2 <u>District 1</u> 1625 N. French Dr., Hobbs, NM 85240 Phone: (\$75) 393-6161 Fax: (\$75) 393-0720 <u>District II</u> 811 S. Farst SL, Artesia, NM 88210 Phone: (\$75) 748-1283 Fax: (\$75) 748-9720 <u>District II</u> 1000 Rio Branos Road, Artec, NM 87410 Phone: (\$05) 334-6178 Fax: (\$05) 334-6170 <u>District IV</u> 1220 S. St. Francis Dr., Santa Fe, NM 87505 Phone: (\$05) 476-3460 Fax: (\$05) 476-3462

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

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

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AMENDED REPORT

		V	VELL LOCATI	ON ANL	ACK	REAGE D	EDICA TIO	NPLAT			
API Number Pool Code						Pool Name					
30-01	5-1	43837	9 Gle	173		Pierce	2 (NOSE)	ng Bon	esi)vin	s, East	
Prope	rty Code				Property	Name				Well Number	
3163	70		(CORRAL	FLY	"2" STA	4 <i>TE</i>			6H	
OGR	ID No.				Operator					Elevation	
19241	63			OXY USA WTP LP						3071.0'	
Surface Location											
UL or lot no.	Section	Township	Range		Lot Idn	Feet from the	North/South line	Feet from the	East/West li	ne County	
2	2	25 SOUTH	29 EAST, N.	М. Р. М.		120'	NORTH	2545'	EAST	EDDY	
L	I		Bottom Ho	le Locatie	on If I	Different F	From Surfac	e	·····	 .	
UL or lot no.	Section	Township	Range	·····	Lot Ida	Feet from the	North/South line	Feet from the	East/West lin	ne County	
0 2 25 SOUTH 29 EAST, N.M.P.M.					180'	SOUTH	2221'	EAST	EDDY		
Dedicated	Dedicated Acres Joint or Infill Consolidation Code Order No.			Order No.	1						
160 N		N_									

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.

120 1			50'		
A UNE WEXCO EAST WEXCO EAST W 103.9543389 4 4 4 4 4 4 4 4 4 4 4 4 4		NY NY			OPERATOR CERTIFICATION
4 Y = 2132 0.52 US FI X = 617277.35 US FI LONG: W 103.9543399 GRID AZ = 78°11'14 GRID AZ = 78°11'14 UNC: W 103.9543309 GRID AZ = 78°11'14 UNC: W 103.9543309		NEW MEXICO EAST		2205'	
4 LAT:: N 32:1660827 LONG:: W 103.95433897 GRID A2 = 78*11'14* I KICK OFF POINT NEW MEXICO EAST NAD 1927 Y=424129.36 US FT LONG:: W 103.9532401 I TOP PERF. NEW MEXICO EAST NAD 1927 Y=424129.36 US FT V=424129.36 US FT V=424129.		NAD 1927 Y=424348.29 US FT		1	
GRID A2 = 78°11'14" instruction in the load including the proposed bottom had location or has a right to drill this well at this boation particula to a construct of the a numeral or working interest or to a velocity pooling agreement or a computing interest or to a velocity pooling agreement or a computing order hereafting the full this well at this boation particula to a construct of the device a numeral or working interest or to a velocity pooling agreement or a computing pooling order hereafting the full this well at this boation particulate to a construct of the device a numeral or working interest or to a velocity pooling agreement or a computing pooling order hereafting the full this well at the boation particulate to a construct of the device and the device agreement or a computing pooling agreement or a computing pooling agreement or a computing pooling agreement or a computing interest. The second of the device agreement of the device agreement of the device agreement or a compute or device agreement or a compute order to the device agreement of the devic		LAT.: N 32.1660827		2545	
GRID AZ = 78°11'14" I 347.13" I KICK OFF POINT NEW MEXICO EAST NAD 1927 Y=42419.35 US FT LONG: W 103.9532401 I TOP PERF. NEW MEXICO EAST NAD 1927 Y=42419.36 US FT I I I I I <td>4 L</td> <td>LONG.: W 103.9543389</td> <td>/ 🛿 ∠ 🖺 🗎</td> <td></td> <td></td>	4 L	LONG.: W 103.9543389	/ 🛿 ∠ 🖺 🗎		
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347.13' with an owner of rich a numeral or working interest, or is a vectorizity pooling agreement as a computancy pooling order Nick of FP POINT NEW MEXICO EAST 12 Y=424419.35 US FT 12 Y=424419.35 US FT 12 LAT.: N 32.16627461 12 LAT.: N 32.16627451 12 LONG:: W 103.9532401 13 NEW MEXICO EAST 14 NEW MEXICO EAST 15 NEW MEXICO EAST 14 NEW MEXICO EAST 15		CRID AZ = 78"11"14"		ý.	has a right to drill this well at this location partners to a constant
KICK OFF POINT NEW MEXICO EAST Y=424419.35 US FT LAT: N 32.1662748 UONG: W 103.9532401 TOP PERF. NEW MEXICO EAST NEW MEXICO EA				ġ.	with an owner of such a numeral or working interest, or to a
NEW MEXICO EAST Y=424419.35 US FT LAT: N 32.1652748 LONG: W 103.9532401 TOP PERF. NEW MEXICO EAST NEW	······································				valueury pooling agreement or a computery pooling order
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NAD 1927 Image: Constraint of the second se			10 10		Printed Name
NAD 1927 Y=424129.36 US FT S 1.68 US FT S 1.5 S			20		
X=617514.08 US FT N N I= N N		NAD 1927			E-mail Address
1 I AT N 32 1654776 1 S SI 18 S		X=617614.08 US FT			
LONG.: W 103.9532436 S S S SURVEYOR CERTIFICATION		LONG .: W 103.9532436	10 L		SURVEYOR CERTIFICATION
BOTTON PERF					ARRY AS
BOTTOM PERF.		BOTTOM PERF.			play was platted form field bars of actual surveys
NEW MEXICO EAST NAD 1927 Y a 41950a 47 US FT		NAD 1927			made by mean under my supervision, and that the
		Y=419504.47 US FT X=617613.21 US FT X			sume is regard correct to the pest of my belle.
A 15079	ħ	LAL: N 32,152/639"	a a	Ì	
LONG: W 103.9532992					
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Signature and SEO of Professional Simular SIONA		N N			Signature and Second Professional SurveyorsSIONA
	*				
BOTTOM HOLE LOCATION X 1	đ.				
	1.20	NEW MEXICO EAST			or All
				2221'	Derm Alask 11/13/245
LAT.: N 32.1523241 LONG.: W 103.9533011		LAT.: N 32.1523241"			Certificate Jupplet 15079
				<u>, , , , , , , , , , , , , , , , , , , </u>	
		A		1m	wug 151015WL-d (KA)

1. Geologic Formations

TVD of target	8985'	Pilot Hole Depth	
MD at TD:	13675'	Deepest Expected fresh water:	386'

Delaware Basin

Formation	TVD - RKB	Expected Fluids
Rustler	386	
Salado	933	
Lamar/Delaware	3224	Oil/Gas
Bell Canyon*	3263	Water/Oil/Gas
Cherry Canyon*	3969	Oil/Gas
Brushy Canyon*	5376	Oil/Gas
1st Bone Spring	6950	Oil/Gas
2nd Bone Spring	8259	Oil/Gas
2nd Bone Spring (Target)	8954	Oil/Gas

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

2. Casing Program

III. C. (.)	Casing IntervalCsg. SizeWeightIe Size (in)From (ft)To (ft)(in)(lbs)		Csg. Size	Weight	0	SF	CP.D.	SF	
Hole Size (in)			Conn.	Collapse	SF Burst	Tension			
14.75	0	436	10.75	40.5	J55	BTC	7.6	1.54	2.89
9.875	0	7032	7.625	26.4	L80	BTC	1.19	1.29	1.88
9.875	7032	8332	7.625	29.7	L80	BTC	1.13	1.43	3.43
6.75	8232	13675	5.5	17	P-110	UltraSF	1.62	1.2	2.3
	-	BLM Minimum Safety Factor					1.125	1.2	1.6 Dry 1.8 Wet

All casing strings will be tested in accordance with Onshore Oil and Gas Order #2 III.B.1.h *Oxy requests the option to set casing shallower yet still below the salts if losses or hole conditions require this. Cement volumes may be adjusted if casing is set shallower and a DV tool will be run in case a contingency second stage is required for cement to reach surface. If cement circulated to surface during first stage we will drop a cancelation cone and not pump the second stage.

· · · · · · · · · · · · · · · · · · ·	Y or N
Is casing new? If used, attach certification as required in Onshore Order #1	Y
Does casing meet API specifications? If no, attach casing specification sheet.	Y
Is premium or uncommon casing planned? If yes attach casing specification sheet.	Y
Does the above casing design meet or exceed BLM's minimum standards? If not provide justification (loading assumptions, casing design criteria).	Y
Will the intermediate pipe be kept at a minimum 1/3 fluid filled to avoid approaching the collapse pressure rating of the casing?	Y
Is well located within Capitan Reef?	NI
If yes, does production casing cement tie back a minimum of 50' above the Reef?	<u> </u>
Is well within the designated 4 string boundary.	
is well within the designated 4 string boundary.	L

OXY USA WTP LP - Corral Fly 2 State 6H

Is well located in SOPA but not in R-111-P?	N
If yes, are the first 2 strings cemented to surface and 3 rd string cement tied back	
500' into previous casing?	ļ
	1
Is well located in R-111-P and SOPA?	<u> </u>
If yes, are the first three strings cemented to surface?	
Is 2 nd string set 100' to 600' below the base of salt?	
Is well located in high Cave/Karst?	N
If yes, are there two strings cemented to surface?	
(For 2 string wells) If yes, is there a contingency casing if lost circulation occurs?	
the second se	
Is well located in critical Cave/Karst?	<u>N</u>
If yes, are there three strings cemented to surface?	

3. Cementing Program

, ,

Casing	# Sks	Wt. lb/ gal	Yld ft3/ sack	H20 gal/sk	500# Comp. Strength (hours)	Slurry Description
Surface	287	14.8	1.35	6.53	6:50	Premium Plus Cement 2% Calcium Chloride – Flake (Accelerator)
Production	724	10.2	3.05	15.63	15:07	TUNED LIGHT (TM) SYSTEM 0.80% HR-601(Retarder), 3 lbm/sk Kol-Seal (Lost Circulation Additive), 0.125 lbm/sk Poly-E-Flake (Lost Circulation Additive)
Casing	367	13.2	1.65	8.45	12:57	Super H Cement, 0.1 % HR-800 (Retarder), 0.5 % Halad(R)-344 (Low Fluid Loss Control), 0.3 % CFR-3 (Dispersant), 2 lbm Kol-Seal (Lost Circulation Additive), 3 lbm Salt (Salt)
DV/ECP Tool	@ 3274' (W	e request the	option to cance	el the secon	d stage if cement is c	irculated to surface during the first stage of cement operations)
2nd Stage	531	12.9	1.85	9.86	12:44	Halliburton Light Premium Plus Cement with 5% Salt (Accelerator), 0.125 lbs/sk Poly-E-Flake (Lost Circulation Additive), 5 lbs/sk Kol-Seal (Lost Circulation Additive), 0.35% HR-800 (Retarder)
	182	14.8	1.33	6.34	6:31	Premium Plus cement
Production Liner 324		13.2	1.631	8.37	15:15	Super H Cement, 0.1 % HR-800 (Retarder), 0.5 % Halad(R)-344 (Low Fluid Loss Control), 0.4 % CFR-3 (Dispersant), 3 lbm Salt (Salt)

Casing String	TOC (ft)	% Excess Lead	% Excess Tail
Surface	0		50%
Production Casing	0	75%	20%
2nd Stage Prodution Casing	0	75%	125%
Production Liner	8232		15%

BOP installed and tested before drilling which hole?	Size?	Min. Required WP	Туре	* * *	✓	Tested to:	۲ ۲ ۲ ۲ ۲
		5M	Annula	Annular		70% of working pre-	ssure
0.975"	13-5/8"		Blind Ram		✓		
9.875" Intermediate			Pipe Ram			250/5000	
			Double Ram		\checkmark	250/5000psi	
			Other*				

4. Pressure Control Equipment

*Specify if additional ram is utilized.

BOP/BOPE will be tested by an independent service company to 250 psi low and the high pressure indicated above per Onshore Order 2 requirements. The System may be upgraded to a higher pressure but still tested to the working pressure listed in the table above. If the system is upgraded all the components installed will be functional and tested.

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

Formation integrity test will be performed per Onshore Order #2. On Exploratory wells or on that portion of any well approved for a 5M BOPE system or greater, a pressure integrity test of each casing shoe shall be performed. Will be tested in accordance with Onshore Oil and Gas Order #2 III.B.1.i.
A variance is requested for the use of a flexible choke line from the BOP to Choke Manifold. See attached for specs and hydrostatic test chart.
Y Are anchors required by manufacturer?
A multibowl wellhead is being used. The BOP will be tested per Onshore Order #2 after installation on the surface casing which will cover testing requirements for a maximum of 30 days. If any seal subject to test pressure is broken the system must be tested.
See attached schematic.
We are proposing that we will run the wellhead through the rotary prior to cementing surface casing as discussed with the BLM on October 8, 2015.

OXY USA WTP LP - Corral Fly 2 State 6H

5. Mud Program

Depth		T		¥7• • • 4		
From (ft)		Type Weight (ppg)		Viscosity	Water Loss	
0	436	EnerSeal (MMH)	8.4-8.6	40-60	N/C	
436	3274	Brine	9.8-10.0	35-45	N/C	
3274	8332	EnerSeal (MMH)	8.8-9.6	38-50	N/C	
8332	13675	Oil-Based Mud	10.0-12.0	35-50	N/C	

Sufficient mud materials to maintain mud properties and meet minimum lost circulation and weight increase requirements will be kept on location at all times.

Oxy proposes to drill out the 10.75" surface casing shoe with a saturated brine system from 436' - 3274', which is the base of the salt system. At this point we will swap fluid systems to a high viscosity mixed metal hydroxide system. We will drill with this system to the intermediate TD @ 8332'.

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

6. Logging and Testing Procedures

Logg	ogging, Coring and Testing.							
Yes	Will run GR from TD to surface (horizontal well – vertical portion of hole). Stated logs							
	run will be in the Com	pletion Report and submitted to the BLM.						
No	Logs are planned based on well control or offset log information.							
No	Drill stem test? If yes, explain							
No	Coring? If yes, explain							
Addi	tional logs planned	Interval						
No	Resistivity							
No	Density							
No	CBL							
Yes	Mud log							
No	PEX							

7. Drilling Conditions

Condition	Specify what type and where?
BH Pressure at deepest TVD	4161 psi
Abnormal Temperature	No

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

Hydrogen Sulfide (H2S) monitors will be installed prior to drilling out the surface shoe. If H2S is detected in concentrations greater than 100 ppm, the operator will comply with the provisions of Onshore Oil and Gas Order #6. If Hydrogen Sulfide is encountered, measured values and formations will be provided to the BLM.

N H2S is present

Y H2S Plan attached

8. Other facets of operation

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

Attachments

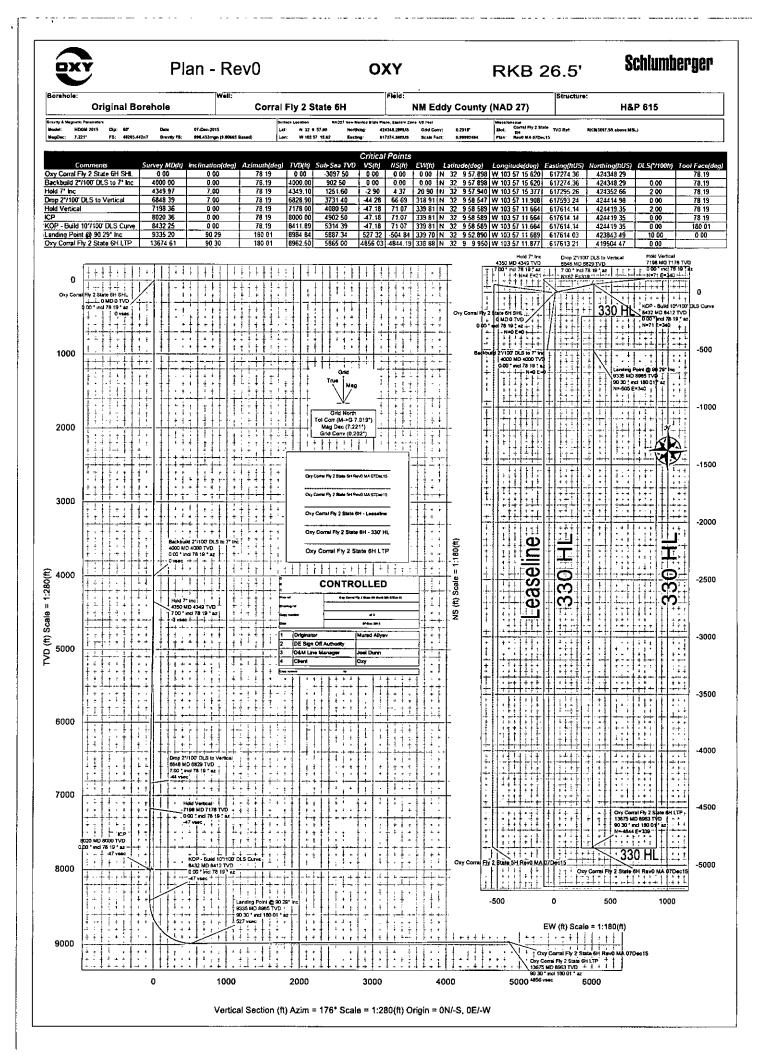
_x__ Directional Plan

_x__ H2S Contingency Plan

_x__ Flex III Attachments

9. Company Personnel

Name	Title	Office Phone	Mobile Phone
Ludwing Franco	Drilling Engineer	713-366-5174	832-523-6392
Tim Barnard	Drilling Engineer Team Lead	713-366-5706	281-740-3084
Amrut Athavale	Drilling Engineer Supervisor	713-350-4747	281-740-4448
Simon Benavides	Drilling Superintendent	713-522-8652	281-684-6897
Angie Contreras	Drilling & Completions Manager	713-497-2012	832-605-4882
Daniel Holderman	Drilling Manager	713-497-2006	832-525-9029



Schlumberger

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Oxy Corral Fly 2 State 6H Rev0 MA 07Dec15 Proposal Geodetic Report



						(Non-Def Pla	an)						
Report Date:		December	07, 2015	06:22 PM		Surv	ey / DLS Comput	ation:	Minimum Curvature	/ Lubinski			
Client:		OXY					cal Section Azim		175.998 ° (Grid Nor				
Field:		NM Eddy C	county (N/	ND 27)		Verti	cal Section Origin	n:	0 000 ft, 0 000 ft				
Structure / Slot:				le 6H / Oxy Corral F	ly 2 State 6H		Reference Datum		RKB				
Well:		Oxy Corral		le 6H			Reference Elevat		3097.500 ft above M				
Borehole:		Original Bo					ed / Ground Elev	ation:	3071.000 ft above M	ASL.			
UWI / API#;		Unknown /				-	netic Declination:		7.221 *				
Survey Name: Survey Date:		December		le 6H Rev0 MA 07D	ec15		Gravity Field Str	engin:	998.4531mgn (9.80	665 Based)			
Tort / AHD / DDI / ER	D Patio			ft / 5.922 / 0.586			ity Model: Magnetic Field S	tronath.	GARM 48265.442 nT				
Coordinate Reference				State Plane, Eastern	n Zone, LIS Feet		l Magnetic Field S netic Dip Angle:	strøngtn:	48265.442 n F				
Location Lat / Long:				W 103° 57' 15 6201			nation Date;		December 07, 2015				
Location Grid N/E Y/				E 617274.360 flUS	-		etic Declination	Model:	HDGM 2015				
CRS Grid Converger		0.2018 °				-	Reference:		Grid North				
Grid Scale Factor:		0.99992484	t i			Grid	Convergence Use	ed:	0.2018 °				
Version / Patch:		2.8.572.0					Corr Mag North-	>Grid	7.0192 °				
						Norti Loca	1: I Coord Reference	ed To:	Structure Reference	Point			
Comments	MD		Incl	Azim Grid	TVD	VSEC	NS	EW		Northing	Easting	Latitude	Longitude
Oxy Corrat Fly 2	(ft) 0.00		<u>(*)</u> 0.00	<u>(')</u> 78.19	(ft) 0.00	(ft) 0 00	0.00	(ft) 0.00		(ftUS) 424348.29	(NUS)	(N/5 * ' *) N 32 9 57.90 \	(E/W • • * *)
State 6H SHL													
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	1800.00		0.00	78.19	1800.00	0.00	0.00	0.00		424348.29		N 32 9 57.90 V	
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	2200.00		0.00	78.19	2300.00	0.00	0.00	0.00		424348 29 424348 29		N 32 957.90 V N 32 957.90 V	
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	2500.00		0.00	78 19	2500.00	0.00	0.00	0.00	0.00	424348 29		N 32 9 57.90 V	
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	2700.00		0 00	78 19	2700 00	0.00	0.00	D.00		424348 29		N 32 957.90 V	
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	3100.00		0.00	78.19	3100.00	0.00	0.00	0.00		424348 29		N 32 9 57.90 V	
	3200 00		0.00	78.19	3200.00	0.00	0.00	0 00	0 00	424348.29		N 32 9 57.90 V	
	3300.00		0.00	78.19	3300 00	0.00	0 00	0.00		424348 29		N 32 957,90 V	
	3400 00		0.00	78.19	3400.00	0.00	0.00	0 00		424348.29		N 32 9 57.90 V	
	3500.00 3600.00		0.00 0.00	78.19 78.19	3500 00 3600.00	0.00 0.00	0.00	0.00		424348.29 424348.29		N 32 957.90 V N 32 957.90 V	
	3700.00		0.00	78.19	3700.00	0.00	0.00	0.00		424348.29		N 32 957.90 V	
	3800 00		0.00	78.19	3800 00	0 00	0.00	0.00		424348.29		N 32 9 57.90 V	
D14-18-1	3900.00		Q.00	78.19	3900.00	0.00	0.00	0.00	9.00	424348.29	617274 36	N 32 957,90 V	N 103 57 15 62
Backbuild 2°/100' DLS to 7° Inc	4000.00		0.00	78.19	4000.00	0.00	0.00	0.00	0.00	424348.29	617274.36	N 32 957.90 V	N 103 57 15 62
	4100.00		2,00	78.19	4099.98	-0.24	0.36	1.71		424348.65		N 32 957.90 V	
	4200.00		4.00	78.19	4199.84	-0.95	1.43	6.83		424349.72		N 32 957.91 W	
Hold 7° Inc	4300.00 4349.97		6.00 7.00	78.19	4299.45	+2.13	3 21	15.36		424351.50		N 32 957.93 V N 32 957.94 V	
	4349.97 4400.00		7.00	78.19 78.19	4349.10 4398.76	-2.90 -3.73	4.37 5.62	20.90 26.87		424352 66 424353.91		N 32 957.94 V N 32 957.95 V	
	4500.00		7.00	78.19	4498 01	-5 39	8 11	38.79		424355.91		N 32 957.95 V	
	4600.00		7.00	78 19	4597 27	-7.04	10.61	50.72		424358.90		N 32 95800 V	
	4700.00		7.00	78 19	4696 52	·8.70	13.10	62.65	0.00	424361.39	617337.00	N 32 95803 V	V 103 57 14.89
	4800.00		7.00	78.19	4795.78	-10.35	15.60	74.58		424363 89		N 32 958.05 V	
	4900 00 5000 00		7.00 7,00	78.19 78.10	4895.03	-12.01	18.09	86.51	0.00	424366 38		N 32 958.07 V	
	5100 00		7.00	78.19 78.19	4994.29 5093 54	-13.67 -15 32	20.59 23.08	98.43 110.36		424368 87 424371.37		N 32 958.10 V N 32 95812 V	
	5200.00		7.00	78.19	5192.80	-16 98	25.57	122.29		424373 86		N 32 95812 4	
	5300 00		7.00	78.19	5292.05	-18.63	28.07	134.22		424376.36		N 32 9 58.17 V	
	5400.00		7.00	78.19	5391.30	-20.29	30.56	146.15	0.00	424378 85	617420.49	N 32 958.20 V	V 103 57 13.92
	5500 00		7.00	78.19	5490.56	-21.95	33.06	158.07	0.00	424381.35		N 32 9 58.22 V	
	5600.00		7.00	78.19	5589 81	-23 60	35.55	170.00		424383.84		N 32 958.24 V	
	5700.00 5800.00		7.00 7.00	78.19 78,19	5689.07 5788.32	-25 26 -26.92	38.05 40.54	181.93 193.86		424386 33 424388 83		N 32 958.27 V N 32 958.29 V	
	5900.00		7.00	78,19	5788.32 5887.58	-26.92 -28.57	40.54	193.86 205.78		424388 83 424391.32		N 32 958.29 V N 32 958.32 V	
	6000.00		7.00	78.19	5986.83	-28.57	45 53	205.78		424391.32 424393.82		N 32 958.32 V N 32 958.34 V	
	6100.00		7,00	78.19	6086.09	-31.88	48.03	229.64	0.00	424396.31		N 32 9 58.37 V	
	6200 00		7.00	78.19	6185.34	-33.54	50.52	241.57	0.00	424398.81		N 32 9 58.39 V	
	6300.00		7.00	78.19	6284.60	-35.20	53 02	253 50	0.00	424401.30	617527.84	N 32 958.41 V	V 103 57 12.67
	6400 D0		7.00	78.19	6383.65	-36.85	55 51	265.42		424403.80		N 32 9 58.44 V	
	6500.00 6600.00		7.00	78.19	6483.11	-38.51	58.00	277.35		424406.29		N 32 958.46 V	
	6700.00		7.00 7.00	78.19 78.19	6582.36 6681.62	-40.16 -41,82	60.50 62.99	289 28 301.21	0.00 0.00	424408 78 424411.28		N 32 958.49 V N 32 958.51 V	
	0100.00		1.00	10.13	0001.02		02.33	301.21	0.00	424411.20	0173/5.35 I	1 JZ 3 30.31 V	103 37 12.11

Comments	MD (ft)	Inci (*)	Azim Grid (°)	TVD (ft)	VSEC (ft)	NS (#)	EW (ft)	DLS (*/100ft)	Northing (ftUS)	Easting (ftUS)	Latitude (N/S * ' ")	Longitude (E/W ° ' ")
	6800 00	7.00	78.19	6780.97	-43.48	65.49	313.14	0.00	424413.77		N 32 9 58.53 V	
Drop 2º/100 DLS to Vertical	6848.39	7.00	78 19	6828.90	-44 28	66 69	318.91	0.00	424414.98	617593 24	N 32 9 58.55 V	N 103 57 11.91
DLS IO VERICA	6900.00	5.97	78.19	6880,18	-45 07	67.69	324.61	2.00	424416.17	617598.95	N 32 9 58.56 V	N 103 57 11 84
	7000.00	3 97	78 19	6979,80	-46 25	69.66	333.09	2.00	424417.94		N 32 9 58.58	
	7100.00	1,97	78.19	7079.66	-46.95	70.72	338.15	2.00	424419 00		N 32 958.59 V	
Hold Vertical	7198.36	0.00	78.19	7178.00	-47.18	71.07	339.91	2.00	424419.35		N 32 9 58.59 V	
	7200 00 7300 00	0 00 0 00	78.19 78.19	7179.64 7279.64	-47.18 -47.18	71.07 71.07	339.81 339.81	0.00	424419.35 424419 35		N 32 9 58 59 N N 32 9 58.59 N	
	7400.00	0.00	78.19	7379.64	-47.18	71.07	339.81	0.00	424419.35		N 32 9 58.59 V	
	7500.00	0.00	78,19	7479,64	-47,18	71.07	339.81	0.00	424419.35		N 32 9 58.59 V	
	7600.00	0.00	78.19	7579.64	-47.18	71.07	339 81	0.00	424419.35		N 32 9 58.59 \	
	7700.00	0.00	78.19	7679,64	-47,18	71.07	339.81	0.00	424419.35		N 32 958.59 V	
	7800.00	0.00	78.19	7779.64	-47.18	71.07	339 81	0.00	424419.35		N 32 9 58.59 V	
	7900.00 8000.00	0.00	78.19 78.19	7879.64 7979.64	-47,18 -47,18	71.07 71.07	339.81 339.81	0.00 0.00	424419.35 424419.35		N 32 95859 N N 32 95859 N	
	8100.00	0 00	78.19	8079.64	-47,18	71.07	339.81	0.00	424419.35		N 32 95859 \	
	8200.00	0.00	78.19	8179.64	-47.18	71.07	339 81	0.00	424419.35		N 32 9 58.59 \	
	8300.00	0.00	78.19	8279 64	-47.18	71.07	339.81	0.00	424419.35		N 32 9 58.59 \	
	8400.00	0.00	78.19	8379.64	-47.18	71.07	339 B1	0.00	424419.35	617614.14	N 32 9 58.59 \	N 103 57 11.66
KOP - Build 10%100° DLS Curve	6432.25	0 00	78.19	8411.89	-47.18	71.07	339 81	0.00	424419.35	617614.14	N 32 958.59 V	N 103 57 11.66
	8500.00	677	180.01	8479.48	-43.19	67.06	339 81	10.00	424415.35	617614 14	N 32 9 58.55 V	N 103 57 11 66
	8600.00	16.77	180.01	8577.25	-22.86	46.68	339.80	10.00	424394.97		N 32 9 58.35 V	
	8700 00	26,77	180.01	8670.00	14.10	9.64	339.79	10.00	424357.92		N 32 9 57.98 V	
	8800.00	36.77	180 01	8754.91	66.56	-42.96	339.78	10.00	424305.34		N 32 9 57.46 V	
	8900 00	46.77	180.01	8829.39	132.94	-109.49	339.77	10.00	424238.81		N 32 9 56.80 V	
	9000.00	56.77	180.01	8891.18	211.20	-197,95	339.76	10.00	424160.35 424072.36		N 32 9 56.03 V	
	9100 00 9200 00	66.77 76.77	180.01 180.01	8938.42 8969.65	298.98 393.62	-275.95 -370.81	339.74 339.72	10.00 10.00	424072.36		N 32 9 55.16 V N 32 9 54.22 V	
	9300.00	86.77	180.01	8983.94	492 22	-469 66	339.70	10.00	423878.67		N 32 9 53 24 V	
Landing Point @ 90.29° Inc	9335.20	90.30	180 01	8984 84	527.32	-504.84	339.70	10.00	423843.49		N 32 95289 V	
	9400 00	90.30	180.01	8984.51	591.96	-569.64	339 68	0.00	423778 69	617614.02	N 32 9 52.25 V	N 103 57 11.69
	9500.00	90.30	180.01	8983.99	691.71	·669 64	339.67	0.00	423678.70		N 32 951.26 V	
	9600 00	90.30	180.01	8983.48	791.46	769 64	339.65	0.00	423578.71		N 32 95027 V	
	9700.00 9800.00	90.30 90.30	180.01 180.01	8982.96 8982 45	891.22 990.97	-869.64 -969.63	339.63 339.61	0.00	423478.72 423378.73		N 32 949.28 V	
	9900 00	90.30	180.01	8981.93	1090.72	-1069 63	339.59	0.00 0.00	423278 74		N 32 94829 V N 32 947.30 V	
	10000.00	90.30	180.01	8981 42	1190 48	-1169.63	339.57	0.00	423178.75		N 32 94631 V	
	10100 00	90.30	180.01	8980.90	1290.23	-1269 63	339 55	0.00	423078 76		N 32 945.32 V	
	10200.00	90.30	180.01	8980.39	1389.98	-1369.63	339.53	0.00	422978.77		N 32 94433 V	
	10300 00	90.30	180.01	8979.87	1489.74	-1469.63	339.51	0.00	422878.78		N 32 943.34 V	
	10400.00 10500.00	90.30 90.30	180.01 180.01	8979.36 8978.85	1589.49 1689.24	-1569 63 -1669 63	339.50 339.48	0.00 0.00	422778.78 422678 79		N 32 942.35 V	
	10600.00	90.30	180.01	8978.33	1789.00	-1769 62	339.46	0.00	422578.80		N 32 941.36 V N 32 940.37 V	
	10700 00	90 30	180.01	8977,82	1888.75	-1869.62	339.44	0.00	422478.81		N 32 9 39 39 V	
	10800.00	90.30	180.01	8977.30	1988.51	-1969.62	339 42	0.00	422378 82		N 32 938.40 V	
	10900 00	90 30	180 01	8976.79	2088.26	-2069.62	339.40	0.00	422278.83	617613.73	N 32 937.41 V	V 103 57 11.76
	11000 00	90 30	180.01	8976.27	2188.01	-2169.62	339 38	0.00	422178.84		N 32 936.42 V	
	11100.00 11200.00	90.30 90.30	180 01	8975.76 8975.24	2287.77 2387.52	-2269.62 -2369.62	339.36 339.34	0.00 0.00	422078.85 421978.86		N 32 935.43 V	
	11300.00	90.30	180.01 180.01	8974.73	2387.32	-2369.62	339.33	0.00	421978.80		N 32 934.44 W N 32 933.45 W	
	11400.00	90.30	180.01	8974.21	2587.03	-2569.61	339.31	0.00	421778.88		N 32 932.46 V	
	11500.00	90 30	180 01	8973.70	2686.78	-2669.61	339.29	0.00	421678.88		N 32 931.47 V	
	11600.00	90.30	180.01	8973.18	2786.53	-2769.61	339.27	0 00	421578.89	617613 60	N 32 93048 V	V 103 57 11 79
	11700.00	90.30	180.01	8972.67	2886 29	-2869 61	339.25	0.00	421478.90		N 32 929.49 V	
	11800.00	90 30	180.01	8972.15	2986.04	-2969.61	339.23	0.00	421378.91		N 32 928.50 V	
	11900.00 12000.00	90.30 90 30	180.01 180.01	8971.64 8971.12	3085.79 3185.55	-3069.61 -3169.61	339.21 339.19	0.00	421278.92 421178.93		N 32 927.51 V N 32 926.52 V	
	12100.00	90.30	180.01	8970.61	3285.30	-3269 60	339.17	0.00	421078.93		N 32 925.52 V	
	12200.00	90 30	160.01	8970.09	3385 06	-3369.60	339.16	0.00	420978.95		N 32 9 24.54 V	
	12300.00	90.30	180.01	8969.58	3484.81	-3469 60	339.14	0.00	420878.96		N 32 9 23.55 V	
	12400.00	90.30	180 01	8969.06	3584.56	-3569.60	339,12	0,00	420778.97	617613.45	N 32 922.56 ¥	V 103 57 11.82
	12500.00	90 30	180.01	8968.55	3684 32	-3669.60	339.10	0.00	420678.97		N 32 921.57 V	
	12600.00	90.30	180.01	8968.03	3784.07	-3769.60	339 08	0.00	420578.98		N 32 9 20.58 V	
	12700.00 12800.00	90.30 90.30	180.01 180.01	8967.52 8967.00	3883.82 3983 58	-3869.60 -3969.59	339.06 339.04	0.00	420478.99 420379 00		N 32 919.59 V N 32 91860 V	
	12900.00	90.30	180.01	8966.49	4083.33	-4069.59	339.04	0.00	420379.01		N 32 91860 V N 32 917.62 V	
	13000.00	90.30	190.01	8965.97	4183.08	-4169.59	339.00	0.00	420179 02		N 32 9 16.63 W	
	13100.00	90.30	190,01	8965 46	4282.84	-4269.59	338.98	0.00	420079.03		N 32 9 15.64 V	
	13200.00	90.30	180.01	8964 94	4382.59	-4369.59	338.97	0.00	419979.04		N 32, 914,65 V	
	13300 00	90.30	180.01	8964.43	4482.34	-4469 59	338 95	0.00	419879.05		N 32 9 13.66 V	
	13400.00 13500.00	90.30 90.30	180.01	8963.91 8963.40	4582.10 4681.85	-4569.59	338.93 338.91	0.00	419779.06		N 32 912.67 V	
	13600.00	90.30 90.30	180.01 180.01	8962.69	4681.85	-4669.59 -4769.58	338.91	0.00 0.00	419679.07 419579 07		N 32 91168 V N 32 91069 V	
Oxy Corral Fly 2												
State 6H LTP	13674 61	90.30	180.01	8962.50	4856.03	-4844.19	339 88	0.00	419504 47	61761321	N 32 9 9,95 V	v 103 57 11 88

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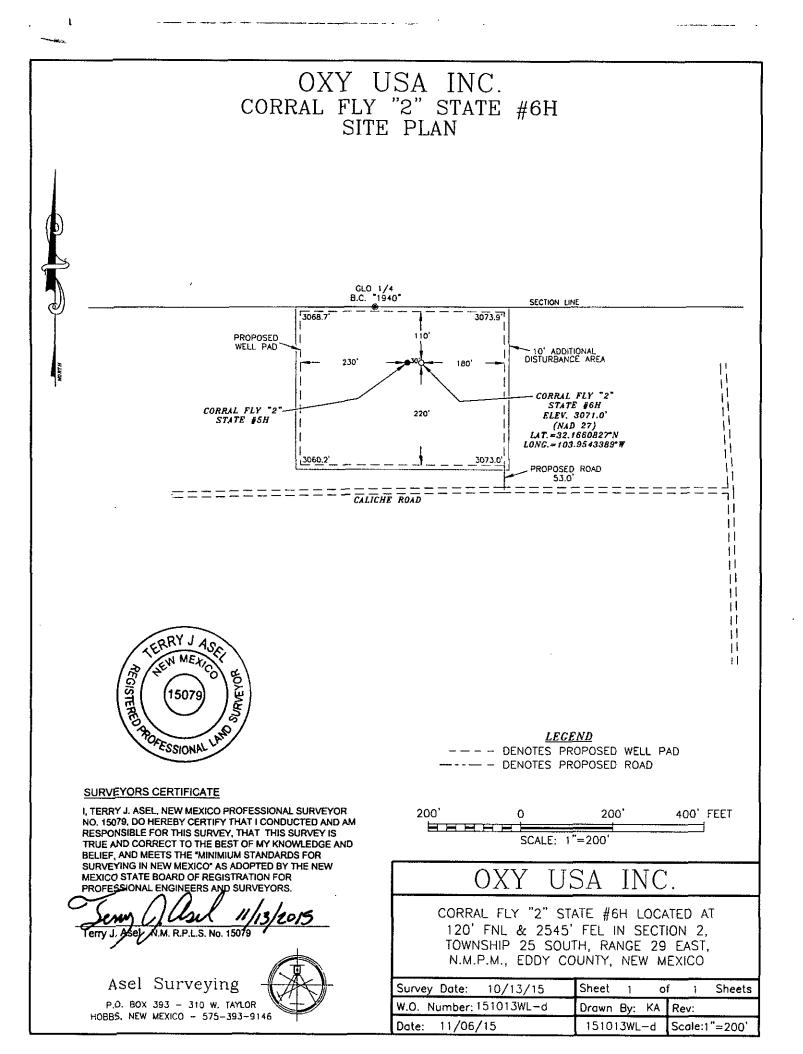
Survey Type:

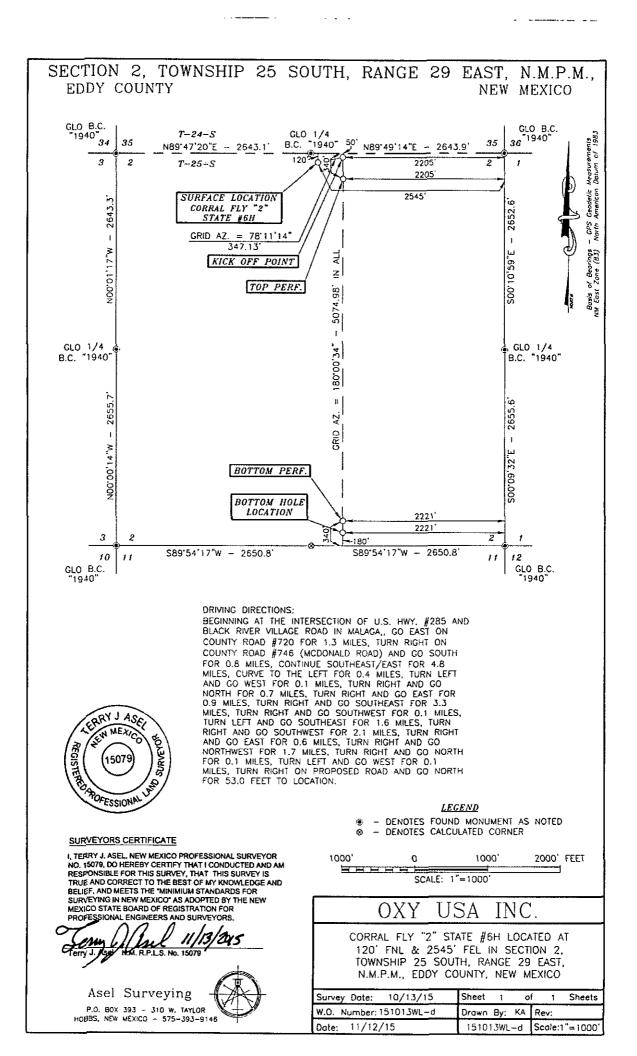
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Non-Def Plan

Survey Error Model: ISCWSA Rev 0 *** 3-D 95 000% Confidence 2.7955 sigma Survey Program:

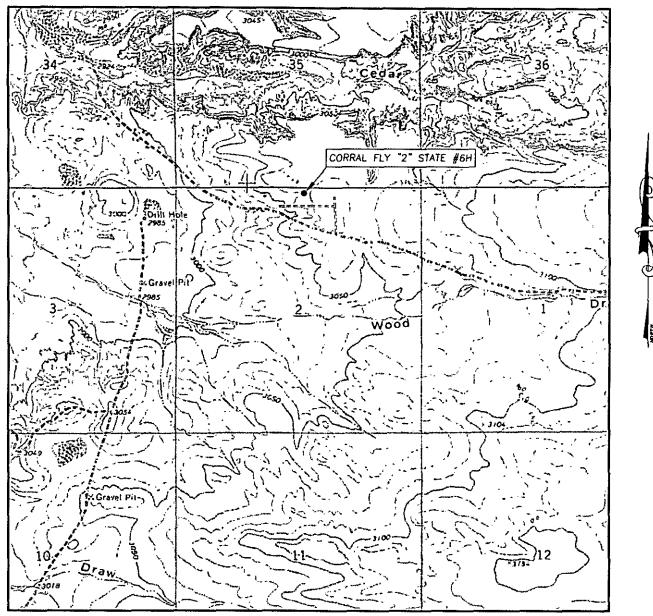
Description	Part	MD From (ft)	MD To (ft)	EOU Freq (ft)	Hole Size Casi (in)	ing Diameter (in)	Survey Tool Type `	Borshole / Survey
	1	0.000	26.500	1/100 000	30.000	30.000	SLB_MWD-STD_HDGM-Depth Only	Original Borehole / Oxy Corral Fly 2 State 6H Rev0 MA 07Dec15
	1	26.500	13674.611	1/100.000	30.000	30.000	SLB_MWD-STD_HDGM	Original Borehole / Oxy Corral Fly 2 State 6H Rev0 MA 07Dec15





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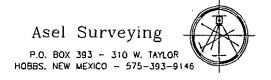
LOCATION VERIFICATION MAP



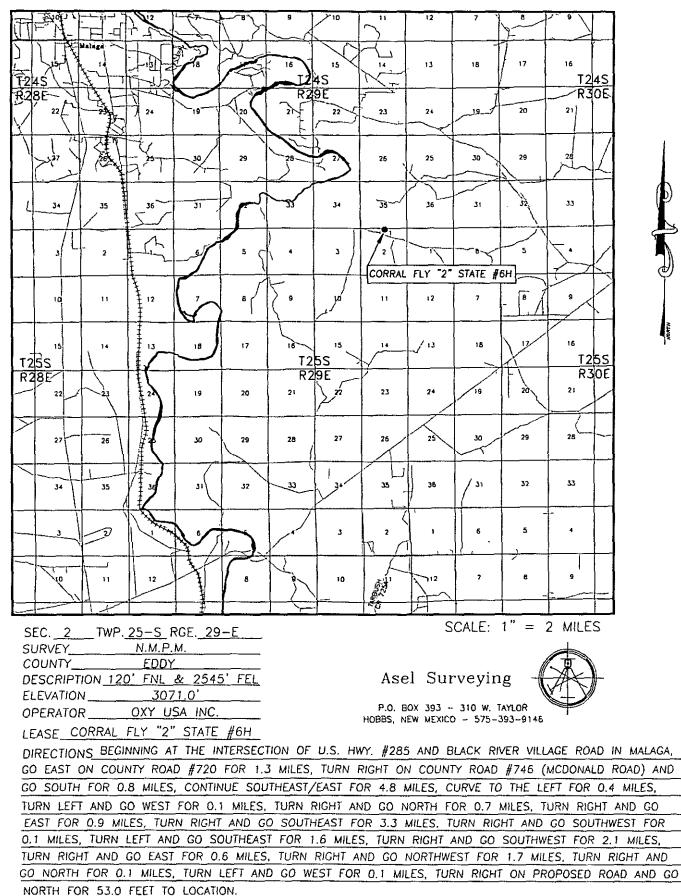
SCALE: 1" = 2000'

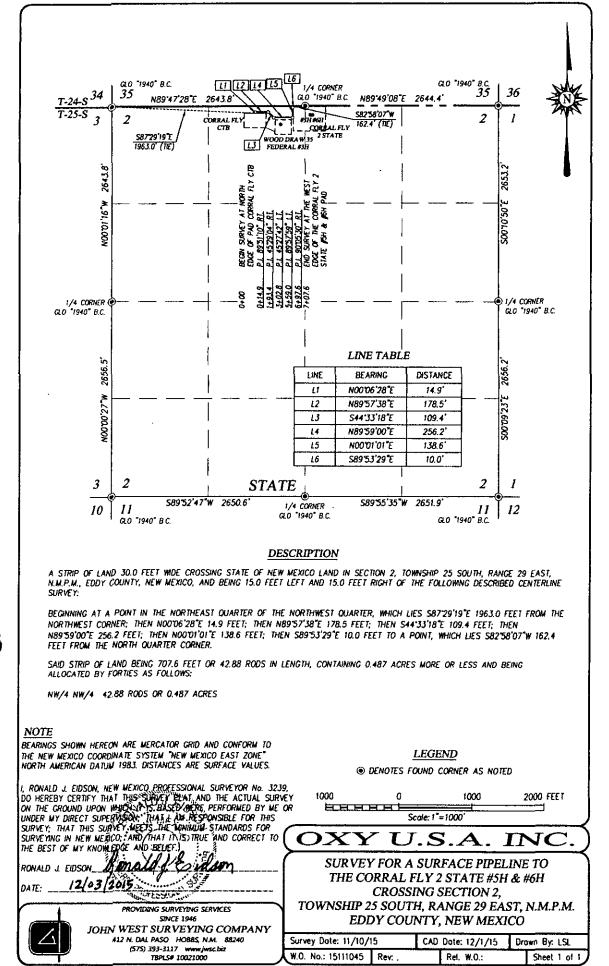
SEC TWP. <u>25-S</u> RGE. <u>29-E</u>
SURVEY N.M.P.M.
COUNTYEDDY
DESCRIPTION 120' FNL & 2545' FEL
ELEVATION <u>3071.0'</u>
OPERATOR OXY USA INC.
LEASE_CORRAL FLY "2" STATE #6H
U.S.G.S. TOPOGRAPHIC MAP PIERCE CANYON, N.M.





VICINITY MAP





ODRAFTING/LORENZO/2015/DXY U.S.A. INC/PIPELINE/CORAL FLY STATE ISH & IGH

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

GAS CAPTURE PLAN

Date: 5-17-2016

🛛 Original

Operator & OGRID No.: OXY USA WTP Limited Partnership - 192463

□ Amended - Reason for Amendment:_

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

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

Well(s)/Production Facility – Name of facility

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

Well Name	API	Well Location (ULSTR)	Footages	Expected MCF/D	Flared or Vented	Comments
Corral Fly 2 State #3H	Pending	Unit D / Lot 4, Sec. 2, T25S, R29E	110FNL 867FWL	2,741	0	
Corral Fly 2 State #4H	Pending	Unit D / Lot 4, Sec. 2, T25S, R29E	110FNL 897FWL	2,741	0	
Corral Fly 2 State #5H	Pending	Unit C / Lot 3, Sec. 2, T25S, R29E	110FNL 2632FWL	2,741	0	
Corral Fly 2 State #6H	Pending	Unit B / Lot 2, Sec. 2, T25S, R29E	110FNL 2625FEL	2,741	0	
Corral Fly 2 State #7H	Pending	Unit A / Lot 1, Sec. 2, T25S, R29E	110FNL 891FEL	2,741	0	
Corral Fly 2 State #8H	Pending	Unit A / Lot 1, Sec. 2, T25S, R29E	110FNL 861FEL	2,741	0	

Gathering System and Pipeline Notification

Well(s) will be connected to a production facility after flowback operations are complete, where a gas transporter system is expected be in place. <u>OXY USA WTP Limited Partnership ("OXY"</u>) has begun discussion with third-party gas processors and currently has two (2) potential gas gathering pipeline options. The gas produced from the production facility will be connected to a low/high pressure gathering system and processed at a processing plant. The actual flow of the gas will be based on compression operating parameters and gathering system pressures.

Flowback Strategy

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

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

Alternatives to Reduce Flaring

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

• Power Generation - On lease

- Only a portion of gas is consumed operating the generator, remainder of gas will be flared
- Compressed Natural Gas On lease

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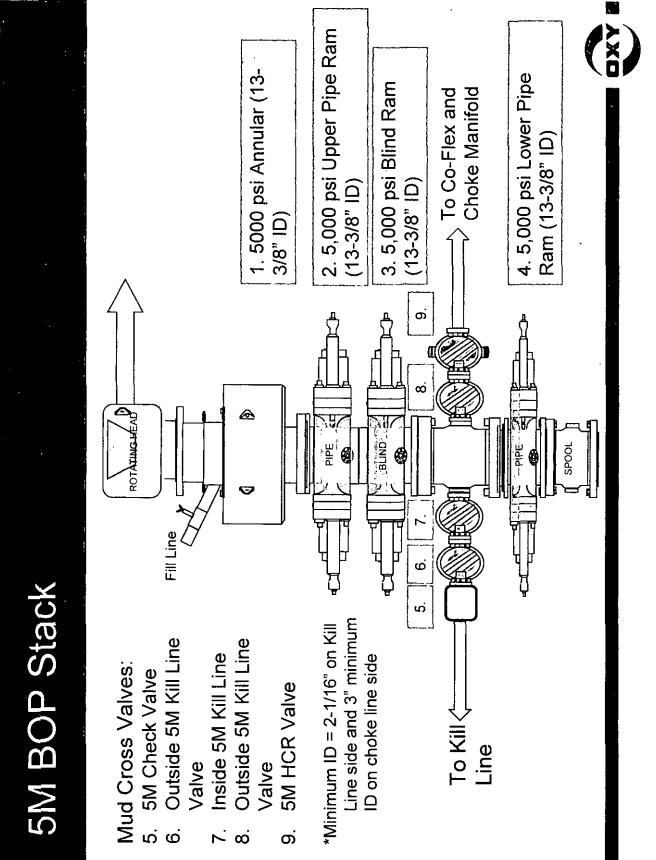
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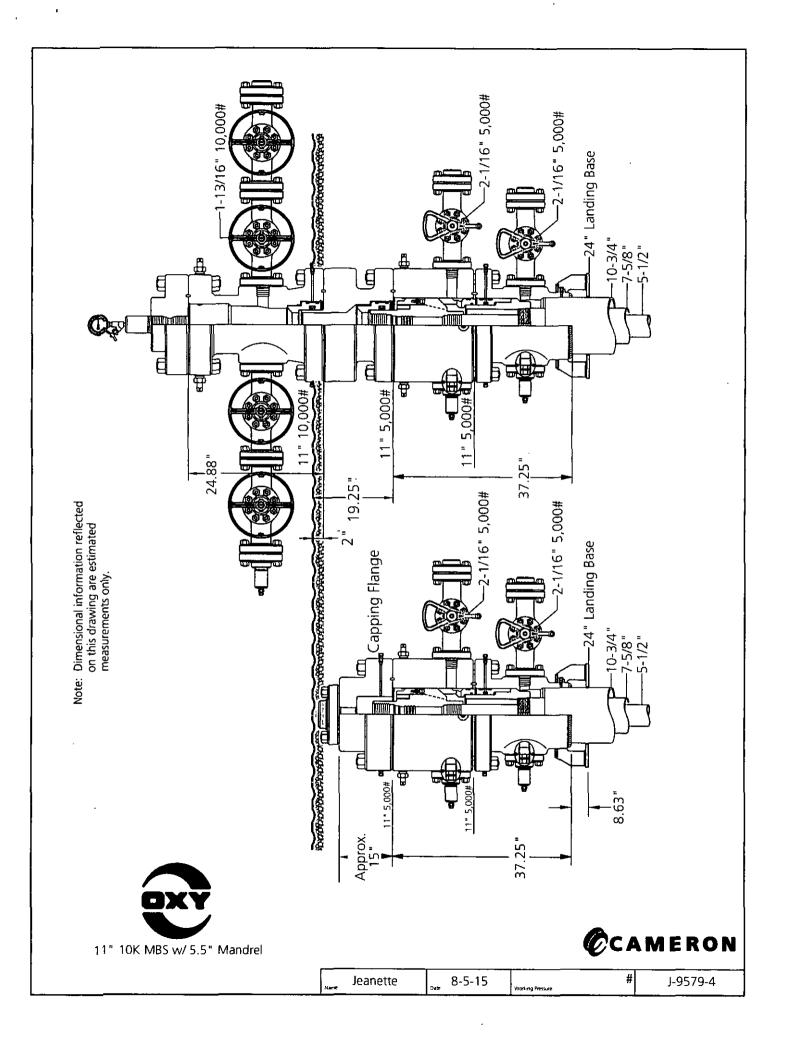
- Gas flared would be minimal, but might be uneconomical to operate when gas volume declines
- NGL Removal On lease

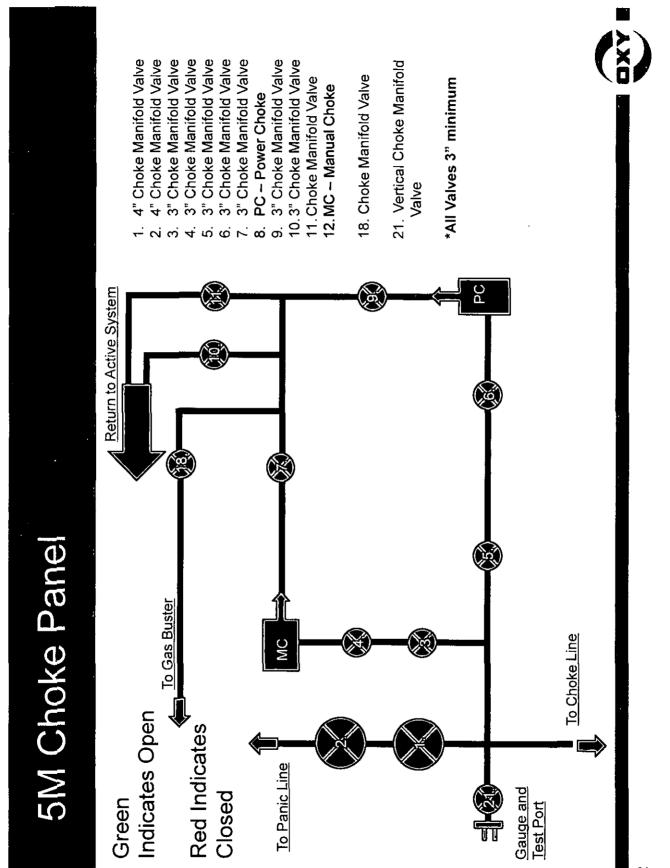
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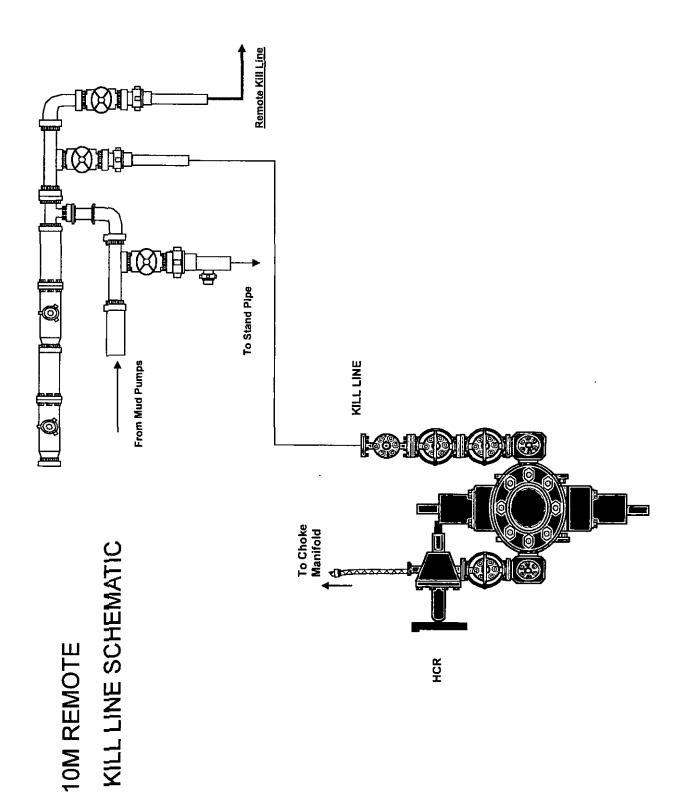
o Plants are expensive, residue gas is still flared, and uneconomical to operate when gas volume declines

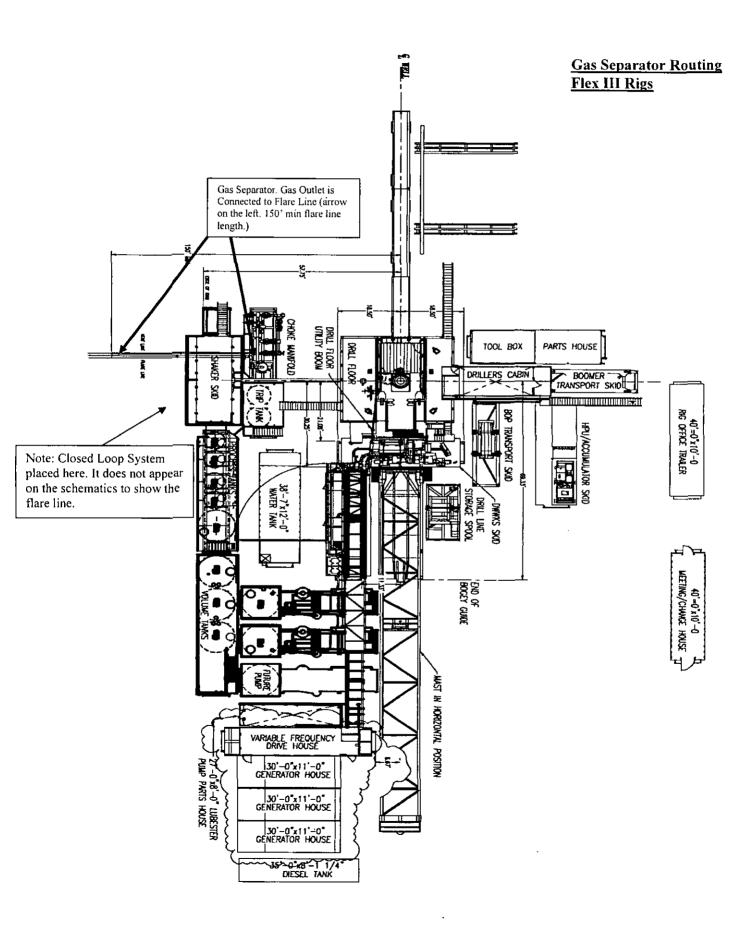


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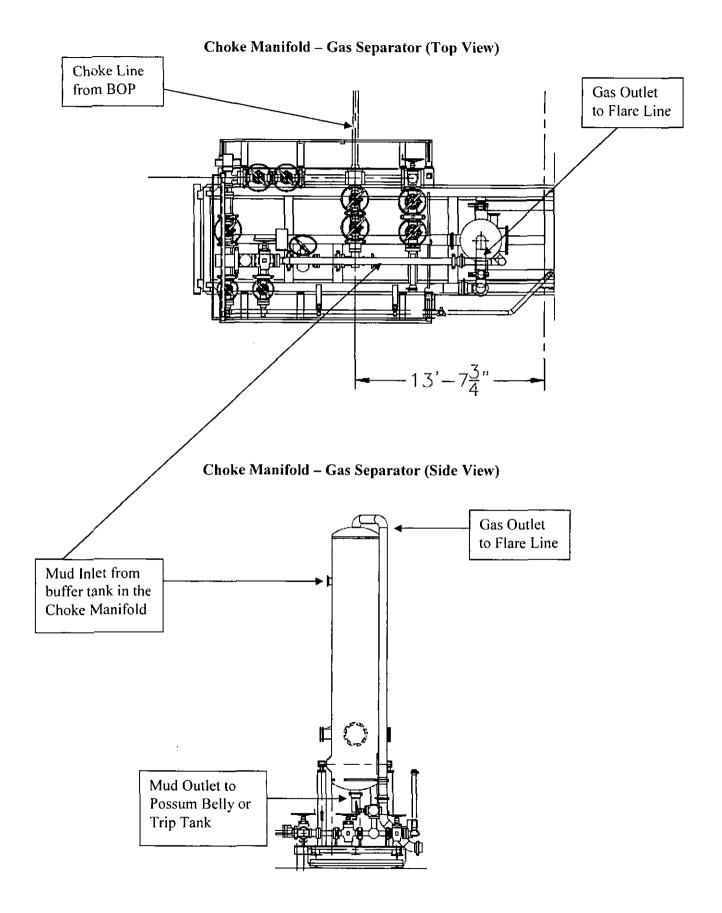


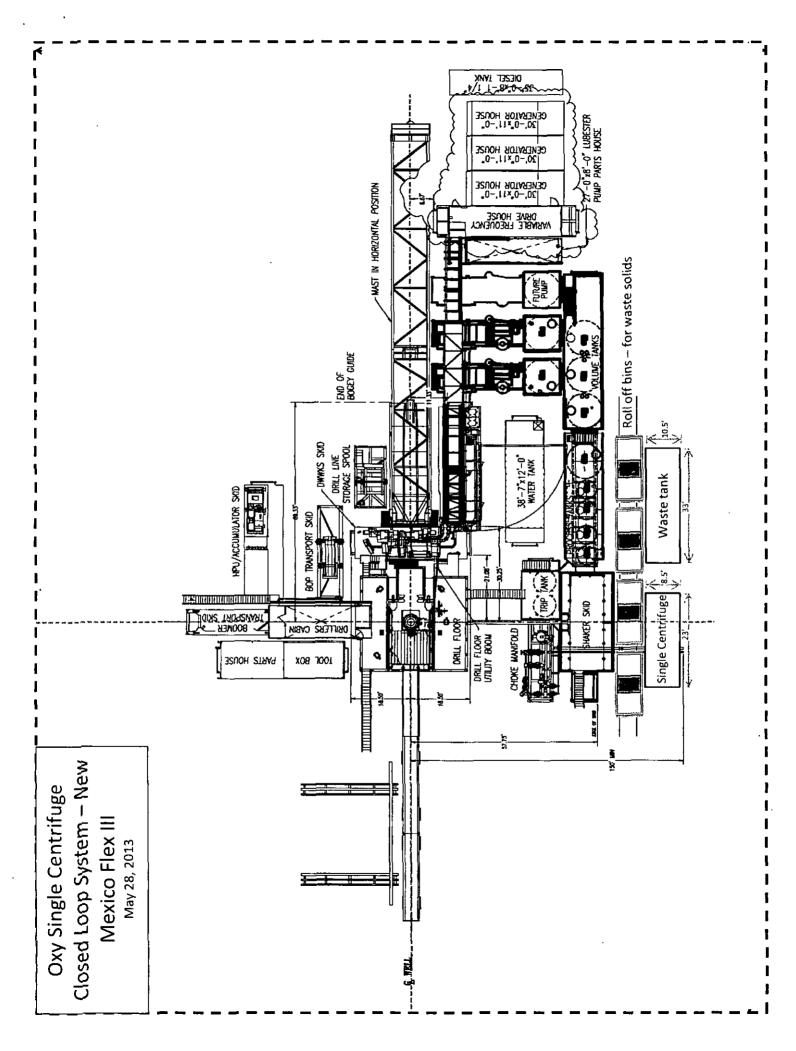


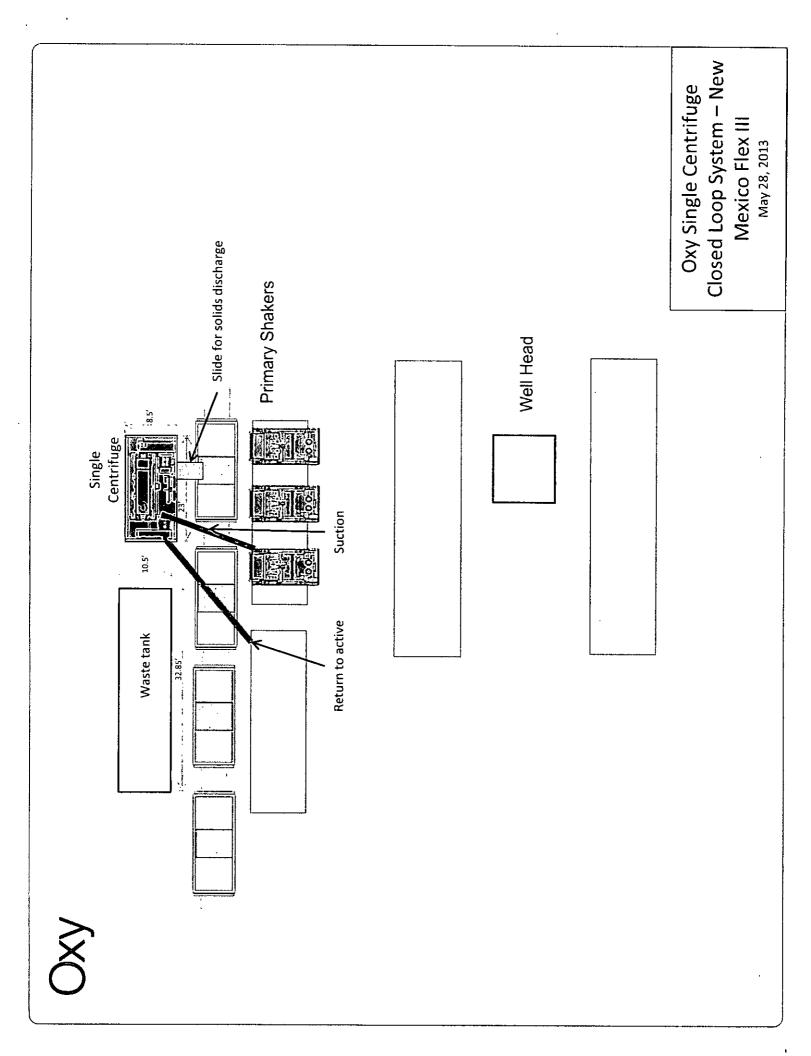




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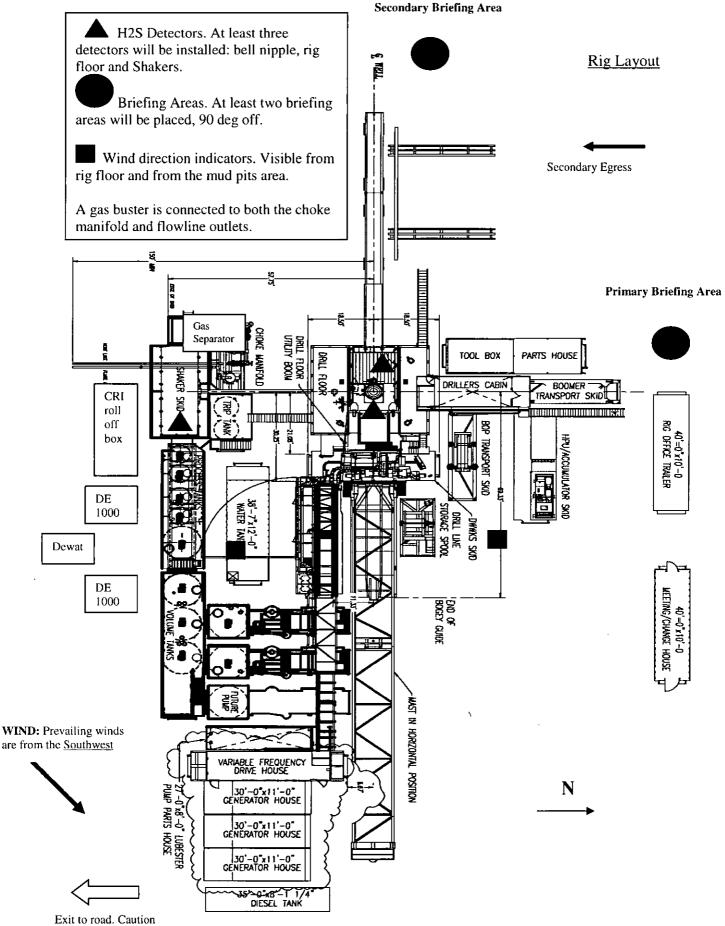


Permian Drilling Hydrogen Sulfide Drilling Operations Plan Corral Fly 2 State 6H

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

1. Escape

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



Exit to road. Caution sign placed here.

OXY Permian

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

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

Hvdrogen 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. <u>Well control equipment</u>

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. Remotely operated choke.
- B. Rotating head
- C. Gas buster equipment shall be installed before drilling out of surface pipe.

2. <u>Protective equipment for personnel</u>

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

3. <u>Hydrogen sulfide sensors and alarms</u>

- A. H2S sensor with alarms will be located on the rig floor, at the bell nipple, and at the flow line. These monitors will be set to alarm at 10 ppm with strobe light, and audible alarm.
- B. Hand operated detectors with tubes.
- C. H2S monitor tester (to be provided by contract Safety Company.)
- D. There shall be one combustible gas detector on location at all times.

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

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

Caution – potential poison gas Hydrogen sulfide No admittance without authorization

Wind sock – wind streamers:

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

Condition flags

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

green – normal conditions yellow – potential danger red – danger, H2S present

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

5. <u>Mud Program</u>

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

Mud inspection devices:

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

6. <u>Metallurgy</u>

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

7. <u>Well Testing</u>

No drill stem test will be performed on this well.

8. <u>Evacuation plan</u>

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

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

Emergency procedures

- A. In the event of any evidence of H2S level above 10 ppm, take the following steps:
 - 1. The Driller will pick up off bottom, shut down the pumps, slow down the pipe rotation.
 - 2. Secure and don escape breathing equipment, report to the upwind designated safe briefing / muster area.
 - 3. All personnel on location will be accounted for and emergency search should begin for any missing, the Buddy System will be implemented.
 - 4. Order non-essential personnel to leave the well site, order all essential personnel out of the danger zone and upwind to the nearest designated safe briefing / muster area.
 - 5. Entrance to the location will be secured to a higher level than our usual "Meet and Greet" requirement, and the proper condition flag will be displayed at the entrance to the location.
 - 6. Take steps to determine if the H2S level can be corrected or suppressed and, if so, proceed as required.
- B. If uncontrollable conditions occur:
 - 1. Take steps to protect and/or remove any public in the down-wind area from the rig – partial evacuation and isolation. Notify necessary public safety personnel and appropriate regulatory entities (i.e. BLM) of the situation.

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

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

All personnel:	1.	On alarm, don escape unit and report to the nearest upwind designated safe briefing / muster area upw
	2.	Check status of personnel (buddy system).
	3.	Secure breathing equipment.
	4.	Await orders from supervisor.
Drill site manager:	1.	Don escape unit if necessary and report to nearest upwind designated safe briefing / muster area.
	2.	Coordinate preparations of individuals to return to point of release with tool pusher and driller (using the buddy system).
	3.	Determine H2S concentrations.
	4.	Assess situation and take control measures.
Tool pusher:	1.	Don escape unit Report to up nearest upwind designated safe briefing / muster area.
	2.	Coordinate preparation of individuals to return to point of release with tool pusher drill site manager (using the buddy system).
	3.	Determine H2S concentration.
	4.	Assess situation and take control measures.
Driller:	۱.	Don escape unit, shut down pumps, continue

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

Taking a kick

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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.

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

Status check list

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

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

Checked by:	Date:	

Procedural check list during H2S events

Perform each tour:

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

Perform each week:

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

General evacuation plan

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

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

Emergency actions

Well blowout – if emergency

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- 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.

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

Table i Toxicity of various gases

1) threshold limit – concentration at which it is believed that all workers may be repeatedly exposed day after day without adverse effects.

- 2) hazardous limit concentration that will cause death with short-term exposure.
- 3) lethal concentration concentration that will cause death with short-term exposure.

Toxic effects of hydrogen sulfide

Table ii Physical effects of hydrogen sulfide

Percent (%)	<u>Ppm</u>	<u>Concentration</u> Grains	Physical effects
0.001	<10	<u>100 std. Ft3*</u> 00.65	Obvious and unpleasant odor.
0.001	<10	00.00	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.

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*at 15.00 psia and 60'f.

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Use of self-contained breathing equipment (SCBA)

- 1. Written procedures shall be prepared covering safe use of SCBA's in dangerous atmosphere, which might be encountered in normal operations or in emergencies. Personnel shall be familiar with these procedures and the available SCBA.
- 2 SCBA's shall be inspected frequently at random to insure that they are properly used, cleaned, and maintained.
- 3. Anyone who may use the SCBA's shall be trained in how to insure proper 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.
- 5. Persons assigned tasks that requires use of self-contained breathing equipment shall be certified physically fit (medically cleared) for breathing equipment usage at least annually.
- 6. SCBA's should be worn when:
 - A. Any employee works near the top or on top of any tank unless test reveals less than 10 ppm of H2S.

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

Rescue First aid for H2S poisoning

Do not panic!

Remain calm – think!

- 1. Don SCBA breathing equipment.
- 2. Remove victim(s) utilizing buddy system to fresh air as quickly as possible. (go up-wind from source or at right angle to the wind. Not down wind.)
- 3. Briefly apply chest pressure arm lift method of artificial respiration to clean the victim's lungs and to avoid inhaling any toxic gas directly from the victim's lungs.
- 4. Provide for prompt transportation to the hospital, and continue giving artificial respiration if needed.
- 5. Hospital(s) or medical facilities need to be informed, before-hand, of the possibility of H2S gas poisoning no matter how remote the possibility is.
- 6. Notify emergency room personnel that the victim(s) has been exposed to H2S gas.

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

Revised CM 6/27/2012

NMOCD CONDITION OF APPROVAL

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The *New!* Gas Capture Plan (GCP) notice is posted on the NMOCD website under Announcements. The Plan became effective May 1, 2016. A copy of the GCP form is included with the NOTICE and is also in our FORMS section under Unnumbered Forms. Please review filing dates for all applicable activities currently approved or pending and submit accordingly. Failure to file a GCP may jeopardize the operator's ability to obtain C-129 approval to flare gas after the initial 60-day completion period.

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