

District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Avenue, Artesia, NM 88210
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals & Natural Resources

Form C-101
May 27, 2004

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

RECEIVED

DEC - 7 2005

OCD-ARTESIA

Submit to appropriate District Office

☐ AMENDED REPORT

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

¹ Operator Name and Address OXY USA WTP Limited Partnership P.O. Box 50250 Midland, TX 79710-0250		² OGRID Number 192463
⁴ Property Code J 7661	⁵ Property Name Swearingen A	³ API Number 30-015-34458
⁹ Proposed Pool 1 Loving Morrow, North 80695		⁶ Well No. 2
		¹⁰ Proposed Pool 2

⁷ Surface Location

UL or lot no.	Section	Township	Range	Lot. Idn	Feet from the	North/South Line	Feet from the	East/West line	County
L	5	23S	28E		2498	south	1149	west	Eddy

⁸ Proposed 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
L	5	23S	28E		1840	south	951	west	Eddy

Additional Well Location

¹¹ Work Type Code N	¹² Well Type Code G	¹³ Cable/Rotary R	¹⁴ Lease Type Code P	¹⁵ Ground Level Elevation 3019'
¹⁶ Multiple No	¹⁷ Proposed Depth 12600'	¹⁸ Formation Morrow	¹⁹ Contractor N/A	²⁰ Spud Date 12/15/05
Depth to ground water		Distance from nearest fresh water well		Distance from nearest surface water
Pit: Liner: Synthetic <input checked="" type="checkbox"/> 12 mils thick Clay <input type="checkbox"/> Pit Volume 11,000 bbls Drilling Method:				
Closed-Loop System <input type="checkbox"/> Fresh Water <input type="checkbox"/> Brine <input checked="" type="checkbox"/> Diesel/Oil-based <input type="checkbox"/> Gas/Air <input type="checkbox"/>				

²¹ Proposed Casing and Cement Program

Hole Size	Casing Size	Casing weight/foot	Setting Depth	Sacks of Cement	Estimated TOC
17-1/2"	13-3/8"	48#	400'	675sx	surface-circulate
12-1/4"	9-5/8"	36#	2500'	755sx	surface-circulate
8-3/4"	7"	26#	10500'	1280sx	Est TOC-2400'
6-1/4"	4-1/2"	12.75#	10300-12600'	235'	Est TOC-10300'

²² Describe the proposed program. If this application is to DEEPEN or PLUG BACK, give the data on the present productive zone and proposed new productive zone. Describe the blowout prevention program, if any. Use additional sheets if necessary.

See Attachment

If earthen pits are used in association with the drilling of this well, an OCD pit permit must be obtained prior to pit construction.
Filed C-144

²³ I hereby certify that the information given above is true and complete to the best of my knowledge and belief. I further certify that the drilling pit will be constructed according to NMOC guidelines ☐ a general permit ☐, or an (attached) alternative OCD-approved plan ☐.

Printed name: David Stewart

Title: Sr. Regulatory Analyst

E-mail Address: david.stewart@oxy.com

Date: 12/6/05

Phone: 432-685-5717

OIL CONSERVATION DIVISION

Approved by:

Title:

Approval Date: DEC 08 2005

Expiration Date: DEC 08 2006

Conditions of Approval:

Attached ☐

See Surface casing Above Sealed.

Attachment C-101
OXY USA WTP LP
Swearingen A #2
SL-2498 FSL 1149 FWL BHL-1840 FSL 951 FWL
NWSW (L) SEC 5 T23S R28E Eddy County, NM

PROPOSED TD: 12600' TVD

BOP PROGRAM: 0-400' None

400-2500' 13-3/8" 3M annular preventer, to be used as
divertor only.

2500-12600' 11" 5M blind pipe rams with 5M annular
preventer and rotating head below 8500'.

CASING: Surface: 13-3/8" OD 48# H40 ST&C new casing set at 400'
17-1/2" hole

Intermediate: 9-5/8" OD 36-40# K55 ST&C new casing from 0-2500'
12-1/4" hole

Production: 7" OD 26# N80 LT&C new casing from 0-10500'
8-3/4" hole

Liner: 4-1/2" OD 12.75# P-110 LT&C casing @ 10300-12600'
6-1/4" hole

CEMENT: Surface - Circulate cement with 425sx HES Light PP cement with 2%
CaCl₂ + .25#/sx Flocele followed by 250sx PP cement with 2% CaCl₂ +
.25#/sx Flocele.

Intermediate - Circulate cement with 555sx IFC with .25#/sx Flocele
followed by 200sx PP cement with 2% CaCl₂.

Production - DV Tool @ +/- 5000', cement 1st stage with 500sx IFH
cement with .1% HR-7 followed by 200sx PP cement. Cement 2nd stage
with 380sx IFH cement with .25#/sx Flocele followed by 200sx PP
cement. Estimated TOC @ 2400'.

Liner - Cement with 235sx Super H cement with .5% LFLC + .4% CFR-3 +
5#/sx Gilsonite + 1#/sx salt + .2% HR-7

Note: Cement volumes may need to be adjusted to hole caliper.

MUD: 0-400' Fresh water/native mud. Lime for pH control
(9-10). Paper for seepage.
Wt 8.7-9.2 ppg, Vis 32-34 sec

400-2500' Fresh/*Brine water. Lime for pH control (10.0-
10.5). Paper for seepage.
Wt 8.3-9.0/10.0-10.1ppg, Vis 28-29 sec
*Fresh water will be used unless chlorides in
the mud system increases to 20000PPM.

2500-8700' Fresh water. Lime for pH control(9-9.5). Paper
for seepage.
Wt 8.3-8.5 ppg, Vis 28-29 sec

8700-10800' Cut brine. Lime for pH control (10-10.5).
Wt 9.6-10.0 ppg, Vis 28-29sec

10800-12600' Mud up with an Duo Vis/Flo Trol mud system.
Wt 9.6-10.0ppg, Vis 32-36sec, WL<10cc

SPACING UNIT: S/2

ESTIMATED FORMATION TOPS: (Swearingen A #1 - 3001533677)
Morrow-11823' Atoka-11264' Strawn-11045' Wolfcamp-9282'
Bone Springs-5980' Brushy Canyon-4480' Bell Canyon-2470'

SPUD DATE: 12/20/05

ARCH SURVEY: N/A

DIRECTIONS TO LOCATION: From the intersection of SH 31 and CR 729, go north on CR 729 for approximately 1.5 miles. Turn right at Walker Road go east approx. 0.2 miles. The location is approx. 200' south.

WELLSITE LAYOUT: V-Door-West Pits-South

SURFACE OWNER: Joe Carrasco

SURFACE LESSEE: N/A

LEASE RESPONSIBILTY STATEMENT: N/A

NEAREST RESIDENCE OR OTHER STRUCTURE: Approximately 1000' to the west.

SOURCE OF CONSTRUCTION MATERIALS - Caliche for surfacing the well pad will be obtained from onsite material.

H₂S CONTINGENCY PLAN: 12/1/05

PIT PERMIT: 12/1/05

DIRECTIONAL SURVEY PLAN: 11/30/05

State of New Mexico

DISTRICT I

1625 N. FRENCH DR., ROSS, NM 88240

Energy, Minerals and Natural Resources Department

DISTRICT II

1301 W. GRAND AVENUE, ARTESIA, NM 88210

DISTRICT III

1000 Elc Brazos Rd., Aztec, NM 87410

OIL CONSERVATION DIVISION

1220 SOUTH ST. FRANCIS DR.
Santa Fe, New Mexico 87505

Form C-102

Revised JUNE 10, 2003

Submit to Appropriate District Office

State Lease - 4 Copies

Fee Lease - 3 Copies

DISTRICT IV

1220 S. ST. FRANCIS DR., SANTA FE, NM 87505

WELL LOCATION AND ACREAGE DEDICATION PLAT

☐ AMENDED REPORT

API Number 30-015-	Pool Code 80695	Pool Name Loving Morrow, North
Property Code 27661	Property Name SWEARINGEN A	Well Number 2
OGRID No. 192463	Operator Name OXY U.S.A. W.T.P., LP	Elevation 3019'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
L	5	23-S	28-E		2498	SOUTH	1149	WEST	EDDY

Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
L	5	23S	28E		1840	south	951	west	Eddy
Dedicated Acres 32c	Joint or Infill	Consolidation Code	Order No.						

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

LOT 4	LOT 3	LOT 2	LOT 1
39.67 AC	39.42 AC	39.97 AC	40.12 AC

Project Area

Producing Area

GEODETIC COORDINATES
NAD 27 NME

Y=485300.5 N
X=567843.9 E 1-3001523652

LAT.=32°20'02.46" N
LONG.=104°06'49.24" W

3015.8' 3013.8' 600' 1149' 687' 3022.4' 3020.1' 951' BHL 1840' 2498'

OPERATOR CERTIFICATION

I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief.

David Stewart
Signature

David Stewart
Printed Name

Sr. Regulatory Analyst
Title

12/6/05
Date

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.

NOVEMBER 4, 2005

Date Surveyed

Signature of Seal of Professional Surveyor

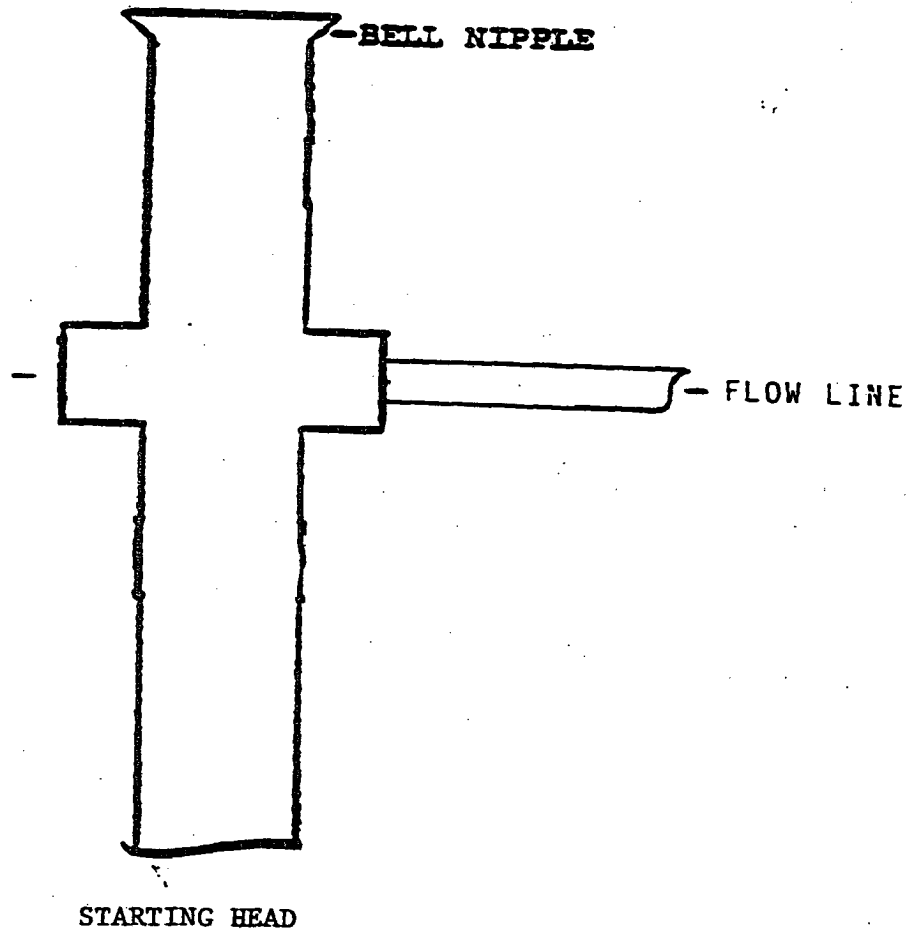
RONALD J. EIDSON

05-11-1732

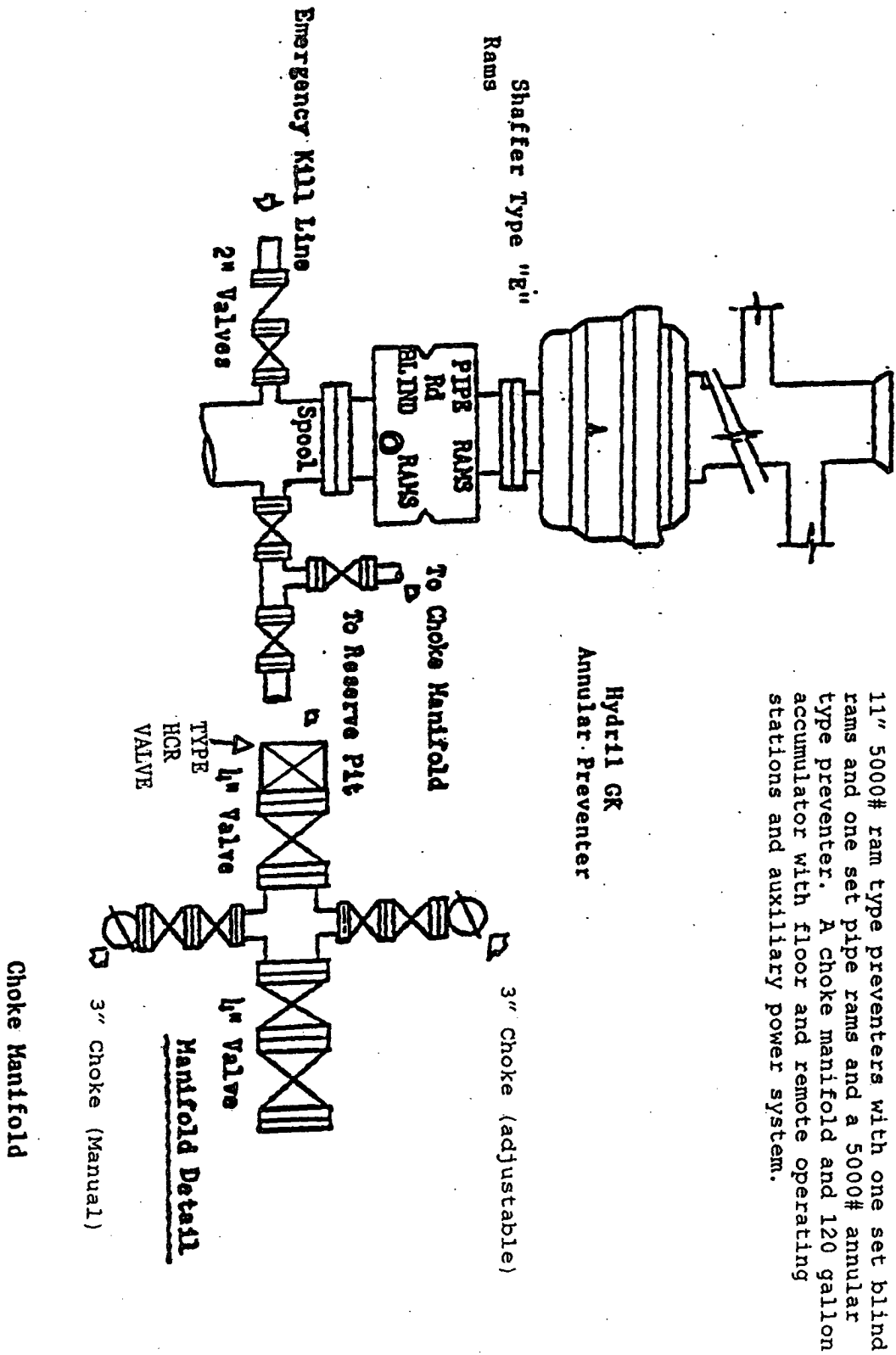
Certificate No. RONALD J. EIDSON 3239

EXHIBIT A

ANNULAR PREVENTOR
TO BE USED AS DIVERTOR ONLY

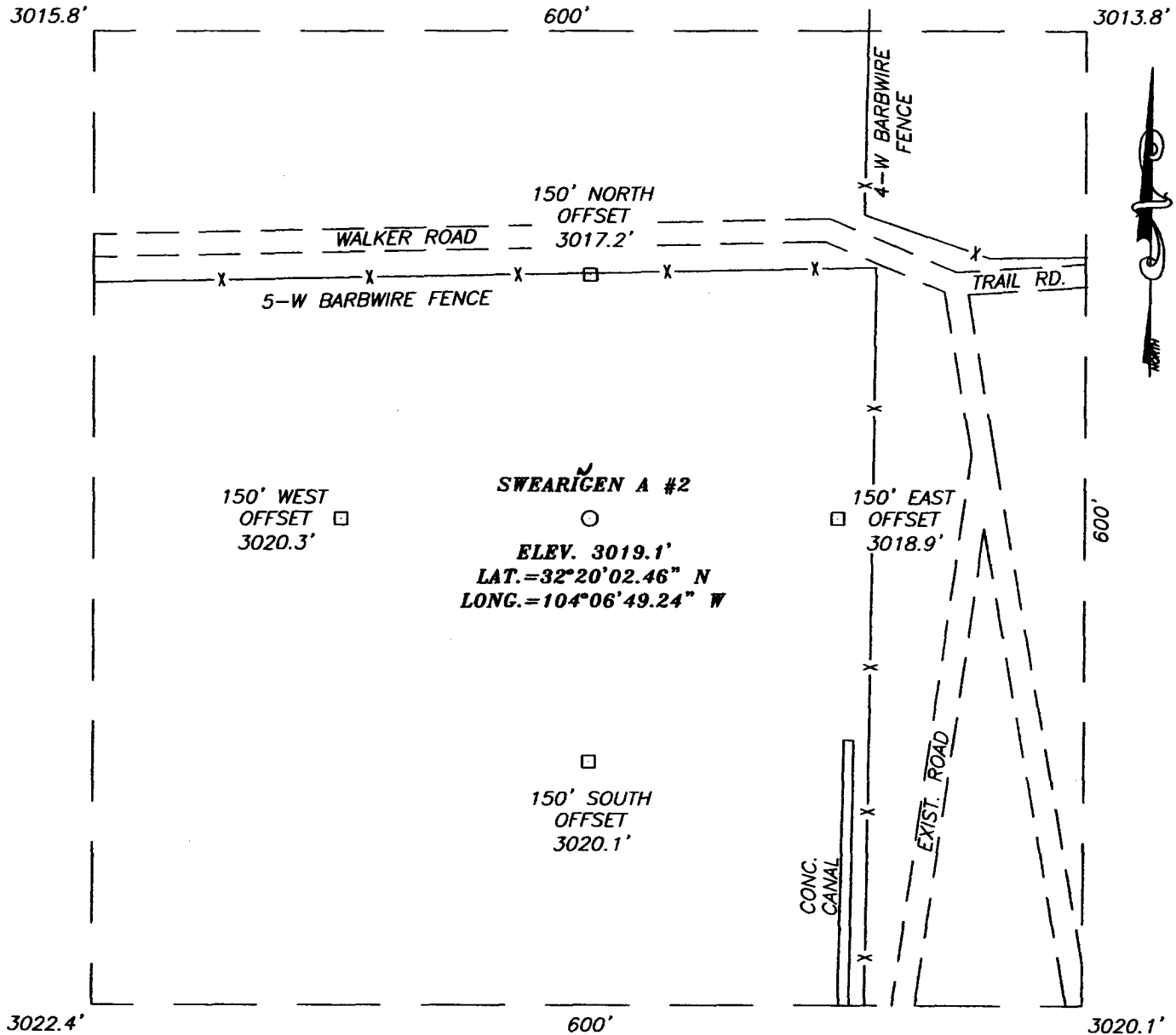


BLOWOUT PREVENTOR SCHEME



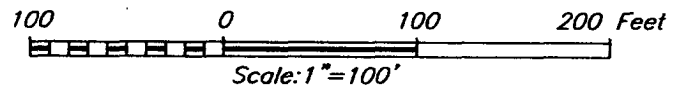
11" 5000# ram type preventers with one set blind rams and one set pipe rams and a 5000# annular type preventer. A choke manifold and 120 gallon accumulator with floor and remote operating stations and auxiliary power system.

SECTION 5, TOWNSHIP 23 SOUTH, RANGE 28 EAST, N.M.P.M.,
 EDDY COUNTY, NEW MEXICO



DIRECTIONS TO LOCATION

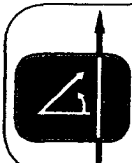
FROM THE INTERSECTION OF ST. RD. #31 (POTASH MINES) AND CO. RD. #729 (KELLY RD) GO NORTH APPROX. 1.5 MILES ON CO. RD. #729. TURN RIGHT AT WALKER ROAD AND GO EAST APPROX. 0.2 MILES. THIS LOCATION IS APPROX. 200 FEET SOUTH.



OXY U.S.A. W.T.P., LP

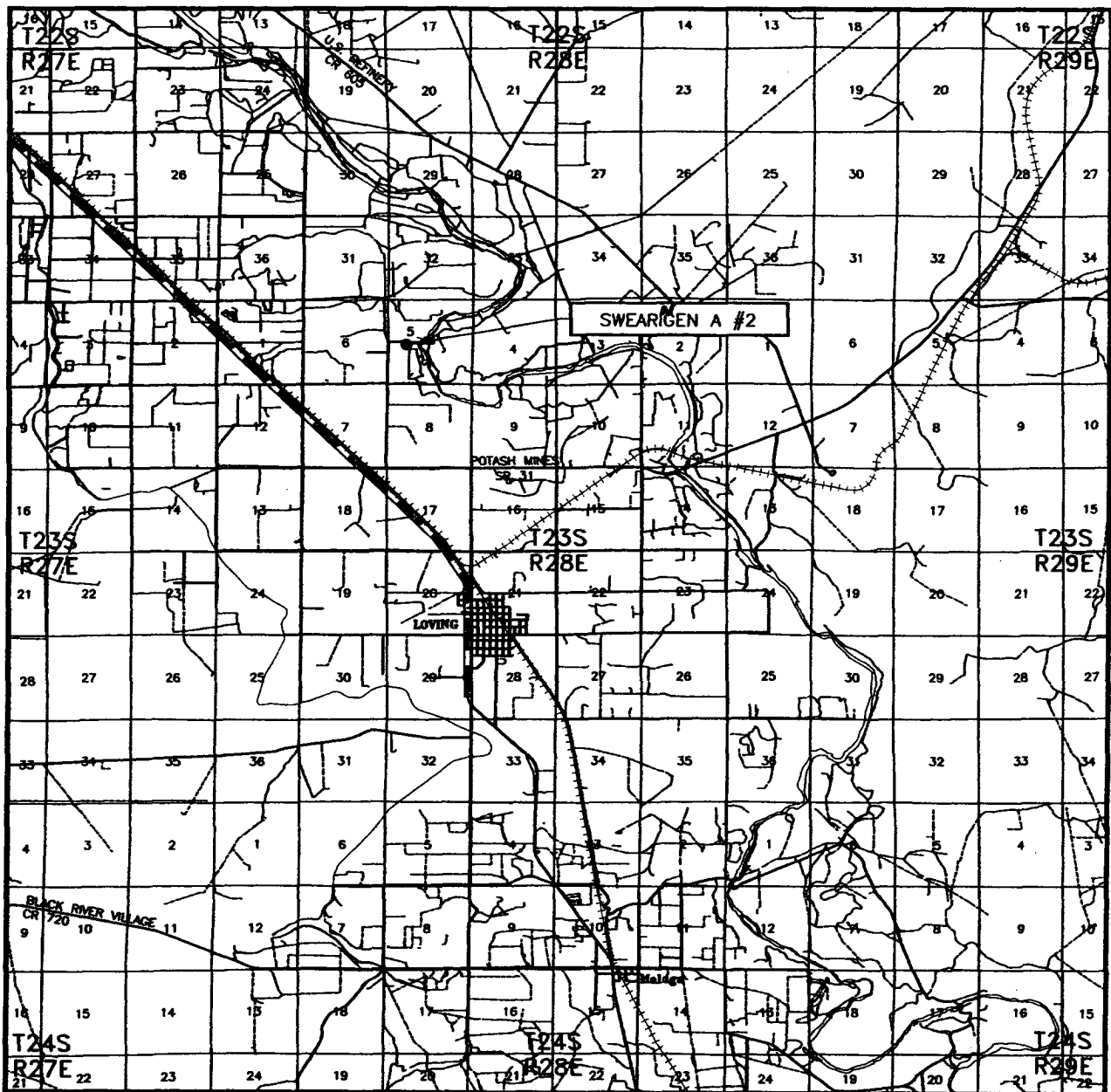
SWEARIGEN A #2 WELL
 LOCATED 2498 FEET FROM THE SOUTH LINE
 AND 1149 FEET FROM THE WEST LINE OF SECTION 5,
 TOWNSHIP 23 SOUTH, RANGE 28 EAST, N.M.P.M.,
 EDDY COUNTY, NEW MEXICO.

Survey Date: 11/4/05	Sheet 1 of 1 Sheets
W.O. Number: 05.11.1732	Dr By: LA Rev 1:N/A
Date: 11/8/05	Disk: CD#4 05111732 Scale: 1"=100'



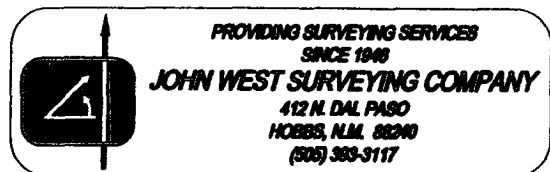
PROVIDING SURVEYING SERVICES
 SINCE 1946
JOHN WEST SURVEYING COMPANY
 412 N. DAL PASO
 HOBBS, N.M. 88240
 (505) 393-3117

VICINITY MAP

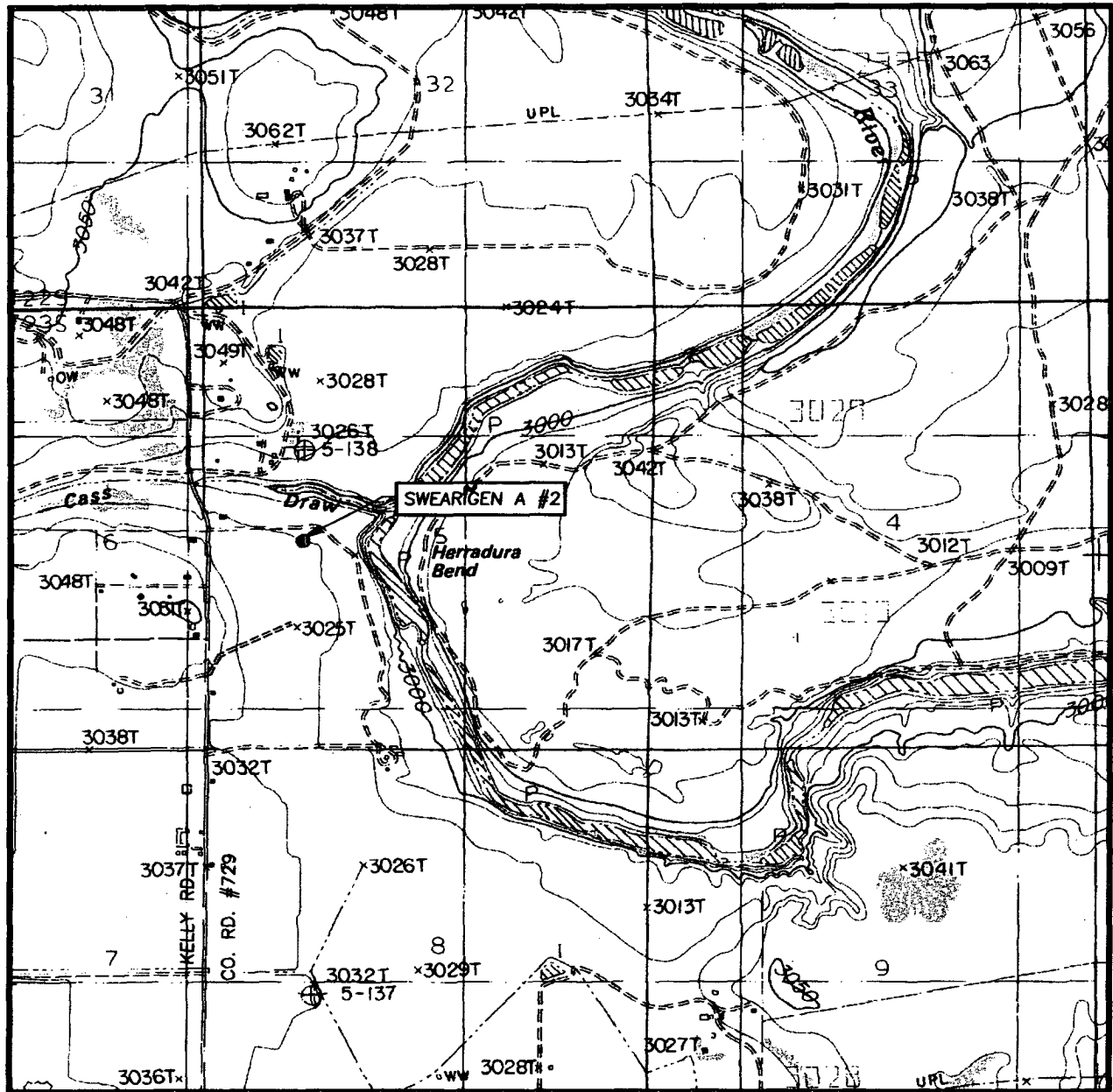


SCALE: 1" = 2 MILES

SEC. 5 TWP. 23-S RGE. 28-E
 SURVEY N.M.P.M.
 COUNTY EDDY
 DESCRIPTION 2498' FSL & 1149' FWL
 ELEVATION 3019'
 OPERATOR OXY U.S.A. W.T.P., LP
 LEASE SWEARIGEN A



LOCATION VERIFICATION MAP



SCALE: 1" = 2000'

CONTOUR INTERVAL:
LOVING, N.M. - 10'

SEC. 5 TWP. 23-S RGE. 28-E

SURVEY N.M.P.M.

COUNTY EDDY

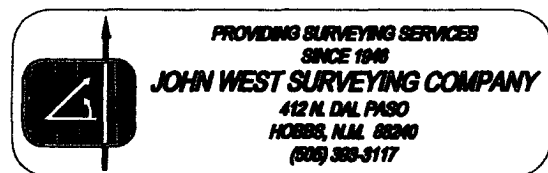
DESCRIPTION 2498' FSL & 1149' FWL

ELEVATION 3019'

OPERATOR OXY U.S.A. W.T.P., LP

LEASE SWEARIGEN A

U.S.G.S. TOPOGRAPHIC MAP
LOVING, N.M.



Swearingen A #2 Plan #4 Report 11-30-05.txt

Oxy Permian
Swearingen A #2 - Plan #4

Eddy Co., New Mexico
Swearingen A #2

Measured Depth (ft)	Incl.	Azim.	Vertical Depth (ft)	Northings (ft)	Eastings (ft)	Vertical Section (ft)	Dogleg Rate (°/100ft)
2500.00	0.000	0.006	2500.00	0.00 N	0.00 E	0.00	0.00
2600.00	0.000	0.000	2600.00	0.00 N	0.00 E	0.00	0.00
2700.00	3.000	196.760	2699.95	2.51 S	0.75 W	2.62	3.00
2750.00	4.500	196.760	2749.85	5.64 S	1.70 W	5.89	3.00
2800.00	4.500	196.760	2799.69	9.39 S	2.83 W	9.81	0.00
2900.00	4.500	196.760	2899.38	16.91 S	5.09 W	17.66	0.00
3000.00	4.500	196.760	2999.08	24.42 S	7.35 W	25.50	0.00
3100.00	4.500	196.760	3098.77	31.93 S	9.62 W	33.35	0.00
3200.00	4.500	196.760	3198.46	39.44 S	11.88 W	41.19	0.00
3300.00	4.500	196.760	3298.15	46.96 S	14.14 W	49.04	0.00
3400.00	4.500	196.760	3397.84	54.47 S	16.40 W	56.89	0.00
3500.00	4.500	196.760	3497.53	61.98 S	18.67 W	64.73	0.00
3600.00	4.500	196.760	3597.23	69.49 S	20.93 W	72.58	0.00
3700.00	4.500	196.760	3696.92	77.01 S	23.19 W	80.42	0.00
3800.00	4.500	196.760	3796.61	84.52 S	25.45 W	88.27	0.00
3900.00	4.500	196.760	3896.30	92.03 S	27.72 W	96.12	0.00
4000.00	4.500	196.760	3995.99	99.55 S	29.98 W	103.96	0.00
4100.00	4.500	196.760	4095.68	107.06 S	32.24 W	111.81	0.00
4200.00	4.500	196.760	4195.38	114.57 S	34.50 W	119.65	0.00
4300.00	4.500	196.760	4295.07	122.08 S	36.77 W	127.50	0.00
4400.00	4.500	196.760	4394.76	129.60 S	39.03 W	135.34	0.00
4505.57	4.500	196.760	4500.00	137.53 S	41.42 W	143.63	0.00
4536.24	3.887	196.759	4530.59	139.67 S	42.06 W	145.87	2.00
4600.00	3.887	196.759	4594.21	143.81 S	43.31 W	150.19	0.00
4700.00	3.887	196.759	4693.98	150.30 S	45.26 W	156.97	0.00
4800.00	3.887	196.759	4793.75	156.79 S	47.22 W	163.75	0.00
4900.00	3.887	196.759	4893.52	163.28 S	49.17 W	170.53	0.00
5000.00	3.887	196.759	4993.29	169.77 S	51.13 W	177.30	0.00
5100.00	3.887	196.759	5093.06	176.26 S	53.08 W	184.08	0.00
5200.00	3.887	196.759	5192.83	182.75 S	55.04 W	190.86	0.00
5300.00	3.887	196.759	5292.60	189.24 S	56.99 W	197.64	0.00
5400.00	3.887	196.759	5392.37	195.73 S	58.95 W	204.42	0.00
5500.00	3.887	196.759	5492.14	202.23 S	60.90 W	211.20	0.00
5600.00	3.887	196.759	5591.91	208.72 S	62.85 W	217.97	0.00
5700.00	3.887	196.759	5691.68	215.21 S	64.81 W	224.75	0.00
5800.00	3.887	196.759	5791.45	221.70 S	66.76 W	231.53	0.00
5900.00	3.887	196.759	5891.22	228.19 S	68.72 W	238.31	0.00
6000.00	3.887	196.759	5990.99	234.68 S	70.67 W	245.09	0.00
6100.00	3.887	196.759	6090.76	241.17 S	72.63 W	251.87	0.00
6200.00	3.887	196.759	6190.53	247.66 S	74.58 W	258.64	0.00
6300.00	3.887	196.759	6290.30	254.15 S	76.53 W	265.42	0.00
6400.00	3.887	196.759	6390.07	260.64 S	78.49 W	272.20	0.00
6500.00	3.887	196.759	6489.84	267.13 S	80.44 W	278.98	0.00
6600.00	3.887	196.759	6589.61	273.62 S	82.40 W	285.76	0.00
6700.00	3.887	196.759	6689.38	280.11 S	84.35 W	292.53	0.00
6800.00	3.887	196.759	6789.15	286.60 S	86.31 W	299.31	0.00
6900.00	3.887	196.759	6888.92	293.09 S	88.26 W	306.09	0.00
7000.00	3.887	196.759	6988.69	299.58 S	90.22 W	312.87	0.00
7100.00	3.887	196.759	7088.46	306.07 S	92.17 W	319.65	0.00
7200.00	3.887	196.759	7188.23	312.56 S	94.12 W	326.43	0.00
7300.00	3.887	196.759	7288.00	319.05 S	96.08 W	333.20	0.00
7400.00	3.887	196.759	7387.77	325.54 S	98.03 W	339.98	0.00
7500.00	3.887	196.759	7487.54	332.03 S	99.99 W	346.76	0.00
7600.00	3.887	196.759	7587.31	338.52 S	101.94 W	353.54	0.00
7700.00	3.887	196.759	7687.08	345.01 S	103.90 W	360.32	0.00
7800.00	3.887	196.759	7786.85	351.50 S	105.85 W	367.09	0.00
7900.00	3.887	196.759	7886.62	357.99 S	107.81 W	373.87	0.00
8000.00	3.887	196.759	7986.39	364.48 S	109.76 W	380.65	0.00
8100.00	3.887	196.759	8086.16	370.97 S	111.71 W	387.43	0.00
8200.00	3.887	196.759	8185.93	377.46 S	113.67 W	394.21	0.00
8300.00	3.887	196.759	8285.70	383.95 S	115.62 W	400.99	0.00
8400.00	3.887	196.759	8385.47	390.44 S	117.58 W	407.76	0.00
8500.00	3.887	196.759	8485.24	396.93 S	119.53 W	414.54	0.00

Swearingen A #2 Plan #4 Report 11-30-05.txt

8600.00	3.887	196.759	8585.01	403.42 S	121.49 W	421.32	0.00
8700.00	3.887	196.759	8684.78	409.91 S	123.44 W	428.10	0.00
8800.00	3.887	196.759	8784.55	416.41 S	125.40 W	434.88	0.00
8900.00	3.887	196.759	8884.32	422.90 S	127.35 W	441.65	0.00
9000.00	3.887	196.759	8984.09	429.39 S	129.30 W	448.43	0.00
9100.00	3.887	196.759	9083.86	435.88 S	131.26 W	455.21	0.00
9200.00	3.887	196.759	9183.63	442.37 S	133.21 W	461.99	0.00
9300.00	3.887	196.759	9283.40	448.86 S	135.17 W	468.77	0.00
9400.00	3.887	196.759	9383.17	455.35 S	137.12 W	475.55	0.00
9500.00	3.887	196.759	9482.94	461.84 S	139.08 W	482.32	0.00
9600.00	3.887	196.759	9582.71	468.33 S	141.03 W	489.10	0.00
9700.00	3.887	196.759	9682.48	474.82 S	142.99 W	495.88	0.00
9800.00	3.887	196.759	9782.25	481.31 S	144.94 W	502.66	0.00
9900.00	3.887	196.759	9882.02	487.80 S	146.89 W	509.44	0.00
10000.00	3.887	196.759	9981.79	494.29 S	148.85 W	516.21	0.00
10100.00	3.887	196.759	10081.56	500.78 S	150.80 W	522.99	0.00
10200.00	3.887	196.759	10181.33	507.27 S	152.76 W	529.77	0.00
10300.00	3.887	196.759	10281.10	513.76 S	154.71 W	536.55	0.00
10400.00	3.887	196.759	10380.87	520.25 S	156.67 W	543.33	0.00
10500.00	3.887	196.759	10480.64	526.74 S	158.62 W	550.11	0.00
10519.41	3.887	196.759	10500.00	528.00 S	159.00 W	551.42	0.00
10600.00	3.887	196.759	10580.41	533.23 S	160.58 W	556.88	0.00
10700.00	3.887	196.759	10680.18	539.72 S	162.53 W	563.66	0.00
10800.00	3.887	196.759	10779.95	546.21 S	164.48 W	570.44	0.00
10900.00	3.887	196.759	10879.72	552.70 S	166.44 W	577.22	0.00
11000.00	3.887	196.759	10979.49	559.19 S	168.39 W	584.00	0.00
11100.00	3.887	196.759	11079.26	565.68 S	170.35 W	590.77	0.00
11200.00	3.887	196.759	11179.03	572.17 S	172.30 W	597.55	0.00
11300.00	3.887	196.759	11278.80	578.66 S	174.26 W	604.33	0.00
11400.00	3.887	196.759	11378.57	585.15 S	176.21 W	611.11	0.00
11500.00	3.887	196.759	11478.34	591.64 S	178.16 W	617.89	0.00
11600.00	3.887	196.759	11578.11	598.13 S	180.12 W	624.67	0.00
11700.00	3.887	196.759	11677.88	604.62 S	182.07 W	631.44	0.00
11800.00	3.887	196.759	11777.65	611.11 S	184.03 W	638.22	0.00
11900.00	3.887	196.759	11877.42	617.60 S	185.98 W	645.00	0.00
12000.00	3.887	196.759	11977.19	624.09 S	187.94 W	651.78	0.00
12100.00	3.887	196.759	12076.96	630.59 S	189.89 W	658.56	0.00
12200.00	3.887	196.759	12176.73	637.08 S	191.85 W	665.33	0.00
12300.00	3.887	196.759	12276.50	643.57 S	193.80 W	672.11	0.00
12400.00	3.887	196.759	12376.27	650.06 S	195.75 W	678.89	0.00
12500.00	3.887	196.759	12476.04	656.55 S	197.71 W	685.67	0.00
12524.02	3.887	196.759	12500.00	658.11 S	198.18 W	687.30	0.00

All data are in feet unless otherwise stated. Directions and coordinates are relative to Grid North.

Vertical depths are relative to WELL. Northings and Eastings are relative to well.

The Dogleg Severity is in Degrees per 100 feet.

Vertical Section is from slot and calculated along an Azimuth of 196.760° (Grid).

Coordinate System is NAD 1927 (NADCON CONUS) US State Plane 1927 (Exact solution), New Mexico East 3001.

Central meridian is -104.333°.

Grid Convergence at Surface is 0.126°.

Based upon Minimum Curvature type calculations, at a Measured Depth of 12524.02ft., the Bottom Hole Displacement is 687.30ft., in the Direction of 196.760° (Grid).

Orthodox at: 10350' @ Wolfcamp

**OXY USA WTP
Limited Partnership
PO Box 50250
Midland, TX 79710**

**Hydrogen Sulfide (H₂S)
Contingency Plan**

For

**Swearigen A No. 2
2498 ft FSL, 1149 ft FWL
Sec 5, T23S, R28E
Eddy County, NM**

And

McVay Rig 8

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PREFACE

An effective and viable Contingency Plan is intended to provide prior planning and guidance in responding to emergency incidents. The primary considerations in its development are protection of personnel, the public, company and public property, and the environment.

Although the plan addresses varied emergency situations which may occur, it recognizes that flexibility and the use of the organization's knowledge and experience is critical to safe resolution of emergency incidents. Response actions outlined in the plan provide a framework, which may be placed into operation without confusion. These actions should promote quick and decisive actions during the critical initial period and immediately following an emergency. As the response progresses, additional guidelines and procedures may need to be implemented as the situation dictates. In addition, all emergency incidents must be properly reported per the Oxy Incident Reporting and Notification Policy, state and federal requirements, etc.

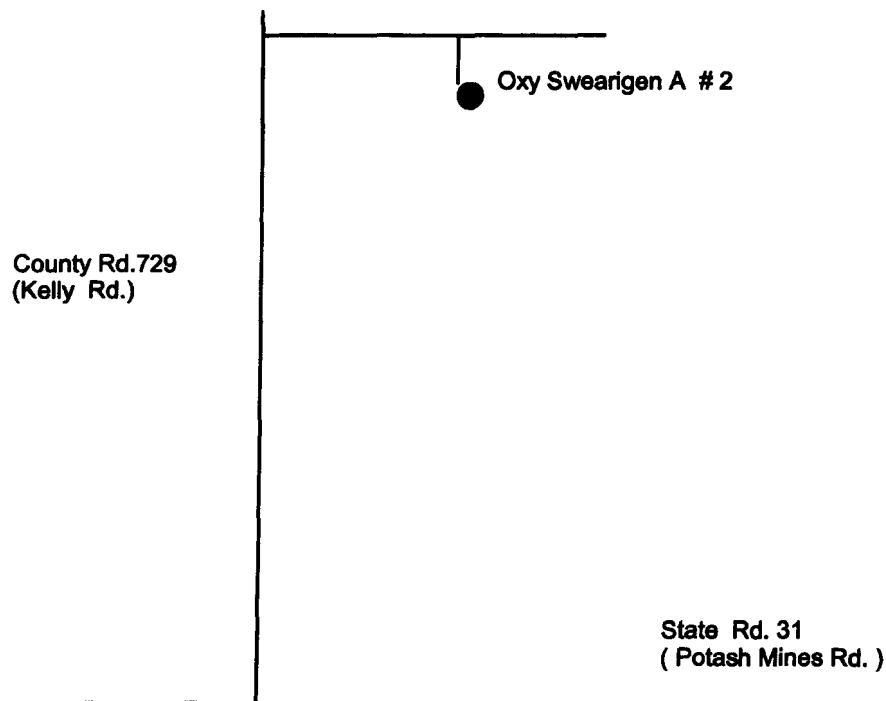
This Contingency Plan is intended for use on Oxy Downhole Services Group projects and the operations within their area of responsibility, such as drilling, critical well work, etc.

A copy of the Plan shall be maintained in the Top Dog House, Rig Managers trailer, and Company Representative's trailer if applicable.

Oxy Swearigen A No. 2
Y = 485300.5 N
X = 567843.9 E
Lat. 32°20'02.46N
Long. 104°06'49.24" W

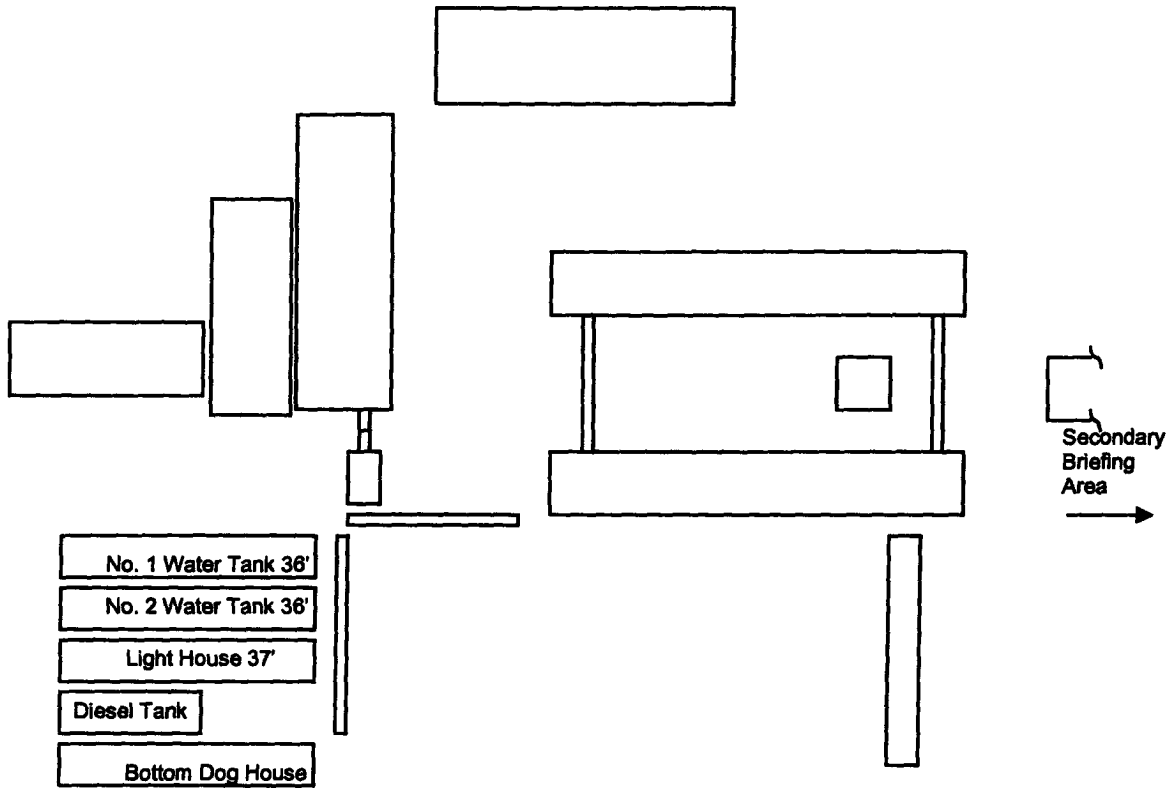


NORTH



From the intersection of State Rd. 31 (Potash Mines Rd.) and County Rd. 729 (Kelly Rd.) go north on County Rd. 729 for approximately 1.5 miles. Turn right on Walker Road (East) approx 0.2 miles. The location is 200' South..

McVay Rig 8



Primary
Briefing
Area ↓

EMERGENCY RESPONSE ACTIVATION AND GENERAL RESPONSIBILITIES

Activation of the Emergency Action Plan

- A. In the event of any emergency situation, all personnel on location should first ensure that the following items are initiated. After that, they should refer to the appropriate Specific Emergency Guidance sections on pages ten (10) through twelve (12) in this document for further responsibilities:
 - 1. Notify the senior ranking contract representative on site.
 - 2. Notify Oxy representative in charge.
 - 3. Notify civil authorities if the Oxy Representative can not be contacted and the situation dictates.
 - 4. Perform rescue and first aid as required (without jeopardizing additional personnel).

General Responsibilities

Oxy Permian Personnel:

- A. Operations Specialist: The Oxy Drilling/Critical Well Servicing Operations Specialist or contract personnel serving in that capacity will serve as Operations Chief Officer for all emergency incidents. The Operations Chief Officer is responsible for:
 - 1. Notification to the Downhole Services Team Leader of the incident occurrence.
 - 2. Notification to the local RMT/PMT leader of the incident occurrence, and the need for the designated local RMT/PMT Incident Commander to act in that capacity for the response effort.
 - 3. Sole control of all tactical activities directed toward reducing the immediate hazard, establishing situational control and restoring the operations to a non-emergency state.
- B. Local RMT/PMT Designated Incident Commander: The Oxy local RMT/PMT Designated Incident Commander will serve as the overall Incident Commander for the drilling or critical well servicing emergency incident. The Incident Commander is responsible for:
 - 1. Coordinating with the Downhole Services Team Leader for notification to the Oxy Crisis Management team of the incident occurrence.
 - 2. Establishing and managing the overall incident command structure and response from inception through restoration of normal activities in the area.
- C. Downhole Services HES Tech: The Downhole Services HES Tech (or his designate) is responsible for reporting to the incident as soon as reasonably possible, to provide support to the response effort as required by the Operations Chief Officer or the Incident Commander.

Contract Drilling Personnel will immediately report to their assigned stations and perform their duties as outlined in the appropriate Specific Emergency Guidance sections on pages ten (10) through twelve (12) in this document.

Other Contractor Personnel will report to the safe briefing area to assist Oxy personnel and civil authorities as requested when it is safe to do so and if they have been adequately trained in their assigned duties.

Civil Authorities (Law Enforcement, Fire, and EMS) will be responsible for:

1. Establishing membership in the Unified Incident Command.
2. As directed by the Incident Commander and the Unified Command, control site access, re-route traffic, and provide escort services for response personnel.
3. Perform all fire control activities in coordination with the Unified Command.
4. Initiate public evacuation plans as instructed by the Incident Commander.
5. Perform rescue or recovery activities with coordination from the Unified Command.
6. Provide medical assistance as dictated by the situation at hand.

H2S RELEASE

The following procedures and responsibilities will be implemented on activation of the H2S siren and lights.

All Personnel:

1. On alarm, don escape unit (if available) and report to upwind briefing area.

Rig Manager/Tool Pusher:

1. Check that all personnel are accounted for and their condition.
2. Administer or arrange for first aid treatment, and /or call EMTs as needed.
3. Identify two people best suited to secure well and perform rescue, and instruct them to don SCBA.
4. Notify Contractor management and Oxy Representative.
5. Remain at the briefing area, assess and monitor personnel and overall situation for hazards or conditions that might warrant a change in the action plan.

Two People Responsible For Shut-in and Rescue:

1. Don SCBA and acquire tools to secure well and perform rescue, i.e., wrenches, retrieval ropes, etc.
2. Utilize the buddy system to secure well and perform rescue(s).
3. Return to the briefing area and stand by for further instructions.

All Other Personnel:

1. Isolate the area and prevent entry by other persons into the 100 ppm ROE. Additionally the first responder(s) must evacuate any public places encompassed by the 100 ppm ROE. First responder(s) must take care not to injure themselves during this operation. Company and/or local officials must be contacted to aid in this operation. Evacuation of the public should be beyond the 100 ppm ROE.

Oxy Representative:

1. Remain at the briefing area, assess and monitor personnel and overall situation for hazards or conditions that might warrant a change in the action plan.
2. Notify Operation Specialists or Team Leader and RMT Leader or Local Incident Commander, and Police, Fire Department, or other local emergency services as required.

Training

There will be an initial training session prior to encountering a known or probable H₂S zone (within 3 days or 500 feet) and weekly H₂S and well control drills for all personnel in each crew. The initial training session shall include a review of the site specific H₂S Drilling Operations Plan and the Public Protection Plan (Contingency Plan). This plan shall be available at the well site. All personnel will be required to carry documentation that they have received the proper training.

Ignition of Gas Source

Should control of the well be considered lost and ignition considered, take care to protect against exposure to Sulfur Dioxide (SO₂). Intentional ignition must be coordinated with the NMOCD and local officials. Additionally the NM State Police shall be the Incident Command of any major release. Ignition of the well will be with the concurrence of the drilling team leader and the Oxy Crisis Management Team as time allows.

Characteristics of H₂S and SO₂

Common Name	Chemical Formula	Specific Gravity	Threshold Limit	Hazardous Limit	Lethal Concentration
Hydrogen Sulfide	H ₂ S	1.189 Air = 1	10 ppm	100 ppm	600 ppm
Sulfur Dioxide	SO ₂	2.21 Air = 1	2 ppm	N/A	1000 ppm

Contacting Authorities

Oxy Permian personnel must liaison with local and state agencies to ensure a proper response to a major release. Additionally, the OCD must be notified of the release as soon as possible but no later than 4 hours. Agencies will ask for information such as; type and volume of release, wind direction, location of release, etc. Be prepared with all information available. The following call list of essential and potential responders has been prepared for use during a release. This response plan must be in coordination with the State of New Mexico's 'Hazardous Materials Emergency Response Plan' (HMER).

WELL CONTROL

The following procedures will be implemented when a loss of primary control is indicated. Indicators of loss of primary control are flow from the well, an increase in pit volume, or when the drilling fluid used to fill the hole on trips is less than the calculated pipe displacement volume. The emergency signal for well control procedures will be a single long blast of the rig air horn.

Kick While Drilling - Procedures And Responsibilities

Driller:

1. Stop the rotary and hoist the kelly above the rotary table.
2. Stop the mud pump(s).
3. Check for flow.
4. If flowing, sound the alarm immediately.
5. Ensure that all crew members fill their responsibilities to secure the well.
6. Record drill pipe and casing shut-in pressures and pit volume increase and begin kill sheet.

Derrickman:

1. Go to BOP/choke manifold area.
2. Open choke line valve on BOP.
3. Signal to Floorman #1 that the choke line is open.
4. Close chokes after annular or pipe rams are closed.
5. Record shut-in casing pressure and pit volume increase.
6. Report readings and observations to Driller.
7. Verify actual mud weight in suction pit and report to Driller.
8. Be readily available as required for additional tasks.

Floorman # 1:

1. Go to accumulator control station and await signal from Derrickman.
2. Close annular preventer and HCR on signal (if available, if not then close pipe rams).
3. Record accumulator pressures and check for leaks in the BOP or accumulator system.
4. Report to Driller, and be readily available as required for additional tasks.

Floorman # 2:

1. Start water on motor exhausts.
2. Notify Contractor Tool Pusher or Rig Manager of well control situation.
3. Check location for ignition sources and extinguish or turn off, and stop any welding in progress.
4. Report to Driller, and be readily available as required for additional tasks.

Floorman # 3:

1. Stand-by with Driller, and be readily available as required for additional tasks.

Tool Pusher/Rig Manager:

1. Notify Oxy Representative and report to rig floor.
2. Review and verify all pertinent information.
3. Communicate information to Oxy Representative, and confer on an action plan.
4. Finalize well control worksheets, calculations and preparatory work for action plan.
5. Initiate and ensure the action plan is carried out.
6. Communicate any changes in well or site conditions, or any indications that the action plan needs to be revised to the Oxy representative.

Oxy Representative:

1. Notify Operation Specialists or Team Leader and RMT Leader or Local Incident Commander, and Police, Fire Department, or other local emergency services as required.

Kick While Tripping - Procedures and Responsibilities

Driller:

1. Sound the alarm immediately when pipe displacement volume is less than 75% of calculated.
2. Position the upper tool joint just above rotary table and set slips.
3. Check for flow.
4. Ensure that all crew members fill their responsibilities to secure the well.
5. Record drill pipe and casing shut-in pressures and pit volume increase, and begin kill sheets.

Derrickman: (same as while drilling)

Floor Man # 1:

1. Install full opening valve (with help from Floorman #2) in top drill string connection.
2. Tighten valve with make up tongs.
3. Go to accumulator control station and await signal from Derrickman.
4. Close annular preventer and HCR valve on signal (if available, if not then close pipe rams).
5. Record accumulator pressures and check for leaks in the BOP and accumulator system.
6. Report to Driller, and be readily available as required for additional tasks.

Floor Man # 2:

1. Assist installing full opening valve in drill string.
2. Position back-up tongs for valve make-up.
3. Start water on motor exhausts.
4. Notify Contractor Tool Pusher or Rig Manager of well control situation.
5. Check location for ignition sources and extinguish or turn off, and stop any welding in progress.
6. Report to Driller, and be readily available as required for additional tasks.

Floorman # 3, Rig Manager/Tool Pusher, and Oxy Representative: (same as while drilling)

PUBLIC RELATIONS

Oxy recognizes that the news media have a legitimate interest in incidents at Oxy facilities that could affect the public. It is to the company's benefit to cooperate with the news media when incidents occur because these media are our best liaison with the public.

Our objective is to see that all reports of any emergency are factual and represent the company's position fairly and accurately. Cooperation with news media representatives is the most reliable guarantee that this objective will be met.

All contract and Oxy employees are instructed **NOT** to make any statement to the media concerning the emergency incident. If a media representative contacts any employee, they should refer them to the designated Emergency Command Center where they should contact the Incident Commander or his designated relief for any information concerning the incident.

OXY PERMIAN DOWNHOLE SERVICES GROUP

	LOCATION	OFFICE	HOME	CELL	
Manager Operations Support					
Hardesty, Steve	Midland	432-685-5880	432/694-6441	713-560-8095	
Team Leader					
Pennington, Randy	Midland	432-685-5684	432/689-7642	432-556-0207	
			Toledo Bend =	318-590-2349	
Operations Specialists					
Fleming, Joe	Midland	432-685-5858	432/699-0875	432-425-6075	
Ray, Fred	Midland	432-685-5683	432/362-2857	432-661-3893	
HES Tech					
Thompson, Don	Midland	432-685-5719	432/684-3900	432-556-1505	

Emergency Notification Numbers

Public Authorities		
New Mexico State Police	Artesia	505/746-2704
New Mexico State Police	Carlsbad	505/885-3137
New Mexico State Police	Hobbs	505/392-5588
Eddy County Sheriff's Office	Artesia	505/746-2704
Eddy County Sheriff's Office	Carlsbad	505/887-7551
Lea County Sheriff's Office	Hobbs	505/393-2515
Local Emergency Planning Center	Eddy County	505/887-9511
Local Emergency Planning Center	Lea County	505/397-9231
New Mexico Oil & Gas Commission	Artesia	505/748-1283
New Mexico Oil & Gas Commission	Hobbs	505/393-6161
NM Emergency Response Center	Hobbs	505/827-9222

Emergency Services		
Fire Fighting, Rescue, Ambulance, Police	Artesia	911
Fire Fighting, Rescue, Ambulance, Police	Carlsbad	911
Fire Fighting, Rescue, Ambulance, Police	Hobbs	911
Flight For Life	Lubbock	806/743-9911
Aerocare	Lubbock	806/7478923
Med Flight Air Ambulance	Albuquerque	505/842-4433

Other Emergency Services		
Boots and Coots		1/800-256-9688
Cudd Pressure Control	Midland	432/699-0139
B.J. Services	Artesia	505/746-3569
Halliburton	Artesia	505/746-2757

**OXY Permian Production and Plant Personnel
OXY Permian Crisis Team Hotline Notification (713) 935-7210**

PERSON	LOCATION	OFFICE	FAX	CELL	PAGER
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Asset Management-Operations Areas

OXY Permian General Manager: Tom Menges	Houston	(281) 552-1147	(281) 552-1484	(713) 560-8038	
South Permian Asset: Matt Hyde	Midland	(432) 685-5802	(432) 685-5930	(432) 556-5016	

RMT/PMT Leaders: South Permian Asset

Frontier RMT: John Nicholas	Midland	(432) 685-5800			
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PERSON	LOCATION	OFFICE	FAX	CELL	PAGER
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Production Coordinators: S. Permian Asset

New Mexico: John Erickson	Hobbs	(505) 393-2174	(505) 397-2671	(505) 390-6426	(505) 370-6836
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**OXY Permian HES Personnel
OXY Permian Crisis Team Hotline Notification (713) 935-7210**

PERSON	LOCATION	OFFICE	FAX	CELL	PAGER
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HES Coordinators & Area of Responsibility

Frontier: Ricky Tyler	Midland	(432) 685-5707	(432) 685-5742	(432) 556-5790	(432)
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HES Techs & Area of Responsibility

Hobbs RMT: Steve Bishop	Hobbs	(505) 397-8251	(505) 397-8204	(505) 390-4784	(877) 339-1954- 1118#
Frontier-New Mexico: Rick Kerby	Hobbs	(505) 393-2174	(505) 393-2671	(505) 390-8639	(505) 370-6527