

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

ARTESIA, SUPERVISOR'S OFFICE  
(SEE 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 1350 FNL 930 FEL SENE(H)

At proposed prod. zone

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

22 miles northwest of Carlsbad, NM

15. DISTANCE FROM PROPOSED\*

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

930'

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

9300'

20. ROTARY OR CABLE TOOLS

R

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

4216'

22. APPROX. DATE WORK WILL START\*

10/25/00

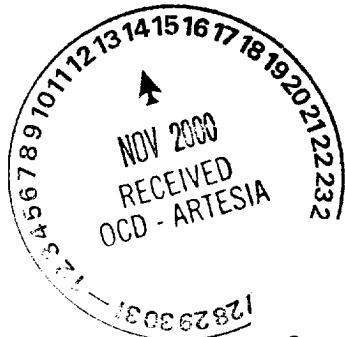
23.

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 - Circul
11"	8-5/8" K55	32#	2000'	555sx - Circul
7-7/8"	4-1/2" N80	11.6#	9300'	705sx - Est TOC 5400

CARLSBAD CONTROLLED WATER BASIN

WITNESS  
WITNESS



SEE OTHER SIDE

APPROVAL SUBJECT TO  
GENERAL REQUIREMENTS AND  
SPECIAL STIPULATIONS  
ATTACHED

Operator to notify NMOCD time of spud  
& time to witness 5/8" casing

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*

TITLE

DAVID STEWART  
REGULATORY ANALYST

DATE

9/25/00

(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

/S/ LARRY D. GRAY

Assistant Field Manager,  
Lands And Minerals

APPROVED BY

TITLE

DATE

NOV 1 2000

\*See Instructions On Reverse Side

APPROVED FOR 1 YEAR

OXY Penny Loafer Federal #1  
1350 FNL 930 FEL SEC 23 T21S R22E Eddy County, NM  
Federal Lease No. NM 91500

PROPOSED TD: 9300' TVD

BOP PROGRAM: 0' - 400' None

400' - 2000' 11" 5M blind and pipe rams with 5M annular preventer.

2000' - 9300' 11" 5M blind pipe rams with 5M annular preventer and rotating head below 6000'.

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

Intermediate: 8-5/8" OD 32# K55 ST&C new casing from 0-2000'

Production: 4-1/2" OD 11.6# N80 LT&C new casing from 0-9300'

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 355sx 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 630sx 15:61:11 POZ/C/CSE with .5% FL-25 + .5% FL-52 + 8#/sx Gilsonite followed by 75sx Cl C with .7% FL-25.  
Estimated top of cement is 5400'.

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' - 2000' 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 increase to 20000PPM.

2000' - 5700' Fresh water. Lime for pH control (9-9.5).  
Paper for seepage.  
Wt 8.3-8.5 ppg, Vis 28-29 sec

5700' - 8300' Cut brine. Lime for pH control (10-10.5).  
Wt 9.6-10.0 ppg, Vis 28-29sec

8300' - 9300' Mud up with an Duo Vis/Flo Trol mud system.  
Wt 9.6-10.0ppg, Vis 32-36sec, WL<10cc