District I

16. Multiple

N

Depth to Ground water

1625 N. French Dr., Hobbs, NM 88240 Phone:(575) 393-6161 Fax:(575) 393-0720

District II 811 S. First St., Artesia, NM 88210 Phone:(575) 748-1283 Fax:(575) 748-9720 District III 1000 Rio Brazos Rd., Aztec, NM 87410 Phone:(505) 334-6178 Fax:(505) 334-6170

District IV 1220 S. St Francis Dr., Santa Fe, NM 87505 Phone:(505) 476-3470 Fax:(505) 476-3462

State of New Mexico **Energy, Minerals and Natural Resources** Oil Conservation Division 1220 S. St Francis Dr. Santa Fe, NM 87505

Form C-101 August 1, 2011

Permit 221568

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

| | | APPLIC | ATION FOR | PERMIT | TO DRIL | L, RE | -ENTER, DEEP | EN, P | LUGBAC | CK, OR ADD | AZO | NE | | |
|----------------------|-----------------------------------|----------------------|------------------------|---------------|---------|---------|---------------------------------|-------|-------------|--------------|---------|------------------------------|--------|------|
| 0) | ame and Address XY USA WTP LIM | TED PARTNER | SHIP | | | | | | | | 2. OGF | RID Number 192463 | | |
| | O Box 4294 ouston, TX 77210 | | | | | | | | | | 3. API | Number 30-015-4383 | 4 | |
| 4. Property Co 31 | ode 16370 | | 5. Property Nam COF | e RRAL FLY | 2 STATE | | | | | | 6. Well | No. 003H | | |
| | | | | | | 7. Sui | face Location | | | | | | | |
| UL - Lot D | Section 2 | Township 25 | Range S | 29E | Lot Idn | 4 | Feet From 465 | N/S | Line N | Feet From 59 | 95 | E/W Line W | County | Eddy |
| | | | | | 8. Prop | osed | Bottom Hole Locat | tion | | | | | | |
| UL - Lot M | Section 2 | Township 25 | Range | 29E | Lot Idn | М | Feet From 180 | N/S | S Line S | Feet From | 40 | E/W Line W | County | Eddy |
| | | | | | | 9. Po | ol Information | | | | | | | |
| PIERCE CR | ROSSING; BONE | SPRING, EAST | | | | | A second of a self-second state | | | | | 96 | 3473 | |
| | | | | | Add | litiona | I Well Information | | | | | | | |
| 11. Work Type Ne | e ew Well | 12. Well Type OIL | • | 13. Cable/F | Rotary | | | | 14. Lease T | ype State | 15. Gro | ound Level Elevation 3003 | | |

We will be using a closed-loop system in lieu of lined pits

Type

Double Ram

18. Formation

17. Proposed Depth

2nd Bone Spring Sand

Distance from nearest fresh water well

| | | | 21. Proposed Casing | and Cement Program | | |
|---------|-----------|-------------|---------------------|--------------------|-----------------|---------------|
| Type | Hole Size | Casing Size | Casing Weight/ft | Setting Depth | Sacks of Cement | Estimated TOC |
| Surf | 14.75 | 10.75 | 40.5 | 400 | 265 | 0 |
| Prod | 9.875 | 7.625 | 26.4 | 8226 | 1941 | 0 |
| l iner1 | 6.75 | 5.5 | 17 | 13563 | 352 | 8126 |

Casing/Cement Program: Additional Comments

Proposed Casing/Cementing Program: Intermediate 1 – Contingency DVT/ECP @ +/- 3183'. If cement circulates to surface during primary cementing operation, DVT cancellation cone will be run and 2nd stage cancelled. Proposed Mud Program: 0-400' FW GeI - 400-3183' Saturated Brine - 3183-8226' EnerSeal (MMH) - 8226'-TD Oil Based Mud. BOP Program: 13-5/8" 5M three ram stack w/5M annular preventer, 5M choke manifold. Additional information will be sent along with the H2S plan.

> 22. Proposed Blowout Prevention Program Working Pressure Test Pressure Manufacturer 5000 5000

19. Contractor

7/7/2017

Distance to nearest surface water

| 23. I hereby certify that the information given above is true and complete to the best of my knowledge and belief. I further certify I have complied with 19.15.14.9 (A) NMAC ☒ and/or 19.15.14.9 (B) NMAC ☒, if applicable. Signature: | | | | OIL CONSERVATIO | N DIVISION |
|---|-----------------------------------|--|--------------------|-----------------|----------------------------|
| Printed Name: | Electronically filed by KELLEY MO | NTGOMERY | Approved By: | Paul Kautz | |
| Title: | Manager Regulatory | No. of the Control of | Title: | Geologist | 5.105004 |
| Email Address: | kelley_montgomery@oxy.com | | Approved Date: | 6/28/2016 | Expiration Date: 6/28/2018 |
| Date: | 6/27/2016 | Phone: 713-366-5716 | Conditions of Appr | oval Attached | |

District I
1623 N. French Dr., Hobbs, NM 88240
Please: (873) 193-6161 Fax: (873) 393-6720
District II
811 S. First St., Artesia, NM 88220
Please: (873) 748-1281 Fax: (873) 748-9720
District III
1000 Riss Brusse Rand, Aries, NM 87410
Please: (503) 334-6178 Fax: (503) 334-6170
District IV

5069.09' IN ALL

GRID AZ = 180°00 35"

PROJECT AREA

440 440

340

330

TOP PERF. NEW MEXICO EAST NAC 1927 Y=424119.87 US FT X=614974.02 US FT LAT: N 32.1654768' LONG: W 103.9617753'

BOTTOM PERF. NEW MEXICO EAST NAO 1927 Y=419500.07 US FT X=614973.11 US FT LAT.: N 32.15277772 LONG: W 103.9618298

BOTTOM HOLE LOCATION NEW MEXICO EAST NAD 1927 Y=419340.08 US FT X=614973.08 US FT LAT: N 32.1523374' LONG: W 103.9618317'

State of New Mexico Energy, Minerals & Natural Resources Department OIL CONSERVATION DIVISION 1220 South St. Francis Dr. Santa Fe. NM 87505

Form C-102 Revised August 1, 2011 Submit one copy to appropriate District Office

david stewent ouy. com

Spoon on instantal surveys

and shu the

Noveleys

WO# 151013WL-0 (Rev. A) (KA)

SURVEYOR CERTIFICATION

Signature and Society SIONAL Professional Survey SIONAL Professional SIONAL Professional Survey SIONAL Professional SIONAL Pr

I hereby ce

plat was py made by

| 1220 S. St. France Phone: (505) 476- | | | | | | | | | AMEN | DED REPORT | |
|---|---|-----------------|---|-----------------|----------|--|--|---------------|---|-------------------|----------------------|
| | | | WELL LOCA | TION AND |) ACI | REAGE D | EDICATIO | N PLAT | | | |
| | AP | Number | 1 | lool Code | T | | | Pool Name | | ····· | |
| 30-0 | | | 96473 Pierce Crossing Bone Spring, East | | | | | | | East | |
| Property Code Property Name Well Numbe | | | | | | | /ell Number | | | | |
| CORRAL FLY "2" STATE | | | | | | | *************************************** | | ЗН | | |
| | RID No. | | | | Operato. | | | | | | Elevation |
| 1924 | (63 | | | OX | Y US | SA WIF | 9 LY | - | ************************ | 30 | 003.2' |
| g | e in species and a second and a | 3.000 | | Surfa | | ocation | | | | | |
| UL or lot no. | 1 1 | Township | Rang | | Lot Idn | | North/South line | Feet from the | East/W | est line | County |
| 4 | 2 | 25 SOUTH | 29 EAST, | N. M. P. M. | | 465' | NORTH | 595' | WES | ST | EDDY |
| C | -d-recessione | | Bottom H | Iole Locatio | on If I | Different I | From Surfac | :e | *************************************** | | |
| UL or lot no. | Section | Township | Rang | 2 | Lot Idn | dn Feet from the North/South line Feet | | Feet from the | East/W | est line | County |
| М | 2 | 25 SOUTH | 29 EAST, | N. M. P. M. | | 180' | SOUTH | 440' | WES | ST | EDDY |
| Dedicated | l Acres | Joint or Infill | Consolidation Code | : Order No. | | 1 | A. (100.000.000.000.000.000.000.000.000.000 | L | *************************************** | | L |
| 16 | 0 | Yes | savojeno ovas | | | | | | | | |
| No allowa | able wi | | to this completion | until all inter | ests ha | ve been con | solidated or a | non-standard | unit has l | been appi | roved by the |
| division. 50 | | | | | | | | | | • • • | • |
| | 7.55 | TITTE VITTE | | | | | | 1 0 | PERATOR (| CUPTIE | 4 77/3 N |
| 2442 P | 34 5 | | ICK OFF POINT | | | Į. | | 0, | LIMICA | CERTIFICA | 1110.1 |
| 2.44 | | NE 3 | W MEXICO EAST NAD 1927 | | | | | 1 hereby cert | (f) that the infor | matika eruklainen | l herein is true and |
| § 595' | 1. | X X X | Y=424403.87 US FT compilers to the test of my branchings and helief, and that this compilers to the test of my branchings and helief, and that this | | | | | | ief, and that this | | |
| | 11 | LONG | LAT: N 32.1662740" LONG: W 103.9617719" | | | | and the same of th | 1 | | | r unleased mineral |
| | A | CPII | GRID AZ = 339°43'06" | | | | | | | | |
| | | | has a right so drill this wes 441.83' with an owner of such a m | | | | | | • | | |
| +6-3 | | | RFACE LOCATION | | | | -contraction dissertances | | r of suce a mino sling agreemens | | |
| 77.77.7. 22.22.2. A.I.I. | | 8 1 3 | NAD 1927 | | | POLICE TO SERVICE | | ii . | sung ug remens. sered by the divi | | pacing 12367 |
| | | | 423995.44 US FT 515127.22 US FT .: N 32.1651333 | | | # · | | | | | |
| | | LONG | : W 103.9612817 | | | i i | | Ja: | 8/4 | | 6/27/16 |

Form APD Comments

Permit 221568

<u>District I</u> 1625 N. French Dr., Hobbs, NM 88240 Phone:(575) 393-6161 Fax:(575) 393-0720 Phone:(575) 393-6161 Fax:(575) 393-0720 <u>District II</u> 311 S. First St., Artesia, NM 88210 Phone:(575) 748-1283 Fax:(575) 748-9720 <u>District III</u> 1000 Rio Brazos Rd., Aztec, NM 87410 Phone:(505) 334-6178 Fax:(505) 334-6170 <u>District IV</u> 1220 S. St Francis Dr., Santa Fe. NM 87505 Phone:(505) 476-3470 Fax:(505) 476-3462

State of New Mexico **Energy, Minerals and Natural Resources** Oil Conservation Division 1220 S. St Francis Dr. Santa Fe, NM 87505

PERMIT COMMENTS

| Operator Name and Address: | API Number: |
|--|--------------------------|
| OXY USA WTP LIMITED PARTNERSHIP [192463] | 30-015-43834 |
| PO Box 4294 | Well: |
| Houston, TX 77210 | CORRAL FLY 2 STATE #003H |

| Created By | Comment | Comment Date |
|--------------|---|-----------------|
| davidstewart | Top Perforated Interval: 340 FNL 442 FWL 4 2-25S-29E - Lat: 32.1654768 Long: 103.9617753 Bottom Perforated Interval: 340 FSL 440 FWL M 2-25S-29E - Lat: 32.1527772 Long: 103.9618298 A closed loop system will be utilized consisting of above ground steel tanks and haul-off bins. Disposal of liquids, drilling fluids and cuttings will be disposed of at an approved facility. | 5/26/2016 |

<u>District I</u> 1625 N. French Dr., Hobbs, NM 88240 Phone:(575) 393-6161 Fax:(575) 393-0720 Phone:(575) 393-6161 Fax:(575) 393-0720 <u>District II</u> 311 S. First St., Artesia, NM 88210 Phone:(575) 748-1283 Fax:(575) 748-9720 <u>District III</u> 1000 Rio Brazos Rd., Aztec, NM 87410 Phone:(505) 334-6178 Fax:(505) 334-6170 <u>District IV</u> 1220 S. St Francis Dr., Santa Fe. NM 87505 Phone:(505) 476-3470 Fax:(505) 476-3462

State of New Mexico **Energy, Minerals and Natural Resources** Oil Conservation Division 1220 S. St Francis Dr. Santa Fe, NM 87505

Permit 221568

PERMIT CONDITIONS OF APPROVAL

| Operator Name and Address: | API Number: | | |
|--|--------------------------|--|--|
| OXY USA WTP LIMITED PARTNERSHIP [192463] | 30-015-43834 | | |
| | Well: | | |
| Houston, TX 77210 | CORRAL FLY 2 STATE #003H | | |

| OCD Reviewer | Condition |
|-----------------|---|
| kjones | Will require a directional survey with the C-104 |
| kjones | Once the well is spud, to prevent ground water contamination through whole or partial conduits from the surface, the operator shall drill without interruption through the fresh water zone or zones and shall immediately set in cement the water protection string |
| kjones | If cement does not circulate to surface, must run temperature survey or other log to determine top of cement. |
| kjones | The New Gas Capture Plan (GCP) notice is posted on the NMOCD website under Announcements. The Plan became effective May 1, 2016. A copy of the GCP form is included with the NOTICE and is also in our FORMS section under Unnumbered Forms. Please review filing dates for all applicable activities currently approved or pending and submit accordingly. Failure to file a GCP may jeopardize the operator's ability to obtain C-129 approval to flare gas after the initial 60-day completion period. |
| kjones | Cement is required to circulate on both surface and production strings of casing |