

Form 3160-3
(June 2015)

FORM APPROVED
OMB No. 1004-0137
Expires: January 31, 2018

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

1a. Type of work: <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER		5. Lease Serial No. NMNM082896
1b. Type of Well: <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other		6. If Indian, Allottee or Tribe Name
1c. Type of Completion: <input type="checkbox"/> Hydraulic Fracturing <input type="checkbox"/> Single Zone <input checked="" type="checkbox"/> Multiple Zone		7. If Unit or CA Agreement, Name and No.
2. Name of Operator OXY USA INCORPORATED		8. Lease Name and Well No. NIMITZ MDP1 13 FEDERAL COM 46H
3a. Address 5 Greenway Plaza, Suite 110, Houston, TX 77046	3b. Phone No. (include area code) (713) 366-5716	9. API Well No. 30-015-47512
4. Location of Well (Report location clearly and in accordance with any State requirements. *) At surface SESE / 80 FSL / 140 FEL / LAT 32.2253629 / LONG -103.8261187 At proposed prod. zone SESE / 20 FSL / 500 FEL / LAT 32.2106741 / LONG -103.8272942		10. Field and Pool or Exploratory Purple Sage Wolfcamp CORRAL DRAW BONE SPRING/RED TA
14. Distance in miles and direction from nearest town or post office* 8 miles		11. Sec., T. R. M. or Blk. and Survey or Area SEC 12/T24S/R30E/NMP
15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) 20 feet		12. County or Parish EDDY
16. No of acres in lease 880		13. State NM
17. Spacing Unit dedicated to this well 320.0		
18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. 35 feet		20. BLM/BIA Bond No. in file FED: ESB000226
21. Elevations (Show whether DF, KDB, RT, GL, etc.) 3521 feet	22. Approximate date work will start* 10/14/2021	23. Estimated duration 20 days

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)

- | | |
|---|---|
| <ol style="list-style-type: none"> 1. Well plat certified by a registered surveyor. 2. A Drilling Plan. 3. A Surface Use Plan (if the location is on National Forest System Lands, the SUPO must be filed with the appropriate Forest Service Office). | <ol style="list-style-type: none"> 4. Bond to cover the operations unless covered by an existing bond on file (see Item 20 above). 5. Operator certification. 6. Such other site specific information and/or plans as may be requested by the BLM. |
|---|---|

25. Signature (Electronic Submission)	Name (Printed/Typed) DAVID STEWART / Ph: (713) 366-5716	Date 10/22/2019
Title Sr. Regulatory Advisor		
Approved by (Signature) (Electronic Submission)	Name (Printed/Typed) Cody Layton / Ph: (575) 234-5959	Date 08/28/2020
Title Assistant Field Manager Lands & Minerals Carlsbad Field 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.

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

- Will require a directional survey with the C-104

NSL: Will require a administrative order for non-standard location prior to placing the well on production.

(Continued on page 2)

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.

KP 9/21/2020 GEO Review

*(Instructions on page 2)

Entered 9/30/2020 - JAG



District I
1625 N. French Dr., Hobbs, NM 88240
Phone: (575) 393-6161 Fax: (575) 393-0720
District II
811 S. First St., Artesia, NM 88210
Phone: (575) 748-1283 Fax: (575) 748-9720
District III
1000 Rio Simons Road, Aztec, NM 87410
Phone: (505) 334-6178 Fax: (505) 334-6170
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505
Phone: (505) 476-3460 Fax: (505) 476-3462

State of New Mexico
Energy, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

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

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-015- 47512	Pool Code 98220	Pool Name Purple Sage Wolfcamp
Property Code 319776	Property Name NIMITZ MDP1 "13" FEDERAL COM	Well Number 46H
OGRID No. 16696	Operator Name OXY USA INC.	Elevation 3521.1'

Surface Location

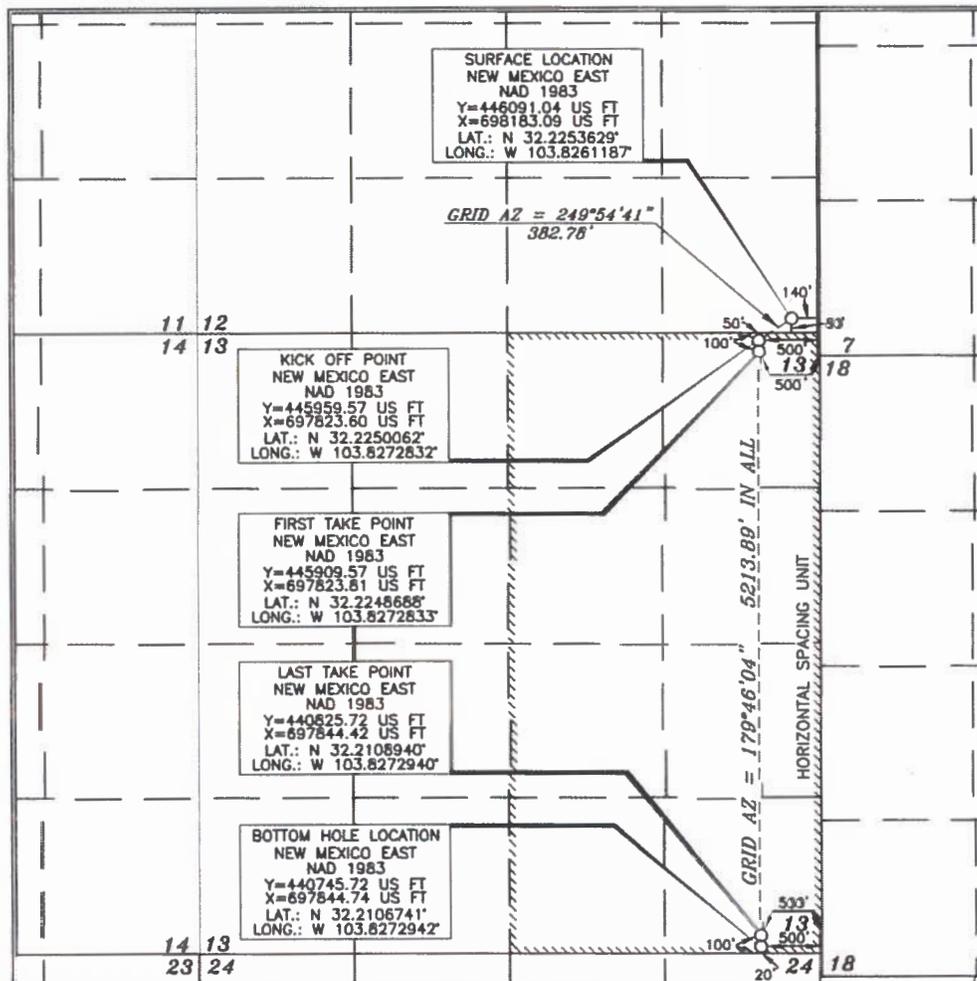
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
P	12	24 SOUTH	30 EAST, N.M.P.M.		80'	SOUTH	140'	EAST	EDDY

Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
P	13	24 SOUTH	30 EAST, N.M.P.M.		20'	SOUTH	500'	EAST	EDDY

Dedicated Acres	Joint or Infill	Consolidation Code	Order No.
320	Y		

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.



OPERATOR CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

David Stewart
Signature
10/21/19
Date
David Stewart
Printed Name
david.stewart@oxy.com
E-mail Address

SURVEYOR CERTIFICATION

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

Terry J. As...
Signature and Seal of Professional Surveyor
15079
Certificate Number
JANUARY 4, 2019
Date of Survey
15079
Certificate Number

WO# 190104WL-e (KA)

Additional Operator Remarks

Location of Well

0. SHL: SESE / 80 FSL / 140 FEL / TWSP: 24S / RANGE: 30E / SECTION: 12 / LAT: 32.2253629 / LONG: -103.8261187 (TVD: 0 feet, MD: 0 feet)

PPP: NENE / 100 FNL / 500 FEL / TWSP: 24S / RANGE: 30E / SECTION: 13 / LAT: 32.2248688 / LONG: -103.8272833 (TVD: 12608 feet, MD: 12985 feet)

PPP: SESE / 1322 FSL / 500 FEL / TWSP: 24S / RANGE: 30E / SECTION: 13 / LAT: 32.214254 / LONG: -103.827292 (TVD: 12597 feet, MD: 16683 feet)

BHL: SESE / 20 FSL / 500 FEL / TWSP: 24S / RANGE: 30E / SECTION: 13 / LAT: 32.2106741 / LONG: -103.8272942 (TVD: 12593 feet, MD: 18149 feet)

BLM Point of Contact

Name: Tenille Ortiz

Title: Legal Instruments Examiner

Phone: (575) 234-2224

Email: tortiz@blm.gov

**PECOS DISTRICT
SURFACE USE
CONDITIONS OF APPROVAL**

Proposed Well Name	Surface Hole Location	Legal Location*	Surface Ownership
		Section 12, Township 24 South, Range 30 East	BLM
Nimitz MDP1 12-1 Federal Com 12H	615 FSL 1703 FWL		
Nimitz MDP1 12-1 Federal Com 14H	830 FSL 795 FEL		
Nimitz MDP1 12-1 Federal Com 23H	644 FSL 1766 FWL		
Nimitz MDP1 12-1 Federal Com 25H	830 FSL 830 FEL		
Nimitz MDP1 12-1 Federal Com 26H	830 FSL 730 FEL		
Nimitz MDP1 12-1 Federal Com 43H	674 FSL 1830 FWL		
Nimitz MDP1 12-1 Federal Com 44H	716 FSL 1921 FWL		
Nimitz MDP1 12-1 Federal Com 45H	439 FSL 1138 FEL		
Nimitz MDP1 12-1 Federal Com 46H	115 FSL 140 <u>FEL</u>		
Nimitz MDP1 12-1 Federal Com 171H	275 FSL 667 FWL		
Nimitz MDP1 12-1 Federal Com 172H	585 FSL 1639 FWL		
Nimitz MDP1 12-1 Federal Com 175H	439 FSL 1068 FEL		
Nimitz MDP1 12-1 Federal Com 176H	439 FSL 968 FEL		
Nimitz MDP1 13 Federal Com 12H	630 FSL 1734 FWL		
Nimitz MDP1 13 Federal Com 14H	830 FSL 660 FEL		
Nimitz MDP1 13 Federal Com 23H	659 FSL 1798 FWL		
Nimitz MDP1 13 Federal Com 25H	830 FSL 760 FEL		
Nimitz MDP1 13 Federal Com 26H	830 FSL 695 FEL		
Nimitz MDP1 13 Federal Com 43H	689 FSL 1862 FWL		
Nimitz MDP1 13 Federal Com 44H	704 FSL 1893 FWL		
Nimitz MDP1 13 Federal Com 45H	439 FSL 1103 FEL		
Nimitz MDP1 13 Federal Com 46H	80 FSL 140 FEL		
Nimitz MDP1 13 Federal Com 171H	275 FSL 32 FWL		
Nimitz MDP1 13 Federal Com 172H	600 FSL 1671 FWL		
Nimitz MDP1 13 Federal Com 175H	439 FSL 1033 FEL		
Nimitz MDP1 13 Federal Com 176H	439 FSL 998 FEL		
Nimitz MDP1 12-1 Federal Com 11H	826 FNL 287 FWL	Section 13, Township 24 South, Range 30 East	
Nimitz MDP1 13 Federal Com 11H	953 FNL 333 FWL		
Nimitz MDP1 12-1 Federal Com 13H	498 FNL 2405 FWL		

Proposed Well Name	Surface Hole Location	Legal Location*	Surface Ownership
Nimitz MDP1 13 Federal Com 13H	533 FNL 2405 FWL		
Nimitz MDP1 12-1 Federal Com 21H	798 FNL 276 FWL		
Nimitz MDP1 13 Federal Com 21H	859 FNL 299 FWL		
Nimitz MDP1 12-1 Federal Com 22H	892 FNL 311 FWL		
Nimitz MDP1 13 Federal Com 22H	925 FNL 323 FWL		
Nimitz MDP1 12-1 Federal Com 24H	428 FNL 2405 FWL		
Nimitz MDP1 13 Federal Com 24H	463 FNL 2405 FWL		
Nimitz MDP1 12-1 Federal Com 41H	986 FNL 345 FWL		
Nimitz MDP1 13 Federal Com 41H	1014 FNL 356 FWL		
Nimitz MDP1 13 Federal Com 42H	1080 FNL 380 FWL		
Nimitz MDP1 12-1 Federal Com 42H	1047 FNL 368 FWL		
Nimitz MDP1 12-1 Federal Com 173H	363 FNL 2405 FWL		
Nimitz MDP1 13 Federal Com 173H	328 FNL 2405 FWL		
Nimitz MDP1 12-1 Federal Com 174H	293 FNL 2405 FWL		
Nimitz MDP1 13 Federal Com 174H	393 FNL 2405 FWL		

FSL = feet from south line; FEL = feet from east line; FWL = feet from west line; FNL = feet from north line

*NMPM

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Standard Conditions of Approval (COA) apply to this APD. If any deviations to these standards exist or special COAs are required, the section with the deviation or requirement will be checked below.

- General Provisions**
- Permit Expiration**
- Archaeology, Paleontology, and Historical Sites**
- Noxious Weeds**
- Special Requirements**
 - Lesser Prairie-Chicken Timing Stipulations
 - Hydrology
 - Range
- Construction**
 - Notification
 - Topsoil
 - Closed Loop System
 - Federal Mineral Material Pits
 - Well Pads
 - Roads
- Road Section Diagram**
- Production (Post Drilling)**

Well Structures & Facilities

Pipelines

Electric Lines

Oil and Gas Sites

Interim Reclamation

Final Abandonment & Reclamation

PECOS DISTRICT DRILLING CONDITIONS OF APPROVAL

OPERATOR'S NAME:	OXY USA INCORPORATED
WELL NAME & NO.:	NIMITZ MDP1 13 FEDERAL COM 46H
SURFACE HOLE FOOTAGE:	80'/S & 140'/E
BOTTOM HOLE FOOTAGE:	20'/S & 500'/E
LOCATION:	Section 12, T.24 S., R.30 E., NMP
COUNTY:	Eddy County, New Mexico

COA

H2S	<input type="radio"/> Yes	<input checked="" type="radio"/> No	
Potash	<input type="radio"/> None	<input checked="" type="radio"/> Secretary	<input type="radio"/> R-111-P
Cave/Karst Potential	<input checked="" type="radio"/> Low	<input type="radio"/> Medium	<input type="radio"/> High
Cave/Karst Potential	<input type="radio"/> Critical		
Variance	<input type="radio"/> None	<input checked="" type="radio"/> Flex Hose	<input type="radio"/> Other
Wellhead	<input type="radio"/> Conventional	<input type="radio"/> Multibowl	<input checked="" type="radio"/> Both
Other	<input type="checkbox"/> 4 String Area	<input type="checkbox"/> Capitan Reef	<input type="checkbox"/> WIPP
Other	<input checked="" type="checkbox"/> Fluid Filled	<input checked="" type="checkbox"/> Cement Squeeze	<input type="checkbox"/> Pilot Hole
Special Requirements	<input type="checkbox"/> Water Disposal	<input checked="" type="checkbox"/> COM	<input type="checkbox"/> Unit

A. HYDROGEN SULFIDE

Hydrogen Sulfide (H2S) monitors shall be installed prior to drilling out the surface shoe. If H2S is detected in concentrations greater than 100 ppm, the Hydrogen Sulfide area shall meet Onshore Order 6 requirements, which includes equipment and personnel/public protection items. If Hydrogen Sulfide is encountered, provide measured values and formations to the BLM.

B. CASING

Casing Design:

1. The **10-3/4** inch surface casing shall be set at approximately **669** feet (a minimum of **70 feet (Eddy County)** into the Rustler Anhydrite and above the salt) 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.

Intermediate casing must be kept fluid filled to meet BLM minimum collapse requirement.

2. The 7-5/8 inch intermediate casing shall be set at approximately **12096** feet. 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.
Wait on cement (WOC) time for a primary cement job is to include the lead cement slurry due to cave/karst or potash.

Option 2:

Operator has proposed a DV tool, the depth may be adjusted as long as the cement is changed proportionally. The DV tool may be cancelled if cement circulates to surface on the first stage.

- a. First stage to DV tool: Cement to circulate. If cement does not circulate off the DV tool, contact the appropriate BLM office before proceeding with second stage cement job.
 - b. Second stage above DV tool:
 - Cement to surface. If cement does not circulate, contact the appropriate BLM office.
Wait on cement (WOC) time for a primary cement job is to include the lead cement slurry due to cave/karst or potash.
- ❖ In **Secretary Potash Areas** if cement does not circulate to surface on the first two casing strings, the cement on the 3rd casing string must come to surface.

Operator has proposed to pump down 10-3/4" X 7-5/8" annulus. Operator must run a CBL or ECHO-METER from TD of the 7-5/8" casing to surface. Submit results to BLM.

3. The minimum required fill of cement behind the **5 x 4-1/2** 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.

Option 2:

Operator has proposed a DV tool, the depth may be adjusted as long as the cement is changed proportionally. The DV tool may be cancelled if cement circulates to surface on the first stage.

- a. First stage to DV tool: Cement to circulate. If cement does not circulate off the DV tool, contact the appropriate BLM office before proceeding with second stage cement job.
- b. Second stage above DV tool:
 - 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.

Option 1:

- a. Minimum working pressure of the blowout preventer (BOP) and related equipment (BOPE) required for drilling below the surface casing shoe shall be **5000 (5M)** psi.
- b. Minimum working pressure of the blowout preventer (BOP) and related equipment (BOPE) required for drilling below the intermediate casing shoe shall be **10,000 (10M)** psi. **Variance is approved to use a 5000 (5M) Annular which shall be tested to 5000 (5M) psi.**

Option 2:

1. Operator has proposed a multi-bowl wellhead assembly. This assembly will only be tested when installed on the 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 5000 (5M) 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.
- 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.

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)

Eddy County

Call the Carlsbad Field Office, 620 East Greene St., Carlsbad, NM 88220,
(575) 361-2822

Lea County

Call the Hobbs Field Station, 414 West Taylor, Hobbs NM 88240, (575)
393-3612

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
 - Notify the BLM when moving in and removing the Spudder Rig.
 - 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.
 - BOP/BOPE test to be conducted per Onshore Oil and Gas Order No. 2 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. The record of the drilling rate along with the GR/N well log run from TD to surface (horizontal well – vertical portion of hole) shall be submitted to the BLM office as well as all other logs run on the borehole 30 days from completion. If available, a digital copy of the logs is to be submitted in addition to the paper copies. The Rustler top and top and bottom of Salt are to be recorded on the Completion Report.

A. CASING

1. Changes to the approved APD casing program need prior approval if the items substituted are of lesser grade or different casing size or are Non-API. The Operator can exchange the components of the proposal with that of superior strength (i.e. changing from J-55 to N-80, or from 36# to 40#). Changes to the approved cement program need prior approval if the altered cement plan has less volume or strength or if the changes are substantial (i.e. Multistage tool, ECP, etc.). The initial wellhead installed on the well will remain on the well with spools used as needed.
2. Wait on cement (WOC) for Potash Areas: After cementing but before commencing any tests, the casing string shall stand cemented under pressure until both of the following conditions have been met: 1) cement reaches a minimum compressive strength of 500 psi for all cement blends, 2) until cement has been in place at least 24 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-P 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 Onshore Oil and Gas Order No. 2 and API RP 53 Sec. 17.
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:
 - 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. Whenever any seal subject to test pressure is broken, all the tests in OOGO2.III.A.2.i must be followed.
 - e. 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.
 - a. 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 when specified), 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).

- b. 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 plug. However, **no tests** shall commence until the cement has had a minimum of 24 hours setup time, except the casing pressure test can be initiated immediately after bumping the plug (only applies to single stage cement jobs).
- c. The tests shall be done by an independent service company utilizing a test plug not a cup or J-packer. The operator also has the option of utilizing an independent tester to test without a plug (i.e. against the casing) pursuant to Onshore Order 2 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 water basin (8 hours) or potash (24 hours) or 500 pounds compressive strength, whichever is greater, prior to initiating the test (see casing segment as lead cement may be critical item).
- d. 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.
- e. The results of the test shall be reported to the appropriate BLM office.
- f. 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.
- g. 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.
- h. 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 Onshore Order No. 2.

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.

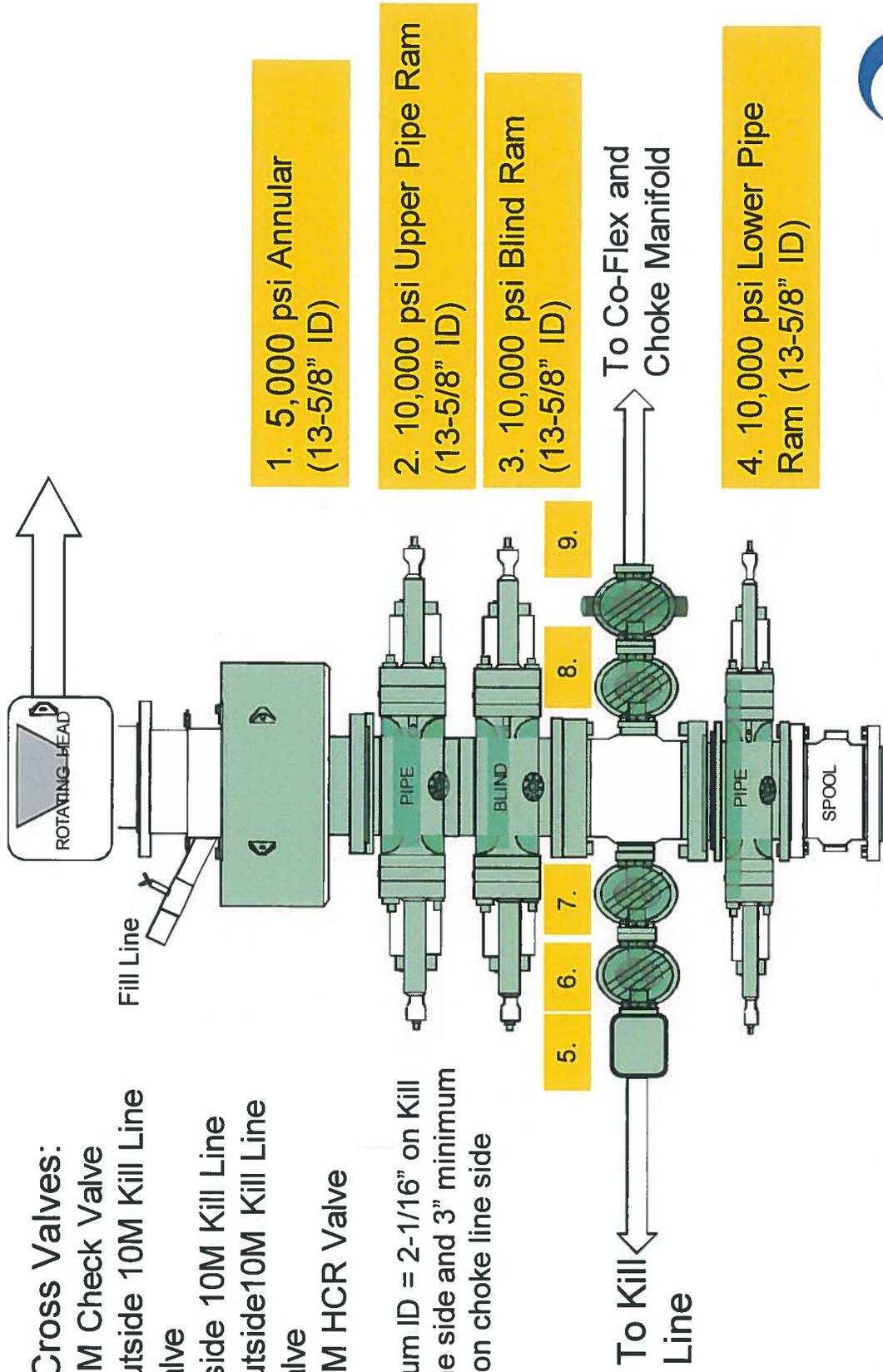
NMK06162020

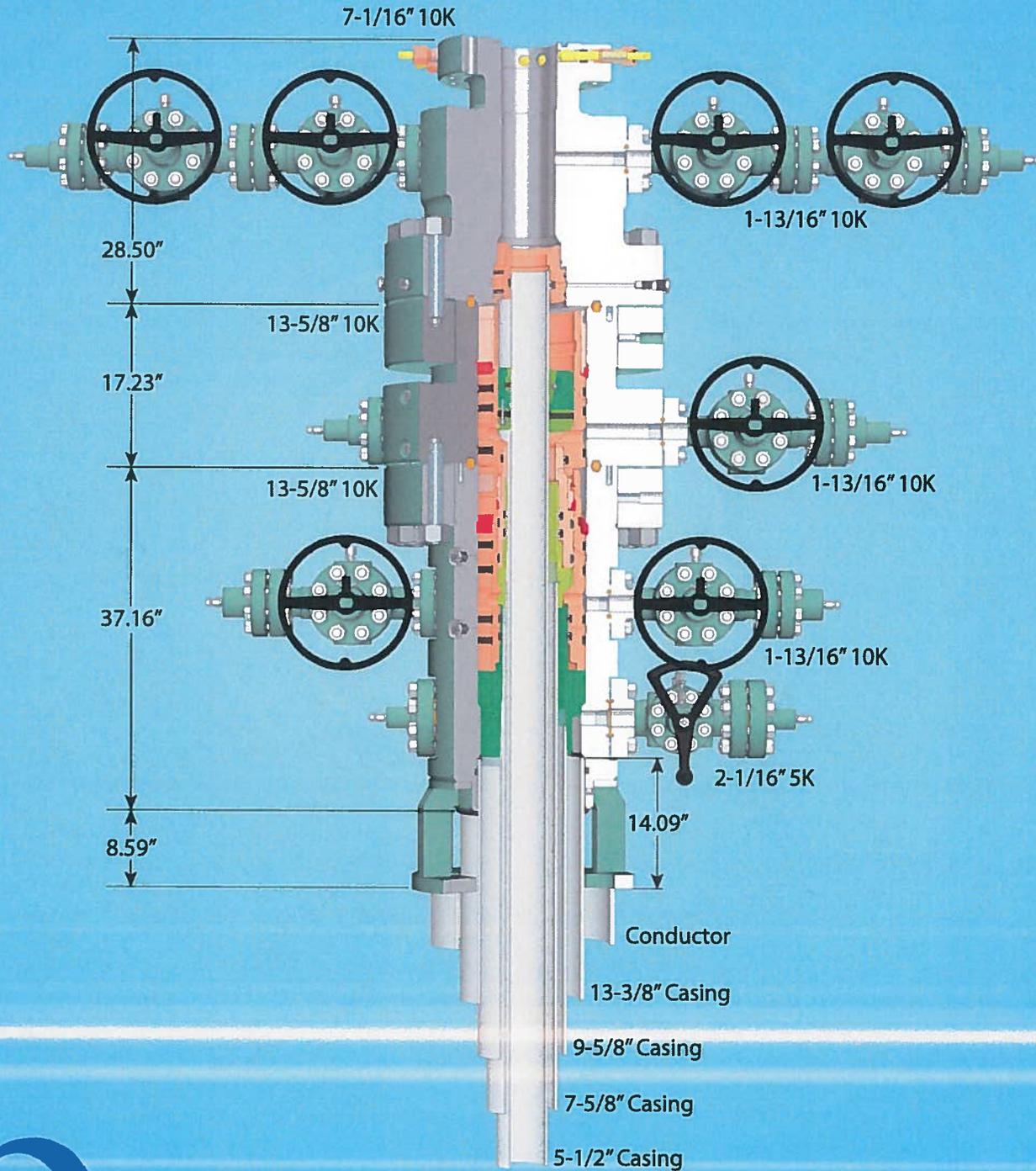
5/10M BOP Stack

Mud Cross Valves:

5. 10M Check Valve
6. Outside 10M Kill Line Valve
7. Inside 10M Kill Line Valve
8. Outside 10M Kill Line Valve
9. 10M HCR Valve

*Minimum ID = 2-1/16" on Kill Line side and 3" minimum ID on choke line side





1615045

NOTE: All dimensions on this drawing are estimated measurements and should be evaluated by engineering.



Project: PRD NM DIRECTIONAL PLANS (NAD 1983)
 Site: Nimitz MDP1 13
 Well: Nimitz MDP1 13 Federal Com 46H
 Wellbore: Wellbore #1
 Design: Permitting Plan

PROJECT DETAILS: NM DIRECTIONAL PLANS (NAD 1983)

Geodetic System: US State Plane 1983
 Datum: North American Datum 1983
 Ellipsoid: GRS 1980
 Zone: New Mexico Eastern Zone

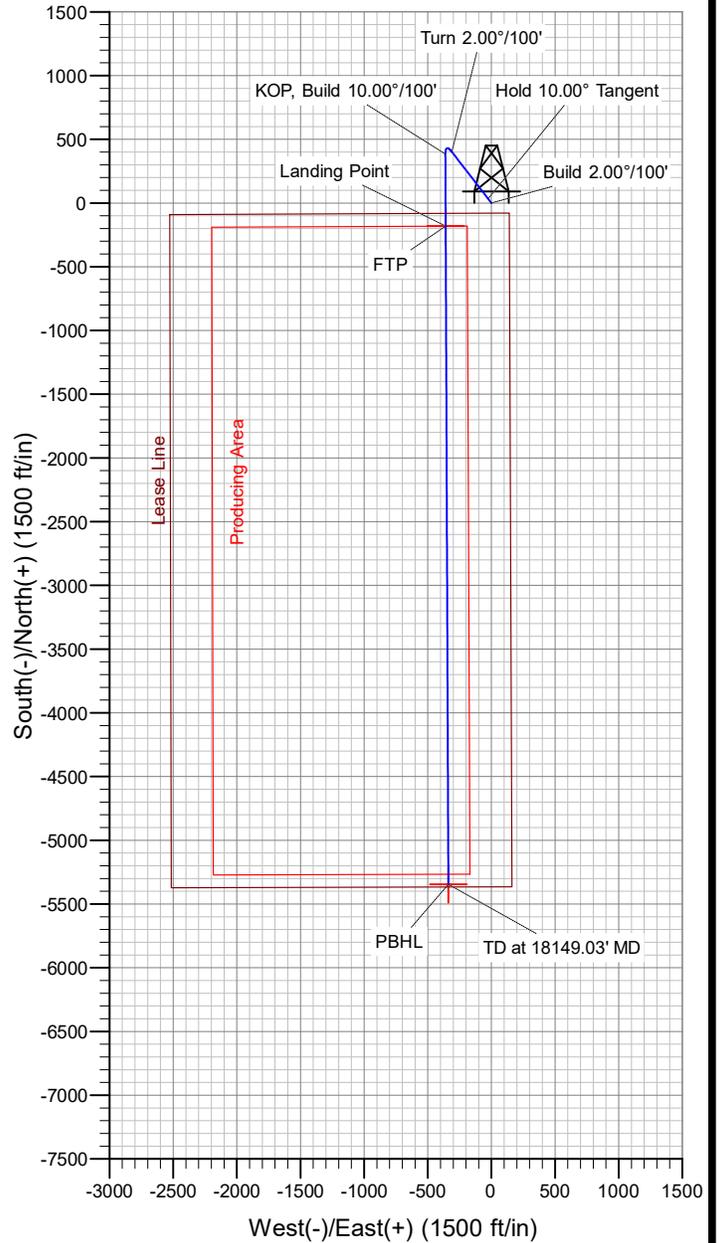
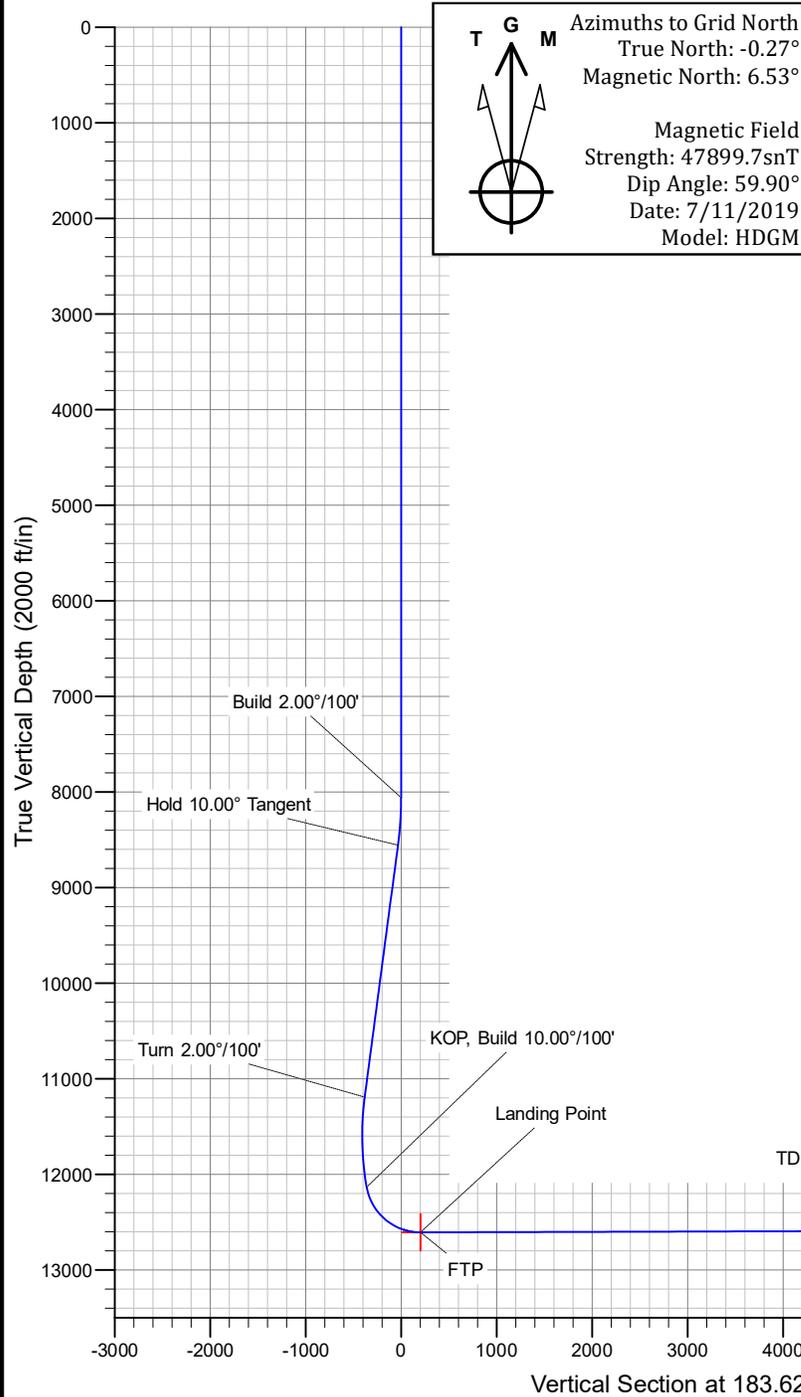
System Datum: Mean Sea Level

WELL DETAILS: Nimitz MDP1 13 Federal Com 46H

		Ground Level:		3521.10	
+N/-S	+E/-W	Northing	Easting	Latitude	Longitude
0.00	0.00	446091.04	698183.09	32° 13' 31.306545 N	103° 49' 34.027184 W

SECTION DETAILS

MD	Inc	Azi	TVD	+N/-S	+E/-W	Dleg	TFace	V Sect	Annotation
0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
8060.00	0.00	0.00	8060.00	0.00	0.00	0.00	0.00	0.00	Build 2.00°/100'
8559.84	10.00	322.24	8557.31	34.39	-26.63	2.00	322.24	-32.64	Hold 10.00° Tangent
11236.91	10.00	322.24	11193.73	401.81	-311.18	0.00	0.00	-381.35	Turn 2.00°/100'
12183.12	10.00	179.77	12134.14	384.43	-361.60	2.00	-160.97	-360.82	KOP, Build 10.00°/100'
12984.79	90.17	179.77	12607.60	-181.48	-359.30	10.00	0.00	203.82	Landing Point
18149.03	90.17	179.77	12592.60	-5345.67	-338.37	0.00	0.00	5356.36	TD at 18149.03' MD



OXY

PRD NM DIRECTIONAL PLANS (NAD 1983)

Nimitz MDP1 13

Nimitz MDP1 13 Federal Com 46H

Wellbore #1

Plan: Permitting Plan

Standard Planning Report

11 July, 2019

Oxy Planning Report

Database:	HOPSPP	Local Co-ordinate Reference:	Well Nimitz MDP1 13 Federal Com 46H
Company:	ENGINEERING DESIGNS	TVD Reference:	RKB=26.5' @ 3547.60ft
Project:	PRD NM DIRECTIONAL PLANS (NAD 1983)	MD Reference:	RKB=26.5' @ 3547.60ft
Site:	Nimitz MDP1 13	North Reference:	Grid
Well:	Nimitz MDP1 13 Federal Com 46H	Survey Calculation Method:	Minimum Curvature
Wellbore:	Wellbore #1		
Design:	Permitting Plan		

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

Site	Nimitz MDP1 13				
Site Position:	Northing:	445,742.28 usft	Latitude:	32° 13' 27.984385 N	
From: Map	Easting:	695,395.61 usft	Longitude:	103° 50' 6.496371 W	
Position Uncertainty:	50.00 ft	Slot Radius:	13.200 in	Grid Convergence:	0.27 °

Well	Nimitz MDP1 13 Federal Com 46H					
Well Position	+N/-S	348.78 ft	Northing:	446,091.04 usft	Latitude:	32° 13' 31.306545 N
	+E/-W	2,787.66 ft	Easting:	698,183.09 usft	Longitude:	103° 49' 34.027184 W
Position Uncertainty		2.00 ft	Wellhead Elevation:	0.00 ft	Ground Level:	3,521.10 ft

Wellbore	Wellbore #1				
Magnetics	Model Name	Sample Date	Declination (°)	Dip Angle (°)	Field Strength (nT)
	HDGM	7/11/2019	6.80	59.90	47,900

Design	Permitting Plan			
Audit Notes:				
Version:	Phase:	PROTOTYPE	Tie On Depth:	0.00
Vertical Section:	Depth From (TVD) (ft)	+N/-S (ft)	+E/-W (ft)	Direction (°)
	0.00	0.00	0.00	183.62

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	
8,060.00	0.00	0.00	8,060.00	0.00	0.00	0.00	0.00	0.00	0.00	
8,559.84	10.00	322.24	8,557.31	34.39	-26.63	2.00	2.00	0.00	322.24	
11,236.91	10.00	322.24	11,193.73	401.81	-311.18	0.00	0.00	0.00	0.00	
12,183.12	10.00	179.77	12,134.14	384.43	-361.60	2.00	0.00	-15.06	-160.97	
12,984.79	90.17	179.77	12,607.60	-181.48	-359.30	10.00	10.00	0.00	0.00	FTP (Nimitz MDP1)
18,149.03	90.17	179.77	12,592.60	-5,345.67	-338.37	0.00	0.00	0.00	0.00	PBHL (Nimitz MDP1)

Oxy Planning Report

Database:	HOPSP	Local Co-ordinate Reference:	Well Nimitz MDP1 13 Federal Com 46H
Company:	ENGINEERING DESIGNS	TVD Reference:	RKB=26.5' @ 3547.60ft
Project:	PRD NM DIRECTIONAL PLANS (NAD 1983)	MD Reference:	RKB=26.5' @ 3547.60ft
Site:	Nimitz MDP1 13	North Reference:	Grid
Well:	Nimitz MDP1 13 Federal Com 46H	Survey Calculation Method:	Minimum Curvature
Wellbore:	Wellbore #1		
Design:	Permitting Plan		

Planned Survey									
Measured Depth (ft)	Inclination (°)	Azimuth (°)	Vertical Depth (ft)	+N/-S (ft)	+E/-W (ft)	Vertical Section (ft)	Dogleg Rate (°/100ft)	Build Rate (°/100ft)	Turn Rate (°/100ft)
0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
100.00	0.00	0.00	100.00	0.00	0.00	0.00	0.00	0.00	0.00
200.00	0.00	0.00	200.00	0.00	0.00	0.00	0.00	0.00	0.00
300.00	0.00	0.00	300.00	0.00	0.00	0.00	0.00	0.00	0.00
400.00	0.00	0.00	400.00	0.00	0.00	0.00	0.00	0.00	0.00
500.00	0.00	0.00	500.00	0.00	0.00	0.00	0.00	0.00	0.00
600.00	0.00	0.00	600.00	0.00	0.00	0.00	0.00	0.00	0.00
700.00	0.00	0.00	700.00	0.00	0.00	0.00	0.00	0.00	0.00
800.00	0.00	0.00	800.00	0.00	0.00	0.00	0.00	0.00	0.00
900.00	0.00	0.00	900.00	0.00	0.00	0.00	0.00	0.00	0.00
1,000.00	0.00	0.00	1,000.00	0.00	0.00	0.00	0.00	0.00	0.00
1,100.00	0.00	0.00	1,100.00	0.00	0.00	0.00	0.00	0.00	0.00
1,200.00	0.00	0.00	1,200.00	0.00	0.00	0.00	0.00	0.00	0.00
1,300.00	0.00	0.00	1,300.00	0.00	0.00	0.00	0.00	0.00	0.00
1,400.00	0.00	0.00	1,400.00	0.00	0.00	0.00	0.00	0.00	0.00
1,500.00	0.00	0.00	1,500.00	0.00	0.00	0.00	0.00	0.00	0.00
1,600.00	0.00	0.00	1,600.00	0.00	0.00	0.00	0.00	0.00	0.00
1,700.00	0.00	0.00	1,700.00	0.00	0.00	0.00	0.00	0.00	0.00
1,800.00	0.00	0.00	1,800.00	0.00	0.00	0.00	0.00	0.00	0.00
1,900.00	0.00	0.00	1,900.00	0.00	0.00	0.00	0.00	0.00	0.00
2,000.00	0.00	0.00	2,000.00	0.00	0.00	0.00	0.00	0.00	0.00
2,100.00	0.00	0.00	2,100.00	0.00	0.00	0.00	0.00	0.00	0.00
2,200.00	0.00	0.00	2,200.00	0.00	0.00	0.00	0.00	0.00	0.00
2,300.00	0.00	0.00	2,300.00	0.00	0.00	0.00	0.00	0.00	0.00
2,400.00	0.00	0.00	2,400.00	0.00	0.00	0.00	0.00	0.00	0.00
2,500.00	0.00	0.00	2,500.00	0.00	0.00	0.00	0.00	0.00	0.00
2,600.00	0.00	0.00	2,600.00	0.00	0.00	0.00	0.00	0.00	0.00
2,700.00	0.00	0.00	2,700.00	0.00	0.00	0.00	0.00	0.00	0.00
2,800.00	0.00	0.00	2,800.00	0.00	0.00	0.00	0.00	0.00	0.00
2,900.00	0.00	0.00	2,900.00	0.00	0.00	0.00	0.00	0.00	0.00
3,000.00	0.00	0.00	3,000.00	0.00	0.00	0.00	0.00	0.00	0.00
3,100.00	0.00	0.00	3,100.00	0.00	0.00	0.00	0.00	0.00	0.00
3,200.00	0.00	0.00	3,200.00	0.00	0.00	0.00	0.00	0.00	0.00
3,300.00	0.00	0.00	3,300.00	0.00	0.00	0.00	0.00	0.00	0.00
3,400.00	0.00	0.00	3,400.00	0.00	0.00	0.00	0.00	0.00	0.00
3,500.00	0.00	0.00	3,500.00	0.00	0.00	0.00	0.00	0.00	0.00
3,600.00	0.00	0.00	3,600.00	0.00	0.00	0.00	0.00	0.00	0.00
3,700.00	0.00	0.00	3,700.00	0.00	0.00	0.00	0.00	0.00	0.00
3,800.00	0.00	0.00	3,800.00	0.00	0.00	0.00	0.00	0.00	0.00
3,900.00	0.00	0.00	3,900.00	0.00	0.00	0.00	0.00	0.00	0.00
4,000.00	0.00	0.00	4,000.00	0.00	0.00	0.00	0.00	0.00	0.00
4,100.00	0.00	0.00	4,100.00	0.00	0.00	0.00	0.00	0.00	0.00
4,200.00	0.00	0.00	4,200.00	0.00	0.00	0.00	0.00	0.00	0.00
4,300.00	0.00	0.00	4,300.00	0.00	0.00	0.00	0.00	0.00	0.00
4,400.00	0.00	0.00	4,400.00	0.00	0.00	0.00	0.00	0.00	0.00
4,500.00	0.00	0.00	4,500.00	0.00	0.00	0.00	0.00	0.00	0.00
4,600.00	0.00	0.00	4,600.00	0.00	0.00	0.00	0.00	0.00	0.00
4,700.00	0.00	0.00	4,700.00	0.00	0.00	0.00	0.00	0.00	0.00
4,800.00	0.00	0.00	4,800.00	0.00	0.00	0.00	0.00	0.00	0.00
4,900.00	0.00	0.00	4,900.00	0.00	0.00	0.00	0.00	0.00	0.00
5,000.00	0.00	0.00	5,000.00	0.00	0.00	0.00	0.00	0.00	0.00
5,100.00	0.00	0.00	5,100.00	0.00	0.00	0.00	0.00	0.00	0.00
5,200.00	0.00	0.00	5,200.00	0.00	0.00	0.00	0.00	0.00	0.00
5,300.00	0.00	0.00	5,300.00	0.00	0.00	0.00	0.00	0.00	0.00

Oxy Planning Report

Database:	HOPSP	Local Co-ordinate Reference:	Well Nimitz MDP1 13 Federal Com 46H
Company:	ENGINEERING DESIGNS	TVD Reference:	RKB=26.5' @ 3547.60ft
Project:	PRD NM DIRECTIONAL PLANS (NAD 1983)	MD Reference:	RKB=26.5' @ 3547.60ft
Site:	Nimitz MDP1 13	North Reference:	Grid
Well:	Nimitz MDP1 13 Federal Com 46H	Survey Calculation Method:	Minimum Curvature
Wellbore:	Wellbore #1		
Design:	Permitting Plan		

Planned Survey										
Measured Depth (ft)	Inclination (°)	Azimuth (°)	Vertical Depth (ft)	+N/-S (ft)	+E/-W (ft)	Vertical Section (ft)	Dogleg Rate (°/100ft)	Build Rate (°/100ft)	Turn Rate (°/100ft)	
5,400.00	0.00	0.00	5,400.00	0.00	0.00	0.00	0.00	0.00	0.00	
5,500.00	0.00	0.00	5,500.00	0.00	0.00	0.00	0.00	0.00	0.00	
5,600.00	0.00	0.00	5,600.00	0.00	0.00	0.00	0.00	0.00	0.00	
5,700.00	0.00	0.00	5,700.00	0.00	0.00	0.00	0.00	0.00	0.00	
5,800.00	0.00	0.00	5,800.00	0.00	0.00	0.00	0.00	0.00	0.00	
5,900.00	0.00	0.00	5,900.00	0.00	0.00	0.00	0.00	0.00	0.00	
6,000.00	0.00	0.00	6,000.00	0.00	0.00	0.00	0.00	0.00	0.00	
6,100.00	0.00	0.00	6,100.00	0.00	0.00	0.00	0.00	0.00	0.00	
6,200.00	0.00	0.00	6,200.00	0.00	0.00	0.00	0.00	0.00	0.00	
6,300.00	0.00	0.00	6,300.00	0.00	0.00	0.00	0.00	0.00	0.00	
6,400.00	0.00	0.00	6,400.00	0.00	0.00	0.00	0.00	0.00	0.00	
6,500.00	0.00	0.00	6,500.00	0.00	0.00	0.00	0.00	0.00	0.00	
6,600.00	0.00	0.00	6,600.00	0.00	0.00	0.00	0.00	0.00	0.00	
6,700.00	0.00	0.00	6,700.00	0.00	0.00	0.00	0.00	0.00	0.00	
6,800.00	0.00	0.00	6,800.00	0.00	0.00	0.00	0.00	0.00	0.00	
6,900.00	0.00	0.00	6,900.00	0.00	0.00	0.00	0.00	0.00	0.00	
7,000.00	0.00	0.00	7,000.00	0.00	0.00	0.00	0.00	0.00	0.00	
7,100.00	0.00	0.00	7,100.00	0.00	0.00	0.00	0.00	0.00	0.00	
7,200.00	0.00	0.00	7,200.00	0.00	0.00	0.00	0.00	0.00	0.00	
7,300.00	0.00	0.00	7,300.00	0.00	0.00	0.00	0.00	0.00	0.00	
7,400.00	0.00	0.00	7,400.00	0.00	0.00	0.00	0.00	0.00	0.00	
7,500.00	0.00	0.00	7,500.00	0.00	0.00	0.00	0.00	0.00	0.00	
7,600.00	0.00	0.00	7,600.00	0.00	0.00	0.00	0.00	0.00	0.00	
7,700.00	0.00	0.00	7,700.00	0.00	0.00	0.00	0.00	0.00	0.00	
7,800.00	0.00	0.00	7,800.00	0.00	0.00	0.00	0.00	0.00	0.00	
7,900.00	0.00	0.00	7,900.00	0.00	0.00	0.00	0.00	0.00	0.00	
8,000.00	0.00	0.00	8,000.00	0.00	0.00	0.00	0.00	0.00	0.00	
8,060.00	0.00	0.00	8,060.00	0.00	0.00	0.00	0.00	0.00	0.00	
8,100.00	0.80	322.24	8,100.00	0.22	-0.17	-0.21	2.00	2.00	0.00	
8,200.00	2.80	322.24	8,199.94	2.70	-2.09	-2.57	2.00	2.00	0.00	
8,300.00	4.80	322.24	8,299.72	7.94	-6.15	-7.54	2.00	2.00	0.00	
8,400.00	6.80	322.24	8,399.20	15.93	-12.34	-15.12	2.00	2.00	0.00	
8,500.00	8.80	322.24	8,498.27	26.66	-20.65	-25.30	2.00	2.00	0.00	
8,559.84	10.00	322.24	8,557.31	34.39	-26.63	-32.64	2.00	2.00	0.00	
8,600.00	10.00	322.24	8,596.86	39.90	-30.90	-37.87	0.00	0.00	0.00	
8,700.00	10.00	322.24	8,695.34	53.62	-41.53	-50.89	0.00	0.00	0.00	
8,800.00	10.00	322.24	8,793.82	67.35	-52.16	-63.92	0.00	0.00	0.00	
8,900.00	10.00	322.24	8,892.30	81.07	-62.79	-76.95	0.00	0.00	0.00	
9,000.00	10.00	322.24	8,990.79	94.80	-73.42	-89.97	0.00	0.00	0.00	
9,100.00	10.00	322.24	9,089.27	108.52	-84.05	-103.00	0.00	0.00	0.00	
9,200.00	10.00	322.24	9,187.75	122.25	-94.68	-116.02	0.00	0.00	0.00	
9,300.00	10.00	322.24	9,286.23	135.97	-105.31	-129.05	0.00	0.00	0.00	
9,400.00	10.00	322.24	9,384.71	149.70	-115.93	-142.08	0.00	0.00	0.00	
9,500.00	10.00	322.24	9,483.19	163.42	-126.56	-155.10	0.00	0.00	0.00	
9,600.00	10.00	322.24	9,581.68	177.15	-137.19	-168.13	0.00	0.00	0.00	
9,700.00	10.00	322.24	9,680.16	190.87	-147.82	-181.15	0.00	0.00	0.00	
9,800.00	10.00	322.24	9,778.64	204.60	-158.45	-194.18	0.00	0.00	0.00	
9,900.00	10.00	322.24	9,877.12	218.32	-169.08	-207.20	0.00	0.00	0.00	
10,000.00	10.00	322.24	9,975.60	232.05	-179.71	-220.23	0.00	0.00	0.00	
10,100.00	10.00	322.24	10,074.08	245.77	-190.34	-233.26	0.00	0.00	0.00	
10,200.00	10.00	322.24	10,172.57	259.50	-200.97	-246.28	0.00	0.00	0.00	
10,300.00	10.00	322.24	10,271.05	273.22	-211.60	-259.31	0.00	0.00	0.00	
10,400.00	10.00	322.24	10,369.53	286.95	-222.23	-272.33	0.00	0.00	0.00	
10,500.00	10.00	322.24	10,468.01	300.67	-232.86	-285.36	0.00	0.00	0.00	

Oxy Planning Report

Database:	HOPSPP	Local Co-ordinate Reference:	Well Nimitz MDP1 13 Federal Com 46H
Company:	ENGINEERING DESIGNS	TVD Reference:	RKB=26.5' @ 3547.60ft
Project:	PRD NM DIRECTIONAL PLANS (NAD 1983)	MD Reference:	RKB=26.5' @ 3547.60ft
Site:	Nimitz MDP1 13	North Reference:	Grid
Well:	Nimitz MDP1 13 Federal Com 46H	Survey Calculation Method:	Minimum Curvature
Wellbore:	Wellbore #1		
Design:	Permitting Plan		

Planned Survey										
Measured Depth (ft)	Inclination (°)	Azimuth (°)	Vertical Depth (ft)	+N/-S (ft)	+E/-W (ft)	Vertical Section (ft)	Dogleg Rate (°/100ft)	Build Rate (°/100ft)	Turn Rate (°/100ft)	
10,600.00	10.00	322.24	10,566.49	314.40	-243.48	-298.39	0.00	0.00	0.00	
10,700.00	10.00	322.24	10,664.97	328.12	-254.11	-311.41	0.00	0.00	0.00	
10,800.00	10.00	322.24	10,763.46	341.85	-264.74	-324.44	0.00	0.00	0.00	
10,900.00	10.00	322.24	10,861.94	355.57	-275.37	-337.46	0.00	0.00	0.00	
11,000.00	10.00	322.24	10,960.42	369.29	-286.00	-350.49	0.00	0.00	0.00	
11,100.00	10.00	322.24	11,058.90	383.02	-296.63	-363.52	0.00	0.00	0.00	
11,200.00	10.00	322.24	11,157.38	396.74	-307.26	-376.54	0.00	0.00	0.00	
11,236.91	10.00	322.24	11,193.73	401.81	-311.18	-381.35	0.00	0.00	0.00	
11,300.00	8.81	319.56	11,255.97	409.82	-317.67	-388.93	2.00	-1.88	-4.26	
11,400.00	6.99	313.48	11,355.02	419.84	-327.06	-398.34	2.00	-1.82	-6.08	
11,500.00	5.30	303.37	11,454.45	426.57	-335.34	-404.54	2.00	-1.69	-10.11	
11,600.00	3.92	285.15	11,554.12	430.01	-342.50	-407.51	2.00	-1.39	-18.22	
11,700.00	3.25	254.51	11,653.94	430.14	-348.53	-407.27	2.00	-0.67	-30.64	
11,800.00	3.71	221.96	11,753.76	426.98	-353.43	-403.80	2.00	0.46	-32.56	
11,900.00	5.00	201.44	11,853.48	420.52	-357.19	-397.11	2.00	1.29	-20.51	
12,000.00	6.64	190.14	11,952.96	410.77	-359.80	-387.22	2.00	1.65	-11.31	
12,100.00	8.45	183.46	12,052.09	397.74	-361.26	-374.13	2.00	1.80	-6.68	
12,183.12	10.00	179.77	12,134.14	384.43	-361.60	-360.82	2.00	1.87	-4.44	
12,200.00	11.69	179.77	12,150.71	381.26	-361.58	-357.65	10.00	10.00	0.00	
12,300.00	21.69	179.77	12,246.38	352.58	-361.47	-329.04	10.00	10.00	0.00	
12,400.00	31.69	179.77	12,335.61	307.72	-361.29	-284.28	10.00	10.00	0.00	
12,500.00	41.69	179.77	12,415.70	248.05	-361.04	-224.75	10.00	10.00	0.00	
12,600.00	51.69	179.77	12,484.21	175.38	-360.75	-152.24	10.00	10.00	0.00	
12,700.00	61.69	179.77	12,539.06	91.92	-360.41	-68.97	10.00	10.00	0.00	
12,800.00	71.69	179.77	12,578.59	0.20	-360.04	22.54	10.00	10.00	0.00	
12,900.00	81.69	179.77	12,601.58	-96.99	-359.65	119.51	10.00	10.00	0.00	
12,984.79	90.17	179.77	12,607.60	-181.48	-359.30	203.82	10.00	10.00	0.00	
13,000.00	90.17	179.77	12,607.56	-196.70	-359.24	219.00	0.00	0.00	0.00	
13,100.00	90.17	179.77	12,607.27	-296.70	-358.84	318.77	0.00	0.00	0.00	
13,200.00	90.17	179.77	12,606.98	-396.69	-358.43	418.54	0.00	0.00	0.00	
13,300.00	90.17	179.77	12,606.68	-496.69	-358.03	518.32	0.00	0.00	0.00	
13,400.00	90.17	179.77	12,606.39	-596.69	-357.62	618.09	0.00	0.00	0.00	
13,500.00	90.17	179.77	12,606.10	-696.69	-357.22	717.86	0.00	0.00	0.00	
13,600.00	90.17	179.77	12,605.81	-796.69	-356.81	817.64	0.00	0.00	0.00	
13,700.00	90.17	179.77	12,605.52	-896.69	-356.40	917.41	0.00	0.00	0.00	
13,800.00	90.17	179.77	12,605.23	-996.69	-356.00	1,017.18	0.00	0.00	0.00	
13,900.00	90.17	179.77	12,604.94	-1,096.69	-355.59	1,116.96	0.00	0.00	0.00	
14,000.00	90.17	179.77	12,604.65	-1,196.68	-355.19	1,216.73	0.00	0.00	0.00	
14,100.00	90.17	179.77	12,604.36	-1,296.68	-354.78	1,316.51	0.00	0.00	0.00	
14,200.00	90.17	179.77	12,604.07	-1,396.68	-354.38	1,416.28	0.00	0.00	0.00	
14,300.00	90.17	179.77	12,603.78	-1,496.68	-353.97	1,516.05	0.00	0.00	0.00	
14,400.00	90.17	179.77	12,603.49	-1,596.68	-353.57	1,615.83	0.00	0.00	0.00	
14,500.00	90.17	179.77	12,603.20	-1,696.68	-353.16	1,715.60	0.00	0.00	0.00	
14,600.00	90.17	179.77	12,602.91	-1,796.68	-352.76	1,815.37	0.00	0.00	0.00	
14,700.00	90.17	179.77	12,602.62	-1,896.68	-352.35	1,915.15	0.00	0.00	0.00	
14,800.00	90.17	179.77	12,602.33	-1,996.67	-351.95	2,014.92	0.00	0.00	0.00	
14,900.00	90.17	179.77	12,602.04	-2,096.67	-351.54	2,114.69	0.00	0.00	0.00	
15,000.00	90.17	179.77	12,601.75	-2,196.67	-351.14	2,214.47	0.00	0.00	0.00	
15,100.00	90.17	179.77	12,601.46	-2,296.67	-350.73	2,314.24	0.00	0.00	0.00	
15,200.00	90.17	179.77	12,601.17	-2,396.67	-350.32	2,414.01	0.00	0.00	0.00	
15,300.00	90.17	179.77	12,600.88	-2,496.67	-349.92	2,513.79	0.00	0.00	0.00	
15,400.00	90.17	179.77	12,600.59	-2,596.67	-349.51	2,613.56	0.00	0.00	0.00	
15,500.00	90.17	179.77	12,600.29	-2,696.67	-349.11	2,713.33	0.00	0.00	0.00	
15,600.00	90.17	179.77	12,600.00	-2,796.66	-348.70	2,813.11	0.00	0.00	0.00	

Oxy Planning Report

Database:	HOPSP	Local Co-ordinate Reference:	Well Nimitz MDP1 13 Federal Com 46H
Company:	ENGINEERING DESIGNS	TVD Reference:	RKB=26.5' @ 3547.60ft
Project:	PRD NM DIRECTIONAL PLANS (NAD 1983)	MD Reference:	RKB=26.5' @ 3547.60ft
Site:	Nimitz MDP1 13	North Reference:	Grid
Well:	Nimitz MDP1 13 Federal Com 46H	Survey Calculation Method:	Minimum Curvature
Wellbore:	Wellbore #1		
Design:	Permitting Plan		

Planned Survey										
Measured Depth (ft)	Inclination (°)	Azimuth (°)	Vertical Depth (ft)	+N/-S (ft)	+E/-W (ft)	Vertical Section (ft)	Dogleg Rate (°/100ft)	Build Rate (°/100ft)	Turn Rate (°/100ft)	
15,700.00	90.17	179.77	12,599.71	-2,896.66	-348.30	2,912.88	0.00	0.00	0.00	
15,800.00	90.17	179.77	12,599.42	-2,996.66	-347.89	3,012.65	0.00	0.00	0.00	
15,900.00	90.17	179.77	12,599.13	-3,096.66	-347.49	3,112.43	0.00	0.00	0.00	
16,000.00	90.17	179.77	12,598.84	-3,196.66	-347.08	3,212.20	0.00	0.00	0.00	
16,100.00	90.17	179.77	12,598.55	-3,296.66	-346.68	3,311.97	0.00	0.00	0.00	
16,200.00	90.17	179.77	12,598.26	-3,396.66	-346.27	3,411.75	0.00	0.00	0.00	
16,300.00	90.17	179.77	12,597.97	-3,496.66	-345.87	3,511.52	0.00	0.00	0.00	
16,400.00	90.17	179.77	12,597.68	-3,596.65	-345.46	3,611.29	0.00	0.00	0.00	
16,500.00	90.17	179.77	12,597.39	-3,696.65	-345.06	3,711.07	0.00	0.00	0.00	
16,600.00	90.17	179.77	12,597.10	-3,796.65	-344.65	3,810.84	0.00	0.00	0.00	
16,700.00	90.17	179.77	12,596.81	-3,896.65	-344.25	3,910.61	0.00	0.00	0.00	
16,800.00	90.17	179.77	12,596.52	-3,996.65	-343.84	4,010.39	0.00	0.00	0.00	
16,900.00	90.17	179.77	12,596.23	-4,096.65	-343.43	4,110.16	0.00	0.00	0.00	
17,000.00	90.17	179.77	12,595.94	-4,196.65	-343.03	4,209.93	0.00	0.00	0.00	
17,100.00	90.17	179.77	12,595.65	-4,296.65	-342.62	4,309.71	0.00	0.00	0.00	
17,200.00	90.17	179.77	12,595.36	-4,396.64	-342.22	4,409.48	0.00	0.00	0.00	
17,300.00	90.17	179.77	12,595.07	-4,496.64	-341.81	4,509.25	0.00	0.00	0.00	
17,400.00	90.17	179.77	12,594.78	-4,596.64	-341.41	4,609.03	0.00	0.00	0.00	
17,500.00	90.17	179.77	12,594.49	-4,696.64	-341.00	4,708.80	0.00	0.00	0.00	
17,600.00	90.17	179.77	12,594.19	-4,796.64	-340.60	4,808.57	0.00	0.00	0.00	
17,700.00	90.17	179.77	12,593.90	-4,896.64	-340.19	4,908.35	0.00	0.00	0.00	
17,800.00	90.17	179.77	12,593.61	-4,996.64	-339.79	5,008.12	0.00	0.00	0.00	
17,900.00	90.17	179.77	12,593.32	-5,096.64	-339.38	5,107.90	0.00	0.00	0.00	
18,000.00	90.17	179.77	12,593.03	-5,196.63	-338.98	5,207.67	0.00	0.00	0.00	
18,100.00	90.17	179.77	12,592.74	-5,296.63	-338.57	5,307.44	0.00	0.00	0.00	
18,149.03	90.17	179.77	12,592.60	-5,345.67	-338.37	5,356.36	0.00	0.00	0.00	

Design Targets										
Target Name	Dip Angle (°)	Dip Dir. (°)	TVD (ft)	+N/-S (ft)	+E/-W (ft)	Northing (usft)	Easting (usft)	Latitude	Longitude	
PBHL (Nimitz MDP1 - plan hits target center - Point	0.00	0.00	12,592.60	-5,345.67	-338.37	440,745.72	697,844.74	32° 12' 38.426719 N	103° 49' 38.259092	
FTP (Nimitz MDP1 13 - plan hits target center - Point	0.00	0.00	12,607.60	-181.48	-359.30	445,909.57	697,823.81	32° 13' 29.527541 N	103° 49' 38.219678	

Plan Annotations					
Measured Depth (ft)	Vertical Depth (ft)	+N/-S (ft)	+E/-W (ft)	Comment	
8,060.00	8,060.00	0.00	0.00	Build 2.00°/100'	
8,559.84	8,557.31	34.39	-26.63	Hold 10.00° Tangent	
11,236.91	11,193.73	401.81	-311.18	Turn 2.00°/100'	
12,183.12	12,134.14	384.43	-361.60	KOP, Build 10.00°/100'	
12,984.79	12,607.60	-181.48	-359.30	Landing Point	
18,149.03	12,592.60	-5,345.67	-338.37	TD at 18149.03' MD	

OXY USA Inc. - Nimitz MDP1 13 Federal Com 46H – Drill Plan

1. Geologic Formations

TVD of target	12607'	Pilot Hole Depth	N/A
MD at TD:	18149'	Deepest Expected fresh water:	602'

Delaware Basin

Formation	TVD - RKB	Expected Fluids
Rustler	602	
Salado	918	Salt
Castile	2,795	Salt
Lamar/Delaware	4,262	Oil/Gas/Brine
Bell Canyon	4,294	Oil/Gas/Brine
Cherry Canyon	5,164	Oil/Gas/Brine
Brushy Canyon	6,384	Losses
Bone Spring	8,114	Oil/Gas
1st Bone Spring	9,086	Oil/Gas
2nd Bone Spring	9,870	Oil/Gas
3rd Bone Spring	11,066	Oil/Gas
Wolfcamp	11,523	Oil/Gas

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

2. Casing Program

Hole Size (in)	Casing Interval		Csg. Size (in)	Weight (lbs)	Grade	Conn.	SF Collapse	SF Burst	Buoyant	Buoyant
	From (ft)	To (ft)							Body SF	Joint SF
									Tension	Tension
14.75	0	858	10.75	40.5	J-55	BTC	1.125	1.2	1.4	1.4
9.875	0	12083	7.625	26.4	L-80 HC	BTC	1.125	1.2	1.4	1.4
6.75	0	12633	5.5	20	P-110	DQX	1.125	1.2	1.4	1.4
6.75	12633	18149	4.5	13.5	P-110	DQX	1.125	1.2	1.4	1.4
SF Values will meet or Exceed										

All casing strings will be tested in accordance with Onshore Oil and Gas Order #2 III.B.1.h

*OXY requests the option to set casing shallower yet still below the salts if losses or hole conditions require this. Cement volumes may be adjusted if casing is set shallower and a DV tool may be run in case hole conditions merit pumping a second stage cement job to comply with permitted top of cement. If cement circulated to surface during first stage, we will drop a cancelation cone and not pump the second stage.

*OXY requests the option to run production casing with DQX, SF TORQ, and/or DQW TORQ connections to accommodate hole conditions or drilling operations.

OXY USA Inc. - Nimitz MDP1 13 Federal Com 46H – Drill Plan

Annular Clearance Variance Request

As per the agreement reached in the OXY/BLM meeting on Feb 22, 2018, OXY requests permission to allow deviation from the 0.422” annular clearance requirement from Onshore Order #2 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.

	Y or N
Is casing new? If used, attach certification as required in Onshore Order #1	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? If not provide justification (loading assumptions, casing design criteria).	Y
Will the intermediate pipe be kept at a minimum 1/3 fluid filled to avoid approaching the collapse pressure rating of the casing?	Y
Is well located within Capitan Reef?	N
If yes, does production casing cement tie back a minimum of 50’ above the Reef?	
Is well within the designated 4 string boundary.	
Is well located in SOPA but not in R-111-P?	Y
If yes, are the first 2 strings cemented to surface and 3 rd string cement tied back 500’ into previous casing?	Y
Is well located in R-111-P and SOPA?	N
If yes, are the first three strings cemented to surface?	
Is 2 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?	

OXY USA Inc. - Nimitz MDP1 13 Federal Com 46H – Drill Plan

3. Cementing Program

Casing String	# Sks	Wt. (lb/gal)	Yld (ft3/sack)	H2O (gal/sk)	500# Comp. Strength (hours)	Slurry Description
Surface (Lead)	N/A	N/A	N/A	N/A	N/A	N/A
Surface (Tail)	704	14.8	1.33	6.365	5:26	Class C Cement, Accelerator
Intermediate 1st Stage (Lead)	N/A	N/A	N/A	N/A	N/A	N/A
Intermediate 1st Stage (Tail)	752	13.2	1.65	8.640	11:54	Class H Cement, Retarder, Dispersant, Salt
Intermediate 2nd Stage (Tail Slurry) to be pumped as Bradenhead Squeeze from surface, down the Intermediate annulus						
Intermediate 2nd Stage (Lead)	N/A	N/A	N/A	N/A	N/A	N/A
Intermediate 2nd Stage (Tail)	816	12.9	1.92	10.41	23:10	Class C Cement, Accelerator
Production (Lead)	N/A	N/A	N/A	N/A	N/A	N/A
Production (Tail)	744	13.2	1.38	6.686	3:39	Class H Cement, Retarder, Dispersant, Salt

Casing String	Top (ft)	Bottom (ft)	% Excess
Surface (Lead)	N/A	N/A	N/A
Surface (Tail)	0	858	100%
Intermediate 1st Stage (Lead)	N/A	N/A	N/A
Intermediate 1st Stage (Tail)	6634	12083	5%
Intermediate 2nd Stage (Lead)	N/A	N/A	N/A
Intermediate 2nd Stage (Tail)	0	6634	10%
Production (Lead)	N/A	N/A	N/A
Production (Tail)	11583	18149	20%

*OXY requests a variance to cement the 9-5/8” and/or 7-5/8” intermediate casing strings offline, see attached for additional information.

Bradenhead CBL - 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:

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

OXY USA Inc. - Nimitz MDP1 13 Federal Com 46H – Drill Plan

4. Pressure Control Equipment

BOP installed and tested before drilling which hole?	Size?	Min. Required WP	Type	✓	Tested to:
9.875" Hole	13-5/8"	5M	Annular	✓	70% of working pressure
		5M	Blind Ram	✓	250 psi / 5000 psi
			Pipe Ram		
			Double Ram	✓	
			Other*		
6.75" Hole	13-5/8"	5M	Annular	✓	100% of working pressure
		10M	Blind Ram	✓	250 psi / 6100 psi
			Pipe Ram		
			Double Ram	✓	
			Other*		

*Specify if additional ram is utilized.

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 attached Well Control Plan.

Oxy will utilize a 5M annular with a 10M BOPE stack. The BOP/BOPE will be tested by an independent service company to 250 psi low and the high pressure indicated above per Onshore Order 2 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.

Formation integrity test will be performed per Onshore Order #2. 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 Onshore Oil and Gas Order #2 III.B.1.i.	
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?

OXY USA Inc. - Nimitz MDP1 13 Federal Com 46H – Drill Plan

<p>A multibowl or a unionized multibowl wellhead system will be employed. The wellhead and connection to the BOPE will meet all API 6A requirements. The BOP will be tested per Onshore Order #2 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.</p>
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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. A separate sundry will be sent prior to spud that reflects the pad based break testing plan.

BOP break test under the following conditions:

1. After a full BOP test is conducted
2. When skidding to drill an intermediate section where ICP is set into the third Bone Spring or shallower.
3. 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

OXY USA Inc. - Nimitz MDP1 13 Federal Com 46H – Drill Plan

5. Mud Program

Depth		Type	Weight (ppg)	Viscosity	Water Loss
From (ft)	To (ft)				
0	858	Water-Based Mud	8.6-8.8	40-60	N/C
858	12083	Saturated Brine-Based or Oil-Based Mud	8.0-10.0	35-45	N/C
12083	18149	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 loss or gain of fluid?	PVT/MD Totco/Visual Monitoring
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6. Logging and Testing Procedures

Logging, Coring and Testing.	
Yes	Will run GR from TD to surface (horizontal well – vertical portion of hole). Stated logs run will be in the Completion Report and submitted to the BLM.
No	Logs are planned based on well control or offset log information.
No	Drill stem test? If yes, explain
No	Coring? If yes, explain

Additional logs planned	Interval
No	Resistivity
No	Density
No	CBL
Yes	Mud log
No	PEX

OXY USA Inc. - Nimitz MDP1 13 Federal Com 46H – Drill Plan

7. Drilling Conditions

Condition	Specify what type and where?
BH Pressure at deepest TVD	8851 psi
Abnormal Temperature	No
BH Temperature at deepest TVD	181°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 zonal isolation.

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 Onshore Oil and Gas Order #6. If Hydrogen Sulfide is encountered, measured values and formations will be provided to the BLM.	
N	H2S is present
Y	H2S Plan attached

8. Other facets of operation

	Yes/No
Will the well be drilled with a walking/skidding operation? If yes, describe. <ul style="list-style-type: none"> We plan to drill the two well pad in batch by section: all surface sections, intermediate sections and production sections. The wellhead will be secured with a night cap whenever the rig is not over the well. 	Yes
Will more than one drilling rig be used for drilling operations? If yes, describe. <ul style="list-style-type: none"> Oxy requests the option to contract a Surface Rig to drill, set surface casing, and cement for this well. If the timing between rigs is such that Oxy would not be able to preset surface, the Primary Rig will MIRU and drill the well in its entirety per the APD. Please see the attached document for information on the spudder rig. 	Yes

Total estimated cuttings volume: 1513.2 bbls.

9. Company Personnel

<u>Name</u>	<u>Title</u>	<u>Office Phone</u>	<u>Mobile Phone</u>
Linsay Earle	Drilling Engineer	713-350-4921	832-596-5507
Margaret Giltner	Drilling Engineer Supervisor	713-366-5026	210-683-8480
Simon Benavides	Drilling Superintendent	713-522-8652	281-684-6897
Diego Tellez	Drilling Manager	713-350-4602	713-303-4932

District I
1625 N. French Dr., Hobbs, NM 88240
District II
811 S. First St., Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

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

Submit Original
to Appropriate
District Office

GAS CAPTURE PLAN

Date: 07-18-2019

Original Operator & OGRID No.: OXY USA INC. - 16696
 Amended - Reason for Amendment: _____

This Gas Capture Plan outlines actions to be taken by the Operator to reduce well/production facility flaring/venting for new completion (new drill, recomplete to new zone, re-frac) activity.

Note: Form C-129 must be submitted and approved prior to exceeding 60 days allowed by Rule (Subsection A of 19.15.18.12 NMAC).

Well(s)/Production Facility – Name of facility

The well(s) that will be located at the production facility are shown in the table below.

Well Name	API	Well Location (ULSTR)	Footages	Expected MCF/D	Flared or Vented	Comment
Nimitz MDP1 12_1 Fed Com 11H	Pending	D-13-T24S-R30E	826' FNL 287' FWL	2,500	0	
Nimitz MDP1 12_1 Fed Com 12H	Pending	N-12-T24S-R30E	615' FSL 1703' FWL	2,500	0	
Nimitz MDP1 12_1 Fed Com 13H	Pending	C-13-T24S-R30E	498' FNL 2405' FWL	2,500	0	
Nimitz MDP1 12_1 Fed Com 14H	Pending	P-12-T24S-R30E	830' FSL 795' FEL	2,500	0	
Nimitz MDP1 12_1 Fed Com 21H	Pending	D-13-T24S-R30E	798' FNL 276' FWL	5,500	0	
Nimitz MDP1 12_1 Fed Com 22H	Pending	D-13-T24S-R30E	892' FNL 311' FWL	5,500	0	
Nimitz MDP1 12_1 Fed Com 23H	Pending	N-12-T24S-R30E	644' FSL 1766' FWL	5,500	0	
Nimitz MDP1 12_1 Fed Com 24H	Pending	C-13-T24S-R30E	428' FNL 2405' FWL	5,500	0	
Nimitz MDP1 12_1 Fed Com 25H	Pending	P-12-T24S-R30E	830' FSL 1350' FEL	5,500	0	
Nimitz MDP1 12_1 Fed Com 26H	Pending	P-12-T24S-R30E	830' FSL 730' FEL	5,500	0	
Nimitz MDP1 12_1 Fed Com 41H	Pending	D-13-T24S-R30E	986' FNL 345' FWL	7,200	0	
Nimitz MDP1 12_1 Fed Com 42H	Pending	D-13-T24S-R30E	1047' FNL 368' FWL	7,200	0	
Nimitz MDP1 12_1 Fed Com 43H	Pending	N-12-T24S-R30E	674' FSL 1830' FWL	7,200	0	
Nimitz MDP1 12_1 Fed Com 44H	Pending	N-12-T24S-R30E	716' FSL 1921' FWL	7,200	0	
Nimitz MDP1 12_1 Fed Com 45H	Pending	P-12-T24S-R30E	439' FSL 1138' FEL	7,200	0	
Nimitz MDP1 12_1 Fed Com 46H	Pending	P-12-T24S-R30E	115' FSL 140' FEL	7,200	0	
Nimitz MDP1 12_1 Fed Com 171H	Pending	M-12-T24S-R30E	275' FSL 67' FWL	4,200	0	
Nimitz MDP1 12_1 Fed Com 172H	Pending	N-12-T24S-R30E	585' FSL 1639' FWL	4,200	0	
Nimitz MDP1 12_1 Fed Com 173H	Pending	C-13-T24S-R30E	363' FNL 2405' FWL	4,200	0	
Nimitz MDP1 12_1 Fed Com 174H	Pending	C-13-T24S-R30E	293' FNL 2405' FWL	4,200	0	
Nimitz MDP1 12_1 Fed Com 175H	Pending	P-12-T24S-R30E	439' FSL 1068' FEL	4,200	0	
Nimitz MDP1 12_1 Fed Com 176H	Pending	P-12-T24S-R30E	439' FSL 968' FEL	4,200	0	
Nimitz MDP1 13 Fed Com 11H	Pending	D-13-T24S-R30E	953' FNL 333' FWL	1,700	0	
Nimitz MDP1 13 Fed Com 12H	Pending	N-12-T24S-R30E	630' FSL 1734' FWL	1,700	0	
Nimitz MDP1 13 Fed Com 13H	Pending	C-13-T24S-R30E	533' FNL 2405' FWL	1,700	0	
Nimitz MDP1 13 Fed Com 14H	Pending	P-12-T24S-R30E	830' FSL 660' FEL	1,700	0	
Nimitz MDP1 13 Fed Com 21H	Pending	D-13-T24S-R30E	859' FNL 299' FWL	3,700	0	
Nimitz MDP1 13 Fed Com 22H	Pending	D-13-T24S-R30E	925' FNL 323' FWL	3,700	0	
Nimitz MDP1 13 Fed Com 23H	Pending	N-12-T24S-R30E	659' FSL 1798' FWL	3,700	0	
Nimitz MDP1 13 Fed Com 24H	Pending	C-13-T24S-R30E	463' FNL 2405' FWL	3,700	0	
Nimitz MDP1 13 Fed Com 25H	Pending	P-12-T24S-R30E	830' FSL 760' FEL	3,700	0	
Nimitz MDP1 13 Fed Com 26H	Pending	P-12-T24S-R30E	830' FSL 695' FEL	3,700	0	
Nimitz MDP1 13 Fed Com 41H	Pending	D-13-T24S-R30E	1014' FNL 356' FWL	5,000	0	
Nimitz MDP1 13 Fed Com 42H	Pending	D-13-T24S-R30E	1080' FNL 380' FWL	5,000	0	

Nimitz MDP1 13 Fed Com 43H	Pending	N-12-T24S-R30E	689' FSL 1862' FWL	5,000	0	
Nimitz MDP1 13 Fed Com 44H	Pending	N-12-T24S-R30E	704' FSL 1893' FWL	5,000	0	
Nimitz MDP1 13 Fed Com 45H	Pending	P-12-T24S-R30E	439' FSL 1103' FEL	5,000	0	
Nimitz MDP1 13 Fed Com 46H	Pending	P-12-T24S-R30E	80' FSL 140' FEL	5,000	0	
Nimitz MDP1 13 Fed Com 171H	Pending	M-12-T24S-R30E	275' FSL 32' FWL	2,800	0	
Nimitz MDP1 13 Fed Com 172H	Pending	N-12-T24S-R30E	600' FSL 1671' FWL	2,800	0	
Nimitz MDP1 13 Fed Com 173H	Pending	C-13-T24S-R30E	328' FNL 2405' FWL	2,800	0	
Nimitz MDP1 13 Fed Com 174H	Pending	C-13-T24S-R30E	393' FNL 2405' FWL	2,800	0	
Nimitz MDP1 13 Fed Com 175H	Pending	P-12-T24S-R30E	439' FSL 1033' FEL	2,800	0	
Nimitz MDP1 13 Fed Com 176H	Pending	P-12-T24S-R30E	439' FSL 998' FEL	2,800	0	

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.

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

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 (OnShore Order 2, 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 nipped 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.