Form 3160-5 (August 1999)

UNITED STATES DEPARTMENT OF THE INTERIOR **BUREAU OF LAND MANAGEMENT**

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Expires: November 30, 2000

Lease Serial No.

SUNDRY NOTICES	AND	REPORTS	ON	WELLS
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Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.					llottee or Tribe Name
SUBMIT IN TRIPLICATE -		7. If Unit or CA/Agreement, Name and			
1. Type of Well X Oil Well Gas Well Other				8. Well Name Pure Gold	
2. Name of Operator OXY USA Inc. 3a. Address P.O. Box 50250, Midland, TX 79710-	0250	16696 3b. Phone No. (<i>include ar</i> 432-685-5717	o. Phone No. (include area code)		o. 99 Pool, or Exploratory Area
4. Location of Well (Footage, Sec., T., R., M., or Survey I 1980 FNL 2310 FEL SWNE(G) Sec 28 12. CHECK APPROPRIATE	T23S R31E	DICATE NATURE OF	NOTICE PED	11. County or Eddy	NM
TYPE OF SUBMISSION	BOX(LS) TO IN		PE OF ACTION		ILK DATA
X Notice of Intent Subsequent Report Final Abandonment Notice	Acadize Alter Casing Casing Repair X Change Plans Convert to Injecti	Deepen Fracture Treat New Construction Plug and Abandon Plug Back	Reclamation Recomple	te ly Abandon	Water Shut-Off Well Integrity X Other Amend Drilling Plan
13. Describe Proposed or Completed Operation (clearly	y state all pertinent deta	ils, including estimated start	ing date of any pr	oposed work and	approximate duration thereof

Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof If the proposal is to deepen directionally or recomplete horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the final site is ready for final inspection.)

See attached.

SEE ATTACHED FOR CONDITIONS OF APPROVAL

14. I hereby certify that the foregoing is true and correct Name (Printed/Typed)	Title		
David Stewart		Sr. Regulatory Anal	lyst
Wa Stat	Date	7/7/09	APPROVED
THIS SPACE FOR FEDERA	AL OR ST	ATE OFFICE USE	
Approved by	Title		9th 2 4 2009
Conditions of approval, if any, are attached. Approval of this notice does not warran certify that the applicant holds legal or equitable title to those rights in the subject lewhich would entitle the applicant to conduct operations thereon.	t or Office	NR	WESLEY W INGRAM
Title 18 U.S.C Section 1001, and Title 43 U.S.C. Section 1212, makes it a crime for a	ny person k	nowingly and willfully to mak	e to any department or lagend of the Thursd

States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

Oxy Permian Pure Gold D # 10

1980 FNL 2310 FEL SWNE(G) Sec 28 T23S R31E

Lat 32° 16' 37.6680"N

Long 103° 46' 52.3164"W

Eddy County, New Mexico

DRILLING PROGRAM

1. Geologic Name of Surface Location:

A. Permian

2. Estimated Tops of Geological Markers and Depth of Anticipated Fresh Water, Oil or Gas:

Formation	ormation Depth		
Rustler	480'		
Top Salt	820'		
Bottom Salt	4012'	I I	
Delaware	4230'		
Bell Canyon	4250'		
Cherry Canyon	5140'		
Brushy Canyon	6340'		
Bone Spring	8060'	Oil	
TD	8300'		

Only the target Bone Spring Sands are expected to yield oil or gas in measurable quantities. All freshwater sands will be protected by setting 113/4 casing @ 570', 25' into the Rustler formation, and circulating cement. The salt section will be protected by setting 85/8" intermediate casing @ 4250', 25' into the Delaware formation, and circulating cement to surface. Production casing will be 5½" and the cement will be circulated to surface.

3. Casing Program. Design criteria and casing load assumptions:

Hole Size	Depth Interval	Casing OD	Weight PPF	Grade	Conn
14 3⁄4"	0' - 570'	11 3/4"	42	H-40	STC
10 5/8"	0' - 4250'	8 5/8"	32	J-55	LTC
77/8"	0' - 8300'	5½"	17	J-55	LTC

All pipe will be new and manufactured to API specs.

Surface Casing

Tension:

A 1.6 design factor utilizing the effects of buoyancy (8.34ppg)

Collapse:

A 1.125 design factor with full internal evacuation and a collapse force equal to the mud gradient in which the casing will be run (0.433 psi/ft). The effects of axial load on collapse will be considered.

Burst:

A 1.2 design factor with a surface pressure equal to the fracture gradient at setting depth less a gas gradient to the surface. Internal burst force at the shoe will be fracture pressure at that depth. Back up pressure will be formation pore pressure.

Intermediate Casing:

Tension:

A 1.6 design factor utilizing the effects of buoyancy (10.0 ppg)

Collapse:

A 1.125 design factor with full internal evacuation, and a collapse force equal to the mud gradient in which the casing will be run (0.478 psi/ft). The effects of axial load on collapse will be considered.

Burst:

A 1.2 design factor with a surface pressure equivalent to the fracture gradient at setting depth less a gradient to the surface to 0.1 psi/ft. Internal burst force at the shoe will be fracture pressure at that depth. Back pressure will be formation pore pressure.

Production Casing:

Tension:

A 1.6 design factor utilizing the effects of buoyancy (8.6 ppg)

Collapse:

A 1.125 design factor with full internal evacuation, and a collapse force equal to the mud gradient in which the casing will be run (0.447 psi/ft). The effects of axial load on collapse will be considered.

Burst:

A 1.2 design factor with a surface pressure equivalent to the fracture gradient at setting depth less a gradient to the surface to 0.1 psi/ft. Internal burst force at the shoe will be fracture pressure at that depth. Back pressure will be formation pore pressure.

4. Cementing Program: Lee COM

interval	Amount sx	Ft of Fill	Ft of Fill Type		PPG	Ft3/sx
Surface (TOC:	Surface)			1	L	<u> </u>
Lead: 0'-270' (150% Excess)	170	270'	Halliburton Premium Plus + 4% Bentonite, 2% Calcium Chloride, 0.125 pps Poly-E-Flake	9.18	13.5	1.75
Tail 270' – 570 (150%Excess	270	300′	Halliburton Premium Plus + 2% CaCl ₂	6.39	14.8	1.35

Intermediate (TC	C: Surface)					
Lead: 0' - 3,771' (150% Excess)	980	3,771'	Halliburton Light Premium Plus cement + 5 pps Gilsonite, 0.125 pps Poly- E-Flake, 5% Salt	9.57	12.9	1.88
Tail: 3,771' - 4,250' (150% Excess)	200	479'	Halliburton Premium Plus	6.34	14.8	1.33
,	Two Stage	DV Tool @	4,300' and Circulate Cement to	Surface		;
Production (TOC	C: 4,300')					
Lead: 4,300'- 6,000' (150% Excess)	270	1,700'	Halliburton Interfill H + 5 pps Gilsonite, and 0.125 pps Poly-E-Flake	16.26	11.5	2.80
Tail: 6,000 – 8,300' (100% Excess)	490	2,300′	Halliburton Super H Cement containing 0.5% LAP-1, 0.4% CFR-3, 0.25 pps D-Air 3000, and 5 pps Gilsonite	8.10	13.2	1.66
Production (TOO 2 nd Stage	C: Surface)					
Lead: 0' - 3,987' (35% Excess)	350	3,987'	Halliburton Interfill C + 0.5% LAP-1, 0.25 pps D-AIR 3000	16.64	11.5	2.79
Tail: 3,987'- 4,300' (150% Excess)	100	313'	Halliburton premium Plus	6.34	14.8	1.33

Cement	Summary:
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Casing	Hole Size	Interval	TOC	Comp.Strength (24 hrs)
11 ¾" 42# H-40, STC	14 3/4"	0' – 570'	Surface	689 psi Lead
				2500 psi Tail
8 5/8" 32# J-55, LTC	10 5/8"	0' - 4,250'	Surface	650 psi Lead
				1343 psi Tail
5 ½" 17# J-55, LTC	7 7/8"	0' - 8,300'	Surface	118 psi Lead
				1528 psi Tail

Surface casing will be centralized as per onshore Order 2.III.B.1.f.

Wait on cement time will be 24 hrs, or 500 psi compressive strength whichever is greater.

5. Pressure Control Equipment

Based on the maximum expected BHP of 3500 psi at 8300' TD (MASP= 2670 psi, 7 7/8" hole size), the blowout prevention equipment will have a working pressure rating of 5000 psi (11") and will consist of (1) a double ram blowout preventer (BOP) with the bottom rams as the blinds and the top rams sized for 4½" drill pipe; (2) annular preventer; (3) rotating head; and (4) choke manifold. Both the ram and annular preventer will be hydraulically operated.

The 11" 5000 psi blowout prevention equipment will be installed and operational after setting the 113/4" surface casing; the rotating head body will be installed but the rubber will be installed when it becomes operationally necessary.

The BOP and ancillary BOPE will be tested by a third party upon installation to the 113/4" surface casing. Using a cup tester, all equipment will be tested to 1386 psi (high) which is 70% of internal yield pressure for the surface casing (11 3/4" H-40 42# LTC) as per Onshore Order 2 related to pressure control on Ram preventer and associated equipment when the BOP stack is not isolated form the casing, and 250 psi (low).

The BOP and ancillary BOPE will be tested by a third party upon installation to the 85/8" intermediate casing at 4250'. All equipment will be tested to 5000 psi (high) and 250 psi (low), except the annular will be tested to 70% of its rated working pressure (high) and also to 250 psi (low).

The pipe rams will be functionally tested during each 24 hour period; the blind rams will be functionally tested on each trip out of the hole. These functional tests will be documented on the Daily Driller's Log.

Other accessory equipment (BOPE) will include a safety valve and subs as needed to fit all drill strings, and a 2" kill line and valve.

ber COA Request variance to connect BOP outlet to the choke manifold a flex line that is manufactured by Contitech Rubber Industrial KFT. It is a 3" ID X 35' flexible hose rated to 10000psi working pressure. It has been tested to 15000psi and is built to API Spec 16C. Once the flex line is installed, it will be tied down with safety clamps, certification attached.

6. Mud Program

Interval	Type	MW	PV	FL
0 – 570'	FW – Gel Spud	8.4 – 8.8	2-4	NC
570' – 4250'	Brine w/ sweeps	9.8 – 9.9	2-3	NC
4250' - 8000'	Fresh Water/Gel	8.4 – 8.5	1	NC
8000, - 8300,	Fresh Water/Gel	8.5 – 8.6	6-8	15-20

The necessary mud products for weight addition and lost circulation control will be on location at all times.

7. Auxiliary Well Control and Monitoring Equipment:

- A. An upper and lower top drive valve will be in the Top Drive at all times.
- B. A full opening drill pipe safety valve having the correct connections for the string in use will be on the floor at all times.
- C. Hydrogen Sulfide monitoring equipment will be installed and operational before drilling out the surface casing shoe and remain operational until production casing is cemented. A H₂S Contingency Plan was included with the original permit filing.

8. Logging, Coring & Testing Program

A. No drill stem testing is planned.

B. Open Hole Logging

Total Depth to Intermediate Casing Shoe: Dual Laterlog – Microguard, DS Neutron / Spectral Density log with GR and Caliper.

Gamma-Ray Neutron logs shall be run from the base of the Salado formation to the surface. The logs shall be run at a speed which allows the logs to be eligible and no faster than the manufacturer of the logging recommended speed.

C. No conventional coring operations are planned.

9. Potential Hazards

No abnormally high pressured zones are expected. Hydrogen Sulfide is not expected to be encountered in this wellbore, however should this occur operations will comply with the provisions of Onshore Oil and Gas Order No. 6. BLM will be provided measured values and formations.

10. Anticipated Starting Date and Duration of Operations

Road and location construction have been completed. Commencement of operations will be dependent upon the availability of suitable equipment but may begin as early as the first week of August, 2009. Drilling operations are expected to require 19 days from spud to rig release. An additional 30 days may be needed for completion operations and construction of surface production facilities.

30-015-35799 OCD-ARTESIA

SUBMIT IN TT CATE.

A15-07-510 EA-07-1005

Form 3160-3 (November 1983)

HNITED STATES

(Other instruct...as on

Form approved. Budget Bureau No. 1004-0136

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		PROPOSED CASI	ING AND CEME	NTING PROGRAM	4 				
SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT SETTING DEPTH					ITY OF CEME		
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December 23, 1992 Richard L Wright Division Operations Supr. (This space for Federal or State office use) PERMIT NO

inv STATE DIRECTOR

SEE ATTACHED FOR CONDITIONS OF APPROVAL APPROVAL SUBJECT TO GENERAL REQUIREMENTS AND SPECIAL STIPULATIONS

State of New Mexico

DISTRICT I 1625 M. FRENCE DR., HOBBS. NM 88240

Energy, Minerals and Natural Resources Department

DISTRICT II
1501 W. GRAND AVENUE, ARTESIA, NW 88210

OIL CONSERVATION DIVISION 1220 SOUTH ST. FRANCIS DR. Santa Fe, New Mexico 87505 Form C-102 Revised October 12, 2005 Submit to Appropriate District Office State Lease - 4 Copies Fee Lease - 3 Copies

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DISTRICT III 1000 Rio Brazos Rd., Aztec, NM 87410

DISTRICT IV WELL LOCATION AND ACREAGE DEDICATION PLAT C AMENDED REPORT 1220 S. ST. FRANCIS DR., SANTA FR. NM 67505 Pool Code API Number Pool Name 30-01535 Delamo 53815 Je51 Property Code Property Name Well Number PURE GOLD D 10 OGRID No. Operator Name Elevation 23319 POGO PRODUCING COMPANY 3360

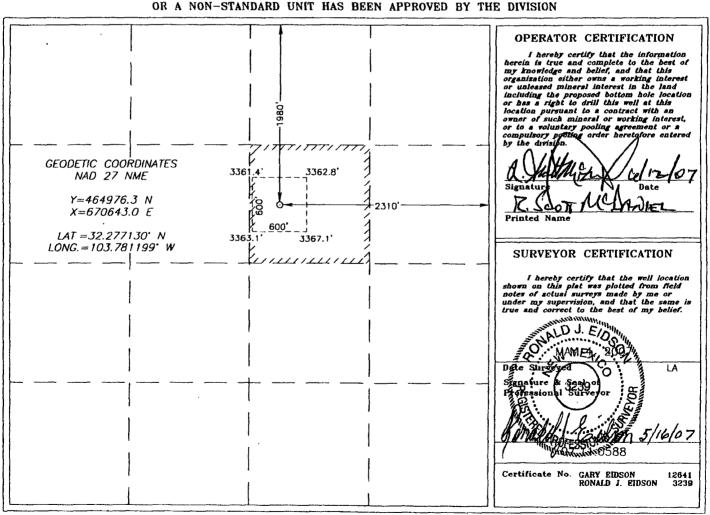
Surface Location

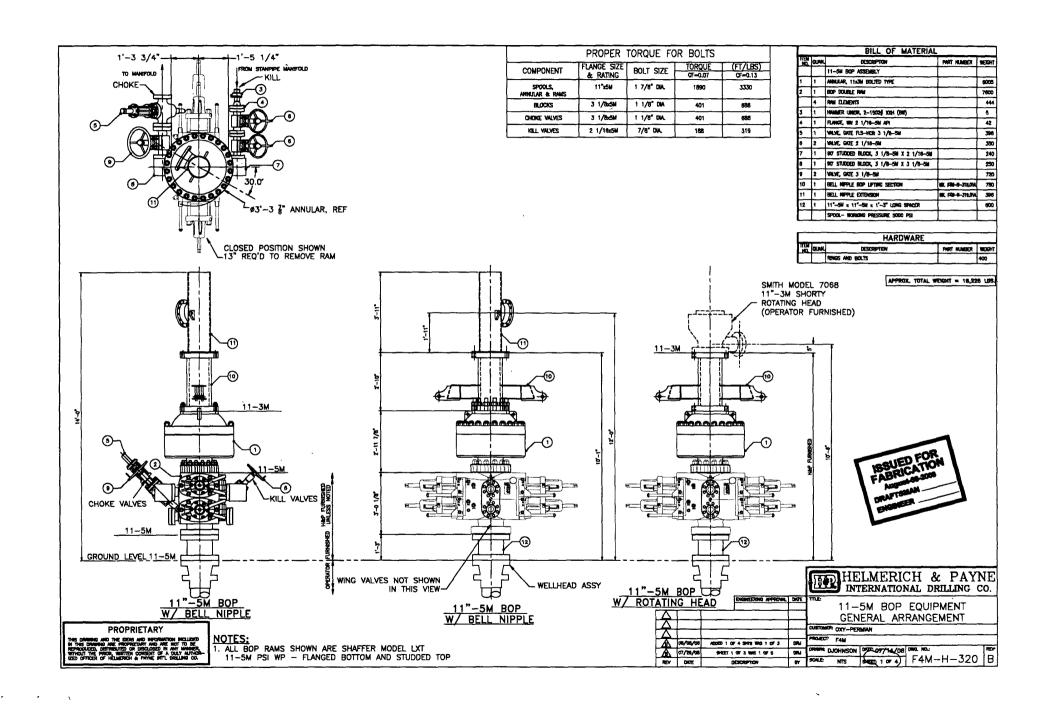
ĺ	UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
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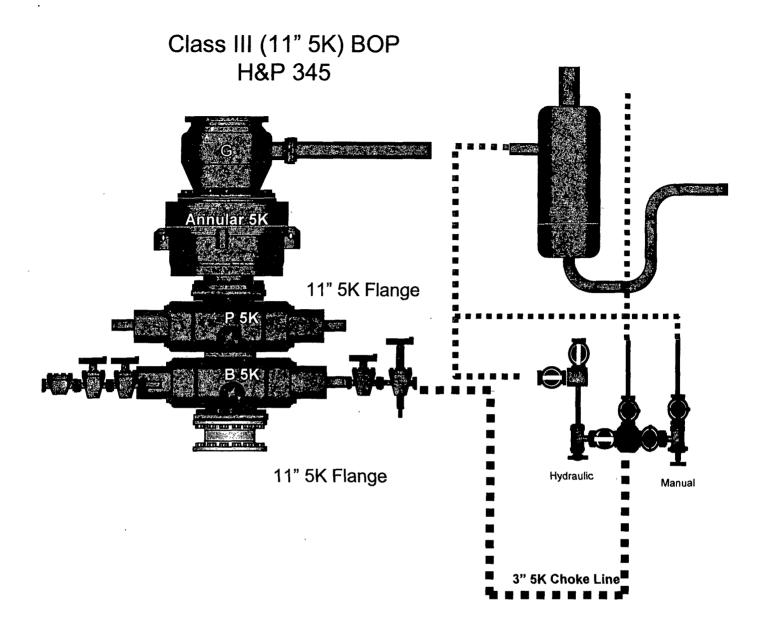
Bottom Hole Location If Different From Surface

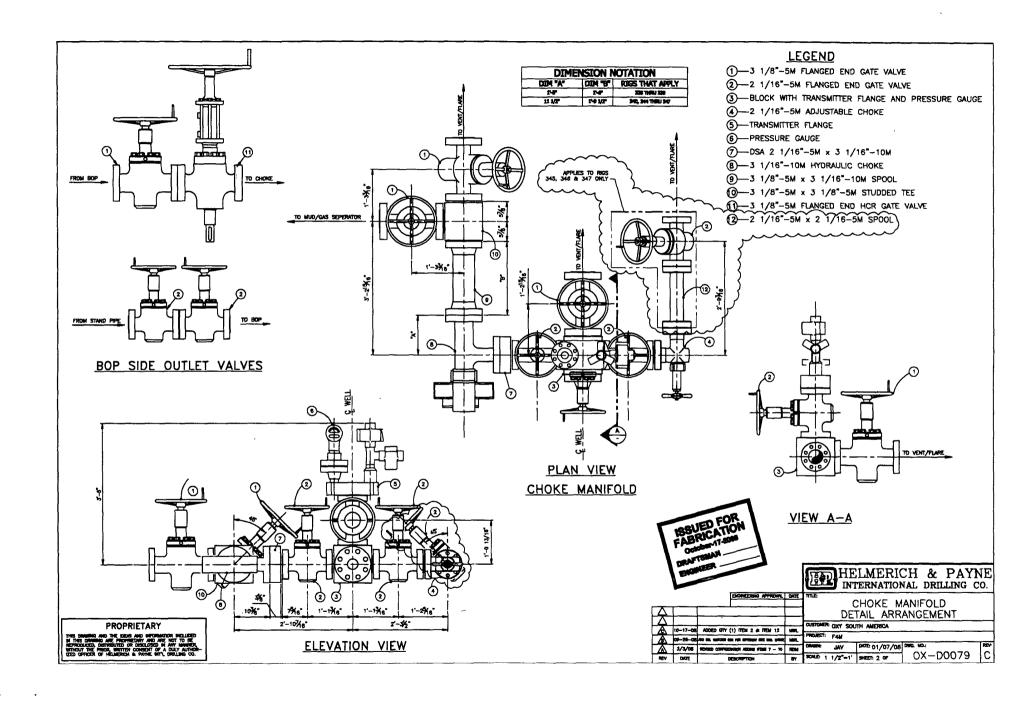
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NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION









CERTIFICATE OF CONFORMITY

Supplier: CONTITECH RUBBER INDUSTRIAL KFT.
Equipment: 6 pos. Choke and Kill Hose with installed couplings
Type: 3" x 10,67 m WP: 10000 pel
Supplier File Number: 412638
Date of Shipment: April. 2006 Phoenix Bestile Co.

Customer 002491 Customer P.o.

Referenced Standards

/ Codes / Specifications : API Spec 16 C Serial No.: 52754,52755,52778,52777,52778,52782

STATEMENT OF CONFORMITY

We hereby cartify that the above items/equipment supplied by us are in conformity with the terms, conditions and specifications of the above Purchaser Order and that these items/equipment were tabricated inspected and tested in accordance with the referenced standards, codes and specifications and meet the relevant acceptance criteria and design requirements.

COUNTRY OF ORIGIN HUNGARY/EU

Date: 04. April. 2008

Position: Q.C. Munager

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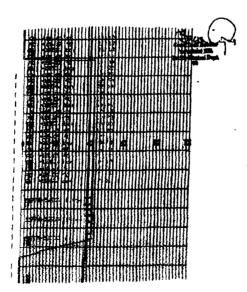
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Quality Document

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Pages 1/



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Delivery Note

Customer Order Humber 378-369-001	Delivery Note Number	963676	Page	1
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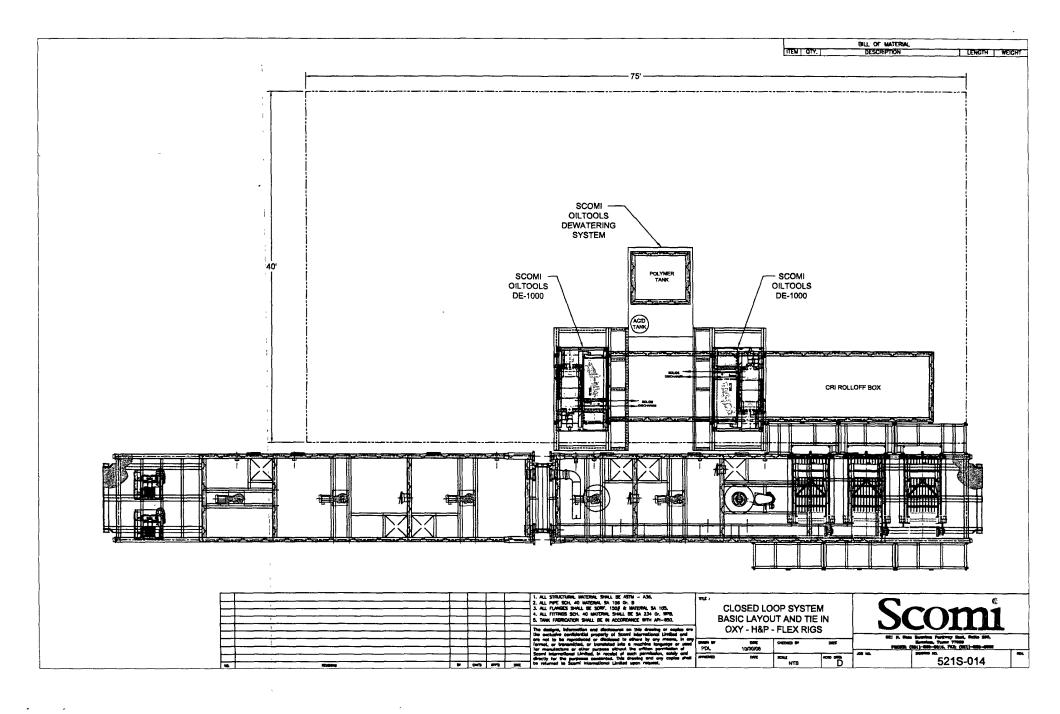
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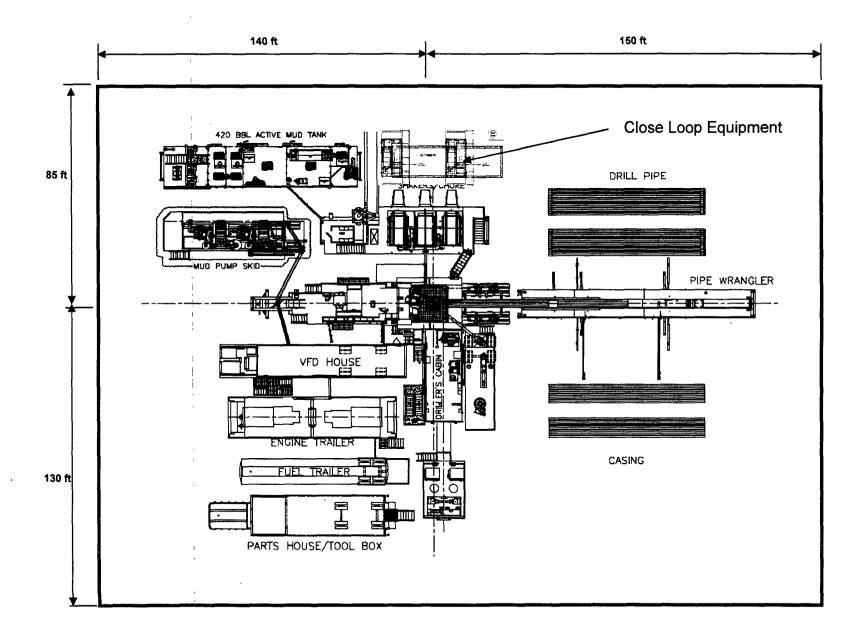
Delivery Note

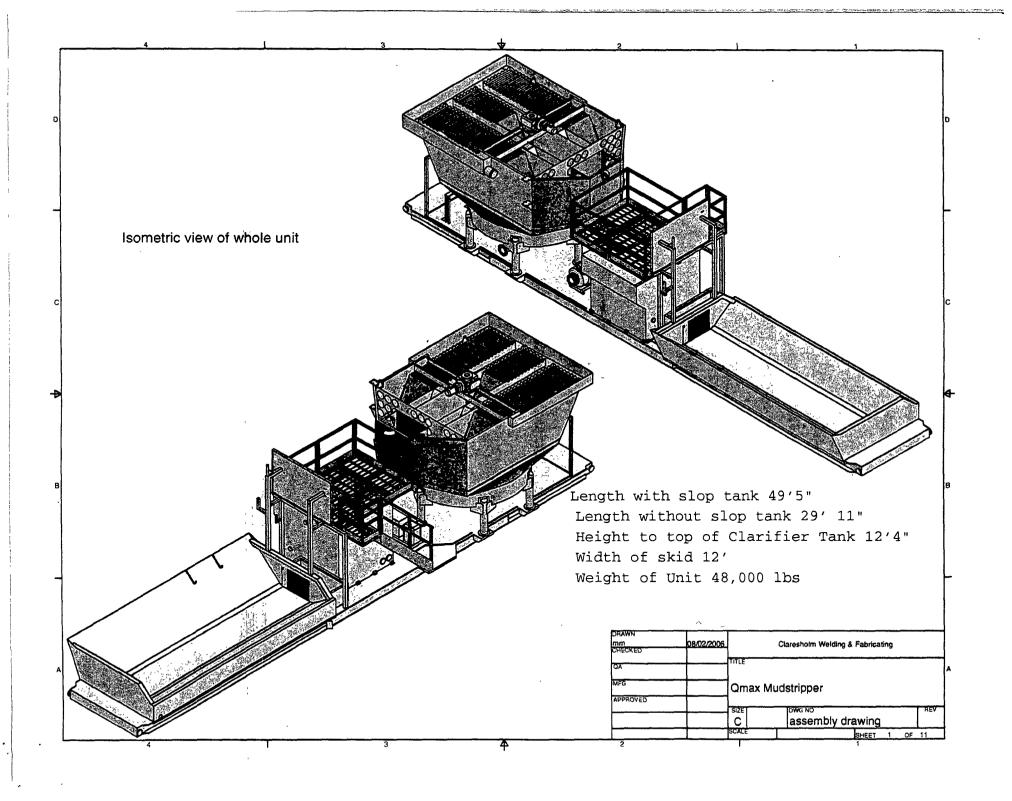
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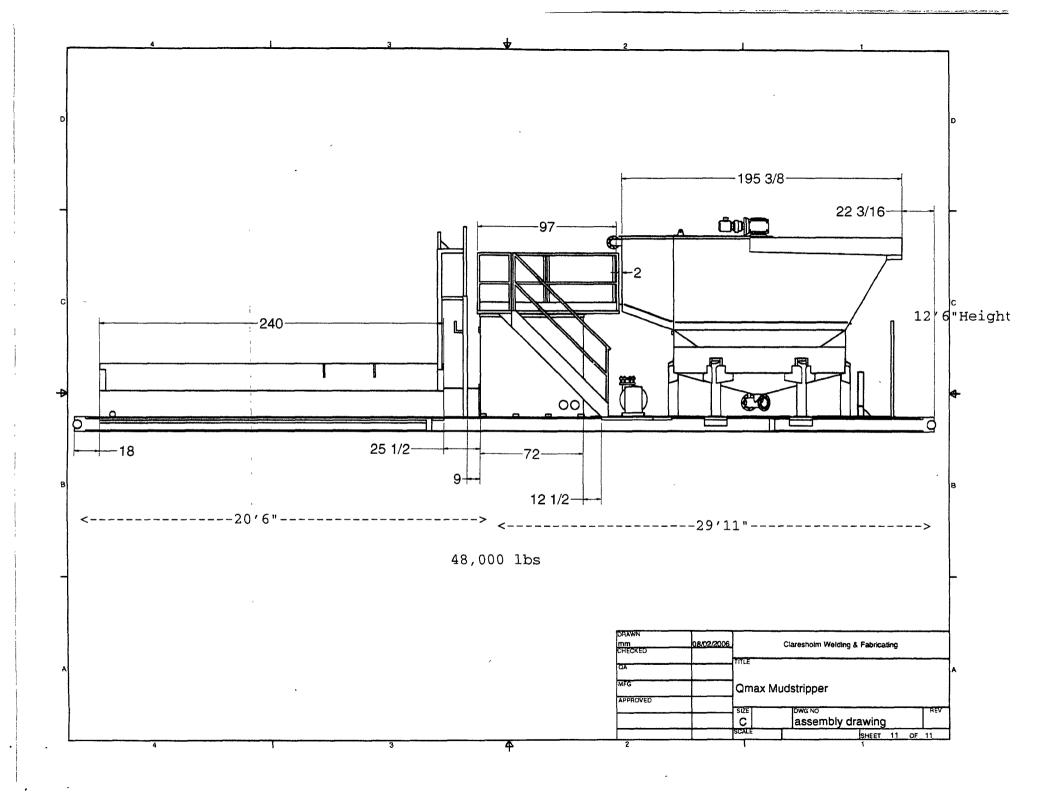
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	SOCERT-LONG LING REST CERTIFICATES	1	1	•
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PECOS DISTRICT CONDITIONS OF APPROVAL

OPERATOR'S NAME: OXY USA, Inc.

LEASE NO.: | NMNM-40659

WELL NAME & NO.: | Pure Gold D Fed #10 SURFACE HOLE FOOTAGE: | 1980' FNL & 2310' FEL

LOCATION: Section 28, T. 23 S., R 31 E., NMPM

COUNTY: | Eddy County, New Mexico

I. DRILLING

A. DRILLING OPERATIONS REQUIREMENTS

The BLM is to be notified a minimum of 4 hours in advance for a representative to witness:

- a. Spudding well
- b. Setting and/or Cementing of all casing strings
- c. BOPE tests

⊠ Eddy County

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

- 1. Although there are no measured amounts of Hydrogen Sulfide reported, it is always a potential hazard. If Hydrogen Sulfide is encountered, please provide measured values and formations to the BLM.
- 2. Unless the production casing has been run and cemented or the well has been properly plugged, the drilling rig shall not be removed from over the hole without prior approval.
- 3. Floor controls are required for 3M or Greater systems. These controls will be on the rig floor, unobstructed, readily accessible to the driller and will be operational at all times during drilling and/or completion activities. Rig floor is defined as the area immediately around the rotary table; the area immediately above the substructure on which the draw works are located, this does not include the dog house or stairway area.
 - 4. Gamma-Ray/Neutron logs shall be run from the base of the Salado formation to the surface. The logs shall be run at a speed which allows the logs to be legible and no faster than manufacturer of the logging tools recommended speed. (R-111-P area only)

B. CASING

Changes to the approved APD casing and cement program require submitting a sundry and receiving approval prior to work. Failure to obtain approval prior to work will result in an Incident of Non-Compliance being issued.

Centralizers required on surface casing per Onshore Order 2.III.B.1.f.

Wait on cement (WOC) time for a primary cement job will be a minimum 18 hours for a water basin, 24 hours in the potash area, or 500 pounds compressive strength, whichever is greater for all casing strings. Provide compressive strengths including hours to reach required 500 pounds compressive strength prior to cementing each casing string. See individual casing strings for details regarding lead cement slurry requirements.

No pea gravel permitted for remedial or fall back remedial without prior authorization from the BLM engineer.

Possible lost circulation in the Delaware and Bone Spring formations.

Possible water flows in the Salado, Castile, Delaware, and Bone Spring formations.

- 1. The 11-3/4 inch surface casing shall be set at approximately 570 feet (a minimum of 25 feet into the Rustler Anhydrite and above the salt) and cemented to the surface.
 - a. If cement does not circulate to the surface, the appropriate BLM office shall be notified and a temperature survey utilizing an electronic type temperature survey with a surface log readout will be used or a cement bond log shall be run to verify the top of the cement.
 - b. Wait on cement (WOC) time for a primary cement job is to include the lead cement slurry.
 - c. Wait on cement (WOC) time for a remedial job will be a minimum of 4 hours after bringing cement to surface or 500 pounds compressive strength, whichever is greater.
 - d. If cement falls back, remedial cementing will be done prior to drilling out that string.

- 2. The minimum required fill of cement behind the 8-5/8 inch intermediate casing (which is to be set in the Lamar Limestone, a minimum of 100' and not more than 600' below the salt) is:
 - Cement to surface. If cement does not circulate see B.1.a, c-d above.

 Wait on cement (WOC) time for a primary cement job is to include the lead cement slurry due to potash.

Formation below the 8-5/8" shoe to be tested according to Onshore Order 2.III.B.1.i. Test to be done as a mud equivalency test using the mud weight necessary for the pore pressure of the formation below the shoe (not the mud weight required to prevent dissolving the salt formation) and the mud weight for the bottom of the hole. Report results to BLM office.

- 3. The minimum required fill of cement behind the 5-1/2 inch production casing is:
 - a. First stage to DV tool, cement shall:
 - Cement to circulate. If cement does not circulate, contact the appropriate BLM office, before proceeding with second stage cement job.
 - b. Second stage above DV tool, cement shall:
 - Cement to surface. If cement does not circulate, contact the appropriate BLM office.
- 4. If hardband drill pipe is rotated inside casing, returns will be monitored for metal. If metal is found in samples, drill pipe will be pulled and rubber protectors which have a larger diameter than the tool joints of the drill pipe will be installed prior to continuing drilling operations.
- 5. Whenever a casing string is cemented in the R-111-P potash area, the NMOCD requirements shall be followed.

C. PRESSURE CONTROL

- 1. All blowout preventer (BOP) and related equipment (BOPE) shall comply with well control requirements as described in Onshore Oil and Gas Order No. 2 and API RP 53 Sec. 17.
- 2. Variance approved to use flex line from BOP to choke manifold. Check condition of 3" x 35' flexible line from BOP to choke manifold, replace if exterior is damaged or if line fails test. Line to be as straight as possible with no hard bends.

- 3. Minimum working pressure of the blowout preventer (BOP) and related equipment (BOPE) required for drilling below the surface casing shoe shall be 2000 (2M) psi. Pressure test to 1386 psi (70%) by third party is approved.
- 4. Minimum working pressure of the blowout preventer (BOP) and related equipment (BOPE) required for drilling below the 8-5/8" intermediate casing shoe shall be 5000 (5M) psi. 5M system requires an HCR valve, remote kill line and annular to match. The remote kill line is to be installed prior to testing the system and tested to stack pressure.
- 5. The appropriate BLM office shall be notified a minimum of 4 hours in advance for a representative to witness the tests.
 - a. The tests shall be done by an independent service company. Operator to submit copies of test done for each casing string with the subsequent sundry detailing the casing/cementing details.
 - b. The results of the test shall be reported to the appropriate BLM office.
 - c. All tests are required to be recorded on a calibrated test chart. A copy of the BOP/BOPE test chart and a copy of independent service company test will be submitted to the appropriate BLM office.
 - d. The BOP/BOPE test shall include a low pressure test from 250 to 300 psi. The test will be held for a minimum of 10 minutes if test is done with a test plug and 30 minutes without a test plug.

D. DRILL STEM TEST

If drill stem tests are performed, Onshore Order 2.III.D shall be followed.

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