------------|---------|---------------------|----------------|---------------|-------------|
| Well                 | Nugget 6_31 Fed Com 7H |         |                     |                |               |             |
| Well Position        | +N/-S                  | 0.00 ft | Northing:           | 451,760.06 usf | Latitude:     | 32.240890   |
|                      | +E/-W                  | 0.00 ft | Easting:            | 702,417.61 usf | Longitude:    | -103.812337 |
| Position Uncertainty |                        | 2.00 ft | Wellhead Elevation: | ft             | Ground Level: | 3,464.00 ft |
| Grid Convergence:    |                        | 0.28 °  |                     |                |               |             |

|           |             |             |                 |               |                     |
|-----------|-------------|-------------|-----------------|---------------|---------------------|
| Wellbore  | Wellbore #1 |             |                 |               |                     |
| Magnetics | Model Name  | Sample Date | Declination (°) | Dip Angle (°) | Field Strength (nT) |
|           | HDGM_FILE   | 4/10/2024   | 6.35            | 59.78         | 47,402.70000000     |

|                   |                       |            |               |               |
|-------------------|-----------------------|------------|---------------|---------------|
| Design            | Permitting Plan       |            |               |               |
| Audit Notes:      |                       |            |               |               |
| Version:          | Phase:                | PROTOTYPE  | Tie On Depth: | 0.00          |
| Vertical Section: | Depth From (TVD) (ft) | +N/-S (ft) | +E/-W (ft)    | Direction (°) |
|                   | 0.00                  | 0.00       | 0.00          | 4.91          |

|                          |               |                   |                               |  |
|--------------------------|---------------|-------------------|-------------------------------|--|
| Plan Survey Tool Program | Date          | 4/10/2024         |                               |  |
| Depth From (ft)          | Depth To (ft) | Survey (Wellbore) | Tool Name                     | Remarks                                |
| 1                        | 0.00          | 21,890.16         | Permitting Plan (Wellbore #1) | B005Mc_MWD+HRGM+SA<br>MWD+HRGM+Sag+MSA |

|                     |                 |             |                     |            |            |                       |                      |                     |         |                    |
|---------------------|-----------------|-------------|---------------------|------------|------------|-----------------------|----------------------|---------------------|---------|--------------------|
| Plan Sections       |                 |             |                     |            |            |                       |                      |                     |         |                    |
| Measured Depth (ft) | Inclination (°) | Azimuth (°) | Vertical Depth (ft) | +N/-S (ft) | +E/-W (ft) | Dogleg Rate (°/100ft) | Build Rate (°/100ft) | Turn Rate (°/100ft) | TFO (°) | Target             |
| 0.00                | 0.00            | 0.00        | 0.00                | 0.00       | 0.00       | 0.00                  | 0.00                 | 0.00                | 0.00    |                    |
| 4,509.00            | 0.00            | 0.00        | 4,509.00            | 0.00       | 0.00       | 0.00                  | 0.00                 | 0.00                | 0.00    |                    |
| 5,809.34            | 13.00           | 139.50      | 5,798.20            | -111.72    | 95.42      | 1.00                  | 1.00                 | 0.00                | 139.50  |                    |
| 10,611.30           | 13.00           | 139.50      | 10,477.03           | -933.32    | 797.15     | 0.00                  | 0.00                 | 0.00                | 0.00    |                    |
| 11,610.16           | 90.00           | 359.77      | 11,141.00           | -368.47    | 893.96     | 10.00                 | 7.71                 | -13.99              | -139.00 |                    |
| 21,890.16           | 90.00           | 359.77      | 11,141.00           | 9,911.45   | 852.18     | 0.00                  | 0.00                 | 0.00                | 0.00    | PBHL (Nugget 6_31) |

OXY  
Planning Report

|           |                                     |                              |                             |
|-----------|-------------------------------------|------------------------------|-----------------------------|
| Database: | HOPSPP                              | Local Co-ordinate Reference: | Well Nugget 6_31 Fed Com 7H |
| Company:  | ENGINEERING DESIGNS                 | TVD Reference:               | RKB=25' @ 3489.00ft         |
| Project:  | PRD NM DIRECTIONAL PLANS (NAD 1983) | MD Reference:                | RKB=25' @ 3489.00ft         |
| Site:     | Nugget 6_31                         | North Reference:             | Grid                        |
| Well:     | Nugget 6_31 Fed Com 7H              | Survey Calculation Method:   | Minimum Curvature           |
| Wellbore: | Wellbore #1                         |                              |                             |
| Design:   | Permitting Plan                     |                              |                             |

| Planned Survey      |                 |             |                     |            |            |                       |                       |                      |                     |
|---------------------|-----------------|-------------|---------------------|------------|------------|-----------------------|-----------------------|----------------------|---------------------|
| Measured Depth (ft) | Inclination (°) | Azimuth (°) | Vertical Depth (ft) | +N/-S (ft) | +E/-W (ft) | Vertical Section (ft) | Dogleg Rate (°/100ft) | Build Rate (°/100ft) | Turn Rate (°/100ft) |
| 0.00                | 0.00            | 0.00        | 0.00                | 0.00       | 0.00       | 0.00                  | 0.00                  | 0.00                 | 0.00                |
| 100.00              | 0.00            | 0.00        | 100.00              | 0.00       | 0.00       | 0.00                  | 0.00                  | 0.00                 | 0.00                |
| 200.00              | 0.00            | 0.00        | 200.00              | 0.00       | 0.00       | 0.00                  | 0.00                  | 0.00                 | 0.00                |
| 300.00              | 0.00            | 0.00        | 300.00              | 0.00       | 0.00       | 0.00                  | 0.00                  | 0.00                 | 0.00                |
| 400.00              | 0.00            | 0.00        | 400.00              | 0.00       | 0.00       | 0.00                  | 0.00                  | 0.00                 | 0.00                |
| 500.00              | 0.00            | 0.00        | 500.00              | 0.00       | 0.00       | 0.00                  | 0.00                  | 0.00                 | 0.00                |
| 600.00              | 0.00            | 0.00        | 600.00              | 0.00       | 0.00       | 0.00                  | 0.00                  | 0.00                 | 0.00                |
| 700.00              | 0.00            | 0.00        | 700.00              | 0.00       | 0.00       | 0.00                  | 0.00                  | 0.00                 | 0.00                |
| 800.00              | 0.00            | 0.00        | 800.00              | 0.00       | 0.00       | 0.00                  | 0.00                  | 0.00                 | 0.00                |
| 900.00              | 0.00            | 0.00        | 900.00              | 0.00       | 0.00       | 0.00                  | 0.00                  | 0.00                 | 0.00                |
| 1,000.00            | 0.00            | 0.00        | 1,000.00            | 0.00       | 0.00       | 0.00                  | 0.00                  | 0.00                 | 0.00                |
| 1,100.00            | 0.00            | 0.00        | 1,100.00            | 0.00       | 0.00       | 0.00                  | 0.00                  | 0.00                 | 0.00                |
| 1,200.00            | 0.00            | 0.00        | 1,200.00            | 0.00       | 0.00       | 0.00                  | 0.00                  | 0.00                 | 0.00                |
| 1,300.00            | 0.00            | 0.00        | 1,300.00            | 0.00       | 0.00       | 0.00                  | 0.00                  | 0.00                 | 0.00                |
| 1,400.00            | 0.00            | 0.00        | 1,400.00            | 0.00       | 0.00       | 0.00                  | 0.00                  | 0.00                 | 0.00                |
| 1,500.00            | 0.00            | 0.00        | 1,500.00            | 0.00       | 0.00       | 0.00                  | 0.00                  | 0.00                 | 0.00                |
| 1,600.00            | 0.00            | 0.00        | 1,600.00            | 0.00       | 0.00       | 0.00                  | 0.00                  | 0.00                 | 0.00                |
| 1,700.00            | 0.00            | 0.00        | 1,700.00            | 0.00       | 0.00       | 0.00                  | 0.00                  | 0.00                 | 0.00                |
| 1,800.00            | 0.00            | 0.00        | 1,800.00            | 0.00       | 0.00       | 0.00                  | 0.00                  | 0.00                 | 0.00                |
| 1,900.00            | 0.00            | 0.00        | 1,900.00            | 0.00       | 0.00       | 0.00                  | 0.00                  | 0.00                 | 0.00                |
| 2,000.00            | 0.00            | 0.00        | 2,000.00            | 0.00       | 0.00       | 0.00                  | 0.00                  | 0.00                 | 0.00                |
| 2,100.00            | 0.00            | 0.00        | 2,100.00            | 0.00       | 0.00       | 0.00                  | 0.00                  | 0.00                 | 0.00                |
| 2,200.00            | 0.00            | 0.00        | 2,200.00            | 0.00       | 0.00       | 0.00                  | 0.00                  | 0.00                 | 0.00                |
| 2,300.00            | 0.00            | 0.00        | 2,300.00            | 0.00       | 0.00       | 0.00                  | 0.00                  | 0.00                 | 0.00                |
| 2,400.00            | 0.00            | 0.00        | 2,400.00            | 0.00       | 0.00       | 0.00                  | 0.00                  | 0.00                 | 0.00                |
| 2,500.00            | 0.00            | 0.00        | 2,500.00            | 0.00       | 0.00       | 0.00                  | 0.00                  | 0.00                 | 0.00                |
| 2,600.00            | 0.00            | 0.00        | 2,600.00            | 0.00       | 0.00       | 0.00                  | 0.00                  | 0.00                 | 0.00                |
| 2,700.00            | 0.00            | 0.00        | 2,700.00            | 0.00       | 0.00       | 0.00                  | 0.00                  | 0.00                 | 0.00                |
| 2,800.00            | 0.00            | 0.00        | 2,800.00            | 0.00       | 0.00       | 0.00                  | 0.00                  | 0.00                 | 0.00                |
| 2,900.00            | 0.00            | 0.00        | 2,900.00            | 0.00       | 0.00       | 0.00                  | 0.00                  | 0.00                 | 0.00                |
| 3,000.00            | 0.00            | 0.00        | 3,000.00            | 0.00       | 0.00       | 0.00                  | 0.00                  | 0.00                 | 0.00                |
| 3,100.00            | 0.00            | 0.00        | 3,100.00            | 0.00       | 0.00       | 0.00                  | 0.00                  | 0.00                 | 0.00                |
| 3,200.00            | 0.00            | 0.00        | 3,200.00            | 0.00       | 0.00       | 0.00                  | 0.00                  | 0.00                 | 0.00                |
| 3,300.00            | 0.00            | 0.00        | 3,300.00            | 0.00       | 0.00       | 0.00                  | 0.00                  | 0.00                 | 0.00                |
| 3,400.00            | 0.00            | 0.00        | 3,400.00            | 0.00       | 0.00       | 0.00                  | 0.00                  | 0.00                 | 0.00                |
| 3,500.00            | 0.00            | 0.00        | 3,500.00            | 0.00       | 0.00       | 0.00                  | 0.00                  | 0.00                 | 0.00                |
| 3,600.00            | 0.00            | 0.00        | 3,600.00            | 0.00       | 0.00       | 0.00                  | 0.00                  | 0.00                 | 0.00                |
| 3,700.00            | 0.00            | 0.00        | 3,700.00            | 0.00       | 0.00       | 0.00                  | 0.00                  | 0.00                 | 0.00                |
| 3,800.00            | 0.00            | 0.00        | 3,800.00            | 0.00       | 0.00       | 0.00                  | 0.00                  | 0.00                 | 0.00                |
| 3,900.00            | 0.00            | 0.00        | 3,900.00            | 0.00       | 0.00       | 0.00                  | 0.00                  | 0.00                 | 0.00                |
| 4,000.00            | 0.00            | 0.00        | 4,000.00            | 0.00       | 0.00       | 0.00                  | 0.00                  | 0.00                 | 0.00                |
| 4,100.00            | 0.00            | 0.00        | 4,100.00            | 0.00       | 0.00       | 0.00                  | 0.00                  | 0.00                 | 0.00                |
| 4,200.00            | 0.00            | 0.00        | 4,200.00            | 0.00       | 0.00       | 0.00                  | 0.00                  | 0.00                 | 0.00                |
| 4,300.00            | 0.00            | 0.00        | 4,300.00            | 0.00       | 0.00       | 0.00                  | 0.00                  | 0.00                 | 0.00                |
| 4,400.00            | 0.00            | 0.00        | 4,400.00            | 0.00       | 0.00       | 0.00                  | 0.00                  | 0.00                 | 0.00                |
| 4,500.00            | 0.00            | 0.00        | 4,500.00            | 0.00       | 0.00       | 0.00                  | 0.00                  | 0.00                 | 0.00                |
| 4,509.00            | 0.00            | 0.00        | 4,509.00            | 0.00       | 0.00       | 0.00                  | 0.00                  | 0.00                 | 0.00                |
| 4,600.00            | 0.91            | 139.50      | 4,600.00            | -0.55      | 0.47       | -0.51                 | 1.00                  | 1.00                 | 0.00                |
| 4,700.00            | 1.91            | 139.50      | 4,699.96            | -2.42      | 2.07       | -2.23                 | 1.00                  | 1.00                 | 0.00                |
| 4,800.00            | 2.91            | 139.50      | 4,799.88            | -5.62      | 4.80       | -5.19                 | 1.00                  | 1.00                 | 0.00                |
| 4,900.00            | 3.91            | 139.50      | 4,899.70            | -10.14     | 8.66       | -9.36                 | 1.00                  | 1.00                 | 0.00                |
| 5,000.00            | 4.91            | 139.50      | 4,999.40            | -15.99     | 13.66      | -14.76                | 1.00                  | 1.00                 | 0.00                |
| 5,100.00            | 5.91            | 139.50      | 5,098.95            | -23.16     | 19.78      | -21.38                | 1.00                  | 1.00                 | 0.00                |
| 5,200.00            | 6.91            | 139.50      | 5,198.33            | -31.65     | 27.03      | -29.21                | 1.00                  | 1.00                 | 0.00                |
| 5,300.00            | 7.91            | 139.50      | 5,297.49            | -41.45     | 35.40      | -38.27                | 1.00                  | 1.00                 | 0.00                |

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## Planning Report

|                  |                                     |                                     |                             |
|------------------|-------------------------------------|-------------------------------------|-----------------------------|
| <b>Database:</b> | HOPSPP                              | <b>Local Co-ordinate Reference:</b> | Well Nugget 6_31 Fed Com 7H |
| <b>Company:</b>  | ENGINEERING DESIGNS                 | <b>TVD Reference:</b>               | RKB=25' @ 3489.00ft         |
| <b>Project:</b>  | PRD NM DIRECTIONAL PLANS (NAD 1983) | <b>MD Reference:</b>                | RKB=25' @ 3489.00ft         |
| <b>Site:</b>     | Nugget 6_31                         | <b>North Reference:</b>             | Grid                        |
| <b>Well:</b>     | Nugget 6_31 Fed Com 7H              | <b>Survey Calculation Method:</b>   | Minimum Curvature           |
| <b>Wellbore:</b> | Wellbore #1                         |                                     |                             |
| <b>Design:</b>   | Permitting Plan                     |                                     |                             |

| Planned Survey      |                 |             |                     |            |            |                       |                       |                      |                     |
|---------------------|-----------------|-------------|---------------------|------------|------------|-----------------------|-----------------------|----------------------|---------------------|
| Measured Depth (ft) | Inclination (°) | Azimuth (°) | Vertical Depth (ft) | +N/-S (ft) | +E/-W (ft) | Vertical Section (ft) | Dogleg Rate (°/100ft) | Build Rate (°/100ft) | Turn Rate (°/100ft) |
| 5,400.00            | 8.91            | 139.50      | 5,396.41            | -52.57     | 44.90      | -48.53                | 1.00                  | 1.00                 | 0.00                |
| 5,500.00            | 9.91            | 139.50      | 5,495.07            | -65.01     | 55.52      | -60.01                | 1.00                  | 1.00                 | 0.00                |
| 5,600.00            | 10.91           | 139.50      | 5,593.42            | -78.75     | 67.26      | -72.69                | 1.00                  | 1.00                 | 0.00                |
| 5,700.00            | 11.91           | 139.50      | 5,691.44            | -93.79     | 80.10      | -86.58                | 1.00                  | 1.00                 | 0.00                |
| 5,800.00            | 12.91           | 139.50      | 5,789.10            | -110.13    | 94.06      | -101.67               | 1.00                  | 1.00                 | 0.00                |
| 5,809.34            | 13.00           | 139.50      | 5,798.20            | -111.72    | 95.42      | -103.14               | 1.00                  | 1.00                 | 0.00                |
| 5,900.00            | 13.00           | 139.50      | 5,886.54            | -127.23    | 108.67     | -117.46               | 0.00                  | 0.00                 | 0.00                |
| 6,000.00            | 13.00           | 139.50      | 5,983.98            | -144.34    | 123.28     | -133.25               | 0.00                  | 0.00                 | 0.00                |
| 6,100.00            | 13.00           | 139.50      | 6,081.41            | -161.45    | 137.90     | -149.05               | 0.00                  | 0.00                 | 0.00                |
| 6,200.00            | 13.00           | 139.50      | 6,178.85            | -178.56    | 152.51     | -164.84               | 0.00                  | 0.00                 | 0.00                |
| 6,300.00            | 13.00           | 139.50      | 6,276.28            | -195.67    | 167.12     | -180.64               | 0.00                  | 0.00                 | 0.00                |
| 6,400.00            | 13.00           | 139.50      | 6,373.72            | -212.78    | 181.74     | -196.43               | 0.00                  | 0.00                 | 0.00                |
| 6,500.00            | 13.00           | 139.50      | 6,471.16            | -229.89    | 196.35     | -212.23               | 0.00                  | 0.00                 | 0.00                |
| 6,600.00            | 13.00           | 139.50      | 6,568.59            | -247.00    | 210.96     | -228.02               | 0.00                  | 0.00                 | 0.00                |
| 6,700.00            | 13.00           | 139.50      | 6,666.03            | -264.11    | 225.58     | -243.82               | 0.00                  | 0.00                 | 0.00                |
| 6,800.00            | 13.00           | 139.50      | 6,763.46            | -281.22    | 240.19     | -259.61               | 0.00                  | 0.00                 | 0.00                |
| 6,900.00            | 13.00           | 139.50      | 6,860.90            | -298.33    | 254.80     | -275.40               | 0.00                  | 0.00                 | 0.00                |
| 7,000.00            | 13.00           | 139.50      | 6,958.33            | -315.44    | 269.42     | -291.20               | 0.00                  | 0.00                 | 0.00                |
| 7,100.00            | 13.00           | 139.50      | 7,055.77            | -332.55    | 284.03     | -306.99               | 0.00                  | 0.00                 | 0.00                |
| 7,200.00            | 13.00           | 139.50      | 7,153.21            | -349.66    | 298.64     | -322.79               | 0.00                  | 0.00                 | 0.00                |
| 7,300.00            | 13.00           | 139.50      | 7,250.64            | -366.77    | 313.26     | -338.58               | 0.00                  | 0.00                 | 0.00                |
| 7,400.00            | 13.00           | 139.50      | 7,348.08            | -383.88    | 327.87     | -354.38               | 0.00                  | 0.00                 | 0.00                |
| 7,500.00            | 13.00           | 139.50      | 7,445.51            | -400.99    | 342.48     | -370.17               | 0.00                  | 0.00                 | 0.00                |
| 7,600.00            | 13.00           | 139.50      | 7,542.95            | -418.10    | 357.10     | -385.97               | 0.00                  | 0.00                 | 0.00                |
| 7,700.00            | 13.00           | 139.50      | 7,640.38            | -435.21    | 371.71     | -401.76               | 0.00                  | 0.00                 | 0.00                |
| 7,800.00            | 13.00           | 139.50      | 7,737.82            | -452.32    | 386.32     | -417.56               | 0.00                  | 0.00                 | 0.00                |
| 7,900.00            | 13.00           | 139.50      | 7,835.25            | -469.42    | 400.94     | -433.35               | 0.00                  | 0.00                 | 0.00                |
| 8,000.00            | 13.00           | 139.50      | 7,932.69            | -486.53    | 415.55     | -449.15               | 0.00                  | 0.00                 | 0.00                |
| 8,100.00            | 13.00           | 139.50      | 8,030.13            | -503.64    | 430.16     | -464.94               | 0.00                  | 0.00                 | 0.00                |
| 8,200.00            | 13.00           | 139.50      | 8,127.56            | -520.75    | 444.78     | -480.74               | 0.00                  | 0.00                 | 0.00                |
| 8,300.00            | 13.00           | 139.50      | 8,225.00            | -537.86    | 459.39     | -496.53               | 0.00                  | 0.00                 | 0.00                |
| 8,400.00            | 13.00           | 139.50      | 8,322.43            | -554.97    | 474.00     | -512.33               | 0.00                  | 0.00                 | 0.00                |
| 8,500.00            | 13.00           | 139.50      | 8,419.87            | -572.08    | 488.62     | -528.12               | 0.00                  | 0.00                 | 0.00                |
| 8,600.00            | 13.00           | 139.50      | 8,517.30            | -589.19    | 503.23     | -543.92               | 0.00                  | 0.00                 | 0.00                |
| 8,700.00            | 13.00           | 139.50      | 8,614.74            | -606.30    | 517.84     | -559.71               | 0.00                  | 0.00                 | 0.00                |
| 8,800.00            | 13.00           | 139.50      | 8,712.18            | -623.41    | 532.46     | -575.51               | 0.00                  | 0.00                 | 0.00                |
| 8,900.00            | 13.00           | 139.50      | 8,809.61            | -640.52    | 547.07     | -591.30               | 0.00                  | 0.00                 | 0.00                |
| 9,000.00            | 13.00           | 139.50      | 8,907.05            | -657.63    | 561.68     | -607.10               | 0.00                  | 0.00                 | 0.00                |
| 9,100.00            | 13.00           | 139.50      | 9,004.48            | -674.74    | 576.30     | -622.89               | 0.00                  | 0.00                 | 0.00                |
| 9,200.00            | 13.00           | 139.50      | 9,101.92            | -691.85    | 590.91     | -638.69               | 0.00                  | 0.00                 | 0.00                |
| 9,300.00            | 13.00           | 139.50      | 9,199.35            | -708.96    | 605.53     | -654.48               | 0.00                  | 0.00                 | 0.00                |
| 9,400.00            | 13.00           | 139.50      | 9,296.79            | -726.07    | 620.14     | -670.28               | 0.00                  | 0.00                 | 0.00                |
| 9,500.00            | 13.00           | 139.50      | 9,394.23            | -743.18    | 634.75     | -686.07               | 0.00                  | 0.00                 | 0.00                |
| 9,600.00            | 13.00           | 139.50      | 9,491.66            | -760.29    | 649.37     | -701.87               | 0.00                  | 0.00                 | 0.00                |
| 9,700.00            | 13.00           | 139.50      | 9,589.10            | -777.40    | 663.98     | -717.66               | 0.00                  | 0.00                 | 0.00                |
| 9,800.00            | 13.00           | 139.50      | 9,686.53            | -794.51    | 678.59     | -733.46               | 0.00                  | 0.00                 | 0.00                |
| 9,900.00            | 13.00           | 139.50      | 9,783.97            | -811.62    | 693.21     | -749.25               | 0.00                  | 0.00                 | 0.00                |
| 10,000.00           | 13.00           | 139.50      | 9,881.40            | -828.73    | 707.82     | -765.05               | 0.00                  | 0.00                 | 0.00                |
| 10,100.00           | 13.00           | 139.50      | 9,978.84            | -845.84    | 722.43     | -780.84               | 0.00                  | 0.00                 | 0.00                |
| 10,200.00           | 13.00           | 139.50      | 10,076.28           | -862.95    | 737.05     | -796.64               | 0.00                  | 0.00                 | 0.00                |
| 10,300.00           | 13.00           | 139.50      | 10,173.71           | -880.05    | 751.66     | -812.43               | 0.00                  | 0.00                 | 0.00                |
| 10,400.00           | 13.00           | 139.50      | 10,271.15           | -897.16    | 766.27     | -828.22               | 0.00                  | 0.00                 | 0.00                |
| 10,500.00           | 13.00           | 139.50      | 10,368.58           | -914.27    | 780.89     | -844.02               | 0.00                  | 0.00                 | 0.00                |
| 10,600.00           | 13.00           | 139.50      | 10,466.02           | -931.38    | 795.50     | -859.81               | 0.00                  | 0.00                 | 0.00                |
| 10,611.30           | 13.00           | 139.50      | 10,477.03           | -933.32    | 797.15     | -861.60               | 0.00                  | 0.00                 | 0.00                |

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## Planning Report

|                  |                                     |                                     |                             |
|------------------|-------------------------------------|-------------------------------------|-----------------------------|
| <b>Database:</b> | HOPSPP                              | <b>Local Co-ordinate Reference:</b> | Well Nugget 6_31 Fed Com 7H |
| <b>Company:</b>  | ENGINEERING DESIGNS                 | <b>TVD Reference:</b>               | RKB=25' @ 3489.00ft         |
| <b>Project:</b>  | PRD NM DIRECTIONAL PLANS (NAD 1983) | <b>MD Reference:</b>                | RKB=25' @ 3489.00ft         |
| <b>Site:</b>     | Nugget 6_31                         | <b>North Reference:</b>             | Grid                        |
| <b>Well:</b>     | Nugget 6_31 Fed Com 7H              | <b>Survey Calculation Method:</b>   | Minimum Curvature           |
| <b>Wellbore:</b> | Wellbore #1                         |                                     |                             |
| <b>Design:</b>   | Permitting Plan                     |                                     |                             |

| Planned Survey      |                 |             |                     |            |            |                       |                       |                      |                     |
|---------------------|-----------------|-------------|---------------------|------------|------------|-----------------------|-----------------------|----------------------|---------------------|
| Measured Depth (ft) | Inclination (°) | Azimuth (°) | Vertical Depth (ft) | +N/-S (ft) | +E/-W (ft) | Vertical Section (ft) | Dogleg Rate (°/100ft) | Build Rate (°/100ft) | Turn Rate (°/100ft) |
| 10,700.00           | 8.55            | 96.62       | 10,564.27           | -941.68    | 810.21     | -868.81               | 10.00                 | -5.02                | -48.35              |
| 10,800.00           | 12.34           | 42.81       | 10,662.81           | -934.68    | 824.89     | -860.58               | 10.00                 | 3.79                 | -53.81              |
| 10,900.00           | 20.73           | 22.99       | 10,758.66           | -910.49    | 839.10     | -835.26               | 10.00                 | 8.40                 | -19.81              |
| 11,000.00           | 30.10           | 14.69       | 10,848.91           | -869.84    | 852.40     | -793.62               | 10.00                 | 9.37                 | -8.30               |
| 11,100.00           | 39.75           | 10.10       | 10,930.82           | -813.97    | 864.40     | -736.93               | 10.00                 | 9.66                 | -4.59               |
| 11,200.00           | 49.53           | 7.08        | 11,001.90           | -744.56    | 874.73     | -666.90               | 10.00                 | 9.77                 | -3.02               |
| 11,300.00           | 59.36           | 4.84        | 11,059.98           | -663.75    | 883.07     | -585.66               | 10.00                 | 9.83                 | -2.24               |
| 11,400.00           | 69.23           | 3.01        | 11,103.30           | -573.97    | 889.17     | -495.69               | 10.00                 | 9.86                 | -1.83               |
| 11,500.00           | 79.11           | 1.41        | 11,130.56           | -477.96    | 892.85     | -399.71               | 10.00                 | 9.88                 | -1.60               |
| 11,600.00           | 89.00           | 359.92      | 11,140.91           | -378.63    | 893.99     | -300.65               | 10.00                 | 9.89                 | -1.50               |
| 11,610.16           | 90.00           | 359.77      | 11,141.00           | -368.47    | 893.96     | -290.53               | 10.00                 | 9.89                 | -1.48               |
| 11,700.00           | 90.00           | 359.77      | 11,141.00           | -278.63    | 893.60     | -201.06               | 0.00                  | 0.00                 | 0.00                |
| 11,800.00           | 90.00           | 359.77      | 11,141.00           | -178.63    | 893.19     | -101.46               | 0.00                  | 0.00                 | 0.00                |
| 11,900.00           | 90.00           | 359.77      | 11,141.00           | -78.63     | 892.79     | -1.86                 | 0.00                  | 0.00                 | 0.00                |
| 12,000.00           | 90.00           | 359.77      | 11,141.00           | 21.37      | 892.38     | 97.73                 | 0.00                  | 0.00                 | 0.00                |
| 12,100.00           | 90.00           | 359.77      | 11,141.00           | 121.37     | 891.97     | 197.33                | 0.00                  | 0.00                 | 0.00                |
| 12,200.00           | 90.00           | 359.77      | 11,141.00           | 221.37     | 891.57     | 296.93                | 0.00                  | 0.00                 | 0.00                |
| 12,300.00           | 90.00           | 359.77      | 11,141.00           | 321.37     | 891.16     | 396.52                | 0.00                  | 0.00                 | 0.00                |
| 12,400.00           | 90.00           | 359.77      | 11,141.00           | 421.36     | 890.75     | 496.12                | 0.00                  | 0.00                 | 0.00                |
| 12,500.00           | 90.00           | 359.77      | 11,141.00           | 521.36     | 890.35     | 595.72                | 0.00                  | 0.00                 | 0.00                |
| 12,600.00           | 90.00           | 359.77      | 11,141.00           | 621.36     | 889.94     | 695.31                | 0.00                  | 0.00                 | 0.00                |
| 12,700.00           | 90.00           | 359.77      | 11,141.00           | 721.36     | 889.53     | 794.91                | 0.00                  | 0.00                 | 0.00                |
| 12,800.00           | 90.00           | 359.77      | 11,141.00           | 821.36     | 889.13     | 894.51                | 0.00                  | 0.00                 | 0.00                |
| 12,900.00           | 90.00           | 359.77      | 11,141.00           | 921.36     | 888.72     | 994.11                | 0.00                  | 0.00                 | 0.00                |
| 13,000.00           | 90.00           | 359.77      | 11,141.00           | 1,021.36   | 888.31     | 1,093.70              | 0.00                  | 0.00                 | 0.00                |
| 13,100.00           | 90.00           | 359.77      | 11,141.00           | 1,121.36   | 887.91     | 1,193.30              | 0.00                  | 0.00                 | 0.00                |
| 13,200.00           | 90.00           | 359.77      | 11,141.00           | 1,221.36   | 887.50     | 1,292.90              | 0.00                  | 0.00                 | 0.00                |
| 13,300.00           | 90.00           | 359.77      | 11,141.00           | 1,321.36   | 887.10     | 1,392.49              | 0.00                  | 0.00                 | 0.00                |
| 13,400.00           | 90.00           | 359.77      | 11,141.00           | 1,421.36   | 886.69     | 1,492.09              | 0.00                  | 0.00                 | 0.00                |
| 13,500.00           | 90.00           | 359.77      | 11,141.00           | 1,521.36   | 886.28     | 1,591.69              | 0.00                  | 0.00                 | 0.00                |
| 13,600.00           | 90.00           | 359.77      | 11,141.00           | 1,621.36   | 885.88     | 1,691.28              | 0.00                  | 0.00                 | 0.00                |
| 13,700.00           | 90.00           | 359.77      | 11,141.00           | 1,721.35   | 885.47     | 1,790.88              | 0.00                  | 0.00                 | 0.00                |
| 13,800.00           | 90.00           | 359.77      | 11,141.00           | 1,821.35   | 885.06     | 1,890.48              | 0.00                  | 0.00                 | 0.00                |
| 13,900.00           | 90.00           | 359.77      | 11,141.00           | 1,921.35   | 884.66     | 1,990.07              | 0.00                  | 0.00                 | 0.00                |
| 14,000.00           | 90.00           | 359.77      | 11,141.00           | 2,021.35   | 884.25     | 2,089.67              | 0.00                  | 0.00                 | 0.00                |
| 14,100.00           | 90.00           | 359.77      | 11,141.00           | 2,121.35   | 883.84     | 2,189.27              | 0.00                  | 0.00                 | 0.00                |
| 14,200.00           | 90.00           | 359.77      | 11,141.00           | 2,221.35   | 883.44     | 2,288.86              | 0.00                  | 0.00                 | 0.00                |
| 14,300.00           | 90.00           | 359.77      | 11,141.00           | 2,321.35   | 883.03     | 2,388.46              | 0.00                  | 0.00                 | 0.00                |
| 14,400.00           | 90.00           | 359.77      | 11,141.00           | 2,421.35   | 882.62     | 2,488.06              | 0.00                  | 0.00                 | 0.00                |
| 14,500.00           | 90.00           | 359.77      | 11,141.00           | 2,521.35   | 882.22     | 2,587.65              | 0.00                  | 0.00                 | 0.00                |
| 14,600.00           | 90.00           | 359.77      | 11,141.00           | 2,621.35   | 881.81     | 2,687.25              | 0.00                  | 0.00                 | 0.00                |
| 14,700.00           | 90.00           | 359.77      | 11,141.00           | 2,721.35   | 881.41     | 2,786.85              | 0.00                  | 0.00                 | 0.00                |
| 14,800.00           | 90.00           | 359.77      | 11,141.00           | 2,821.35   | 881.00     | 2,886.44              | 0.00                  | 0.00                 | 0.00                |
| 14,900.00           | 90.00           | 359.77      | 11,141.00           | 2,921.34   | 880.59     | 2,986.04              | 0.00                  | 0.00                 | 0.00                |
| 15,000.00           | 90.00           | 359.77      | 11,141.00           | 3,021.34   | 880.19     | 3,085.64              | 0.00                  | 0.00                 | 0.00                |
| 15,100.00           | 90.00           | 359.77      | 11,141.00           | 3,121.34   | 879.78     | 3,185.23              | 0.00                  | 0.00                 | 0.00                |
| 15,200.00           | 90.00           | 359.77      | 11,141.00           | 3,221.34   | 879.37     | 3,284.83              | 0.00                  | 0.00                 | 0.00                |
| 15,300.00           | 90.00           | 359.77      | 11,141.00           | 3,321.34   | 878.97     | 3,384.43              | 0.00                  | 0.00                 | 0.00                |
| 15,400.00           | 90.00           | 359.77      | 11,141.00           | 3,421.34   | 878.56     | 3,484.02              | 0.00                  | 0.00                 | 0.00                |
| 15,500.00           | 90.00           | 359.77      | 11,141.00           | 3,521.34   | 878.15     | 3,583.62              | 0.00                  | 0.00                 | 0.00                |
| 15,600.00           | 90.00           | 359.77      | 11,141.00           | 3,621.34   | 877.75     | 3,683.22              | 0.00                  | 0.00                 | 0.00                |
| 15,700.00           | 90.00           | 359.77      | 11,141.00           | 3,721.34   | 877.34     | 3,782.81              | 0.00                  | 0.00                 | 0.00                |
| 15,800.00           | 90.00           | 359.77      | 11,141.00           | 3,821.34   | 876.94     | 3,882.41              | 0.00                  | 0.00                 | 0.00                |
| 15,900.00           | 90.00           | 359.77      | 11,141.00           | 3,921.34   | 876.53     | 3,982.01              | 0.00                  | 0.00                 | 0.00                |
| 16,000.00           | 90.00           | 359.77      | 11,141.00           | 4,021.34   | 876.12     | 4,081.61              | 0.00                  | 0.00                 | 0.00                |



OXY  
Planning Report

|           |                                     |                              |                             |
|-----------|-------------------------------------|------------------------------|-----------------------------|
| Database: | HOPSPP                              | Local Co-ordinate Reference: | Well Nugget 6_31 Fed Com 7H |
| Company:  | ENGINEERING DESIGNS                 | TVD Reference:               | RKB=25' @ 3489.00ft         |
| Project:  | PRD NM DIRECTIONAL PLANS (NAD 1983) | MD Reference:                | RKB=25' @ 3489.00ft         |
| Site:     | Nugget 6_31                         | North Reference:             | Grid                        |
| Well:     | Nugget 6_31 Fed Com 7H              | Survey Calculation Method:   | Minimum Curvature           |
| Wellbore: | Wellbore #1                         |                              |                             |
| Design:   | Permitting Plan                     |                              |                             |

| Planned Survey      |                 |             |                     |            |            |                       |                       |                      |                     |
|---------------------|-----------------|-------------|---------------------|------------|------------|-----------------------|-----------------------|----------------------|---------------------|
| Measured Depth (ft) | Inclination (°) | Azimuth (°) | Vertical Depth (ft) | +N/-S (ft) | +E/-W (ft) | Vertical Section (ft) | Dogleg Rate (°/100ft) | Build Rate (°/100ft) | Turn Rate (°/100ft) |
| 16,100.00           | 90.00           | 359.77      | 11,141.00           | 4,121.33   | 875.72     | 4,181.20              | 0.00                  | 0.00                 | 0.00                |
| 16,200.00           | 90.00           | 359.77      | 11,141.00           | 4,221.33   | 875.31     | 4,280.80              | 0.00                  | 0.00                 | 0.00                |
| 16,300.00           | 90.00           | 359.77      | 11,141.00           | 4,321.33   | 874.90     | 4,380.40              | 0.00                  | 0.00                 | 0.00                |
| 16,400.00           | 90.00           | 359.77      | 11,141.00           | 4,421.33   | 874.50     | 4,479.99              | 0.00                  | 0.00                 | 0.00                |
| 16,500.00           | 90.00           | 359.77      | 11,141.00           | 4,521.33   | 874.09     | 4,579.59              | 0.00                  | 0.00                 | 0.00                |
| 16,600.00           | 90.00           | 359.77      | 11,141.00           | 4,621.33   | 873.68     | 4,679.19              | 0.00                  | 0.00                 | 0.00                |
| 16,700.00           | 90.00           | 359.77      | 11,141.00           | 4,721.33   | 873.28     | 4,778.78              | 0.00                  | 0.00                 | 0.00                |
| 16,800.00           | 90.00           | 359.77      | 11,141.00           | 4,821.33   | 872.87     | 4,878.38              | 0.00                  | 0.00                 | 0.00                |
| 16,900.00           | 90.00           | 359.77      | 11,141.00           | 4,921.33   | 872.46     | 4,977.98              | 0.00                  | 0.00                 | 0.00                |
| 17,000.00           | 90.00           | 359.77      | 11,141.00           | 5,021.33   | 872.06     | 5,077.57              | 0.00                  | 0.00                 | 0.00                |
| 17,100.00           | 90.00           | 359.77      | 11,141.00           | 5,121.33   | 871.65     | 5,177.17              | 0.00                  | 0.00                 | 0.00                |
| 17,200.00           | 90.00           | 359.77      | 11,141.00           | 5,221.33   | 871.25     | 5,276.77              | 0.00                  | 0.00                 | 0.00                |
| 17,300.00           | 90.00           | 359.77      | 11,141.00           | 5,321.32   | 870.84     | 5,376.36              | 0.00                  | 0.00                 | 0.00                |
| 17,400.00           | 90.00           | 359.77      | 11,141.00           | 5,421.32   | 870.43     | 5,475.96              | 0.00                  | 0.00                 | 0.00                |
| 17,500.00           | 90.00           | 359.77      | 11,141.00           | 5,521.32   | 870.03     | 5,575.56              | 0.00                  | 0.00                 | 0.00                |
| 17,600.00           | 90.00           | 359.77      | 11,141.00           | 5,621.32   | 869.62     | 5,675.15              | 0.00                  | 0.00                 | 0.00                |
| 17,700.00           | 90.00           | 359.77      | 11,141.00           | 5,721.32   | 869.21     | 5,774.75              | 0.00                  | 0.00                 | 0.00                |
| 17,800.00           | 90.00           | 359.77      | 11,141.00           | 5,821.32   | 868.81     | 5,874.35              | 0.00                  | 0.00                 | 0.00                |
| 17,900.00           | 90.00           | 359.77      | 11,141.00           | 5,921.32   | 868.40     | 5,973.94              | 0.00                  | 0.00                 | 0.00                |
| 18,000.00           | 90.00           | 359.77      | 11,141.00           | 6,021.32   | 867.99     | 6,073.54              | 0.00                  | 0.00                 | 0.00                |
| 18,100.00           | 90.00           | 359.77      | 11,141.00           | 6,121.32   | 867.59     | 6,173.14              | 0.00                  | 0.00                 | 0.00                |
| 18,200.00           | 90.00           | 359.77      | 11,141.00           | 6,221.32   | 867.18     | 6,272.73              | 0.00                  | 0.00                 | 0.00                |
| 18,300.00           | 90.00           | 359.77      | 11,141.00           | 6,321.32   | 866.77     | 6,372.33              | 0.00                  | 0.00                 | 0.00                |
| 18,400.00           | 90.00           | 359.77      | 11,141.00           | 6,421.32   | 866.37     | 6,471.93              | 0.00                  | 0.00                 | 0.00                |
| 18,500.00           | 90.00           | 359.77      | 11,141.00           | 6,521.31   | 865.96     | 6,571.52              | 0.00                  | 0.00                 | 0.00                |
| 18,600.00           | 90.00           | 359.77      | 11,141.00           | 6,621.31   | 865.56     | 6,671.12              | 0.00                  | 0.00                 | 0.00                |
| 18,700.00           | 90.00           | 359.77      | 11,141.00           | 6,721.31   | 865.15     | 6,770.72              | 0.00                  | 0.00                 | 0.00                |
| 18,800.00           | 90.00           | 359.77      | 11,141.00           | 6,821.31   | 864.74     | 6,870.31              | 0.00                  | 0.00                 | 0.00                |
| 18,900.00           | 90.00           | 359.77      | 11,141.00           | 6,921.31   | 864.34     | 6,969.91              | 0.00                  | 0.00                 | 0.00                |
| 19,000.00           | 90.00           | 359.77      | 11,141.00           | 7,021.31   | 863.93     | 7,069.51              | 0.00                  | 0.00                 | 0.00                |
| 19,100.00           | 90.00           | 359.77      | 11,141.00           | 7,121.31   | 863.52     | 7,169.11              | 0.00                  | 0.00                 | 0.00                |
| 19,200.00           | 90.00           | 359.77      | 11,141.00           | 7,221.31   | 863.12     | 7,268.70              | 0.00                  | 0.00                 | 0.00                |
| 19,300.00           | 90.00           | 359.77      | 11,141.00           | 7,321.31   | 862.71     | 7,368.30              | 0.00                  | 0.00                 | 0.00                |
| 19,400.00           | 90.00           | 359.77      | 11,141.00           | 7,421.31   | 862.30     | 7,467.90              | 0.00                  | 0.00                 | 0.00                |
| 19,500.00           | 90.00           | 359.77      | 11,141.00           | 7,521.31   | 861.90     | 7,567.49              | 0.00                  | 0.00                 | 0.00                |
| 19,600.00           | 90.00           | 359.77      | 11,141.00           | 7,621.31   | 861.49     | 7,667.09              | 0.00                  | 0.00                 | 0.00                |
| 19,700.00           | 90.00           | 359.77      | 11,141.00           | 7,721.30   | 861.08     | 7,766.69              | 0.00                  | 0.00                 | 0.00                |
| 19,800.00           | 90.00           | 359.77      | 11,141.00           | 7,821.30   | 860.68     | 7,866.28              | 0.00                  | 0.00                 | 0.00                |
| 19,900.00           | 90.00           | 359.77      | 11,141.00           | 7,921.30   | 860.27     | 7,965.88              | 0.00                  | 0.00                 | 0.00                |
| 20,000.00           | 90.00           | 359.77      | 11,141.00           | 8,021.30   | 859.87     | 8,065.48              | 0.00                  | 0.00                 | 0.00                |
| 20,100.00           | 90.00           | 359.77      | 11,141.00           | 8,121.30   | 859.46     | 8,165.07              | 0.00                  | 0.00                 | 0.00                |
| 20,200.00           | 90.00           | 359.77      | 11,141.00           | 8,221.30   | 859.05     | 8,264.67              | 0.00                  | 0.00                 | 0.00                |
| 20,300.00           | 90.00           | 359.77      | 11,141.00           | 8,321.30   | 858.65     | 8,364.27              | 0.00                  | 0.00                 | 0.00                |
| 20,400.00           | 90.00           | 359.77      | 11,141.00           | 8,421.30   | 858.24     | 8,463.86              | 0.00                  | 0.00                 | 0.00                |
| 20,500.00           | 90.00           | 359.77      | 11,141.00           | 8,521.30   | 857.83     | 8,563.46              | 0.00                  | 0.00                 | 0.00                |
| 20,600.00           | 90.00           | 359.77      | 11,141.00           | 8,621.30   | 857.43     | 8,663.06              | 0.00                  | 0.00                 | 0.00                |
| 20,700.00           | 90.00           | 359.77      | 11,141.00           | 8,721.30   | 857.02     | 8,762.65              | 0.00                  | 0.00                 | 0.00                |
| 20,800.00           | 90.00           | 359.77      | 11,141.00           | 8,821.30   | 856.61     | 8,862.25              | 0.00                  | 0.00                 | 0.00                |
| 20,900.00           | 90.00           | 359.77      | 11,141.00           | 8,921.29   | 856.21     | 8,961.85              | 0.00                  | 0.00                 | 0.00                |
| 21,000.00           | 90.00           | 359.77      | 11,141.00           | 9,021.29   | 855.80     | 9,061.44              | 0.00                  | 0.00                 | 0.00                |
| 21,100.00           | 90.00           | 359.77      | 11,141.00           | 9,121.29   | 855.40     | 9,161.04              | 0.00                  | 0.00                 | 0.00                |
| 21,200.00           | 90.00           | 359.77      | 11,141.00           | 9,221.29   | 854.99     | 9,260.64              | 0.00                  | 0.00                 | 0.00                |
| 21,300.00           | 90.00           | 359.77      | 11,141.00           | 9,321.29   | 854.58     | 9,360.23              | 0.00                  | 0.00                 | 0.00                |
| 21,400.00           | 90.00           | 359.77      | 11,141.00           | 9,421.29   | 854.18     | 9,459.83              | 0.00                  | 0.00                 | 0.00                |
| 21,500.00           | 90.00           | 359.77      | 11,141.00           | 9,521.29   | 853.77     | 9,559.43              | 0.00                  | 0.00                 | 0.00                |

OXY  
Planning Report

|           |                                     |                              |                             |
|-----------|-------------------------------------|------------------------------|-----------------------------|
| Database: | HOPSPP                              | Local Co-ordinate Reference: | Well Nugget 6_31 Fed Com 7H |
| Company:  | ENGINEERING DESIGNS                 | TVD Reference:               | RKB=25' @ 3489.00ft         |
| Project:  | PRD NM DIRECTIONAL PLANS (NAD 1983) | MD Reference:                | RKB=25' @ 3489.00ft         |
| Site:     | Nugget 6_31                         | North Reference:             | Grid                        |
| Well:     | Nugget 6_31 Fed Com 7H              | Survey Calculation Method:   | Minimum Curvature           |
| Wellbore: | Wellbore #1                         |                              |                             |
| Design:   | Permitting Plan                     |                              |                             |

| Planned Survey      |                 |             |                     |            |            |                       |                       |                      |                     |
|---------------------|-----------------|-------------|---------------------|------------|------------|-----------------------|-----------------------|----------------------|---------------------|
| Measured Depth (ft) | Inclination (°) | Azimuth (°) | Vertical Depth (ft) | +N/-S (ft) | +E/-W (ft) | Vertical Section (ft) | Dogleg Rate (°/100ft) | Build Rate (°/100ft) | Turn Rate (°/100ft) |
| 21,600.00           | 90.00           | 359.77      | 11,141.00           | 9,621.29   | 853.36     | 9,659.02              | 0.00                  | 0.00                 | 0.00                |
| 21,700.00           | 90.00           | 359.77      | 11,141.00           | 9,721.29   | 852.96     | 9,758.62              | 0.00                  | 0.00                 | 0.00                |
| 21,800.00           | 90.00           | 359.77      | 11,141.00           | 9,821.29   | 852.55     | 9,858.22              | 0.00                  | 0.00                 | 0.00                |
| 21,890.16           | 90.00           | 359.77      | 11,141.00           | 9,911.45   | 852.18     | 9,948.01              | 0.00                  | 0.00                 | 0.00                |

| Design Targets   |               |              |           |            |            |                 |                |           |             |
|--|---------------|--------------|-----------|------------|------------|-----------------|----------------|-----------|-------------|
| Target Name  | Dip Angle (°) | Dip Dir. (°) | TVD (ft)  | +N/-S (ft) | +E/-W (ft) | Northing (usft) | Easting (usft) | Latitude  | Longitude   |
| KOP (Nugget 6_31<br>- hit/miss target<br>- Shape<br>- Point  | 0.00          | 0.00         | 0.00      | -941.58    | 896.30     | 450,818.54      | 703,313.85     | 32.238290 | -103.809453 |
| - plan misses target center by 1299.97ft at 0.00ft MD (0.00 TVD, 0.00 N, 0.00 E)   |               |              |           |            |            |                 |                |           |             |
| PBHL (Nugget 6_31<br>- plan hits target center<br>- Point  | 0.00          | 0.00         | 11,141.00 | 9,911.45   | 852.18     | 461,670.88      | 703,269.74     | 32.268122 | -103.809424 |
| FTP (Nugget 6_31 Fed<br>- plan misses target center by 25.58ft at 11441.69ft MD (11116.68 TVD, -534.53 N, 891.01 E)<br>- Point | 0.00          | 0.00         | 11,141.00 | -541.56    | 894.67     | 451,218.53      | 703,312.22     | 32.239390 | -103.809452 |

| Formations          |                     |                 |           |         |                   |  |
|---------------------|---------------------|-----------------|-----------|---------|-------------------|--|
| Measured Depth (ft) | Vertical Depth (ft) | Name            | Lithology | Dip (°) | Dip Direction (°) |  |
| 579.00              | 579.00              | RUSTLER         |           |         |                   |  |
| 953.00              | 953.00              | SALADO          |           |         |                   |  |
| 2,826.00            | 2,826.00            | CASTILE         |           |         |                   |  |
| 4,216.00            | 4,216.00            | DELAWARE        |           |         |                   |  |
| 4,238.00            | 4,238.00            | BELL CANYON     |           |         |                   |  |
| 5,178.52            | 5,177.00            | CHERRY CANYON   |           |         |                   |  |
| 6,441.34            | 6,414.00            | BRUSHY CANYON   |           |         |                   |  |
| 8,146.06            | 8,075.00            | BONE SPRING     |           |         |                   |  |
| 9,198.03            | 9,100.00            | BONE SPRING 1ST |           |         |                   |  |
| 9,896.95            | 9,781.00            | BONE SPRING 2ND |           |         |                   |  |
| 11,238.67           | 11,026.00           | BONE SPRING 3RD |           |         |                   |  |

| Plan Annotations    |                     |                   |            |                            |
|---------------------|---------------------|-------------------|------------|----------------------------|
| Measured Depth (ft) | Vertical Depth (ft) | Local Coordinates |            | Comment                    |
|                     |                     | +N/-S (ft)        | +E/-W (ft) |                            |
| 4,509.00            | 4,509.00            | 0.00              | 0.00       | Build 1°/100'              |
| 5,809.34            | 5,798.20            | -111.72           | 95.42      | Hold 13° Tangent           |
| 10,611.30           | 10,477.03           | -933.32           | 797.15     | KOP, Build & Turn 10°/100' |
| 11,610.16           | 11,141.00           | -368.47           | 893.96     | Landing Point              |
| 21,890.16           | 11,141.00           | 9,911.45          | 852.18     | TD at 21890.16' MD         |

**PECOS DISTRICT  
SURFACE USE  
CONDITIONS OF APPROVAL**

|                  |   |
|------------------|---|
| OPERATOR'S NAME: | OXY USA Inc.  |
| LEASE NO.:       | NMNM082904, NMNM0546732A, NMNM057273,<br>NMNM089819, and NMNM0544986B |
| COUNTY:          | Eddy County, New Mexico   |

Wells:

|                                  |
|----------------------------------|
| NUGGET 6_31 FED COM 41H          |
| NUGGET 6_31 FED COM 47H          |
| NUGGET 6_31 FED COM 42H          |
| JEFF SMITH MDP1 7_18 FED COM 43H |
| JEFF SMITH MDP1 7_18 FED COM 48H |
| JEFF SMITH MDP1 7_18 FED COM 44H |
| JEFF SMITH MDP1 7_18 FED COM 31H |
| JEFF SMITH MDP1 7_18 FED COM 32H |
| JEFF SMITH MDP1 7_18 FED COM 35H |
| JEFF SMITH MDP1 7_18 FED COM 21H |
| JEFF SMITH MDP1 7_18 FED COM 22H |
| JEFF SMITH MDP1 7_18 FED COM 23H |
| JEFF SMITH MDP1 7_18 FED COM 11H |
| JEFF SMITH MDP1 7_18 FED COM 12H |
| JEFF SMITH MDP1 7_18 FED COM 46H |
| JEFF SMITH MDP1 7_18 FED COM 50H |
| NUGGET 6_31 FED COM 46H          |
| NUGGET 6_31 FED COM 50H          |
| JEFF SMITH MDP1 7_18 FED COM 1H  |
| JEFF SMITH MDP1 7_18 FED COM 2H  |
| JEFF SMITH MDP1 7_18 FED COM 3H  |
| NUGGET 6_31 FED COM 24H          |
| NUGGET 6_31 FED COM 25H          |
| NUGGET 6_31 FED COM 26H          |
| JEFF SMITH MDP1 7_18 FED COM 24H |

|                                  |
|----------------------------------|
| JEFF SMITH MDP1 7_18 FED COM 25H |
| JEFF SMITH MDP1 7_18 FED COM 26H |
| JEFF SMITH MDP1 7_18 FED COM 13H |
| JEFF SMITH MDP1 7_18 FED COM 14H |
| NUGGET 6_31 FED COM 6H           |
| NUGGET 6_31 FED COM 7H           |
| JEFF SMITH MDP1 7_18 FED COM 49H |
| JEFF SMITH MDP1 7_18 FED COM 45H |
| NUGGET 6_31 FED COM 49H          |
| NUGGET 6_31 FED COM 45H          |
| NUGGET 6_31 FED COM 34H          |
| NUGGET 6_31 FED COM 35H          |
| NUGGET 6_31 FED COM 36H          |
| NUGGET 6_31 FED COM 13H          |
| NUGGET 6_31 FED COM 14H          |
| JEFF SMITH MDP1 7_18 FED COM 33H |
| JEFF SMITH MDP1 7_18 FED COM 34H |
| JEFF SMITH MDP1 7_18 FED COM 36H |
| NUGGET 6_31 FED COM 31H          |
| NUGGET 6_31 FED COM 32H          |
| NUGGET 6_31 FED COM 33H          |
| NUGGET 6_31 FED COM 11H          |
| NUGGET 6_31 FED COM 12H          |
| NUGGET 6_31 FED COM 21H          |
| NUGGET 6_31 FED COM 22H          |
| NUGGET 6_31 FED COM 23H          |
| JEFF SMITH MDP1 7_18 FED COM 41H |
| JEFF SMITH MDP1 7_18 FED COM 47H |
| JEFF SMITH MDP1 7_18 FED COM 42H |
| NUGGET 6_31 FED COM 43H          |
| NUGGET 6_31 FED COM 48H          |
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## 1. GENERAL PROVISIONS

The failure of the operator to comply with these requirements may result in the assessment of liquidated damages or penalties pursuant to 43 CFR 3163.1 or 3163.2. A copy of these conditions of approval shall be present on the location during construction, drilling and reclamation activity. Any request for a variance shall be submitted to the Authorized Officer on Form 3160-5, Sundry Notices and Report on Wells.

### 1.1. ARCHAEOLOGICAL, PALEONTOLOGY & HISTORICAL SITES

Any cultural resource (historic or prehistoric site or object) discovered by the operator, or any person working on the operator's behalf, on the public or federal land shall be immediately reported to the Authorized Officer. The operator shall suspend all operations in the immediate area (within 100ft) of such discovery until written authorization to proceed is issued by the Authorized Officer. An evaluation of the discovery will be made by the Authorized Officer, in conjunction with a BLM Cultural Resource Specialist, to determine appropriate actions to prevent the loss of significant scientific values. The operator shall be responsible for the cost of evaluation and any decision as to the proper mitigation measures will be made by the Authorized Officer after consulting with the operator.

Traditional Cultural Properties (TCPs) are protected by NHPA as codified in 36 CFR 800 for possessing traditional, religious, and cultural significance tied to a certain group of individuals. Though there are currently no designated TCPs within the project area or within a mile of the project area, but it is possible for a TCP to be designated after the approval of this project. **If a TCP is designated in the project area after the project's approval, the BLM Authorized Officer will notify the operator of the following conditions and the duration for which these conditions are required.**

1. Temporary halting of all construction, drilling, and production activities to lower noise.
2. Temporary shut-off of all artificial lights at night.

The operator is hereby obligated to comply with procedures established in the Native American Graves Protection and Repatriation Act (NAGPRA), specifically NAGPRA Subpart B regarding discoveries, to protect human remains, associated funerary objects, sacred objects, and objects of cultural patrimony discovered during project work. If any human skeletal remains, funerary objects, sacred objects, or objects of cultural patrimony are discovered at any time during construction, all construction activities shall halt and a BLM-CFO Authorized Officer will be notified immediately. The BLM will then be required to be notified, in writing, within 24 hours of the discovery. The written notification should include the geographic location by county and state, the contents of the discovery, and the steps taken to protect said discovery. You must also include any potential threats to the discovery and a conformation that all activity within 100ft of the discovery has ceased and work will not resume until written certification is issued. All work on the entire project must halt for a minimum of 3 days and work cannot resume until an Authorized Officer grants permission to do so.

Any paleontological resource discovered by the operator, or any person working on the operator's behalf, on public or Federal land shall be immediately reported to the Authorized Officer. The operator shall suspend all operations in the immediate area of such discovery until written authorization to proceed is issued by the Authorized Officer. The operator will be responsible for the cost of evaluation and any decision as to the proper mitigation measures will be made by the Authorized Officer after consulting with the operator.

### 1.2. RANGELAND RESOURCES

#### 1.2.1. Cattleguards

Where a permanent cattleguard is approved, 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 on one side of the cattleguard and fastened securely to H-braces.



### 1.2.2. Fence Requirement

Where entry granted across a fence line, the fence must be braced and tied off on both sides of the passageway prior to cutting. Once the work is completed, the fence will be restored to its prior condition, or better. The operator shall notify the private surface landowner or the grazing allotment holder prior to crossing any fence(s).

### 1.2.3. Livestock Watering Requirement

Any damage to structures that provide water to livestock throughout the life of the well, caused by operations from the well site, must be immediately corrected by the operator. The operator must notify the BLM office (575-234-5972) and the private surface landowner or the grazing allotment holder if any damage occurs to structures that provide water to livestock.

## 1.3. 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, New Mexico Department of Agriculture, and BLM requirements and policies.

### 1.3.1 African Rue (*Peganum harmala*)

**Spraying:** The spraying of African Rue must be completed by a licensed or certified applicator. In order to attempt to kill or remove African Rue the proper mix of chemical is needed. The mix consists of 2% Arsenal (Imazapyr) and 2% Roundup (Glyphosate) along with a nonionic surfactant. Any other chemicals or combinations shall be approved by the BLM Noxious Weeds Coordinator prior to treatment. African Rue shall be sprayed in connection to any dirt working activities or disturbances to the site being sprayed. Spraying of African Rue shall be done on immature plants at initial growth through flowering and mature plants between budding and flowering stages. Spraying shall not be conducted after flowering when plant is fruiting. This will ensure optimal intake of chemical and decrease chances of developing herbicide resistance. After spraying, the operator or necessary parties must contact the Carlsbad Field Office to inspect the effectiveness of the application treatment to the plant species. No ground disturbing activities can take place until the inspection by the authorized officer is complete. The operator may contact the Environmental Protection Department or the BLM Noxious Weed Coordinator at (575) 234-5972 or [BLM\\_NM\\_CFO\\_NoxiousWeeds@blm.gov](mailto:BLM_NM_CFO_NoxiousWeeds@blm.gov).

**Management Practices:** In addition to spraying for African Rue, good management practices should be followed. All equipment should be washed off using a power washer in a designated containment area. The containment area shall be bermed to allow for containment of the seed to prevent it from entering any open areas of the nearby landscape. The containment area shall be excavated near or adjacent to the well pad at a depth of three feet and just large enough to get equipment inside it to be washed off. This will allow all seeds to be in a centrally located area that can be treated at a later date if the need arises.

## 1.4. LIGHT POLLUTION

### 1.4.1. Downfacing

All permanent lighting will be pointed straight down at the ground in order to prevent light spill beyond the edge of approved surface disturbance.

### 1.4.2. Shielding

All permanent lighting will use full cutoff luminaires, which are fully shielded (i.e., not emitting direct or indirect light above an imaginary horizontal plane passing through the lowest part of the light source).

### 1.4.3. Lighting Color

Lighting shall be 3,500 Kelvin or less (Warm White) except during drilling, completion, and workover operations. No bluish-white lighting shall be used in permanent outdoor lighting.

## 2. SPECIAL REQUIREMENTS

### 2.1. WATERSHED

The entire well pad(s) will be bermed to prevent oil, salt, and other chemical contaminants from leaving the well pad. The compacted berm shall be constructed at a minimum of 12 inches with impermeable mineral material (e.g. caliche). Topsoil shall not be used to construct the berm. No water flow from the uphill side(s) of the pad shall be allowed to enter the well pad. The integrity of the berm shall be maintained around the surfaced pad throughout the life of the well and around the downsized pad after interim reclamation has been completed. Any water erosion that may occur due to the construction of the well pad during the life of the well will be quickly corrected and proper measures will be taken to prevent future erosion. Stockpiling of topsoil is required. The topsoil shall be stockpiled in an appropriate location to prevent loss of soil due to water or wind erosion and not used for berming or erosion control. If fluid collects within the bermed area, the fluid must be vacuumed into a safe container and disposed of properly at a state approved facility.

#### 2.1.1. Tank Battery

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. Secondary containment holding capacity must be large enough to contain 1 ½ times the content of the largest tank or 24-hour production, whichever is greater (displaced volume from all tanks within the berms MUST be subtracted from total volume of containment in calculating holding capacity). Automatic shut off, check valves, or similar systems will be installed for tanks to minimize the effects of catastrophic line failures used in production or drilling.

#### 2.1.2. Buried/Surface Line(s)

When crossing ephemeral drainages, the pipeline(s) will be buried to a minimum depth of 48 inches from the top of pipe to ground level. Erosion control methods such as gabions and/or rock aprons must be placed on both up and downstream sides of the pipeline crossing. In addition, curled (weed free) wood/straw fiber wattles/logs and/or silt fences must be placed on the downstream side for sediment control during construction and maintained until soils and vegetation have stabilized. Water bars must be placed within the corridor to divert and dissipate surface runoff. A pipeline access road is not permitted to cross ephemeral drainages. Traffic must be diverted to a preexisting route. Additional seeding may be required in floodplains and drainages to restore energy dissipating vegetation.

Prior to pipeline installation/construction a leak detection plan will be developed. The method(s) could incorporate gauges to detect pressure drops, situating valves and lines so they can be visually inspected periodically or installing electronic sensors to alarm when a leak is present. The leak detection plan will incorporate an automatic shut off system that will be installed for proposed pipelines to minimize the effects of an undesirable event.

#### 2.1.3. Electric Line(s)

Any water erosion that may occur due to the construction of overhead electric line and during the life of the power line will be quickly corrected and proper measures will be taken to prevent future erosion. A power pole must not be placed in drainages, playas, wetlands, riparian areas, or floodplains and must span across the features at a distance away that does not promote further erosion.

#### 2.1.4. Temporary Use Fresh Water Frac Line(s)

Once the temporary use exceeds the timeline of 180 days and/or with a 90 day extension status; further analysis will be required if the applicant pursues to turn the temporary pipeline into a permanent pipeline.

## 2.2 WILDLIFE

### 2.1.1 Lesser Prairie Chicken

#### 2.1.1.1 Timing Limitation Stipulation/Condition of Approval for Lesser Prairie-Chicken:

Oil and gas activities including 3-D geophysical exploration, and drilling will not be allowed in lesser prairie-chicken habitat during the period from March 1st through June 15th annually. During that period, other activities that produce noise or involve human activity, such as the maintenance of oil and gas facilities, geophysical exploration other than 3-D operations, and pipeline, road, and well pad construction, will be allowed except between 3:00 am and 9:00 am. The 3:00 am to 9:00 am restriction will not apply to normal, around-the-clock operations, such as venting, flaring, or pumping, which do not require a human presence during this period. Additionally, no new drilling will be allowed within up to 200 meters of leks known at the time of permitting. Normal vehicle use on existing roads will not be restricted. Exhaust noise from pump jack engines must be muffled or otherwise controlled so as not to exceed 75 db measured at 30 ft. from the source of the noise.

#### 2.1.1.2 Timing Limitation Exceptions:

The Carlsbad Field Office will publish an annual map of where the LPC timing and noise stipulations and conditions of approval (Limitations) will apply for the identified year (between March 1 and June 15) based on the latest survey information. The LPC Timing Area map will identify areas which are Habitat Areas (HA), Isolated Population Area (IPA), and Primary Population Area (PPA). The LPC Timing Area map will also have an area in red crosshatch. The red crosshatch area is the only area where an operator is required to submit a request for exception to the LPC Limitations. If an operator is operating outside the red crosshatch area, the LPC Limitations do not apply for that year and an exception to LPC Limitations is not required.

#### 2.1.1.3 Ground-level Abandoned Well Marker to avoid raptor perching:

Upon the plugging and subsequent abandonment of the well, the well marker will be installed at ground level on a plate containing the pertinent information for the plugged well. For more installation details, contact the Carlsbad Field Office at [BLM\\_NM\\_CFO\\_Construction\\_Reclamation@blm.gov](mailto:BLM_NM_CFO_Construction_Reclamation@blm.gov).

## 2.3 SPECIAL STATUS PLANT SPECIES

## 2.4 VISUAL RESOURCE MANAGEMENT

### 2.4.1 VRM IV

Above-ground structures including meter housing that are not subject to safety requirements are painted a flat non-reflective paint color, Shale Green from the BLM Standard Environmental Color Chart (CC-001: June 2008).

## 2.5 POTASH RESOURCES

Lessees must comply with the 2012 Secretarial Potash Order. The Order is designed to manage the efficient development of oil, gas, and potash resources. Section 6 of the Order provides general provisions which must be followed to minimize conflict between the industries and ensure the safety of operations.

To minimize impacts to potash resources, the proposed well is confined within the boundaries of the established Jeff Smith Drill Island.

### 3. CONSTRUCTION REQUIREMENTS

#### 3.1 CONSTRUCTION NOTIFICATION

The BLM shall administer compliance and monitor construction of the access road and well pad. Notify the Carlsbad Field Office at [BLM\\_NM\\_CFO\\_Construction\\_Reclamation@blm.gov](mailto:BLM_NM_CFO_Construction_Reclamation@blm.gov) 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 COAs on the well site and they shall be made available upon request by the Authorized Officer.

#### 3.2 TOPSOIL

The operator shall strip the topsoil (the A horizon) from the entire well pad area and stockpile the topsoil along the edge of the well pad as depicted in the APD. No more than the top 6 inches of topsoil shall be removed. All the stockpiled topsoil will be redistributed over the interim reclamation areas. Topsoil shall not be used for berming the pad or facilities. For final reclamation, the topsoil shall be spread over the entire pad area for seeding preparation.

Other subsoil (the B horizon and below) stockpiles must be completely segregated from the topsoil stockpile. Large rocks or subsoil clods (not evident in the surrounding terrain) must be buried within the approved area for interim and final reclamation.

#### 3.3 CLOSED LOOP SYSTEM

Tanks are required for drilling operations: No reserve pits will be used for drill cuttings. The operator shall properly dispose of drilling contents at an authorized disposal site.

#### 3.4 FEDERAL MINERAL 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.

#### 3.5 WELL PAD & SURFACING

Any surfacing material used to surface the well pad will be removed at the time of interim and final reclamation.

#### 3.6 EXCLOSURE FENCING (CELLARS & PITS)

The operator will install and maintain enclosure fencing for all open well cellars to prevent access to public, livestock, and large forms of wildlife before and after drilling operations until the well cellar is free of fluids and the operator initiates backfilling. (For examples of enclosure fencing design, refer to BLM's Oil and Gas Gold Book, Enclosure Fence Illustrations, Figure 1, Page 18.)

The operator will also install and maintain mesh netting for all open well cellars to prevent access to smaller wildlife before and after drilling operations until the well cellar is free of fluids and the operator. Use a maximum netting mesh size of 1 ½ inches. The netting must not have holes or gaps.

#### 3.7 ON LEASE ACCESS ROAD

##### 3.7.1 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 twenty-five (25) feet.

### 3.7.2 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 will 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.

### 3.7.3 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.

### 3.7.4 Ditching

Ditching shall be required on both sides of the road.

### 3.7.5 Turnouts

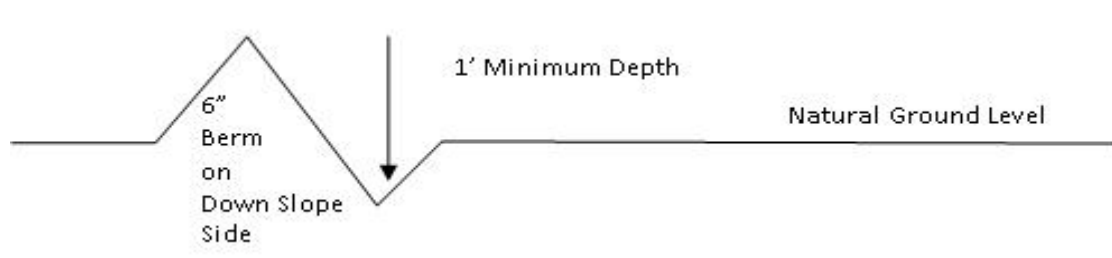
Vehicle turnouts shall be constructed on the road. Turnouts shall be intervisible with interval spacing distance less than 1000 feet. Turnouts shall conform to Figure 1; cross section and plans for typical road construction.

### 3.7.6 Drainage

Drainage control systems shall be constructed on the entire length of road (e.g. ditches, sidehill outslowing and insloping, leadoff 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:

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

**3.7.7 Public Access**

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

**Construction Steps**

1. Salvage topsoil
2. Construct road

3. Redistribute topsoil
4. Revegetate slopes

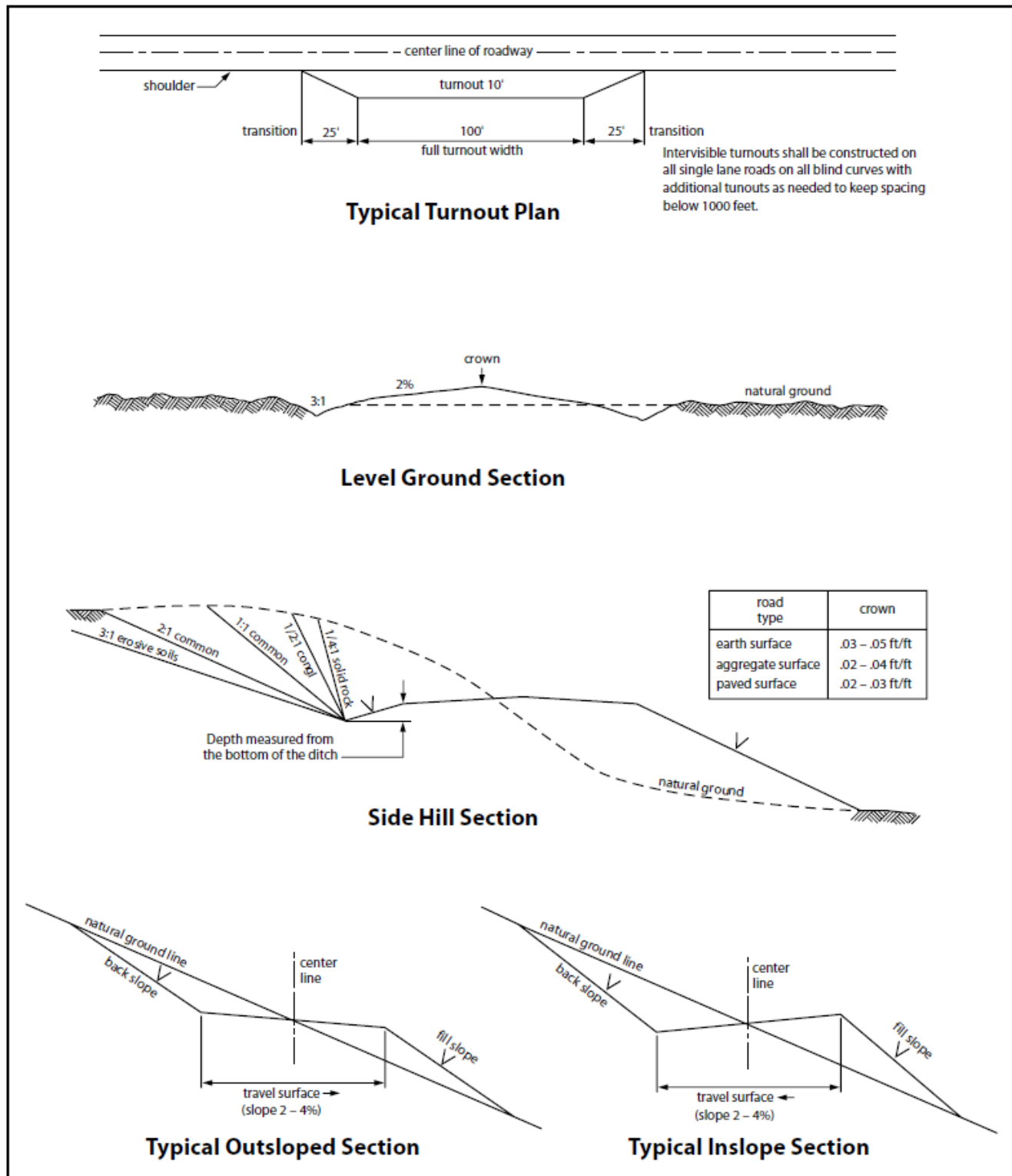


Figure 1. Cross-sections and plans for typical road sections representative of BLM resource or FS local and higher-class roads.



## 4. PIPELINES

- The BLM, Carlsbad Field Office, will be informed immediately if any subsurface drainage channels, passages, or voids are intersected by trenching, and no pipe will be laid in the trench at that point until clearance has been issued by the Authorized Officer.
- A leak detection plan **will be submitted to the BLM Carlsbad Field Office for approval** prior to pipeline installation. The method could incorporate gauges to detect pressure drops, siting values and lines so they can be visually inspected periodically or installing electronic sensors to alarm when a leak is present. The leak detection plan will incorporate an automatic shut off system that will be installed for proposed pipelines to minimize the effects of an undesirable event.
- Regular monitoring is required to quickly identify leaks for their immediate and proper treatment.
- All spills or leaks will be reported to the BLM immediately for their immediate and proper treatment.

### 4.1 BURIED PIPELINES

A copy of the application (APD, or Sundry Notice) and attachments, including conditions of approval, survey plat and/or map, will be on location during construction. BLM personnel may request a copy of your permit during construction to ensure compliance with all stipulations.

Operator agrees to comply with the following stipulations to the satisfaction of the Authorized Officer:

1. The Operator shall indemnify the United States against any liability for damage to life or property arising from the occupancy or use of public lands under this APD.
2. The Operator shall comply with all applicable Federal laws and regulations existing or hereafter enacted or promulgated. In any event, the operator shall comply with the Toxic Substances Control Act of 1976 as amended, 15 USC 2601 et seq. (1982) with regards to any toxic substances that are used, generated by or stored on the pipeline corridor or on facilities authorized under this APD. (See 40 CFR Part 702-799 and especially, provisions on polychlorinated biphenyls, 40 CFR 761.1-761.193.) Additionally, any release of toxic substances (leaks, spills, etc.) in excess of the reportable quantity established by 40 CFR Part 117 shall be reported as required by the Comprehensive Environmental Response, Compensation, and Liability Act, section 102b. A copy of any report required or requested by any Federal agency or State government as a result of a reportable release or spill of any toxic substances shall be furnished to the authorized officer concurrent with the filing of the reports to the involved Federal agency or State government.
3. The operator agrees to indemnify the United States against any liability arising from the release of any hazardous substance or hazardous waste (as these terms are defined in the Comprehensive Environmental Response, Compensation and Liability Act of 1980, 42 U.S.C. 9601, et seq. or the Resource Conservation and Recovery Act, 42 U.S.C. 6901, et seq.) on the Pipeline corridor (unless the release or threatened release is wholly unrelated to the operator's activity on the pipeline corridor), or resulting from the activity of the Operator on the pipeline corridor. This agreement applies without regard to whether a release is caused by the operator, its agent, or unrelated third parties.
4. If, during any phase of the construction, operation, maintenance, or termination of the pipeline, any oil or other pollutant is discharged from the pipeline system, impacting Federal lands, the control and total removal, disposal, and cleaning up of such oil or other pollutant, wherever found, shall be the responsibility of operator, regardless of fault. Upon failure of operator to control, dispose of, or clean up such discharge on or affecting Federal lands, or to repair all damages resulting therefrom, on the Federal lands, the Authorized Officer may take such measures as he deems necessary to control and clean up the discharge and restore the area, including where appropriate, the aquatic environment and fish and wildlife habitats, at the full expense of the operator. Such action by the Authorized Officer shall not relieve operator of any responsibility as provided herein.

5. All construction and maintenance activity will be confined to the authorized pipeline corridor.
6. The pipeline will be buried with a minimum cover of 36 inches between the top of the pipe and ground level.
7. The maximum allowable disturbance for construction in this pipeline corridor will be 30 feet:
  - Blading of vegetation within the pipeline corridor will be allowed: maximum width of blading operations will not exceed **20** feet. The trench is included in this area. (*Blading is defined as the complete removal of brush and ground vegetation.*)
  - Clearing of brush species within the pipeline corridor will be allowed: maximum width of clearing operations will not exceed **30** feet. The trench and bladed area are included in this area. (*Clearing is defined as the removal of brush while leaving ground vegetation (grasses, weeds, etc.) intact. Clearing is best accomplished by holding the blade 4 to 6 inches above the ground surface.*)
  - The remaining area of the pipeline corridor (if any) shall only be disturbed by compressing the vegetation. (*Compressing can be caused by vehicle tires, placement of equipment, etc.*)
8. The operator shall stockpile an adequate amount of topsoil where blading is allowed. The topsoil to be stripped is approximately   6   inches in depth. The topsoil will be segregated from other spoil piles from trench construction. The topsoil will be evenly distributed over the bladed area for the preparation of seeding.
9. Vegetation, soil, and rocks left as a result of construction or maintenance activity will be randomly scattered on this pipeline corridor and will not be left in rows, piles, or berms, unless otherwise approved by the Authorized Officer. The entire pipeline corridor shall be recontoured to match the surrounding landscape. The backfilled soil shall be compacted, and a 6-inch berm will be left over the ditch line to allow for settling back to grade.
10. The pipeline will be identified by signs at the point of origin and completion of the pipeline corridor and at all road crossings. At a minimum, signs will state the operator's name, BLM serial number, and the product being transported. All signs and information thereon will be posted in a permanent, conspicuous manner, and will be maintained in a legible condition for the life of the pipeline.
11. The operator shall not use the pipeline route as a road for purposes other than routine maintenance as determined necessary by the Authorized Officer in consultation with the operator before maintenance begins. The operator will take whatever steps are necessary to ensure that the pipeline route is not used as a roadway. As determined necessary during the life of the pipeline, the Authorized Officer may ask the operator to construct temporary deterrence structures.
12. 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 associated roads, 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.
13. Escape Ramps - The operator will construct and maintain pipeline/utility trenches [that are not otherwise fenced, screened, or netted] to prevent livestock, wildlife, and humans from becoming entrapped. At a minimum, the operator will construct and maintain escape ramps, ladders, or other methods of avian and terrestrial wildlife escape in the trenches according to the following criteria:
  - a. Any trench left open for eight (8) hours or less is not required to have escape ramps; however, before the trench is backfilled, the contractor/operator shall inspect the trench for wildlife, remove all trapped wildlife, and release them alive at least 100 yards from the trench.

- b. For trenches left open for eight (8) hours or more, earthen escape ramps (built at no more than a 30-degree slope and spaced no more than 500 feet apart) shall be placed in the trench. Before the trench is backfilled, the contractor/operator shall inspect the trench for wildlife, remove all trapped wildlife, and release them alive at least 100 yards from the trench.

## 4.2 SURFACE PIPELINES

**A copy of the APD and attachments, including stipulations, survey plat(s) and/or map(s), shall be on location during construction. BLM personnel may request to review a copy of your permit during construction to ensure compliance with all stipulations.**

Operator agrees to comply with the following stipulations to the satisfaction of the Authorized Officer:

1. Operator shall indemnify the United States against any liability for damage to life or property arising from the occupancy or use of public lands under this APD.
2. Operator shall comply with all applicable Federal laws and regulations existing or hereafter enacted or promulgated. In any event, Operator shall comply with the Toxic Substances Control Act of 1976 as amended, 15 USC § 2601 et seq. (1982) with regard to any toxic substances that are used, generated by or stored on the pipeline corridor on facilities authorized under this APD (see 40 CFR, Part 702-799 and in particular, provisions on polychlorinated biphenyls, 40 CFR 761.1-761.193). Additionally, any release of toxic substances (leaks, spills, etc.) in excess of the reportable quantity established by 40 CFR, Part 117 shall be reported as required by the Comprehensive Environmental Response, Compensation, and Liability Act, section 102b. A copy of any report required or requested by any Federal agency or State government as a result of a reportable release or spill of any toxic substances shall be furnished to the Authorized Officer concurrent with the filing of the reports to the involved Federal agency or State government.
3. Operator agrees to indemnify the United States against any liability arising from the release of any hazardous substance or hazardous waste (as these terms are defined in the Comprehensive Environmental Response, Compensation and Liability Act of 1980, 42 U.S.C. § 9601, et seq. or the Resource Conservation and Recovery Act, 42 U.S.C. 6901, et seq.) on the Pipeline corridor (unless the release or threatened release is wholly unrelated to activity of the Operator's activity on the Pipeline corridor), or resulting from the activity of the Operator on the pipeline corridor. This provision applies without regard to whether a release is caused by Operator, its agent, or unrelated third parties.
4. Operator shall be liable for damage or injury to the United States to the extent provided by 43 CFR Sec. 2883.1-4. Operator shall be held to a standard of strict liability for damage or injury to the United States resulting from pipe rupture, fire, or spills caused or substantially aggravated by any of the following within the pipeline corridor or permit area:
  - a. Activities of Operator including, but not limited to: construction, operation, maintenance, and termination of the facility;
  - b. Activities of other parties including, but not limited to:
    - (1) Land clearing
    - (2) Earth-disturbing and earth-moving work
    - (3) Blasting
    - (4) Vandalism and sabotage
  - c. Acts of God.

The maximum limitation for such strict liability damages shall not exceed one million dollars (\$1,000,000) for any one event, and any liability in excess of such amount shall be determined by the ordinary rules of negligence of the jurisdiction in which the damage or injury occurred.

This section shall not impose strict liability for damage or injury resulting primarily from an act of war or from the negligent acts or omissions of the United States.

5. If, during any phase of the construction, operation, maintenance, or termination of the pipeline, any oil, salt water, or other pollutant is discharged from the pipeline system, impacting Federal lands, the control and total removal, disposal, and cleaning up of such oil, salt water, or other pollutant, wherever found, shall be the responsibility of Operator, regardless of fault. Upon failure of Operator to control, dispose of, or clean up such discharge on or affecting Federal lands, or to repair all damages resulting therefrom, on the Federal lands, the Authorized Officer may take such measures as they deem necessary to control and clean up the discharge and restore the area, including, where appropriate, the aquatic environment and fish and wildlife habitats, at the full expense of Operator. Such action by the Authorized Officer shall not relieve Operator of any responsibility as provided herein.
6. All construction and maintenance activity shall be confined to the authorized pipeline corridor width of 30-feet. If the pipeline route follows an existing road or buried pipeline corridor, the surface pipeline shall be installed no farther than 10 feet from the edge of the road or buried pipeline corridor. If existing surface pipelines prevent this distance, the proposed surface pipeline shall be installed immediately adjacent to the outer surface pipeline. All construction and maintenance activity shall be confined to existing roads or pipeline corridors.
7. No blading or clearing of any vegetation shall be allowed unless approved in writing by the Authorized Officer.
8. Operator shall install the pipeline on the surface in such a manner that will minimize suspension of the pipeline across low areas in the terrain. In hummocky or dune areas, the pipeline shall be "snaked" around hummocks and dunes rather than suspended across these features.
9. The pipeline shall be buried with a minimum of 6 inches under all roads, "two-tracks," and trails. Burial of the pipe will continue for 20 feet on each side of each crossing. The condition of the road, upon completion of construction, shall be returned to at least its former state with no bumps or dips remaining in the road surface.
10. The operator shall minimize disturbance to existing fences and other improvements on public lands. The operator is required to promptly repair improvements to at least their former state. Functional use of these improvements will be maintained at all times. The operator will contact the owner of any improvements prior to disturbing them. When necessary to pass through a fence line, the fence shall be braced on both sides of the passageway prior to cutting of the fence. No permanent gates will be allowed unless approved by the Authorized Officer.
11. In those areas where erosion control structures are required to stabilize soil conditions, the operator will install such structures as are suitable for the specific soil conditions being encountered and which are in accordance with sound resource management practices.
12. Excluding the pipe, all above-ground structures not subject to safety requirement shall be painted by the operator to blend with the natural color of the landscape. The paint used shall be a color which simulates "Standard Environmental Colors" – Shale Green, Munsell Soil Color No. 5Y 4/2; designated by the Rocky Mountain Five State Interagency Committee.
13. The pipeline will be identified by signs at the point of origin and completion of the pipeline corridor and at all road crossings. At a minimum, signs will state the operator's name, BLM serial number, and the product being transported. Signs will be maintained in a legible condition for the life of the pipeline.
14. The operator shall not use the pipeline route as a road for purposes other than routine maintenance as determined necessary by the Authorized Officer in consultation with the operator. The operator will take whatever steps are necessary to ensure that the pipeline route is not used as a roadway.

15. 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, powerline 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.
16. Surface pipelines shall be less than or equal to 4 inches and a working pressure below 125 psi.

#### 4.3 OVERHEAD ELECTRIC LINES

**A copy of the APD and attachments, including stipulations, survey plat and/or map, will be on location during construction. BLM personnel may request to you a copy of your permit during construction to ensure compliance with all stipulations.**

Operator agrees to comply with the following stipulations to the satisfaction of the Authorized Officer:

1. The operator shall indemnify the United States against any liability for damage to life or property arising from the occupancy or use of public lands under this APD.
2. The operator shall comply with all applicable Federal laws and regulations existing or hereafter enacted or promulgated. In any event, the operator shall comply with the Toxic Substances Control Act of 1976 as amended, 15 USC 2601 et seq. (1982) with regards to any toxic substances that are used, generated by or stored on the powerline corridor or on facilities authorized under this powerline corridor. (See 40 CFR, Part 702-799 and especially, provisions on polychlorinated biphenyls, 40 CFR 761.1-761.193.) Additionally, any release of toxic substances (leaks, spills, etc.) in excess of the reportable quantity established by 40 CFR, Part 117 shall be reported as required by the Comprehensive Environmental Response, Compensation, and Liability Act, section 102b. A copy of any report required or requested by any Federal agency or State government as a result of a reportable release or spill of any toxic substances shall be furnished to the authorized officer concurrent with the filing of the reports to the involved Federal agency or State government.
3. The operator agrees to indemnify the United States against any liability arising from the release of any hazardous substance or hazardous waste (as these terms are defined in the Comprehensive Environmental Response, Compensation and Liability Act of 1980, 42 U.S.C. 9601, et seq. or the Resource Conservation and Recovery Act, 42 U.S.C. 6901, et seq.) on the Powerline corridor (unless the release or threatened release is wholly unrelated to the operator's activity on the powerline corridor), or resulting from the activity of the Operator on the powerline corridor. This agreement applies without regard to whether a release is caused by the operator, its agent, or unrelated third parties.
4. There will be no clearing or blading of the powerline corridor unless otherwise agreed to in writing by the Authorized Officer.
5. Power lines shall be constructed and designed in accordance to standards outlined in "Suggested Practices for Avian Protection on Power lines: The State of the Art in 2006" Edison Electric Institute, APLIC, and the California Energy Commission 2006. The operator shall assume the burden and expense of proving that pole designs not shown in the above publication deter raptor perching, roosting, and nesting. Such proof shall be provided by a raptor expert approved by the Authorized Officer. The BLM reserves the right to require modification or additions to all powerline structures placed on this powerline corridor, should they be necessary to ensure the safety of large perching birds. Such modifications and/or additions shall be made by the operator without liability or expense to the United States.
6. Raptor deterrence will consist of but not limited to the following: triangle perch discouragers shall be placed on each side of the cross arms and a nonconductive perching deterrence shall be placed on all vertical poles that extend past the cross arms.
7. The operator shall minimize disturbance to existing fences and other improvements on public lands. The operator is required to promptly repair improvements to at least their former state. Functional use

of these improvements will be maintained at all times. The operator will contact the owner of any improvements prior to disturbing them. When necessary to pass through a fence line, the fence shall be braced on both sides of the passageway prior to cutting the fence. No permanent gates will be allowed unless approved by the Authorized Officer.

8. The BLM serial number assigned to this authorization shall be posted in a permanent, conspicuous manner where the power line crosses roads and at all serviced facilities. Numbers will be at least two inches high and will be affixed to the pole nearest the road crossing and at the facilities served.
9. Upon cancellation, relinquishment, or expiration of this APD, the operator shall comply with those abandonment procedures as prescribed by the Authorized Officer.
10. All surface structures (poles, lines, transformers, etc.) shall be removed within 180 days of abandonment, relinquishment, or termination of use of the serviced facility or facilities or within 180 days of abandonment, relinquishment, cancellation, or expiration of this APD, whichever comes first. This will not apply where the power line extends service to an active, adjoining facility or facilities.
11. Special Stipulations:
  - For reclamation remove poles, lines, transformer, etc. and dispose of properly. Fill in any holes from the poles removed.

#### 4.4 RANGLAND MITIGATION FOR PIPELINES

##### 4.5.1 Fence Requirement

Where entry is granted across a fence line, the fence must be braced and tied off on both sides of the passageway with H-braces prior to cutting. Once the work is completed, the fence will be restored to its prior condition, or better. The operator shall notify the private surface landowner or the grazing allotment operator prior to crossing any fence(s).

##### 4.5.2 Cattleguards

An appropriately sized cattleguard(s) sufficient to carry out the project shall be installed and maintained at road-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 on one side of the cattleguard and fastened securely to H-braces.

##### 4.5.3 Livestock Watering Requirement

Structures that provide water to livestock, such as windmills, pipelines, drinking troughs, and earthen reservoirs, will be avoided by moving the proposed action.

Any damage to structures that provide water to livestock throughout the life of the well, caused by operations from the well site, must be immediately corrected by the operator. The operator must notify the BLM office (575-234-5972) and the private surface landowner or the grazing allotment operator if any damage occurs to structures that provide water to livestock.

- Livestock operators will be contacted, and adequate crossing facilities will be provided as needed to ensure livestock are not prevented from reaching water sources because of the open trench.
- Wildlife and livestock trails will remain open and passable by adding soft plugs (areas where the trench is excavated and replaced with minimal compaction) during the construction phase. Soft plugs with ramps on either side will be left at all well-defined livestock and wildlife trails along the open trench to allow passage across the trench and provide a means of escape for livestock and wildlife that may enter the trench.
- Trenches will be backfilled as soon as feasible to minimize the amount of open trench. The Operator will avoid leaving trenches open overnight to the extent possible and open trenches that



cannot be backfilled immediately will have escape ramps (wooden) placed at no more than 2,500 feet intervals and sloped no more than 45 degrees.

## 5. PRODUCTION (POST DRILLING)

### 5.1 WELL STRUCTURES & FACILITIES

#### 5.1.1 Placement of Production Facilities

Production facilities must be placed on the well pad to allow for maximum interim recontouring and revegetation of the well location.

#### 5.1.2 Exclosure Netting (Open-top Tanks)

Immediately following active drilling or completion operations, the operator will take actions necessary to prevent wildlife and livestock access, including avian wildlife, to all open-topped tanks that contain or have the potential to contain salinity sufficient to cause harm to wildlife or livestock, hydrocarbons, or Resource Conservation and Recovery Act of 1976-exempt hazardous substances. At a minimum, the operator will net, screen, or cover open-topped tanks to exclude wildlife and livestock and prevent mortality. If the operator uses netting, the operator will cover and secure the open portion of the tank to prevent wildlife entry. The operator will net, screen, or cover the tanks until the operator removes the tanks from the location or the tanks no longer contain substances that could be harmful to wildlife or livestock. Use a maximum netting mesh size of 1 ½ inches. The netting must not be in contact with fluids and must not have holes or gaps.

#### 5.1.3. Chemical and Fuel Secondary Containment and Exclosure Screening

The operator will prevent all hazardous, poisonous, flammable, and toxic substances from coming into contact with soil and water. At a minimum, the operator will install and maintain an impervious secondary containment system for any tank or barrel containing hazardous, poisonous, flammable, or toxic substances sufficient to contain the contents of the tank or barrel and any drips, leaks, and anticipated precipitation. The operator will dispose of fluids within the containment system that do not meet applicable state or U. S. Environmental Protection Agency livestock water standards in accordance with state law; the operator must not drain the fluids to the soil or ground. The operator will design, construct, and maintain all secondary containment systems to prevent wildlife and livestock exposure to harmful substances. At a minimum, the operator will install effective wildlife and livestock exclosure systems such as fencing, netting, expanded metal mesh, lids, and grate covers. Use a maximum netting mesh size of 1 ½ inches.

#### 5.1.4. Open-Vent Exhaust Stack Exclosures

The operator will construct, modify, equip, and maintain all open-vent exhaust stacks on production equipment to prevent birds and bats from entering, and to discourage perching, roosting, and nesting. (*Recommended exclosure structures on open-vent exhaust stacks are in the shape of a cone.*) Production equipment includes, but may not be limited to, tanks, heater-treaters, separators, dehydrators, flare stacks, in-line units, and compressor mufflers.

#### 5.1.5. Containment Structures

Proposed production facilities such as storage tanks and other vessels will have a secondary containment structure that is constructed to hold the capacity of 1.5 times the largest tank, plus freeboard to account for precipitation, unless more stringent protective requirements are deemed necessary.

## 6. RECLAMATION

Stipulations required by the Authorized Officer on specific actions may differ from the following general guidelines

## 6.1 ROAD AND SITE RECLAMATION

Any roads constructed during the life of the well will have the caliche removed or linear burial. If contaminants are indicated then testing will be required for chlorides and applicable contaminate anomalies for final disposal determination (disposed of in a manner approved by the Authorized Officer within Federal, State and Local statutes, regulations, and ordinances) and seeded to the specifications in sections 6.5 and 6.6.

## 6.2 EROSION CONTROL

Install erosion control berms, windrows, and hummocks. Windrows must be level and constructed perpendicular to down-slope drainage; steeper slopes will require greater windrow density. Topsoil between windrows must be ripped to a depth of at least 12", unless bedrock is encountered. Any large boulders pulled up during ripping must be deep-buried on location. Ripping must be perpendicular to down-slope. The surface must be left rough in order to catch and contain rainfall on-site. Any trenches resulting from erosion caused by run-off shall be addressed immediately.

## 6.3 INTERIM RECLAMATION

During the life of the development, all disturbed areas not needed for active support of production operations must 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 must work with BLM surface protection specialists (BLM\_NM\_CFO\_Construction\_Reclamation@blm.gov) to devise the best strategies to reduce the size of the location. Interim reclamation must allow for remedial well operations, as well as safe and efficient removal of oil and gas.

During reclamation, the removal of caliche and any other surface material is required. 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 in section 6.6.

Upon completion of interim reclamation, the operator shall submit a Sundry Notice, Subsequent Report of Reclamation (Form 3160-5).

## 6.4 FINAL ABANDONMENT & RECLAMATION

Prior to surface abandonment, the operator shall submit a Notice of Intent Sundry Notice and reclamation plan.

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 will 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. After earthwork and seeding is completed, the operator is required to submit a Sundry Notice, Subsequent Report of Reclamation.

Operators shall contact a BLM surface protection specialist prior to surface abandonment operations for site specific objectives (BLM\_NM\_CFO\_Construction\_Reclamation@blm.gov).

## 6.5 SEEDING TECHNIQUES

Seeds shall be hydro-seeded, mechanically drilled, or broadcast, with the broadcast-seeded area raked, ripped or dragged to aid in covering the seed. The seed mixture shall be evenly and uniformly planted over the disturbed area.

## 6.6 SOIL SPECIFIC SEED MIXTURE

The lessee/permittee 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 land application will be accomplished by mechanical planting using a drill equipped with a 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. Smaller/heavier seeds tend to drop the bottom of the drill and are planted first; the operator 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 BLM or Soil Conservation

District 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 or until several months of precipitation have occurred, enabling a full four months of growth, with one or more seed generations being established.

**Seed Mixture 2, for Sandy Site**

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

**Species****lb/acre**Sand dropseed (*Sporobolus cryptandrus*)

1.0

Sand love grass (*Eragrostis trichodes*)

1.0

Plains bristlegass (*Setaria macrostachya*)

2.0

\*Pounds of pure live seed:

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

## PECOS DISTRICT DRILLING CONDITIONS OF APPROVAL

|                  |                             |
|------------------|-----------------------------|
| OPERATOR'S NAME: | OXY USA INCORPORATED        |
| WELL NAME & NO.: | NUGGET 6 31 FED COM 7H      |
| LOCATION:        | Section 6, T.24 S., R.31 E. |
| COUNTY:          | Eddy County, New Mexico     |

COA

|                                  |  |  |   |
|----------------------------------|--|--|---|
| H2S                              | <input checked="" type="radio"/> Yes                   | <input type="radio"/> No                                 |   |
| Potash                           | <input type="radio"/> None                             | <input checked="" type="radio"/> Secretary               | <input type="radio"/> R-111-P                                 |
| Cave/Karst Potential             | <input checked="" type="radio"/> Low                   | <input type="radio"/> Medium                             | <input type="radio"/> High                                    |
| Cave/Karst Potential             | <input type="radio"/> Critical                         |  |   |
| Variance                         | <input type="radio"/> None                             | <input checked="" type="radio"/> Flex Hose               | <input type="radio"/> Other                                   |
| Wellhead                         | <input type="radio"/> Conventional                     | <input checked="" type="radio"/> Multibowl               | <input type="radio"/> Both                                    |
| Wellhead Variance                | <input type="radio"/> Diverter                         |  |   |
| Other                            | <input type="checkbox"/> 4 String                      | <input type="checkbox"/> Capitan Reef                    | <input type="checkbox"/> WIPP                                 |
| Other                            | <input type="checkbox"/> Fluid Filled                  | <input type="checkbox"/> Pilot Hole                      | <input type="checkbox"/> Open Annulus                         |
| Cementing                        | <input type="checkbox"/> Contingency<br>Cement Squeeze | <input type="checkbox"/> EchoMeter                       | <input checked="" type="checkbox"/> Primary Cement<br>Squeeze |
| Special Requirements             | <input type="checkbox"/> Water Disposal                | <input checked="" type="checkbox"/> COM                  | <input type="checkbox"/> Unit                                 |
| Special Requirements             | <input type="checkbox"/> Batch Sundry                  |  |   |
| Special Requirements<br>Variance | <input checked="" type="checkbox"/> Break Testing      | <input checked="" type="checkbox"/> Offline<br>Cementing | <input type="checkbox"/> Casing<br>Clearance                  |

### A. HYDROGEN SULFIDE

A Hydrogen Sulfide (H2S) Drilling Plan shall be activated AT SPUD. As a result, the Hydrogen Sulfide area must meet Onshore Order 6 requirements, which includes equipment and personnel/public protection items. If Hydrogen Sulfide is encountered, please provide measured values and formations to the BLM.

### B. CASING

**NOTE: WELL APPROVED FOR DESIGNS A1 AND A2. REVIEW CEMENT VOLUMES TO ACHIEVE TIE BACKS LISTED BELOW.**

**WELL IS CLOSE TO THE R111Q BOUNDARY. PLEASE DIRECTIONALLY MAINTAIN THE WELL AS PROPOSED AND AWAY FROM R111Q POTASH AREA UNTIL THE SALT INTERVAL IS CLEARED.**

**A1:**

1. The **10-3/4** inch surface casing shall be set at approximately **893** feet (a minimum of 25 feet (Lea County) into the Rustler Anhydrite, above the salt, and below usable fresh water) and cemented to the surface.
  - 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 will be a minimum of **24 hours in the Potash Area** or 500 pounds compressive strength, whichever is greater. (This is to include the lead cement)
  - 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 **7-5/8** inch intermediate casing shall be set at approximately **10,511** feet. **KEEP CASING 1/2 FULL FOR COLLAPSE SF. PRESSURE TEST NEEDS EXTERNAL PRESSURE REVIEW AS WELL.** The minimum required fill of cement behind the **7-5/8** inch intermediate casing is:

**Option 1 (Single Stage):**

- Cement to surface. If cement does not circulate see B.1.a, c-d above.

Operator has proposed to cement in two stages by conventionally cementing the first stage and performing a bradenhead squeeze on the second stage, contingent upon no returns to surface.

- a. First stage: Operator will cement with intent to reach the top of the **Brushy Canyon**
  - b. Second stage:
    - Operator will perform bradenhead squeeze and top-out. Cement to surface. If cement does not reach surface, the appropriate BLM office shall be notified
- ❖ In Secretary Potash Areas if cement does not circulate to surface on the first two casing strings, the cement on the 3rd casing string must come to surface.



**Operator has proposed to pump down 10-3/4" X 7-5/8" annulus. Operator must top out cement after the bradenhead squeeze and verify cement to surface. Operator can also check TOC with Echo-meter. CBL must be run from TD of the 7-5/8" casing to surface if confidence is lacking on the quality of the bradenhead squeeze cement job. Submit results to BLM.**

**If cement does not tie-back into the previous casing shoe, a third stage remediation BH may be performed. The appropriate BLM office shall be notified.**

**Bradenhead squeeze in the production interval is only as an edge case remediation measure and is NOT approved in this COA. If production cement job experiences losses and a bradenhead squeeze is needed for tie-back, BLM Engineering should be notified prior to job with volumes and planned wellbore schematic. CBL will be needed when this occurs.**

3. The 5-1/2 inch production casing shall be set at approximately **21,890** feet. The minimum required fill of cement behind the 5-1/2 inch production casing is:

**Option 1 (Single Stage):**

- Cement should tie-back at least **500 feet** into previous casing string. Operator shall provide method of verification.

**A2:**

1. The 13-3/8 inch surface casing shall be set at approximately **893** feet (a minimum of 25 feet (Lea County) into the Rustler Anhydrite, above the salt, and below usable fresh water) and cemented to the surface.
  - e. 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.
  - f. Wait on cement (WOC) time for a primary cement job will be a minimum of **24 hours in the Potash Area** or 500 pounds compressive strength, whichever is greater. (This is to include the lead cement)
  - g. 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.
  - h. If cement falls back, remedial cementing will be done prior to drilling out that string.
2. The 7-5/8 inch intermediate casing shall be set at approximately **10,511** feet. **KEEP CASING 1/2 FULL FOR COLLAPSE SF. PRESSURE TEST NEEDS**

**EXTERNAL PRESSURE REVIEW AS WELL.** The minimum required fill of cement behind the **7-5/8** inch intermediate casing is:

**Option 1 (Single Stage):**

- Cement to surface. If cement does not circulate see B.1.a, c-d above.

**Option 2 (Bradenhead):**

Operator has proposed to cement in two stages by conventionally cementing the first stage and performing a bradenhead squeeze on the second stage, contingent upon no returns to surface.

- c. First stage: Operator will cement with intent to reach the top of the **Brushy Canyon**
  - d. Second stage:
    - Operator will perform bradenhead squeeze and top-out. Cement to surface. If cement does not reach surface, the appropriate BLM office shall be notified
3. The **5-1/2** inch production casing shall be set at approximately **21,890** feet. The minimum required fill of cement behind the **5-1/2** inch production casing is:

**Option 1 (Single Stage):**

- Cement should tie-back at least **500 feet** into previous casing string. Operator shall provide method of verification.

**C. PRESSURE CONTROL**

1. Variance approved to use flex line from BOP to choke manifold. Manufacturer's specification to be readily available. No external damage to flex line. Flex line to be installed as straight as possible (no hard bends).'
2. Operator has proposed a multi-bowl wellhead assembly. This assembly will only be tested when installed on surface casing. Minimum working pressure of the blowout preventer (BOP) and related equipment (BOPE) required for drilling below the surface casing shoe shall be **10,000 (10M) psi. Variance is approved to use a 5000 (5M) Annular which shall be tested to 3500 (70% Working Pressure) psi.**
  - a. Wellhead shall be installed by manufacturer's representatives, submit documentation with subsequent sundry.

- b. If the welding is performed by a third party, the manufacturer's representative shall monitor the temperature to verify that it does not exceed the maximum temperature of the seal.
- c. Manufacturer representative shall install the test plug for the initial BOP test.
- d. If the cement does not circulate and one inch operations would have been possible with a standard wellhead, the well head shall be cut off, cementing operations performed and another wellhead installed.
- e. Whenever any seal subject to test pressure is broken, all the tests in OOGO2.III.A.2.i must be followed.

#### **D. SPECIAL REQUIREMENT (S)**

##### **Communitization Agreement**

- The operator will submit a Communitization Agreement to the Santa Fe Office, 301 Dinosaur Trail Santa Fe, New Mexico 87508, at least 90 days before the anticipated date of first production from a well subject to a spacing order issued by the New Mexico Oil Conservation Division. The Communitization Agreement will include the signatures of all working interest owners in all Federal and Indian leases subject to the Communitization Agreement (i.e., operating rights owners and lessees of record), or certification that the operator has obtained the written signatures of all such owners and will make those signatures available to the BLM immediately upon request.
- The operator will submit an as-drilled survey well plat of the well completion, but are not limited to, those specified in Onshore Order 1 and 2.
- If the operator does not comply with this condition of approval, the BLM may take enforcement actions that include, but are not limited to, those specified in 43 CFR 3163.1.
- In addition, the well sign shall include the surface and bottom hole lease numbers. When the Communitization Agreement number is known, it shall also be on the sign.

##### **(Note: For a minimum 5M BOPE or less (Utilizing a 10M BOPE system)**

##### **BOPE Break Testing Variance**

- BOPE Break Testing is ONLY permitted for 5M BOPE or less. (**Annular preventer must be tested to a minimum of 70% of BOPE working pressure and shall be higher than the MASP**)
- BOPE Break Testing is NOT permitted to drilling the production hole section.
- Variance only pertains to the intermediate hole-sections and no deeper than the Bone Springs formation.
- While in transfer between wells, the BOPE shall be secured by the hydraulic carrier or cradle.
- Any well control event while drilling require notification to the BLM Petroleum Engineer (**575-706-2779**) prior to the commencement of any BOPE Break Testing operations.
- A full BOPE test is required prior to drilling the first deep intermediate hole section. If any subsequent hole interval is deeper than the first, a full BOPE test will be required. (200' TVD tolerance between intermediate shoes is allowable).

- The BLM is to be contacted (575-361-2822 Eddy County) 4 hours prior to BOPE tests.
- As a minimum, a full BOPE test shall be performed at 21-day intervals.
- In the event any repairs or replacement of the BOPE is required, the BOPE shall test as per Onshore Oil and Gas Order No. 2.
- If in the event break testing is not utilized, then a full BOPE test would be conducted.

### **Offline Cementing**

Offline cementing OK for surface and intermediate intervals. Notify the BLM prior to the commencement of any offline cementing procedure.

## **GENERAL REQUIREMENTS**

The BLM is to be notified in advance for a representative to witness:

- a. Spudding well (minimum of 24 hours)
- b. Setting and/or Cementing of all casing strings (minimum of 4 hours)
- c. BOPE tests (minimum of 4 hours)

### **Contact Eddy County Petroleum Engineering Inspection Staff:**

Email or call the Carlsbad Field Office, 620 East Greene St., Carlsbad, NM 88220; [BLM NM CFO DrillingNotifications@BLM.GOV](mailto:BLM_NM_CFO_DrillingNotifications@BLM.GOV); (575) 361-2822

### **Contact Lea County Petroleum Engineering Inspection Staff:**

Call the Hobbs Field Station, 414 West Taylor, Hobbs NM 88240, (575) 689-5981

1. 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.
  - a. In the event the operator has proposed to drill multiple wells utilizing a skid/walking rig. Operator shall secure the wellbore on the current well, after installing and testing the wellhead, by installing a blind flange of like pressure rating to the wellhead and a pressure gauge that can be monitored while drilling is performed on the other well(s).
  - b. When the operator proposes to set surface casing with Spudder Rig
    - i. Notify the BLM when moving in and removing the Spudder Rig.
    - ii. Notify the BLM when moving in the 2<sup>nd</sup> Rig. Rig to be moved in within 90 days of notification that Spudder Rig has left the location.
    - iii. BOP/BOPE test to be conducted per **43 CFR 3172** as soon as 2<sup>nd</sup> Rig is rigged up on well.
2. 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.

3. For intervals in which cement to surface is required, cement to surface should be verified with a visual check and density or pH check to differentiate cement from spacer and drilling mud. The results should be documented in the driller's log and daily reports.

#### A. CASING

1. Changes to the approved APD casing program need prior approval if the items substituted are of lesser grade or different casing size or are Non-API. The Operator can exchange the components of the proposal with that of superior strength (i.e. changing from J-55 to N-80, or from 36# to 40#). Changes to the approved cement program need prior approval if the altered cement plan has less volume or strength or if the changes are substantial (i.e. Multistage tool, ECP, etc.). The initial wellhead installed on the well will remain on the well with spools used as needed.
2. Wait on cement (WOC) for Potash Areas: After cementing but before commencing any tests, the casing string shall stand cemented under pressure until both of the following conditions have been met: 1) cement reaches a minimum compressive strength of 500 psi for all cement blends of both lead and tail cement, 2) until cement has been in place at least 8 hours. WOC time will be recorded in the driller's log. The casing integrity test can be done (prior to the cement setting up) immediately after bumping the plug.
3. Wait on cement (WOC) for Water Basin: After cementing but before commencing any tests, the casing string shall stand cemented under pressure until both of the following conditions have been met: 1) cement reaches a minimum compressive strength of 500 psi at the shoe, 2) until cement has been in place at least 8 hours. WOC time will be recorded in the driller's log. See individual casing strings for details regarding lead cement slurry requirements. The casing integrity test can be done (prior to the cement setting up) immediately after bumping the plug.
4. Provide compressive strengths including hours to reach required 500 pounds compressive strength prior to cementing each casing string. Have well specific cement details onsite prior to pumping the cement for each casing string.
5. No pea gravel permitted for remedial or fall back remedial without prior authorization from the BLM engineer.
6. On that portion of any well approved for a 5M BOPE system or greater, a pressure integrity test of each casing shoe shall be performed. Formation at the shoe shall be tested to a minimum of the mud weight equivalent anticipated to control the formation pressure to the next casing depth or at total depth of the well. This test shall be performed before drilling more than 20 feet of new hole.
7. 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.
8. Whenever a casing string is cemented in the R-111-Q potash area, the NMOCD requirements shall be followed.

#### B. PRESSURE CONTROL

1. All blowout preventer (BOP) and related equipment (BOPE) shall comply with well control requirements as described in **43 CFR 3172**.
2. If a variance is approved for a flexible hose to be installed from the BOP to the choke manifold, the following requirements apply: The flex line must meet the requirements of API 16C. Check condition of 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 and is to be anchored according to Manufacturer's requirements. The flexible hose can be exchanged with a hose of equal size and equal or greater pressure rating. Anchor requirements, specification sheet and hydrostatic pressure test certification matching the hose in service, to be onsite for review. These documents shall be posted in the company man's trailer and on the rig floor.

3. 5M or higher 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.

4. If the operator has proposed a multi-bowl wellhead assembly in the APD. The following requirements must be met:

- i. Wellhead shall be installed by manufacturer's representatives, submit documentation with subsequent sundry.
- ii. If the welding is performed by a third party, the manufacturer's representative shall monitor the temperature to verify that it does not exceed the maximum temperature of the seal.
- iii. Manufacturer representative shall install the test plug for the initial BOP test.
- iv. Whenever any seal subject to test pressure is broken, all the tests in 43 CFR 3172.6(b)(9) must be followed.
- v. If the cement does not circulate and one inch operations would have been possible with a standard wellhead, the well head shall be cut off, cementing operations performed and another wellhead installed.

5. The appropriate BLM office shall be notified a minimum of 4 hours in advance for a representative to witness the tests.

- i. In a water basin, 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. The casing cut-off and BOP installation can be initiated four hours after installing the slips, which will be approximately six hours after bumping the plug. For those casing strings not using slips, the minimum wait time before cut-off is eight hours after bumping the plug. BOP/BOPE testing can begin after cut-off or once cement reaches 500 psi compressive strength (including lead cement), whichever is greater. However, if the float does not hold, cut-off cannot be initiated until cement reaches 500 psi compressive strength (including lead when specified).
- ii. 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 cement plug. The BOPE test can be initiated after bumping the cement plug with the casing valve open. (only applies to single stage cement jobs, prior to the cement setting up.)
- iii. The tests shall be done by an independent service company utilizing a test plug not a cup or J-packer and can be initiated immediately with the casing valve open. The operator also has the option of utilizing an independent tester to test without a plug (i.e. against the casing) pursuant to **43 CFR 3172** 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 8 hours or 500 pounds compressive strength, whichever is greater, prior to initiating the test (see casing segment as lead cement may be critical item).
- iv. The test shall be run on a 5000 psi chart for a 2-3M BOP/BOP, on a 10000 psi chart for a 5M BOP/BOPE and on a 15000 psi chart for a 10M



BOP/BOPE. If a linear chart is used, it shall be a one hour chart. A circular chart shall have a maximum 2 hour clock. If a twelve hour or twenty-four hour chart is used, tester shall make a notation that it is run with a two hour clock.

- v. The results of the test shall be reported to the appropriate BLM office.
- vi. 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.
- vii. 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. This test shall be performed prior to the test at full stack pressure.
- viii. BOP/BOPE must be tested by an independent service company within 500 feet of the top of the Wolfcamp formation if the time between the setting of the intermediate casing and reaching this depth exceeds 20 days. This test does not exclude the test prior to drilling out the casing shoe as per **43 CFR 3172**.

#### **C. DRILLING MUD**

Mud system monitoring equipment, with derrick floor indicators and visual and audio alarms, shall be operating before drilling into the Wolfcamp formation, and shall be used until production casing is run and cemented.

#### **D. 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. Porto-johns and trash containers will be on-location during fracturing operations or any other crew-intensive operations.

KPI 12/16/2024



## **Permian Drilling Hydrogen Sulfide Drilling Operations Plan New Mexico**

### **Scope**

This contingency plan establishes guidelines for the public, all company employees, and contract employees who's work activities may involve exposure to hydrogen sulfide (H<sub>2</sub>S) gas.

While drilling this well, it is possible to encounter H<sub>2</sub>S bearing formations. At all times, the first barrier to control H<sub>2</sub>S emissions will be the drilling fluid, which will have a density high enough to control influx.

### **Objective**

1. Provide an immediate and predetermined response plan to any condition when H<sub>2</sub>S is detected. All H<sub>2</sub>S detections in excess of 10 parts per million (ppm) concentration are considered an Emergency.
2. Prevent any and all accidents, and prevent the uncontrolled release of hydrogen sulfide into the atmosphere.
3. Provide proper evacuation procedures to cope with emergencies.
4. Provide immediate and adequate medical attention should an injury occur.

### **Discussion**

|                                |   |
|--------------------------------|---|
| Implementation:                | This plan with all details is to be fully implemented before drilling to <u>commence</u> .                    |
| Emergency response Procedure:  | This section outlines the conditions and denotes steps to be taken in the event of an emergency.              |
| Emergency equipment Procedure: | This section outlines the safety and emergency equipment that will be required for the drilling of this well. |
| Training provisions:           | This section outlines the training provisions that must be adhered to prior to drilling.                      |
| Drilling emergency call lists: | Included are the telephone numbers of all persons to be contacted should an emergency exist.                  |
| Briefing:                      | This section deals with the briefing of all people involved in the drilling operation.                        |
| Public safety:                 | Public safety personnel will be made aware of any potential evacuation and any additional support needed.     |
| Check lists:                   | Status check lists and procedural check lists have been included to insure adherence to the plan.             |
| General information:           | A general information section has been included to supply support information.                                |

### **Hydrogen Sulfide Training**

All personnel, whether regularly assigned, contracted, or employed on an unscheduled basis, will receive training from a qualified instructor in the following areas prior to commencing drilling operations on the well:

1. The hazards and characteristics of H<sub>2</sub>S.
2. Proper use and maintenance of personal protective equipment and life support systems.
3. H<sub>2</sub>S detection.
4. Proper use of H<sub>2</sub>S detectors, alarms, warning systems, briefing areas, evacuation procedures and prevailing winds.
5. Proper techniques for first aid and rescue procedures.
6. Physical effects of hydrogen sulfide on the human body.
7. Toxicity of hydrogen sulfide and sulfur dioxide.
8. Use of SCBA and supplied air equipment.
9. First aid and artificial respiration.
10. Emergency rescue.

In addition, supervisory personnel will be trained in the following areas:

1. The effects of H<sub>2</sub>S on metal components. If high tensile strength tubular is to be used, personnel will be trained in their special maintenance requirements.
2. Corrective action and shut-in procedures when drilling a well, blowout prevention and well control procedures.
3. The contents and requirements of the H<sub>2</sub>S Drilling Operations Plan.

H<sub>2</sub>S training refresher must have been taken within one year prior to drilling the well. Specifics on the well to be drilled will be discussed during the pre-spud meeting. H<sub>2</sub>S and well control (choke) drills will be performed while drilling the well, at least on a weekly basis. This plan shall be available in the well site. All personnel will be required to carry the documentation proving that the H<sub>2</sub>S training has been taken.

#### **Service company and visiting personnel**

- A. Each service company that will be on this well will be notified if the zone contains H<sub>2</sub>S.
- B. Each service company must provide for the training and equipment of their employees before they arrive at the well site.
- C. Each service company will be expected to attend a well site

### **Emergency Equipment Requirements**

1. **Well control equipment**

The well shall have hydraulic BOP equipment for the anticipated pressures. Equipment is to be tested on installation and follow Oxy Well Control standard, as well as 43 CFR part 3170 Subpart 3172.

*Special control equipment:*

- A. Hydraulic BOP equipment with remote control on ground.  
Remotely operated choke.
- B. Rotating head
- C. Gas buster equipment shall be installed before drilling out of surface pipe.

2. **Protective equipment for personnel**

- A. Four (4) 30-minute positive pressure air packs (2 at each briefing area) on location.
- B. Adequate fire extinguishers shall be located at strategic locations.
- C. Radio / cell telephone communication will be available at the rig.
  - Rig floor and trailers.
  - Vehicle.

3. **Hydrogen sulfide sensors and alarms**

- A. H<sub>2</sub>S sensor with alarms will be located on the rig floor, at the bell nipple, and at the flow line. These monitors will be set to alarm at 10 ppm with strobe light, and audible alarm.
- B. Hand operated detectors with tubes.
- C. H<sub>2</sub>S monitor tester (to be provided by contract Safety Company.)
- D. There shall be one combustible gas detector on location at all times.

4. **Visual Warning Systems**

- A. One sign located at each location entrance with the following language:

**Caution – potential poison gas  
Hydrogen sulfide  
No admittance without authorization**

*Wind sock – wind streamers:*

- A. One 36” (in length) wind sock located at protection center, at height visible from rig floor.
- B. One 36” (in length) wind sock located at height visible from pit areas.

*Condition flags*

- A. One each condition flag to be displayed to denote conditions.

**green – normal conditions**

**yellow – potential danger**

**red – danger, H2S present**

- B. Condition flag shall be posted at each location sign entrance.

5. Mud Program

The mud program is designed to minimize the risk of having H2S and other formation fluids at surface. Proper mud weight and safe drilling practices will be applied. H2S scavengers will be used to minimize the hazards while drilling. Below is a summary of the drilling program.

*Mud inspection devices:*

Garrett gas train or hatch tester for inspection of sulfide concentration in mud system.

6. Metallurgy

- A. Drill string, casing, tubing, wellhead, blowout preventers, drilling spools or adapters, kill lines, choke manifold, lines and valves shall be suitable for the H2S service.
- B. All the elastomers, packing, seals and ring gaskets shall be suitable for H2S service.

7. Well Testing

No drill stem test will be performed on this well.

8. Evacuation plan



Evacuation routes should be established prior to well spud for each well and discussed with all rig personnel.

9. Designated area

- A. Parking and visitor area: all vehicles are to be parked at a predetermined safe distance from the wellhead.
- B. There will be a designated smoking area.
- C. Two briefing areas on either side of the location at the maximum allowable distance from the well bore so they offset prevailing winds perpendicularly, or at a 45-degree angle if wind direction tends to shift in the area.

**Emergency procedures**

- A. In the event of any evidence of H<sub>2</sub>S level above 10 ppm, take the following steps:
  - 1. The Driller will pick up off bottom, shut down the pumps, slow down the pipe rotation.
  - 2. Secure and don escape breathing equipment, report to the upwind designated safe briefing / muster area.
  - 3. All personnel on location will be accounted for and emergency search should begin for any missing, the Buddy System will be implemented.
  - 4. Order non-essential personnel to leave the well site, order all essential personnel out of the danger zone and upwind to the nearest designated safe briefing / muster area.
  - 5. Entrance to the location will be secured to a higher level than our usual "Meet and Greet" requirement, and the proper condition flag will be displayed at the entrance to the location.
  - 6. Take steps to determine if the H<sub>2</sub>S level can be corrected or suppressed and, if so, proceed as required.
- B. If uncontrollable conditions occur:
  - 1. Take steps to protect and/or remove any public in the down-wind area from the rig – partial evacuation and isolation. Notify necessary public safety personnel and appropriate regulatory entities (i.e. BLM) of the situation.

2. Remove all personnel to the nearest upwind designated safe briefing / muster area or off location.
3. Notify public safety personnel of safe briefing / muster area.
4. An assigned crew member will blockade the entrance to the location. No unauthorized personnel will be allowed entry to the location.
5. Proceed with best plan (at the time) to regain control of the well. Maintain tight security and safety procedures.

C. Responsibility:

1. Designated personnel.
  - a. Shall be responsible for the total implementation of this plan.
  - b. Shall be in complete command during any emergency.
  - c. Shall designate a back-up.

All personnel:

1. On alarm, don escape unit and report to the nearest upwind designated safe briefing / muster area upw
2. Check status of personnel (buddy system).
3. Secure breathing equipment.
4. Await orders from supervisor.

Drill site manager:

1. Don escape unit if necessary and report to nearest upwind designated safe briefing / muster area.
2. Coordinate preparations of individuals to return to point of release with tool pusher and driller (using the buddy system).
3. Determine H2S concentrations.
4. Assess situation and take control measures.

Tool pusher:

1. Don escape unit Report to up nearest upwind designated safe briefing / muster area.
2. Coordinate preparation of individuals to return to point of release with tool pusher drill site manager (using the buddy system).
3. Determine H2S concentration.
4. Assess situation and take control measures.

Driller:

1. Don escape unit, shut down pumps, continue

- rotating DP.
  - 2. Check monitor for point of release.
  - 3. Report to nearest upwind designated safe briefing / muster area.
  - 4. Check status of personnel (in an attempt to rescue, use the buddy system).
  - 5. Assigns least essential person to notify Drill Site Manager and tool pusher by quickest means in case of their absence.
  - 6. Assumes the responsibilities of the Drill Site Manager and tool pusher until they arrive should they be absent.
- Derrick man
- Floor man #1
- Floor man #2
- Mud engineer:
- 1. Will remain in briefing / muster area until instructed by supervisor.
- 1. Report to nearest upwind designated safe briefing / muster area.
  - 2. When instructed, begin check of mud for ph and H2S level. (Garett gas train.)
- Safety personnel:
- 1. Mask up and check status of all personnel and secure operations as instructed by drill site manager.

### **Taking a kick**

When taking a kick during an H2S emergency, all personnel will follow standard Well control procedures after reporting to briefing area and masking up.

### **Open-hole logging**

All unnecessary personnel off floor. Drill Site Manager and safety personnel should monitor condition, advise status and determine need for use of air equipment.

### **Running casing or plugging**

Following the same “tripping” procedure as above. Drill Site Manager and safety personnel should determine if all personnel have access to protective equipment.

### **Ignition procedures**

The decision to ignite the well is the responsibility of the operator (Oxy Drilling Management). The decision should be made only as a last resort and in a situation where it is clear that:

1. Human life and property are endangered.
2. There is no hope controlling the blowout under the prevailing conditions at the well.

### **Instructions for igniting the well**

1. Two people are required for the actual igniting operation. They must wear self-contained breathing units and have a safety rope attached. One man (tool pusher or safety engineer) will check the atmosphere for explosive gases with the gas monitor. The other man is responsible for igniting the well.
2. Primary method to ignite: 25 mm flare gun with range of approximately 500 feet.
3. Ignite upwind and do not approach any closer than is warranted.
4. Select the ignition site best for protection, and which offers an easy escape route.
5. Before firing, check for presence of combustible gas.
6. After lighting, continue emergency action and procedure as before.
7. All unassigned personnel will remain in briefing area until instructed by supervisor or directed by the Drill Site Manager.

**Remember:** After well is ignited, burning hydrogen sulfide will convert to sulfur dioxide, which is also highly toxic. **Do not assume the area is safe after the well is ignited.**

**Status check list**

Note: All items on this list must be completed before drilling to production casing point.

1. H2S sign at location entrance.
2. Two (2) wind socks located as required.
3. Four (4) 30-minute positive pressure air packs (2 at each Briefing area) on location for all rig personnel and mud loggers.
4. Air packs inspected and ready for use.
5. Cascade system and hose line hook-up as needed.
6. Cascade system for refilling air bottles as needed.
7. Condition flag on location and ready for use.
8. H2S detection system hooked up and tested.
9. H2S alarm system hooked up and tested.
10. Hand operated H2S detector with tubes on location.
11. 1 – 100' length of nylon rope on location.
12. All rig crew and supervisors trained as required.
13. All outside service contractors advised of potential H2S hazard on well.
14. No smoking sign posted and a designated smoking area identified.
15. Calibration of all H2S equipment shall be noted on the IADC report.

Checked by: \_\_\_\_\_ Date: \_\_\_\_\_

**Procedural check list during H2S events**

**Perform each tour:**

1. Check fire extinguishers to see that they have the proper charge.
2. Check breathing equipment to ensure that it is in proper working order.
3. Make sure all the H2S detection system is operative.

**Perform each week:**

1. Check each piece of breathing equipment to make sure that demand or forced air regulator is working. This requires that the bottle be opened and the mask assembly be put on tight enough so that when you inhale, you receive air or feel air flow.
2. BOP skills (well control drills).
3. Check supply pressure on BOP accumulator stand by source.
4. Check breathing equipment mask assembly to see that straps are loosened and turned back, ready to put on.
5. Check pressure on breathing equipment air bottles to make sure they are charged to full volume. ( Air quality checked for proper air grade "D" before bringing to location)
6. Confirm pressure on all supply air bottles.
7. Perform breathing equipment drills with on-site personnel.
8. Check the following supplies for availability.
  - A. Emergency telephone list.
  - B. Hand operated H2S detectors and tubes.



### **General evacuation plan**

1. When the company approved supervisor (Drill Site Manager, consultant, rig pusher, or driller) determines the H2S gas cannot be limited to the well location and the public will be involved, he will activate the evacuation plan.
2. Drill Site Manager or designee will notify local government agency that a hazardous condition exists and evacuation needs to be implemented.
3. Company or contractor safety personnel that have been trained in the use of H2S detection equipment and self-contained breathing equipment will monitor H2S concentrations, wind directions, and area of exposure. They will delineate the outer perimeter of the hazardous gas area. Extension to the evacuation area will be determined from information gathered.
4. Law enforcement personnel (state police, police dept., fire dept., and sheriff's dept.) Will be called to aid in setting up and maintaining road blocks. Also, they will aid in evacuation of the public if necessary.
5. After the discharge of gas has been controlled, company safety personnel will determine when the area is safe for re-entry.

**Important: Law enforcement personnel will not be asked to come into a contaminated area. Their assistance will be limited to uncontaminated areas. Constant radio contact will be maintained with them.**

**Emergency actions**

Well blowout – if emergency

1. Evacuate all personnel to “Safe Briefing / Muster Areas” or off location if needed.
2. If sour gas – evacuate rig personnel.
3. If sour gas – evacuate public within 3000 ft radius of exposure.
4. Don SCBA and shut well in if possible using the buddy system.
5. Notify Drilling Superintendent and call 911 for emergency help (fire dept and ambulance) if needed.
6. Implement the Blowout Contingency Plan, and Drilling Emergency Action Plan.
6. Give first aid as needed.

Person down location/facility

1. If immediately possible, contact 911. Give location and wait for confirmation.
2. Don SCBA and perform rescue operation using buddy system.

### **Toxic effects of hydrogen sulfide**

Hydrogen sulfide is extremely toxic. The acceptable ceiling concentration for eight-hour exposure is 10 ppm, which is .001% by volume. Hydrogen sulfide is heavier than air (specific gravity – 1.192) and colorless. It forms an explosive mixture with air between 4.3 and 46.0 percent by volume. Hydrogen sulfide is almost as toxic as hydrogen cyanide and is between five and six times more toxic than carbon monoxide. Toxicity data for hydrogen sulfide and various other gases are compared in table i. Physical effects at various hydrogen sulfide exposure levels are shown in table ii.

Table i  
Toxicity of various gases

| Common name      | Chemical formula | Specific gravity (sc=1) | Threshold limit (1) | Hazardous limit (2)         | Lethal concentration (3) |
|------------------|------------------|-------------------------|---------------------|-----------------------------|--------------------------|
| Hydrogen Cyanide | Hcn              | 0.94                    | 10 ppm              | 150 ppm/hr                  | 300 ppm                  |
| Hydrogen Sulfide | H2S              | 1.18                    | 10 ppm              | 250 ppm/hr                  | 600 ppm                  |
| Sulfur Dioxide   | So2              | 2.21                    | 5 ppm               | -                           | 1000 ppm                 |
| Chlorine         | Cl2              | 2.45                    | 1 ppm               | 4 ppm/hr                    | 1000 ppm                 |
| Carbon Monoxide  | Co               | 0.97                    | 50 ppm              | 400 ppm/hr                  | 1000 ppm                 |
| Carbon Dioxide   | Co2              | 1.52                    | 5000 ppm            | 5%                          | 10%                      |
| Methane          | Ch4              | 0.55                    | 90,000 ppm          | Combustible above 5% in air |                          |

- 1) threshold limit – concentration at which it is believed that all workers may be repeatedly exposed day after day without adverse effects.
- 2) hazardous limit – concentration that will cause death with short-term exposure.
- 3) lethal concentration – concentration that will cause death with short-term exposure.

### **Toxic effects of hydrogen sulfide**

Table ii  
Physical effects of hydrogen sulfide

| Percent (%) | Ppm | Concentration<br>Grains<br>100 std. Ft3* | Physical effects             |
|-------------|-----|--|------------------------------|
| 0.001       | <10 | 00.65                                    | Obvious and unpleasant odor. |

|       |      |       |  |
|-------|------|-------|--|
| 0.002 | 10   | 01.30 | Safe for 8 hours of exposure.  |
| 0.010 | 100  | 06.48 | Kill smell in 3 – 15 minutes. May sting eyes and throat.                           |
| 0.020 | 200  | 12.96 | Kills smell shortly; stings eyes and throat.                                       |
| 0.050 | 500  | 32.96 | Dizziness; breathing ceases in a few minutes; needs prompt artificial respiration. |
| 0.070 | 700  | 45.36 | Unconscious quickly; death will result if not rescued promptly.                    |
| 0.100 | 1000 | 64.30 | Unconscious at once; followed by death within minutes.                             |

\*at 15.00 psia and 60'f.

**Use of self-contained breathing equipment (SCBA)**

1. Written procedures shall be prepared covering safe use of SCBA's in dangerous atmosphere, which might be encountered in normal operations or in emergencies. Personnel shall be familiar with these procedures and the available SCBA.
2. SCBA's shall be inspected frequently at random to insure that they are properly used, cleaned, and maintained.
3. Anyone who may use the SCBA's shall be trained in how to insure proper face-piece to face seal. They shall wear SCBA's in normal air and then wear them in a test atmosphere. (note: such items as facial hair {beard or sideburns} and eyeglasses will not allow proper seal.) Anyone that may be reasonably expected to wear SCBA's should have these items removed before entering a toxic atmosphere. A special mask must be obtained for anyone who must wear eyeglasses or contact lenses.
4. Maintenance and care of SCBA's:
  - a. A program for maintenance and care of SCBA's shall include the following:
    1. Inspection for defects, including leak checks.
    2. Cleaning and disinfecting.
    3. Repair.
    4. Storage.
  - b. Inspection, self-contained breathing apparatus for emergency use shall be inspected monthly.
    1. Fully charged cylinders.
    2. Regulator and warning device operation.
    3. Condition of face piece and connections.
    4. Rubber parts shall be maintained to keep them pliable and prevent deterioration.
  - c. Routinely used SCBA's shall be collected, cleaned and disinfected as frequently as necessary to insure proper protection is provided.
5. Persons assigned tasks that requires use of self-contained breathing equipment shall be certified physically fit (medically cleared) for breathing equipment usage at least annually.
6. SCBA's should be worn when:
  - A. Any employee works near the top or on top of any tank unless test reveals less than 10 ppm of H<sub>2</sub>S.

- B. When breaking out any line where H<sub>2</sub>S can reasonably be expected.
- C. When sampling air in areas to determine if toxic concentrations of H<sub>2</sub>S exists.
- D. When working in areas where over 10 ppm H<sub>2</sub>S has been detected.
- E. At any time there is a doubt as to the H<sub>2</sub>S level in the area to be entered.

**Rescue**  
**First aid for H<sub>2</sub>S poisoning**

Do not panic!

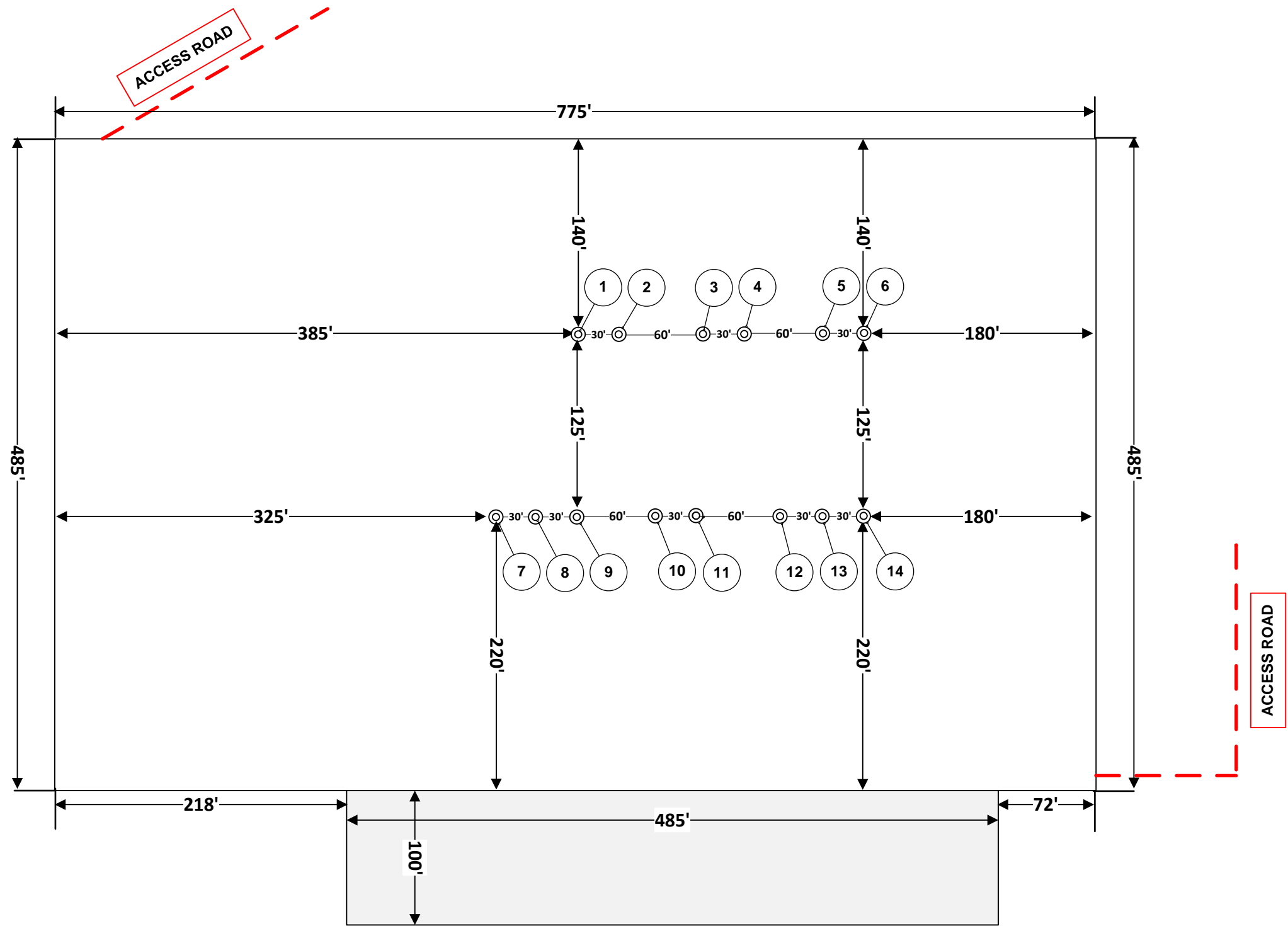
Remain calm – think!

1. Don SCBA breathing equipment.
2. Remove victim(s) utilizing buddy system to fresh air as quickly as possible. (go up-wind from source or at right angle to the wind. Not down wind.)
3. Briefly apply chest pressure – arm lift method of artificial respiration to clean the victim's lungs and to avoid inhaling any toxic gas directly from the victim's lungs.
4. Provide for prompt transportation to the hospital, and continue giving artificial respiration if needed.
5. Hospital(s) or medical facilities need to be informed, before-hand, of the possibility of H<sub>2</sub>S gas poisoning – no matter how remote the possibility is.
6. Notify emergency room personnel that the victim(s) has been exposed to H<sub>2</sub>S gas.

Besides basic first aid, everyone on location should have a good working knowledge of artificial respiration.

Revised CM 6/27/2012





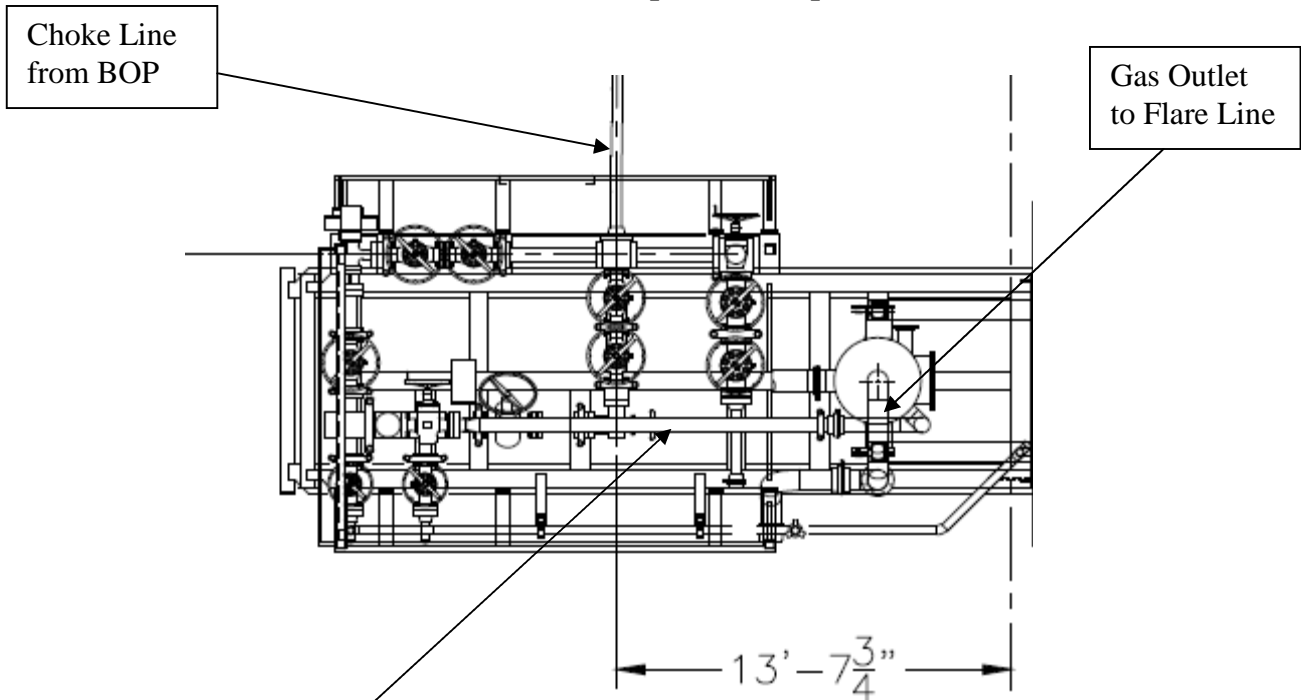
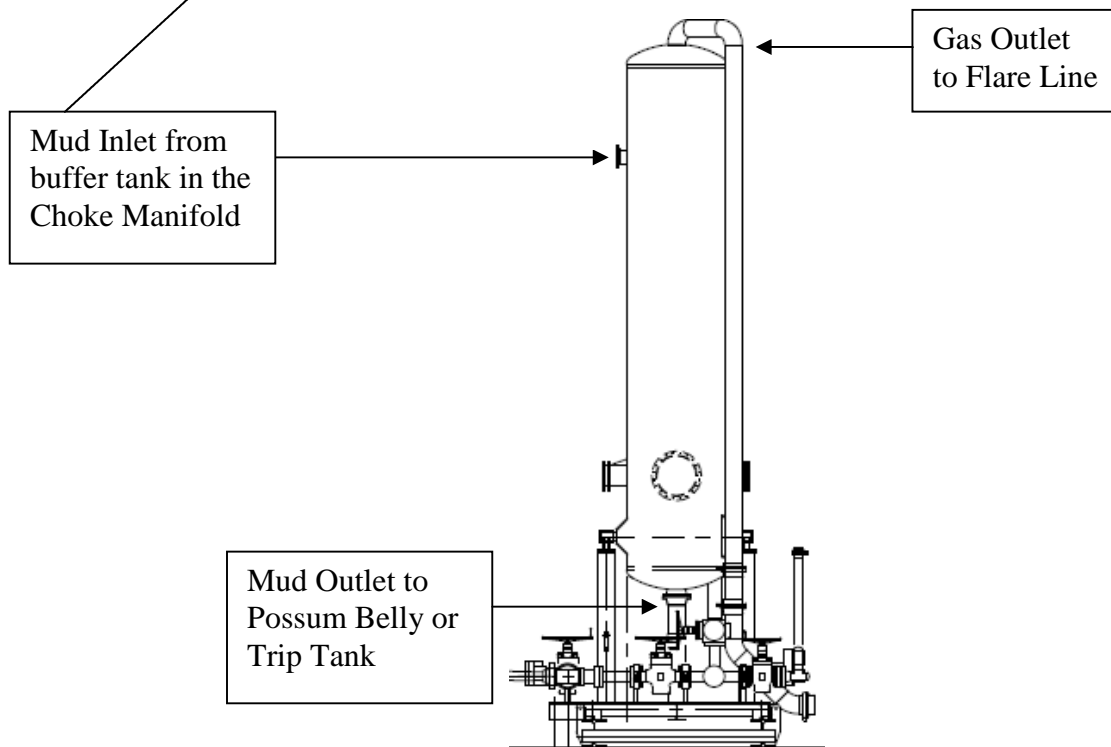
- 1. NUGGET 6\_31 FED COM 6H
- 2. NUGGET 6\_31 FED COM 7H
- 3. JEFF SMITH MDP1 7\_18 FED COM 49H
- 4. JEFF SMITH MDP1 7\_18 FED COM 45H
- 5. NUGGET 6\_31 FED COM 49H
- 6. NUGGET 6\_31 FED COM 45H
- 7. NUGGET 6\_31 FED COM 34H
- 8. NUGGET 6\_31 FED COM 35H
- 9. NUGGET 6\_31 FED COM 36H
- 10. NUGGET 6\_31 FED COM 13H
- 11. NUGGET 6\_31 FED COM 14H
- 12. JEFF SMITH MDP1 7\_18 FED COM 33H
- 13. JEFF SMITH MDP1 7\_18 FED COM 34H
- 14. JEFF SMITH MDP1 7\_18 FED COM 36H

| REVISION BLOCK |      |             |    |     |     | ENGINEERING RECORD |           |
|----------------|------|-------------|----|-----|-----|--------------------|-----------|
| NO.            | DATE | DESCRIPTION | BY | CHK | APP | BY                 | DATE      |
|                |      |             |    |     |     | KJS                | 8/23/2023 |

**PAD 6\_6 RIG DIAGRAM V-DOOR EAST**  
NUGGET 6\_31 FED COM 6H, 7H, 49H, 45H, 34H, 35H, 36H, 13H, 14H  
JEFF SMITH MDP1 7\_18 FED COM 49H, 45H, 33H, 34H, 36H  
SECTION 6, TOWNSHIP 24S, RANGE 31E  
EDDY COUNTY, NEW MEXICO

## Gas Separator Routing Flex III Rigs



**Choke Manifold – Gas Separator (Top View)****Choke Manifold – Gas Separator (Side View)**



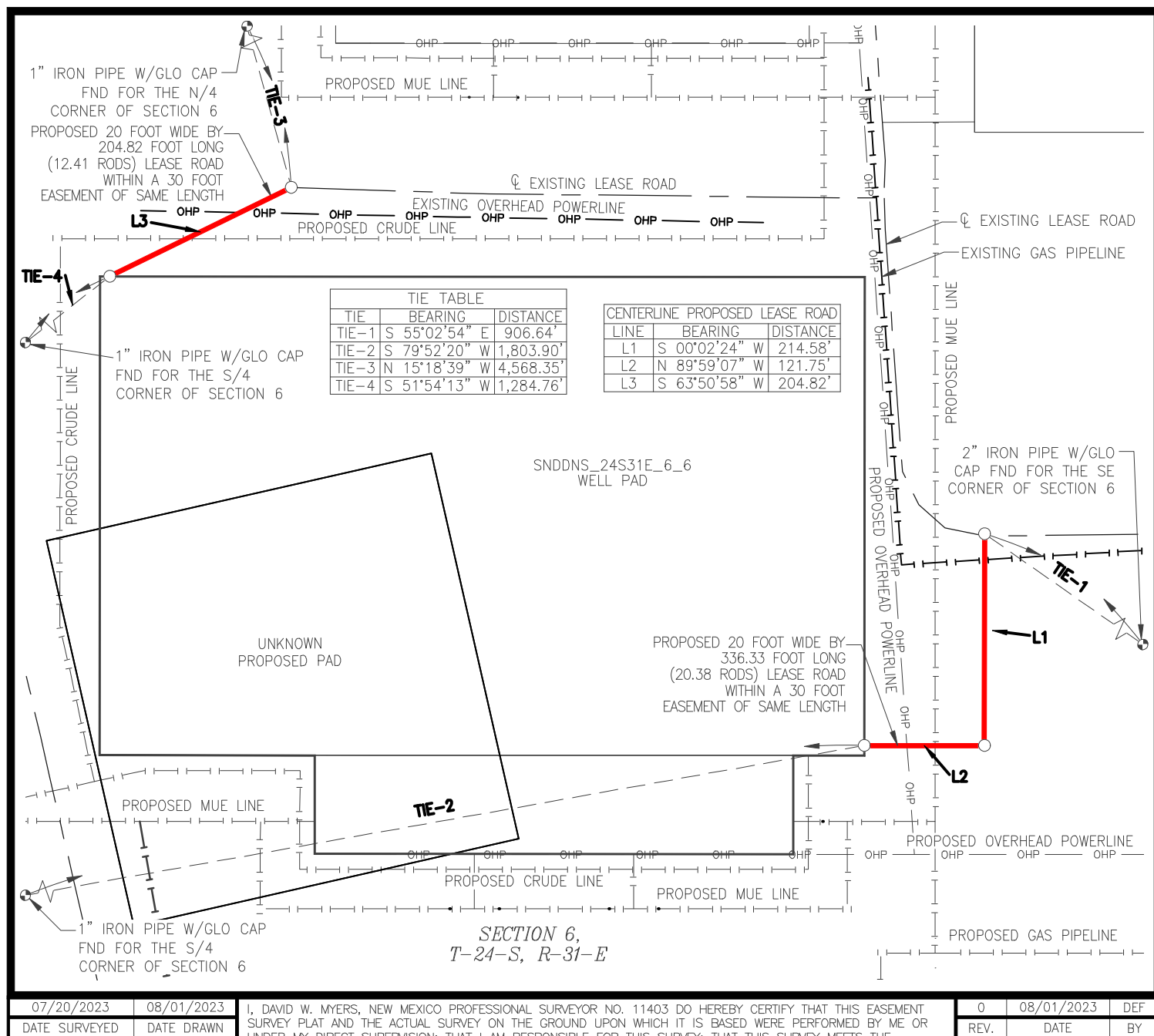
# SITE PLAN

SNDDNS\_24S31E\_6\_6  
SEC. 6 TWP. 24-S RGE. 31-E  
SURVEY: N.M.P.M.  
COUNTY: EDDY

OPERATOR: OXY USA, INC.  
U.S.G.S. TOPOGRAPHIC MAP: BIG SINKS, N.M.  
FAA PERMIT NEEDED: NO



75' 0' 75' 150'  
SCALE: 1" = 150'



07/20/2023 08/01/2023  
DATE SURVEYED DATE DRAWN

I, DAVID W. MYERS, NEW MEXICO PROFESSIONAL SURVEYOR NO. 11403 DO HEREBY CERTIFY THAT THIS EASEMENT SURVEY PLAT AND THE ACTUAL SURVEY ON THE GROUND UPON WHICH IT IS BASED WERE PERFORMED BY ME OR UNDER MY DIRECT SUPERVISION; THAT I AM RESPONSIBLE FOR THIS SURVEY; THAT THIS SURVEY MEETS THE MINIMUM STANDARDS FOR SURVEYING IN NEW MEXICO; AND THAT IT IS TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF. I FURTHER CERTIFY THAT THIS SURVEY IS NOT A LAND DIVISION OR SUBDIVISION AS DEFINED IN THE NEW MEXICO SUBDIVISION ACT AND THAT THIS INSTRUMENT IS AN EASEMENT SURVEY PLAT CROSSING AN EXISTING TRACT OR TRACTS.

0 08/01/2023 DEF  
REV. DATE BY

## BASIS OF BEARING

ALL BEARINGS AND COORDINATES REFER TO NAD 83, NEW MEXICO STATE PLANE COORDINATE SYSTEM, EAST ZONE, U.S. SURVEY FEET. (ALL BEARINGS, DISTANCES, COORDINATES AND AREAS ARE GRID MEASUREMENTS UTILIZING A COMBINED SCALE FACTOR OF 0.99977581 AND A CONVERGENCE ANGLE OF 0.27195833°.)

| LEGEND |                   |  |                          |
|--------|-------------------|--|--------------------------|
|        | EXISTING ROAD     |  | OHP OVERHEAD POWER FENCE |
|        | PROPOSED ROAD     |  | SECTION LINE             |
|        | SURFACE SITE EDGE |  | PROPERTY LINE            |
|        | EXIST. PIPELINE   |  | WATER LINE               |
|        | MONUMENT          |  | SALT WATER LINE          |
|        | QUARTER SPLIT     |  |                          |

Released to Imaging: 1/24/2025 8:11:03 AM

AUGUST 9, 2023

DAVID W. MYERS 11403



PREPARED BY:  
DELTA FIELD SERVICES, LLC  
510 TRENTON ST.  
WEST MONROE, LA 71291  
318-323-6900 OFFICE  
JOB No. OXY\_0029\_JS02  
SHEET 1 OF 3



# SITE PLAN

SNDDNS 24S31E\_6\_6  
SEC. 6 TWP. 24-S RGE. 31-E  
SURVEY: N.M.P.M.  
COUNTY: EDDY

OPERATOR: OXY USA, INC.

U.S.G.S. TOPOGRAPHIC MAP: BIG SINKS, N.M.

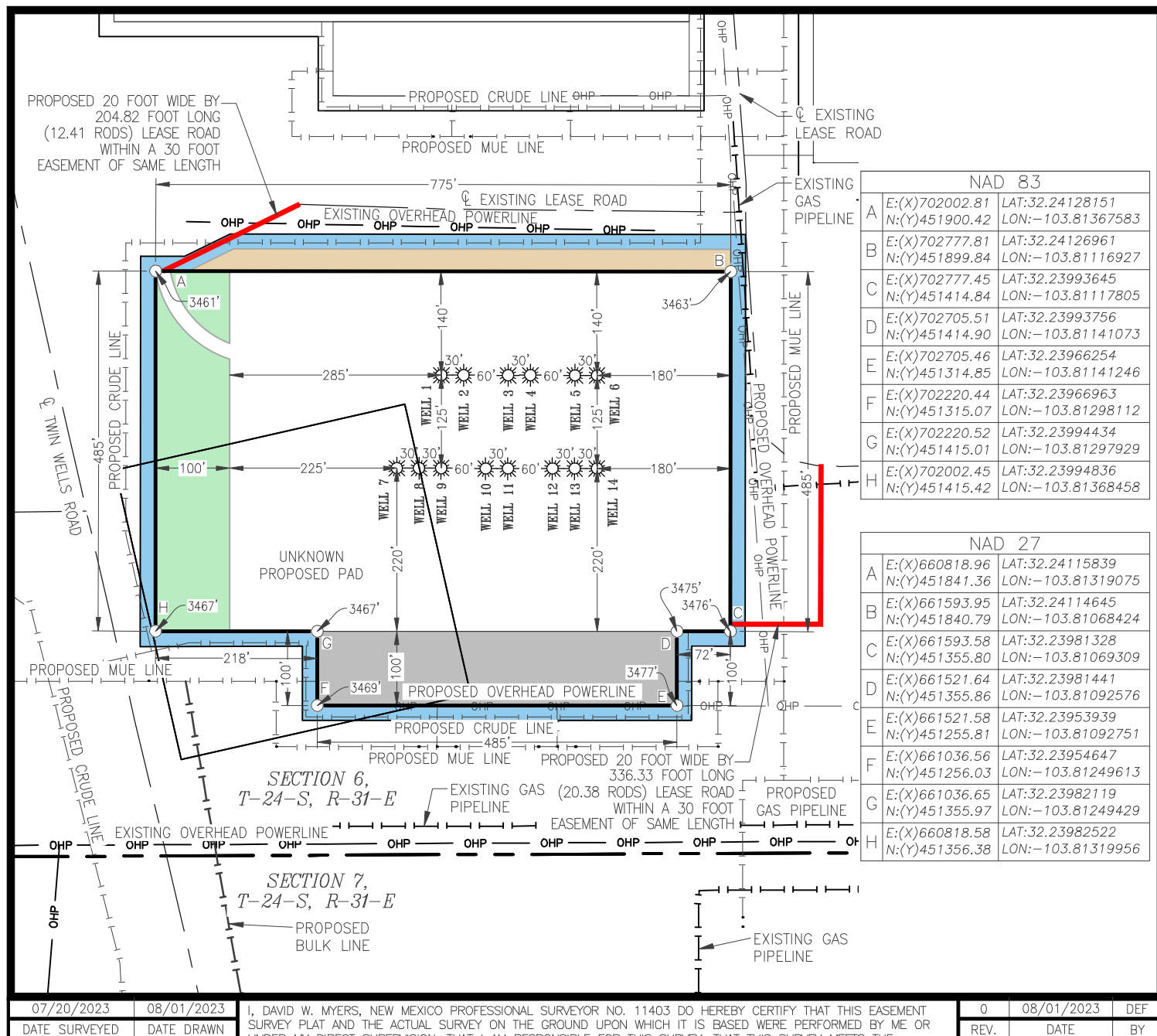
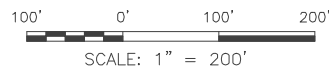
FAA PERMIT NEEDED: NO

TANK BATTERY

RECLAMATION

30' TOP SOIL

20' DISTURBANCE AREA



## BASIS OF BEARING

ALL BEARINGS AND COORDINATES REFER TO NAD 83, NEW MEXICO STATE PLANE COORDINATE SYSTEM, EAST ZONE, U.S. SURVEY FEET. (ALL BEARINGS, DISTANCES, COORDINATES AND AREAS ARE GRID MEASUREMENTS UTILIZING A COMBINED SCALE FACTOR OF 0.99977581 AND A CONVERGENCE ANGLE OF 0.27195833°.)

| LEGEND |                   |  |                     |
|--------|-------------------|--|---------------------|
|        | EXISTING ROAD     |  | OHP OVERHEAD POWER  |
|        | PROPOSED ROAD     |  | FENCE               |
|        | SURFACE SITE EDGE |  | SECTION LINE        |
|        | EXIST. PIPELINE   |  | PROPERTY LINE       |
|        | MONUMENT          |  | W WATER LINE        |
|        | QUARTER SPLIT     |  | SWD SALT WATER LINE |

AUGUST 9, 2023

DAVID W. MYERS 11403



PREPARED BY:  
DELTA FIELD SERVICES, LLC  
510 TRENTON ST.  
WEST MONROE, LA 71291  
318-323-6900 OFFICE  
JOB No. OXY\_0029\_JS02  
SHEET 2 OF 3



# SITE PLAN

SNDDNS 24S31E\_6\_6  
SEC. 6 TWP. 24-S RGE. 31-E

SURVEY: N.M.P.M.

COUNTY: EDDY

OPERATOR: OXY USA, INC.

U.S.G.S. TOPOGRAPHIC MAP: BIG SINKS, N.M.

FAA PERMIT NEEDED: NO



## WELL 1

NUGGET 6\_31 FED COM 6H  
OXY USA, INC.

646' FSL 1,253' FEL, SECTION 6  
**NAD 83, SPCS NM EAST**  
X:702387.70' / Y:451760.15'  
LAT:32.24089083N / LON:103.81243319W  
**NAD 27, SPCS NM EAST**  
X:661203.83' / Y:451701.10'  
LAT:32.24076769N / LON:103.81194817W  
ELEVATION = 3463'

## WELL 2

NUGGET 6\_31 FED COM 7H  
OXY USA, INC.

646' FSL 1,223' FEL, SECTION 6  
**NAD 83, SPCS NM EAST**  
X:702417.61' / Y:451760.06'  
LAT:32.24089017N / LON:103.81233645W  
**NAD 27, SPCS NM EAST**  
X:661233.75' / Y:451701.01'  
LAT:32.24076703N / LON:103.81185142W  
ELEVATION = 3464'

## WELL 3

JEFF SMITH MDP1 7\_18 FED COM 49H  
OXY USA, INC.

645' FSL 1,163' FEL, SECTION 6  
**NAD 83, SPCS NM EAST**  
X:702477.67' / Y:451760.04'  
LAT:32.24088931N / LON:103.81214218W  
**NAD 27, SPCS NM EAST**  
X:661293.81' / Y:451700.98'  
LAT:32.24076617N / LON:103.81165716W  
ELEVATION = 3465'

## WELL 4

JEFF SMITH MDP1 7\_18 FED COM 45H  
OXY USA, INC.

645' FSL 1,133' FEL, SECTION 6  
**NAD 83, SPCS NM EAST**  
X:702507.71' / Y:451760.15'  
LAT:32.24088921N / LON:103.81204504W  
**NAD 27, SPCS NM EAST**  
X:661323.85' / Y:451701.09'  
LAT:32.24076607N / LON:103.81156002W  
ELEVATION = 3465'

## WELL 5

NUGGET 6\_31 FED COM 49H  
OXY USA, INC.

645' FSL 1,073' FEL, SECTION 6  
**NAD 83, SPCS NM EAST**  
X:702567.65' / Y:451760.00'  
LAT:32.24088801N / LON:103.81185117W  
**NAD 27, SPCS NM EAST**  
X:661383.79' / Y:451700.95'  
LAT:32.24076487N / LON:103.81136615W  
ELEVATION = 3466'

## WELL 6

NUGGET 6\_31 FED COM 45H  
OXY USA, INC.

645' FSL 1,043' FEL, SECTION 6  
**NAD 83, SPCS NM EAST**  
X:702597.61' / Y:451759.91'  
LAT:32.24088736N / LON:103.81175426W  
**NAD 27, SPCS NM EAST**  
X:661413.75' / Y:451700.86'  
LAT:32.24076421N / LON:103.81126295W  
ELEVATION = 3466'

## WELL 7

NUGGET 6\_31 FED COM 34H  
OXY USA, INC.

521' FSL 1,314' FEL, SECTION 6  
**NAD 83, SPCS NM EAST**  
X:702327.62' / Y:451634.85'  
LAT:32.24054720N / LON:103.81262945W  
**NAD 27, SPCS NM EAST**  
X:661143.76' / Y:451575.80'  
LAT:32.24042406N / LON:103.81214443W  
ELEVATION = 3466'

## WELL 8

NUGGET 6\_31 FED COM 35H  
OXY USA, INC.

521' FSL 1,284' FEL, SECTION 6  
**NAD 83, SPCS NM EAST**  
X:702357.55' / Y:451634.79'  
LAT:32.24054664N / LON:103.81253266W  
**NAD 27, SPCS NM EAST**  
X:661173.68' / Y:451575.74'  
LAT:32.24042350N / LON:103.81204765W  
ELEVATION = 3466'

## WELL 9

NUGGET 6\_31 FED COM 36H  
OXY USA, INC.

520' FSL 1,254' FEL, SECTION 6  
**NAD 83, SPCS NM EAST**  
X:702387.56' / Y:451634.62'  
LAT:32.24054577N / LON:103.81243558W  
**NAD 27, SPCS NM EAST**  
X:661203.70' / Y:451575.57'  
LAT:32.24042262N / LON:103.81195057W  
ELEVATION = 3466'

## WELL 10

NUGGET 6\_31 FED COM 13H  
OXY USA, INC.

520' FSL 1,194' FEL, SECTION 6  
**NAD 83, SPCS NM EAST**  
X:702447.58' / Y:451634.57'  
LAT:32.24054484N / LON:103.81224149W  
**NAD 27, SPCS NM EAST**  
X:661263.71' / Y:451575.52'  
LAT:32.24042170N / LON:103.81175649W  
ELEVATION = 3467'

## WELL 11

NUGGET 6\_31 FED COM 14H  
OXY USA, INC.

520' FSL 1,164' FEL, SECTION 6  
**NAD 83, SPCS NM EAST**  
X:702477.55' / Y:451634.43'  
LAT:32.24054404N / LON:103.81214455W  
**NAD 27, SPCS NM EAST**  
X:661293.68' / Y:451575.38'  
LAT:32.24042090N / LON:103.81165955W  
ELEVATION = 3468'

## WELL 12

JEFF SMITH MDP1 7\_18 FED COM 33H  
OXY USA, INC.

520' FSL 1,104' FEL, SECTION 6  
**NAD 83, SPCS NM EAST**  
X:702437.54' / Y:451634.44'  
LAT:32.24054328N / LON:103.81195052W  
**NAD 27, SPCS NM EAST**  
X:661353.68' / Y:451575.39'  
LAT:32.24042013N / LON:103.81146552W  
ELEVATION = 3470'

## WELL 13

JEFF SMITH MDP1 7\_18 FED COM 34H  
OXY USA, INC.

519' FSL 1,074' FEL, SECTION 6  
**NAD 83, SPCS NM EAST**  
X:702567.51' / Y:451634.40'  
LAT:32.24054277N / LON:103.81185360W  
**NAD 27, SPCS NM EAST**  
X:661383.64' / Y:451575.35'  
LAT:32.24041963N / LON:103.81136861W  
ELEVATION = 3469'

## WELL 14

JEFF SMITH MDP1 7\_18 FED COM 36H  
OXY USA, INC.

519' FSL 1,044' FEL, SECTION 6  
**NAD 83, SPCS NM EAST**  
X:702597.64' / Y:451634.29'  
LAT:32.24054207N / LON:103.81175616W  
**NAD 27, SPCS NM EAST**  
X:661413.77' / Y:451575.24'  
LAT:32.24041892N / LON:103.81127117W  
ELEVATION = 3469'

|               |            |
|---------------|------------|
| 07/20/2023    | 08/01/2023 |
| DATE SURVEYED | DATE DRAWN |

I, DAVID W. MYERS, NEW MEXICO PROFESSIONAL SURVEYOR NO. 11403 DO HEREBY CERTIFY THAT THIS EASEMENT SURVEY PLAT AND THE ACTUAL SURVEY ON THE GROUND UPON WHICH IT IS BASED WERE PERFORMED BY ME OR UNDER MY DIRECT SUPERVISION; THAT I AM RESPONSIBLE FOR THIS SURVEY; THAT THIS SURVEY MEETS THE MINIMUM STANDARDS FOR SURVEYING IN NEW MEXICO; AND THAT IT IS TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF. I FURTHER CERTIFY THAT THIS SURVEY IS NOT A LAND DIVISION OR SUBDIVISION AS DEFINED IN THE NEW MEXICO SUBDIVISION ACT AND THAT THIS INSTRUMENT IS AN EASEMENT SURVEY PLAT CROSSING AN EXISTING TRACT OR TRACTS.

|      |            |     |
|------|------------|-----|
| 0    | 08/01/2023 | DEF |
| REV. | DATE       | BY  |

### BASIS OF BEARING

ALL BEARINGS AND COORDINATES REFER TO NAD 83, NEW MEXICO STATE PLANE COORDINATE SYSTEM, EAST ZONE, U.S. SURVEY FEET. (ALL BEARINGS, DISTANCES, COORDINATES AND AREAS ARE GRID MEASUREMENTS UTILIZING A COMBINED SCALE FACTOR OF 0.99977581 AND A CONVERGENCE ANGLE OF 0.27195833°.)

### LEGEND

|  |                   |  |     |                 |
|--|-------------------|--|-----|-----------------|
|  | EXISTING ROAD     |  | OHP | OVERHEAD POWER  |
|  | PROPOSED ROAD     |  | x   | FENCE           |
|  | SURFACE SITE EDGE |  | SE  | SECTION LINE    |
|  | EXIST. PIPELINE   |  | P   | PROPERTY LINE   |
|  |                   |  | W   | WATER LINE      |
|  |                   |  | SWD | SALT WATER LINE |

● MONUMENT      ● QUARTER SPLIT

AUGUST 9, 2023

DAVID W. MYERS 11403



PREPARED BY:  
DELTA FIELD SERVICES, LLC  
510 TRENTON ST.  
WEST MONROE, LA 71291  
318-323-6900 OFFICE  
JOB No. OXY\_0029\_JS02  
SHEET 3 OF 3





U.S. Department of the Interior  
BUREAU OF LAND MANAGEMENT

# Operator Certification Data Report

12/26/2024

## Operator

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 which currently 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.

**NAME:** MELISSA GUIDRY

**Signed on:** 11/18/2024

**Title:** Advisor Regulatory Sr.

**Street Address:** 5 GREENWAY PLAZA SUITE 110

**City:** HOUSTON

**State:** TX

**Zip:** 77026

**Phone:** (713)497-2481

**Email address:** MELISSA\_GUIDRY@OXY.COM

## Field

**Representative Name:**

**Street Address:**

**City:**

**State:**

**Zip:**

**Phone:**

**Email address:**



U.S. Department of the Interior  
BUREAU OF LAND MANAGEMENT

## Application Data

12/26/2024

APD ID: 10400098727

Submission Date: 05/30/2024

Operator Name: OXY USA INCORPORATED

Well Name: NUGGET 6\_31 FEDERAL COM

Well Number: 7H

Well Type: OIL WELL

Well Work Type: Drill

Highlighted data  
reflects the most  
recent changes  
[Show Final Text](#)

### Section 1 - General

APD ID: 10400098727

Tie to previous NOS? N

Submission Date: 05/30/2024

BLM Office: Carlsbad

User: MELISSA GUIDRY

Title: Advisor Regulatory Sr.

Federal/Indian APD: FED

Is the first lease penetrated for production Federal or Indian? FED

Lease number: NMNM82904

Lease Acres:

Surface access agreement in place?

Allotted?

Reservation:

Agreement in place? NO

Federal or Indian agreement:

Agreement number:

Agreement name:

Keep application confidential? N

Permitting Agent? NO

APD Operator: OXY USA INCORPORATED

Operator letter of

### Operator Info

Operator Organization Name: OXY USA INCORPORATED

Operator Address: P.O. BOX 1002

Zip: 93276-1002

Operator PO Box:

Operator City: TUPMAN

State: CA

Operator Phone: (661)763-6046

Operator Internet Address:

### Section 2 - Well Information

Well in Master Development Plan? NO

Master Development Plan name:

Well in Master SUPO? NO

Master SUPO name:

Well in Master Drilling Plan? NO

Master Drilling Plan name:

Well Name: NUGGET 6\_31 FEDERAL COM

Well Number: 7H

Well API Number:

Field/Pool or Exploratory? Field and Pool

Field Name: COTTON DRAW

Pool Name: BONE SPRING

Operator Name: OXY USA INCORPORATED

Well Name: NUGGET 6\_31 FEDERAL COM

Well Number: 7H

Is the proposed well in an area containing other mineral resources? USEABLE WATER,NATURAL GAS,OIL

Is the proposed well in a Helium production area? N

Use Existing Well Pad? N

New surface disturbance?

Type of Well Pad: MULTIPLE WELL

Multiple Well Pad Name: SNDDNS\_24S31E

Number: 6\_6

Well Class: HORIZONTAL

Number of Legs: 1

Well Work Type: Drill

Well Type: OIL WELL

Describe Well Type:

Well sub-Type: INFILL

Describe sub-type:

Distance to town:

Distance to nearest well: 30 FT

Distance to lease line: 646 FT

Reservoir well spacing assigned acres Measurement: 640 Acres

Well plat: NUGGET6\_31FEDCOM7H\_C102\_20240530081316.pdf

NUGGET6\_31FEDCOM7H\_SitePlan\_20240530081321.pdf

Well work start Date: 05/01/2025

Duration: 45 DAYS

Section 3 - Well Location Table

Survey Type: RECTANGULAR

Describe Survey Type:

Datum: NAD83

Vertical Datum: NAVD88

Survey number:

Reference Datum: GROUND LEVEL

| Wellbore   | NS-Foot | NS Indicator | EW-Foot | EW Indicator | Twsp | Range | Section | Aliquot/Lot/Tract | Latitude   | Longitude     | County | State       | Meridian    | Lease Type | Lease Number | Elevation | MD    | TVD   | Will this well produce from this |
|------------|---------|--------------|---------|--------------|------|-------|---------|-------------------|------------|---------------|--------|-------------|-------------|------------|--------------|-----------|-------|-------|----------------------------------|
| SHL Leg #1 | 646     | FSL          | 1223    | FEL          | 24S  | 31E   | 6       | Aliquot SESE      | 32.2408901 | - 103.8123364 | EDD Y  | NEW MEXI CO | NEW MEXI CO | F          | NMNM 82904   | 3464      | 0     | 0     | N                                |
| KOP Leg #1 | 300     | FNL          | 330     | FEL          | 24S  | 31E   | 7       | Aliquot NENE      | 32.2382901 | - 103.8094526 | EDD Y  | NEW MEXI CO | NEW MEXI CO | F          | NMNM 57273   | - 7013    | 10611 | 10477 | N                                |

Operator Name: OXY USA INCORPORATED

Well Name: NUGGET 6\_31 FEDERAL COM

Well Number: 7H

| Wellbore     | NS-Foot | NS Indicator | EW-Foot | EW Indicator | Twsp | Range | Section | Aliquot/Lot/Tract | Latitude   | Longitude     | County | State       | Meridian    | Lease Type | Lease Number   | Elevation | MD    | TVD   | Will this well produce from this |
|--------------|---------|--------------|---------|--------------|------|-------|---------|-------------------|------------|---------------|--------|-------------|-------------|------------|----------------|-----------|-------|-------|----------------------------------|
| PPP Leg #1-1 | 100     | FSL          | 330     | FEL          | 24S  | 31E   | 6       | Aliquot SESE      | 32.2393896 | - 103.8094515 | EDD Y  | NEW MEXI CO | NEW MEXI CO | F          | NMNM 82904     | - 7677    | 11610 | 11141 | Y                                |
| PPP Leg #1-2 | 0       | FSL          | 338     | FEL          | 23S  | 31E   | 31      | Aliquot SESE      | 32.2536577 | - 103.8094376 | EDD Y  | NEW MEXI CO | NEW MEXI CO | F          | NMNM 054673 2A | - 7677    | 16628 | 11141 | Y                                |
| PPP Leg #1-3 | 1321    | FSL          | 336     | FEL          | 23S  | 31E   | 31      | Aliquot NESE      | 32.2572875 | - 103.8094341 | EDD Y  | NEW MEXI CO | NEW MEXI CO | F          | NMNM 054498 6B | - 7677    | 17949 | 11141 | Y                                |
| PPP Leg #1-4 | 2641    | FSL          | 335     | FEL          | 23S  | 31E   | 31      | Aliquot SENE      | 32.2609174 | - 103.8094305 | EDD Y  | NEW MEXI CO | NEW MEXI CO | F          | NMNM 054673 2A | - 7677    | 19269 | 11141 | Y                                |
| EXIT Leg #1  | 100     | FNL          | 330     | FEL          | 23S  | 31E   | 31      | Aliquot NENE      | 32.2679015 | - 103.8094237 | EDD Y  | NEW MEXI CO | NEW MEXI CO | F          | NMNM 054673 2A | - 7677    | 21810 | 11141 | Y                                |
| BHL Leg #1   | 20      | FNL          | 330     | FEL          | 23S  | 31E   | 31      | Aliquot NENE      | 32.2681214 | - 103.8094239 | EDD Y  | NEW MEXI CO | NEW MEXI CO | F          | NMNM 054673 2A | - 7677    | 21890 | 11141 | N                                |



U.S. Department of the Interior  
BUREAU OF LAND MANAGEMENT

# Drilling Plan Data Report

12/26/2024

APD ID: 10400098727

Submission Date: 05/30/2024

Highlighted data  
reflects the most  
recent changes

Operator Name: OXY USA INCORPORATED

Well Name: NUGGET 6\_31 FEDERAL COM

Well Number: 7H

Well Type: OIL WELL

Well Work Type: Drill

[Show Final Text](#)

## Section 1 - Geologic Formations

| Formation ID | Formation Name  | Elevation | True Vertical | Measured Depth | Lithologies                        | Mineral Resources               | Producing Formatio |
|--------------|-----------------|-----------|---------------|----------------|------------------------------------|---------------------------------|--------------------|
| 14726814     | RUSTLER         | 3464      | 579           | 579            | ANHYDRITE, DOLOMITE, SHALE         | USEABLE WATER                   | N                  |
| 14726815     | SALADO          | 2511      | 953           | 953            | ANHYDRITE, DOLOMITE, HALITE, SHALE | OTHER : SALT                    | N                  |
| 14726816     | CASTILE         | 638       | 2826          | 2826           | ANHYDRITE                          | OTHER : SALT                    | N                  |
| 14726817     | DELAWARE        | -752      | 4216          | 4216           | LIMESTONE, SANDSTONE, SILTSTONE    | NATURAL GAS, OIL, OTHER : BRINE | Y                  |
| 14726818     | BELL CANYON     | -774      | 4238          | 4238           | SANDSTONE, SILTSTONE               | NATURAL GAS, OIL, OTHER : BRINE | Y                  |
| 14726819     | CHERRY CANYON   | -1713     | 5177          | 5179           | SANDSTONE, SILTSTONE               | NATURAL GAS, OIL, OTHER : BRINE | Y                  |
| 14726820     | BRUSHY CANYON   | -2950     | 6414          | 6441           | SANDSTONE, SILTSTONE               | OTHER : LOSSES                  | Y                  |
| 14726821     | BONE SPRING     | -4611     | 8075          | 8146           | LIMESTONE, SANDSTONE, SILTSTONE    | NATURAL GAS, OIL                | Y                  |
| 14726822     | BONE SPRING 1ST | -5636     | 9100          | 9198           | LIMESTONE, SANDSTONE, SILTSTONE    | NATURAL GAS, OIL                | Y                  |
| 14726823     | BONE SPRING 2ND | -6317     | 9781          | 9897           | LIMESTONE, SANDSTONE, SILTSTONE    | NATURAL GAS, OIL                | Y                  |
| 14726824     | BONE SPRING 3RD | -7562     | 11026         | 11239          | LIMESTONE, SANDSTONE, SILTSTONE    | NATURAL GAS, OIL                | Y                  |

## Section 2 - Blowout Prevention

Pressure Rating (PSI): 10M

Rating Depth: 11141

Equipment: 13-5/8" 5M Annular, 10M Blind Ram, 10M Double Ram

Requesting Variance? YES

Variance request: Request for the use of a flexible choke line from the BOP to Choke Manifold.

**Testing Procedure:** BOP/BOPE will be tested by an independent service company to 250 psi low and the high pressure indicated above per 43 CFR part 3170 Subpart 3172 requirements. The System may be upgraded to a higher pressure but still tested to the working pressure listed in the table above. If the system is upgraded all the components installed will be functional and tested. Pipe rams will be operationally checked each 24 hour period. Blind rams will be operationally checked on each trip out of the hole. These checks will

Operator Name: OXY USA INCORPORATED

Well Name: NUGGET 6\_31 FEDERAL COM

Well Number: 7H

be noted on the daily tour sheets. Other accessories to the BOP equipment will include a Kelly cock and floor safety valve (inside BOP) and choke lines and choke manifold. OXY requests permission to adjust the BOP break testing requirements as per the agreement reached in the OXY/BLM meeting on September 5, 2019. See the attached BOP Break Testing variance.

Choke Diagram Attachment:

NUGGET6\_31FEDCOM7H\_ChkManifolds\_20240530083554.pdf

BOP Diagram Attachment:

NUGGET6\_31FEDCOM7H\_BOP\_20240530083558.pdf

NUGGET6\_31FEDCOM7H\_FlexHoseCert\_20240530083604.pdf

NUGGET6\_31FEDCOM7H\_13inADAPT\_10.75in\_7.625in\_10x10\_20240530084558.pdf

Section 3 - Casing

| Casing ID | String Type  | Hole Size | Csg Size | Condition | Standard | Tapered String | Top Set MD | Bottom Set MD | Top Set TVD | Bottom Set TVD | Top Set MSL | Bottom Set MSL | Calculated casing length MD | Grade  | Weight | Joint Type        | Collapse SF | Burst SF | Joint SF Type | Joint SF | Body SF Type | Body SF |
|-----------|--------------|-----------|----------|-----------|----------|----------------|------------|---------------|-------------|----------------|-------------|----------------|-----------------------------|--------|--------|-------------------|-------------|----------|---------------|----------|--------------|---------|
| 1         | SURFACE      | 14.75     | 10.75    | NEW       | API      | N              | 0          | 893           | 0           | 893            | 3464        | 2571           | 893                         | J-55   | 45.5   | BUTT              | 1           | 1.1      | BUOY          | 1.4      | BUOY         | 1.4     |
| 2         | INTERMEDIATE | 9.875     | 7.625    | NEW       | API      | N              | 0          | 10511         | 0           | 10377          | 3698        | -6913          | 10511                       | HCL-80 | 26.4   | BUTT              | 1           | 1.1      | BUOY          | 1.4      | BUOY         | 1.4     |
| 3         | PRODUCTION   | 6.75      | 5.5      | NEW       | API      | N              | 0          | 21890         | 0           | 11141          | 3698        | -7677          | 21890                       | P-110  | 20     | OTHER - Sprint-SF | 1           | 1.1      | BUOY          | 1.4      | BUOY         | 1.4     |

Casing Attachments

Casing ID: 1

String

SURFACE

Inspection Document:

Spec Document:

Tapered String Spec:

Casing Design Assumptions and Worksheet(s):

NUGGET6\_31FEDCOM7H\_CsgCriteria\_20240530083652.pdf



Operator Name: OXY USA INCORPORATED

Well Name: NUGGET 6\_31 FEDERAL COM

Well Number: 7H

Casing Attachments

Casing ID: 2StringINTERMEDIATE

Inspection Document:

Spec Document:

Tapered String Spec:

Casing Design Assumptions and Worksheet(s):

NUGGET6\_31FEDCOM7H\_CsgCriteria\_20240530083712.pdf

Casing ID: 3StringPRODUCTION

Inspection Document:

Spec Document:

Tapered String Spec:

Casing Design Assumptions and Worksheet(s):

NUGGET6\_31FEDCOM7H\_CsgCriteria\_20240530083731.pdf

NUGGET6\_31FEDCOM7H\_VAM\_SPURT\_SF\_5.5in\_20ppf\_P110RY\_20241118082019.pdf

Section 4 - Cement

| String Type | Lead/Tail | Stage Tool Depth | Top MD | Bottom MD | Quantity(sx) | Yield | Density | Cu Ft | Excess% | Cement type | Additives   |
|-------------|-----------|------------------|--------|-----------|--------------|-------|---------|-------|---------|-------------|-------------|
| SURFACE     | Lead      | 1                | 0      | 893       | 747          | 1.33  | 14.8    | 994   | 100     | Class C     | Accelerator |

|              |      |   |   |      |      |      |      |      |    |         |             |
|--------------|------|---|---|------|------|------|------|------|----|---------|-------------|
| INTERMEDIATE | Lead | 2 | 0 | 6691 | 1032 | 1.71 | 13.3 | 1765 | 25 | Class C | Accelerator |
|--------------|------|---|---|------|------|------|------|------|----|---------|-------------|

**Operator Name:** OXY USA INCORPORATED**Well Name:** NUGGET 6\_31 FEDERAL COM**Well Number:** 7H

| String Type  | Lead/Tail | Stage Tool Depth | Top MD | Bottom MD | Quantity(sx) | Yield | Density | Cu Ft | Excess% | Cement type | Additives            |
|--------------|-----------|------------------|--------|-----------|--------------|-------|---------|-------|---------|-------------|----------------------|
| INTERMEDIATE | Lead      | 1                | 6691   | 1051<br>1 | 513          | 1.68  | 13.2    | 862   | 5       | Class C     | Retarder, Dispersant |

|            |      |   |           |           |     |      |      |      |    |         |          |
|------------|------|---|-----------|-----------|-----|------|------|------|----|---------|----------|
| PRODUCTION | Lead | 1 | 1001<br>1 | 2189<br>0 | 673 | 1.84 | 13.3 | 1238 | 25 | Class C | Retarder |
|------------|------|---|-----------|-----------|-----|------|------|------|----|---------|----------|

### Section 5 - Circulating Medium

**Mud System Type:** Closed**Will an air or gas system be Used?** NO**Description of the equipment for the circulating system in accordance with Onshore Order #2:****Diagram of the equipment for the circulating system in accordance with Onshore Order #2:**

**Describe what will be on location to control well or mitigate other conditions:** Sufficient mud materials to maintain mud properties and meet minimum lost circulation and weight increase requirements will be kept on location at all times. The following is a general list of products: Barite, Bentonite, Gypsum, Lime, Soda Ash, Caustic Soda, Nut Plug, Cedar Fiber, Cotton Seed Hulls, Drilling Paper, Salt Water Clay, CACL2. Oxy will use a closed mud system.

**Describe the mud monitoring system utilized:** PVT/MD Totco/Visual Monitoring

### Circulating Medium Table

| Top Depth | Bottom Depth | Mud Type                                       | Min Weight (lbs/gal) | Max Weight (lbs/gal) | Density (lbs/cu ft) | Gel Strength (lbs/100 sqft) | PH | Viscosity (CP) | Salinity (ppm) | Filtration (cc) | Additional Characteristics |
|-----------|--------------|--|----------------------|----------------------|---------------------|-----------------------------|----|----------------|----------------|-----------------|----------------------------|
| 0         | 893          | WATER-BASED MUD                                | 8.6                  | 8.8                  |                     |                             |    |                |                |                 |                            |
| 893       | 1051<br>1    | OTHER : SATURATED BRINE-BASED OR OIL-BASED MUD | 8                    | 10                   |                     |                             |    |                |                |                 |                            |
| 1051<br>1 | 2189<br>0    | OTHER : WATER-BASED MUD OR OIL-                | 9.5                  | 12.5                 |                     |                             |    |                |                |                 |                            |

Operator Name: OXY USA INCORPORATED

Well Name: NUGGET 6\_31 FEDERAL COM

Well Number: 7H

| Top Depth | Bottom Depth | Mud Type  | Min Weight (lbs/gal) | Max Weight (lbs/gal) | Density (lbs/cu ft) | Gel Strength (lbs/100 sqft) | PH | Viscosity (CP) | Salinity (ppm) | Filtration (cc) | Additional Characteristics |
|-----------|--------------|-----------|----------------------|----------------------|---------------------|-----------------------------|----|----------------|----------------|-----------------|----------------------------|
|           |              | BASED MUD |                      |                      |                     |                             |    |                |                |                 |                            |

Section 6 - Test, Logging, Coring

List of production tests including testing procedures, equipment and safety measures:

GR from TD to surface (horizontal well vertical portion of hole)  
Mud Log from Bone Spring - TD  
CBL (production string) - to be ran by completions.

List of open and cased hole logs run in the well:

GAMMA RAY LOG,CEMENT BOND LOG,DIRECTIONAL SURVEY,MUD LOG/GEOLOGICAL LITHOLOGY LOG,

Coring operation description for the well:

No coring is planned at this time.

Section 7 - Pressure

Anticipated Bottom Hole Pressure: 7242

Anticipated Surface Pressure: 4790

Anticipated Bottom Hole Temperature(F): 170

Anticipated abnormal pressures, temperatures, or potential geologic hazards? NO

Describe:

Contingency Plans geoharzards description:

Contingency Plans geohazards

Hydrogen Sulfide drilling operations plan required? YES

Hydrogen sulfide drilling operations

NUGGET6\_31FEDCOM7H\_H2S1\_20240530084334.pdf

NUGGET6\_31FEDCOM7H\_H2S2\_20240530084338.pdf

**Operator Name:** OXY USA INCORPORATED**Well Name:** NUGGET 6\_31 FEDERAL COM**Well Number:** 7H**Section 8 - Other Information****Proposed horizontal/directional/multi-lateral plan submission:**

NUGGET6\_31FEDCOM7H\_DirectPlan\_20240530084355.pdf

**Other proposed operations facets description:****Other proposed operations facets attachment:**

NUGGET6\_31FEDCOM7H\_SpudRigData\_20240530084417.pdf

NUGGET6\_31FEDCOM7H\_DrillPlan\_20241118082404.pdf

NUGGET6\_31FEDCOM7H\_Blanket\_Design\_A\_Pad\_Review\_Document\_SNDDNS\_T24SR31E\_6\_6\_20241118081556.pdf

NUGGET6\_31FEDCOM7H\_Blanket\_Design\_A\_\_\_OXY\_\_\_3S\_Slim\_v7.1\_20241118081607.pdf

NUGGET6\_31FEDCOM7H\_NGMP\_\_\_WMP\_20241118081700.pdf

**Other Variance attachment:**

NUGGET6\_31FEDCOM7H\_5MAnnBOPVariance\_20240530084423.pdf

NUGGET6\_31FEDCOM7H\_BOPBreakTestingVariance\_20240530084628.pdf

NUGGET6\_31FEDCOM7H\_BradenheadCBLVariance\_20240530084633.pdf

NUGGET6\_31FEDCOM7H\_OfflineCementVariance\_20240530084640.pdf



U.S. Department of the Interior  
BUREAU OF LAND MANAGEMENT

# SUPO Data Report

12/26/2024

APD ID: 10400098727

Submission Date: 05/30/2024

Operator Name: OXY USA INCORPORATED

Well Name: NUGGET 6\_31 FEDERAL COM

Well Number: 7H

Well Type: OIL WELL

Well Work Type: Drill

Highlighted data  
reflects the most  
recent changes  
[Show Final Text](#)

## Section 1 - Existing Roads

Will existing roads be used? YES

Existing Road Map:

NUGGET6\_31FEDCOM7H\_ExistRoads\_20240530091334.pdf

Existing Road Purpose: ACCESS,FLUID TRANSPORT

Row(s) Exist? NO

### ROW ID(s)

ID:

Do the existing roads need to be improved? NO

Existing Road Improvement Description:

Existing Road Improvement Attachment:

## Section 2 - New or Reconstructed Access Roads

Will new roads be needed? YES

New Road Map:

NUGGET6\_31FEDCOM7H\_NewRoads\_20241105200320.pdf

New road type: LOCAL

Length: 3115

Feet

Width (ft.): 30

Max slope (%): 0

Max grade (%): 0

Army Corp of Engineers (ACOE) permit required? N

ACOE Permit Number(s):

New road travel width: 20

New road access erosion control: Watershed diversion every 200', if needed.

New road access plan or profile prepared? N

New road access plan

Operator Name: OXY USA INCORPORATED

Well Name: NUGGET 6\_31 FEDERAL COM

Well Number: 7H

Access road engineering design? N

Access road engineering design

Turnout? N

Access surfacing type: OTHER

Access topsoil source: ONSITE

Access surfacing type description: CALICHE

Access onsite topsoil source depth: 0

Offsite topsoil source description:

Onsite topsoil removal process: If available

Access other construction information:

Access miscellaneous information:

Number of access turnouts:

Access turnout map:

Drainage Control

New road drainage crossing: CULVERT

Drainage Control comments: Watershed diversion every 200', if needed.

Road Drainage Control Structures (DCS) description: Watershed diversion every 200', if needed.

Road Drainage Control Structures (DCS) attachment:

Access Additional Attachments

Section 3 - Location of Existing Wells

Existing Wells Map? YES

Attach Well map:

NUGGET6\_31FEDCOM7H\_ExistWells\_20240530091415.pdf

Section 4 - Location of Existing and/or Proposed Production Facilities

Submit or defer a Proposed Production Facilities plan? SUBMIT

Production Facilities description:

Production Facilities map:

NUGGET6\_31FEDCOM7H\_LeaseFacilityInfo\_20241105200436.pdf

Operator Name: OXY USA INCORPORATED

Well Name: NUGGET 6\_31 FEDERAL COM

Well Number: 7H

Section 5 - Location and Types of Water Supply

Water Source Table

Water source type: GW WELL

Water source use type:

SURFACE CASING

OTHER

Describe use type: DRILLING

INTERMEDIATE/PRODUCTION CASING

Source latitude:

Source longitude:

Source datum:

Water source permit type:

WATER WELL

Water source transport method:

PIPELINE

TRUCKING

Source land ownership: COMMERCIAL

Source transportation land ownership: COMMERCIAL

Water source volume (barrels): 2000

Source volume (acre-feet): 0.25778619

Source volume (gal): 84000

**Water source and transportation**

NUGGET6\_31FEDCOM7H\_WtrSrcGRR\_20240530091452.pdf

NUGGET6\_31FEDCOM7H\_WtrSrcMesq\_20240530091503.pdf

NUGGET6\_31FEDCOM7H\_Water\_Caliche\_Map\_20241105200515.pdf

**Water source comments:** This well will be drilled using a combination of water mud systems. It will be obtained from commercial water stations (Gregory Rockhouse, Mesquite) in the area and will be hauled to location by transport truck using existing and proposed roads.

**New water well?** N

New Water Well Info

Well latitude:

Well Longitude:

Well datum:

Well target aquifer:

Est. depth to top of aquifer(ft):

Est thickness of aquifer:

Aquifer comments:

Aquifer documentation:

Well depth (ft):

Well casing type:



**Operator Name:** OXY USA INCORPORATED**Well Name:** NUGGET 6\_31 FEDERAL COM**Well Number:** 7H**Well casing outside diameter (in.):****Well casing inside diameter (in.):****New water well casing?****Used casing source:****Drilling method:****Drill material:****Grout material:****Grout depth:****Casing length (ft.):****Casing top depth (ft.):****Well Production type:****Completion Method:****Water well additional information:****State appropriation permit:****Additional information attachment:**

## Section 6 - Construction Materials

**Using any construction materials:** YES

**Construction Materials description:** Primary All caliche utilized for the drilling pad and proposed access road will be obtained from an existing BLM/State/Fee approved pit or from prevailing deposits found on the location. Will use BLM recommended extra caliche from other locations close by for roads, if available. Secondary The secondary way of obtaining caliche to build locations and roads will be by turning over the location. This means, caliche will be obtained from the actual well site. A caliche permit will be obtained from BLM prior to pushing up any caliche. 2400 cubic yards is max amount of caliche needed for pad and roads. Amount will vary for each pad. The procedure below has been approved by BLM personnel: a. The top 6 of topsoil is pushed off and stockpiled along the side of the location. b. An approximate 120 X 120 area is used within the proposed well site to remove caliche. c. Subsoil is removed and piled alongside the 120 X 120 within the pad site. d. When caliche is found, material will be stockpiled within the pad site to build the location and road. e. Then subsoil is pushed back in the hole and caliche is spread accordingly across entire location and road. f. Once the well is drilled the stockpiled top soil will be used for interim reclamation and spread along areas where caliche is picked up and the location size is reduced. Neither caliche nor subsoil will be stockpiled outside of the well pad. Topsoil will be stockpiled along the edge of the pad as depicted in the site plan included with this APD.

**Construction Materials source location**

NUGGET6\_31FEDCOM7H\_Water\_Caliche\_Map\_20241105200531.pdf

## Section 7 - Methods for Handling

**Waste type:** DRILLING**Waste content description:** Water-Based Cuttings, Water-Based Mud, Oil-Based Cuttings, Oil-Based Mud, Produced Water**Amount of waste:** 1604 barrels**Waste disposal frequency :** Daily**Safe containment description:** Haul-Off Bins**Safe containmant attachment:****Waste disposal type:** HAUL TO COMMERCIAL FACILITY**Disposal location ownership:** COMMERCIAL**Disposal type description:**

**Disposal location description:** An approved facility that can process drill cuttings, drill fluids, flowback water, produced water, contaminated soils, and other non-hazardous wastes. Methods of Handling Waste Material: a. A closed loop system will be utilized consisting of above ground steel tanks and haul-off bins.

Operator Name: OXY USA INCORPORATED

Well Name: NUGGET 6\_31 FEDERAL COM

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Disposal of liquids, drilling fluids and cuttings will be disposed of at an approved facility. Solids-CRI, 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 pickup 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

Reserve Pit

Reserve Pit being used? NO

Temporary disposal of produced water into reserve pit? NO

Reserve pit length (ft.)

Reserve pit width (ft.)

Reserve pit depth (ft.)

Reserve pit volume (cu. yd.)

Is at least 50% of the reserve pit in cut?

Reserve pit liner

Reserve pit liner specifications and installation description

Cuttings Area

Cuttings Area being used? NO

Are you storing cuttings on location? Y

Description of cuttings location 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.

Cuttings area length (ft.)

Cuttings area width (ft.)

Cuttings area depth (ft.)

Cuttings area volume (cu. yd.)

Is at least 50% of the cuttings area in cut?

WCuttings area liner

Cuttings area liner specifications and installation description

Section 8 - Ancillary

Are you requesting any Ancillary Facilities?: N

Ancillary Facilities

Comments:

**Operator Name:** OXY USA INCORPORATED**Well Name:** NUGGET 6\_31 FEDERAL COM**Well Number:** 7H

## Section 9 - Well Site

### Well Site Layout Diagram:

NUGGET6\_31FEDCOM7H\_ClosedLoop\_20241105200736.pdf

### Comments:

## Section 10 - Plans for Surface Reclamation

**Type of disturbance:** New Surface Disturbance**Multiple Well Pad Name:** SNDDNS\_24S31E**Multiple Well Pad Number:** 6\_6

### Recontouring

NUGGET6\_31FEDCOM7H\_Cut\_Fill\_20240530091651.pdf

NUGGET6\_31FEDCOM7H\_SitePlan\_20241105200808.pdf

**Drainage/Erosion control construction:** Reclamation to be wind rowed as needed to control erosion.**Drainage/Erosion control reclamation:** Reclamation to be wind rowed as needed to control erosion.

|  |   |   |
|--|---|---|
| <b>Well pad proposed disturbance (acres):</b> 9  | <b>Well pad interim reclamation (acres):</b> 0  | <b>Well pad long term disturbance (acres):</b> 9  |
| <b>Road proposed disturbance (acres):</b> 2      | <b>Road interim reclamation (acres):</b> 1      | <b>Road long term disturbance (acres):</b> 1      |
| <b>Powerline proposed disturbance (acres):</b> 5 | <b>Powerline interim reclamation (acres):</b> 5 | <b>Powerline long term disturbance (acres):</b> 0 |
| <b>Pipeline proposed disturbance (acres):</b> 22 | <b>Pipeline interim reclamation (acres):</b> 15 | <b>Pipeline long term disturbance (acres):</b> 7  |
| <b>Other proposed disturbance (acres):</b> 1     | <b>Other interim reclamation (acres):</b> 0     | <b>Other long term disturbance (acres):</b> 1     |
| <b>Total proposed disturbance:</b> 39            | <b>Total interim reclamation:</b> 21            | <b>Total long term disturbance:</b> 18            |

### Disturbance Comments:

**Reconstruction method:** If the well is deemed commercially productive, caliche from the areas of the pad site not required for operations will be reclaimed. The original topsoil 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. 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 topsoil will again be returned to the pad and contoured, as close as possible, to the original topography and the area will be seeded with an approved BLM mixture to re-establish vegetation.

**Topsoil redistribution:** The original topsoil will be returned to the area of the drill pad not necessary to operate the well.

**Soil treatment:** To be determined by BLM.

**Existing Vegetation at the well pad:** To be determined by BLM at onsite.

**Existing Vegetation at the well pad**

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Well Number: 7H

Existing Vegetation Community at the road: To be determined by BLM at onsite.

Existing Vegetation Community at the road

Existing Vegetation Community at the pipeline: To be determined by BLM at onsite.

Existing Vegetation Community at the pipeline

Existing Vegetation Community at other disturbances: To be determined by BLM at onsite.

Existing Vegetation Community at other disturbances

Non native seed used? N

Non native seed description:

Seedling transplant description:

Will seedlings be transplanted for this project? N

Seedling transplant description

Will seed be harvested for use in site reclamation? N

Seed harvest description:

Seed harvest description attachment:

Seed

Seed Table

| Seed Summary |             |
|--------------|-------------|
| Seed Type    | Pounds/Acre |

Total pounds/Acre:

Seed reclamation

Operator Contact/Responsible Official

First Name: Mike

Phone: (575)631-6618

Last Name: Wilson

Email: michael\_wilson@oxy.com

Seedbed prep:

Seed BMP:

Seed method:

Existing invasive species? N

Existing invasive species treatment description:

**Operator Name:** OXY USA INCORPORATED

**Well Name:** NUGGET 6\_31 FEDERAL COM

**Well Number:** 7H

**Existing invasive species treatment**

**Weed treatment plan description:** To be determined by BLM.

**Weed treatment plan**

**Monitoring plan description:** To be determined by BLM.

**Monitoring plan**

**Success standards:** To be determined by BLM.

**Pit closure description:** NA

**Pit closure attachment:**

## Section 11 - Surface Ownership

**Disturbance type:** WELL PAD

**Describe:**

**Surface Owner:** BUREAU OF LAND MANAGEMENT

**Other surface owner description:**

**BIA Local Office:**

**BOR Local Office:**

**COE Local Office:**

**DOD Local Office:**

**NPS Local Office:**

**State Local Office:**

**Military Local Office:**

**USFWS Local Office:**

**Other Local Office:**

**USFS Region:**

**USFS Forest/Grassland:**

**USFS Ranger District:**

**Disturbance type:** NEW ACCESS ROAD

**Describe:**

**Surface Owner:** BUREAU OF LAND MANAGEMENT

**Other surface owner description:**

**BIA Local Office:**

**Operator Name:** OXY USA INCORPORATED

**Well Name:** NUGGET 6\_31 FEDERAL COM

**Well Number:** 7H

**BOR Local Office:**

**COE Local Office:**

**DOD Local Office:**

**NPS Local Office:**

**State Local Office:**

**Military Local Office:**

**USFWS Local Office:**

**Other Local Office:**

**USFS Region:**

**USFS Forest/Grassland:**

**USFS Ranger District:**

**Disturbance type:** PIPELINE

**Describe:**

**Surface Owner:** BUREAU OF LAND MANAGEMENT

**Other surface owner description:**

**BIA Local Office:**

**BOR Local Office:**

**COE Local Office:**

**DOD Local Office:**

**NPS Local Office:**

**State Local Office:**

**Military Local Office:**

**USFWS Local Office:**

**Other Local Office:**

**USFS Region:**

**USFS Forest/Grassland:**

**USFS Ranger District:**

**Operator Name:** OXY USA INCORPORATED**Well Name:** NUGGET 6\_31 FEDERAL COM**Well Number:** 7H**Disturbance type:** OTHER**Describe:** ELECTRIC LINES**Surface Owner:** BUREAU OF LAND MANAGEMENT**Other surface owner description:****BIA Local Office:****BOR Local Office:****COE Local Office:****DOD Local Office:****NPS Local Office:****State Local Office:****Military Local Office:****USFWS Local Office:****Other Local Office:****USFS Region:****USFS Forest/Grassland:****USFS Ranger District:**

## Section 12 - Other

**Right of Way needed?** Y**Use APD as ROW?** Y**ROW Type(s):** 281001 ROW - ROADS,285003 ROW – POWER TRANS,288100 ROW – O&G Pipeline,288101 ROW – O&G Facility Sites,289001 ROW- O&G Well Pad**ROW****SUPO Additional Information:** Permian Basin MOA : To be submitted after APD acceptance. GIS shapefiles available for BLM.**Use a previously conducted onsite?** N**Previous Onsite information:****Other SUPO**

NUGGET6\_31FEDCOM7H\_StakingSheet\_20240530091825.pdf

NUGGET6\_31FEDCOM7H\_NGMP\_\_\_WMP\_20241118082552.pdf





U.S. Department of the Interior  
BUREAU OF LAND MANAGEMENT

## PWD Data Report

12/26/2024

**APD ID:** 10400098727

**Submission Date:** 05/30/2024

**Operator Name:** OXY USA INCORPORATED

**Well Name:** NUGGET 6\_31 FEDERAL COM

**Well Number:** 7H

**Well Type:** OIL WELL

**Well Work Type:** Drill

### Section 1 - General

Would you like to address long-term produced water disposal? NO

### Section 2 - Lined

Would you like to utilize Lined Pit PWD options? N

**Produced Water Disposal (PWD) Location:**

**PWD surface owner:**

**PWD disturbance (acres):**

**Lined pit PWD on or off channel:**

**Lined pit PWD discharge volume (bbl/day):**

**Lined pit**

**Pit liner description:**

**Pit liner manufacturers**

**Precipitated solids disposal:**

**Describe precipitated solids disposal:**

**Precipitated solids disposal**

**Lined pit precipitated solids disposal schedule:**

**Lined pit precipitated solids disposal schedule**

**Lined pit reclamation description:**

**Lined pit reclamation**

**Leak detection system description:**

**Leak detection system**

**Operator Name:** OXY USA INCORPORATED

**Well Name:** NUGGET 6\_31 FEDERAL COM

**Well Number:** 7H

**Lined pit Monitor description:**

**Lined pit Monitor**

**Lined pit: do you have a reclamation bond for the pit?**

**Is the reclamation bond a rider under the BLM bond?**

**Lined pit bond number:**

**Lined pit bond amount:**

**Additional bond information**

### Section 3 - Unlined

**Would you like to utilize Unlined Pit PWD options?** N

**Produced Water Disposal (PWD) Location:**

**PWD disturbance (acres):**

**PWD surface owner:**

**Unlined pit PWD on or off channel:**

**Unlined pit PWD discharge volume (bbl/day):**

**Unlined pit**

**Precipitated solids disposal:**

**Describe precipitated solids disposal:**

**Precipitated solids disposal**

**Unlined pit precipitated solids disposal schedule:**

**Unlined pit precipitated solids disposal schedule**

**Unlined pit reclamation description:**

**Unlined pit reclamation**

**Unlined pit Monitor description:**

**Unlined pit Monitor**

**Do you propose to put the produced water to beneficial use?**

**Beneficial use user**

**Estimated depth of the shallowest aquifer (feet):**

**Does the produced water have an annual average Total Dissolved Solids (TDS) concentration equal to or less than that of the existing water to be protected?**

**TDS lab results:**

**Geologic and hydrologic**

**State**

**Unlined Produced Water Pit Estimated**

**Unlined pit: do you have a reclamation bond for the pit?**

**Operator Name:** OXY USA INCORPORATED**Well Name:** NUGGET 6\_31 FEDERAL COM**Well Number:** 7H**Is the reclamation bond a rider under the BLM bond?****Unlined pit bond number:****Unlined pit bond amount:****Additional bond information****Section 4 -****Would you like to utilize Injection PWD options?** N**Produced Water Disposal (PWD) Location:****PWD surface owner:****PWD disturbance (acres):****Injection PWD discharge volume (bbl/day):****Injection well mineral owner:****Injection well type:****Injection well number:****Injection well name:****Assigned injection well API number?****Injection well API number:****Injection well new surface disturbance (acres):****Minerals protection information:****Mineral protection****Underground Injection Control (UIC) Permit?****UIC Permit****Section 5 - Surface****Would you like to utilize Surface Discharge PWD options?** N**Produced Water Disposal (PWD) Location:****PWD surface owner:****PWD disturbance (acres):****Surface discharge PWD discharge volume (bbl/day):****Surface Discharge NPDES Permit?****Surface Discharge NPDES Permit attachment:****Surface Discharge site facilities information:****Surface discharge site facilities map:****Section 6 -****Would you like to utilize Other PWD options?** N**Produced Water Disposal (PWD) Location:****PWD surface owner:****PWD disturbance (acres):****Other PWD discharge volume (bbl/day):**

Operator Name: OXY USA INCORPORATED

Well Name: NUGGET 6\_31 FEDERAL COM

Well Number: 7H

Other PWD type description:

Other PWD type

Have other regulatory requirements been met?

Other regulatory requirements



U.S. Department of the Interior  
BUREAU OF LAND MANAGEMENT

## Bond Info Data

12/26/2024

**APD ID:** 10400098727

**Submission Date:** 05/30/2024

**Operator Name:** OXY USA INCORPORATED

**Well Name:** NUGGET 6\_31 FEDERAL COM

**Well Number:** 7H

**Well Type:** OIL WELL

**Well Work Type:** Drill

Highlighted data  
reflects the most  
recent changes  
[Show Final Text](#)

### Bond

**Federal/Indian APD:** FED

**BLM Bond number:** ESB000226

**BIA Bond number:**

**Do you have a reclamation bond?** NO

**Is the reclamation bond a rider under the BLM bond?**

**Is the reclamation bond BLM or Forest Service?**

**BLM reclamation bond number:**

**Forest Service reclamation bond number:**

**Forest Service reclamation bond**

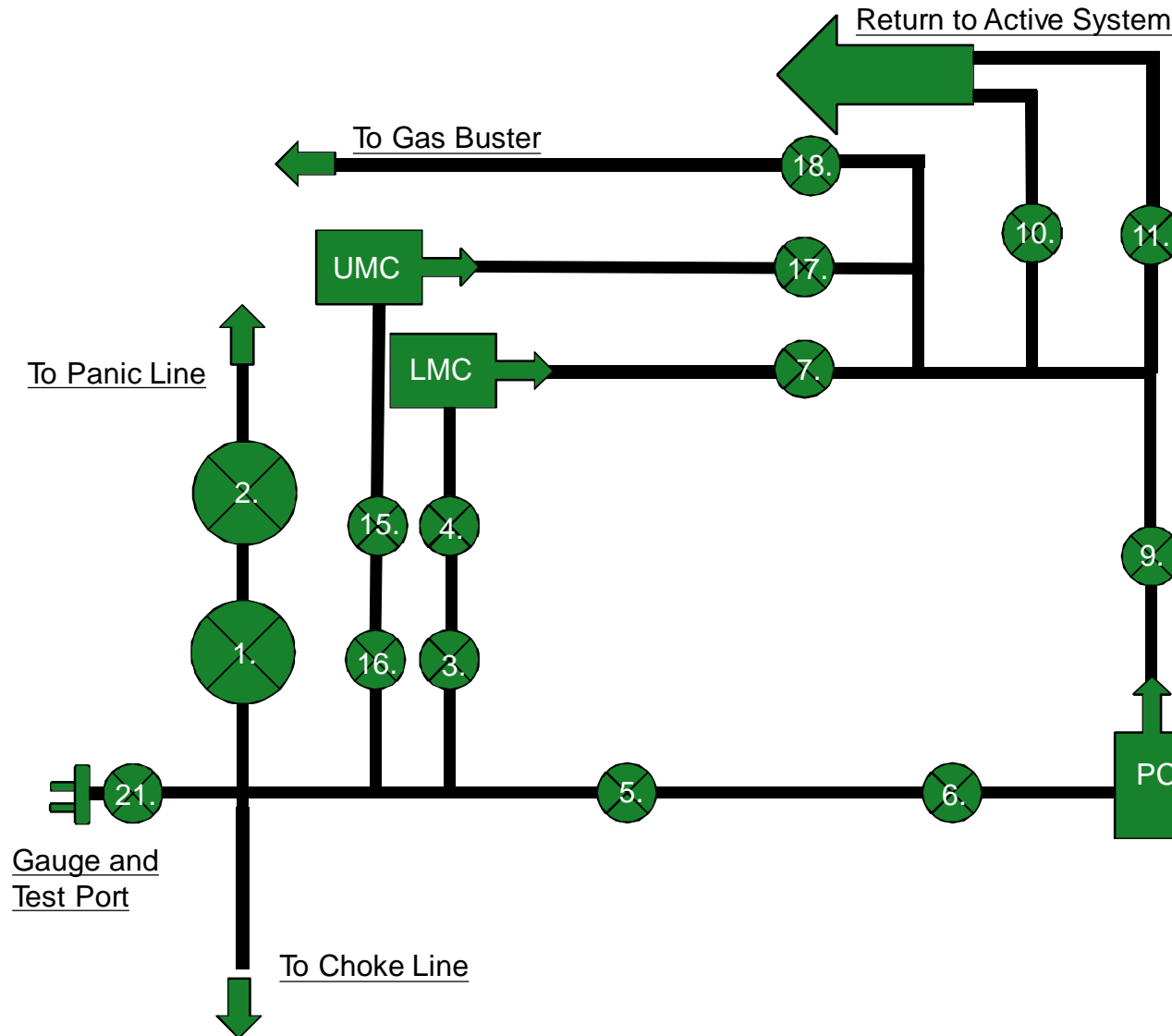
**Reclamation bond number:**

**Reclamation bond amount:**

**Reclamation bond rider amount:**

**Additional reclamation bond information**

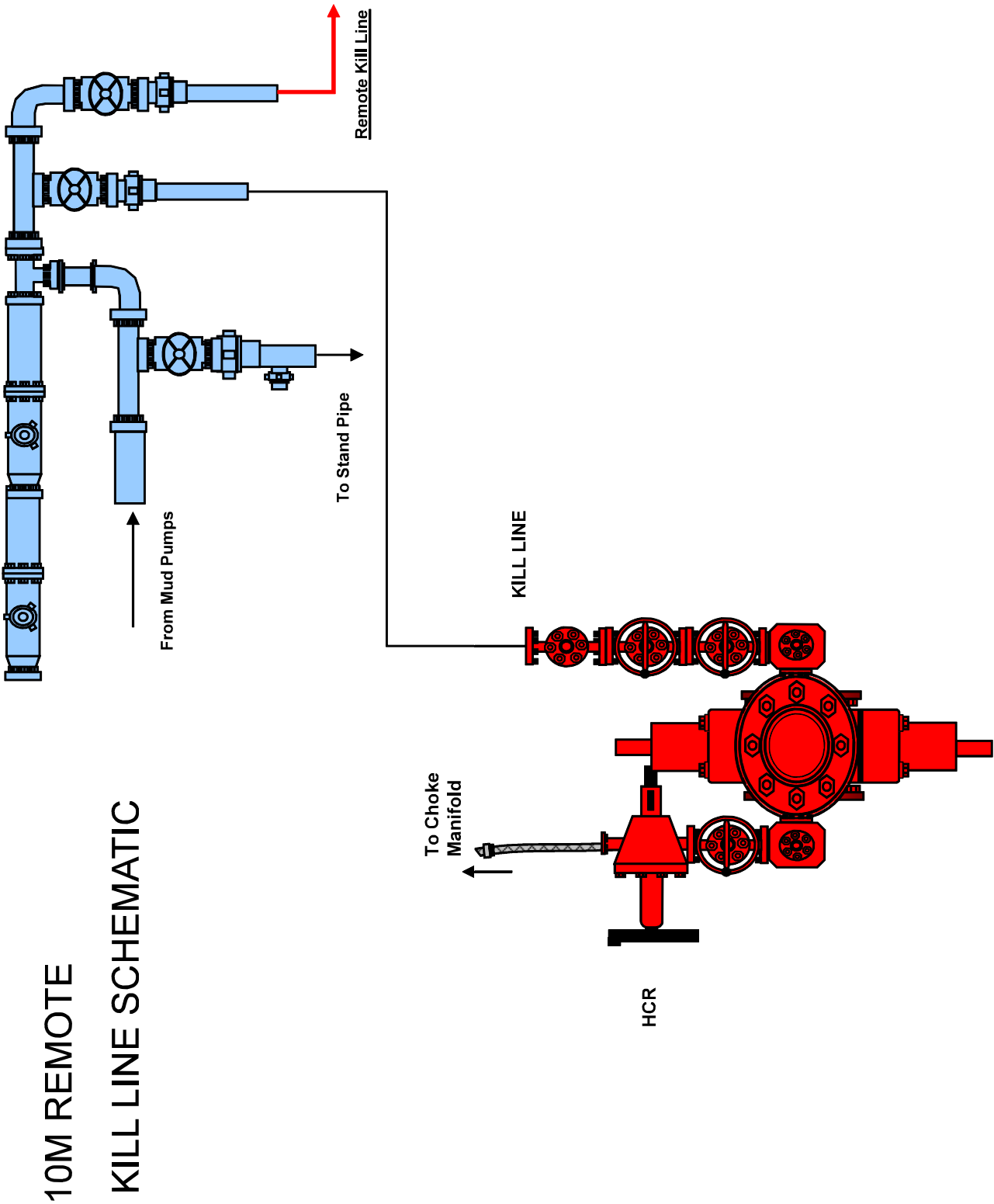
# 10M Choke Panel



1. Choke Manifold Valve
2. Choke Manifold Valve
3. Choke Manifold Valve
4. Choke Manifold Valve
5. Choke Manifold Valve
6. Choke Manifold Valve
7. Choke Manifold Valve
8. PC – Power Choke
9. Choke Manifold Valve
10. Choke Manifold Valve
11. Choke Manifold Valve
12. LMC – Lower Manual Choke
13. UMC – Upper manual choke
15. Choke Manifold Valve
16. Choke Manifold Valve
17. Choke Manifold Valve
18. Choke Manifold Valve

21. Vertical Choke Manifold Valve

**\*All Valves 3" minimum**

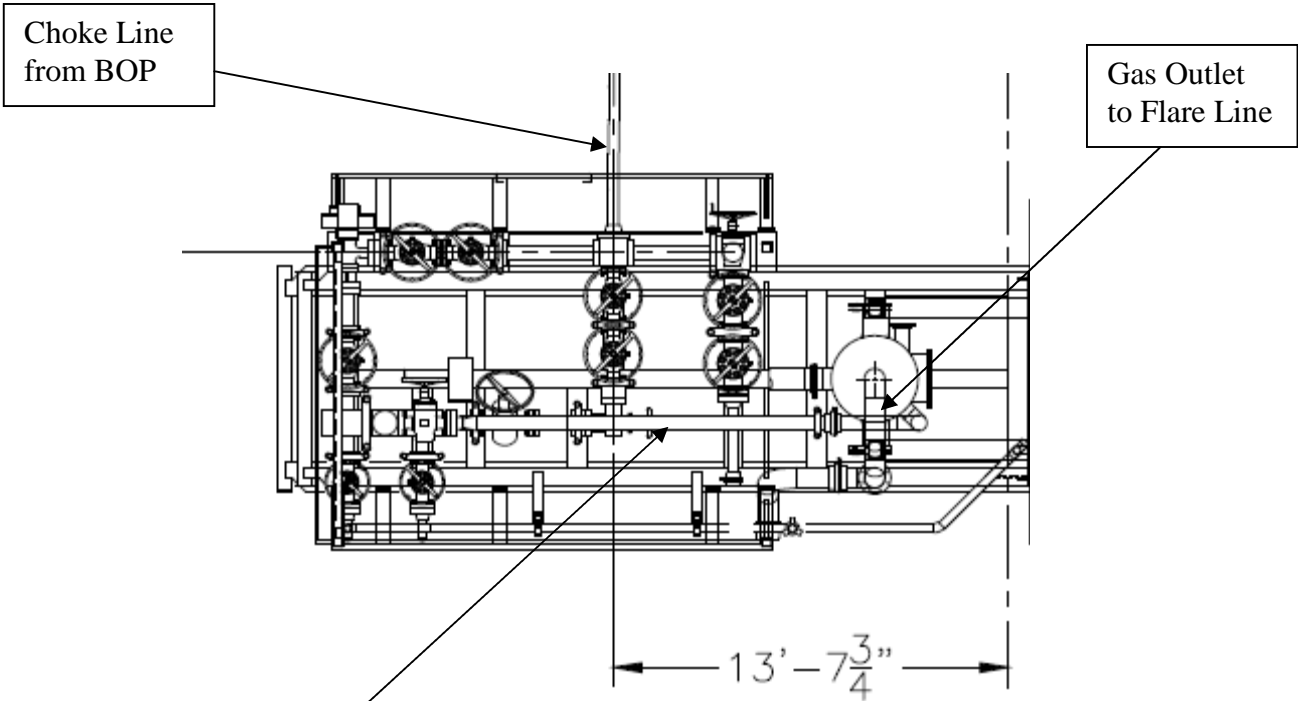




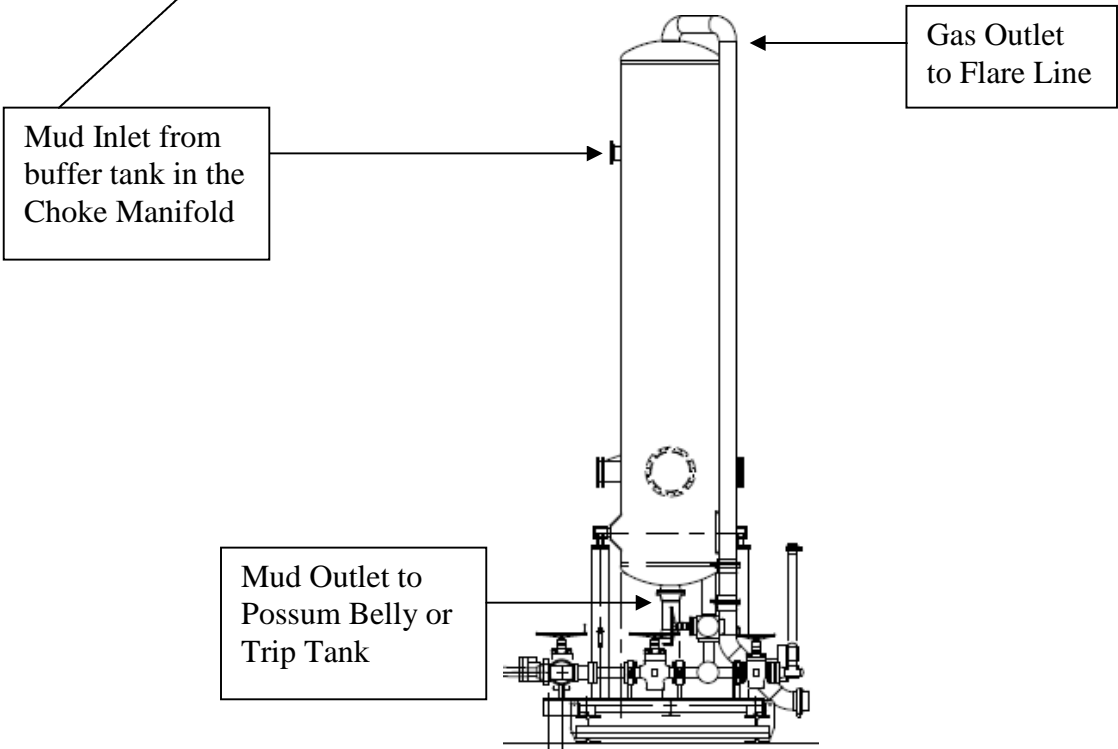
## Gas Separator Routing Flex III Rigs



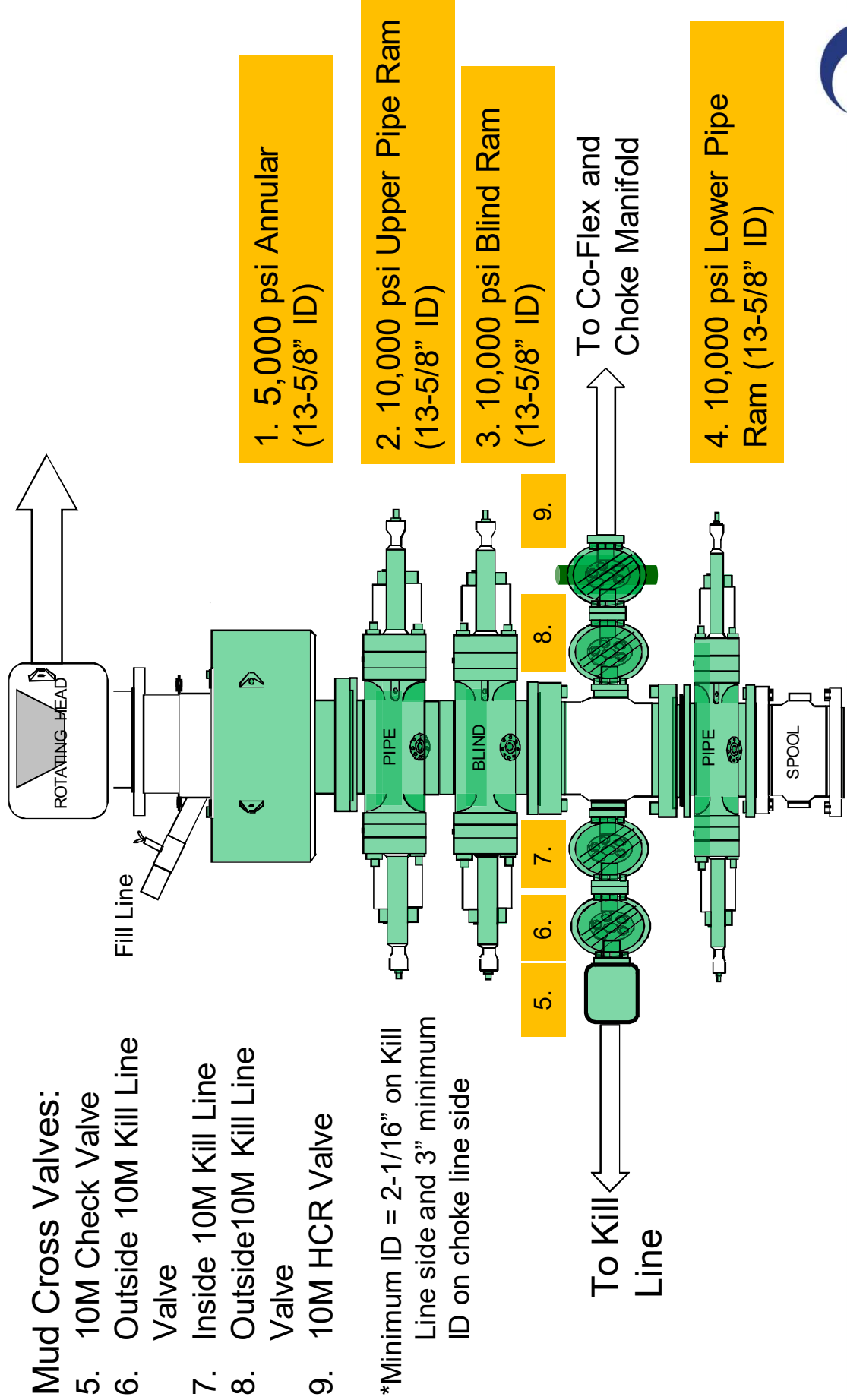
Choke Manifold – Gas Separator (Top View)



Choke Manifold – Gas Separator (Side View)



# 5/10M BOP Stack



Sante Fe Main Office  
Phone: (505) 476-3441

General Information  
Phone: (505) 629-6116

Online Phone Directory  
<https://www.emnrd.nm.gov/ocd/contact-us>

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

CONDITIONS

Action 415184

**CONDITIONS**

|  |   |
|--|---|
| Operator:<br>OXY USA INC<br>P.O. Box 4294<br>Houston, TX 772104294 | OGRID:<br>16696   |
|  | Action Number:<br>415184  |
|  | Action Type:<br>[C-101] BLM - Federal/Indian Land Lease (Form 3160-3) |

**CONDITIONS**

| Created By    | Condition   | Condition Date |
|---------------|---|----------------|
| melissaguidry | Cement is required to circulate on both surface and intermediate1 strings of casing.  | 12/26/2024     |
| melissaguidry | If cement does not circulate on any string, a Cement Bond Log (CBL) is required for that string of casing.  | 12/26/2024     |
| ward.rikala   | Notify the OCD 24 hours prior to casing & cement.   | 1/24/2025      |
| ward.rikala   | File As Drilled C-102 and a directional Survey with C-104 completion packet.  | 1/24/2025      |
| ward.rikala   | 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. | 1/24/2025      |
| ward.rikala   | Oil base muds are not to be used until fresh water zones are cased and cemented providing isolation from the oil or diesel. This includes synthetic oils. Oil based mud, drilling fluids and solids must be contained in a steel closed loop system.                  | 1/24/2025      |