Form 3160 - 3 FORM APPROVED OCD Artesia OMB No. 1004-0137 Expires October 31, 2014 (March 2012) UNITED STATES Lease Serial No. DEPARTMENT OF THE INTERIOR NMNM104633, 05612A, 0384628 BUREAU OF LAND MANAGEMENT If Indian, Allotee or Tribe Name APPLICATION FOR PERMIT TO DRILL OR REENTER 7. If Unit or CA Agreement, Name and No DRILL REENTER la. Type of work: 8. Lease Name and Well No. Oil Well Gas Well Other Type of Well: ✓ Single Zone Multiple Zone Indian Basin 23 Fed Com #1H Name of Operator OXY USA WTP Limited Partnership Address P.O. BOX 4294 HOUSTON, TX 77210 713-513-6640 Indian Basin; Yeso (33690) 11. Sec., T. R. M. or Blk and Survey or Area Location of Well (Report location clearly and in accordance with any State requirements.*) M, SEC 23, T21S, R23E At surface 350' FSL & 530' FWL At proposed prod. zone 330' FNL & 380' FWL 12. County or Parish 13. State 14. Distance in miles and direction from nearest town or post office **EDDY** NM 20 miles Northwest of Carlsbad, NM 17. Spacing Unit dedicated to this well Distance from proposed* 350' 16. No. of acres in lease location to nearest 160 2280 property or lease line, ft. (Also to nearest drig, unit line, if any) 18. Distance from proposed location*
to nearest well, drilling, completed,
applied for, on this lease, ft. 19. Proposed Depth 20. BLM/BIA Bond No. on file 6684' MD / 2392' TVD ESB000226 / NMB000862 PH 3200' TVD 22. Approximate date work will start* 23. Estimated duration Elevations (Show whether DF, KDB, RT, GL, etc.) 10/26/2012 10 DAYS 3853.1 24. Attachments The following, completed in accordance with the requirements of Onshore Oil and Gas Order No. 1, must be attached to this form: 1. Well plat certified by a registered surveyor. Bond to cover the operations unless covered by an existing bond on file (see Item 20 above). 2. A Drilling Plan. 3. A Surface Use Plan (if the location is on National Forest System Lands, the Operator certification SUPO must be filed with the appropriate Forest Service Office) Such other site specific information and/or plans as may be required by the 25. Signature Name (Printed/Typed) Date JENNIFER DUARTE (jennifer_duarte@oxy.com) 11/09/2012 Title REGULATORY ANALYST Name (Printed/Typed) Approved by (Signature) Is/ Don Peterson Is/ Don Peterson JAN 3 1 2013 Office Title FIELD MANAGER 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 APPROVAL FOR TWO YEARS Conditions of approval, if any, are attached. Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

(Continued on page 2)

*(Instructions on page 2)
Roswell Controlled Water Basin

<u>District I</u>
1625 N. French Dr., Hobbs. NM 88240
Phane: (575) 393-6161 Fax: (575) 393-0720
<u>District II</u>
971 S. First St., Artesia, NM 88210
Phane: (575) 748-1283 Fax: (575) 748-9720
<u>District III</u>
1600 Rio Brazos Road, Aztec, NM 87410
Phane: (505) 334-6178 Fax: (505) 334-6170
<u>District IIV</u>
1220 S. St. Francis Dr., Sants Fe, NM 87505
Phane: (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 ,	
148 33690 Indian Basin Yeso	

SO-O/S - 7/048 33696 Indian Basin; YESO

Property Name
INDIAN BASIN "23" FED. COM

Operator Name
OXY USA WTP LP

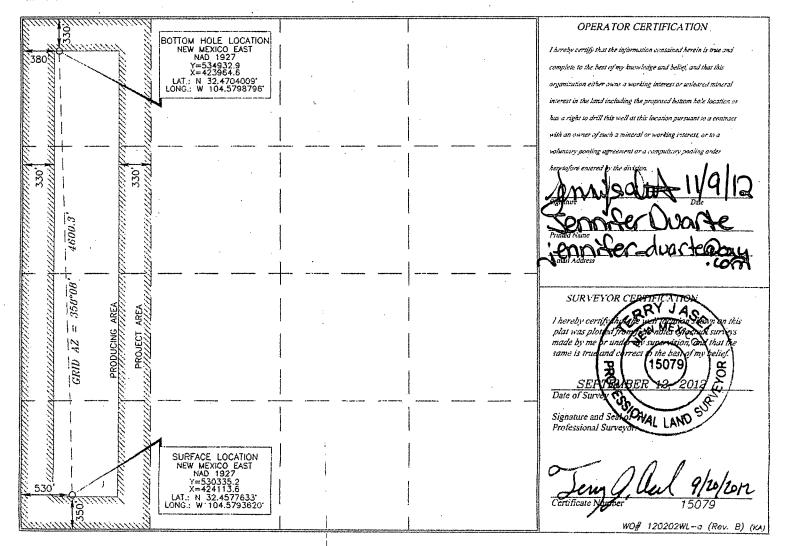
3852.6'

Surface Location Township Range Lot Idn Feet from the North/South line Feet from the East West line UL or lot no. Section County 21 SOUTH 23 EAST, N.M.P.M. 350' 530' WEST M 23 SOUTH EDDY

Bottom Hole Location If Different From Surface

				Вонот пог	e Locano	וו נונ	Jillereni r	тош зипас	e		
ſ	UL or lot no.	Section	Township	Range		Lot Idn	Feet from the	North/South line	Feet from the	East/West line	Сошну
D 23 21 SOUTH 23 I		23 EAST, N.	М. Р. М.		330'	NORTH	. 380'	WEST	EDDY		
Ī	Dedicated	Acres	Joint or Infill	Consolidation Code	Order No.						
	160)									

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 I, or someone under my direct supervision, have inspected the drill site and access route proposed herein; that I am familiar with the conditions that presently exist; that I have full knowledge of State and Federal laws applicable to this operation; that the statements made in this APD package are, to the best of my knowledge, true and correct; and that the work associated with the operations proposed herein will be performed in conformity with this APD package and the terms and conditions under which it is approved. I also certify that I, or the company I represent, am responsible for the operations conducted under this application. These statements are subject to the provisions of 18 U.S.C. 1001 for the filing of false statements. Executed this day of May, 2012.

Name:David Schellstede
Name:David Schellstede / Alvell to
Position:Reservoir Management Team Leader
Address:5 Greenway Plaza, Suite 110, Houston, TX 77046
Telephone:713-366-5013
E-mail: (optional):david_schellstede@oxy.com
E-mail: (optional):david_schellstede@oxy.com Company:OXY USA WTPL; mited Partnorship
Field Representative (if not above signatory):Dusty Weaver
Address (If different from above): _P.O. Box 50250 Midland, TX 79710
Telephone (if different from above):432-685-5723
E-mail (if different from above):calvin_weaver@oxy.com

OXY USA Inc Indian Basin 1H APD Data

OPERATOR NAME / NUMBER:

OXY USA Inc

16696

LEASE NAME / NUMBER:

: Indian Basin 23 Fed. Com 1H

STATE: NM

COUNTY: Eddy

SURFACE LOCATION: 350' FSL & 530' FWL, Sec 23, T21S, R23E BOTTOM HOLE LOCATION: 330' FNL & 380' FWL, Sec. 23, T21S, R23E C-102 PLAT APPROX GR ELEV: 3852.6' EST KB ELEV: 3869.1' (16.5' KB)

1. GEOLOGIC NAME OF SURFACE FORMATION

A. Permian

2. ESTIMATED TOPS OF GEOLOGICAL MARKERS & DEPTHS OF ANTICIPATED FRESH WATER, OIL OR GAS

Formation	TVD	Expected Fluids
T. Grayburg	.0	Form Water
T. San Andres	686	Form Water
T. Glorieta/Yeso	2050	Oil
T. Yeso Target Depth	2392	Oil

- A. 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.
- B. There is no indication of the presence of fresh water.

LATERAL GREATEST PROJECTED TD: 6684' MD/ 2392' TVD OBJECTIVE: Upper Yeso PILOT GRATEST PROJECTED TD: 3200' TVD/MD OBJECTIVE: Yeso

3. CASING PROGRAM (All Casing is in NEW condition)

Surface Casing: 9.625" casing set at ± 500' MD/ 500' TVD in a 12.25" hole filled with 8.40 ppg mud

Interval Length	Wt	Gr	Cplg	Coll Rating ((psi)	Burst Rating (psi)	Jt Str (M-lbs)	ID (in)	Drift (in)	SF Coll	SF Burst	SF Ten
0'-500' 500'	36	J-55	LT&C	2020	3520	453	-8.921	8.765	9.25	3.97	21.9

Production Casing: 5.5" casing set at ± 6684'MD / 2392' TVD in a 8.75" hole filled with 9.20 ppg mud

270000	911 9 4191119.		-6				7.5	100 111012 2	PF9		·	
				1	Coll	Burst	1.	, .	-			
})				Rating	Rating	Jt Str	ID	Drift	SF .	SF	SF
Interval	Length	Wt	Gr	Cplg	(psi)	(psi)	(M-lbs)	(in)	(in)	Coll	Burst	Ten
0'- 6684'	6684'	17	L-80	LT&C	6290	7740	338	4.892	4.767	6.90	8,50	3.09

Collapse and burst loads calculated using Stress Check with actual anticipated loads.

4. CEMENT PROGRAM:

Interval	Amount sx	Ft of Fill		Туре	Gal/Sk	PPG	Ft³/sk	24 Hr. Comp
Surface (TOC:	0')					-		
Lead: 0' -333' (100% Excess)	270	333	1.	us cement with 2% Calcium % Bentonite, 0.25 lbm/sk Poly-	9.16	13.5	1.75	589psi
Tail: 333' –500' (100% Excess)	200	167	Premium Pl Chloride	us cement with 2% Calcium	6.39	14.8	1.35	1408psi
Pilot Hole Cem	ent Plug (T	OC: 168	30')					
1 st Lead: 2740' - 3200' (35 % Excess)	165	460	50/50 Poz P (Dispersant)	remium with 0.25% CFR-3	5.47	14.4	1.22	1460 psi
2 nd Lead: 2180' – 2740' (35 % Excess)	210	560	50/50 Poz P (Dispersant)	remium with 0.25% CFR-3	5.47	14.4	1.22	1460 psi
Tail: 1680' – 2180' (35% Excess)	240	500	Chloride (C	lay Control), 0.75% CFR-3 and 0.1% HR-601 (Retarder)	3.51	17.5	0.95	4550 psi
Production (TO	OC: 0')		_ -					
Lead: 0' – 1500' (85 % Excess)	370	1500	Innerfill C O	Cement, 0.5% LAP-1, 0.25%	14.31	11.90	2.47	315 psi
Tail: 1500' – 6684' (85% Excess)	1750	5131		remium Plus – 0.5% Halad®- m/sk D-AIR 5000, 0.125 -E-Flake	5.68	14.2	1.26	. 454 psi

5. DIRECTIONAL PLAN

Please see attached directional plan

6. PRESSURE CONTROL EQUIPMENT

Surface: 0 – 500' None.

Pilot and Production: <u>0 - 6684</u>. The minimum working pressure of the blowout preventer (BOP) and related equipment (BOPE) required to drill below the surface casing shoe shall be 3000 (3M) psi. Operator will using a 11" 5M two ram stack w/ 3M annular preventer, & 5M Choke Manifold.

- A. The 11" 3000 psi blowout prevention equipment will be installed and operational after setting the 9 5/8" surface casing and the 9.625" SOW x 11" 3K conventional wellhead; the rotating head body will be installed but the rubber will be installed when it becomes operationally necessary.
- **B.** The BOP and ancillary BOPE will be tested by a third party upon installation of the 9 5/8", J-55, 36ppf surface casing. All equipment will be tested to 250/3000 psi for 10 minutes and charted, except the annular, which will be tested to 70% of working pressure. This is to be in compliance with the Onshore Order # 2 which states the BOPE shall be tested to full working pressure when isolated from casing (except the annular.)
- C. The pipe rams will be functionally tested during each 24 hour period; the blind rams will be functionally tested on each trip out of the hole. These functional tests will be documented on the Daily Driller's Log. Other accessory equipment (BOPE) will include a safety valve and subs as needed to fit all drill strings, and

a 2" kill line and 3 "choke line having a 5000 psi WP rating. Oxy requests that the system be tested at 3,000 psi.

p. Oxy requests a variance if H&P 344 is used to drill this well to use a co-flex line between the BOP and choke manifold. See attached schematic.

Manufacturer: ContiTech Beattie Co.

Serial Number: 60220

Length: 25' Size: 3" Ends: flanges

WP rating: 5000 psi Anchors required by manufacturer: No

E. See attached BOP & Choke manifold diagrams.

7. MUD PROGRAM:

Depth	Mud Wt ppg	Vis Sec	Fluid Loss	Type System
0-500' 400	8.4 – 8.9	32 – 34	NC ·	Fresh Water /Spud Mud
500' – TD'	9.0 – 9.2	40 - 50	8 - 15	LSND

Remarks: 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.

8. AUXILIARY WELL CONTROL AND MONITORING EQUIPMENT

- A. A Kelly cock will be in the drill string at all times.
- B. A full opening drill pipe stabbing valve having the appropriate connections will be on the rig floor unobstructed and readily accessible at all times.
- C. Hydrogen Sulfide detection equipment will be in operation after drilling out the surface casing shoe until the production casing is cemented. Breathing equipment will be on location upon drilling the surface casing shoe until total depth is reached. If Hydrogen Sulfide is encountered, measured amounts and formations will be reported to the BLM

9. LOGGING / CORING AND TESTING PROGRAM: See

- Mud Logger: Base of Surface Casing to TD.
- DST's: None. В.
- Open Hole Logs as follows: Triple Combo (GR, Den/Neut/RFesist), Spectral GR, FMI, CMR, sidewall cores, Sonic \mathbf{C} . Scanner Compressional and Shear from TD of pilot hole to surface. MWD-GR from kick-off point to TD.

10. POTENTIAL HAZARDS:

- A. H2S detection equipment will be in operation after drilling out the surface casing shoe until the production casing has been cemented. Breathing equipment will be on location from drilling out the surface shoe until production casing is cemented. If H2S is encountered the operator will comply with Onshore Order #6.
- B. The bottomhole pressure is anticipated to be between 1400-1600 psi. The expected pressure gradient is close to 0.47psi/ft
- C. No abnormal temperatures or pressures are anticipated. All personnel will be familiar with all aspects of safe operation of equipment being used to drill this well. Adequate flare lines will be installed off the mud/gas separator where gas may be flared safely.

11. ANTICIPATED STARTING DATE AND DURATION OF OPERATIONS

Road and location construction will begin after the BLM has approved the APD. Anticipated spud date will be as soon as possible after BLM approval and as soon as a rig will be available. Move in operations and drilling is expected to take 35 days. If production casing is run, then an additional 30 days will be needed to complete the well and construct surface facilities and/or lay flow lines in order to place well on production.

12. COMPANY PERSONNEL:

Name	Title	Office Phone	Mobile Phone
Carlos Mercado	Drilling Engineer	713-366-5418	281-455-3481
Sebastian Millan	Drilling Engineer Supervisor	713-350-4950	832-528-3268
Roger Allen	Drilling Superintendent	713-215-7617	281-682-3919
Douglas Chester	Drilling Manager	713-366-9124	713-918-9124

5. DIRECTIONAL PLAN

Please see attached directional plan

6. PRESSURE CONTROL EQUIPMENT

Surface: 0 - 500' None.

Production: 0 - 6631' Production hole will be drilled with a 11" 10M two ram stack w/ 5M annular preventer, & 10M Choke Manifold.

- a. The 11" 10000 psi blowout prevention equipment will be installed and operational after setting the 11 3/4" surface casing and the 11 3/4" SOW x 13 5/8" 3K conventional wellhead; the rotating head body will be installed but the rubber will be installed when it becomes operationally necessary. Prior to drilling out the 11-3/4" casing shoe, the BOP's and Annular preventer will be tested in accordance with On-shore Order #2. After 24 WOC, the BOP and ancillary BOPE will be tested by a third party upon installation to the 11 3/4"H-40 42ppf surface casing. All equipment will be tested to 250/1386 (70% of casing burst) psi for 30 minutes to be in compliance with the Onshore Order # 2 which states the BOPE shall be tested to 70 % of the yield of the casing when the BOP and casing are not isolated. Testing will be done against casing without a cup tester type plug
- b. Oxy also requests a variance to connect the BOP choke outlet to the choke manifold using a co-flex hose made by Contitech Rubber Industrial KFT. It is a 3" ID x 35' flexible hose rated to 10,000 psi working pressure. It has been tested to 15,000 psi and is built to API Spec 16C. Once the flex line is installed it will be tied down with safety clamps. Please see attached certifications.
- c. See attached BOP & Choke manifold diagrams.

7. MUD PROGRAM:

Depth	Mud Wt ppg	Vis . Sec	Fluid Loss	Type System		
0 – 500'	8.4 – 8.9	32 – 34	NC_	Fresh Water /Spud Mud		
500' – TD'	9.0 – 9.2	40 - 50	8 - 15	LSND		

Remarks: 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.

8. AUXILIARY WELL CONTROL AND MONITORING EQUIPMENT

- a. A Kelly cock will be in the drill string at all times.
- **b.** A full opening drill pipe stabbing valve having the appropriate connections will be on the rig floor unobstructed and readily accessible at all times.
- c. Hydrogen Sulfide detection equipment will be in operation after drilling out the surface casing shoe until the production casing is cemented. Breathing equipment will be on location upon drilling the surface casing shoe until total depth is reached. If Hydrogen Sulfide is encountered, measured amounts and formations will be reported to the BLM

9. LOGGING / CORING AND TESTING PROGRAM:

- A. Mud Logger: Base of Surface Casing to TD.
- B. DST's: None.
- C. Open Hole Logs as follows: Triple Combo (GR, Den/Neut/RFesist), Spectral GR, FMI, CMR, sidewall cores, Sonic Scanner Compressional and Shear from TD of pilot hole to surface. MWD-GR from kick-off point to TD

10. POTENTIAL HAZARDS:

- A. H2S detection equipment will be in operation after drilling out the surface casing shoe until the production casing has been cemented. Breathing equipment will be on location from drilling out the surface shoe until production casing is cemented. If H2S is encountered the operator will comply with Onshore Order #6.
- B. The bottomhole pressure is anticipated to be between 1000-1200 psi.
- C. No abnormal temperatures or pressures are anticipated. All personnel will be familiar with all aspects of safe operation of equipment being used to drill this well. Adequate flare lines will be installed off the mud/gas separator where gas may be flared safely.

11. ANTICIPATED STARTING DATE AND DURATION OF OPERATIONS

Road and location construction will begin after the BLM has approved the APD. Anticipated spud date will be as soon as possible after BLM approval and as soon as a rig will be available. Move in operations and drilling is expected to take 35 days. If production casing is run, then an additional 30 days will be needed to complete the well and construct surface facilities and/or lay flow lines in order to place well on production.

12. COMPANY PERSONNEL: Name

Carlos Mercado I
Luiz Tarazona I
Sergio Abauat I
Douglas Chester I

Title
Drilling Engineer
Drilling Engineer Supervisor
Drilling Superintendent
Drilling Manager

Office Phone 713-366-5418 281-455-3481 713-366-5771 713-628-9526 713-366-9124 Mobile Phone 281-455-3481 713-366-5689 832-531-5636 713-918-9124



Weatherford*

Drilling Services

Proposal



OCCIDENTAL PERMIAN LTD.

INDIAN BASIN 23 FED COM #1H

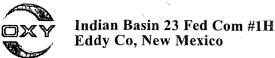
EDDY CO, NM

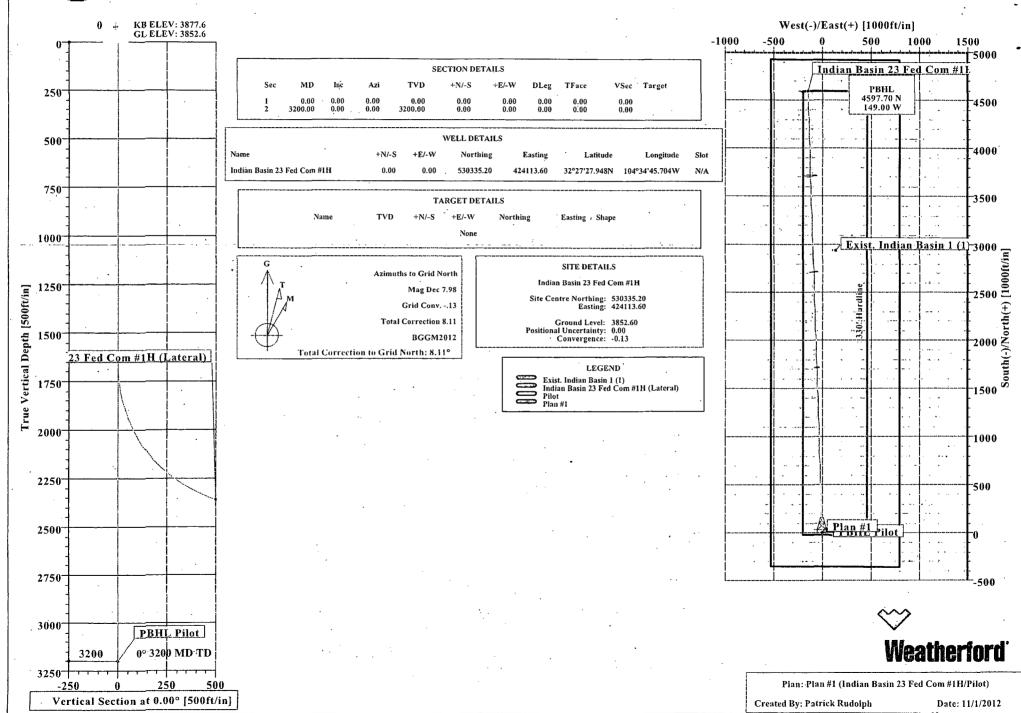
WELL FILE: PLAN 2

NOVEMBER 1, 2012

Weatherford International, Ltd.

P.O. Box 61028 Midland, TX 79711 USA +1.432.561.8892 Main +1.432.561.8895 Fax www.weatherford.com









Company: Occidental Permian Ltd. Eddy Co, NM (Nad 27) Field: Site:

Indian Basin 23 Fed Com #1H Wellpath: Pilot

Indian Basin 23 Fed Com #1H

Co-ordinate(NE) Reference: Vertical (TVD) Reference: Section (VS) Reference: Survey Calculation Method:

Time: 10:21:10

Page: Well: Indian Basin 23 Fed Com #1H SITE 3877.6

Well (0.00N,0.00E,0.00Azi)

Db: Sybase Minimum Curvature

Plan: Plan #1

Yes

Date Composed:

11/1/2012

Version: Tied-to:

.11/1/2012 From Surface

Site:

Principal:

Well:

Indian Basin 23 Fed Com #1H

Site Position: From: Map

Ground Level:

Northing: Easting: Position Uncertainty: 0.00 ft

' 530335.20 ft 424113.60 ft

Latitude: Longitude:

Slot Name:

45.704 W 104 Grid

North Reference: Grid Convergence:

-0.13 deg

0.00 ft

Indian Basin 23 Fed Com #1H Well:

+N/-S Well Position:

0:00 ft Northing: +E/-W 0.00 ft Easting:

3852.60 ft

530335.20 ft 424113.60 ft

32 27 27.948 N Latitude: 34 45.704 W Longitude: 104

Position Uncertainty: 0.00 ft

Wellpath: Pilot

Current Datum:

Magnetic Data:

Field Strength:

Vertical Section:

1/1/2013

Depth From (TVD)

Height 3877.60 ft 48515 nT

Tie-on Depth: Above System Datum: Declination:

Drilled From:

Mean Sea Level 7.87 deg Mag Dip Angle: 60.19 deg +E/-W

Direction deg

Surface

ft 0.00

0.00

+N/-S

ft

ft 0.00 0.00

Plan Section Information

MD	Inci	Azim	TVD	+N/-S	+E/-W	DLS	Build	Turn	TFO	Target
ft	deg	deg	ft	ft	ft	deg/100ft	deg/100ft	deg/100ft	deg	
0.00	0.00 0.00	0.00	0.00 3200.00	0.00 0.00	0.00 0.00	0.00 0.00	0.00 0.00	0.00 0.00	0.00 0.00	

Survey

Survey										
MD ft	Incl deg	Azim deg	TVD ft	N/S ft	E/W ft	VS ft	DLS deg/100ft	MapN ft	MapE ft	Commen
0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	530335.20	424113.60	
100.00	0.00	0.00	100.00	0.00	0.00	0.00	0.00	530335.20	424113.60	
200.00	0.00	0.00	200.00	0.00	0.00	0.00	. 0.00	530335.20	424113.60	
300.00	0.00	0.00	300.00	0.00	0.00	0.00	0.00	530335.20	424113.60	
400.00	0.00	0.00	400.00	0.00	0.00	0.00	0.00	530335.20	424113.60	
500.00	0.00	0.00	500.00	0.00	0.00	0.00	0.00	530335.20	424113.60	
600.00	0.00	0.00	600.00	0.00	0.00	0.00	0.00	530335.20	424113.60	
700.00	0.00	0.00	700.00	0.00	0.00	0.00	0.00	530335.20	424113.60 ·	•
800.00	0.00	0.00	800.00	0.00	0.00	0.00	0.00	530335.20	424113.60	
900.00	0.00	0.00	900.00	0.00	0.00	0.00	0.00	530335.20	424113.60	
1000.00	0.00	0.00	1000.00	0.00	0.00	0.00	0.00	530335.20	424113.60	
1100.00	0.00	0.00	1100.00	0.00	0.00	0.00	0.00	530335.20	424113.60	
1200.00	0:00	0.00	1200.00	0.00	0.00	0.00	0.00	530335.20	424113.60	
1300.00	0.00	0.00	1300.00	0.00	0.00	0.00	0.00	530335.20	424113.60	
1400.00	0.00	. 0.00	1400.00	0.00	0.00	0.00	0.00	530335.20	424113.60	
1500.00	0.00	0.00	1500.00	0.00	0.00	0.00	0.00	530335.20	424113.60	
1600.00	0.00	0.00	1600.00	0.00	0.00	0.00	0.00 .	530335.20	424113.60	
1700.00	0.00	0.00	1700.00	0.00	0.00	0.00	0.00	530335.20	424113.60	
1800.00	0.00	0.00	1800.00	0.00	0.00	0.00	0.00	530335.20	424113.60	
1900.00	0.00	0:00	1900.00	0.00	0.00	0.00	0.00	530335.20	424113.60	
2000.00	0.00	0.00	2000.00	0.00	0.00	0.00	0.00	530335.20	424113.60	
2100.00	0.00	0.00	2100.00	0.00	0.00	0.00	0.00	530335.20	424113.60	
2200.00	0.00	0.00	2200.00	0.00	.0.00	0.00	0.00	530335.20	424113.60	
2300.00	0.00	0.00	2300.00	0.00	0.00	0.00	0.00	530335.20	424113.60	
2400.00	0.00	0.00	2400.00	0.00	0.00	0.00	0.00	530335.20	424113.60	





Company: Occidental Permian Ltd.

Eddy Co, NM (Nad 27) Indian Basin 23 Fed Com #1H Indian Basin 23 Fed Com #1H Field:

Site: Well:

Date: 11/1/2012 T Co-ordinate(NE) Reference: Vertical (TVD) Reference: Section (VS) Reference:

Time: 10:21:10 Page: ce: Well: Indian Basin 23 Fed Com #1H : SITE 3877.6 Well (0.00N,0.00E,0.00Azi)

Sybase

Wellpath:	Pilot	Survey Calculation

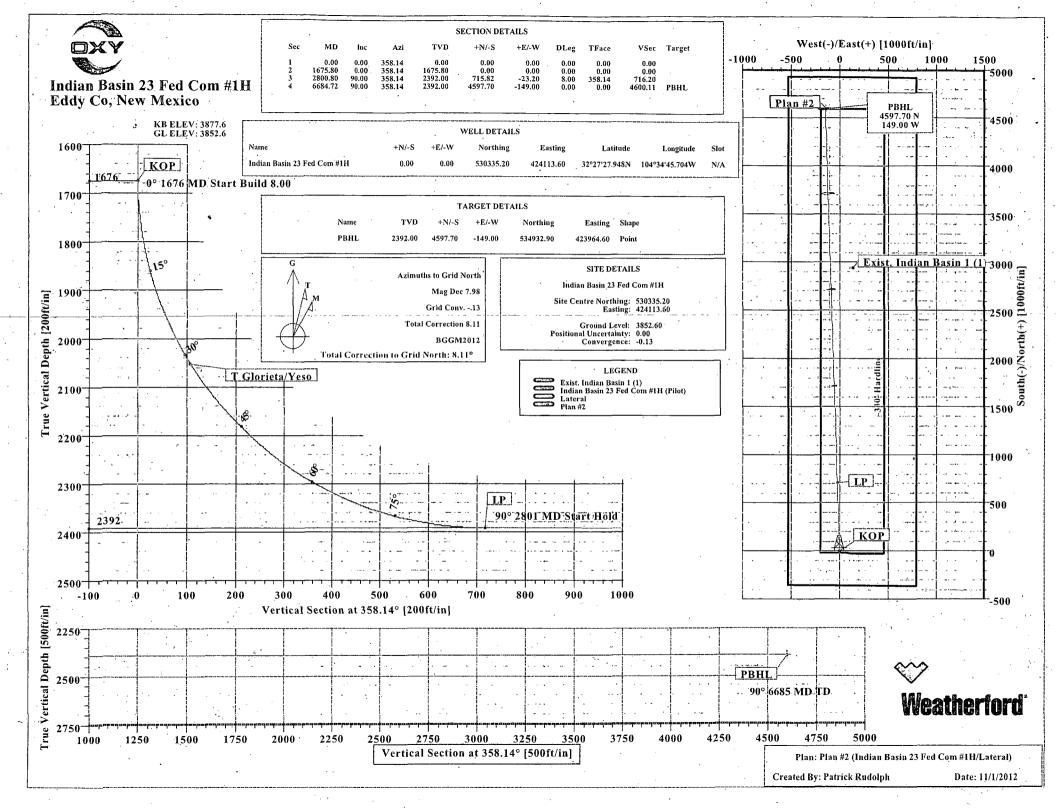
The second of th	 Survey Calculation Method:	Minimum Curvature	Db:
	•		

urvey						•				
MD ft	Incl deg	Azim deg	TVD ft	N/S ft	E/W ft	VS ft	DLS deg/100ft	MapN ft	MapE ft	Conimer
2500.00	0.00	0.00	2500.00	0.00	0.00	0.00	0.00	530335.20	424113.60	
2600.00	0.00	0.00	2600.00	0.00	0.00	0.00	0.00	530335.20	424113.60	
2700.00	0.00	0.00	2700.00	0.00	0.00	0.00	0.00	530335.20	424113.60	
2800.00	0.00	0.00	2800.00	0.00	0.00	0.00	0.00	530335.20	424113.60	
2900.00	0.00	0.00	2900.00	0.00	0.00	0.00	0.00	530335.20	424113.60	
3000.00	0.00	0.00	3000.00	0.00	0.00	.0.00	0.00	530335.20	424113.60	
3100.00	0.00	0.00	3100.00	0.00	0.00	0.00	0.00	530335.20	424113.60	•
3200.00	0.00	0.00	3200.00	0.00	0.00	0.00	0.00	530335.20	424113.60	
argets		,		: 1			•			
Name		Description Dip.	Dir.	TVD +N	//-S +E/-V		Map orthing			Longitude leg Min Sec

	Casing Point	S					
į	MD	TVD	Diameter	Hole Size	,	Name	,
				-	;		
ĺ					1		

	Annotation			
l	MD	TVD		
ı			· · · · · · · · · · · · · · · · · · ·	1

	Formations				 		•	
Ī	MD	TVD	Formations	:	Lithology	Dip Angle	Dip Direction	
				ł			•	







Company: Occidental Permian Ltd. Eddy Co, NM (Nad 27) Field: Indian Basin 23 Fed Com #1H Site: Indian Başin 23 Fed Com #1H Well:

Date: 11/1/2012 Co-ordinate(NE) Reference: Vertical (TVD) Reference: Section (VS) Reference:

Survey Calculation Method:

Time: 10:13:16 Well: Indian Basin 23 Fed Com #1H

SITE 3877.6 Well (0.00N,0.00E,358.14Azi)

Minimum Curvature

Db: Sybase

Plan: Plan #2

Lateral

Date Composed: Version:

11/1/2012

Principal: Yes Tied-to:

From Surface

Site:

Wellpath:

Indian Basin 23 Fed Com #1H

Site Position: From: Мар Position Uncertainty:

Ground Level:

Northing: Easting: 0.00 ft

530335.20 ft 424113.60 ft

Latitude: Longitude:

Slot Name:

32 27 27.948 N 104 · 34 45.704 W

North Reference: Grid Convergence:

Grid -0.13 deg

Well: Indian Basin 23 Fed Com #1H

Well Position: +N/-S

0.00 ft Northing: +E/-W0.00 ft Easting:

530335.20 ft Latitude: 32 27 27.948 N

Position Uncertainty:

0.00 ft

424113.60 ft Longitude: 104 34 45.704 W

Pilot

Wellpath: Lateral

Current Datum:

3852.60 ft

Height 3877.60 ft

Drilled From: Tie-on Depth: Above System Datum:

0.00 ft Mean Sea Level

Magnetic Data: 1/1/2013 Field Strength: 48515 nT Vertical Section: Depth From (TVD)

[|]+N/÷S

Declination: Mag Dip Angle: $+\mathbf{E}/\mathbf{W}$

7.87 deg 60.19 deg Direction

ft ft dėg 0.00 0.00 358.14 0.00

Plan Section Information

MD ft	İncl deg	Azim deg	TVD ft	+N/-S ft	+E/-W ft	DLS deg/100ft	Build deg/100f	Turn t deg/100ft	TFO deg	Target	
0.00	0.00	358.14	0.00	0.00	0.00	0.00	0.00	0.00	0.00		
1675.80	0.00	358.14	1675.80	0.00	0.00	0.00	0.00	0.00	0.00		
2800:80	90.00	358.14	2392.00	715.82	-23.20	8.00	8.00	0.00	358.14		
6684.72	90.00	358.14	2392.00	4597.70	-149.00	0.00	0.00	0.00	0.00	PBHL	

Survey

	MD ft	Incl deg	Azim dég	TVD ft	N/S ft	E/W ft	VS t	DLS deg/100ft	MapN ft	MapE ft	Comment
	1600.00	0.00	358.14	1600.00	0.00	0.00	0.00	0.00	530335.20	424113.60	
1	1675.80	0.00	358.14	1675.80	0.00	0.00	0.00	0.00	530335.20	424113.60	KOP
	1700.00	1.94	358.14	1700.00	0.41	-0.01	0.41	8.00	530335.61	424113.59	. [
Ì	1750.00	5.94	358.14	1749.87	3.84	-0.12	· 3.84	8.00	530339.04	424113.48	
	1800.00	9.94	358.14	1799.38	10.74	-0.35	10.74	8.00	530345.94	424113.25	,
	1850.00	13.94	358.14	1848.29	21.07	0.68	21.08	8.00	530356.27	424112.92	ļ
	1900.00	17.94	358.14	1896.36	34.79	-1.13	34.81	8.00	530369.99	424112.47	
i	1950.00	21.94	358.14	1943.35	51.82	-1.68	51.85	8.00	530387.02	424111.92	
į	2000.00	25.94	358.14	1989.04	72.09	-2.34	72.13 [`]	8.00	530407.29	424111.26	
1	2050.00	29.94	358.14	2033.21	95.50	-3.09	95.55	8.00	530430.70	424110.51	
	2071.88	31.69	358.14	2052.00	106.70	-3.46	106.76	8.00	530441.90	424110.14	T Glorieta/Yeso
i	2100.00	33.94	358.14	2075.63	121.93	-3.95	121.99	8.00	530457.13	424109.65	1 Giorieta/ reso
	2150.00	37.94	358.14	2116.10	151.25	-4.90	151.33	8.00	530486.45	424108.70	
i	2200.00	41.94	358.14	2154.44	183.33	-5.94	183.42	8.00	530518.53	424107.66	
ì	2250.00	45.94	358.14	2190.43	217.99	-7.06	218.11	8.00	530553.19	424106.54	
	2200.00	40.04	000.17	2100.40	217.00	7.00	. 210.11	0.00	300303.13	724 100.04	
,	2300.00	49.94	358.14	2223.93	255.09	-8.27	255.22	8.00	530590.29	424105.33	Ì
1	2350.00	53.94	358.14	2254.75	294.42	-9.54	294.58	8.00	530629.62	424104.06	·
1	2400.00	57.94	358.14	2282.75	. 335.81	-10.88	335.99	8.00	53067.1.01	424102.72	
	2450.00	61.94	358.14	2307.79	379.06	-12.28	379.25	8.00	530714.26	424101.32	
1.	2500.00	65.94	358.14	2329.75	423.94	-13.74	424.16	8.00	530759.14	424099.86	
-				:							
-	2550.00	69.94	358.14	2348.53	470.24	-15.24	470.49	8.00	530805.44	424098.36	
ĺ	2600.00	73.94	358.14	2364.03	517.74	-16.78	518.02	8.00	530852.94	424096.82	
-	2650.00	77.94	358.14	2376.18	566:21	-18.35	566.51	8.00	530901.41	424095.25	



Well:

Weatherford International Ltd. WFT Plan Report - X & Y's



Company: Occidental Permian Ltd.
Field: Eddy Co, NM (Nad.27)
Site: Indian Basin 23 Fed Com #1H
Well: Indian Basin 23 Fed Com #1H

Wellpath: Lateral

Dare: 11/1/2012 Time: 10:13:16 Page: Co-ordinate(NE) Reference: Well: Indian Basin 23 Fed Com #1H Vertical (TVD) Reference: SITE 3877.6 Section (VS) Reference: Well-(0.00N,0.00E,358.14Azi) Survey Calculation Method: Minimum Curvature Db: Syb

	Survey							• .		A Company		
	MD ft	inci deg	Azim deg	TVD ft	N/S ft	È/Ŵ ft	VS ft	DLS deg/100ft	MapN ft	MapE ft		Comment
1	2700.00	81.94	358.14	2384.92	615.40	-19.94	615.73	8.00	530950.60	424093.66		
	2750.00	85.94	358.14	2390.20	665.09	-21.55	665.44	8.00	531000.29	424092.05		
1	2800.80	90.00	358.14	2392.00	715.82	-23.20	716.20	8.00	531051.02	424090.40	LP	ļ
1	2900.00	90.00	358.14	2392.00	814.97	-26.41	815.39	0.00	531150.17	424087.19		
i	3000.00	90.00	358.14	2392.00	914.91	-29.65	915.39	0.00	531250.11	424083.95		
Ċ	3100.00	90.00	358.14	2392.00	1014.86	-32.89	1015.39	0.00	531350.06	424080.71		
1	3200.00	90.00	358.14	2392.00	1114.81	-36.13	1115.39	0.00	- 531450.01	424077.47		
ļ	3300.00	90.00	358.14 ⁻	2392.00	1214.76	-39.37	1215.39	0.00	531549.96	424074.23	•	!
i	3400.00	90.00	358.14	2392.00	1314.70	-42.61	1315.39	0.00	531649.90	424070.99		4
-	3500.00	90.00	358.14	2392.00	1414.65	-45.85	1415.39	0.00	531749.85	424067.75		
1	3600.00	90.00	358.14	2392.00	1514.60	-49.08	1515.39	. 0.00	531849.80	424064.52		{
-	3700.00	90.00	358.14	2392.00	1614.55	-52.32	1615.39	0.00	531949.75	424061.28		•
	3800.00	90.00	358.14	2392.00	1714.49	-55.56	1715.39	0.00	532049.69	424058.04		
İ	3900.00	90.00	358.14	2392:00	1814.44	-58.80	1815.39	0.00	532149.64	424054.80		į
1	4000.00	90.00	358.14	2392.00	. 1914.39	-62.04	1915.39	0.00	532249.59	424051.56		ţ
1	4100.00	90.00	358.14	2392.00	2014.34	-65.28	2015.39	0.00	532349.54	424048.32		1
-	4200.00	90.00	358.14	2392.00	2114.28	-68.52	2115.39	0.00	532449.48	424045.08		
	4300.00	90.00	358.14	2392.00	2214.23	-71.76	2215.39	0.00	532549.43	424041.84		
	4400.00	90.00	358.14	2392.00	2314.18	-75.00	2315.39	0.00	532649.38	424038.60		
i	4500.00	90.00	358.14	2392.00	2414.13	-78.24	2415.39		532749.33	424035.36		
!	4600.00	90.00	358.14	2392.00	2514.07	-81.47	2515.39	0.00	532849.27	424032.13		
ì	4700.00	90.00	358.14	2392.00	2614.02	-84.71	2615.39	0.00	532949.22	424028.89		
1	4800.00	90.00	358.14	2392.00	2713.97	-87.95	2715.39	0.00	533049.17	424025.65		
i	4900.00	90.00	.358:14	2392.00	2813.92	-91.19	2815.39	0.00	533149.12	424022.41		ŀ
İ	5000.00	90.00	358.14	2392.00	2913.86	-94.43	2915.39	0.00	533249.06	424019.17		i
1	5100.00	90.00	358.14	2392.00	3013.81	-97.67	3015.39	0.00	533349.01	424015.93		į
1	5200.00	90.00	358.14	2392.00	3113.76	-100.91	3115.39	0.00	533448.96	424012.69	•	
ļ	5300.00	90.00	358.14	2392.00	3213.71	-104.15 ⁻	3215.39	0.00	533548.91	. 424009.45		
İ	5400.00	90:00	358.14	2392.00	3313.65	-107.39	3315.39	0.00	533648.85	424006.21		
l	5500.00	90.00	358.14	2392.00	3413.60 [°]	-110.63	3415.39	0.00	533748.80	424002.97		t
1	5600.00	90.00	358.14	2392.00	3513.55	-113.87	3515.39	0.00	533848.75	423999.73		i
İ	5700.00	90.00	358.14	2392.00	3613.50	-117.10	3615.39	0.00	533948.70	423996.50		!
	5800.00	90.00	358.14	2392.00	3713.45	-120.34	3715.39	0.00	534048.65	423993.26		i i
	5900.00	90.00	358.14	2392.00	3813.39	-123.58	3815.39	0.00	534148.59	423990.02		
	6000.00	90.00	358.14	2392.00	3913.34	-126.82	3915.39	0.00	534248.54	423986.78		
ì	6100.00	90.00	358.14	2392.00	4013.29	-130.06	4015.39	0.00	534348.49	423983.54		Autori
	6200.00	90.00	358.14	2392.00	4113.24	-133.30	4115.39	0.00	534448.44	423980.30	,	:
1	6300.00	90.00	358.14	2392.00	4213.18	-136.54	4215.39	0.00	534548.38	423977.06		i
1	6400.00	90.00	358.14	2392.00	4313.13	-139.78	4315.39	0.00	534648.33	423973.82		
1	6500.00	90:00	358.14	2392.00	4413.08	-143.02	4415.39	0.00	534748.28	423970.58	•	
-	6600.00	90.00	358.14	2392.00	4513.03	-146.26	4515.39	0.00	534848.23	423967.34		
	6684.72	90.00	358.14	2392.00	4597.70	-149.00	4600.11	0.00	534932.90	423964.60	PBHI	

T	9	ro	ef	·c

N	amé	Description Dip.	Dir.	TVD ft	+ N/-S	+E/-W	Map Northing ft	Map Easting ft	< Latitude> Deg Min Sec	< Longitude> Deg Min Sec
F	BHL			2392.00	4597.70	-149.00	534932.90	423964.60	32 28 13,443 N	104 34 47.567 W





Company: Occidental Permian Ltd.
Field: Eddy Co. NM (Nad 27)
Site: Indian Basin 23 Fed Com #1H
Well: Indian Basin 23 Fed Com #1H
Wellpath: Lateral

Date: 11/1/2012

Co-ordinate(NE) Reference: Vertical (TVD) Reference: Section (VS) Reference:

Survey Calculation Method:

Time: 10:13:16 Page: e: Well: Indian Basin 23 Fed Com#1H SITE 3877.6 Well (0:00N,0.00E,358.14Azi) I: Minimum Curvature Db: Syt

Db: Sybase

Casing Points

MD ft	TVD ft	Diameter in	Hole Size in	Na	ıme	•		•	
500.00	500.00	0.000	0.000	Csg					

Annotation

MD ft	ft ft	
1675.80	. 1675.80	KOP
2800.80	2392.00	. ĽÞ
6684.71	2392.00	PBHL

Formations

1	MD ft	TVD ft	Formations	1	•	Lithology		Dip Angle deg	Dip Direction deg	
1	2071.88	2052.00	T Glorieta/Yeso					0.00	0.00	



Weatherford International Ltd. **Anticollision Report**



Company: Field:

Occidental Permian Ltd.

Eddy Co, NM (Nad 27)

Reference Site: Indian Basin 23 Fed Com #1H Reference Well: Indian Basin 23 Fed Com #1H

Reference Wellpath: Lateral

11/1/2012 Date:

Time: 10:12:00

Page:

Co-ordinate(NE) Reference: Vertical (TVD) Reference:

Well: Indian Basin 23 Fed Com #1H SITE 3877.6

Db: Sybase

NO GLOBAL SCAN: Using user defined selection & scan criteria Interpolation Method: MD Interval:

Depth Range: 0.00 to Maximum Ratio:

5

Reference: Error Model: Plan: Plan #2 ISCWSA Ellipse Closest Approach 3D

Scan Method: Error Surface: Ellipse

Plan:

Plan #2

Date Composed:

11/1/2012

Version:

Principal:

Yes

Tied-to: From Surface

Summary

Offset Wellpath Site Well Wellpath

Reference Offset MD MD ft ft

Ctr-Ctr Edge Separation Distance Distance Factor ft ft

Warning

Exist. Indian Basin Exist. Indian Basin 5040.00 2371.40 226.85 167.49

Site: Well: Exist. Indian Basin 1 Exist. Indian Basin 1

Wellpath: 1 V0

Inter-Site Error:

3.82

Reference Offset Semi-Major Axis Offset Location Ctr-Ctr Edge Separation TFO-HS North MD TVD МD TVD Ref Offset East Distance Distance Factor Warning fť ft ft ft fŧ ft deg ff ft fť 4860.00 2392.00 2371.40 2371.40 50.92 5.16 90.00 2946.38 131.00 280.23 224.16 90.00 2946.38 4890.00 2392.00 2371.40 2371.40 51 47 5.16 263.67 207.04 131.00 4.66 4920.00 2392.00 2371.40 2371.40 52.02 5,16 90.00 2946.38 131.00 249.62 192.44 4.37 4950.00 2392.00 2371.40 2371.40 52.56 5.16 90.00 2946.38 131.00 238.53 180.81 4 13 2392.00 90.00 2946.38 4980.00 2371.40 2371.40 53.11 5.16 131.00 230.83 172.57 3.96 5010.00 2392.00 2371.40 2371.40 90.00 2946.38 53.66 5.16 131.00 226.88 168.06 3.86 5040.00 2392.00 2371.40 2371.40 54.20 5.16 90.00 2946.38 131.00 226.85 167.49 3.82 5070.00 2392.00 2371.40 2371.40 54.75 5.16 90.00 2946.38 131.00 230.76 170.85 3.85 5100.00 2392.00 2371.40 2371.40 55.30 5.16 90.00 2946.38 131.00 238.41 177.95 3.94 5130.00 2392.00 2371.40 2371.40 55.85 5.16 90.00 2946.38 131.00 249.45 188.45 4.09 5160.00 2392.00 2371.40 2371.40 56.39 5.16 90.00 2946.38 131.00 263.46 201.91 4.28 5190.00 2392.00 56.94 5.16 90.00 2946.38 2371.40 2371.40 131.00 280.00 217.91 4.51 5220.00 2392:00 2371.40 2371.40 57.49 5.16 90.00 2946.38 131.00 298.65 236.00 4.77

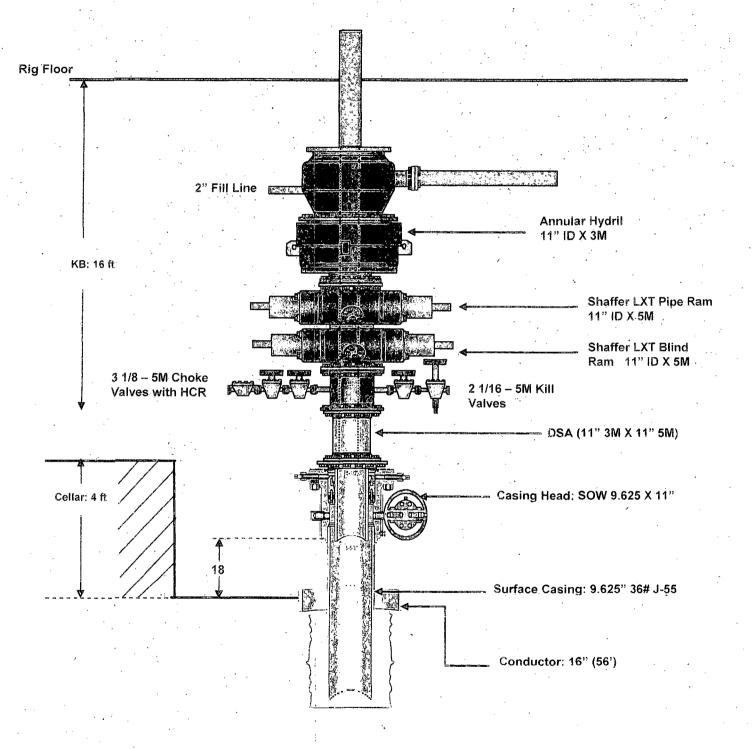


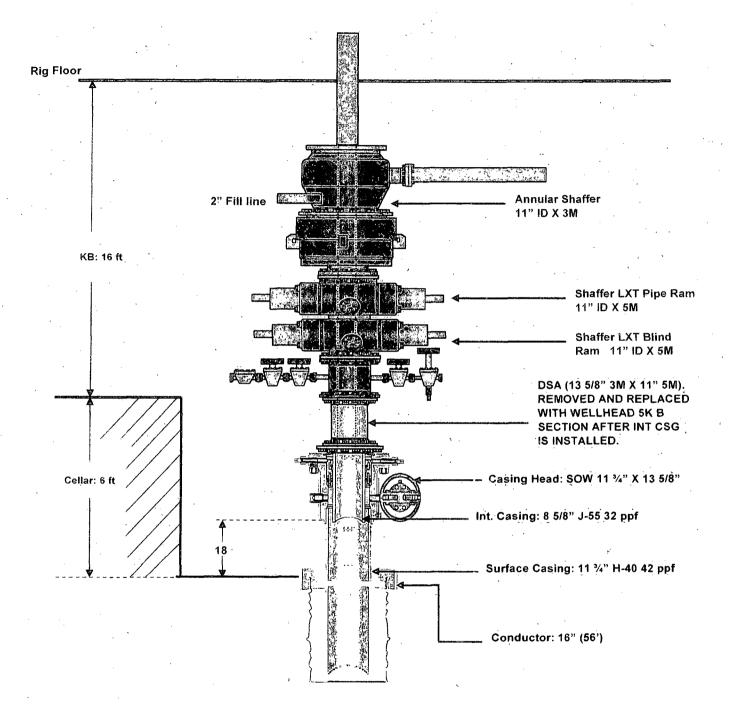
Weatherford

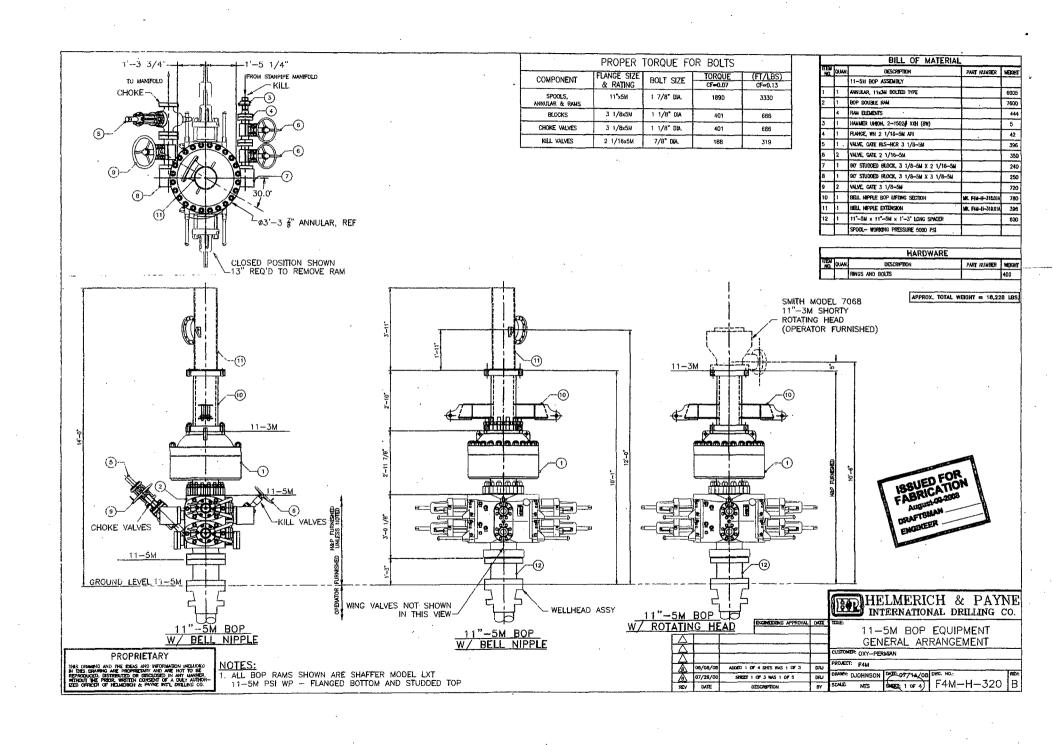
Weatherford Drilling Services

GeoDec v5.03

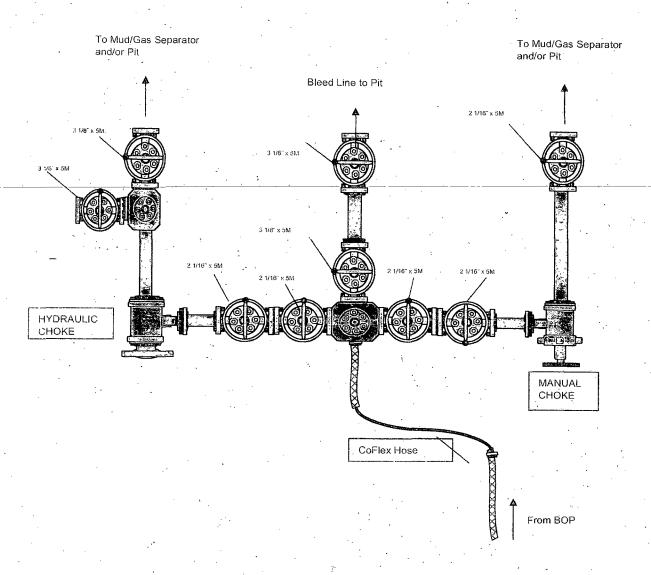
	. ·				· · · · · · · · · · · · · · · · · · ·				
Report Date:	November	01, 2012			ن .				
Job Number:	Occidenta	l Domeico	T ± -1	<u> </u>	_				
Customer:									
Well Name: API Number:	Indian Ba	a com #In	.n						
Rig Name:	· · · · · · · · · · · · · · · · · · ·	 ·							
Location:	Eddy Co, 1	VM (Nad 2	7) · .		-				
Block:									
Engineer:	Patrick Ri	ıdolph			<u> </u>				
US State Plane 19	27		Geodetic Latitude /	Longitude					
System: New Mexi	co East 3001 (N	ION-EXACT) System: Latitude / L	_ongitude					
Projection: SPC27	Transverse Me	rcator	Projection: Geodeti	c Latitude and	l Longitude				
Datum: NAD 1927	(NADCON CON	iUS)	Datum: NAD 1927	(NADCON CC	ONUS)				
Ellipsoid: Clarke 18	366		Ellipsoid: Clarke 1866 Latitude 32.4577634 DEG						
North/South 5303	35.200 USFT	•							
East/West 424113	3.600 USFT	• • •	Longitude -104.57	93622 DEG					
Grid Convergence			3	, ·					
Total Correction:									
	· · · · ·		the same of the sa						
Geodetic Location	WGS84	Elevatio	n= 0.0 Meter	`S					
Latitude = 3	2.45776° N	32°	27 min 27.948 se	eC ·					
Longitude = 10	4.57936° W	104°	34 min 45.704 se	C					
Magnetic Declination	on =	7.98°	[True North Offset]						
Local Gravity =		9988 g	CheckSum =		6558				
Local Field Strengt	h = 4	8488 nT	Magnetic Vector X	= 2	3904 nT				
Magnetic Dip =		60.15°	Magnetic Vector Y	<u>.</u> '	3351 nT				
Magnetic Model =	b	ggm2012 .	Magnetic Vector Z	= 4	2053 nT				
Spud Date =	Jan 0	1, 2013	Magnetic Vector H	= . 2	4137 nT				
• .									
	,	i							
Signed:			Date:						



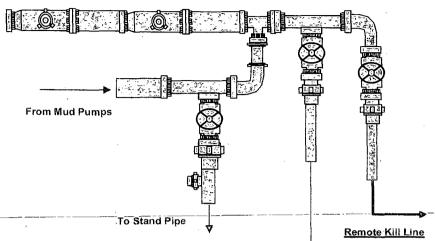


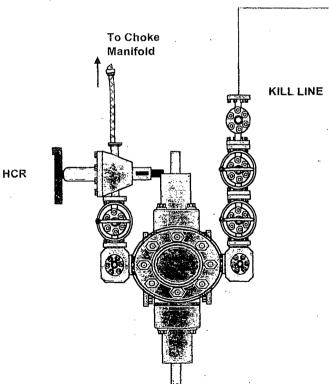


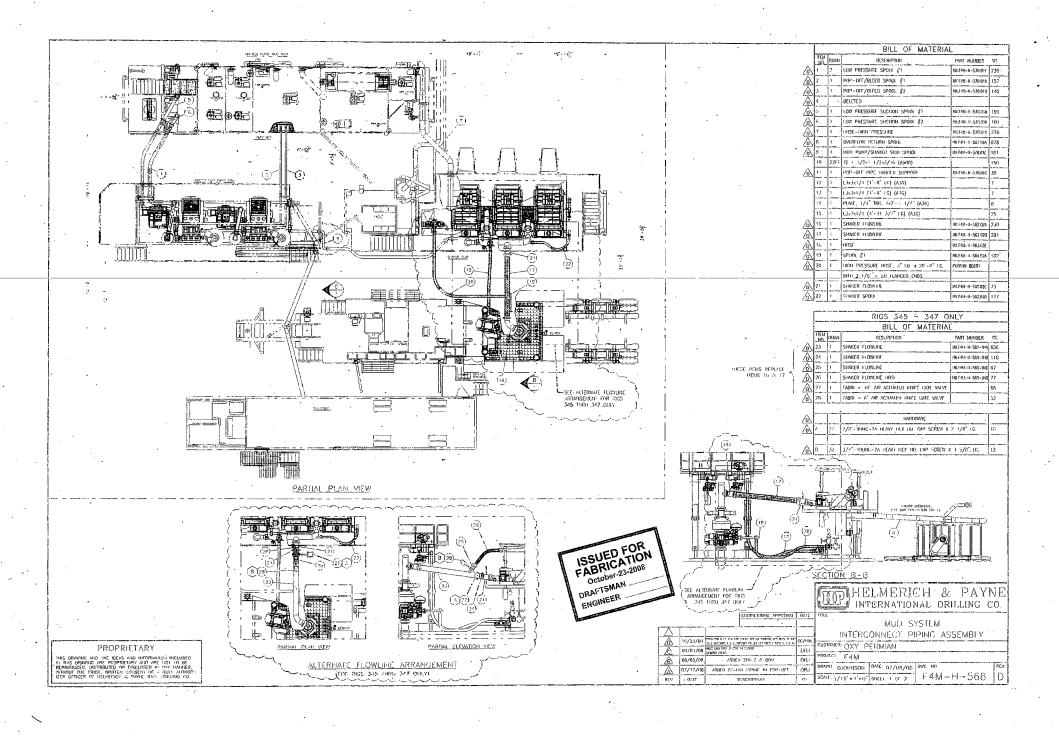
5M CHOKE MANIFOLD CONFIGURATION

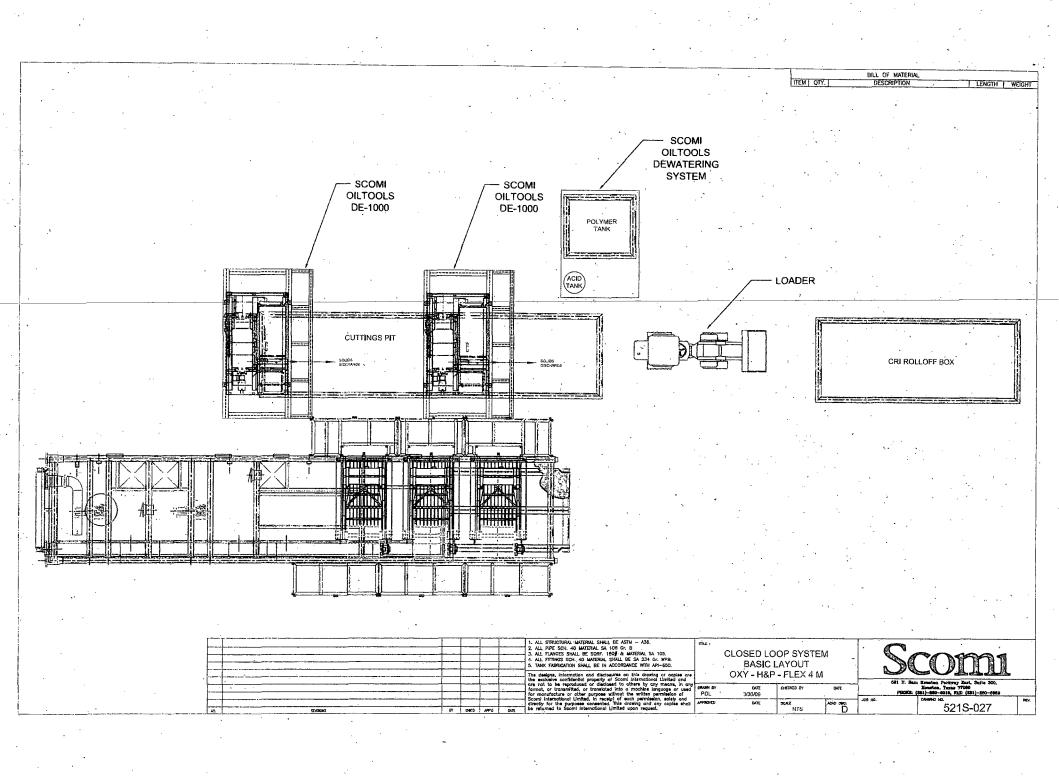


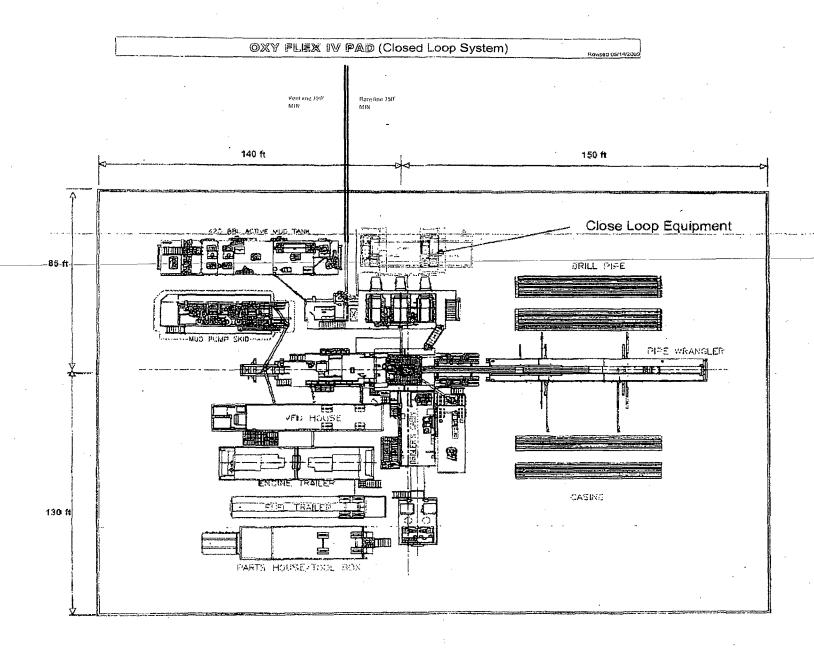
5M REMOTE KILL LINE SCHEMATIC











Quillenial > CONTILCH

QC-DB- 35/2011

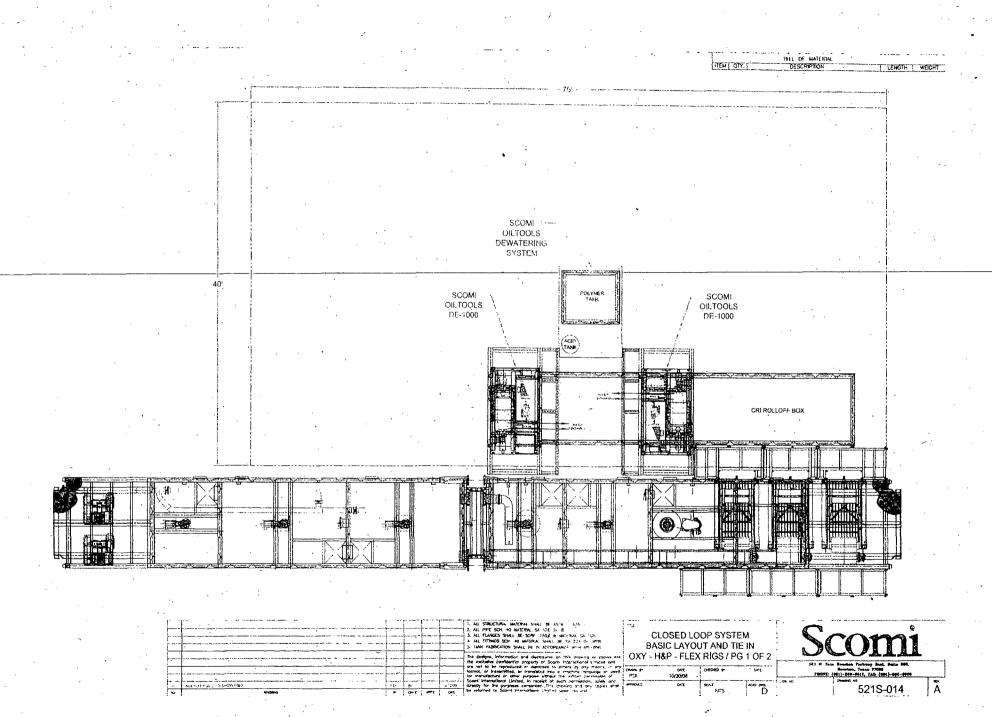
Page:

5/68

Fiuld Technology

Quality Document

QUALIT INSPECTION A	Y CONT		NTE		GERT. N	D • .	128	
PURCHASER:	ContiTech B	leattie Co.			P.O. Nº:		004721	
CONTITECH ORDER Nº: 4	90278	HOSE TYPE:	3" 10			Choke ar	nd Kill Hose	3
HOSE SERIAL Nº:	60220	NOMINAL / ACTU	IAL LENG	TH:	reachanneis (1465-176) teacher (1767) (Le	7,62 n	n / 7,64 m	energy of the state of the stat
W.P. 34,48 MPa 500	00 psi	T.P. 68.9	MPa 1(0000) psi	Duration:	60	min.
Pressure test with water at ambient temperature	· .							
		See attachmen	t. (1 pa	age)			
•				. ′				
↑ 10 mm = 10 Min. → 10 mm = 20 MPa								
COUPLINGS Type		Serial Nº		(Quality		Heat	N°
3" coupling with	160	159	AND ACTIONS	Al	Si 4130		Y051	5A
4 1/16" Flange end			ere en en en en en en en en en en en en en	Al	si 4130	·	316	94
ASSE	T NO. : 66	-0606	<u> </u>		mit pagga u pring u <u>anna</u> pler	, i .	API Sp	
Ali metal parts are flawless				•		!em	iperature	rate:"B"
WE CERTIFY THAT THE ABOVE HINSPECTED AND PRESSURE TES					NCE WIT	THE TERM	AS OF THE OF	RDER
STATEMENT OF CONFORMITY conditions and specifications of accordance with the referenced state.	the above Purc andards, codes	haser Order and that and specifications a	these item id meet the	is/equ i rele	lipment we van! accer	re fabricate:	d inspected an	d ested in
O7, February 2011.	nspector	COUNTRY OF ORIGI	Quality Co	-	l Co	ntiTech Ru ndustrial I lity Control	Kft.	





Permian Drilling Hydrogen Sulfide Drilling Operations Plan New Mexico

<u>Scope</u>

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 This section outlines the conditions and denotes steps Procedure: to be taken in the event of an emergency. Emergency equipment This section outlines the safety and emergency Procedure: 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 briefing

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 BLM Onshore Order #2.

Special control equipment:

- A. Hydraulic BOP equipment with remote control on ground.
- 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.

Mud Program

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

Mud inspection devices.

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

6. Metallurgy

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

7. Well Testing

No drill stem test will be performed on this well.

8. Evacuation plan

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

9. Designated area

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

Emergency procedures

- A. In the event of any evidence of 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.

- Remove all personnel to the nearest upwind designated safe briefing / 2. muster area or off location.
- 3. Notify public safety personnel of safe briefing / muster area.
- An assigned crew member will blockade the entrance to the location. 4. 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.

Responsibility: C.

- 1. Designated personnel.

V	b.	n comp	ible for the total implementation of this plan. lete command during any emergency. back-up.
All personnel:		1. 2. 3. 4.	On alarm, don escape unit and report to the nearest upwind designated safe briefing / muster area upw Check status of personnel (buddy system). Secure breathing equipment. Await orders from supervisor.
Drill site mana	ger:		Don escape unit if necessary and report to nearest upwind designated safe briefing / muster area.
4.		2.	Coordinate preparations of individuals to return to point of release with tool pusher and driller (using the buddy system).
·		3. 4.	Determine H2S concentrations. Assess situation and take control measures.
Tool pusher:		1.	Don escape unit Report to up nearest upwind designated safe briefing / muster area. Coordinate preparation of individuals to return to
			point of release with tool pusher drill site manager (using the buddy system).
:		3.	Determine H2S concentration. Assess situation and take control measures.
Driller:		-	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 Will remain in briefing / muster area until instructed by supervisor.

Mud engineer:

Report to nearest upwind designated safe briefing / muster area.

When instructed, begin check of mud for ph and H2S level. (Garett gas train.)

Safety personnel:

Mask up and check status of all personnel and secure operations as instructed by drill site manager.

Taking a kick

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

Open-hole logging

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

Running casing or plugging

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

Ignition procedures

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

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

Instructions for igniting the well

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

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

Status check list

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

Date:

Checked by:

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.
- Law enforcement personnel (state police, police dept., fire dept., and sheriff's dept.) Will be called to aid in setting up and maintaining road blocks. Also, they will aid in evacuation of the public if necessary.
- 5. After the discharge of gas has been controlled, company safety personnel will determine when the area is safe for re-entry.

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

Emergency actions

Well blowout – if emergency

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

Person down location/facility

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

Toxic effects of hydrogen sulfide

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

Table i Toxicity of various gases

Common	Chemical	Specific	Threshold	Hazardous	Lethal concentration	
name	formula	gravity	limit	limit	(3)	
		(sc=1)	(1)	(2)	,	
Hydrogen	Hen	0.94	10 ppm	150 ppm/hr	300 ppm	
Cyanide			,	• •		
Hydrogen	H2S	1.18	10 ppm	250 ppm/hr	600 ppm	
Sulfide				• •		
Sulfur	So2	2.21	5 ppm	·	1000 ppm	
Dioxide	•	İ				
Chlorine	CI2	2.45	. 1 ppm	m 4 ppm/hr 100		
	r'					
Carbon	Co	0.97	50 ppm	400 ppm/hr	1000 ppm	
Monoxide			~ -			
Carbon	Co2	1.52	5000 ppm	5%	10%	
Dioxide						
Methane	Ch4	0.55	90,000 ppm	Combustibl	le above 5% in air	

- 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 (%)	<u>Ppm</u>	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.
- 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 facepiece 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.
- 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



Permian Drilling Hydrogen Sulfide Drilling Operations Plan Indian Basin #1H

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

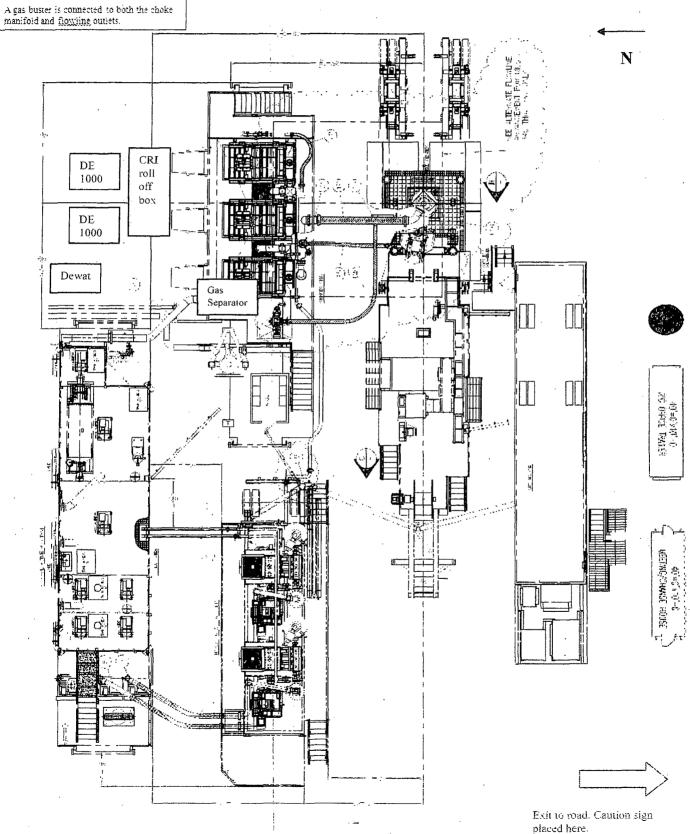
1. Escape

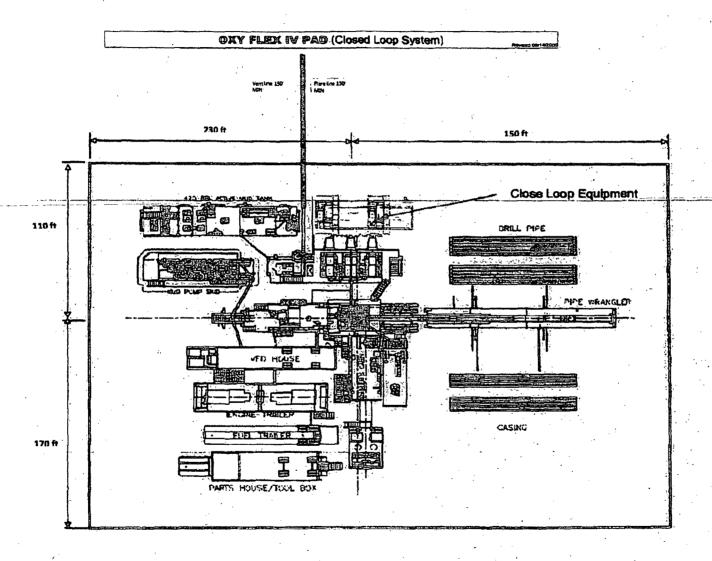
Personnel shall escape upwind of wellbore in the event of an emergency gas release. Escape can take place through the lease road on the Southwest side of the location. Personnel need to move to a safe distance and block the entrance to location.

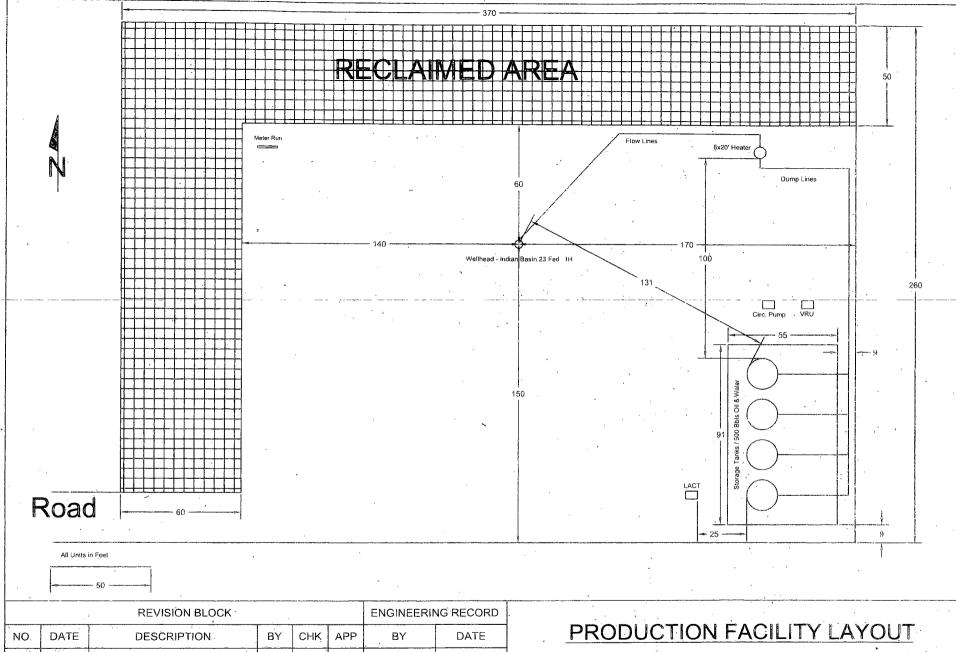
A H2S Detectors. At least three detectors will be installed: bell nipple, rig floor and Shakers.

Briefing Areas. At least two briefing areas will be placed, 90 deg off.

Wind direction indicators. Visible from rig floor and from the mud pits area.







		REVISION BLOCK					ENGINEERING RECORD		
NO. DATE			DESCRIPTION	BY	CHK	APP	BY	DATE	
	Α	7/18/12	Plot Plan for Permiting	RJG			RJG	.7/18/2012	
		:							
								,	

Indian Basin 23 Fed # 1H

PECOS DISTRICT CONDITIONS OF APPROVAL

OPERATOR'S NAME:	OXY USA WTP, LP
LEASE NO.:	NM104633
WELL NAME & NO.:	1H-INDIAN BASIN
SURFACE HOLE FOOTAGE:	0350'/S. & 0380'/W.
BOTTOM HOLE FOOTAGE	0350'N. & 0380'/W.
LOCATION:	Section 23, T. 21 S., R. 23 E., NMPM
COUNTY	Eddy County, New Mexico

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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 S	ites
☐ Noxious Weeds	! 		
Special Requirements		•	
Hydrology)	
VRM	i		
Cave/Karst	i		
Communitization Agreer	nent		
☐ Construction			
Notification			
Topsoil			
Closed Loop System	!		
Federal Mineral Material	Pits		
Well Pads			
Roads			
Road Section Diagram	•		
Drilling			
Waste Material and Fluid	ls		
Logging Requirements			
High Cave/Karst			
Production (Post Drilling)			•
Well Structures & Facilit	ties	•	
Pipelines			
Electric Lines			
Interim Reclamation			
Final Abandonment & Rec	lama	tion	