

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

SUBMIT IN 1  
(Other instructions on  
reverse side)

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

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

1A. TYPE OF WORK

DRILL ☒

DEEPEN ☐

B. TYPE OF WELL

OIL  
WELL ☐

GAS  
WELL ☒

OTHER

SINGLE  
ZONE ☒

MULTIPLE  
ZONE ☐

2. NAME OF OPERATOR

OXY USA Inc.

16696

16696

3. ADDRESS AND TELEPHONE NO.

P.O. Box 50250 Midland, TX 79710-0250 915-685-5717

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)

At surface

660 FNL 660 FEL NENE(A)

At proposed prod. zone

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE\*

1 mile southwest from Loco Hills, NM

15. DISTANCE FROM PROPOSED\*

LOCATION TO NEAREST  
PROPERTY OR LEASE LINE, FT.  
(Also to nearest drlg. unit line, if any)

660'

16. NO. OF ACRES IN LEASE

320

17. NO. OF ACRES ASSIGNED  
TO THIS WELL

320

18. DISTANCE FROM PROPOSED LOCATION\*  
TO NEAREST WELL, DRILLING, COMPLETED,  
OR APPLIED FOR, ON THIS LEASE, FT.

N/A

19. PROPOSED DEPTH

11250'

20. ROTARY OR CABLE TOOLS

R

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

3483'

22. APPROX. DATE WORK WILL START\*

5/15/00

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" H40	48#	400' +	360sx - Circulate
12-1/4"	9-5/8" K55	36#	3200'	850sx - Circulate
8-3/4"	5-1/2" N80-S95	11.6#	11250'	775sx - Est TOC-7800'

SEE OTHER SIDE

RECEIVED  
OCD - ARTESIA

GENERAL REQUIREMENTS AND  
SPECIAL STIPULATIONS

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

*David Stewart*

David Stewart

TITLE Regulatory Analyst

DATE

4/11/00

(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:

APPROVED BY

*John J. ...*

TITLE

Acting Assistant Field Manager,  
Lands And Minerals

DATE

JUL 28 2000

\*See Instructions On Reverse Side

APPROVED FOR 1 YEAR

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

OXY Roadside Federal #1  
660 FNL 660 FEL SEC 10 T18S R29E Eddy County, NM  
Federal Lease No. LC062072

PROPOSED TD: 11250' TVD

BOP PROGRAM: 0' - 400' None

400' - 3200' 13-5/8" 5M blind and pipe rams with 5M annular preventer.

3200' - 11250' 11" 5M blind pipe rams with 5M annular preventer and rotating head below 8300'.

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

Intermediate: 9-5/8" OD 36# K55 ST&C new casing from 0-3200'

Production: 5-1/2" OD 17# N80-S95 LT&C new casing from 0-11250'

CEMENT: Surface - Circulate cement with 160sx 35:65 POZ/C with 6% Bentonite + 2%  $\text{CaCl}_2$  + .25#/sx Cello-Seal followed by 200sx Cl C with 2%  $\text{CaCl}_2$ .

Intermediate - Circulate cement with 650sx 35:65 POZ/C with 6% Bentonite + 2%  $\text{CaCl}_2$  + .25#/sx Cello-Seal followed by 200sx Cl C with 2%  $\text{CaCl}_2$ .

Production - Cement with 700sx 15:61:11 POZ/C/CSE with .5% FL-52 + .5% FL-25 + 8#/sx Gilsonite followed by 75sx Cl C with .7% FL-25. Estimated top of cement is 7800'.

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

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

400' - 3200' Fresh/\*Brine water. Lime for pH control (10.0-10.5). Paper for seepage. Wt 8.3-9.0/10.0-10.1ppg, Vis 28-29 sec  
\*Fresh water will be used unless chlorides in the mud system increases to 20000PPM.

3200' - 8000' Fresh water. Lime for pH control (9-9.5). Paper for seepage. Wt 8.3-8.5 ppg, Vis 28-29 sec

8000' - 10000' Cut brine. Lime for pH control (10-10.5). Wt 9.6-10.0 ppg, Vis 28-29sec

10000' - 11250' Mud up with an Duo Vis/Flo Trol mud system. Wt 9.6-10.0ppg, Vis 32-36sec, WL<10cc

DISTRICT I  
1629 N. French Dr., Hobbs, NM 88240  
DISTRICT II  
811 South First, Artesia, NM 88210

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

DISTRICT IV  
2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico  
Energy, Minerals and Natural Resources Department

Form C-102  
Revised March 17, 1999

OIL CONSERVATION DIVISION  
2040 South Pacheco  
Santa Fe, New Mexico 87504-2088

Submit to Appropriate District Office  
State Lease - 4 Copies  
Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-015-	Pool Code	Pool Name Undesignated Morrow
Property Code	Property Name OXY ROADSIDE FEDERAL	Well Number 1
OGRID No. 16696	Operator Name OXY USA INC.	Elevation 3483'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
A	10	18 S	29 E		660	NORTH	660	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 320	Joint or Infill N	Consolidation Code	Order No.						

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

	<b>OPERATOR CERTIFICATION</b> I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief.  Signature: <i>David Stewart</i> Printed Name: David Stewart Title: Regulatory Analyst Date: 4/1/00
	<b>SURVEYOR CERTIFICATION</b> I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.  March 14, 2000 Date Surveyed: March 14, 2000 Signature & Seal of Professional Surveyor: <i>GARY L. JONES</i> W.O. No. 07316 Certificate No. Gary Jones 7977 BASIN SURVEYS

# BLOWOUT PREVENTOR SCHEME

RECEIVED  
OCD - ARTESIA

EXHIBIT A

Shaffer Type "G"  
Rams

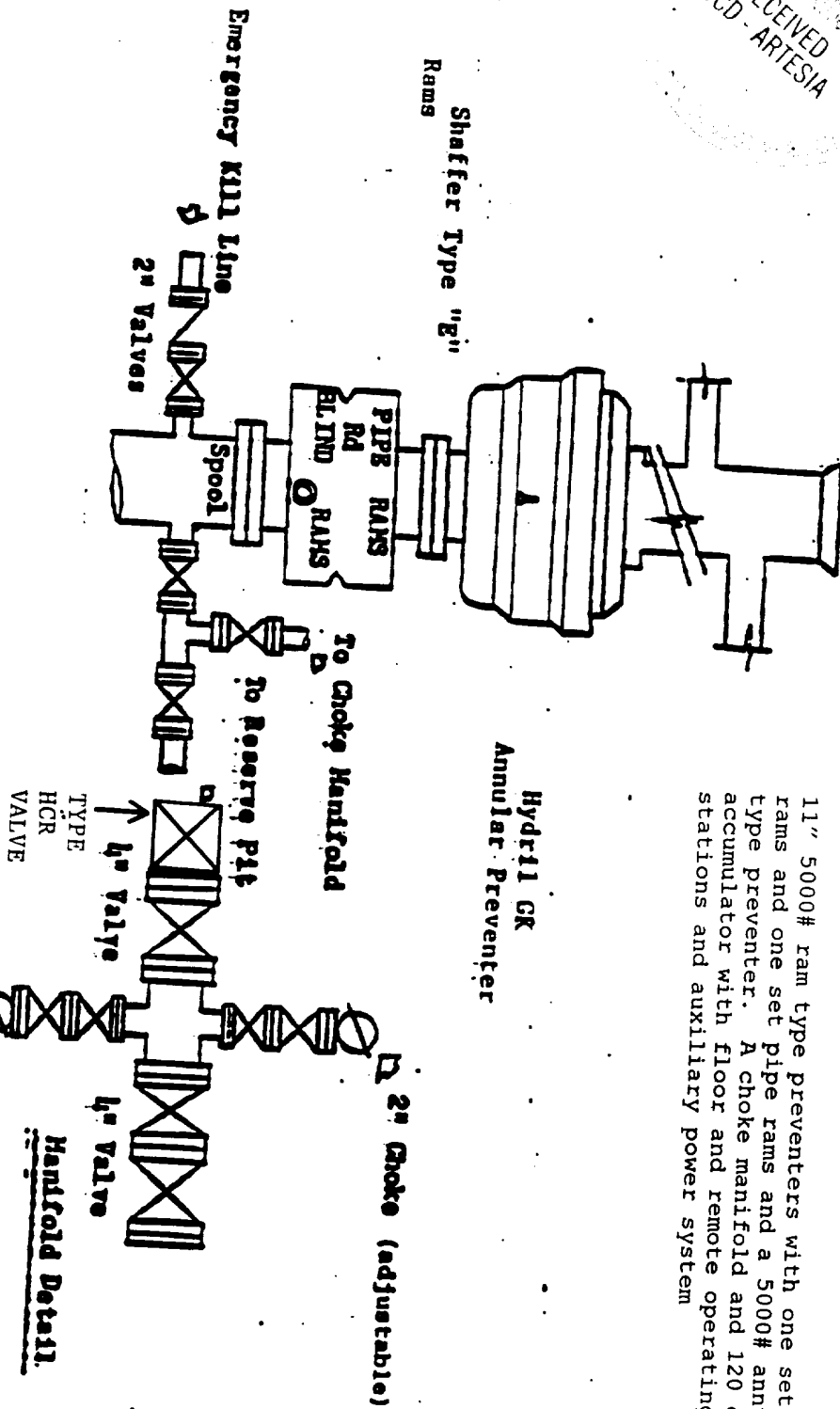


Exhibit A.

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

21 Choke (manual)

Handfold Detail

.

.

MULTI-POINT SURFACE USE AND OPERATIONS PLAN

OXY USA Inc.  
OXY Roadside Federal #1  
Eddy County, New Mexico  
Lease No. LC062072

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. Desert West 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 junction of USH 82 & CR 217, go south/southwest approximately 5.5 miles to a point on the northwest corner of the proposed location.

2. Planned Access Road

A. No new access road will be built. Exhibit B.

B. Surfacing material: N/A

C. Maximum Grade: N/A

D. Turnouts: N/A

E. Drainage Design: N/A

F. Culverts: N/A

G. Cuts and Fills: N/A

H. Gates or Cattleguards: N/A

3. Existing wells within a one mile radius of the proposed development well are shown on Exhibit C.

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 Roadside Federal #1 tank battery. All product lines entering and leaving hydrocarbon storage tanks will be effectively sealed.

5. 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 east and the pits to the north. Exhibit D.
- B. Leveling of the wellsite will be required with minimal cuts or fills anticipated.
- C. The reserve pit will be plastic lined.
- D. While constructing the pits and material is encountered at a depth 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

- A. After completion of drilling and/or completion operations, all equipment and other materials not needed for operations will be removed.
- B. Pits will be filled and location cleaned of all trash and junk to 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

- A. Topography: The location is a flat plain. GL elevation is 3483'.
- B. Soil: Sandy clay loams.
- C. 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.
- D. Ponds and Streams: There are no rivers, streams, lakes or ponds in the area.
- E. Residences and Other Structures: There are no occupied dwellings within a ½ mile radius of the location.
- F. Archaeological, Historical and Cultural Sites: Cultural resources have been recorded in the area. Desert West will be engaged to make an archaeological reconnaissance of the work area.
- 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.

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

- 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

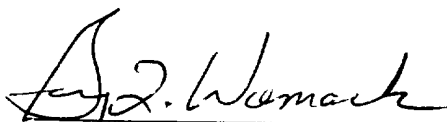
The field representative responsible for assuring compliance with the approved surface use and operations plan are as follows:

Joe Gibson, Production Coordinator  
P.O. Box 69  
Hobbs, New Mexico 88240  
Office Phone: 505-393-2174  
Home Phone: 505-390-4988

Joe Fleming  
P.O. Box 50250  
Midland, TX 79710-0250  
Office Phone: 915-685-5858

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 Inc. and its contractors and sub-contractors in conformity with this plan and the terms and conditions under which it is approved.

4-12-2000  
DATE

  
\_\_\_\_\_  
Gary L. Womack  
Operations Engineer  
915-685-5772  
Permian Asset Group  
OXY USA Inc.

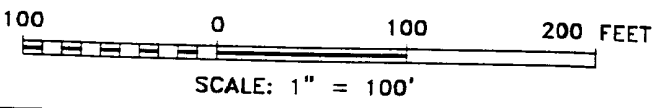


SECTION 10, TOWNSHIP 18 SOUTH, RANGE 29 EAST, N.M.P.M.,  
EDDY COUNTY,  
NEW MEXICO.



Directions to Location:

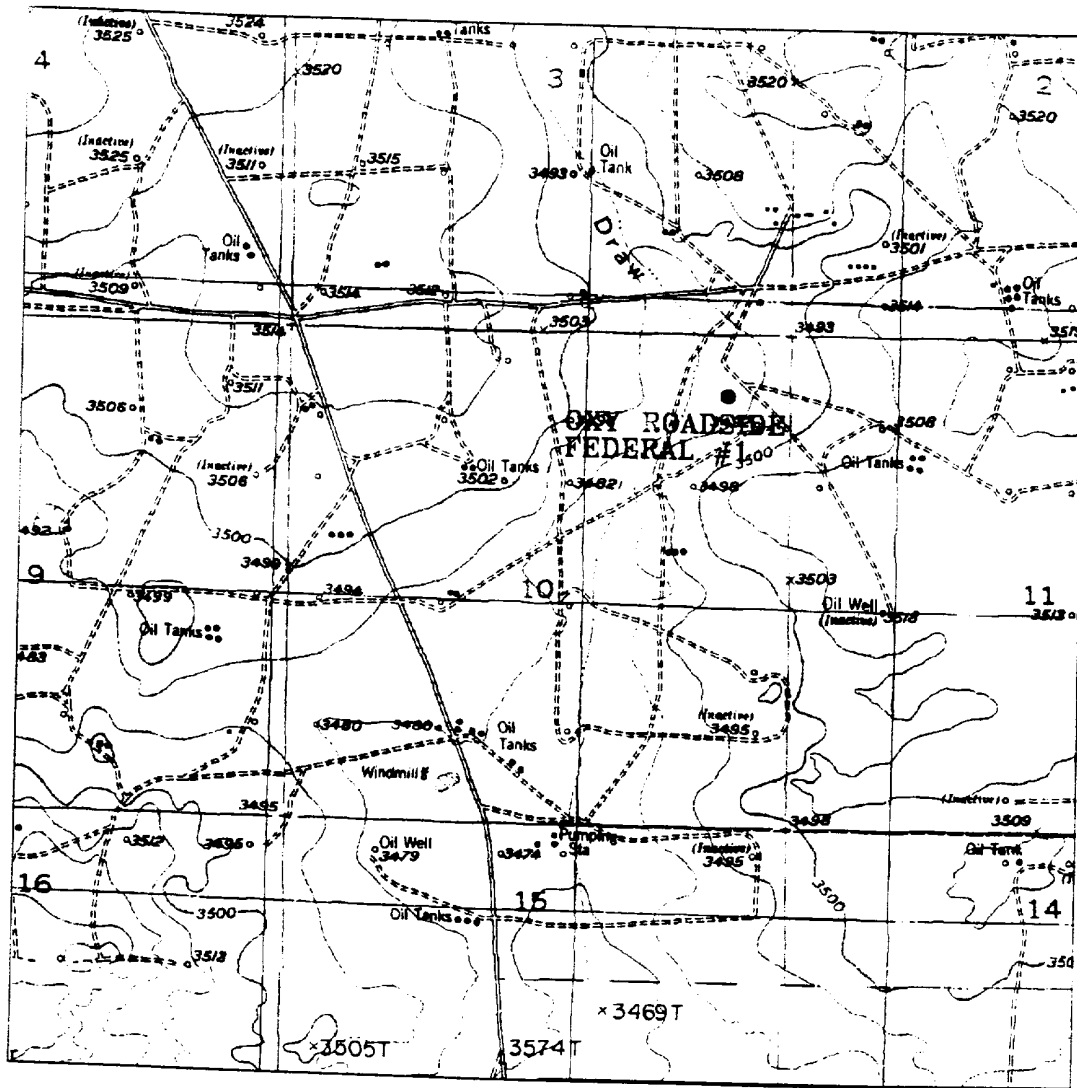
FROM JUNCTION US HWY 82 & CO. RD.  
217(HAGERMAN CUTOFF), GO SOUTH AND SOUTHWEST  
APPROX. 5.5 MILES TO A POINT ON THE NORTHWEST  
CORNER OF THE PROPOSED WELL LOCATION.



**Oxy USA Inc.**

REF: Oxy Roadside Federal No. 1 / Well Pad Topo

THE OXY ROADSIDE FED. No. 1 LOCATED 660' FROM  
THE NORTH LINE AND 660' FROM THE EAST LINE OF  
SECTION 10, TOWNSHIP 18 SOUTH, RANGE 29 EAST,  
N.M.P.M., EDDY COUNTY, NEW MEXICO.



**OXY ROADSIDE FEDERAL #1**  
 Located at 660' FNL and 660' FEL  
 Section 10, Township 18 South, Range 29 East,  
 N.M.P.M., Eddy County, New Mexico.

**basin**  
**surveys**  
 focused on excellence  
 in the oilfield

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

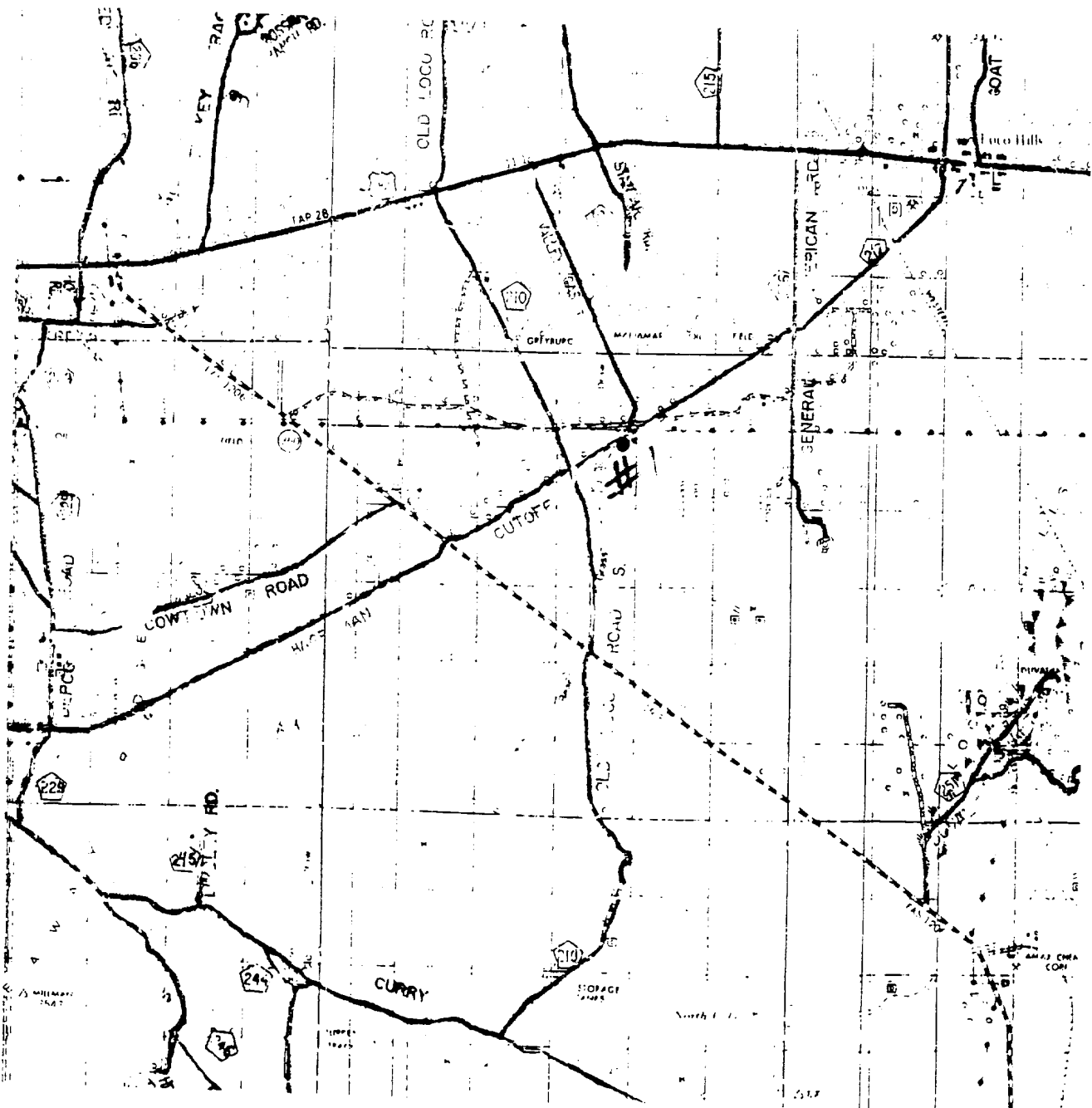
W.O. Number: 0131AA - KJG #122

Survey Date: 03-14-2000

Scale: 1" = 2000'

**OXY USA INC.**

# EXHIBIT B



OXY ROADSIDE FEDERAL #1  
 Located at 660' FNL and 660' FEL  
 Section 10, Township 18 South, Range 29 East,  
 N.M.P.M., Eddy County, New Mexico.

**basin**  
**surveys**  
 focused on excellence

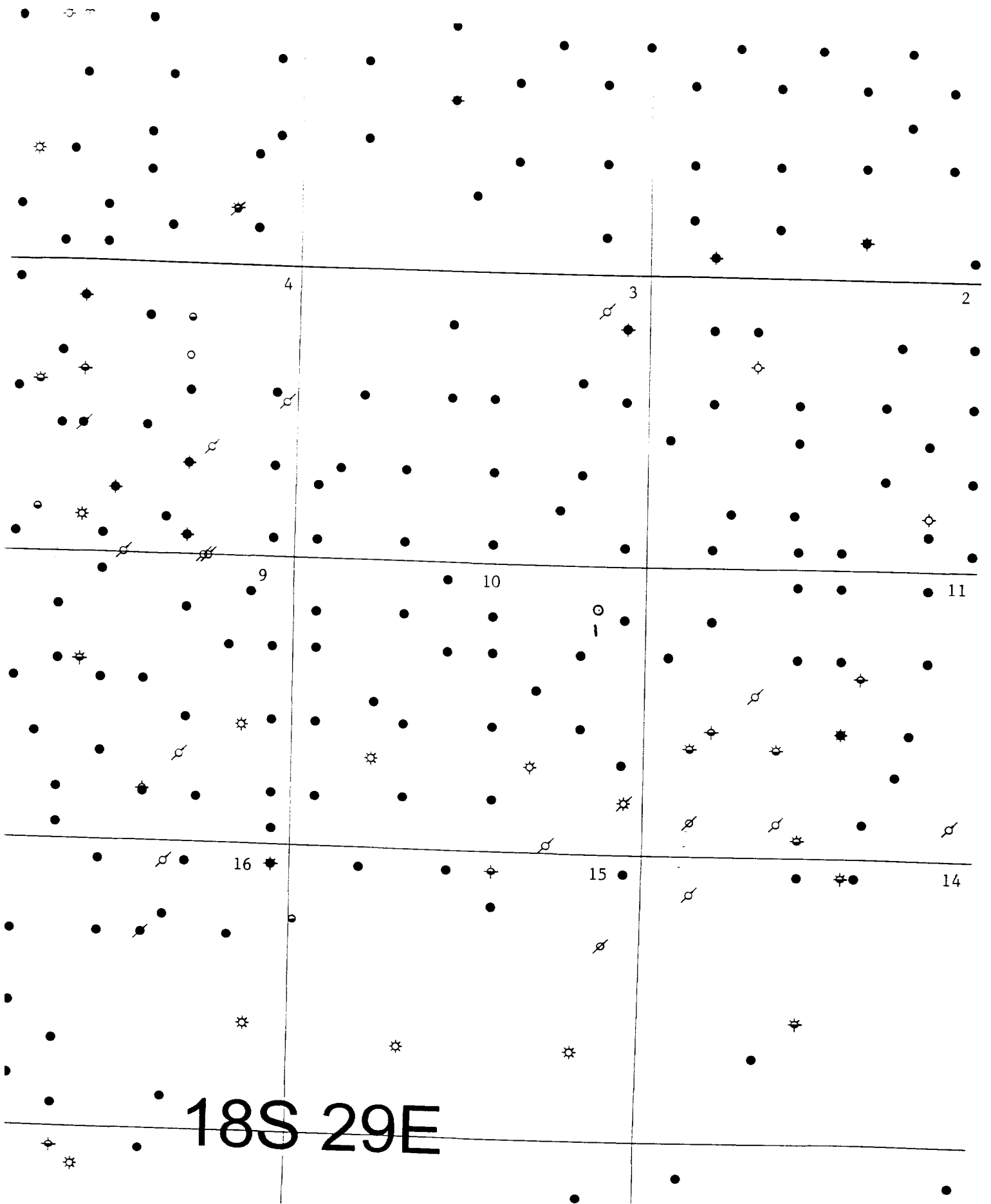
P.O. Box 1786  
 1120 N. West County Rd.  
 Hobbs, New Mexico 88241  
 (505) 393-7316 - Office  
 (505) 392-3074 - Fax

W.O. Number: 0131AA - KJG #122

Survey Date: 03-14-2000

Scale: 1" = 2 MILES

OXY USA INC.



270'

200'

40'

40'

Peg to lay down drive pipe

30'

30'

30'

30'

Casing

Peg to place

10'

10'

125'

Mud Pump

Trailer House

Pump

Drum

Drum

40' x 110' Section

40' x 110' Section

40' x 140' Section

270'



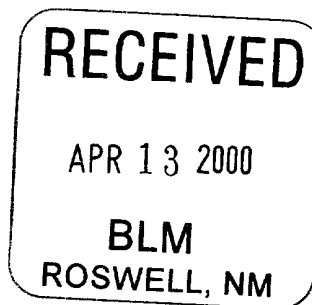
OXY USA Inc.

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

April 11, 2000

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

Re: Application for Permit to Drill  
OXY USA Inc.  
OXY Roadside Federal #1  
Eddy County, New Mexico  
Lease No. LC062072



Gentlemen:

OXY USA Inc. respectfully requests permission to drill our OXY Roadside Federal #1 located 660 FNL and 660 FEL of Section 10, T18S, R29E, Eddy County, New Mexico, Federal Lease No. LC062072. The proposed well will be drilled to a TD of approximately 11250' (TVD). The location and work area has been staked. It is approximately 1 mile southwest of Loco Hills, 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:

1. Form 3160.3, Application for Permit to Drill.
2. Form C-102 Location and Acreage Dedication Plat certified by Gary L. Jones, Registered Land Surveyor No. 7977 in the State of New Mexico, dated March 14, 2000.
3. The elevation of the unprepared ground is 3483 feet above sea level.
4. The geologic name of the surface formation is Permian Rustler.
5. Rotary drilling equipment will be utilized to drill the well to TD 11250' (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 11250' TVD.
7. Estimated tops of important geologic markers.

Wolfcamp	8375' TVD
Strawn	10075' TVD
Atoka	10390' TVD
Morrow	10920' TVD
8. Estimated depths at which anticipated water, oil, gas or other mineral bearing formations are expected to be encountered:

Primary Objective:	Morrow	10920' TVD
Secondary Objective:	Atoka	10390' TVD

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 0-3200'  
Production: 5-1/2" 17# N80-S95 LT&C new casing from 0-11250'  
N80-9400' S95-1850'

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%  $\text{CaCl}_2$  + .25#/sx Cello-Seal followed by 200sx Class C w/ 2%  $\text{CaCl}_2$ .

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%  $\text{CaCl}_2$ .

- B. 9-5/8" intermediate casing set at 3200' in 12 1/4" hole.  
Circulate cement with 650sx 35:65 POZ/C w/ 6% Bentonite + 2%  $\text{CaCl}_2$  + .25#/sx Cello-Seal followed by 200sx Class C w/ 2%  $\text{CaCl}_2$ .

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%  $\text{CaCl}_2$ .

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

- C. 5-1/2" production casing set at 11250'. 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 7800'.

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

11. Pressure Control Equipment

0' - 400'	None
400' - 3200'	13-5/8" 5000# blind and pipe with 5M annular preventer.
3200' - 11250'	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 8500'. 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.

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.
400' - 3200'	Fresh/*brine water. Lime for pH control (10-10.5). Paper for seepage. Wt. 8.3-9.0/10.0-10.1 ppg, vis 28-29 sec. *Fresh water will be used unless chlorides in the mud system increase to 20000PPM.
3200' - 8000'	Fresh water. Lime for pH control (9-9.5). Paper for seepage. Wt. 8.3-8.5 ppg, vis 28-29 sec.
8000' - 10000'	Cut brine. Lime for pH control (10-10.5). Wt. 9.6-10.0 ppg, vis 28-29 sec.
10000' - 11250'	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.



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 May 15, 2000. 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  
Regulatory Analyst  
Permian Asset Group  
OXY USA Inc.

DRS/drs

Attachments