

District I  
PO Box 1980, Hobbs, NM 88241-1980  
District II  
PO Drawer DD, Artesia, NM 88211-0719  
District III  
1000 Rio Brazos Rd., Aztec, NM 87410  
District IV  
PO Box 2088, Santa Fe, NM 87504-2088

State of New Mexico  
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION  
PO Box 2088  
Santa Fe, NM 87504-2088

Form C-101  
Revised February 10, 1994  
Instructions on back  
Submit to Appropriate District Office  
State Lease - 6 Copies  
Fee Lease - 5 Copies

☐ AMENDED REPORT

APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE

Operator Name and Address: OXY USA Inc. P.O. Box 50250 Midland, TX 79710-0250		OGRID Number 16696
		API Number 30-01S-30373
Property Code 23615	Property Name OXY Ironhorse State	Well No. 1

Surface Location

UL or lot no.	Section	Township	Range	Lot Ids	Feet from the	North/South line	Feet from the	East/West line	County
N	27	23S	26E		660	South	1650	West	Eddy

Proposed Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Ids	Feet from the	North/South line	Feet from the	East/West line	County
Proposed Pool 1 Carlsbad Morrow, South 73960					Proposed Pool 2				

Work Type Code N	Well Type Code G	Cable/Rotary R	Lease Type Code S	Ground Level Elevation 3310'
Multiple No	Proposed Depth 12000'	Formation Morrow	Contractor N/A	Spud Date 9/1/98

Proposed Casing and Cement Program

Hole Size	Casing Size	Casing weight/foot	Setting Depth	Sacks of Cement	Estimated TOC
17-1/2"	13-3/8"	48#	400'	445	Surface
11"	8-5/8"	32#	3000'	980	Surface
7-7/8"	4-1/2"	11.6#	12000'	755	6700'
18 Hours WOC 13 3/8" casing					

Describe the proposed program. If this application is to DEEPEN or PLUG BACK give the data on the present productive zone and proposed new productive zone. Describe the blowout prevention program, if any. Use additional sheets if necessary.

See Other Side

Post ID-1  
8-31-98  
APE + Loc

JUL  
RECEIVED  
OCD - ARTESIA

NSL- 4112 8/13/98

I hereby certify that the information given above is true and complete to the best of my knowledge and belief. Signature: <i>David Stewart</i>		OIL CONSERVATION DIVISION	
Printed name: David Stewart		Approved by: ORIGINAL SIGNED BY TIM W. GUN	
Title: Regulatory Analyst		Title: DISTRICT IV SUPERVISOR	
Date: 7/22/98		Approval Date: 8-17-98 Expiration Date: 8-17-99	
Phone: 915-685-5717		Conditions of Approval: Attached <input type="checkbox"/>	

ATTACHMENT C-101  
OKY USA Inc.  
OKY IRONHORSE STATE #1  
SEC 27 T23S R26E  
Eddy County, NM

PROPOSED TD: 12000' TVD

BOP PROGRAM: 0' - 400' None  
400'-3000' 13-3/8" 5M blind and pipe rams with 5M annular preventer.  
3000'-12000' 13-3/8" 5M blind and pipe rams with 5M annular preventer and rotating head below 8500'.

CASING: 13-3/8" 48# H40 ST&C casing @ 400'. 17-1/2" hole.  
8-5/8" 32# K55 ST&C casing @ 3000', 11" hole  
5-1/2" 17# N80 LT&C casing @ 12000', 7-7/8" hole.

CEMENT: Surface - Circulate cement with 245sx 35/65 POZ/C w/ 2%  $\text{CaCl}_2$  + 6% Bentonite + .25#/sx Cello Flake followed by 200sx Cl C w/ 2%  $\text{CaCl}_2$ .  
Intermediate - Circulate cement with 780sx 35/65 POZ/C w/ 6% gel + 5#/sx salt + .25#/sx Cello Flake + 5#/sx Gilsonite + 6% Bentonite followed by 200sx Cl C w/ 2%  $\text{CaCl}_2$ . Cement volumes may be adjusted to fluid caliper.  
Production - Cement with 680sx 15/61/11 POZ/C/Silica Fume w/ .5% FL-25 + .5% FL-52 + 8#/sx Gilsonite followed by 75sx Cl C w/ .1% FL-25. Estimated top of cement is 6700'. Cement volumes may be adjusted to hole caliper.

MUD: 0' - 400' FW/Native Mud. Lime for pH control (9-10).  
Paper for seepage.  
Wt. 8.6-9.2ppg, vis 32-34sec.  
400' - 3000' Brine water. Caustic for pH control (10-10.5).  
Paper for seepage.  
Wt. 9.6-10ppg, vis 28-29sec.  
3000' - 8400' Fresh water. Caustic for pH control (9-9.5).  
Paper for seepage.  
Wt. 8.3-9.2ppg, vis 28-29sec  
8400' - 10200' Cut brine. Caustic for pH control (10-10.5).  
Wt. 9.2-9.8ppg, vis 28-34sec  
10200' - 12000' Mud up with a XCD Polymer system  
Wt. 9.5-10.5ppg, vis 44-48sec WL 8cc.

DISTRICT I  
P.O. Box 1980, Hobbs, NM 88240

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P.O. Drawer DD, Artesia, NM 88210

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

State of New Mexico  
Energy, Minerals and Natural Resources Department

Form C-102  
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Fee Lease - 3 Copies

OIL CONSERVATION DIVISION

P.O. Box 2088  
Santa Fe, New Mexico 87504-2088

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-015-	Pool Code 73960	Pool Name Carlsbad Morrow, South
Property Code	Property Name OXY IRONHORSE STATE	Well Number 1
OGRID No. 16696	Operator Name OXY USA INC	Elevation 3310'

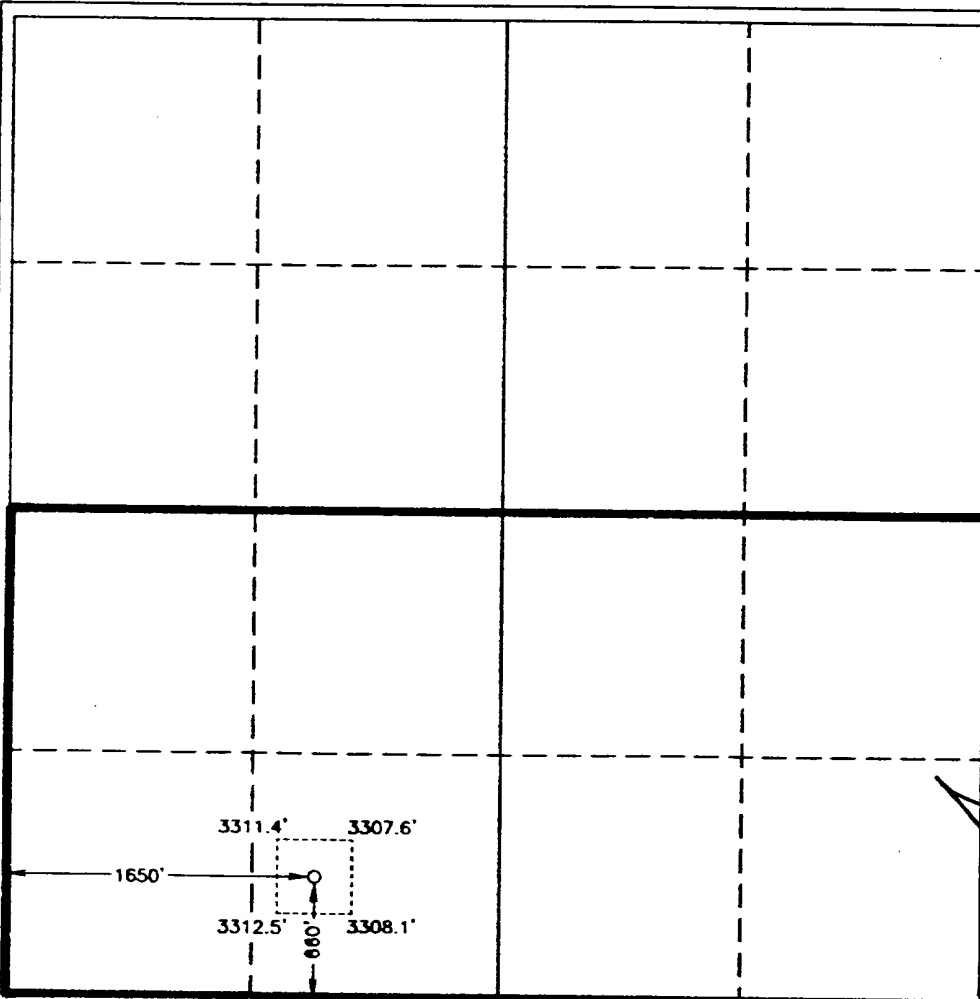
Surface Location

UL or lot No. N	Section 27	Township 23 S	Range 26 E	Lot Idn	Feet from the 660	North/South line SOUTH	Feet from the 1650	East/West line WEST	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



OPERATOR CERTIFICATION

I hereby certify the information contained herein is true and complete to the best of my knowledge and belief.

*David Stewart*  
Signature

David Stewart  
Printed Name

Regulatory Analyst  
Title

7/22/98  
Date

SURVEYOR CERTIFICATION

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.

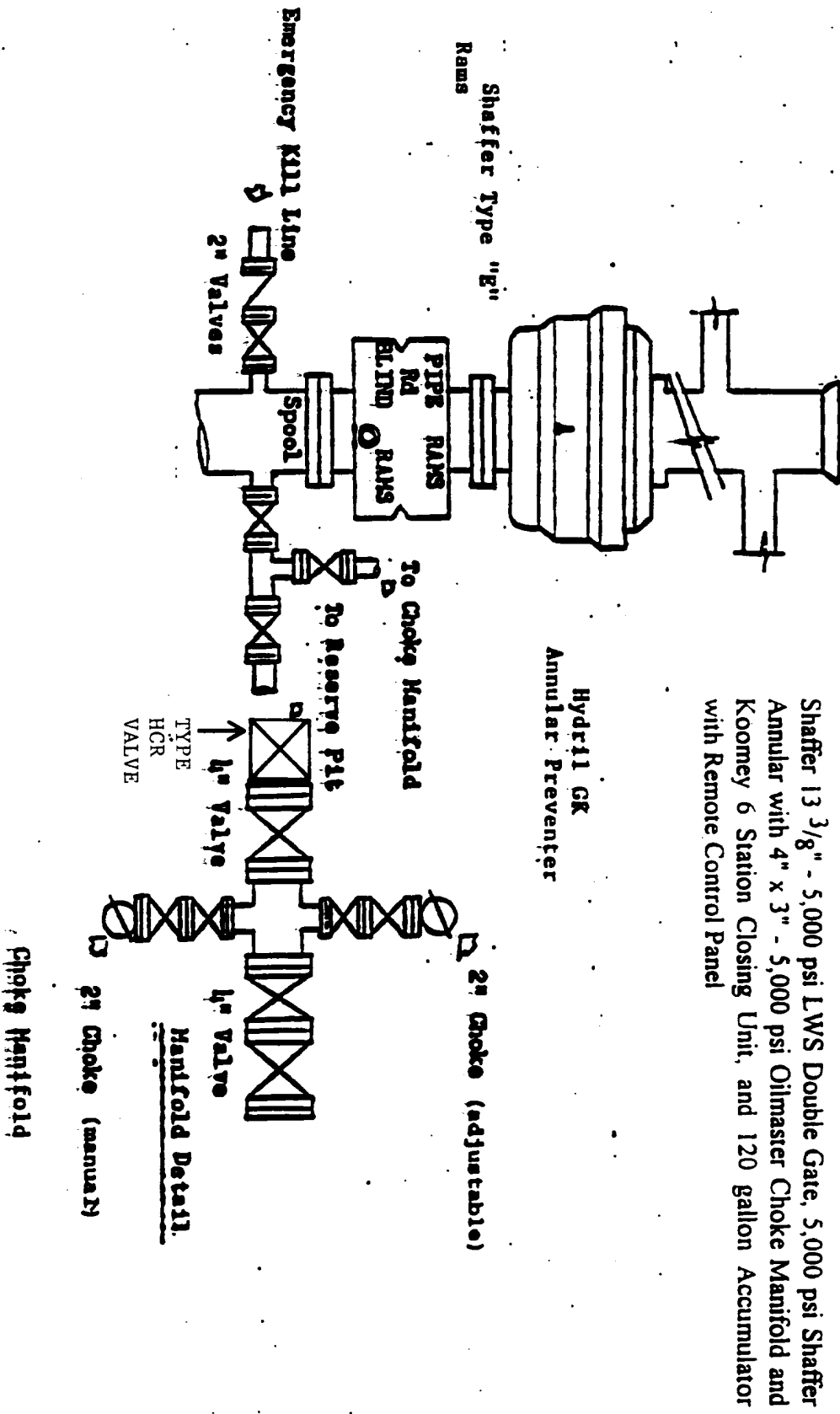
GARY L. JONES  
June 9, 1998  
Date Surveyed  
Signature & Seal of Professional Surveyor  
REGISTERED SURVEYOR  
No. 8252

Certificate No. Gary L. Jones 7977

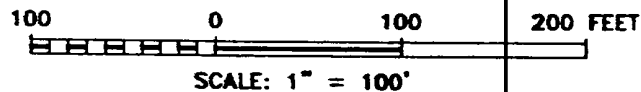
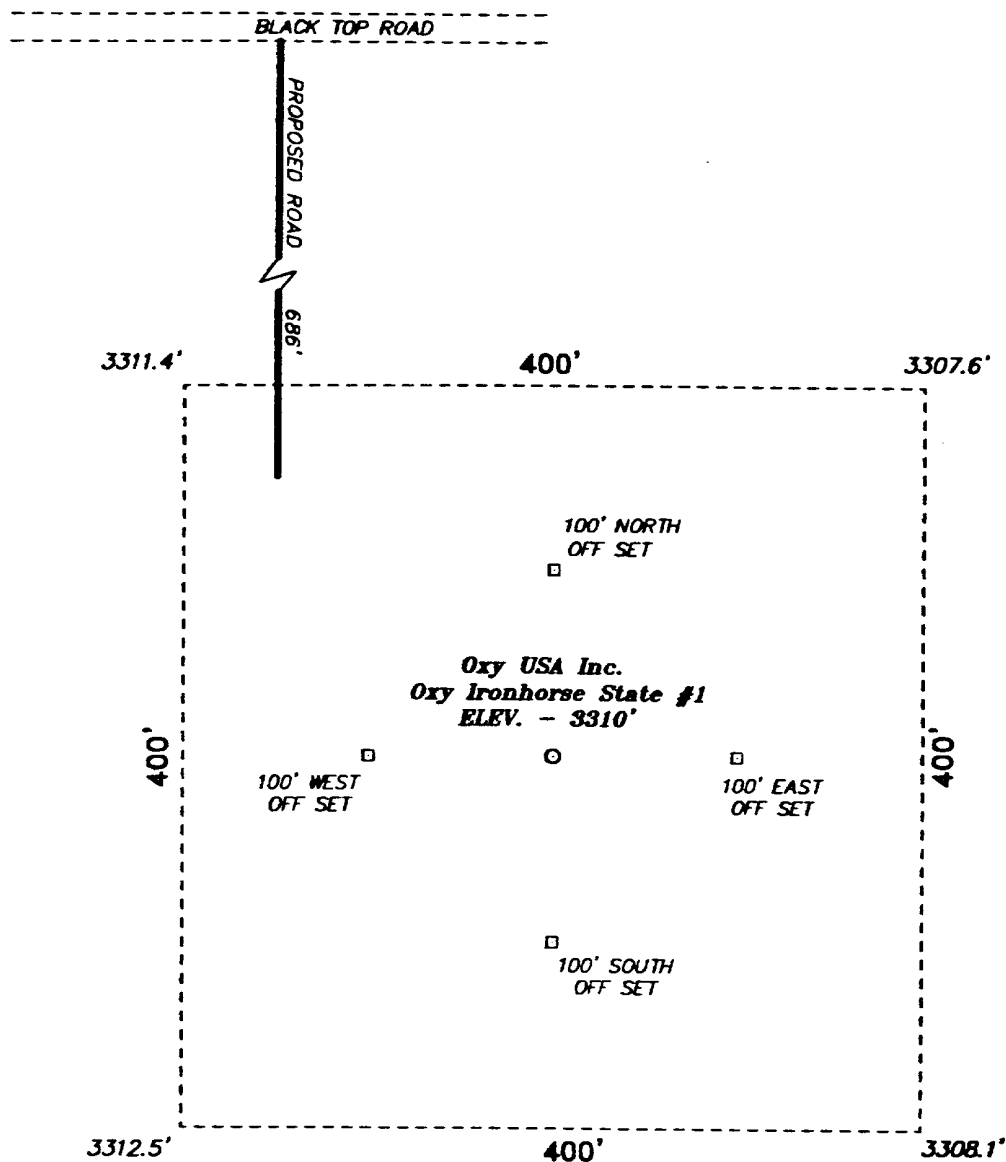
BASIN SURVEYS

# BLOWOUT PREVENTOR SCHEME

EXHIBIT A



SECTION 27, TOWNSHIP 23 SOUTH, RANGE 26 EAST, N.M.P.M.,  
EDDY COUNTY, NEW MEXICO.



**Oxy USA Inc.**

REF: Oxy Ironhorse State No. 1/ Well Pad Topo

THE OXY IRONHORSE STATE No. 1 LOCATED 686' FROM  
SOUTH LINE AND 1650' FROM THE WEST LINE OF  
SECTION 27, TOWNSHIP 23 SOUTH, RANGE 26 EAST,  
N.M.P.M., EDDY COUNTY, NEW MEXICO.

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

W.O. Number: 8262

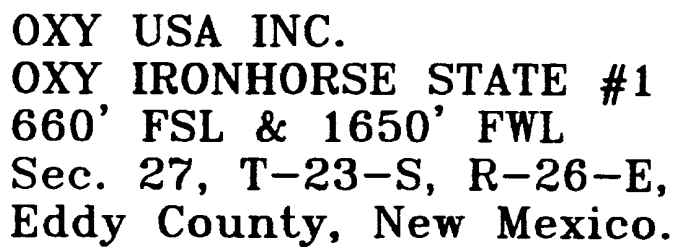
Drawn By: K. GOAD

Date: 06-10-98

Disk: KJG #115 - 8262A.DWG.DWG

Survey Date: 06-09-98

Sheet 1 of 1 Sheets



## BASIN SURVEYS

Sheet 1 of 1 Sheets



NEW MEXICO ENERGY, MINERALS  
& NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION  
2040 South Pacheco Street  
Santa Fe, New Mexico 87505  
(505) 827-7131

File

August 13, 1998

OXY USA, Inc.  
P. O. Box 50250  
Midland, Texas 79710-0250  
Attention: David Stewart



**Administrative Order NSL-4112**

Dear Mr. Stewart:

Reference is made to your application dated July 22, 1998 for an unorthodox gas well location in the South Carlsbad-Morrow Gas Pool for your proposed OXY Ironhorse State Well No. 1 to be drilled 660 feet from the South line and 1650 feet from the West line (Unit N) of Section 27, Township 23 South, Range 26 East, NMPM, Eddy County, New Mexico.

The S/2 of said Section 27 being a standard 320-acre gas spacing and proration unit for the South Carlsbad-Morrow Gas Pool is to be dedicated to this well.

Rules, regulations, and policies currently governing the South Carlsbad-Morrow Gas Pool include, but are not necessarily limited to, the following:

- (i) Rule 104.F of the General Rules and Regulations of the New Mexico Oil Conservation Division ("Division");
- (ii) the "*General Rules for the Prorated Gas Pools of New Mexico/Special Rules and Regulations for the South Carlsbad-Morrow Gas Pool*," as promulgated by Division Order No. R-8170, as amended, which includes provisions for 320-acre spacing and requirements for well locations to be no closer than 660 feet to the side boundary nor 1980 feet from the end boundary of the proration unit nor closer than 330 feet to any quarter-quarter section or subdivision inner boundary;
- (iii) Division Order No. R-10328, issued by the New Mexico Oil Conservation Commission in Case No. 11211 on March 27, 1995, which suspended gas prorationing in the South Carlsbad-Morrow Gas Pool; and,
- (vi) Division General Rule 104.D(3), which limits the number of wells in a single spacing unit in non-prorated pools to one.

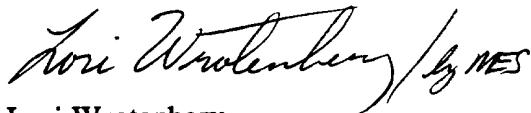
Administrative Order NSL-4112  
OXY USA, Inc.  
August 13, 1998  
Page 2

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The geologic interpretation submitted with this application indicates that a well drilled at the proposed unorthodox gas well location will be at a more favorable geologic position within the Morrow formation than a well drilled at a location considered to be standard within the SW/4 of Section 27 for the South Carlsbad-Morrow Gas Pool.

By the authority granted me under the provisions of RULE 2(d) of the "*General Rules for the Prorated Gas Pools of New Mexico/Special Rules and Regulations for the South Carlsbad-Morrow Gas Pool*," as promulgated by Division Order No. R-8170, as amended, and Division General Rule 104.F(2), the above-described unorthodox gas well location is hereby approved.

Sincerely,

Handwritten signature of Lori Wrotenbery in cursive, followed by the initials "LW/MES".

Lori Wrotenbery  
Director

LW/MES/kv

cc: New Mexico Oil Conservation Division - Artesia /  
New Mexico State Land Office - Santa Fe