

9/5F

APPLICATION FOR PERMIT TO DRILL OR REENTER

1a. Type of Work <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER		5. Lease Serial No. LC-029395B
1b. Type of Well <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other		6. If Indian, Allottee or Tribe Name
2. Name of Operator OXY USA WTP Limited Partnership 192463		7. Unit or CA Agreement Name and No. 31063
3a. Address P.O. Box 50250 Midland, TX 79710-0250		8. Lease Name and Well No. OXY Doc Slawin Federal #2
4. Location of Well (Report location clearly and in accordance with any State requirements)* At surface 1780 FSL 660 FEL NESE(I) At proposed prod. zone		9. API Well No. 30-015-32585
14. Distance in miles and direction from nearest town or post office* 6 miles east from Loco Hills, NM		10. Field and Pool, or Exploratory Undsg. Cedar Lake, E. Morrow
15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drg. unit line, if any) 660'		11. Sec., T., R., M., or Blk. and Survey or Area Sec 29 T17S R31E
16. No. of Acres in lease 320		12. County or Parish Eddy
17. Spacing Unit dedicated to this well 320		13. State NM
18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. N/A		19. Proposed Depth 12400'
20. BLM/BIA Bond No. on file 9312774		21. Elevations (Show whether DF, KDB, RT, GL, etc.) 3749'
22. Approximate date work will start* 1/30/03		23. Estimated duration 30 days

24. Attachments

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No. 1, shall be attached to this form:

- |   |  |
|---|--|
| 1. Well plat certified by a registered surveyor.  | 4. Bond to cover the operations unless covered by an existing bond on file (see Item 20 above).    |
| 2. A Drilling Plan  | 5. Operator certification.   |
| 3. A Surface Use Plan (if the location is on National Forest System Lands, the SUPO shall be filed with the appropriate Forest Service Office). | 6. Such other site specific information and/or plans as may be required by the authorized officer. |

25. Signature 	Name (Printed/Typed) David Stewart	Date 12/1/02
Title Sr. Regulatory Analyst		
Approved by (Signature) /s/ LESLIE A. THEISS	Name (Printed/Typed) /s/ LESLIE A. THEISS	Date JAN 13 2003
Title FIELD MANAGER	Office CARLSBAD FIELD OFFICE	

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, are attached.

APPROVAL FOR 1 YEAR

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make 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.

\*(Instructions on Reverse)

Known Controlled Water Basin

APPROVAL SUBJECT TO  
GENERAL REQUIREMENTS AND  
SPECIAL REGULATIONS  
ATTACHED

OXY Doc Slawin Federal #2  
1780 FSL 660 FEL SEC 29 T17S R31E Eddy County, NM  
Federal Lease No. LC-029395-B

PROPOSED TD: 12400' TVD

BOP PROGRAM: 0' - 400' None

400' - 4500' 13-3/8" 3M annular preventer, to be used as  
divertor only.

4500' - 12400' 11" 5M blind pipe rams with 5M annular  
preventer and rotating head below 8500'.

**WITNESS**

CASING: Surface: 13-3/8" OD 48# H40 ST&C new casing set at 400'  
Intermediate: 9-5/8" OD 36# HCK/K55 ST&C new casing from 0-4500'  
Production: 5-1/2" OD 17# N80-S95 LT&C new casing from 0-12400'  
L80-0-8800' S95-8800-12400'

CEMENT: Surface - Circulate cement with 160sx 35:65 POZ/C with 6% Bentonite  
+ 2% CaCl<sub>2</sub> + .25#/sx Cello-Seal followed by 200sx Cl C with 2% CaCl<sub>2</sub>.  
Intermediate - Circulate cement with 800sx 35:65 POZ/C with 6%  
Bentonite + 2% CaCl<sub>2</sub> + .25#/sx Cello-Seal followed by 200sx Cl C  
with 2% CaCl<sub>2</sub>.  
Production - Cement with 1200sx 15:61:11 POZ/C/CSE with .5% FL-52  
+ .5% FL-25 + 8#/sx Gilsonite followed by 100sx Cl C with .7%  
FL-25. Estimated top of cement is 6500'.

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' - 4500' 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.  
4500' - 9500' Fresh water. Lime for pH control(9-9.5).  
Paper for seepage.  
Wt 8.3-8.5 ppg, Vis 28-29 sec  
9500' - 11000' Cut brine. Lime for pH control (10-10.5).  
Wt 9.6-10.0 ppg, Vis 28-29sec  
11000' - 12400' Mud up with an Duo Vis/Flo Trol mud system.  
Wt 9.6-10.0ppg, Vis 32-36sec, WL<10cc

DISTRICT I  
1625 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

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

OIL CONSERVATION DIVISION

2040 South Pacheco  
Santa Fe, New Mexico 87504-2088

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-015-	Pool Code 74605	Pool Name Undesignated Cedar Lake, East Morrow
Property Code	Property Name OXY DOC SLAWIN FEDERAL	Well Number 2
OGRID No. 192463	Operator Name OXY USA WTP, L.P.	Elevation 3749'

Surface Location

UL or lot No. 1	Section 29	Township 17 S	Range 31 E	Lot Idn	Feet from the 1780	North/South line SOUTH	Feet from the 660	East/West line EAST	County EDDY
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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

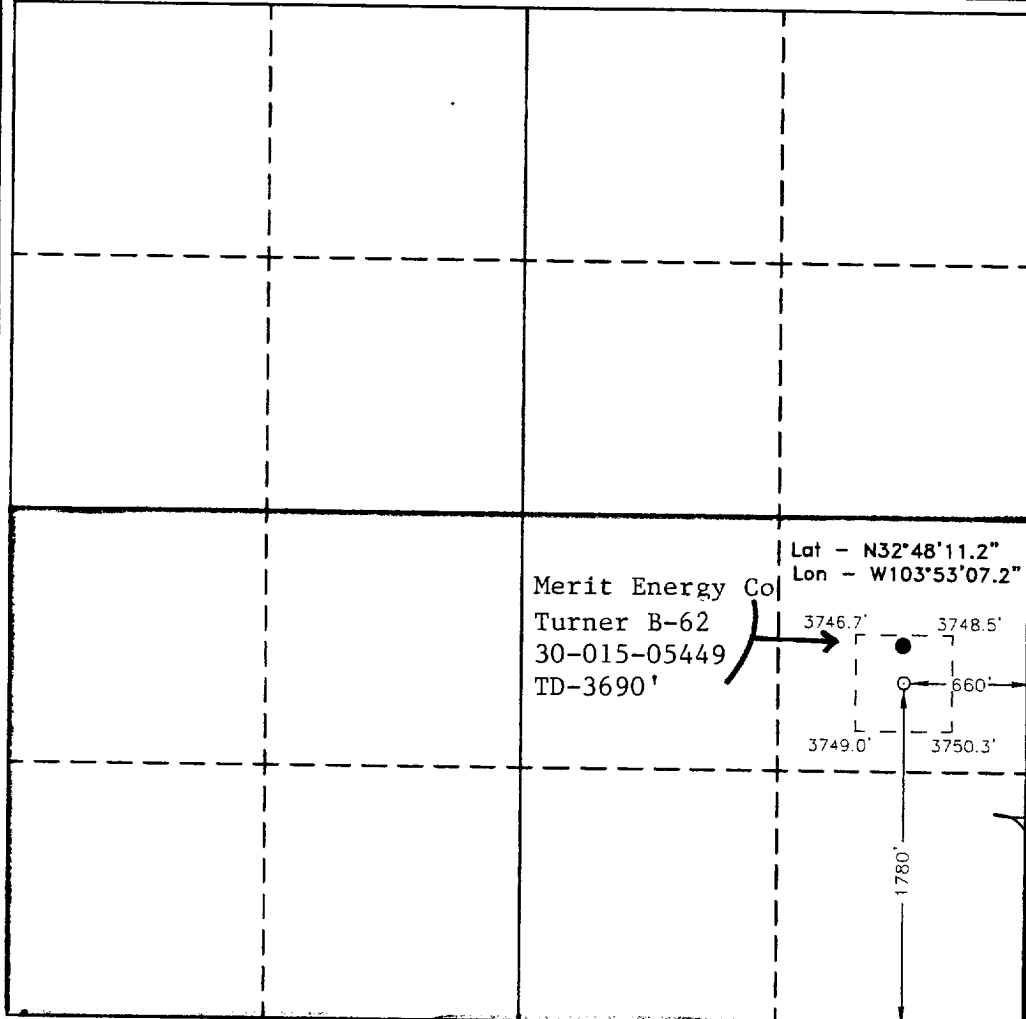

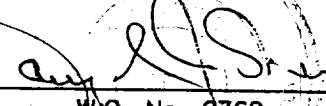
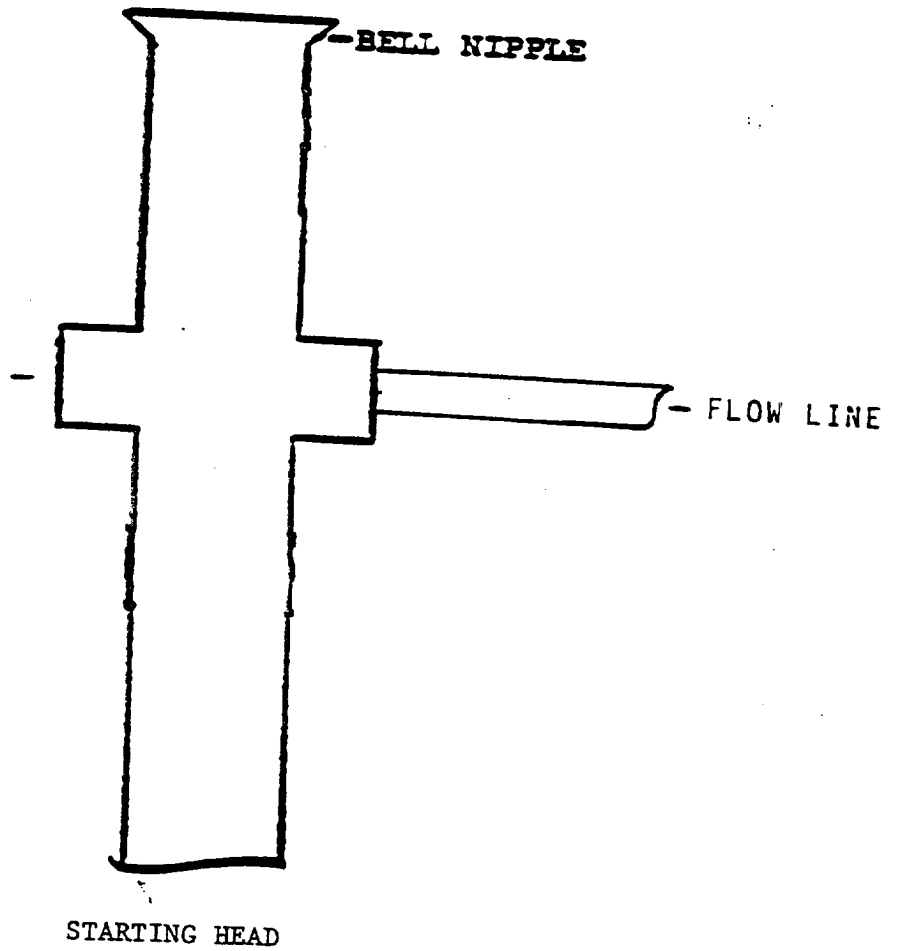
	<p>Lat - N32°48'11.2" Lon - W103°53'07.2"</p> <p>Merit Energy Co Turner B-62 30-015-05449 TD-3690'</p> <p>3746.7' 3748.5' 3749.0' 3750.3' 660' 1780'</p>	<p>OPERATOR CERTIFICATION</p> <p>I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief.</p> <p> Signature David Stewart Printed Name Sr. Regulatory Analyst Title 12/9/02 Date</p> <p>SURVEYOR CERTIFICATION</p> <p>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.</p> <p>SEPTEMBER 30, 2002 Date Surveyed Signature &amp; Seal of Professional Surveyor  W.O. No. 2762 Certificate No. Gary L. Jones 7977 BASIN SURVEYS</p>
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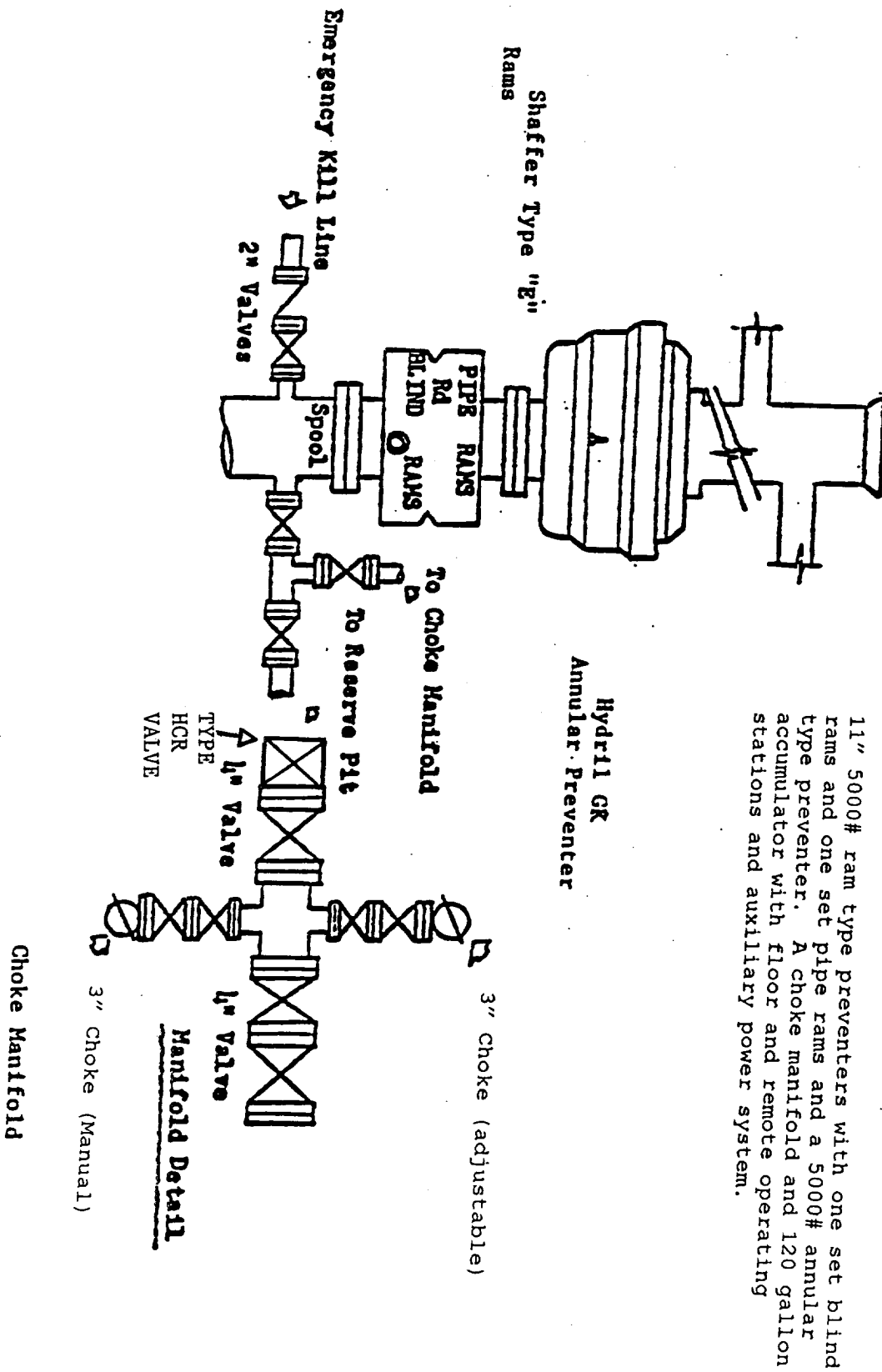
EXHIBIT A

ANNULAR PREVENTOR  
TO BE USED AS DIVERTOR ONLY



# BLOWOUT PREVENTOR SCHEME

EXHIBIT A



## **MULTI-POINT SURFACE USE AND OPERATIONS PLAN**

OXY USA WTP Limited Partnership  
OXY Doc Slawin Federal #2  
Eddy County, New Mexico  
Lease No. LC-029395B

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 CR 222 and SH 82, go south on CR 222 for .8 mile to a lease road. Go west on lease road for .1 mile to 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.

**Multi-Point Surface Use and Operations Plan**

**OXY Doc Slawin Federal #2**

**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 Doc Slawin Federal #2 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 22, T18S, R31E, 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 north and the pits to the west. Exhibit D.
- B. Leveling of the wellsite will be required with minimal cuts or fills anticipated.

**Multi-Point Surface Use and Operations Plan**

**OXY Doc Slawin Federal #2**

**Page 3**

- 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 without 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: Williams & Son Cattle Co., P.O. Box 30, Maljamar, NM 88264. 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 3749'.
- 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: No residence within 2 miles of the proposed location.
- F. Archaeological, Historical and Cultural Sites: Cultural resources have been recorded in the area. Geo-Marine Inc. will be engaged to make an archaeological reconnaissance of the work area.
- G. Land Use: Cattle ranching.



**Multi-Point Surface Use and Operations Plan**  
**OXY Doc Slawin Federal #2**  
**Page 4**

- 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

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

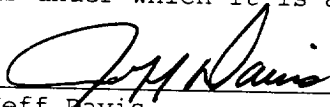
Calvin C. (Dusty) Weaver  
Operation Specialist  
P.O. Box 2000  
Levelland, TX 79336  
Office Phone: 806-229-9467  
Cellular: 806-893-3067

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

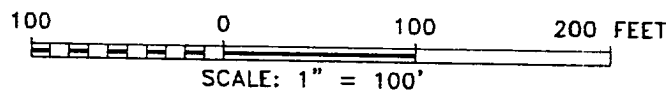
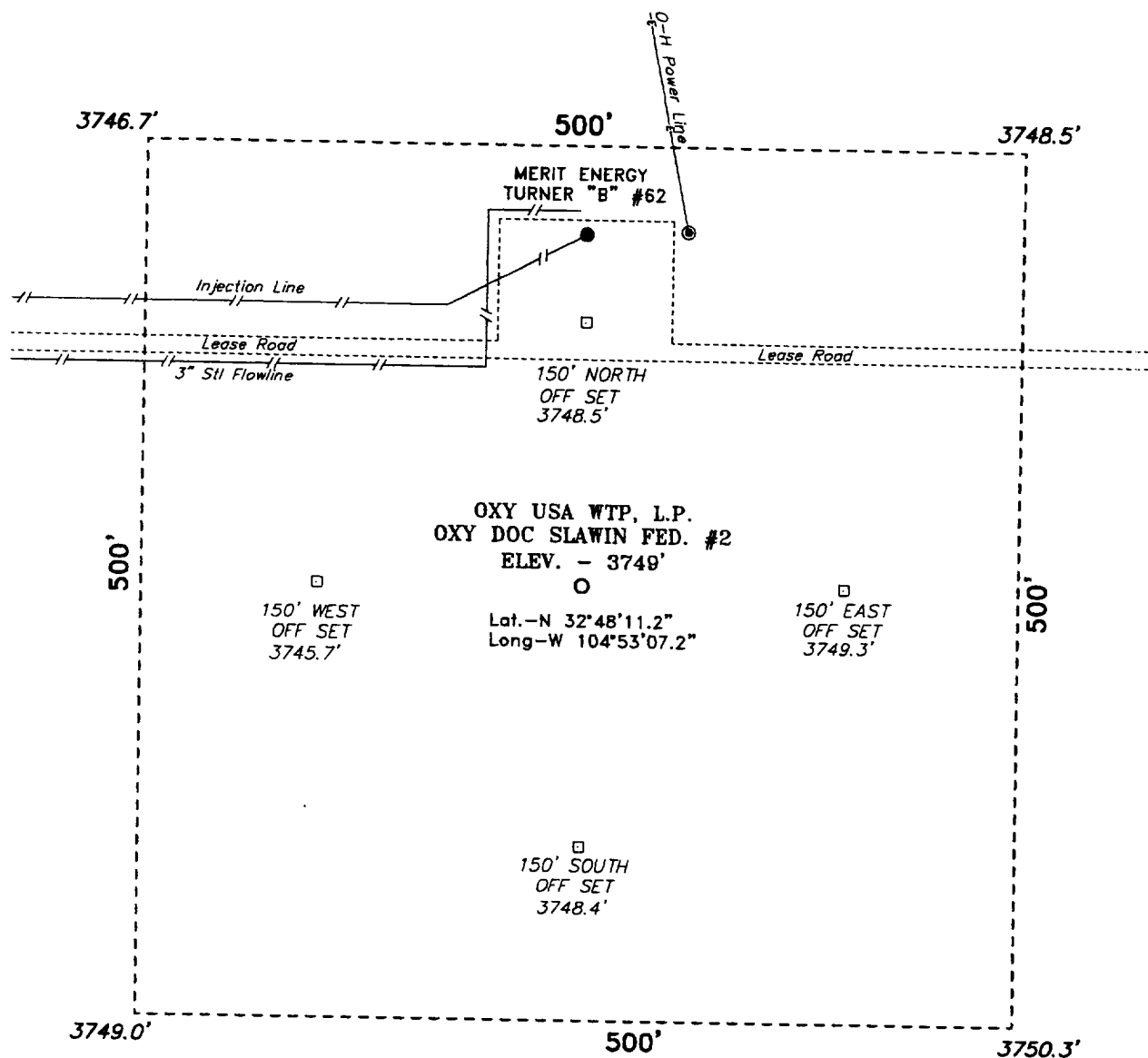
I hereby certify that I, or persons under my direct supervision, have inspected the proposed drill site and access route; that I am familiar with the conditions which presently exist; that the statements made in this plan are, to the best of my knowledge, true and correct; and, that the work associated 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.

DATE

12/9/02

  
Jeff Davis  
Sr. Engineering Technician  
915-685-5710  
South Permian Asset Team  
OXY USA WTP Limited Partnership

**SECTION 29, TOWNSHIP 17 SOUTH, RANGE 31 EAST, N.M.P.M.,  
EDDY COUNTY, NEW MEXICO.**



**Directions to Location:**

FROM THE JUNCTION OF CO. RD. 222 AND STATE HWY 82, GO SOUTH ON CO. RD. 222 FOR 0.8 MILE TO A LEASE ROAD; THENCE WEST ON LEASE ROAD FOR 0.1 MILE TO LOCATION.

**OXY USA WTP, L.P.**

REF: OXY DOC SLAWIN FED. #2 / Well Pad Topo

THE OXY DOC SLAWIN FED. No. 2 LOCATED 1780' FROM THE SOUTH LINE AND 660' FROM THE EAST LINE OF SECTION 29, TOWNSHIP 17 SOUTH, RANGE 31 EAST, N.M.P.M., EDDY COUNTY, NEW MEXICO.

**Basin Surveys** P.O. BOX 1786 - HOBBS, NEW MEXICO

W.O. Number: 2762

Drawn By: K. GOAD

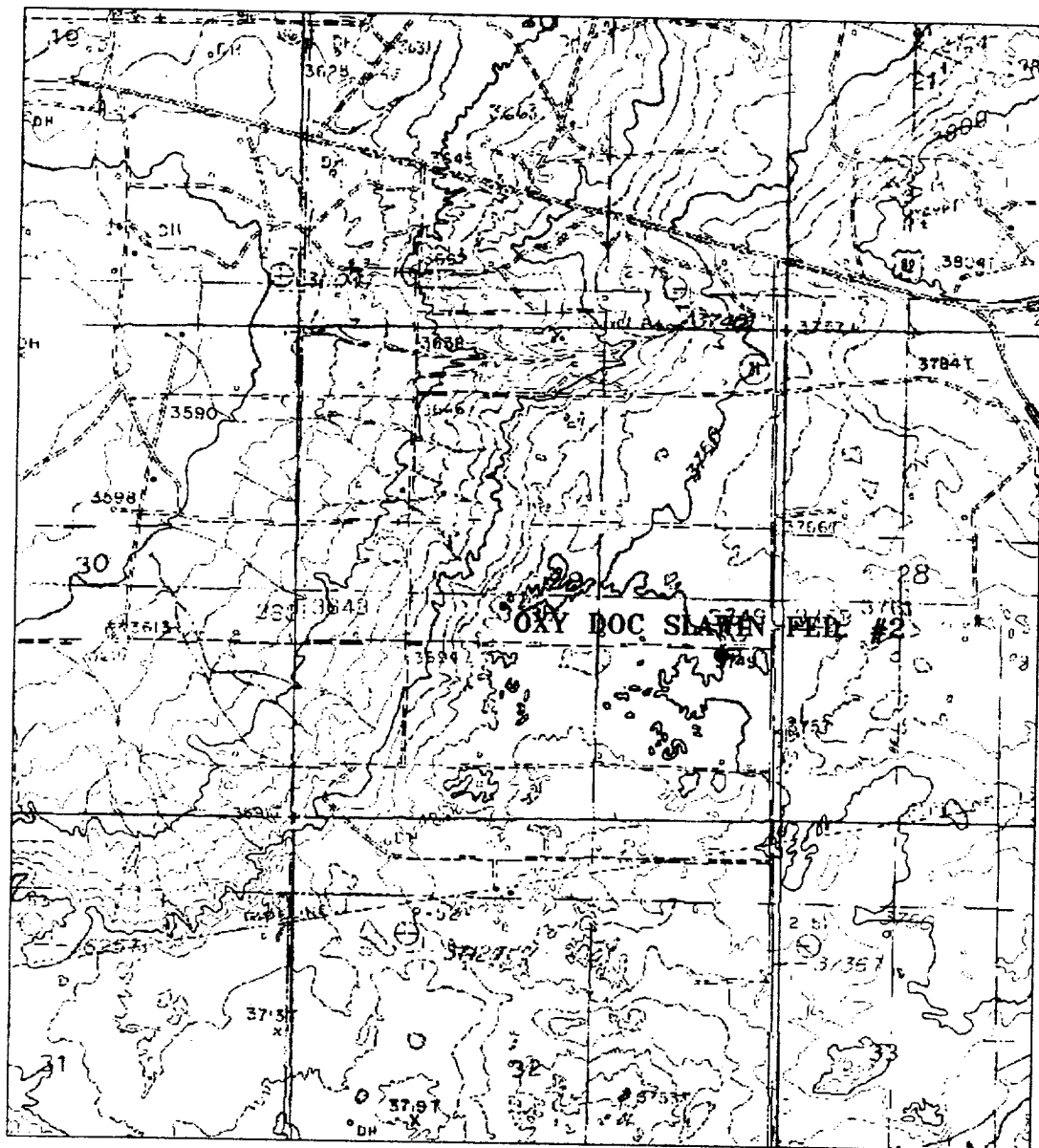
Date: 10-01-2002

Disk: KJG CD#5 - 2762B.DWG

Survey Date: 09-30-2002

Sheet 1 of 1 Sheets

# EXHIBIT B



## OXY DOC SLAWIN FEDERAL #2

Located at 1780' FSL and 660' FEL  
 Section 29, Township 17 South, Range 31 East,  
 N.M.P.M., Eddy County, New Mexico.

**basin**  
**surveys**

P.O. Box 1766  
 1120 N. West County Rd.  
 Hobbs, New Mexico 88241  
 (505) 393-7316 - Office  
 (505) 392-3074 - Fax  
 basin-surveys.com

N.D. Number: 276255 - K/D CD#4

Survey Date: 09-30-2002

Scale: 1" = 200'

Date: 10-01-2002

**OXY USA**  
**WTP, L.P.**

[illegible]

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

OXY USA  
WTP, L.P.

EXHIBIT C

OXY DOC SLAWIN FED

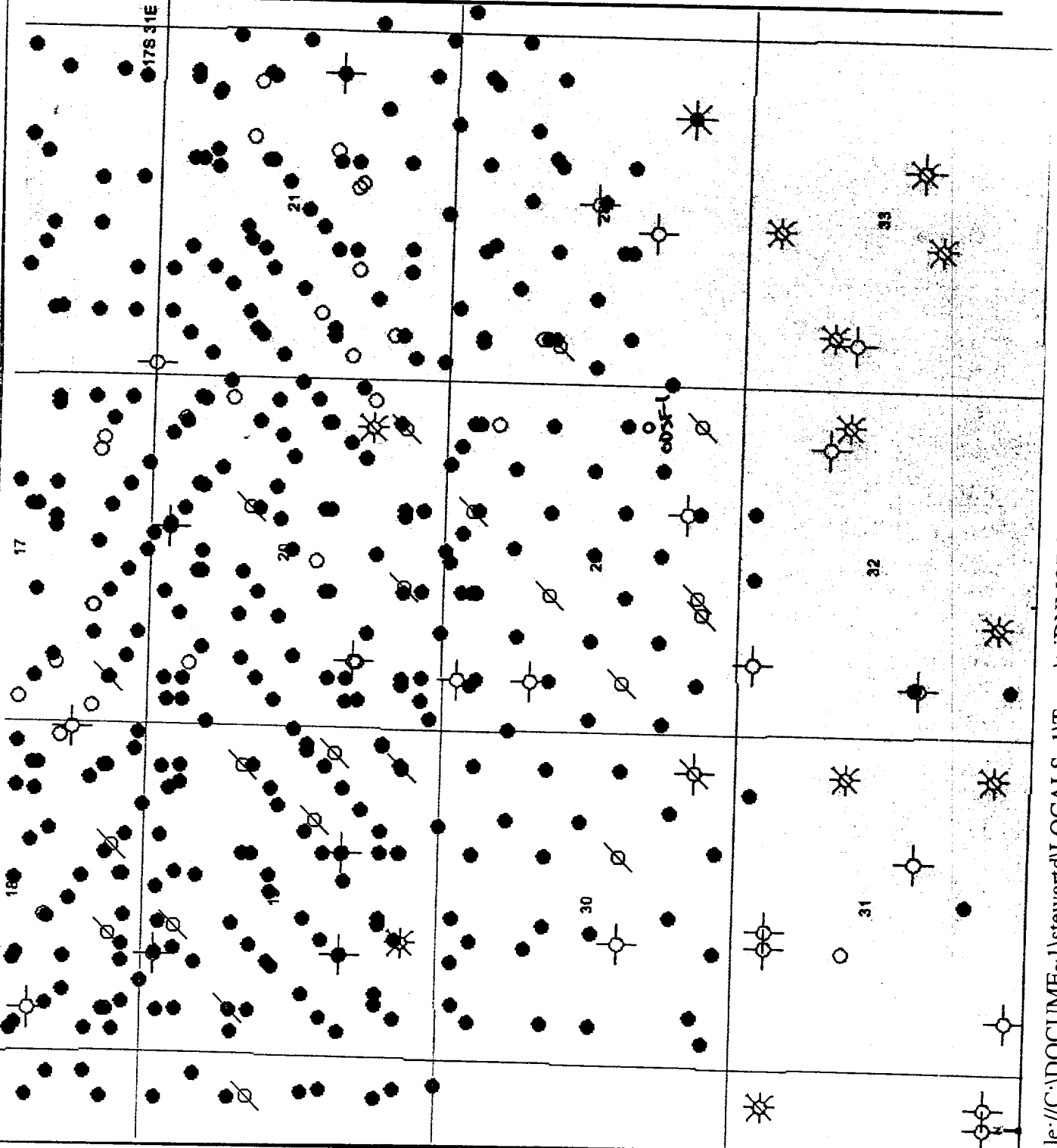
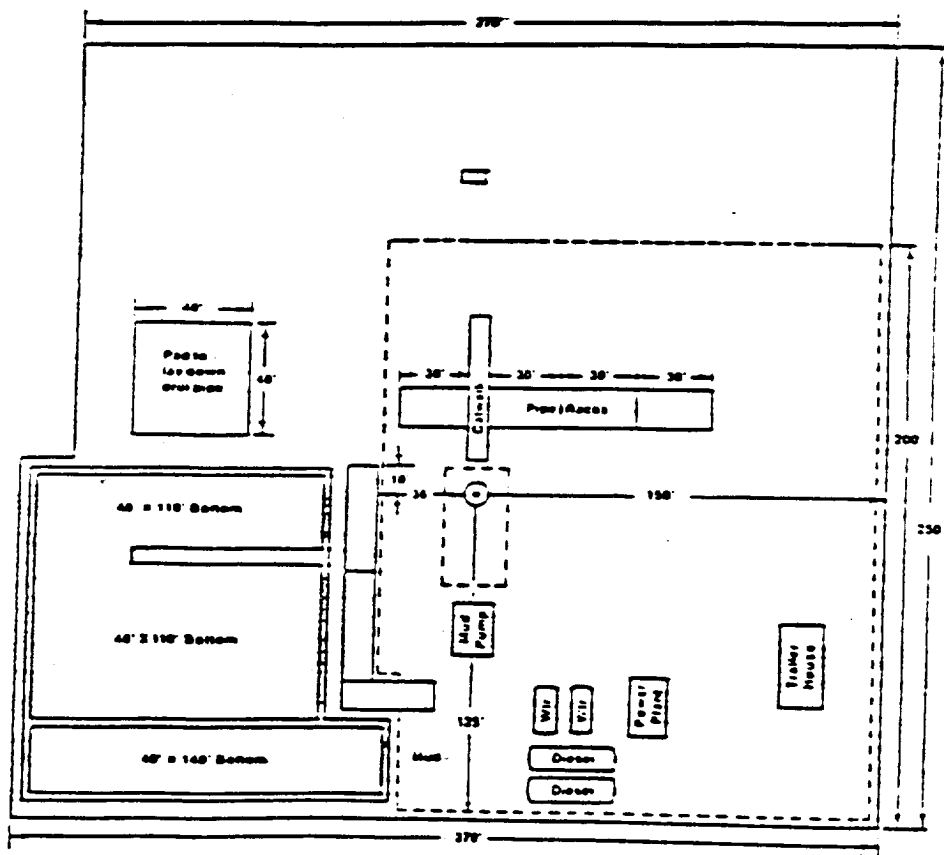


EXHIBIT D  
LOCATION PLAT



United States Department of the Interior  
Bureau of Land Management  
Roswell District  
2909 W. Second Street  
Roswell, New Mexico 88202

Attention: Armando A. Lopez

RE: OXY Doc Slawin Federal #2  
Section 29, T17S-R31E  
Eddy County, New Mexico

**STATEMENT ACCEPTING RESPONSIBILITY FOR OPERATIONS**

**OPERATOR NAME:** OXY USA WTP Limited Partnership  
**ADDRESS:** P. O. Box 50250  
Midland, Texas 79710

**The undersigned accepts all applicable terms, conditions, stipulations, and restrictions concerning operations conducted on the leased land or portion thereof, as described below:**

**LEASE NO.:** LC-029395-B

**LEGAL DESCRIPTION:** 1980' FSL and 660' FEL Section 29,  
T17S-R31E  
Eddy County, New Mexico

**FORMATIONS:** Limited to rights below the top of the  
Glorieta formation

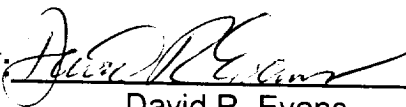
**BOND COVERAGE:** Nationwide

**BLM BOND FILE NO.:** ES 0136

OXY USA WTP Limited Partnership

**AUTHORIZED SIGNATURE:**

**BY:**



David R. Evans

*DRE*

**TITLE:** Sr. Landman Advisor  
**DATE:** September 26, 2002

cc: David Stewart

**TITLE PAGE/ABSTRACT/  
NEGATIVE SITE REPORT  
CFO/RFO**

1/95

1. BLM Report No.	2. (ACCEPTED)      (REJECTED)	3. NMCRIS No. 80773
4. Title of Report (Project Title)  OXY USA WTP, L.P.'s Doc Slawin Federal #2 Well Pad in Eddy County, NM		5. Project Date(s) 10/25/02 to _____
7. Consultant Name & Address: Direct Charge: Mark C. Slaughter Name: Geo-Marine Inc. Address: 150-A N. Festival Drive, El Paso, TX 79912 Authors Name: R.C. Medlock Field Personnel Names: R.C. Medlock Phone: (915)585-0168    El Paso (505) 234-9998    Carlsbad		6. Report Date 10/28/02
10. Sponsor Name and Address: Indiv. Responsible: Mr. Dusty Weaver Name: OXY USA WTP, L.P. Address: 2028 Buffalo Levelland, TX 79336 Phone: (806)894-8307		8. Permit No. 103-2920-02-R
		9. Consultant Report No. 635EP
		11. For BLM Use Only.
		12. ACREAGE: Total No. of acres surveyed: <u>5.74</u> SURFACE OWNERSHIP: Federal: <u>5.74</u> State: _____, Private: _____
13. Location: (Maps Attached if Negative Survey) a. State: New Mexico b. County: Eddy c. BLM Office Carlsbad d. Nearest City or Town: Loco Hills e. Legal Location: T <u>17S</u> R <u>31E</u> Sec. <u>29</u> ; NE 1/4 SE 1/4 Well Footages: 1780 FSL, 660 FEL f. USGS 7.5 Map Name(s) and Code Number(s): Loco Hills, NM (Provisional Edition 1985) 32103-G8 g. Area: Block: surveyed: 5.74 acres (500' x 500') Impact: Within staked area Linear: Surveyed: N/A Impact: N/A		



14. a. Records Search; ARMS: Date(s): 10/22/02 Name(s): R.C. Medlock  
BLM Office: Date(s): 10/22/02 Name(s): R.C. Medlock  
List Sites within .25 miles of Project: None  
Show sites within 500' on Project Map

b. Description of Undertaking:

Construction of a well pad; an access road is not needed because a lease road crosses the pad. An active well is within the 500' x 500'.

c. Environmental Setting (NRCS soil designation; vegetative community; etc.):

NRCS: Simona-Pajarito association: very shallow sandy soil with caliche outcrops.

Topography: Flat; low dunes, shallow basins.

Vegetation: Sagebrush, yucca, snakeweed.

Visibility: 80% due to locally heavy ground cover.

Elevation: 3750

d. Field Methods:

Parallel transects 15 meters apart

Crew size: 1

Time in field: 1.75 hrs

15. Cultural Resource Findings:

a. Identification and description

No cultural resources were encountered.

16. Management Summary (Recommendations):

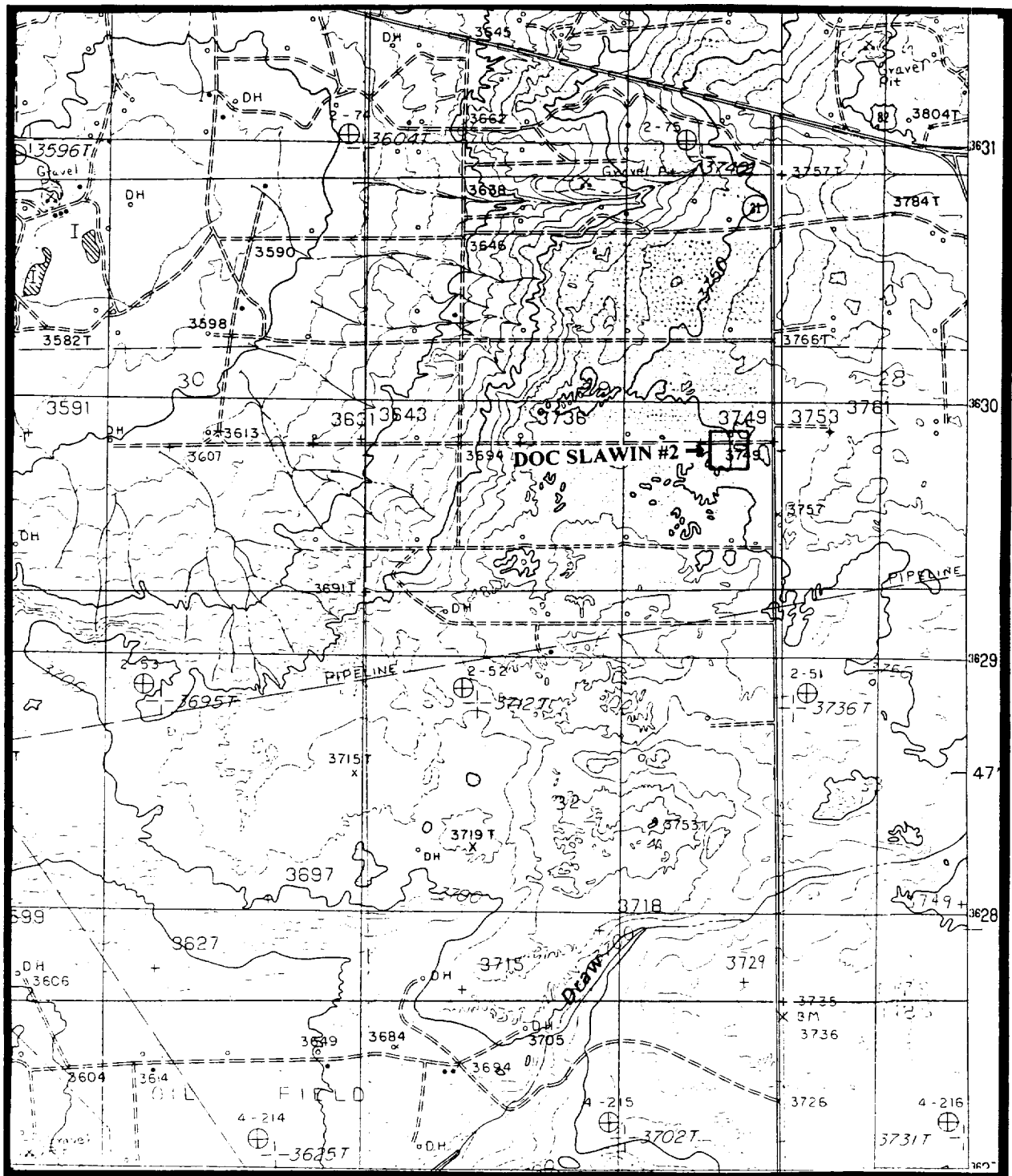
Archaeological clearance is recommended. A BLM archaeologist should be notified immediately if any cultural resources are encountered at any time.

I certify that the information provided above is correct and accurate and meets all appreciable BLM standards.

Responsible Archaeologist

R.C. Medlock  
Signature

10/28/02  
Date



OXY USA WTP, L. P.'s Proposed Doc Slawin Federal #2 Well Pad in Section 29, T17S, R31E, N.M.P.M., Eddy County, NM. Map Reference: U.S.G.S 7.5' Loco Hills, NM (Provisional Edition 1985).

**OXY USA WTP Limited Partnership**  
P.O. Box 50250, Midland, TX 79710-0250

December 9, 2002

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 WTP Limited Partnership  
OXY Doc Slawin Federal #2  
Eddy County, New Mexico  
Lease No. LC-029395B

Gentlemen:

OXY USA WTP Limited Partnership respectfully requests permission to drill our OXY Doc Slawin Federal #2 located 1780 FSL and 660 FEL of Section 29, T17S, R31E, Eddy County, New Mexico, Federal Lease No. LC-029395B. The proposed well will be drilled to a TD of approximately 12400' (TVD). The location and work area has been staked. It is approximately 6 miles east 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 September 30, 2002.
3. The elevation of the unprepared ground is 3749 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 12400' (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 12400' TVD.
7. Estimated tops of important geologic markers.

Wolfcamp	8500' TVD
Strawn	10700' TVD
Atoka	11000' TVD
Morrow	11300' TVD

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

Primary Objective:	Morrow	11300' TVD
Secondary Objective:	Atoka	11000' TVD

- Surface: 13-3/8" 48# H40 ST&C new casing set at 400'
- Intermediate: 9-5/8" 36# HCK/K55 ST&C new casing from 0-4500'
- Production: 5-1/2" 17# L80/S95 LT&C new casing from 0-12400'  
L80-8800' S95-3600'

- 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 4500' in 12-1/4" hole.  
Circulate cement with 800sx 35:65 POZ/C w/ 6% Bentonite + 2%  
CaCl<sub>2</sub> + .25#/sx Cello-Seal followed by 200sx Class C w/ 2%  
CaCl<sub>2</sub>.

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 12400' in 8-3/4" hole.  
Cement with 1200sx 15:61:11 POZ/C/CSE w/ .5% FL-25 + .5% FL-52 + 8#/sx Gilsonite followed by 100sx Class C w/ .7% FL-25.

Estimated top of cement is 6500'.

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

- ## 11. Pressure Control Equipment

0-400'	None
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400-4500'            13-3/8" 3M annular preventer, to be used as  
divertor only. Exhibit A

4500-12300' 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.
400-4500'	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.
4500-9500'	Fresh water. Lime for pH control (9-9.5). Paper for seepage. Wt. 8.3-8.5 ppg, vis 28-29 sec.
9500-11000'	Cut brine. Lime for pH control (10-10.5). Wt. 9.6-10.0 ppg, vis 28-29 sec.
11000-12300'	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 January 30, 2003. It should take approximately 30 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