N.M Oil Cons. Division
811 S. 1st St
Artesia, NM 88210-2834

C/SF

Form 3160-3
(July 1992)

SUBMIT IN TRIPLICATE*
(Other instructions on reverse side)

FORM APPROVED
OMB NO. 1004-0136
Expires: February 28, 1995

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

5. LEASE DESIGNATION AND SERIAL NO.: LC062029 (NMNM91004) CAH

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

1a. TYPE OF WORK: DRILL ☐ DEEPEN ☐ PLUGBACK-DIRECTIONAL

b. TYPE OF WELL: OIL WELL ☐ GAS WELL ☒ OTHER — SINGLE ZONE ☒ MULTIPLE ZONE ☐

7. UNIT AGREEMENT NAME: Government AM COM 86450

8. FARM OR LEASE NAME, WELL NO.: 1

2. NAME OF OPERATOR: OXY USA Inc. 16696

9. API WELL NO.: 30-015-23508

3. ADDRESS AND TELEPHONE NO.: P.O. Box 50250 Midland, TX 79710-0250 915-685-5717

10. FIELD AND POOL, OR WILDCAT: Turkey Track Morrow, North 86500

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.*)
At surface: 660 FSL 1980 FEL SWSE(O)
At proposed prod. zone: 660 FSL 660 FWL SWSW(M)

11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA: Sec 33 T18S R29E

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*: 8 miles Southwest from Loco Hills, NM

12. COUNTY OR PARISH: Eddy

13. STATE: NM

15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if any)	16. NO. OF ACRES IN LEASE	17. NO. OF ACRES ASSIGNED TO THIS WELL
660'	320	320
18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT.	**19. PROPOSED DEPTH**	**20. ROTARY OR CABLE TOOLS**
N/A	11994'	Rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.): 3426'

22. APPROX. DATE WORK WILL START*: 9/1/97

23. PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	GRADE, SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
17-1/2"	13-3/8"	48#	300'	950sx
12-1/4"	8-5/8"	24-32#	3015'	1750sx
7-7/8"	4-1/2"	11.6#	11994'	800sx

It is proposed to plugback this well and directionally drill and test the Morrow.

RECEIVED
1997 JUL 23 A 9:24
BUREAU OF LAND MGMT.
ROSWELL OFFICE

See other side for procedure
See notes on #6 & #7

The Blowout Prevention Program is as follows:

1) One set of Drill Pipe Rams (5M)
2) One Set of Blind Rams (5M)
3) One Set of Hydril (5M)

Place mud between all plugs
mix at rate 25# gel/100 bbls.
9 lb/gal.

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen, give data on present productive zone and proposed new productive zone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program, if any.

24.

SIGNED [signature] TITLE David Stewart Regulatory Analyst DATE 7/21/97

(This space for Federal or State office use)

PERMIT NO. _____ APPROVAL DATE _____

Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

CONDITIONS OF APPROVAL, IF ANY:

(ORIG. SGD.) ARMANDO A. LOPEZ PETROLEUM ENGINEER

APPROVED BY _____ TITLE _____ DATE 7/24/97

*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

1. MIRU DD workover rig with sills or pipe racks, respirators, and H2S monitors.

2. POOH W/ 5-1/2" Baker Max packer and 2-7/8" production string.

3. Set CIPB at approximately 11050' with 4 sx cmt on top.

4. Run freepoint test on 5-1/2" casing.

5. Cut casing @ approximately 6000'. RU casing pullers and pull 5-1/2" casing.

6. Spot cement plugs as directed by BLM. Spot 200' plug from 9050'-8850' across wolfcamp formation.

7. Spot 125 sx sidetrack cement plug from 5900-6100'. This plug across stub across ~~wolfcamp formation~~.

8. Move off workover rig and move in drilling rig. Nipple up 5M psi blind and pipe rams and 5M Hydril. Test blind and pipe rams to 5000 psi and test annular preventer to 5000 psi.

9. RIH w/ 7-7/8" sidetrack bit, MWD, and high RPM motor and dress off plug to approximately 6030'. TOOH.

10. TIH w/ directional BHA in oriented mode and drill angle build section to approximately 6670'. TOOH.

11. TBIH w/ reaming assembly and ream build section to 6670'.

12. TBIH w/packed hole assembly and drill to approximately 11100'. TOOH.

13. TIH w/steering assembly and make directional correction run to approximately 11250'. TOOH.

14. TBIH and drill to approximately 11,994' w/motor assembly. TOOH.

15. RU loggers and possibly take sidewall cores. If logs indicate commercial production, RIH w/BHA and C&CM to run casing.

16. Set 4-1/2" casing at 11994' utilizing a float shoe and float collar and 24 centralizers.

17. Cement casing w/800 sx Super C Modified cement + 0.5#/sx FL-25 + 0.2#/sx cd-32 + 5.0#/sx Gilsonite. Bump plug, set slips, cut casing and NU wellhead. ND BOP's and release rig.