Form 3160-3 FORM APPROVED OMB No. 1004-0137 (June 2015) Expires: January 31, 2018 **UNITED STATES** DEPARTMENT OF THE INTERIOR 5. Lease Serial No. BUREAU OF LAND MANAGEMENT APPLICATION FOR PERMIT TO DRILL OR REENTER 6. If Indian, Allotee or Tribe Name 7. If Unit or CA Agreement, Name and No. DRILL REENTER 1a. Type of work: 1b. Type of Well: Oil Well Gas Well Other 8. Lease Name and Well No. 1c. Type of Completion: Hydraulic Fracturing Single Zone Multiple Zone 2. Name of Operator 9. API Well No. 30-015-56042 3a. Address 3b. Phone No. (include area code) 10. Field and Pool, or Exploratory 4. Location of Well (Report location clearly and in accordance with any State requirements.*) 11. Sec., T. R. M. or Blk. and Survey or Area At surface At proposed prod. zone 14. Distance in miles and direction from nearest town or post office* 12. County or Parish 13. State 15. Distance from proposed* 16. No of acres in lease 17. Spacing Unit dedicated to this well location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) 18. Distance from proposed location* 19. Proposed Depth 20. BLM/BIA Bond No. in file to nearest well, drilling, completed, applied for, on this lease, ft. 21. Elevations (Show whether DF, KDB, RT, GL, etc.) 22. Approximate date work will start* 23. Estimated duration 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. 4. Bond to cover the operations unless covered by an existing bond on file (see 2. A Drilling Plan. Item 20 above) 3. A Surface Use Plan (if the location is on National Forest System Lands, the 5. Operator certification. 6. Such other site specific information and/or plans as may be requested by the SUPO must be filed with the appropriate Forest Service Office). 25. Signature Name (Printed/Typed) Date Title Approved by (Signature) Name (Printed/Typed) Date Title Office 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



*(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 wen, 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 directionany 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 wen 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 win 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 conects this information to anow 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 Conection 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: NENW / 419 FNL / 1762 FWL / TWSP: 24S / RANGE: 31E / SECTION: 7 / LAT: 32.237965 / LONG: -103.8199591 (TVD: 0 feet, MD: 0 feet)

PPP: SWSE / 0 FSL / 2385 FEL / TWSP: 24S / RANGE: 31E / SECTION: 6 / LAT: 32.2391157 / LONG: -103.8160982 (TVD: 12160 feet, MD: 12497 feet)

PPP: SWSE / 0 FSL / 2393 FEL / TWSP: 23S / RANGE: 31E / SECTION: 31 / LAT: 32.2536551 / LONG: -103.816098 (TVD: 12175 feet, MD: 17788 feet)

PPP: SWSE / 100 FSL / 2385 FEL / TWSP: 24S / RANGE: 31E / SECTION: 6 / LAT: 32.2393906 / LONG: -103.816098 (TVD: 12175 feet, MD: 12598 feet)

BHL: NWNE / 20 FNL / 2385 FEL / TWSP: 23S / RANGE: 31E / SECTION: 31 / LAT: 32.2681233 / LONG: -103.8160725 (TVD: 12175 feet, MD: 23052 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.

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<u>C-10</u>			En		State of New nerals & Natura CONSERVAT	l Resource		nent			Revised July 9, 2024
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			T		WELL LOCAT						
	5- 56042		Pool Code 98220						SE; W		MP (GAS)
Proper 329887	ty Code		Property Na	ame NU	IGGET 6	5_31 F	FED (COM		Well Numb	er
OGRII 16696			Operator Na	ame OX	Y USA	INC.				Ground Lev 3472'	el Elevation
Surfac	e Owner: \square	State ☐ Fee ☐	Tribal 🗹 Fed	leral		Mineral	Owner: 🗆 S	State Fee	🗆 Tribal 🗹	Federal	
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UL	Section	Township	Range	Lot	Ft. from N/S	Ft. from	E/W	Latitude	I	Longitude	County
C	7	24S	31E		419 FN	L 1762	FWL	32.2379	96508 -1	103.81995911	EDDY
				1	Bottom	Hole Location	on				
UL	Section	Township	Range	Lot	Ft. from N/S	Ft. from		Latitude		Longitude	County
В	31	23S	31E		20 FNL	2385	5 FEL	32.2681	2331 -1	103.81607250	EDDY
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UL	Section	Township	Range	Lot	Ft. from N/S	Ft. from		Latitude	I	Longitude	County
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В	31	23S	31E		100 FN	L 2385	FEL	32.2679	90341 -1	103.81607222	EDDY
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consent in each	of at least one tract (in the ta		of a working intentation) in which a mpulsory poolin	rest or unleadiny part of the gorder from	sed mineral interest e well's completed			P. SAOP			
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Note: 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.

Certificate Nu

RONI MATHEW

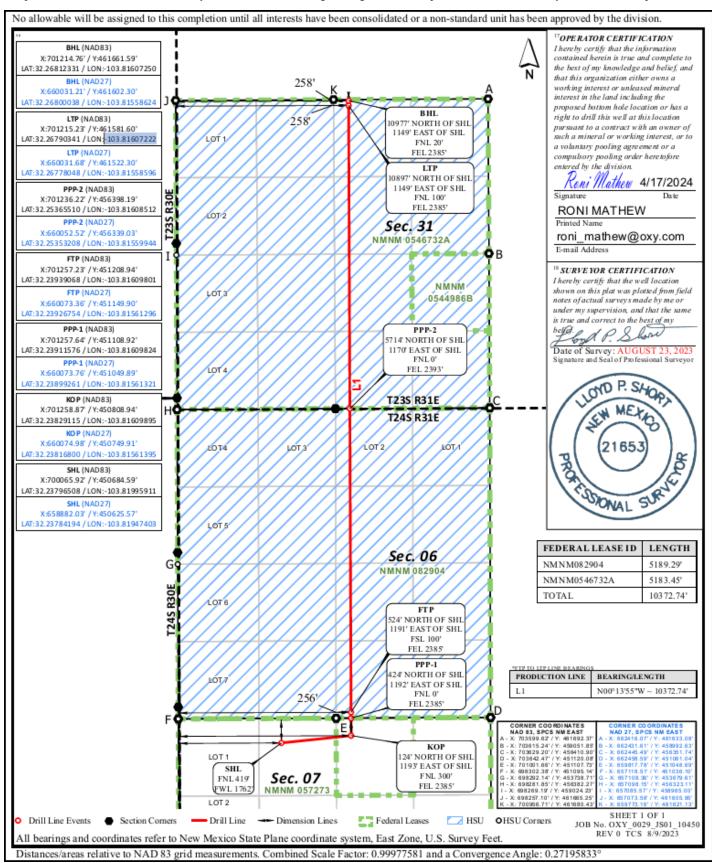
roni_mathew@oxy.com

Printed Name

Email Address

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.



PECOS DISTRICT DRILLING CONDITIONS OF APPROVAL

OPERATOR'S NAME: OXY USA INCORPORATED
WELL NAME & NO.: NUGGET 6 31 FED COM 44H
LOCATION: Section 7, T.24 S., R.31 E.
COUNTY: Eddy County, New Mexico

COA

H2S	• Yes	O No	
Potash	O None	Secretary	O R-111-P
Cave/Karst Potential	• Low	O Medium	O High
Cave/Karst Potential	O Critical		
Variance	O None	• Flex Hose	Other Other
Wellhead	Conventional	Multibowl	O Both
Wellhead Variance	O Diverter		
Other	□4 String	☐ Capitan Reef	□WIPP
Other	☐ Fluid Filled	☐ Pilot Hole	☐ Open Annulus
Cementing	☐ Contingency	☐ EchoMeter	☑ Primary Cement
	Cement Squeeze		Squeeze
Special Requirements	☐ Water Disposal	☑ COM	□ Unit
Special Requirements	☐ Batch Sundry		
Special Requirements	☑ Break Testing	✓ Offline	☐ Casing
Variance	_	Cementing	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

Primary Casing Design:

- 1. The **10-3/4** inch surface casing shall be set at approximately **887** 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 **11,594** 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 <u>Secretary Potash Areas</u> 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 **23,052** 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**; (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 2nd 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 2nd 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. <u>Wait on cement (WOC) for Potash Areas:</u> 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

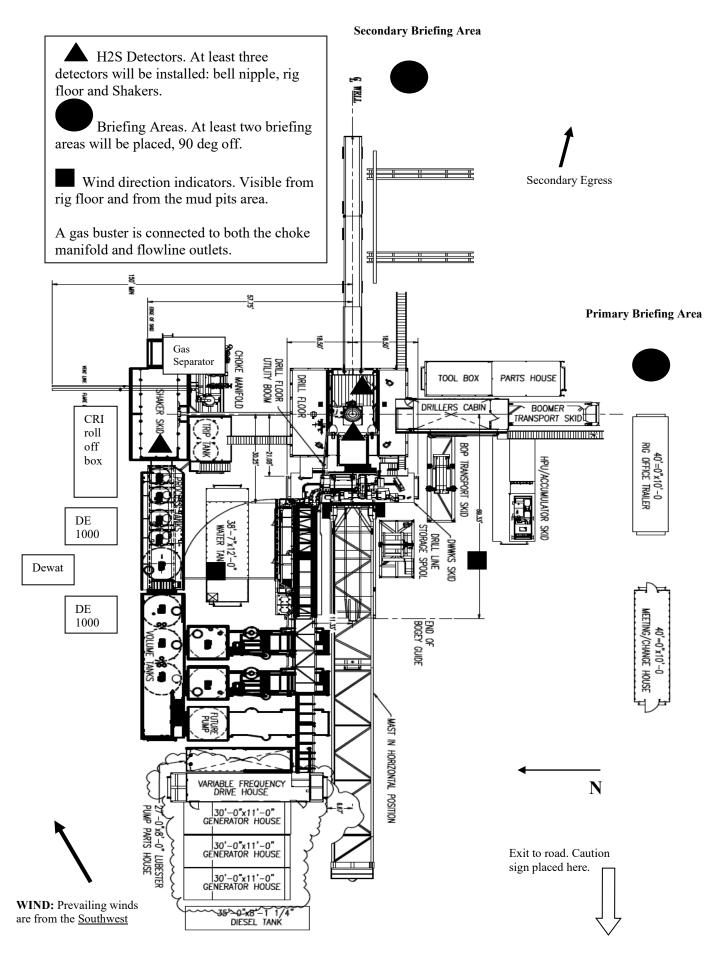


Permian Drilling Hydrogen Sulfide Drilling Operations Plan

Open drill site. No homes or buildings are near the proposed location.

1. Escape

Personnel shall escape upwind of wellbore in the event of an emergency gas release. Escape can take place through the lease road on the Southeast side of the location. Personnel need to move to a safe distance and block the entrance to location. If the primary route is not an option due to the wind direction, then a secondary egress route should be taken.





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 (H2S) gas.

While drilling this well, it is possible to encounter H2S bearing formations. At all times, the first barrier to control H2S 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 H2S is detected. All H2S 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 commence.

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 H2S.
- 2. Proper use and maintenance of personal protective equipment and life support systems.
- 3. H2S detection.
- 4. Proper use of H2S 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 H2S 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 H2S Drilling Operations Plan.

H2S 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. H2S 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 H2S 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 H2S.
- 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. <u>Protective equipment for personnel</u>

- 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. H2S 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. H2S monitor tester (to be provided by contract Safety Company.)
- D. There shall be one combustible gas detector on location at all times.

4. <u>Visual Warning Systems</u>

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. <u>Mud Program</u>

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. <u>Metallurgy</u>

- 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. <u>Designated area</u>

- 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 H2S 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 H2S 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 1. Will remain in briefing / muster area until instructed by supervisor.

Mud engineer:

- 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.

<u>Instructions for igniting the well</u>

- 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.

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

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:
encerca oy.	Bate.

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 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.

<u>Important:</u> 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	Threshold limit	Hazardous limit	Lethal concentration (3)
TT 1	TT	(sc=1)	(1)	(2)	200
Hydrogen Cyanide	Hen	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	C12	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	Combustib	le 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

		Concentration	Physical effects
Percent (%)	Ppm	Grains	
, ,	-	100 std. Ft3*	
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 H2S.

- B. When breaking out any line where H2S can reasonably be expected.
- C. When sampling air in areas to determine if toxic concentrations of H2S exists.
- D. When working in areas where over 10 ppm H2S has been detected.
- E. At any time there is a doubt as to the H2S level in the area to be entered.

Rescue First aid for H2S 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 H2S gas poisoning no matter how remote the possibility is.
- 6. Notify emergency room personnel that the victim(s) has been exposed to H2S gas.

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

Revised CM 6/27/2012

OXY

PRD NM DIRECTIONAL PLANS (NAD 1983) Nugget 6_31 Nugget 6_31 Fed Com 44H

Wellbore #1

Plan: Permitting Plan

Standard Planning Report

02 April, 2024

OXY

Planning Report

HOPSPP Database:

Company: **ENGINEERING DESIGNS**

Project: PRD NM DIRECTIONAL PLANS (NAD 1983)

Site:

Nugget 6_31

Well:

Nugget 6_31 Fed Com 44H

Wellbore: Design:

Map Zone:

Wellbore #1 Permitting Plan Local Co-ordinate Reference:

TVD Reference:

MD Reference: North Reference:

Survey Calculation Method:

Well Nugget 6_31 Fed Com 44H

RKB = 25' @ 3497.00ft RKB = 25' @ 3497.00ft

Grid

Minimum Curvature

Project PRD NM DIRECTIONAL PLANS (NAD 1983)

Map System: Geo Datum:

US State Plane 1983 North American Datum 1983 New Mexico Eastern Zone

System Datum:

Mean Sea Level

Using geodetic scale factor

Site Nugget 6_31

Site Position: From:

Northing: Мар Easting:

2.00 ft

450,899.01 usft 698,758.94 usft

Latitude: Longitude:

32.238572 -103.824183

Position Uncertainty: 0.89 ft Slot Radius: 13.200 in

Well Nugget 6_31 Fed Com 44H

Well Position +N/-S

0.00 ft +E/-W 0.00 ft Northing: Easting:

Wellhead Elevation:

450.684.59 usf 700,065.92 usf

6.37

ft

Latitude: Longitude: **Ground Level:**

32.237965 -103.819959 3,472.00 ft

Position Uncertainty Grid Convergence:

0.27°

HDGM FILE

Wellbore #1

Wellbore Magnetics

Model Name Sample Date Declination (°)

Dip Angle

Field Strength (nT)

59.77 47,402.70000000

Design Permitting Plan

Audit Notes:

Version:

Phase:

PLAN

Tie On Depth:

0.00

Vertical Section: Depth From (TVD) +N/-S +E/-W Direction (ft) (ft) (ft) (°) 0.00 0.00 0.00 5.97

4/2/2024

Plan Survey Tool Program Date 4/2/2024

Depth From Depth To

0.00

(ft) (ft) Survey (Wellbore)

23,051.74 Permitting Plan (Wellbore #1)

Tool Name

Remarks

SQC_C705Mb_MWD+IFR1

MWD+IFR1+Sag+FDIR

Plan Sections 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	
4,500.00	0.00	0.00	4,500.00	0.00	0.00	0.00	0.00	0.00	0.00	
5,441.91	9.42	92.55	5,437.67	-3.44	77.17	1.00	1.00	0.00	92.55	
11,693.79	9.42	92.55	11,605.26	-48.93	1,099.31	0.00	0.00	0.00	0.00	
12,598.34	90.00	359.77	12,175.00	524.38	1,191.39	10.00	8.91	-10.26	-92.74	FTP (Nugget 6_31
23,051.74	90.00	359.77	12,175.00	10,977.70	1,148.91	0.00	0.00	0.00	0.00	PBHL (Nugget 6_31

OXY

Planning Report

Database: Company: HOPSPP

ENGINEERING DESIGNS

Project: PRD NM DIRECTIONAL PLANS (NAD 1983)

Site: Nugget 6_31

Well: Nugget 6_31 Fed Com 44H

Wellbore: Wellbore #1

Design: Permitting Plan

Local Co-ordinate Reference:

TVD Reference: MD Reference: North Reference:

Survey Calculation Method:

Well Nugget 6_31 Fed Com 44H

RKB = 25' @ 3497.00ft RKB = 25' @ 3497.00ft

Grid

Minimum Curvature

esigii.	r emilling r is								
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	0.00	700.00	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
	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
4,600.00	1.00	92.55	4,600.00	-0.04	0.87	0.05	1.00	1.00	0.00
4,700.00	2.00	92.55	4,699.96	-0.16	3.49	0.21	1.00	1.00	0.00
4,800.00	3.00	92.55	4,799.86	-0.35	7.84	0.47	1.00	1.00	0.00
4,900.00	4.00	92.55	4,899.68	-0.62	13.94	0.83	1.00	1.00	0.00
5,000.00	5.00	92.55	4,999.37	-0.97	21.78	1.30	1.00	1.00	0.00
5,100.00	6.00	92.55	5,098.90	-1.40	31.36	1.88	1.00	1.00	0.00
5,200.00	7.00	92.55	5,198.26	-1.90	42.67	2.55	1.00	1.00	0.00
5,300.00	8.00	92.55	5,297.40	-2.48	55.70	3.33	1.00	1.00	0.00
5,400.00	9.00	92.55	5,396.30	-3.14	70.47	4.22	1.00	1.00	0.00

Planning Report

Database: Company: HOPSPP

ENGINEERING DESIGNS

Project: PRD NM DIRECTIONAL PLANS (NAD 1983)

Site: Nugget 6_31

Well: Nugget 6_31 Fed Com 44H

Wellbore: Wellbore #1
Design: Permitting Plan

Local Co-ordinate Reference:

TVD Reference: MD Reference: North Reference:

Survey Calculation Method:

Well Nugget 6_31 Fed Com 44H

RKB = 25' @ 3497.00ft RKB = 25' @ 3497.00ft

Grid

Design:	Permitting Pla	an							
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)
5,441.91	9.42	92.55	5,437.67	-3.44	77.17	4.62	1.00	1.00	0.00
5,500.00	9.42	92.55	5,494.98	-3.86	86.67	5.18	0.00	0.00	0.00
5,600.00	9.42	92.55	5,593.63	-4.59	103.02	6.16	0.00	0.00	0.00
5,700.00	9.42	92.55	5,692.28 5,790.94	-5.31	119.37	7.14	0.00	0.00	0.00
5,800.00	9.42	92.55		-6.04	135.72	8.12	0.00	0.00	0.00
5,900.00	9.42	92.55	5,889.59	-6.77	152.07	9.10	0.00	0.00	0.00
6,000.00	9.42	92.55	5,988.24	-7.50	168.42	10.07	0.00	0.00	0.00
6,100.00	9.42	92.55	6,086.89	-8.22	184.76	11.05	0.00	0.00	0.00
6,200.00	9.42	92.55	6,185.54	-8.95	201.11	12.03	0.00	0.00	0.00
6,300.00	9.42	92.55	6,284.19	-9.68	217.46	13.01	0.00	0.00	0.00
6,400.00	9.42	92.55	6,382.85	-10.41	233.81	13.99	0.00	0.00	0.00
6,500.00	9.42	92.55	6,481.50	-11.14	250.16	14.96	0.00	0.00	0.00
6,600.00	9.42	92.55	6,580.15	-11.86	266.51	15.94	0.00	0.00	0.00
6,700.00	9.42	92.55	6,678.80	-12.59	282.86	16.92	0.00	0.00	0.00
6,800.00	9.42	92.55	6,777.45	-13.32	299.21	17.90	0.00	0.00	0.00
6,900.00	9.42	92.55	6,876.10	-14.05	315.56	18.88	0.00	0.00	0.00
7,000.00	9.42	92.55	6,974.76	-14.77	331.91	19.85	0.00	0.00	0.00
7,100.00	9.42	92.55	7,073.41	-15.50	348.26	20.83	0.00	0.00	0.00
7,200.00	9.42	92.55	7,172.06	-16.23	364.61	21.81	0.00	0.00	0.00
7,300.00	9.42	92.55	7,270.71	-16.96	380.96	22.79	0.00	0.00	0.00
7,400.00	9.42	92.55	7,369.36	-17.69	397.31	23.77	0.00	0.00	0.00
7,500.00	9.42	92.55	7,468.02	-18.41	413.66	24.74	0.00	0.00	0.00
7,600.00	9.42	92.55	7,566.67	-19.14	430.00	25.72	0.00	0.00	0.00
7,700.00	9.42	92.55	7,665.32	-19.87	446.35	26.70	0.00	0.00	0.00
7,800.00	9.42	92.55	7,763.97	-20.60	462.70	27.68	0.00	0.00	0.00
7,900.00	9.42	92.55	7,862.62	-21.32	479.05	28.66	0.00	0.00	0.00
8,000.00	9.42	92.55	7,961.27	-22.05	495.40	29.63	0.00	0.00	0.00
8,100.00	9.42	92.55	8,059.93	-22.78	511.75	30.61	0.00	0.00	0.00
8,200.00	9.42	92.55	8,158.58	-23.51	528.10	31.59	0.00	0.00	0.00
8,300.00	9.42	92.55	8,257.23	-24.24	544.45	32.57	0.00	0.00	0.00
8,400.00	9.42	92.55	8,355.88	-24.96	560.80	33.55	0.00	0.00	0.00
8,500.00	9.42	92.55	8,454.53	-25.69	577.15	34.52	0.00	0.00	0.00
8,600.00	9.42	92.55	8,553.18	-26.42	593.50	35.50	0.00	0.00	0.00
8,700.00	9.42	92.55	8,651.84	-27.15	609.85	36.48	0.00	0.00	0.00
8,800.00	9.42	92.55	8,750.49	-27.87	626.20	37.46	0.00	0.00	0.00
8,900.00	9.42	92.55	8,849.14	-28.60	642.55	38.44	0.00	0.00	0.00
9,000.00	9.42	92.55	8,947.79	-29.33	658.90	39.41	0.00	0.00	0.00
9,100.00	9.42	92.55	9,046.44	-30.06	675.24	40.39	0.00	0.00	0.00
9,200.00 9,300.00	9.42 9.42	92.55	9,145.10	-30.79	691.59 707.94	41.37	0.00	0.00 0.00	0.00 0.00
		92.55	9,243.75	-31.51		42.35	0.00		
9,400.00	9.42	92.55	9,342.40	-32.24	724.29	43.33	0.00	0.00	0.00
9,500.00	9.42	92.55	9,441.05	-32.97	740.64	44.30	0.00	0.00	0.00
9,600.00	9.42	92.55	9,539.70	-33.70	756.99	45.28	0.00	0.00	0.00
9,700.00 9,800.00	9.42 9.42	92.55	9,638.35 9,737.01	-34.42 35.15	773.34	46.26 47.24	0.00 0.00	0.00	0.00
		92.55		-35.15	789.69	47.24		0.00	0.00
9,900.00	9.42	92.55	9,835.66	-35.88	806.04	48.22	0.00	0.00	0.00
10,000.00	9.42	92.55	9,934.31	-36.61	822.39	49.19	0.00	0.00	0.00
10,100.00 10,200.00	9.42 9.42	92.55 92.55	10,032.96 10,131.61	-37.34 -38.06	838.74 855.09	50.17 51.15	0.00 0.00	0.00 0.00	0.00 0.00
10,300.00	9.42	92.55 92.55	10,131.61	-38.79	871.44	51.13	0.00	0.00	0.00
10,400.00	9.42	92.55	10,328.92	-39.52	887.79	53.11	0.00	0.00	0.00
10,500.00	9.42	92.55	10,427.57	-40.25	904.14	54.08	0.00	0.00	0.00
10,600.00 10,700.00	9.42 9.42	92.55 92.55	10,526.22 10,624.87	-40.97 -41.70	920.48 936.83	55.06 56.04	0.00 0.00	0.00 0.00	0.00 0.00
10,700.00	9.42	92.55 92.55	10,624.87	-41.70 -42.43	950.83	56.04 57.02	0.00	0.00	0.00
10,000.00	9.42	92.00	10,720.02	72.70		07.02	0.00	0.00	0.00

Planning Report

Database: Company: HOPSPP

ENGINEERING DESIGNS

Project: PRD NM DIRECTIONAL PLANS (NAD 1983)

Site: Nugget 6_31

Well: Nugget 6_31 Fed Com 44H

Wellbore: Wellbore #1

Design: Permitting Plan

Local Co-ordinate Reference:

TVD Reference:
MD Reference:
North Reference:

Survey Calculation Method:

Well Nugget 6_31 Fed Com 44H

RKB = 25' @ 3497.00ft RKB = 25' @ 3497.00ft

Grid

Design:	Permitting Pla	an							
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)
10,900.00	9.42	92.55	10,822.18	-43.16	969.53	58.00	0.00	0.00	0.00
11,000.00	9.42	92.55	10,920.83	-43.89	985.88	58.97	0.00	0.00	0.00
11,100.00	9.42	92.55	11,019.48	-44.61	1,002.23	59.95	0.00	0.00	0.00
11,200.00	9.42	92.55	11,118.13	-45.34	1,018.58	60.93	0.00	0.00	0.00
11,300.00	9.42	92.55	11,216.78	-46.07	1,034.93	61.91	0.00	0.00	0.00
11,400.00	9.42	92.55	11,315.43	-46.80	1,051.28	62.89	0.00	0.00	0.00
11,500.00	9.42	92.55	11,414.09	-47.52	1,067.63	63.86	0.00	0.00	0.00
11,600.00	9.42	92.55	11,512.74	-48.25	1,083.98	64.84	0.00	0.00	0.00
11,693.79	9.42	92.55	11,605.26	-48.93	1,099.31	65.76	0.00	0.00	0.00
11,700.00	9.41	88.75	11,611.39	-48.95	1,100.33	65.85	10.00	-0.15	-61.14
11,800.00	13.82	42.12	11,709.52	-39.89	1,116.55	76.55	10.00	4.41	-46.63
11,900.00	22.17	23.76	11,804.62	-13.69	1,132.20	104.23	10.00	8.35	-18.36
12,000.00	31.47	15.48	11,893.79	28.84	1,146.80	148.05	10.00	9.30	-8.29
12,100.00	41.07	10.73	11,974.34	86.41	1,159.92	206.68	10.00	9.60	-4.75
12,200.00	50.81	7.53	12,043.81	157.28	1,171.14	278.33	10.00	9.74	-3.20
12,300.00	60.61	5.12	12,100.09	239.30	1,180.13	360.84	10.00	9.80	-2.41
12,400.00	70.44	3.14	12,141.47	329.96	1,186.62	451.69	10.00	9.84	-1.98
12,500.00	80.30	1.39	12,166.70	426.52	1,190.41	548.12	10.00	9.86	-1.75
12,598.34	90.00	359.77	12,175.00	524.38	1,191.39	645.55	10.00	9.86	-1.65
12,600.00	90.00	359.77	12,175.00	526.05	1,191.38	647.20	0.00	0.00	0.00
12,700.00	90.00	359.77	12,175.00	626.05	1,190.97	746.61	0.00	0.00	0.00
12,800.00	90.00	359.77	12,175.00	726.04	1,190.57	846.03	0.00	0.00	0.00
12,900.00	90.00	359.77	12,175.00	826.04	1,190.16	945.44	0.00	0.00	0.00
13,000.00	90.00	359.77	12,175.00	926.04	1,189.75	1,044.85	0.00	0.00	0.00
13,100.00	90.00	359.77	12,175.00	1,026.04	1,189.35	1,144.27	0.00	0.00	0.00
13,200.00	90.00	359.77	12,175.00	1,126.04	1,188.94	1,243.68	0.00	0.00	0.00
13,300.00	90.00	359.77	12,175.00	1,226.04	1,188.54	1,343.10	0.00	0.00	0.00
13,400.00	90.00	359.77	12,175.00	1,326.04	1,188.13	1,442.51	0.00	0.00	0.00
13,500.00	90.00	359.77	12,175.00	1,426.04	1,187.72	1,541.92	0.00	0.00	0.00
13,600.00	90.00	359.77	12,175.00	1,526.04	1,187.32	1,641.34	0.00	0.00	0.00
13,700.00	90.00	359.77	12,175.00	1,626.04	1,186.91	1,740.75	0.00	0.00	0.00
13,800.00	90.00	359.77	12,175.00	1,726.04	1,186.50	1,840.16	0.00	0.00	0.00
13,900.00	90.00	359.77	12,175.00	1,826.04	1,186.10	1,939.58	0.00	0.00	0.00
14,000.00	90.00	359.77	12,175.00	1,926.03	1,185.69	2,038.99	0.00	0.00	0.00
14,100.00	90.00	359.77	12,175.00	2,026.03	1,185.29	2,138.40	0.00	0.00	0.00
14,200.00	90.00	359.77	12,175.00	2,126.03	1,184.88	2,237.82	0.00	0.00	0.00
14,300.00	90.00	359.77	12,175.00	2,226.03	1,184.47	2,337.23	0.00	0.00	0.00
14,400.00	90.00	359.77	12,175.00	2,326.03	1,184.07	2,436.65	0.00	0.00	0.00
14,500.00	90.00	359.77	12,175.00	2,426.03	1,183.66	2,536.06	0.00	0.00	0.00
14,600.00	90.00	359.77	12,175.00	2,526.03	1,183.25	2,635.47	0.00	0.00	0.00
14,700.00	90.00	359.77	12,175.00	2,626.03	1,182.85	2,734.89	0.00	0.00	0.00
14,800.00	90.00	359.77	12,175.00	2,726.03	1,182.44	2,834.30	0.00	0.00	0.00
14,900.00	90.00	359.77	12,175.00	2,826.03	1,182.03	2,933.71	0.00	0.00	0.00
15,000.00	90.00	359.77	12,175.00	2,926.03	1,181.63	3,033.13	0.00	0.00	0.00
15,100.00	90.00	359.77	12,175.00	3,026.03	1,181.22	3,132.54	0.00	0.00	0.00
15,200.00	90.00	359.77	12,175.00	3,126.02	1,180.82	3,231.95	0.00	0.00	0.00
15,300.00	90.00	359.77	12,175.00	3,226.02	1,180.41	3,331.37	0.00	0.00	0.00
15,400.00	90.00	359.77	12,175.00	3,326.02	1,180.00	3,430.78	0.00	0.00	0.00
15,500.00	90.00	359.77	12,175.00	3,426.02	1,179.60	3,530.20	0.00	0.00	0.00
15,600.00	90.00	359.77	12,175.00	3,526.02	1,179.19	3,629.61	0.00	0.00	0.00
15,700.00	90.00	359.77	12,175.00	3,626.02	1,178.78	3,729.02	0.00	0.00	0.00
15,800.00	90.00	359.77	12,175.00	3,726.02	1,178.38	3,828.44	0.00	0.00	0.00
15,900.00	90.00	359.77	12,175.00	3,826.02	1,177.97	3,927.85	0.00	0.00	0.00
16,000.00	90.00	359.77	12,175.00	3,926.02	1,177.57	4,027.26	0.00	0.00	0.00
16,100.00	90.00	359.77	12,175.00	4,026.02	1,177.16	4,126.68	0.00	0.00	0.00

Planning Report

Database: Company: HOPSPP

ENGINEERING DESIGNS

Project: PRD NM DIRECTIONAL PLANS (NAD 1983)

Site: Nugget 6_31

Well: Nugget 6_31 Fed Com 44H

Wellbore: Wellbore #1

Design: Permitting Plan

Local Co-ordinate Reference:

TVD Reference:
MD Reference:
North Reference:

Survey Calculation Method:

Well Nugget 6_31 Fed Com 44H

RKB = 25' @ 3497.00ft RKB = 25' @ 3497.00ft

Grid

Design:	Permitting Pla	an							
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)
16,200.00	90.00	359.77	12,175.00	4,126.02	1,176.75	4,226.09	0.00	0.00	0.00
16,300.00	90.00	359.77	12,175.00	4,226.02	1,176.35	4,325.51	0.00	0.00	0.00
16,400.00	90.00	359.77	12,175.00	4,326.01	1,175.94	4,424.92	0.00	0.00	0.00
16,500.00	90.00	359.77	12,175.00	4,426.01	1,175.53	4,524.33	0.00	0.00	0.00
16,600.00	90.00	359.77	12,175.00	4,526.01	1,175.13	4,623.75	0.00	0.00	0.00
16,700.00	90.00	359.77	12,175.00	4,626.01	1,174.72	4,723.16	0.00	0.00	0.00
16,800.00	90.00	359.77	12,175.00	4,726.01	1,174.31	4,822.57	0.00	0.00	0.00
16,900.00	90.00	359.77	12,175.00	4,826.01	1,173.91	4,921.99	0.00	0.00	0.00
17,000.00	90.00	359.77	12,175.00	4,926.01	1,173.50	5,021.40	0.00	0.00	0.00
17,100.00	90.00	359.77	12,175.00	5,026.01	1,173.10	5,120.81	0.00	0.00	0.00
17,200.00	90.00	359.77	12,175.00	5,126.01	1,172.69	5,220.23	0.00	0.00	0.00
17,300.00	90.00	359.77	12,175.00	5,226.01	1,172.28	5,319.64	0.00	0.00	0.00
17,400.00	90.00	359.77	12,175.00	5,326.01	1,171.88	5,419.06	0.00	0.00	0.00
17,500.00 17,600.00	90.00 90.00	359.77 359.77	12,175.00 12,175.00 12,175.00	5,426.01 5,526.00	1,171.47 1,171.06	5,518.47 5,617.88	0.00 0.00 0.00	0.00 0.00 0.00	0.00 0.00 0.00
17,700.00	90.00	359.77	12,175.00	5,626.00	1,170.66	5,717.30	0.00	0.00	0.00
17,800.00	90.00	359.77	12,175.00	5,726.00	1,170.25	5,816.71	0.00	0.00	0.00
17,900.00	90.00	359.77	12,175.00	5,826.00	1,169.85	5,916.12	0.00	0.00	0.00
18,000.00	90.00	359.77	12,175.00	5,926.00	1,169.44	6,015.54	0.00	0.00	0.00
18,100.00	90.00	359.77	12,175.00	6,026.00	1,169.03	6,114.95	0.00	0.00	0.00
18,200.00	90.00	359.77	12,175.00	6,126.00	1,168.63	6,214.37	0.00	0.00	0.00
18,300.00	90.00	359.77	12,175.00	6,226.00	1,168.22	6,313.78	0.00	0.00	0.00
18,400.00	90.00	359.77	12,175.00	6,326.00	1,167.81	6,413.19	0.00	0.00	0.00
18,500.00	90.00	359.77	12,175.00	6,426.00	1,167.41	6,512.61	0.00	0.00	0.00
18,600.00	90.00	359.77	12,175.00	6,526.00	1,167.00	6,612.02	0.00	0.00	0.00
18,700.00	90.00	359.77	12,175.00	6,626.00	1,166.59	6,711.43	0.00	0.00	0.00
18,800.00	90.00	359.77	12,175.00	6,725.99	1,166.19	6,810.85	0.00	0.00	0.00
18,900.00	90.00	359.77	12,175.00	6,825.99	1,165.78	6,910.26	0.00	0.00	0.00
19,000.00	90.00	359.77	12,175.00	6,925.99	1,165.38	7,009.67	0.00	0.00	0.00
19,100.00	90.00	359.77	12,175.00	7,025.99	1,164.97	7,109.09	0.00	0.00	0.00
19,200.00	90.00	359.77	12,175.00	7,125.99	1,164.56	7,208.50	0.00	0.00	0.00
19,300.00	90.00	359.77	12,175.00	7,225.99	1,164.16	7,307.92	0.00	0.00	0.00
19,400.00	90.00	359.77	12,175.00	7,325.99	1,163.75	7,407.33	0.00	0.00	0.00
19,500.00	90.00	359.77	12,175.00	7,425.99	1,163.34	7,506.74	0.00	0.00	0.00
19,600.00	90.00	359.77	12,175.00	7,525.99	1,162.94	7,606.16	0.00	0.00	0.00
19,700.00	90.00	359.77	12,175.00	7,625.99	1,162.53	7,705.57	0.00	0.00	0.00
19,800.00	90.00	359.77	12,175.00	7,725.99	1,162.13	7,804.98	0.00	0.00	0.00
19,900.00	90.00	359.77	12,175.00	7,825.99	1,161.72	7,904.40	0.00	0.00	0.00
20,000.00	90.00	359.77	12,175.00	7,925.99	1,161.31	8,003.81	0.00	0.00	0.00
20,100.00	90.00	359.77	12,175.00	8,025.98	1,160.91	8,103.22	0.00	0.00	0.00
20,200.00	90.00	359.77	12,175.00	8,125.98	1,160.50	8,202.64	0.00	0.00	0.00
20,300.00	90.00	359.77	12,175.00	8,225.98	1,160.09	8,302.05	0.00	0.00	0.00
20,400.00	90.00	359.77	12,175.00	8,325.98	1,159.69	8,401.47	0.00	0.00	0.00
20,500.00	90.00	359.77	12,175.00	8,425.98	1,159.28	8,500.88	0.00	0.00	0.00
20,600.00	90.00	359.77	12,175.00	8,525.98	1,158.88	8,600.29	0.00	0.00	0.00
20,700.00	90.00	359.77	12,175.00	8,625.98	1,158.47	8,699.71	0.00	0.00	0.00
20,800.00	90.00	359.77	12,175.00	8,725.98	1,158.06	8,799.12	0.00	0.00	0.00
20,900.00	90.00	359.77	12,175.00	8,825.98	1,157.66	8,898.53	0.00	0.00	0.00
21,000.00	90.00	359.77	12,175.00	8,925.98	1,157.25	8,997.95	0.00	0.00	0.00
21,100.00	90.00	359.77	12,175.00	9,025.98	1,156.84	9,097.36	0.00	0.00	0.00
21,200.00	90.00	359.77	12,175.00	9,125.98	1,156.44	9,196.78	0.00	0.00	0.00
21,300.00	90.00	359.77	12,175.00	9,225.97	1,156.03	9,296.19	0.00	0.00	0.00
21,400.00	90.00	359.77	12,175.00	9,325.97	1,155.62	9,395.60	0.00	0.00	0.00
21,500.00	90.00	359.77	12,175.00	9,425.97	1,155.22	9,495.02	0.00	0.00	0.00
21,600.00	90.00	359.77	12,175.00	9,525.97	1,154.81	9,594.43	0.00	0.00	0.00

Planning Report

Database: Company: HOPSPP

ENGINEERING DESIGNS

PRD NM DIRECTIONAL PLANS (NAD 1983) Project: Site:

Nugget 6_31 Nugget 6_31 Fed Com 44H

Well: Wellbore: Wellbore #1 Design: Permitting Plan Local Co-ordinate Reference:

TVD Reference: MD Reference:

North Reference: **Survey Calculation Method:** Well Nugget 6_31 Fed Com 44H

RKB = 25' @ 3497.00ft RKB = 25' @ 3497.00ft

Grid

Planned	Survey

riaillieu Sui v	/ey									
Meas Dep (fi	oth Ir	nclination (°)	Azimuth (°)	Vertical Depth (ft)	+N/-S (ft)	+E/-W (ft)	Vertical Section (ft)	Dogleg Rate (°/100ft)	Build Rate (°/100ft)	Turn Rate (°/100ft)
21,7	00.00	90.00	359.77	12,175.00	9,625.97	1,154.41	9,693.84	0.00	0.00	0.00
21,8	00.00	90.00	359.77	12,175.00	9,725.97	1,154.00	9,793.26	0.00	0.00	0.00
21,9	00.00	90.00	359.77	12,175.00	9,825.97	1,153.59	9,892.67	0.00	0.00	0.00
22,0	00.00	90.00	359.77	12,175.00	9,925.97	1,153.19	9,992.08	0.00	0.00	0.00
22,1	00.00	90.00	359.77	12,175.00	10,025.97	1,152.78	10,091.50	0.00	0.00	0.00
22,2	200.00	90.00	359.77	12,175.00	10,125.97	1,152.37	10,190.91	0.00	0.00	0.00
22,3	00.00	90.00	359.77	12,175.00	10,225.97	1,151.97	10,290.33	0.00	0.00	0.00
22,4	00.00	90.00	359.77	12,175.00	10,325.97	1,151.56	10,389.74	0.00	0.00	0.00
22,5	00.00	90.00	359.77	12,175.00	10,425.96	1,151.16	10,489.15	0.00	0.00	0.00
22,6	00.00	90.00	359.77	12,175.00	10,525.96	1,150.75	10,588.57	0.00	0.00	0.00
22,7	00.00	90.00	359.77	12,175.00	10,625.96	1,150.34	10,687.98	0.00	0.00	0.00
22,8	00.00	90.00	359.77	12,175.00	10,725.96	1,149.94	10,787.39	0.00	0.00	0.00
22,9	00.00	90.00	359.77	12,175.00	10,825.96	1,149.53	10,886.81	0.00	0.00	0.00
23,0	00.00	90.00	359.77	12,175.00	10,925.96	1,149.12	10,986.22	0.00	0.00	0.00
23.0	51.74	90.00	359.77	12,175.00	10,977.70	1,148.91	11,037.66	0.00	0.00	0.00

Design Targets
Target Name

Target Name - hit/miss target - Shape	Dip Angle (°)	Dip Dir. (°)	TVD (ft)	+N/-S (ft)	+E/-W (ft)	Northing (usft)	Easting (usft)	Latitude	Longitude
FTP (Nugget 6_31 Fed - plan hits target cen - Point	0.00 iter	0.00	12,175.00	524.38	1,191.39	451,208.94	701,257.23	32.239391	-103.816098
KOP (Nugget 6_31 - plan misses target - Point	0.00 center by 12		12,175.00 2248.92ft ME	124.36 O (12073.11 T	1,193.03 VD, 196.16 N	450,808.94 I, 1175.84 E)	701,258.87	32.238291	-103.816099
PBHL (Nugget 6_31 - plan hits target cen - Point	0.00 iter	0.00	12,175.00	10,977.70	1,148.91	461,661.59	701,214.76	32.268123	-103.816073

Formations							
	Measured Depth (ft)	Vertical Depth (ft)	Name	Lithology	Dip (°)	Dip Direction (°)	
	568.00	568.00	RUSTLER				
	947.00	947.00	SALADO				
	2,819.00	2,819.00	CASTILE				
	4,199.00	4,199.00	DELAWARE				
	4,230.00	4,230.00	BELL CANYON				
	5,137.31	5,136.00	CHERRY CANYON				
	6,406.24	6,389.00	BRUSHY CANYON				
	8,099.06	8,059.00	BONE SPRING				
	9,135.03	9,081.00	BONE SPRING 1ST				
	9,859.80	9,796.00	BONE SPRING 2ND				
	11,113.71	11,033.00	BONE SPRING 3RD				
	11,572.90	11,486.00	WOLFCAMP				
	11,735.11	11,646.00	WOLFCAMP A				

Planning Report

Database: HOPSPP

Company: ENGINEERING DESIGNS

Project: PRD NM DIRECTIONAL PLANS (NAD 1983)

Site: Nugget 6_31

Well: Nugget 6_31 Fed Com 44H

Wellbore: Wellbore #1

Design: Permitting Plan

Local Co-ordinate Reference:

TVD Reference:
MD Reference:
North Reference:

Survey Calculation Method:

Well Nugget 6_31 Fed Com 44H

RKB = 25' @ 3497.00ft RKB = 25' @ 3497.00ft

Grid

Plan Annotati	ons				
	Measured	Vertical	Local Coor	dinates	
	Depth (ft)	Depth (ft)	+N/-S (ft)	+E/-W (ft)	Comment
	4,500.00	4,500.00	0.00	0.00	Build 1°/100'
	5,441.91	5,437.67	-3.44	77.17	Hold 9° Tangent
	11,693.79	11,605.26	-48.93	1,099.31	KOP, Build 10°/100'
	12,598.34	12,175.00	524.38	1,191.39	Landing Point
	23,051.74	12,175.00	10,977.70	1,148.91	TD at 23051.74' MD

Oxy USA Inc. - NUGGET 6_31 FED COM 44H Drill Plan

1. Geologic Formations

TVD of Target (ft):	12175	Pilot Hole Depth (ft):	
Total Measured Depth (ft):	23052	Deepest Expected Fresh Water (ft):	568

Delaware Basin

Formation	MD-RKB (ft)	TVD-RKB (ft)	Expected Fluids
Rustler	568	568	
Salado	947	947	Salt
Castile	2819	2819	Salt
Delaware	4199	4199	Oil/Gas/Brine
Bell Canyon	4230	4230	Oil/Gas/Brine
Cherry Canyon	5137	5136	Oil/Gas/Brine
Brushy Canyon	6406	6389	Losses
Bone Spring	8099	8059	Oil/Gas
Bone Spring 1st	9135	9081	Oil/Gas
Bone Spring 2nd	9860	9796	Oil/Gas
Bone Spring 3rd	11114	11033	Oil/Gas
Wolfcamp	11573	11486	Oil/Gas
Penn			Oil/Gas
Strawn			Oil/Gas

^{*}H2S, water flows, loss of circulation, abnormal pressures, etc.

2. Casing Program

		N	ID	T\	/D				
	Hole	From	То	From	То	Csg.	Csg Wt.		
Section	Size (in)	(ft)	(ft)	(ft)	(ft)	OD (in)	(ppf)	Grade	Conn.
Surface	14.75	0	887	0	887	10.75	45.5	J-55	BTC
Intermediate	9.875	0	11594	0	11505	7.625	26.4	L-80 HC	BTC
Production	6.75	0	23052	0	12175	5.5	20	P-110	Wedge 461

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

NUGGET 6_31 FED COM 44H

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

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.

	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?	Y
If not provide justification (loading assumptions, casing design criteria).	1
Will the intermediate pipe be kept at a minimum 1/3 fluid filled to avoid approaching	Y
the collapse pressure rating of the casing?	1
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 rd string cement tied back	Y
500' into previous casing?	1
Is well located in R-111-P and SOPA?	N
If yes, are the first three strings cemented to surface?	
Is 2 nd 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?	

Occidental - Permian New Mexico NUGGET 6_31 FED COM 44H

3. Cementing Program

Section	Stage	Slurry:	Sacks	Yield (ft^3/ft)	Density (lb/gal)	Excess:	тос	Placement	Description
Surface	1	Surface - Tail	742	1.33	14.8	100%	-	Circulate	Class C+Accel.
Int.	1	Intermediate 1S - Tail	675	1.65	13.2	5%	6,656	Circulate	Class H+Accel., Disper., Salt
Int.	2	Intermediate 2S - Tail BH	1027	1.71	13.3	25%	-	Bradenhead	Class C+Accel.
Prod.	1	Production - Tail	677	1.84	13.3	25%	11,094	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

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.

Occidental - Permian New Mexico

4. Pressure Control Equipment

BOP installed and tested before drilling which hole?	Size?	Min. Required WP	Туре	1	Tested to:	Deepest TVD Depth (ft) per Section:
		5M	Annular	✓	70% of working pressure	
			Blind Ram	Blind Ram ✓		
9.875" Hole	13-5/8"	5M	Pipe Ram		250 psi / 5000 psi	
		Sivi	Double Ram	✓	230 psi / 3000 psi	
			Other*			
		5M	Annular	✓	100% of working pressure	
			Blind Ram	✓		
6.75" Hole	13-5/8"	10M	Pipe Ram		Pipe Ram	12175
		TOW	Double Ram	✓	250 psi / 10000 psi	o psi
			Other*			

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

^{*}Specify if additional ram is utilized

NUGGET 6_31 FED COM 44H

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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?

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.

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.

Occidental - Permian New Mexico NUGGET 6_31 FED COM 44H

5. Mud Program

C4!	Depth -	· MD	Depth -	TVD	Weight		¥7::4	Water
Section	From (ft)	To (ft)	From (ft)	To (ft)	Туре	(ppg)	Viscosity	Loss
Surface	0	887	0	887	Water-Based Mud	8.6 - 8.8	40-60	N/C
Intermediate	887	11594	887	11505	Saturated Brine-Based or Oil-Based Mud	8.0 - 10.0	35-45	N/C
Production	11594	23052	11505	12175	Water-Based or Oil- Based Mud	9.5 - 13.5	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, Drilling Paper, Salt Water Clay, CACL2. Oxy will use a closed mud system.

What will be used to monitor	the PVT/MD Totco/Visual Monitoring
loss or gain of fluid?	F V I/IVID TOLCO/ VISUAL WIGHLIGHING

6. Logging and Testing Procedures

Loggi	Logging, Coring and Testing.				
Yes	Will run GR from TD to surface (horizontal well – vertical portion of hole).				
res	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				

Addit	ional logs planned	Interval
No	Resistivity	
No	Density	
Yes	CBL	Production string
Yes	Mud log	Bone Spring – TD
No	PEX	

Occidental - Permian New Mexico NUGGET 6_31 FED COM 44H

7. Drilling Conditions

Condition	Specify what type and where?
BH Pressure at deepest TVD	8547 psi
Abnormal Temperature	No
BH Temperature at deepest TVD	178°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				
Υ	H2S Plan attached				

8. Other facets of operation

	Yes/No
Will the well be drilled with a walking/skidding operation? If yes, describe.	
We plan to drill the 3 well pad in batch by section: all surface sections, intermediate	Yes
sections and production sections. The wellhead will be secured with a night cap whenever	1 68
the rig is not over the well.	
Will more than one drilling rig be used for drilling operations? If yes, describe.	
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,	Yes
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.	

Total Estimated Cuttings Volume: 1709 bbls

OXY USA Inc APD ATTACHMENT: SPUDDER RIG DATA

OPERATOR NAME / NUMBER: OXY USA Inc

1. SUMMARY OF REQUEST:

Oxy USA respectfully requests approval for the following operations for the surface hole in the drill plan:

1. Utilize a spudder rig to pre-set surface casing for time and cost savings.

2. Description of Operations

- 1. Spudder rig will move in to drill the surface hole and pre-set surface casing on the well.
 - a. After drilling the surface hole section, the spudder rig will run casing and cement following all of the applicable rules and regulations (43 CFR part 3170 Subpart 3172, all COAs and NMOCD regulations).
 - b. The spudder rig will utilize fresh water-based mud to drill the surface hole to TD. Solids control will be handled entirely on a closed loop basis. No earth pits will be used.
- 2. The wellhead will be installed and tested as soon as the surface casing is cut off and the WOC time has been reached.
- **3.** A blind flange at the same pressure rating as the wellhead will be installed to seal the wellbore. Pressure will be monitored with needle valves installed on two wingvalves.
 - **a.** A means for intervention will be maintained while the drilling rig is not over the well.
- 4. Spudder rig operations are expected to take 2-3 days per well on the pad.
- 5. The BLM will be contacted and notified 24 hours prior to commencing spudder rig operations.
- **6.** Drilling operations will begin with a larger rig and a BOP stack equal to or greater than the pressure rating that was permitted will be nippled up and tested on the wellhead before drilling operations resume on each well.
 - a. The larger rig will move back onto the location within 90 days from the point at which the wells are secured and the spudder rig is moved off location.
 - b. The BLM will be contacted / notified 24 hours before the larger rig moves back on the pre-set locations.
- 7. Oxy will have supervision on the rig to ensure compliance with all BLM and NMOCD regulations and to oversee operations.
- **8.** Once the rig is removed, Oxy will secure the wellhead area by placing a guard rail around the cellar area.

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Oxy USA Inc. - Blanket Design Pad Document

OXY - Blanket Design A

Pad Name: SNDDNS_T24SR31E_7_2SHL: 420' FNL 1675' FWL, Sec 7, 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#	Sur	face	Interm	ediate	Production	
vveii ivaille	APD#	MD TVD		MD	TVD	MD	TVD
NUGGET 6_31 FED COM 21H	N/A - New Permit	859	859	8247	8073	19558	8700
NUGGET 6_31 FED COM 22H	N/A - New Permit	869	869	8075	8035	19351	8700
NUGGET 6_31 FED COM 23H	N/A - New Permit	876	876	8002	8002	19314	8700
NUGGET 6_31 FED COM 43H	N/A - New Permit	877	877	11460	11447	23008	12174
NUGGET 6_31 FED COM 44H	N/A - New Permit	887	887	11594	11505	23052	12175
NUGGET 6_31 FED COM 4H	N/A - New Permit	867	867	10579	10498	21847	11150
NUGGET 6_31 FED COM 5H	N/A - New Permit	883	883	10548	10511	21802	11150

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?	Y
If not provide justification (loading assumptions, casing design criteria).	1
Will the intermediate pipe be kept at a minimum 1/3 fluid filled to avoid approaching	Y
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 rd string cement tied back	Y
500' into previous casing?	
T 111 + 1' D 111 D 1 CODA 0	N.T.
Is well located in R-111-P and SOPA?	N
If yes, are the first three strings cemented to surface?	
Is 2 nd 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?	11

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Occidental - Permian New Mexico
Pad Review Document - Blanket Design A

3. Geologic Formations

Formation	MD-RKB (ft)	TVD-RKB (ft)	Expected Fluids
Rustler	543	543	
Salado	919	919	Salt
Castile	2758	2758	Salt
Delaware	4185	4185	Oil/Gas/Brine
Bell Canyon	4215	4215	Oil/Gas/Brine
Cherry Canyon	5124	5108	Oil/Gas/Brine
Brushy Canyon	6446	6365	Losses
Bone Spring	8221	8053	Oil/Gas
Bone Spring 1st			Oil/Gas
Bone Spring 2nd			Oil/Gas
Bone Spring 3rd			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:	тос	Placement	Description
Surface	1	Surface - Tail	719	1.33	14.8	100%	-	Circulate	Class C+Accel.
Int.	1	Intermediate 1S - Tail	208	1.68	13.2	5%	6,696	Circulate	Class C+Ret., Disper.
Int.	2	Intermediate 2S - Tail BH	1034	1.71	13.3	25%	-	Bradenhead	Class C+Accel.
Prod.	1	Production - Tail	669	1.84	13.3	25%	7,747	Circulate	Class C+Ret.





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"

				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	1200	0	1200	10.75	45.5	J-55	втс
Intermediate	9.875	0	13111*	0	12775*	7.625	26.4	L-80 HC	BTC Axis HT
Production	6.75	0	23361	0	12775	5.5	20	P-110	Wedge 461 Sprint SF DWC/C-HT-IS

^{*}Curve could be in intermediate or production section

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

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

^{*}Curve could be in intermediate or production section

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	SF Body SF Joint SF							
	<u> </u>	Doug o.	30					
Collapse		Tension						

[†]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.





§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

	ME)	TV	D		
Section	Deepest KOP (ft)	End Build (ft)	Deepest KOP (ft)	End Build (ft)	Max. Angle	Max. Planned DLS
Surface	0	1200	0	1200	5°	1°/100 ft
Intermediate	5000 (inside Cherry Canyon)	6500	4980	6390	20°	2°/100 ft
	12211	13111	12202	12775	92°‡	12°/100 ft ‡
Production	12211 (~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.





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^3/ft)	Density (lb/gal)	Excess:	тос	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^3/ft)	Density (lb/gal)	Excess:	тос	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.





4. Pressure Control Equipment

BOP installed and tested before drilling which hole?	Size?	Min. Required WP		Туре	1	Tested to:	Deepest TVD Depth (ft) per Section:
		5M		Annular	✓	70% of working pressure	
				Blind Ram	✓		
9.875" Hole	13-5/8"	5M	Pipe Ram			250 psi / 5000 psi	12775**
		SIVI		Double Ram	√	230 psi / 3000 psi	
			Other*				
		5M		Annular		100% of working pressure	
				Blind Ram			
6.75" Hole	13-5/8"	10M		Pipe Ram		250 psi / 10000 psi	12775
				Double Ram		230 psi / 10000 psi	
			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 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

^{**}Curve could be in intermediate or production section





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.

Υ

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.





5. Mud Program & Drilling Conditions

G. 4	Depth	- MD	Depth	- TVD	Т	Weight	¥7°	Water
Section	From (ft)	To (ft)	From (ft)	To (ft)	Туре	(ppg)	Viscosity	Loss
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	PVT/MD Totco/Visual Monitoring
loss or gain of fluid?	1 V 1/1VID TOLCO/ VISUAL WIGHTEDINIS

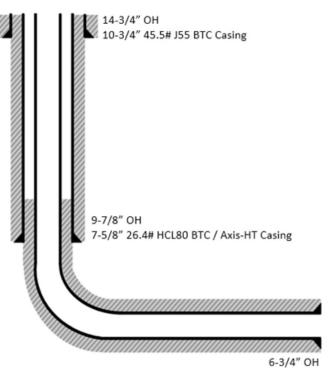
Pump high viscosity sweeps as needed for hole cleaning. The mud system will be monitored visually/manually as well as with an electronic PVT. The necessary mud products for additional weight and fluid loss control will be on location at all times. Appropriately weighted mud will be used to isolate potential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





6. Wellbore Diagram(s)

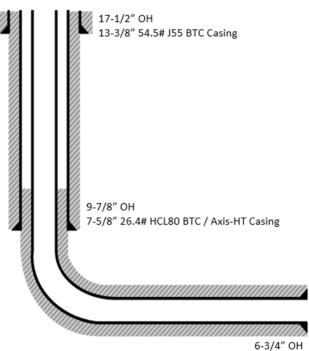
Design Variation "A1"



5-1/2" 20# P110 Wedge 461 / Sprint SF / DWC/C-HT-IS Casing

TOC @ 500' Above Prev. CSG

Design Variation "A2"



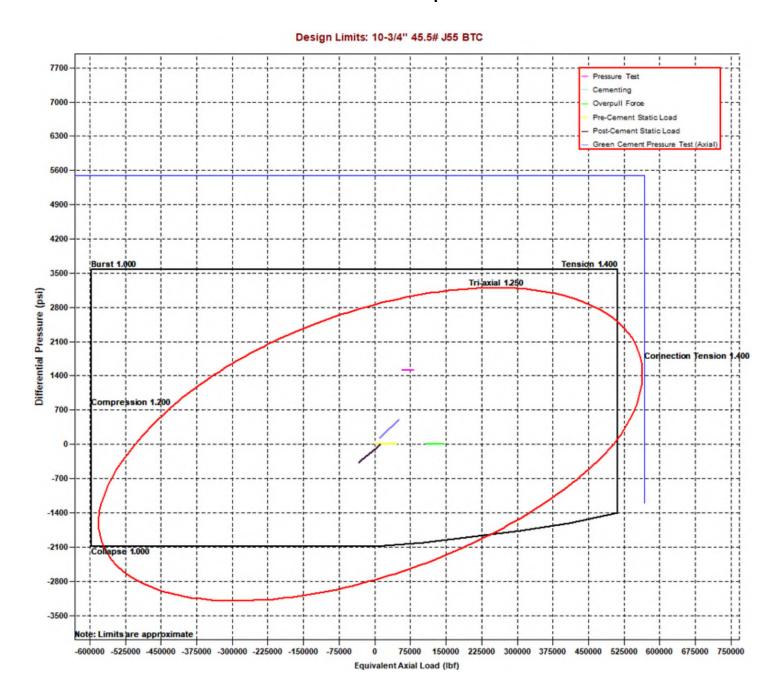
5-1/2" 20# P110 Wedge 461 / Sprint SF / DWC/C-HT-IS Casing

TOC @ 500' Above Prev. CSG



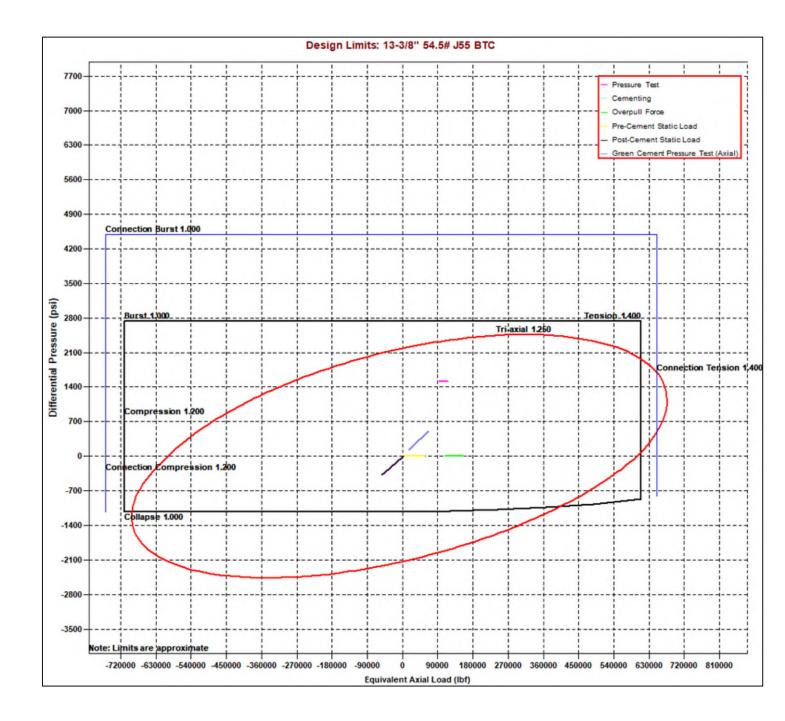


7. Landmark StressCheck Screenshots - Triaxial Output



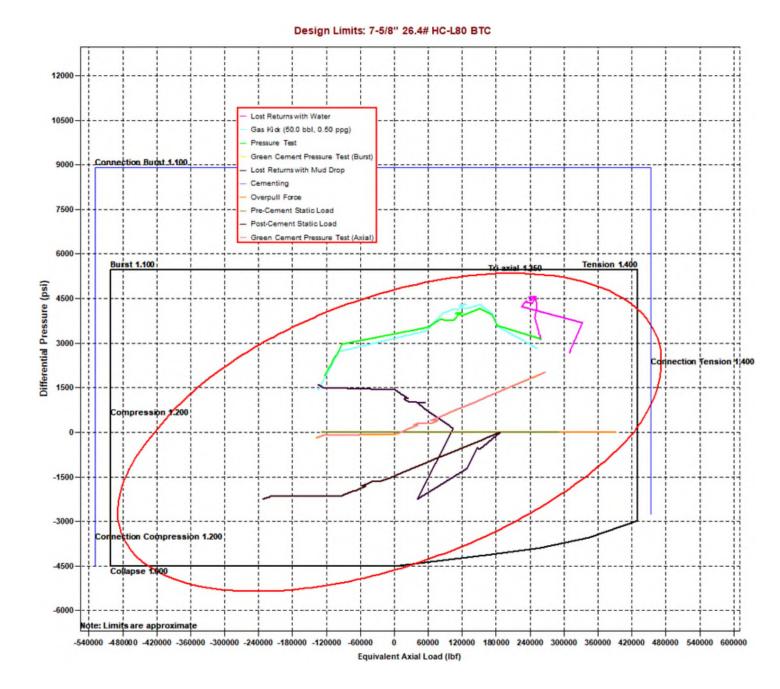








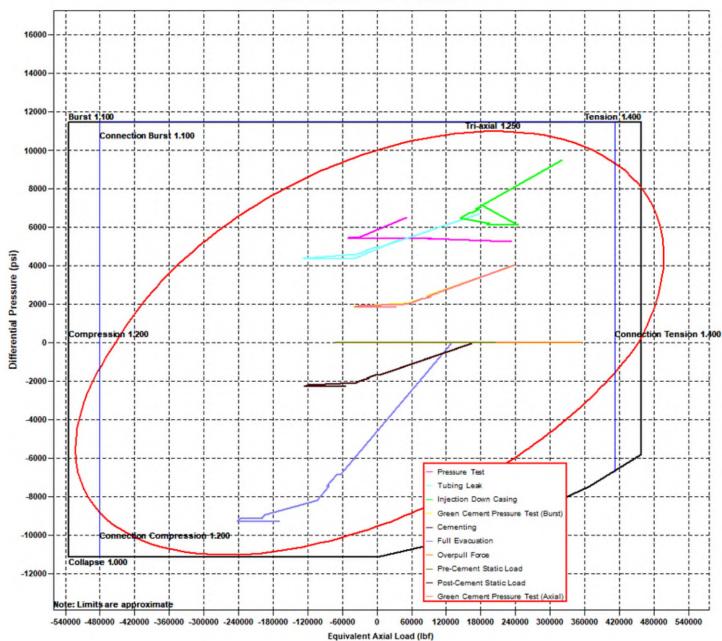










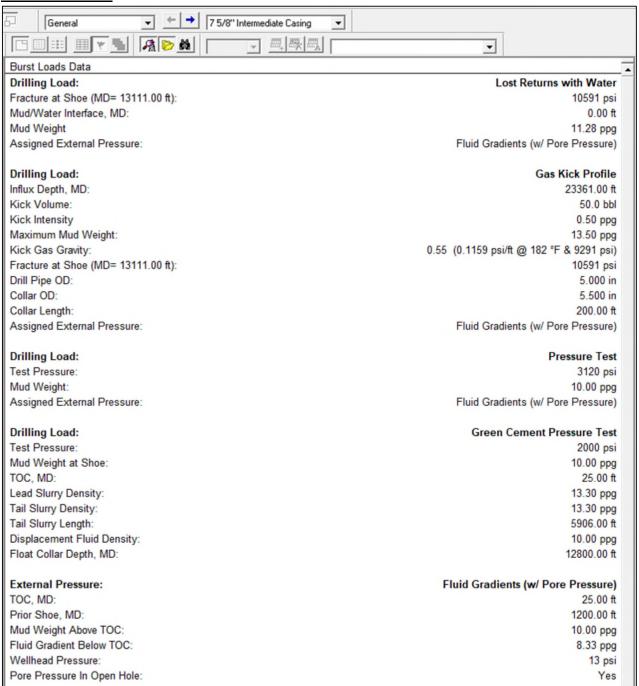






8. Landmark StressCheck Screenshots – Inputs for Intermediate CSG Load Cases

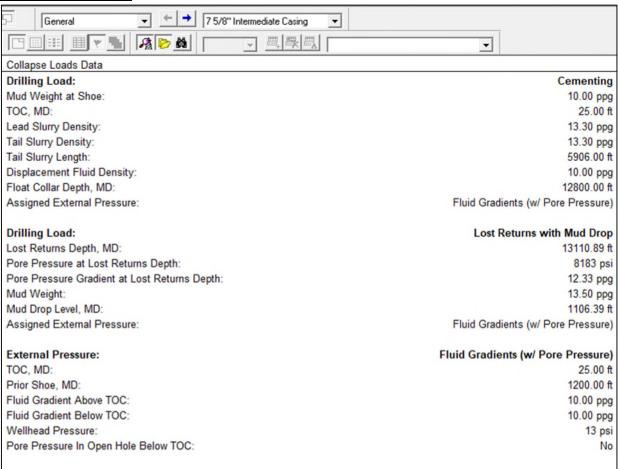
Burst Load Cases



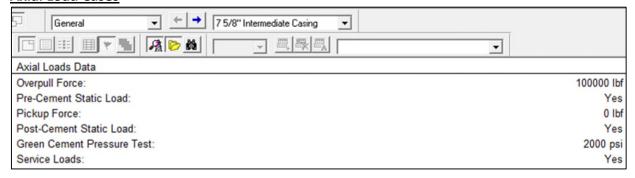




Collapse Load Cases



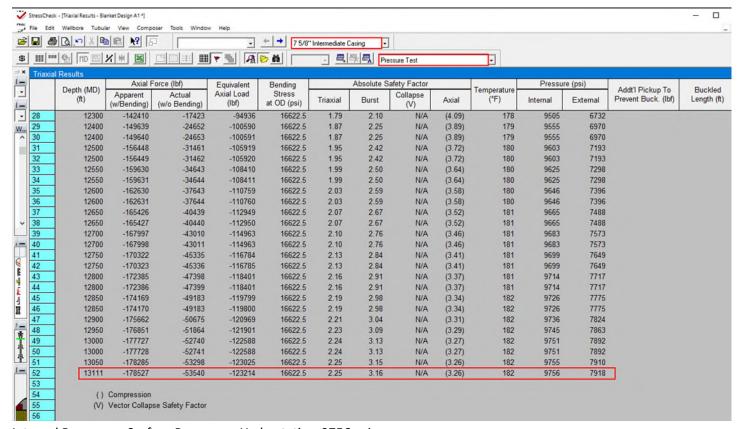
Axial Load Cases







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



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.





10. Intermediate Non-API Casing Spec Sheet



Technical Data Sheet

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

Meci	hanical	Properties				
Minimum Yield Strength	psi.	80,000				
Maximum Yield Strength						
Minimum Tensile Strength	psi.	95,000				
	Dime	nsions				
		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 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			

Disclaimer: The content of this Technical Data Sheet is for general information only and does not guarantee performance and/or accuracy, which can only be determined by a professional expert with the specific installation and operation parameters. Information printed or downloaded may not be current and no longer in control by Axis Pipe and Tube. Anyone using the information herein does so at his or her own risk. To verify that you have the latest technical information, please contact Axis Pipe and Tube Technical Sales +1 (979) 599-7600, www.axisoipeandtube.com





11. Production Non-API Casing Spec Sheets





	Printed on: 11/0
Coupling	Pipe Body
Grade: P1104CY	Grade: P110-ICY
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-ICY
Min. Wall Thickness	87.50 %	Pipe Body Drift	API Standard	Туре	Casing
Connection OD Option	MS				

Pipe Body Data

Geometry			
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.		

Performance	
Body Yield Strength	729 x1000 lb
Min. Internal Yield Pressure	14,360 psi
SMYS	125,000 psi
Collapse Pressure	12,300 psi

Connection Data

6.050 in.
7.714 in.
4.778 in.
3.775 in.
3.40
Ms

Tension Efficiency	100 %
Joint Yield Strength	729 x1000 lb
Internal Pressure Capacity	14,360 psi
Compression Efficiency	100 %
Compression Strength	729 x1000 lb
Max. Allowable Bending	104 °/100 fi
External Pressure Capacity	12,300 psi
Coupling Face Load	273.000 lb

Make-Up Torques	
Minimum	17,000 ft-lb
Optimum	18,000 ft-lb
Maximum	21,600 ft-lb
Operation Limit Torques	
Operating Torque	43,000 ft-lb
Yield Torque	51,000 ft-lb
Buck-On	
Minimum	21,600 ft-lb
Maximum	23,100 ft-lb

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 lastest performance data, always visit our website: www.tenaris.com

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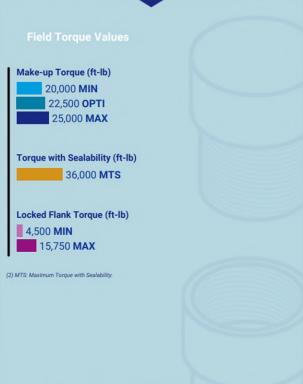


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CONNECTION DATA SHEET





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	nsi

CONNECTION PROPERTIES •

Connection Type	Semi-Pre	emium Integral
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

11,100 psi

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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Connection Data Sheet

OD (in.)	WEIGHT (lbs./ft.)	WALL (in.)	GRADE	API DRIFT (in.)	RBW%	CONNECTION
5.500	Nominal: 20.00 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 Type	Semi-Pren	Semi-Premium T&0	
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	ft.lb
Opti. Make-up torque	17,950	ft.lb
Max. Make-up torque	19,300	ft.lb
Min. Shoulder Torque	1,660	ft.lb
Max. Shoulder Torque	13,280	ft.lb
Max. Delta Turn	0.200	Turns
†Maximum Operational Torque	23,800	ft.lb
†Maximum Torsional Value (MTV)	26,180	ft.lb

† 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

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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2107 CityWest Boulevard Suite 1300 Houston, TX 77042 Phone: 713-479-3200 Fax: 713-479-3234 VAM® USA Sales E-mail: <u>VAMUSAsales@vam-usa.com</u> Tech Support Email: 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 forque 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 for details on connection ratings and make-up.

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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Production Casing 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 from 43 CFR part 3170 Subpart 3172 under the following conditions:

- 1. Annular clearance to meet or exceed 0.422" between intermediate casing ID and production casing coupling only on the first 500' overlap between both casings.
- 2. Annular clearance less than 0.422" is acceptable for the curve and lateral portions of the production open hole section.

Bradenhead Cement CBL Variance 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.

Three string wells:

- CBL will be required on one well per pad
- If the pumped volume of cement is less than permitted in the APD, BLM will be notified and a CBL may be run
- Echometer will be used after bradenhead cement job to determine TOC before pumping top-out cement

Four string wells:

- CBL is not required
- If the pumped volume of cement is less than permitted in the APD, BLM will be notified and a CBL may be run
- Echometer will be used after bradenhead cement job to determine TOC before pumping top-out cement

Offline Cementing Variance 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.

1. Cement Program

No changes to the cement program will take place for offline cementing.

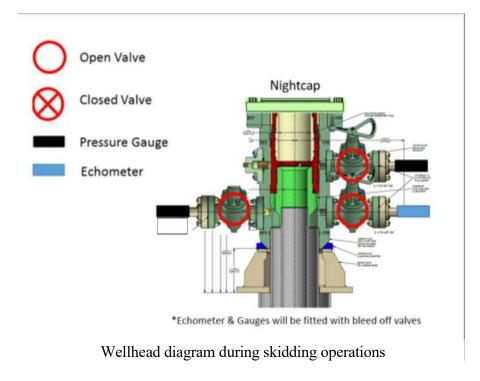
2. Offline Cementing Procedure

The operational sequence will be as follows:

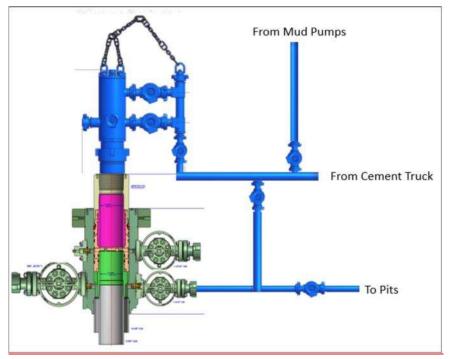
- 1. Run casing as per normal operations. While running casing, conduct negative pressure test and confirm integrity of the float equipment (float collar and shoe)
- 2. Land casing with mandrel
- 3. Fill pipe with kill weight fluid, do not circulate through floats and confirm well is static
- 4. Set annular packoff shown below and pressure test to confirm integrity of the seal. Pressure ratings of wellhead components and valves is 5,000 psi

Annular packoff with both external and internal seals





- 5. After confirmation of both annular barriers and internal barriers, nipple down BOP and install cap flange.
 - a. If any barrier fails to test, the BOP stack will not be nippled down until after the cement job is completed with cement 500ft above the highest formation capable of flow with kill weight mud above or after it has achieved 50 psi compressive strength if cannot be verified.
- 6. Skid rig to next well on pad.
- 7. Confirm well is static before removing cap flange, flange will not be removed and offline cementing operations will not commence until well is under control. If well is not static, casing outlet valves will provide access to both the casing ID and annulus. Rig or third party pump truck will kill well prior to cementing or nippling up for further remediation.
 - a. Well Control Plan
 - i. The Drillers Method will be the primary well control method to regain control of the wellbore prior to cementing, if wellbore conditions do not permit the drillers method other methods of well control may be used
 - ii. Rig pumps or a $3^{\rm rd}$ party pump will be tied into the upper casing valve to pump down the casing ID
 - iii. A high pressure return line will be rigged up to lower casing valve and run to choke manifold to control annular pressure
 - iv. Once influx is circulated out of the hole, kill weight mud will be circulated
 - v. Well will be confirmed static
 - vi. Once confirmed static, cap flange will be removed to allow for offline cementing operations to commence
- 8. Install offline cement tool
- 9. Rig up cement equipment



Wellhead diagram during offline cementing operations

- 10. Circulate bottoms up with cement truck
 - a. If gas is present on bottoms up, well will be shut in and returns rerouted through gas buster to handle entrained gas
 - b. Max anticipated time before circulating with cement truck is 6 hrs
- 11. Perform cement job taking returns from the annulus wellhead valve
- 12. Confirm well is static and floats are holding after cement job
- 13. Remove cement equipment, offline cement tools and install night cap with pressure gauge for monitoring.

5M Annluar BOP Variance 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 Well Control Plan below.

Oxy Well Control Plan

A. Component and Preventer Compatibility Table

The table below, which covers the drilling and casing of the >5M MASP portion of the well, outlines the tubulars and the compatible preventers in use. This table, combined with the mud program, documents that two barriers to flow can be maintained at all times, independent of the rating of the annular preventer.

Pilot hole and Lateral sections, 10M requirement

Component	OD	Preventer	RWP
Drillpipe	4-1/2"-5"	Lower 3-1/2 - 5-1/2" VBR	10M
		Upper 3-1/2 - 5-1/2" VBR	
HWDP	4-1/2"-5"	Lower 3-1/2 - 5-1/2" VBR	10M
		Upper 3-1/2 - 5-1/2" VBR	
Drill collars and MWD tools	4-3/4" – 5-1/2"	Lower 3-1/2 - 5-1/2" VBR	10M
		Upper 3-1/2 - 5-1/2" VBR	
Mud Motor	4-3/4"	Lower 3-1/2 - 5-1/2" VBR	10M
		Upper 3-1/2 - 5-1/2" VBR	
Production casing	5-1/2"	Lower 3-1/2 - 5-1/2" VBR	10M
		Upper 3-1/2 - 5-1/2" VBR	
ALL	0" - 13-5/8"	Annular	5M
Open-hole	6-3/4"	Blind Rams	10M

VBR = Variable Bore Ram. Compatible range listed in chart.

HWDP = Heavy Weight Drill Pipe

MWD = Measurement While Drilling

B. Well Control Procedures

Well control procedures are specific to the rig equipment and the operation at the time the kick occurs. Below are the minimal high-level tasks prescribed to assure a proper shut-in while drilling, tripping, running casing, pipe out of the hole (open hole), and moving the Bottom Hole Assembly (BHA) through the Blowout Preventers (BOP). The pressure at which control is swapped from the annular to another compatible ram will occur when the anticipated pressure is approaching or envisioned to exceed 70% of the 5M annular Rated Working Pressure (RWP) or 3500 PSI.

General Procedure While Drilling

- 1. Sound alarm (alert crew)
- 2. Space out drill string
- 3. Shut down pumps (stop pumps and rotary)
- 4. Shut-in Well (uppermost applicable BOP, typically annular preventer first. The Hydraulic Control Remote (HCR) valve and choke will already be in the closed position).
- 5. Confirm shut-in
- 6. Notify tool pusher/company representative
- 7. Read and record the following:
 - a. SIDPP and SICP
 - b. Pit gain
 - c. Time
- 8. Regroup and identify forward plan
- 9. If pressure has built or expected to reach 70% of the annular RWP during kill operations, crew will reconfirm spacing and swap to the upper pipe ram

General Procedure While Tripping

- 1. Sound alarm (alert crew)
- 2. Stab full opening safety valve and close
- 3. Space out drill string
- 4. Shut-in (uppermost applicable BOP, typically annular preventer first. The HCR and choke will already be in the closed position)
- 5. Confirm shut-in
- 6. Notify tool pusher/company representative
- 7. Read and record the following
 - a. SIDPP and SICP
 - b. Pit gain
 - c. Time
 - d. Regroup and identify forward plan
 - e. If pressure has built or is anticipated during the kill to reach the RWP of the annular preventer, confirm spacing and swap to the upper pipe ram

General Procedure While Running Casing

- 1. Sound alarm (alert crew)
- 2. Stab crossover and full opening safety valve and close
- 3. Space out string
- 4. Shut-in (uppermost applicable BOP, typically annular preventer first. The HCR and choke will already be in the closed position).
- 5. Confirm shut-in
- 6. Notify tool pusher/company representative
- 7. Read and record the following:
 - a. SIDPP and SICP
 - b. Pit gain
 - c. Time
 - d. Regroup and identify forward plan.
 - e. If pressure has built or is anticipated during the kill to reach the RWP of the annular preventer, confirm spacing and swap to compatible pipe ram.

General Procedure With No Pipe In Hole (Open Hole)

- 1. Sound alarm (alert crew)
- 2. Shut-in with blind rams or BSR. (The HCR and choke will already be in the closed position)
- 3. Confirm shut-in
- 4. Notify tool pusher/company representative
- 5. Read and record the following:
 - a. SICP
 - b. Pit gain
 - c. Time
- 6. Regroup and identify forward plan

General Procedures While Pulling BHA thru Stack

- 1. PRIOR to pulling last joint of drill pipe thru the stack.
 - a. Perform flow check, if flowing:
 - b. Sound alarm (alert crew)
 - c. Stab full opening safety valve and close
 - d. Space out drill string with tool joint just beneath the upper pipe ram
 - e. Shut-in using upper pipe ram. (The HCR and choke will already be in the closed position)
 - f. Confirm shut-in
 - g. Notify tool pusher/company representative
 - h. Read and record the following:
 - i. SIDPP and SICP
 - ii. Pit gain
 - iii. Time
 - iv. Regroup and identify forward plan
- 2. With BHA in the stack and compatible ram preventer and pipe combo immediately available.
 - a. Sound alarm (alert crew)
 - b. Stab crossover and full opening safety valve and close
 - c. Space out drill string with upset just beneath the compatible pipe ram
 - d. Shut-in using compatible pipe ram. (The HCR and choke will already be in the closed position.)
 - e. Confirm shut-in
 - f. Notify tool pusher/company representative
 - g. Read and record the following:
 - i. SIDPP and SICP
 - ii. Pit gain
 - iii. Time
 - iv. Regroup and identify forward plan
- 3. With BHA in the stack and NO compatible ram preventer and pipe combo immediately available.

- a. Sound alarm (alert crew)
- b. If possible to pick up high enough, pull string clear of the stack and follow "Open Hole" scenario
- c. If impossible to pick up high enough to pull the string clear of the stack
- d. Stab crossover, make up one joint/stand of drill pipe, and full opening safety valve and close
- e. Space out drill string with tool joint just beneath the upper pipe ram
- f. Shut-in using upper pipe ram. (The HCR and choke will already be in the closed position)
- g. Confirm shut-in
- h. Notify tool pusher/company representative
- i. Read and record the following:
 - i. SIDPP and SICP
 - ii. Pit gain
 - iii. Time
- j. Regroup and identify forward plan

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.

BOP break test under the following conditions:

- After a full BOP test is conducted
- When skidding to drill an intermediate section where ICP is set into the third Bone Spring or shallower.
- When skidding to drill a production section that does not penetrate into the third Bone Spring or deeper.

If the kill line is broken prior to skid, two tests will be performed.

- 1) Wellhead flange, co-flex hose, kill line connections and upper pipe rams
- 2) Wellhead flange, HCR valve, check valve, upper pipe rams

If the kill line is not broken prior to skid, only one test will be performed.

1) Wellhead flange, co-flex hose, check valve, upper pipe rams

See supporting information below:

Subject: Request for a Variance Allowing Break Testing of a Blowout Preventer Stack

OXY USA Inc. (OXY) requests a variance to allow break testing of the Blowout Preventer (BOP) stack when skidding a drilling rig between wells on multi-well pads. This practice entails retesting only the connections of the **BOP** stack that have been disconnected during this operation and not a complete **BOP** test.

Background

43 CFR part 3170 Subpart 3172 states that a **BOP** test must be performed whenever any seal subject to test pressure is broken. The current interpretation of the Bureau of Land Management (BLM) is this requires a complete **BOP** test and not just a test of the affected component. 43 CFR part 3170 Subpart 3172, Section I.D.2. states, "Some situations may exist either on a well-by-well basis or field-wide basis whereby it is commonly accepted practice to vary a particular minimum standard(s) established in this Order. This situation can be resolved by requesting a variance...". OXY feels the practice of break testing the **BOP** stack is such a situation. Therefore, as per 43 CFR part 3170 Subpart 3172, Section IV., OXY submits this request for the variance.

Supporting Rationale

43 CFR part 3170 Subpart 3172 became effective on December 19, 1988, and has remained the standard for regulating BLM onshore drilling operations for almost 30 years. During this time there have been significant changes in drilling technology. **BLM** continues to use the variance request process to allow for the use of modern technology and acceptable engineering practices that have arisen since 43 CFR part 3170 Subpart 3172 was originally released. The drilling rig fleet OXY utilizes in New Mexico was built with many modern upgrades. One of which allows the rigs to skid between wells on multi-well pads. A part of this rig package is a hydraulic winch system which safely installs and removes the BOP from the wellhead and carries it during skidding operations. This technology has made break testing a safe and reliable procldure.

American Petroleum Institute (API) standards, specifications and recommended practices are considered industry standards and are consistently utilized and referenced by the industry. 43 CFR part 3170 Subpart 3172 recognized API Recommended Practices (RP) 53 in its original development. API Standard 53,

Blowout Prevention Equipment Systems for Drilling Wells (Fourth Edition, November 2012, Addendum 1, July 2016) recognizes break testing as an acceptable practice. Specifically, API Standard 53, Section 6.5.3.4.1.b states "Pressure tests on the well control equipment shall be conducted after the disconnection or repair of any pressure containment seal in the **BOP** stack, choke line, kill line, choke manifold, or wellhead assembly but limited to the affected component."

The Bureau of Safety and Environmental Enforcement (BSEE), Department of Interior, has also utilized the API standards, specifications and best practices in the development of its offshore oil and gas regulations and incorporates them by reference within its regulations. BSEE issued new offshore regulations under 30 CFR Part 250, *Oil and Gas and Sulphur Operations in the Outer Continental Shelf - Blowout Preventer Systems and Well Control*, which became effective on July 28, 2016. Section 250.737(d.1) states "Follow the testing requirements of API Standard 53". In addition, Section 250.737(d.8) has adopted language from API Standard 53 as it states "Pressure test affected BOP components following the disconnection or repair of any well-pressure containment seal in the wellhead or BOP stack assembly".

Break testing has been approved by the BLM in the past. See the Appendix for a Sundry Notice that was approved in 2015 by the Farmington Field Office. This approval granted permission for the operator to break test when skidding its Aztec 1000 rig on multi-well pads.

Oxy feels break testing and our current procedures meet the intent of 43 CFR part 3170 Subpart 3172 and often exceed it. We have not seen any evidence that break testing results in more components failing tests than seen on full BOP tests. As skidding operations take place within the 30-day full BOPE test window, the BOP shell and components such as the pipe rams and check valve get tested to the full rated working pressure more often. Therefore, there are more opportunities to ensure components are in good working order. Also, Oxy's standard requires complete BOP tests more often than that of 43 CFR part 3170 Subpart 3172. In addition to function testing the annular at least weekly and the pipe and blind rams on each trip, Oxy also performs a choke drill prior to drilling out every casing shoe. As a crew's training is a vital part of well control, this procedure to simulate step one of the Driller's Method exceeds the requirements of 43 CFR part 3170 Subpart 3172.

Procedures

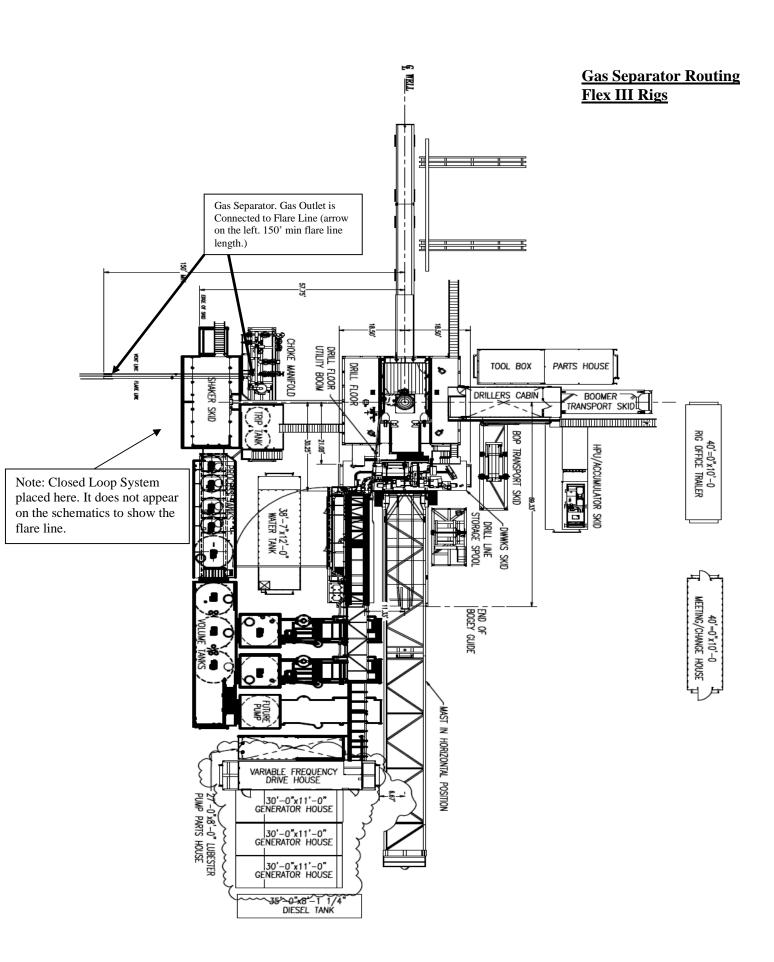
- 1) OXY to submit the break testing plan in the APD or Sundry Notice (SN) and receive approval prior to implementing (See Appendix for examples)
- 2) OXY would perform BOP break testing on multi-well pads where multiple intermediate sections can be drilled and cased within the 30-day BOP test window
- 3) After performing a complete BOP test on the first well and drilling and casing the hole section, three breaks would be made on the BOP.
 - > Between the check valve and the kill line
 - ➤ Between the HCR valve and the co-flex hose or the co-flex hose and the manifold
 - ➤ Between the BOP flange and the wellhead
- 4) The BOP is then lifted and removed from the wellhead by the hydraulic winch system
- 5) After skidding to the next well, the BOP is moved to the wellhead by the hydraulic winch system and installed
- 6) The choke line and kill line are reconnected
- 7) A test plug is installed in the wellhead with a joint of drill pipe and the internal parts of the check valve are removed
- 8) A shell teit is performed against the upper pipe rams testing all thlee breaks
- 9) The internal parts of the check valve are reinstalled and the HCR valve is closed. A second test is performed on them
- 10) These tests consist of a 250 psi low test and a high test to the value submitted in the APD or SN (e.g., 5000 psi)
- Perform a function test of components not pressure tested to include the lower pipe rams, the blind rams and the annular
- 12) If this were a three well pad, the same three breaks on the BOP would be made and steps 4 through 11 would be repeated
- 13) A second break test would only be done if the third hole section could be completed within the 30-day BOP test window
- 14) If a second break test is performed, additional components that were not tested on the initial break test will be tested on this break test

Notes:

- a. If any parts of the BOP are changed out or any additional breaks are made during the skidding operation, these affected components would also be tested as in step 10.
- b. As the choke manifold remains stationary during the skidding operation and the only break to the manifold is tested in step 8 above, no further testing of the manifold is done until the next full BOP test.

Summary

OXY requests a variance to allow break testing of the BOP stack when skidding drilling rigs between wells on multi-well pads. API standards, specifications and recommended practices are considered industry standards and are consistently utilized and referenced by the industry and the BLM. API Standard 53 recognizes break testing as an acceptable practice and BSEE adopted language from this standard into its newly created 30 CFR Part 250 which also supports break testing. Due to this, OXY feels this request meets the intent of 43 CFR part 3170





Page 5

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 Manag	gement Plan m	ust be submitted wi	th each Applica	tion for Permit to I	Drill (Al	D) for a n	ew or	recompleted well.
			1 – Plan D fective May 25.					
I. Operator: OXY US	A INC.		OGRID: <u>16</u>	6696		Date: _	0 9/_	2 6/2 3
II. Type: ☑ Original □	Amendment	due to □ 19.15.27.	9.D(6)(a) NMA	C □ 19.15.27.9.D((6)(b) N	MAC 🗆 O	ther.	
If Other, please describe	::							
III. Well(s): Provide the be recompleted from a s					wells pro	oposed to l	oe dri	lled or proposed to
Well Name	API	ULSTR	Footages	Anticipated Oil BBL/D		cipated MCF/D	Anticipated Produced Water BBL/D	
SEE ATTACHED								
IV. Central Delivery Power of the V. Anticipated Schedul proposed to be recompleted.	le: Provide the	following information	tion for each nev	v or recompleted w	vell or se			7.9(D)(1) NMAC] used to be drilled or
Well Name	API	Spud Date	TD Reached Date	Completion Commencement				First Production Date
SEE ATTACHED								
VI. Separation Equipm VII. Operational Practional Subsection A through F	tices: ☑ Attac	h a complete descr	•	•			•	
VIII. Best Management during active and planned			te description of	Operator's best n	nanagen	nent practi	ces to	minimize venting

Page 6

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	Available Maximum Daily Capacity
_	-		Start Date	of System Segment Tie-in

XI. Map. \square 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 \square will \square will not have capacity to gather 100% of the anticipate	ed natural gas
production volume from the well prior to the date of first production.	

XIII. Line Pre	essure. Operator \square does \square does	not anticipate that its exis	sting well(s) connected to	the same segment, o	or portion, of the
natural gas gat	hering system(s) described above	e will continue to meet and	ticipated increases in line	pressure caused by t	the new well(s).

	A 1 .	· ,	1 4		1 4	•	4 41	. 1	1.
1 1	Attach (Operator's	plan to	manage	production	in response	to the	e increased	line pressure

XIV. (Confidentiality: 🗌 O	perator asserts	confidentiality	pursuant to	Section	71-2-8	NMSA	1978	for the	information	provided in
Section	n 2 as provided in Para	graph (2) of Sub	section D of 1	9.15.27.9 NN	MAC, and	d attache	es a full	descri	ption of	f the specific	information
for wh	ich confidentiality is a	sserted and the b	oasis for such a	ssertion.							

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(i)

Section 3 - Certifications Effective May 25, 2021

Operator certifies that, after reasonable inquiry and based on the available information at the time of submittal: Departor 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: power generation on lease; (a) power generation for grid; **(b)** compression on lease; (c) (d) liquids removal on lease: reinjection for underground storage; (e) reinjection for temporary storage; **(f)**

Section 4 - Notices

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

other alternative beneficial uses approved by the division.

reinjection for enhanced oil recovery;

fuel cell production; and

- (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.

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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: Roni Mathew
Printed Name: Roni Mathew
Title: Regulatory Advisor
E-mail Address: roni_mathew@oxy.com
Date: 04/17/2024
Phone: 713-215-7827
OIL CONSERVATION DIVISION (Only applicable when submitted as a standalone form)
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 21H	Pending	C-7-24S-31E	294 FNL 1792 FWL	1475	6885	4162
NUGGET 6_31 FEDERAL COM 22H	Pending	C-7-24S-31E	294 FNL 1822 FWL	1475	6885	4162
NUGGET 6_31 FEDERAL COM 23H	Pending	C-7-24S-31E	294 FNL 1852 FWL	1475	6885	4162
NUGGET 6_31 FEDERAL COM 24H	Pending	O-6-24S-31E	1264 FSL 1513 FEL	1475	6885	4162
NUGGET 6_31 FEDERAL COM 25H	Pending	O-6-24S-31E	1264 FSL 1482 FEL	1475	6885	4162
NUGGET 6_31 FEDERAL COM 26H	Pending	O-6-24S-31E	1263 FSL 1453 FEL	1475	6885	4162
NUGGET 6_31 FEDERAL COM 41H	Pending	N-6-24S-31E	768 FSL 1445 FWL	786	5950	3835
NUGGET 6_31 FEDERAL COM 42H	Pending	N-6-24S-31E	768 FSL 1505 FWL	786	5950	3835
NUGGET 6_31 FEDERAL COM 43H	Pending	C-7-24S-31E	419 FNL 1702 FWL	786	5950	3835
NUGGET 6_31 FEDERAL COM 44H	Pending	C-7-24S-31E	419 FNL 1762 FWL	786	5950	3835

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 21H	Pending	TBD	TBD	TBD	TBD	TBD
NUGGET 6_31 FEDERAL COM 22H	Pending	TBD	TBD	TBD	TBD	TBD
NUGGET 6_31 FEDERAL COM 23H	Pending	TBD	TBD	TBD	TBD	TBD
NUGGET 6_31 FEDERAL COM 24H	Pending	TBD	TBD	TBD	TBD	TBD
NUGGET 6_31 FEDERAL COM 25H	Pending	TBD	TBD	TBD	TBD	TBD
NUGGET 6_31 FEDERAL COM 26H	Pending	TBD	TBD	TBD	TBD	TBD
NUGGET 6_31 FEDERAL COM 41H	Pending	TBD	TBD	TBD	TBD	TBD
NUGGET 6_31 FEDERAL COM 42H	Pending	TBD	TBD	TBD	TBD	TBD
NUGGET 6_31 FEDERAL COM 43H	Pending	TBD	TBD	TBD	TBD	TBD
NUGGET 6_31 FEDERAL COM 44H	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

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 415358

CONDITIONS

Operator:	OGRID:
OXY USA INC	16696
P.O. Box 4294	Action Number:
Houston, TX 772104294	415358
	Action Type:
	[C-101] BLM - Federal/Indian Land Lease (Form 3160-3)

CONDITIONS

Created By	Condition	Condition Date
ronimathew	Cement is required to circulate on both surface and intermediate1 strings of casing.	12/26/2024
ronimathew	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