Form 3160-3 (July

(1992)	100
	111

	Expires: February 28, 1995
<u>[3</u>	LEASE DESIGNATION AND SERIAL NO.
- 1	NTMO/102/1/

•			II OF THE				es de la composition	75. LEASE DESIGNATION AT NIMO48344	ND SERIAL NO.
APPLICATION FOR PERMIT TO DRILL OR DEEPEN							6. IF INDIAN, ALLOTTEE OF	R TRIBE NAME	
APPL 1a. TYPE OF WORK	ICATION FO	R P	RMIT TO L	DRIL	L OR DEEP	<u>EN</u>		7. UNIT AGREEMENT NAM	E
	RILL X	THER	DEEPEN		SINGLE X	MULTI ZONE	PLE	3 S S S S S S S S S S S S S S S S S S S	WELL NO.
2. NAME OF OPERATOR	NEEL GE	IIILK	10 0 411		ZONE —	ZONE		OXY Sparky Fed	leral #
OXY USA WIP Limi 3. ADDRESS AND TELEPHON	E NO.		19216	<u> </u>					.034
P.O. Box 50250,						915-	685-5717	10. FIELD AND POOL, OR W	ILDCAT 320
4. LOCATION OF WELL (Rep. At surface 1830 FNL 1980 FE At proposed prod. zone		in accord	ance with any state re	quiremen	us.+)			Empire Penn 11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA	2007
14. DISTANCE IN MILES AND	DIRECTION FROM NEAR	EST TOW	N OR POST OFFICE*					Sec 28 T17S 12. COUNTY OR PARISH	13. STATE
12 miles west of	Artesia, NM							Eddy	NM
 DISTANCE FROM PROPOS LOCATION TO NEAREST PROPERTY OR LEASE LIN (Also to nearest drlg. unit 	E, FT.			16. NO.	OF ACRES IN LEASE		17. NO. OF A TO THIS V	CRES ASSIGNED WELL 320	
18. DISTANCE FROM PROPOS TO NEAREST WELL, DRIL				19. PRC	POSED DEPTH		20. ROTARY	OR CABLE TOOLS	
OR APPLIED FOR, ON THIS	S LEASE, FT. N	<u>/A</u>		10	100′		R		
21. ELEVATIONS (Show whe	ther DF,RT, GR, etc.)							22. APPROX. DATE WORK	WILL START*
3638′								9/30/01	
23.]	PROPOSED CASING	AND CI	MENTING PROGRA	М	Roswell (controlled Water B	Basin
SIZE OF HOLE	GRADE, SIZE OF CA	SING	WEIGHT PER FOO	т	SETTING DEPT	ПН	ļ	QUANTITY OF CEME	NT
17-1/2"	13-3/8"	H40	48#		450 4004		360sx	- circulate	
12-1/4"	9-5/8"	K55	36#		2300′		700sx	- circulate	
8-3/4"	5-1/2"	N80	17#		10100′		775sx	- EST TOC 6300'	
Ricks	State (Sas	Com. 41	19	N/Z				
DECLARED V CEMENT BEI CASING MUS	HND THE L	3/8"	11.5	REO	4	ÁP	PROVAL	SUBJECT TO	
				COLA	erren. Rifera			REQUIREMENT TIPULAT IONS	'S AND
		SEE C	THER SIDE		RIESIA DO		TACHEE		
			•						- १ १ - स्टब्स्
N ABOVE SPACE DESCRIB	BE PROPOSED PROGR	AM: locations	and measured and tru	e vertical	data on present produ depths. Give blowout	prevente	r program, if an	olz.	
(This space for Federal or	State office use)			TLE SI	. Acquiatory	wigt	at .	DATE	101
PERMIT NO.					APPROVAL DATE				
Application approval does not CONDITIONS OF APPROV		plicant hold	is legal or equitable title to	those right		h would en	title the applicant t	o conduct operations thereon.	

/S/ JOE G. LARA APPROVED BY *See Instructions On Reverse Side

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United AR any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

FOR COLUMN ENGRAPE

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60:6 NV 9-9NV 1997

HECEINED

DISTRICT I 1625 N. French Dr., Hobbs, NM 88240 DISTRICT II 811 South First, Artesia, NM 88210

State of New Mexico

Energy, Minerals and Natural Resources Department

Form C-102 Revised March 17, 1999

Submit to Appropriate District Office

State Lease - 4 Copies Fee Lease - 3 Copies

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

OIL CONSERVATION DIVISION 2040 South Pacheco

DISTRICT IV 2040 South Pacheco, Santa Fe, NM 87505

Santa Fe, New Mexico 87504-2088

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number	Pool Code	Pool Name		
30-015-	76440			
Property Code	Prop	Well Number		
	OXY SPA	1		
OGRID No.	Oper	Elevation		
192463	OXY	3638'		

Surface Location

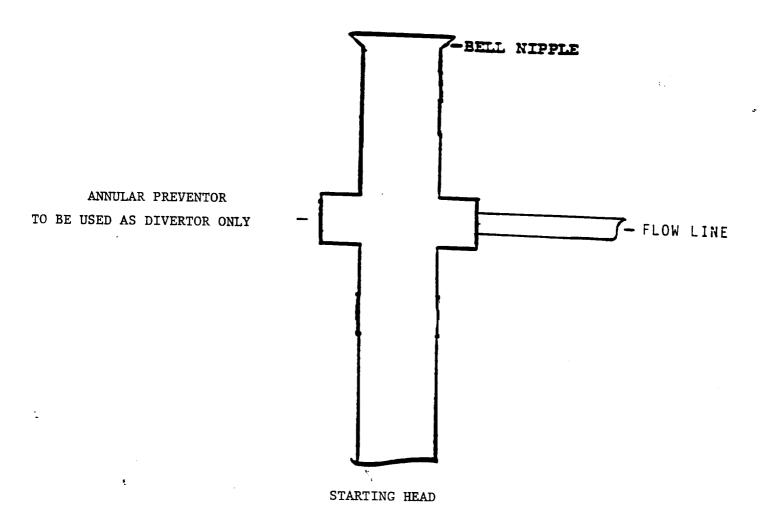
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
G	28	17 S	28 E		1830'	NORTH	1980'	EAST	EDDY

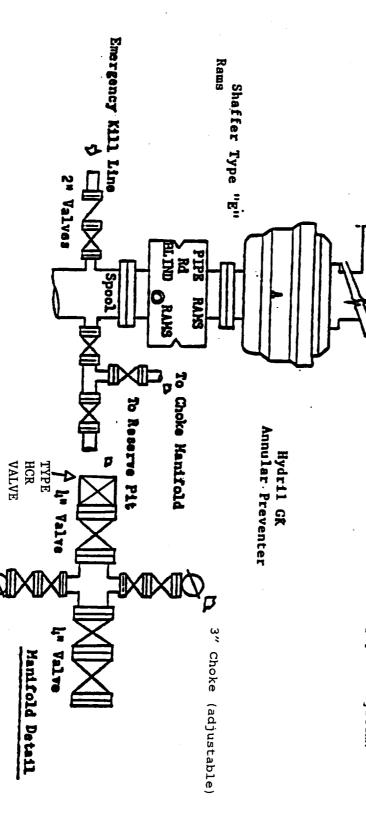
Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
Dedicated Acres	Joint or	Infill Co	nsolidation (Code Or	ler 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

	1830,		OPERATOR CERTIFICATION I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief. Signature David Stewart
 Lat.: N32*48'28.0" Long.: W104*10'44.3" 	3629.9' 3640.4' 3639.6' 3651.5' 810'	 1980'	Printed Name Sr. Regulatory Analyst Title Bate SURVEYOR CERTIFICATION
e transmit destruction of the control of the contro		 	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 supervison, and that the same is true and correct to the best of my belief. JULY 7, 2001 Date Surveyed
		+	Signature & Seal of Professional Surveyor W.O. No. 655 Certificate No. Gory Lones 7977 JLP BASIN SURVEYS





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.

Choke Manifold

3" Choke (Manual)

MULTI-POINT SURFACE USE AND OPERATIONS PLAN

OXY USA WTP Limited Partnership
OXY Sparky Federal #1
Eddy County, New Mexico
Lease No. NM048344

This plan is submitted with the Application for Permit to Drill the above described well. The purpose of the plan is to identify the location of the proposed well, the proposed construction activities and operations plan, the magnitude of necessary surface disturbance involved and the procedures to be followed in rehabilitating the surface after completion of the operation so that a complete appraisal may be made of the environmental effects associated with the operation.

The well, and work area have been staked by a registered New Mexico land surveyor. Geo-Marine Inc. has been engaged to make an archaeological reconnaissance of the work area. Their findings concerning cultural resources will be reported to the Bureau of Land Management.

1. Existing Roads

A copy of a USGS "Red Lake, SE New Mexico" quadrangle map is attached showing the proposed location. The well location is spotted on this map, which also shows the existing road system. Exhibit B.

Directions to location:

From the junction of USH 82 and SH 360, go east on USH 82 approximately 2500 feet to a point that lies approximately 1600 feet south of the proposed location.

2. Planned Access Road

- A. A new access road will be built. The access road will run approximately 1300' southwest from CR 208 and then 444' north to the location. Exhibit B.
- B. Surfacing material: Six inches of caliche and water, compacted and graded.
- C. Maximum Grade: Less than 3%.
- D. Turnouts: None needed.
- E. Drainage Design: N/A
- F. Culverts: None needed.
- G. Cuts and Fills: Leveling the location will require minimal cuts or fills.
- H. Gates or Cattleguards: None required.
- Existing wells within a one mile radius of the proposed development well are shown on Exhibit C.

Multi-Point Surface Use and Operations Plan OXY Sparky Federal #1 Page 2

4. Location of Existing and/or Proposed Facilities

- A. If the well is productive, production facilities will be constructed on the well pad. The facility will consist of a stack pack, one 300 bbl oil tank and one 300 bbl fiberglass water tank. All permanent above ground facilities will be painted in accordance with the BLM's painting guidelines simulating the color of sandstone brown.
- B. All site security guidelines identified in 43 CFR 3162.7 regulations will be adhered to and a site security plan will be submitted for the OXY Sparky Federal #1 tank battery. All product lines entering and leaving hydrocarbon storage tanks will be effectively sealed.

Location and Type of Water Supply

Fresh water and brine water will be used to drill this well. It will be purchased from a supply in Loco Hills and transported to the well site.

6. Source of Construction Materials

Caliche for surfacing the well pad will be obtained from a Federal pit located in Section 12, T20S, R27E, Eddy County, New Mexico.

7. Method of Handling Waste Disposal

- A. Drill Cuttings will be disposed of in drilling pits.
- B. Drilling fluids will be allowed to evaporate in the drilling pits until pits are dry.
- C. Water produced during tests will be disposed of in the drilling pits. Oil produced during tests will be stored in test tanks until sold.
- D. Current laws and regulations pertaining to the disposal of human waste will be complied with.
- E. Trash, waste paper, garbage and junk will be collected in steel trash bins and removed after drilling and completion operations are completed. All waste material will be contained to prevent scattering by the wind.
- F. All trash and debris will be removed from the wellsite within 30 days after finishing drilling and/or completion operations.

8. Ancillary Facilities

A. None needed.

9. Wellsite Layout

A. The location and dimensions of the well pad, mud pits, reserve pit and location of major rig components are shown on the well site layout sketch. The V-door will be to the south and the pits to the east. Exhibit D.

Multi-Point Surface Use and Operations Plan OXY Sparky Federal #1

Page 3

- В. Leveling of the wellsite will be required with minimal cuts or fills anticipated.
- C. The reserve pit will be plastic lined.
- While constructing the pits and material is encountered at a depth D. which would not allow the pits to meet the BLM stipulations with out blasting, OXY requests a variance. There will be an adequate amount of material to reclaim the pit per the stipulations.
- E. The pad and pit area have been staked and flagged.

10. Plans for Restoration of the Surface

- Α. After completion of drilling and/or completion operations, all equipment and other materials not needed for operations will be removed.
- Pits will be filled and location cleaned of all trash and junk to в. leave the well site in as aesthetically pleasing condition as possible. Any plastic material used to line the pits or sumps will be cut off below ground level as far as possible and disposed of before the pits are covered. All unattended pits containing liquid will be fenced and the liquid portion allowed to evaporate before the pits are broken and backfilled.
- C. After abandonment of the well, surface restoration will be in accordance with the land owner. This will be accomplished as expeditiously as possible. Barring unforeseen problems, all pits will be filled and leveled within 90 days after abandonment.

11. Surface Ownership

The wellsite is on federal owned surface. The surface is leased to: Bogle LTD., P.O. Box 460, Dexter, NM 88230-0460. They will be notified of our intention to drill prior to any activity.

12. Other Information

- Α. Topography: The location is a flat plain. GL elevation is 3638'.
- в. Soil: Sandy clay loams.
- Flora and Fauna: The vegetative cover is generally sparse consisting of mesquite, yucca, shinnery oak, sandsage and perennial native range grasses. Wildlife in the area is also sparse consisting of coyotes, rabbits, rodents, reptiles, dove and quail.
- Ponds and Streams: There are no rivers, streams, lakes or ponds D. in the area.
- Ε. Residences and Other Structures: The nearest occupied dwelling is approximately 1 mile northeast of the proposed location.
- Archaeological, Historical and Cultural Sites: Cultural resources F. have been recorded in the area. Geo-Marine Inc. will be engaged to make an archaeological reconnaissance of the work area.

Multi-Point Surface Use and Operations Plan OXY Sparky Federal #1 Page 4

- G. Land Use: Cattle ranching.
- H. The well site, if a producer, will be maintained and kept clean of all trash and litter which detracts from the surrounding environment. Equipment will be maintained in accordance with good operating practice.
- I. After the wellsite is cleaned and pits and sumps backfilled, any obstruction to the natural drainage will be corrected by ditching or terracing. All disturbed areas, including any access road no longer needed, will be ripped. Those areas will be reseeded with grass if, in the opinion of the land owner, it is required.

13. Operator's Representatives and Certification

The field representative responsible for assuring compliance with the approved surface use and operations plan are as follows:

John Erickson
Production Coordinator
P.O. Box 69
Hobbs, New Mexico 88240
Office Phone: 505-393-2174
Cellular: 505-390-6426

Calvin C. (Dusty) Weaver Operation Specialist P.O. Box 2000 Levelland, TX 79336 Office Phone: 806-229-9467 Cellular: 806-893-3067 Joe Fleming
Drilling Coordinator
P.O. Box 50250
Midland, TX 79710-0250
Office Phone: 915-685-5858

Terry Asel
Operation Specialist
1017 W. Stanolind Rd.
Hobbs, NM 88240
Office Phone: 505-397-8217
Cellular: 505-631-0393

I hereby certify that I, or persons under my direct supervision, have inspected the proposed drill site and access route; that I am familiar with the conditions which presently exist; that the statements made in this plan are, to the best of my knowledge, true and correct; and, that the work associated with the operations proposed herein will be performed by OXY USA WTP Limited Partnership and its contractors and sub-contractors in conformity with this plan and the terms and conditions under which it is approved.

8-3-01

DATE

Gary L. Womack

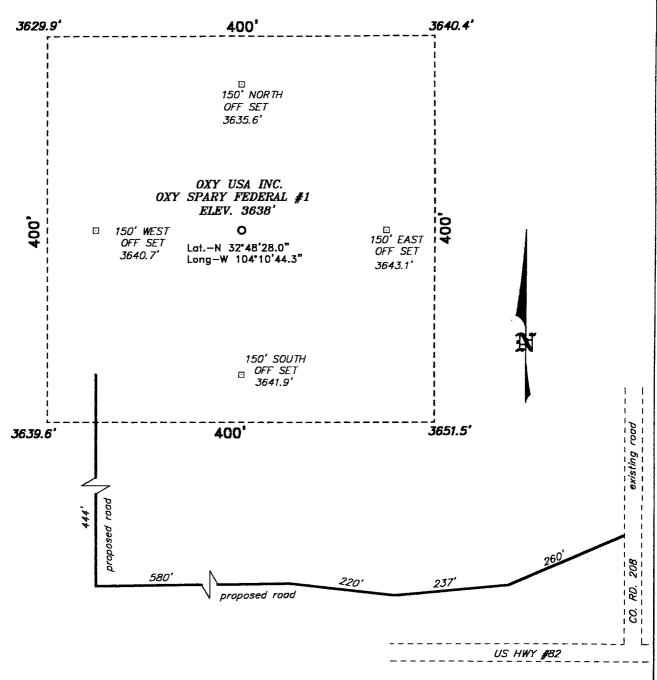
Operations Engineer

915-685-5772

South Permian Asset Team

OXY USA WTP Limited Partnership

SECTION 28, TOWNSHIP 17 SOUTH, RANGE 28 EAST, N.M.P.M., EDDY COUNTY, NEW MEXICO.



Directions to Location:

FROM THE JUNCTION OF US HWY 82 AND STATE HWY 360, GO EAST ON HWY 82 APPROX. 2500 FEET TO A POINT WHICH LIES APPROX. 1600 FEET SOUTH OF THE PROPOSED WELL LOCATION.

100 0 100 200 FEET

| SCALE: 1" = 100'

OXY USA INC.

REF: OXY SPARKY FEDERAL #1 / Well Pad Topo

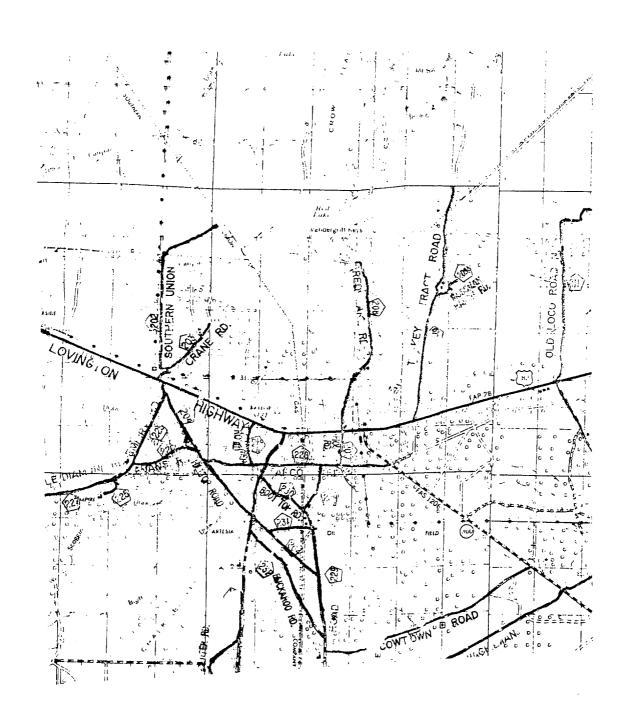
THE OXY SPARKEY FEDERAL #1 LOCATED 1830' FROM
THE NORTH LINE AND 1980' FROM THE EAST LINE OF
SECTION 28, TOWNSHIP 17 SOUTH, RANGE 28 EAST,
N.M.P.M., EDDY COUNTY, NEW MEXICO.

BASIN SURVEYS P.O. BOX 1786-HOBBS, NEW MEXICO

W.O. Number: 1655 | Drawn By: **JAMES PRESLEY**Date: 07/23/01 | Disk: JLP #1 - 1655A.DWG

Survey Date: 07/02/01

Sheet 1 of 1 Sheets



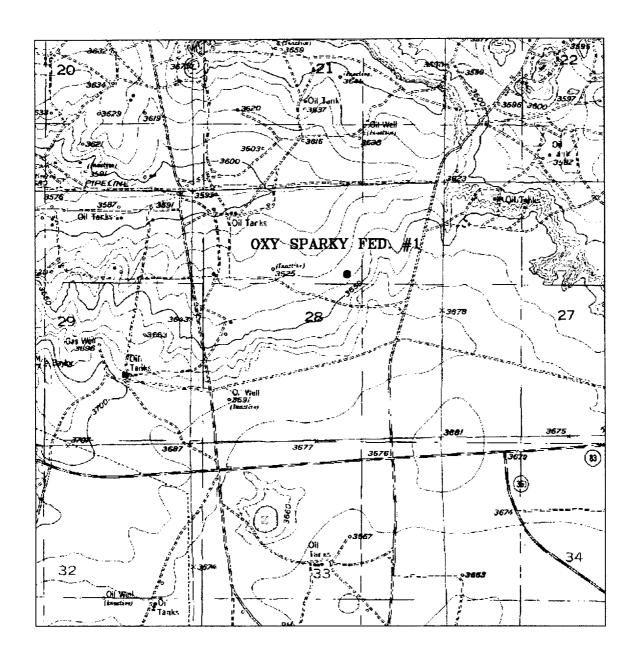
OXY SPARKY FED. #1 Located at 1830' FNL and 1980' FEL Section 28, Township 17 South, Range 28 East, N.M.P.M., Eddy County, New Mexico.



P.O. Box 1786 1120 N. West County Rd. Hobbs, New Mexico 88241 (505) 393-7316 - Office (505) 392-3074 - Fax basinsurveys.com

W.O. Number:	1655AA — JLP #1
Survey Date:	07/02/01
Scale: 1" = 20	000'
Date: 07/23/	01

OXY USA INC.



OXY SPARKY FED. #1 Located at 1830' FNL and 1980' FEL Section 28, Township 17 South, Range 28 East, N.M.P.M., Eddy County, New Mexico.

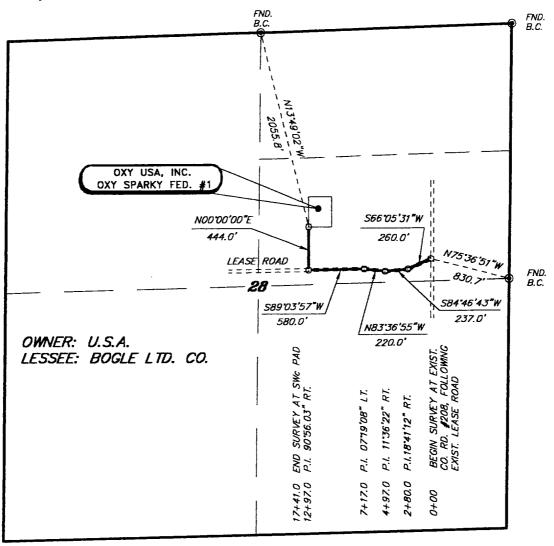


P.O. Box 1786 1120 N. West County Rd. Hobbs, New Mexico 88241 (505) 393-7316 - Office (505) 392-3074 - Fax basinsurveys.com

W.O. Number: 1655AA — JLP #1
Survey Date: 07/02/01
Scale: 1" = 2000'
Date: 07/23/01

OXY USA INC.

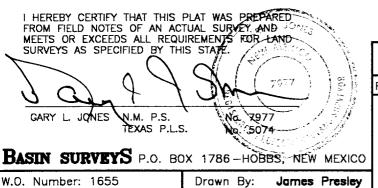
SECTION 28, TOWNSHIP 17 SOUTH, RANGE 28 EAST, N.M.P.M., EDDY COUNTY, NEW MEXICO.



LEGAL DESCRIPTION

A STRIP OF LAND 50.0 FEET WIDE, LOCATED IN SECTION 28, TOWNSHIP 17 SOUTH, RANGE 28 EAST, N.M.P.M., EDDY COUNTY, NEW MEXICO AND BEING 25.0 FEET LEFT AND RIGHT OF THE ABOVE PLATTED CENTERLINE SURVEY.

1741.0 FEET = 105.52 RODS = 0.33 MILES



Disk: JLP #1

CON1655

Date: 07/23/01

1000 0 1000 2000 FEET

OXY USA

REF: PROPOSED ROAD TO OXY SPARKY FEDERAL #1

A ROAD CROSSING U.S.A. LAND IN
SECTION 28, TOWNSHIP 17 SOUTH, RANGE 28 EAST,
N.M.P.M., EDDY COUNTY, NEW MEXICO.

Survey Date: 07/16/01 Sheet

Sheet 1 of 1 Sheets

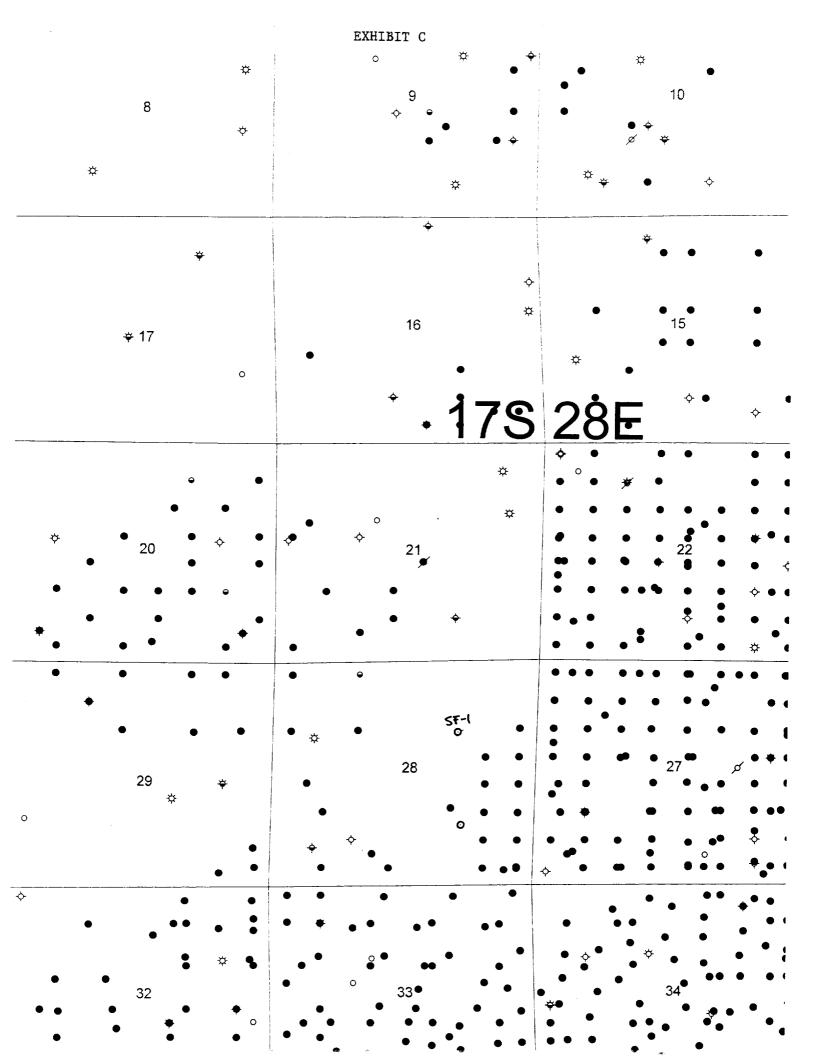
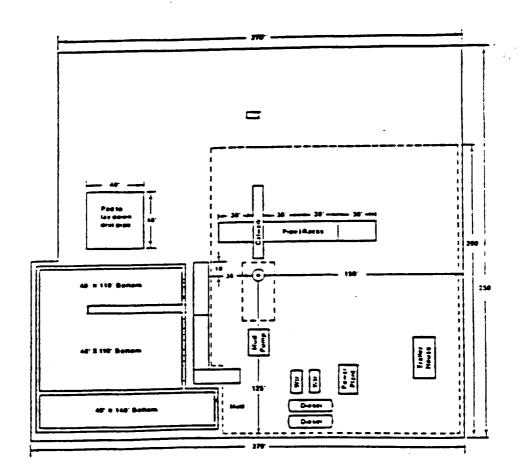


EXHIBIT D



OXY USA WTP Limited Partnership

P.O. Box 50250, Midland, TX 79710-0250

August 3, 2001

United States Department of the Interior Bureau of Land Management Roswell District Office 2909 West Second Street Roswell, New Mexico 88201

Application for Permit to Drill Re: OXY USA WTP Limited Partnership OXY Sparky Federal #1 Eddy County, New Mexico Lease No. NM048344

Gentlemen:

OXY USA WTP Limited Partnership respectfully requests permission to drill our OXY Sparky Federal #1 located 1830 FNL and 1980 FEL of Section 28, T17S, R28E, Eddy County, New Mexico, Federal Lease No. NM048344. The proposed well will be drilled to a TD of approximately 10100' (TVD). The location and work area has been staked. It is approximately 12 miles west of Artesia, New Mexico.

In accordance with requirements stipulated in Federal Onshore Oil and Gas Order No. 1 under 43 CFR 3162.1, our Application for Permission to Drill and supporting evidence is hereby submitted.

- I. Application for Permit to Drill:
 - Form 3160.3, Application for Permit to Drill.
 - Form C-102 Location and Acreage Dedication Plat certified by Gary 2. L. Jones, Registered Land Surveyor No. 7977 in the State of New Mexico, dated July 7, 2001.
 - 3. The elevation of the unprepared ground is 3638 feet above sea level.
 - 4. The geologic name of the surface formation is Permian Rustler.
 - Rotary drilling equipment will be utilized to drill the well to TD 5. 10100' (TVD), and run casing. This equipment will then be rigged down and the well will be completed with a pulling unit.
 - 6. Proposed total depth is 10100' TVD.
 - 7. Estimated tops of important geologic markers.

Wolfcamp	6900′	TVD
Strawn	9200′	TVD
Atoka	9500′	TVD
Morrow	9800′	TVD

Estimated depths at which anticipated water, oil, gas or other mineral bearing formations are expected to be encountered:

9500' TVD

Primary Objective: Morrow 9800' TVD Secondary Objective: Atoka

APD - OXY Sparky Federal #1 Page 2

9. The proposed casing program is as follows:

Surface: 13-3/8" 48# H40 ST&C new casing set at 400

Intermediate: 9-5/8" 36# K55 ST&C new casing from 0-2300'

Production: 5-1/2" 17# N80 LT&C new casing from 0-10100'

10. Casing setting depth and cementing program:

A. 13-3/8" surface casing set at 400' in 17-1/2" hole. Circulate cement with 160sx 35:65 POZ/C w/ 6% Bentonite + 2% CaCl₂ + .25#/sx Cello-Seal followed by 200sx Class C w/ 2% CaCl₂.

If cement does not circulate, a temperature survey will be run to find the TOC and then finish cementing to surface through 1" using Class C with 2% $CaCl_2$.

B. 9-5/8" intermediate casing set at 2300' in 12½" hole. Circulate cement with 500sx 35:65 POZ/C w/ 6% Bentonite + 2% $CaCl_2$ + .25#/sx Cello-Seal followed by 200sx Class C w/ 2% $CaCl_2$.

If hole conditions dictate, a DV tool may be run to ensure that the intermediate string is cemented to surface.

If cement does not circulate, a temperature survey will be run to find the TOC and then finish cementing to surface through 1" using Class C with 2% CaCl₂.

Note: Cement volumes may be adjusted according to fluid caliper.

C. 5-1/2" production casing set at 10100'. Cement with 700sx 15:61:11 POZ/C/CSE w/ .5% FL-25 + .5% FL-52 + 8#/sx Gilsonite followed by 75sx Class C w/ .7% FL-25.

Estimated top of cement is 6300'.

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

11. Pressure Control Equipment

0' - 100' None

450'400' - 2300' 13-3/8" 3M annular preventer.

2300' - 10100'

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. Rotating head below 6900'. Exhibit A.

A kelly cock will be installed and maintained in operable condition and a drill string safety valve in the open position will be available on the rig floor.

APD - OXY Sparky Federal #1 Page 3

After setting the 9-5/8" casing, the blowout preventers and related control equipment shall be pressure tested to 5000 psi. Any equipment failing to test satisfactorily shall be repaired or replaced. Results of the BOP test will be recorded in the Driller's Log. The BOP's will be maintained ready for use until drilling operations are completed.

BOP drills will be conducted as necessary to assure that equipment is operational and each crew is properly trained to carry out emergency duties.

Accumulator shall maintain a pressure capacity reserve at all times to provide for the close-open-close sequence of the blind and pipe rams of the hydraulic preventers.

12. Mud Program:

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.

430 400' - 2300'

Fresh/*brine water. Lime for pH control (10-10.5). 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 increase to 20000PPM.

2300' - 6800'

Fresh water. Lime for pH control (9-9.5). Paper for seepage.

Wt. 8.3-8.5 ppg, vis 28-29 sec.

6800' - 9100'

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

9100' - 10100'

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

Mud system monitoring equipment with derrick floor indicators and visual/audio alarms shall be installed and operative prior to drilling into the Wolfcamp formation. This equipment will remain in use until the production casing is run and cemented. Monitoring equipment shall consist of the following:

- 1) A recording pit level indicator.
- 2) A pit volume totalizer.
- 3) A flowline sensor.

APD - OXY Sparky Federal #1 Page 4

- 13. Testing, Logging and Coring Program:
 - A. Testing program: No DST's are anticipated.
 - B. Mud logging program: One-man unit from 6000' to TD.
 - C. Electric logging program: CNL/LDT/CAL/GR, DLL/CAL/GR.
 - D. Coring program: Possible sidewall rotary cores.
- 14. No abnormal temperatures, or H2S gas are anticipated. The highest anticipated pressure gradient would be .55psi/ft. Adequate flare lines will be installed off the mud/gas separator where gas may be flared safely.
- 15. Anticipated starting date is September 30, 2001. It should take approximately 28 days to drill the well and another 10 days to complete.
- 16. The Multi-Point Surface Use & Operation Plan is attached.
- 17. If the Bureau of Land Management needs additional information to evaluate this application, please advise.

Very truly yours,

David Stewart

Sr. Regulatory Analyst

OXY USA WTP Limited Partnership

DRS/drs

Attachments