5. Lease Serial No.

Form 3160-3 (June 2015)

UNITED STATES DEPARTMENT OF THE INTERIOR

FORM APPROVED OMB No. 1004-0137 Expires: January 31, 2018

BUREAU OF LAND MANA	AGEMENT		NMNM057273	
APPLICATION FOR PERMIT TO D	RILL OR REENTER		6. If Indian, Allotee or Trib	oe Name
	EENTER		7. If Unit or CA Agreemen	t, Name and No.
1b. Type of Well: ✓ Oil Well ☐ Gas Well ☐ Ot	ther		8. Lease Name and Well N	0.
1c. Type of Completion: Hydraulic Fracturing Si	ngle Zone Multiple Zone		JEFF SMITH MDP1 7-18	B FEDERAL COM
2. Name of Operator OXY USA INCORPORATED			9. API Well No. 30 015 47435	
3a. Address	3b. Phone No. (include area code	e)	10. Field and Pool, or Expl	loratory
5 Greenway Plaza, Suite 110, Houston, TX 77046	(713) 366-5716		COTTON DRAW BONE	SPRING/COTTO
4. Location of Well (Report location clearly and in accordance v	with any State requirements.*)		11. Sec., T. R. M. or Blk. a	nd Survey or Area
At surface NENE / 50 FNL / 2200 FEL / LAT 32.238978	82 / LONG -103.815015		SEC 7/T24S/R31E/NMP	
At proposed prod. zone SWSE / 20 FSL / 2200 FEL / LA	T 32.2099987 / LONG -103.81	50265		
 Distance in miles and direction from nearest town or post offi miles 	ce*		12. County or Parish EDDY	13. State NM
15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any)	16. No of acres in lease 607.16	17. Spacir 640.0	ng Unit dedicated to this wel	II
18. Distance from proposed location*	19. Proposed Depth	20. BLM/	BIA Bond No. in file	
to nearest well, drilling, completed, applied for, on this lease, ft.	10239 feet / 21127 feet	FED: ES	B000226	
21. Elevations (Show whether DF, KDB, RT, GL, etc.)	22. Approximate date work will	start*	23. Estimated duration	
3482 feet	12/07/2020		45 days	
	24. Attachments			
The following, completed in accordance with the requirements of (as applicable)	Onshore Oil and Gas Order No. 1	, and the H	lydraulic Fracturing rule per	43 CFR 3162.3-3
Well plat certified by a registered surveyor. A Drilling Plan	4. Bond to cover th	e operation	s unless covered by an existing	ng bond on file (see

- 3. A Surface Use Plan (if the location is on National Forest System Lands, the SUPO must be filed with the appropriate Forest Service Office).
- 5. Operator certification.
- 6. Such other site specific information and/or plans as may be requested by the

25. Signature	Name (Printed/Typed)	Date
(Electronic Submission)	LESLIE REEVES / Ph: (713) 366-5716	04/14/2020
Title	·	
Advisor Regulatory		
Approved by (Signature)	Name (Printed/Typed)	Date
(Electronic Submission)	Cody Layton / Ph: (575) 234-5959	08/28/2020
Title	Office	
Assistant Field Manager Lands & Minerals	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.

(Continued on page 2)

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.



District I

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

<u>District III</u> 1000 Rio Brazos Road, Aztec, NM 87410 Phone: (505) 334-6178 Fax: (505) 334-6170

District IV

12 Dedicated Acres

640.0

³ Joint or Infill

⁴ Consolidation Code

1220 S. St. Francis Dr., Santa Fe, NM 87505 Phone: (505) 476-3460 Fax: (505) 476-3462

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

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

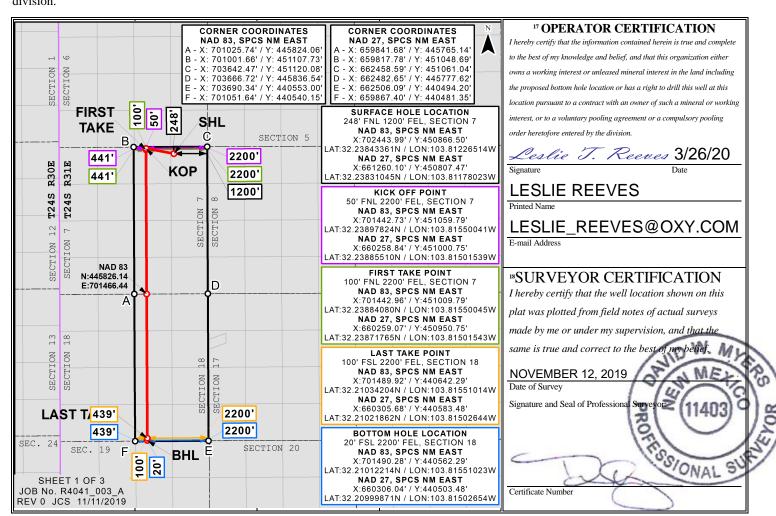
30-015 ⁻ 47435	42267	COTTON DRAW;	BONE SPRING				
328304 Property Code	JEFF SI	⁵ Property Name JEFF SMITH MDP1 7_18 FED COM					
⁷ OGRID No.		8 Operator Name	⁹ Elevation				
16696		OXY USA INC.	3482'				

¹⁰ 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	A 7 24S		31E	E 248 NORTH 1200		EAST	EDDY					
¹¹ 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			
O	18	24S	31E		20	SOUTH	2200	EAST	EDDY			

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.

Order No.



District I
1625 N. French Dr., Hobbs, NM 88240
District II
811 S. First St., Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico Energy, Minerals and Natural Resources Department

Submit Original to Appropriate District Office

Oil Conservation Division 1220 South St. Francis Dr. Santa Fe, NM 87505

GAS CAPTURE PLAN

Date:	01-02-2020	

⊠ Original	Operator & OGRID No.: OXY USA INC 16696
☐ Amended - Reason for Amendment:	

This Gas Capture Plan outlines actions to be taken by the Operator to reduce well/production facility flaring/venting for new completion (new drill, recomplete to new zone, re-frac) activity.

Note: Form C-129 must be submitted and approved prior to exceeding 60 days allowed by Rule (Subsection A of 19.15.18.12 NMAC).

Well(s)/Production Facility – Name of facility

The well(s) that will be located at the production facility are shown in the table below.

Well Name	APÍ	Well Location (ULSTR)	Footages	Expected MCF/D	Flared or Vent	Comments
JEFF SMITH MDP1 7 FED COM 175H	Pending	P-6-T24S-R-31E	331 FSL 565 FEL	2,800	0	
JEFF SMITH MDP1 7 FED COM 176H	Pending	P-6-T24S-R31E	331 FSL 530 FEL	2,800	0	
JEFF SMITH MDP1 7 FED COM 25H	Pending	P-6-T24S-R31E	330 FSL 240 FEL	3,700	0	
JEFF SMITH MDP1 7_18 FED COM 11H	Pending	N-6-T24S-R31E	277 FSL 1926 FWL	2,500	0	
JEFF SMITH MDP1 7_18 FED COM 12H	Pending	N-6-T24S-31E	277 FSL 1961 FWL	2,500	0	
JEFF SMITH MDP1 7_18 FED COM 13H	Pending	P-6-T24S-R31E	418 FSL 994 FEL	2,500	0	
JEFF SMITH MDP1 7_18 FED COM 14H	Pending	P-6-T24S-R31E	348 FSL 994 FEL	2,500	0	
JEFF SMITH MDP1 7_18 FED COM 171H	Pending	M-7-T24S-R31E	779 FSL 705 FWL	4,200	0	
JEFF SMITH MDP1 7_18 FED COM 172H	Pending	M-6-T24S-R31E	779 FSL 740 FWL	4,200	0	
JEFF SMITH MDP1 7_18 FED COM 173H	Pending	N-6-T24S-R31E	275 FSL 2256 FWL	4,200	0	
JEFF SMITH MDP1 7_18 FED COM 174H	Pending	N-6-T23S-R31E	275 FSL 2291 FWL	4,200	0	
JEFF SMITH MDP1 7_18 FED COM 1H	Pending	N-6-T24S-R31E	730 FSL 1755 FWL	3,800	0	
JEFF SMITH MDP1 7_18 FED COM 21H	Pending	D-7-T24S-R31E	198 FNL 321 FWL	5,500	0	
JEFF SMITH MDP1 7_18 FED COM 22H	Pending	D-7-T24S-R31E	198 FNL 421 FWL	5,500	0	
JEFF SMITH MDP1 7_18 FED COM 23H	Pending	C-7-T24S-R31E	233 FNL 2136 FWL	5,500	0	
JEFF SMITH MDP1 7_18 FED COM 24H	Pending	C-7-T24S-R31E	233 FNL 2206 FWL	5,500	0	

JEFF SMITH MDP1 7_18 FED COM 26H	Pending	P-6-T24S-R31E	329 FSL 170 FEL	5,500	0
JEFF SMITH MDP1 7_18 FED COM 2H	Pending	A-7-T24S-R31E	248 FNL 1200 FEL	3,800	0
JEFF SMITH MDP1 7_18 FED COM 31H	Pending	N-6-T24S-R31E	730 FSL 1690 FWL	3,000	0
JEFF SMITH MDP1 7_18 FED COM 32H	Pending	N-6-T24S-R31E	730 FSL 1790 FWL	3,000	0
JEFF SMITH MDP1 7_18 FED COM 33H	Pending	P-6-T24S-R31E	518 FSL 994 FEL	3,000	0
JEFF SMITH MDP1 7_18 FED COM 34H	Pending	P-6-T24S-R31E	488 FSL 994 FEL	3,000	0
JEFF SMITH MDP1 7_18 FED COM 3H	Pending	A-7-T24S-R31E	248 FNL 1100 FEL	3,800	0
JEFF SMITH MDP1 7_18 FED COM 41H	Pending	N-6-T24S-R31E	279 FSL 1566 FWL	7,200	0
JEFF SMITH MDP1 7_18 FED COM 42H	Pending	N-6-T24S-R31E	278 FSL 1636 FWL	7,200	0
JEFF SMITH MDP1 7_18 FED COM 43H	Pending	N-6-T24S-R31E	730 FSL 2020 FWL	7,200	0
JEFF SMITH MDP1 7_18 FED COM 44H	Pending	N-6-T24S-R31E	730 FSL 2090 FWL	7,200	0
JEFF SMITH MDP1 7_18 FED COM 45H	Pending	P-6-T24S-R31E	1225 FSL 1200 FEL	7,200	0
JEFF SMITH MDP1 7_18 FED COM 46H	Pending	P-6-T24S-R31E	1295 FSL 1200 FEL	7,200	0
NUGGET 6_31 FED COM 11H	Pending	N-6-T24S-31E	277 FSL 1896 FWL	2,500	0
NUGGET 6_31 FED COM 12H	Pending	N-6-T24S-R31E	277 FSL 1996 FWL	2,500	0
NUGGET 6_31 FED COM 13H	Pending	P-6-T24S-R31E	453 FSL 994 FEL	2,500	0
NUGGET 6_31 FED COM 14H	Pending	P-6-T24S-R31E	383 FSL 994 FEL	2,500	0
NUGGET 6_31 FED COM 171H	Pending	D-7-T24S-R31E	198 FNL 456 FWL	4,200	0
NUGGET 6_31 FED COM 172H	Pending	D-7-T24S-R31E	198 FNL 491 FWL	4,200	0
NUGGET 6_31 FED COM 173H	Pending	C-7-T24S-R31E	620 FNL 1994 FWL	4,200	0
NUGGET 6_31 FED COM 174H	Pending	C-7-T24S-R31E	620 FNL 2029 FWL	4,200	0
NUGGET 6_31 FED COM 175H	Pending	P-6-T24S-R31E	1089 FSL 300 FEL	4,200	0
NUGGET 6_31 FED COM 176H	Pending	P-6-T24S-R31E	1089 FSL 265 FEL	4,200	0
NUGGET 6_31 FED COM 1H	Pending	N-6-T24S-R31E	730 FSL 1720 FWL	3,800	0
NUGGET 6_31 FED COM 21H	Pending	D-7-T24S-R31E	198 FNL 351 FWL	5,500	0
NUGGET 6_31 FED COM 22H	Pending	D-7-T24S-R31E	198 FNL 386 FWL	5,500	0

NUGGET 6_31 FED COM 23H	Pending	C-7-T24S-R31E	233 FNL 2106 FWL	5,500	0
NUGGET 6_31 FED COM 24H	Pending	C-7-T24S-R31E	233 FNL 2171 FWL	5,500	0
NUGGET 6_31 FED COM 25H	Pending	P-6-T24S-R31E	330 FSL 270 FEL	5,500	0
NUGGET 6_31 FED COM 26H	Pending	P-6-T24S-R31E	329 FSL 205 FEL	5,500	0
NUGGET 6_31 FED COM 2H	Pending	A-7-T24S-R31E	248 FNL 1170 FEL	3,800	0
NUGGET 6_31 FED COM 31H	Pending	C-7-T24S-R31E	231 FNL 1811 FWL	3,000	0
NUGGET 6_31 FED COM 32H	Pending	C-7-T24S-R31E	231 FNL 1846 FWL	3,000	0
NUGGET 6_31 FED COM 33H	Pending	P-6-T24S-R31E	1090 FSL 515 FEL	3,000	0
NUGGET 6_31 FED COM 34H	Pending	P-6-T24S-R31E	1090 FSL 480 FEL	3,000	0
NUGGET 6_31 FED COM 3H	Pending	A-7-T24S-R31E	248 FNL 1135 FEL	3,800	0
NUGGET 6_31 FED COM 41H	Pending	N-6-T24S-R31E	279 FSL 1536 FWL	7,200	0
NUGGET 6_31 FED COM 42H	Pending	N-6-T24S-R31E	278 FSNL 1601 FWL	7,200	0
NUGGET 6_31 FED COM 43H	Pending	N-6-T24S-R31E	730 FSL 1990 FWL	7,200	0
NUGGET 6_31 FED COM 44H	Pending	N-6-T24S-R31E	730 FSL 2055 FWL	7,200	0
NUGGET 6_31 FED COM 45H	Pending	P-6-T24S-R31E	1195 FSL 1200 FEL	7,200	0
NUGGET 6_31 FED COM 46H	Pending	P-6-T24S-R31E	1260 FSL 1200 FEL	7,200	0

Gathering System and Pipeline Notification

Well(s) will be connected to a production facility after flowback operations are complete, where a gas transporter system is in place. The gas produced from production facility is dedicated to Enterprise Field Services, LLC ("Enterprise") and is connected to Enterprise low/high pressure gathering system located in Eddy County, New Mexico. OXY USA INC. ("OXY") provides (periodically) to Enterprise a drilling, completion and estimated first production date for wells that are scheduled to be drilled in the foreseeable future. In addition, OXY and Enterprise have periodic conference calls to discuss changes to drilling and completion schedules. Gas from these wells will be processed at Enterprise's Processing Plant located in Sec. 36, Twn. 24S, Rng. 30E, Eddy County, New Mexico. The actual flow of the gas will be based on compression operating parameters and gathering system pressures.

Flowback Strategy

After the fracture treatment/completion operations, well(s) will be produced to temporary production tanks and gas will be flared or vented. During flowback, the fluids and sand content will be monitored. When the produced fluids contain minimal sand, the wells will be turned to production facilities. Gas sales should start as soon as the wells start flowing through the production facilities, unless there are operational issues on <u>Enterprise</u> system at that time. Based on current information, it is OXY's belief the system can take this gas upon completion of the well(s).

Safety requirements during cleanout operations from the use of underbalanced air cleanout systems may necessitate that sand and non-pipeline quality gas be vented and/or flared rather than sold on a temporary basis.

Alternatives to Reduce Flaring

Below are alternatives considered from a conceptual standpoint to reduce the amount of gas flared.

- Power Generation On lease
 - o Only a portion of gas is consumed operating the generator, remainder of gas will be flared

- Compressed Natural Gas On lease
 - Gas flared would be minimal, but might be uneconomical to operate when gas volume declines
- NGL Removal On lease
 - o Plants are expensive, residue gas is still flared, and uneconomical to operate when gas volume declines

PECOS DISTRICT DRILLING CONDITIONS OF APPROVAL

OPERATOR'S NAME:
LEASE NO.:
NMNM057273
WELL NAME & NO.:
SURFACE HOLE FOOTAGE:
BOTTOM HOLE FOOTAGE
LOCATION:
COUNTY:
OXY USA INCORPORATED
NMNM057273
JEFF SMITH MDP1 7-18 FEDERAL COM 2H
50'/N & 2200'/E
20'/S & 2200'/E
Section 7, T.24 S., R.31 E., NMP
Eddy County, New Mexico

COA

H2S	O Yes	No	
Potash	O None	Secretary	O R-111-P
Cave/Karst Potential	• Low	O Medium	O High
Cave/Karst Potential	O Critical		
Variance	O None	• Flex Hose	Other
Wellhead	Conventional	Multibowl	O Both
Other	□4 String Area	□Capitan Reef	□WIPP
Other	□Fluid Filled	✓ Cement Squeeze	☐ Pilot Hole
Special Requirements	☐ Water Disposal	☑ COM	□ Unit
Break Testing	• Yes	O No	

A. HYDROGEN SULFIDE

Hydrogen Sulfide (H2S) monitors shall be installed prior to drilling out the surface shoe. If H2S is detected in concentrations greater than 100 ppm, the Hydrogen Sulfide area shall meet Onshore Order 6 requirements, which includes equipment and personnel/public protection items. If Hydrogen Sulfide is encountered, provide measured values and formations to the BLM.

B. CASING

Casing Design

- 1. The 13-3/8 inch surface casing shall be set at approximately 631 feet (a minimum of 70 feet (Eddy County) into the Rustler Anhydrite and above the salt) and cemented to the surface.
 - a. If cement does not circulate to the surface, the appropriate BLM office shall be notified and a temperature survey utilizing an electronic type temperature survey with surface log readout will be used or a cement bond log shall be run

- to verify the top of the cement. Temperature survey will be run a minimum of six hours after pumping cement and ideally between 8-10 hours after completing the cement job.
- b. Wait on cement (WOC) time for a primary cement job will be a minimum of **24 hours in the Potash Area** or 500 pounds compressive strength, whichever is greater. (This is to include the lead cement)
- c. Wait on cement (WOC) time for a remedial job will be a minimum of 4 hours after bringing cement to surface or 500 pounds compressive strength, whichever is greater.
- d. If cement falls back, remedial cementing will be done prior to drilling out that string.
- 2. The 9-5/8 inch intermediate casing shall be set at approximately 4259 feet. The minimum required fill of cement behind the 9-5/8 inch intermediate casing is:

Option 1 (Single Stage):

- Cement to surface. If cement does not circulate see B.1.a, c-d above. Wait on cement (WOC) time for a primary cement job is to include the lead cement slurry due to cave/karst or potash.
- ❖ In <u>Secretary Potash Areas</u> if cement does not circulate to surface on the first two casing strings, the cement on the 3rd casing string must come to surface.
- 3. The minimum required fill of cement behind the 5-1/2 inch production casing is:

Option 1 (Single Stage):

Cement to surface. If cement does not circulate see B.1.a, c-d above.
 Wait on cement (WOC) time for a primary cement job is to include the lead cement slurry due to cave/karst or potash.
 Excess cement calculates to -30%, additional cement might be required.

Option 2:

Operator has proposed a DV tool, the depth may be adjusted as long as the cement is changed proportionally. The DV tool may be cancelled if cement circulates to surface on the first stage.

a. First stage to DV tool: Cement to circulate. If cement does not circulate off the DV tool, contact the appropriate BLM office before proceeding with second stage cement job.

Excess cement calculates to 5.4%, additional cement might be required.

- b. Second stage above DV tool:
 - Cement to surface. If cement does not circulate, contact the appropriate BLM office. Wait on cement (WOC) time for a primary cement job is to include the lead cement slurry due to cave/karst or potash.

Excess cement calculates to 8.2%, additional cement might be required.

• Operator will perform bradenhead squeeze. Cement to surface. If cement does not circulate see B.1.a, c-d above.

C. PRESSURE CONTROL

- 1. Variance approved to use flex line from BOP to choke manifold.

 Manufacturer's specification to be readily available. No external damage to flex line. Flex line to be installed as straight as possible (no hard bends).'
- 2.

Option 1:

- a. Minimum working pressure of the blowout preventer (BOP) and related equipment (BOPE) required for drilling below the surface casing shoe shall be **2000 (2M)** psi.
- b. Minimum working pressure of the blowout preventer (BOP) and related equipment (BOPE) required for drilling below the intermediate casing shoe shall be **5000** (**5M**) psi.

Option 2:

- Operator has proposed a multi-bowl wellhead assembly. This assembly will
 only be tested when installed on the surface casing. Minimum working
 pressure of the blowout preventer (BOP) and related equipment (BOPE)
 required for drilling below the surface casing shoe shall be 10,000 (10M) psi.
 Variance is approved to use a 5000 (5M) Annular which shall be
 tested to 5000 (5M) psi.
 - a. Wellhead shall be installed by manufacturer's representatives, submit documentation with subsequent sundry.

- b. If the welding is performed by a third party, the manufacturer's representative shall monitor the temperature to verify that it does not exceed the maximum temperature of the seal.
- c. Manufacturer representative shall install the test plug for the initial BOP test.
- d. If the cement does not circulate and one inch operations would have been possible with a standard wellhead, the well head shall be cut off, cementing operations performed and another wellhead installed.
- e. Whenever any seal subject to test pressure is broken, all the tests in OOGO2.III.A.2.i must be followed.

D. SPECIAL REQUIREMENT (S)

Communitization Agreement

- The operator will submit a Communitization Agreement to the Santa Fe Office, 301 Dinosaur Trail Santa Fe, New Mexico 87508, at least 90 days before the anticipated date of first production from a well subject to a spacing order issued by the New Mexico Oil Conservation Division. The Communitization Agreement will include the signatures of all working interest owners in all Federal and Indian leases subject to the Communitization Agreement (i.e., operating rights owners and lessees of record), or certification that the operator has obtained the written signatures of all such owners and will make those signatures available to the BLM immediately upon request.
- If the operator does not comply with this condition of approval, the BLM may take enforcement actions that include, but are not limited to, those specified in 43 CFR 3163.1.
- In addition, the well sign shall include the surface and bottom hole lease numbers. When the Communitization Agreement number is known, it shall also be on the sign.

Offline Cementing

• Contact the BLM prior to the commencement of any offline cementing procedure.

BOPE Break Testing Variance (Note: For 5M BOPE or less)

- BOPE Break Testing is ONLY permitted for 5M BOPE or less.
- BOPE Break Testing is NOT permitted to drilling the production hole section.
- While in transfer between wells, the BOPE shall be secured by the hydraulic carrier or cradle.
- Any well control event while drilling require notification to the BLM Petroleum Engineer prior to the commencement of any BOPE Break Testing operations.
- A full BOPE test is required prior to drilling the first deep intermediate hole section. If any subsequent hole interval is deeper than the first, a full BOPE test will be required.

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- The BLM is to be contacted (575-361-2822 Eddy County) (575-393-3612 Lea County) 4 hours prior to BOPE tests.
- As a minimum, a full BOPE test shall be performed at 21-day intervals.
- In the event any repairs or replacement of the BOPE is required, the BOPE shall test as per Onshore Oil and Gas Order No. 2.

A separate sundry will be sent prior to spud that reflects the pad based break testing plan

GENERAL REQUIREMENTS

The BLM is to be notified in advance for a representative to witness:

- a. Spudding well (minimum of 24 hours)
- b. Setting and/or Cementing of all casing strings (minimum of 4 hours)
- c. BOPE tests (minimum of 4 hours)
 - Eddy County
 Call the Carlsbad Field Office, 620 East Greene St., Carlsbad, NM 88220, (575) 361-2822
- 1. Unless the production casing has been run and cemented or the well has been properly plugged, the drilling rig shall not be removed from over the hole without prior approval.
 - a. In the event the operator has proposed to drill multiple wells utilizing a skid/walking rig. Operator shall secure the wellbore on the current well, after installing and testing the wellhead, by installing a blind flange of like pressure rating to the wellhead and a pressure gauge that can be monitored while drilling is performed on the other well(s).
 - b. When the operator proposes to set surface casing with Spudder Rig
 - Notify the BLM when moving in and removing the Spudder Rig.
 - Notify the BLM when moving in the 2nd Rig. Rig to be moved in within 90 days of notification that Spudder Rig has left the location.
 - BOP/BOPE test to be conducted per Onshore Oil and Gas Order No. 2 as soon as 2nd Rig is rigged up on well.
- 2. Floor controls are required for 3M or Greater systems. These controls will be on the rig floor, unobstructed, readily accessible to the driller and will be operational at all times during drilling and/or completion activities. Rig floor is defined as the area

immediately around the rotary table; the area immediately above the substructure on which the draw works are located, this does not include the dog house or stairway area.

3. The record of the drilling rate along with the GR/N well log run from TD to surface (horizontal well – vertical portion of hole) shall be submitted to the BLM office as well as all other logs run on the borehole 30 days from completion. If available, a digital copy of the logs is to be submitted in addition to the paper copies. The Rustler top and top and bottom of Salt are to be recorded on the Completion Report.

A. CASING

- 1. Changes to the approved APD casing program need prior approval if the items substituted are of lesser grade or different casing size or are Non-API. The Operator can exchange the components of the proposal with that of superior strength (i.e. changing from J-55 to N-80, or from 36# to 40#). Changes to the approved cement program need prior approval if the altered cement plan has less volume or strength or if the changes are substantial (i.e. Multistage tool, ECP, etc.). The initial wellhead installed on the well will remain on the well with spools used as needed.
- 2. Wait on cement (WOC) for Potash Areas: After cementing but before commencing any tests, the casing string shall stand cemented under pressure until both of the following conditions have been met: 1) cement reaches a minimum compressive strength of 500 psi for all cement blends, 2) until cement has been in place at least 24 hours. WOC time will be recorded in the driller's log. The casing intergrity test can be done (prior to the cement setting up) immediately after bumping the plug.
- 3. Wait on cement (WOC) for Water Basin: After cementing but before commencing any tests, the casing string shall stand cemented under pressure until both of the following conditions have been met: 1) cement reaches a minimum compressive strength of 500 psi at the shoe, 2) until cement has been in place at least 8 hours. WOC time will be recorded in the driller's log. See individual casing strings for details regarding lead cement slurry requirements. The casing intergrity test can be done (prior to the cement setting up) immediately after bumping the plug.
- 4. Provide compressive strengths including hours to reach required 500 pounds compressive strength prior to cementing each casing string. Have well specific cement details onsite prior to pumping the cement for each casing string.
- 5. No pea gravel permitted for remedial or fall back remedial without prior authorization from the BLM engineer.
- 6. On that portion of any well approved for a 5M BOPE system or greater, a pressure integrity test of each casing shoe shall be performed. Formation at the shoe shall be tested to a minimum of the mud weight equivalent anticipated to control the

- formation pressure to the next casing depth or at total depth of the well. This test shall be performed before drilling more than 20 feet of new hole.
- 7. If hardband drill pipe is rotated inside casing, returns will be monitored for metal. If metal is found in samples, drill pipe will be pulled and rubber protectors which have a larger diameter than the tool joints of the drill pipe will be installed prior to continuing drilling operations.
- 8. Whenever a casing string is cemented in the R-111-P potash area, the NMOCD requirements shall be followed.

B. PRESSURE CONTROL

- 1. All blowout preventer (BOP) and related equipment (BOPE) shall comply with well control requirements as described in Onshore Oil and Gas Order No. 2 and API RP 53 Sec. 17.
- 2. If a variance is approved for a flexible hose to be installed from the BOP to the choke manifold, the following requirements apply: The flex line must meet the requirements of API 16C. Check condition of flexible line from BOP to choke manifold, replace if exterior is damaged or if line fails test. Line to be as straight as possible with no hard bends and is to be anchored according to Manufacturer's requirements. The flexible hose can be exchanged with a hose of equal size and equal or greater pressure rating. Anchor requirements, specification sheet and hydrostatic pressure test certification matching the hose in service, to be onsite for review. These documents shall be posted in the company man's trailer and on the rig floor.
- 3. 5M or higher system requires an HCR valve, remote kill line and annular to match. The remote kill line is to be installed prior to testing the system and tested to stack pressure.
- 4. If the operator has proposed a multi-bowl wellhead assembly in the APD. The following requirements must be met:
 - a. Wellhead shall be installed by manufacturer's representatives, submit documentation with subsequent sundry.
 - b. If the welding is performed by a third party, the manufacturer's representative shall monitor the temperature to verify that it does not exceed the maximum temperature of the seal.
 - c. Manufacturer representative shall install the test plug for the initial BOP test.
 - d. Whenever any seal subject to test pressure is broken, all the tests in OOGO2.III.A.2.i must be followed.
 - e. If the cement does not circulate and one inch operations would have been possible with a standard wellhead, the well head shall be cut off, cementing operations performed and another wellhead installed.

- 5. The appropriate BLM office shall be notified a minimum of 4 hours in advance for a representative to witness the tests.
 - a. In a water basin, for all casing strings utilizing slips, these are to be set as soon as the crew and rig are ready and any fallback cement remediation has been done. The casing cut-off and BOP installation can be initiated four hours after installing the slips, which will be approximately six hours after bumping the plug. For those casing strings not using slips, the minimum wait time before cut-off is eight hours after bumping the plug. BOP/BOPE testing can begin after cut-off or once cement reaches 500 psi compressive strength (including lead when specified), whichever is greater. However, if the float does not hold, cut-off cannot be initiated until cement reaches 500 psi compressive strength (including lead when specified).
 - b. In potash areas, for all casing strings utilizing slips, these are to be set as soon as the crew and rig are ready and any fallback cement remediation has been done. For all casing strings, casing cut-off and BOP installation can be initiated at twelve hours after bumping the plug. However, **no tests** shall commence until the cement has had a minimum of 24 hours setup time, except the casing pressure test can be initiated immediately after bumping the plug (only applies to single stage cement jobs).
 - c. The tests shall be done by an independent service company utilizing a test plug not a cup or J-packer. The operator also has the option of utilizing an independent tester to test without a plug (i.e. against the casing) pursuant to Onshore Order 2 with the pressure not to exceed 70% of the burst rating for the casing. Any test against the casing must meet the WOC time for water basin (8 hours) or potash (24 hours) or 500 pounds compressive strength, whichever is greater, prior to initiating the test (see casing segment as lead cement may be critical item).
 - d. The test shall be run on a 5000 psi chart for a 2-3M BOP/BOP, on a 10000 psi chart for a 5M BOP/BOPE and on a 15000 psi chart for a 10M BOP/BOPE. If a linear chart is used, it shall be a one hour chart. A circular chart shall have a maximum 2 hour clock. If a twelve hour or twenty-four hour chart is used, tester shall make a notation that it is run with a two hour clock.
 - e. The results of the test shall be reported to the appropriate BLM office.
 - f. All tests are required to be recorded on a calibrated test chart. A copy of the BOP/BOPE test chart and a copy of independent service company test will be submitted to the appropriate BLM office.
 - g. The BOP/BOPE test shall include a low pressure test from 250 to 300 psi. The test will be held for a minimum of 10 minutes if test is done with a test plug and 30 minutes without a test plug. This test shall be performed prior to

the test at full stack pressure.

h. BOP/BOPE must be tested by an independent service company within 500 feet of the top of the Wolfcamp formation if the time between the setting of the intermediate casing and reaching this depth exceeds 20 days. This test does not exclude the test prior to drilling out the casing shoe as per Onshore Order No. 2.

C. DRILLING MUD

Mud system monitoring equipment, with derrick floor indicators and visual and audio alarms, shall be operating before drilling into the Wolfcamp formation, and shall be used until production casing is run and cemented.

D. WASTE MATERIAL AND FLUIDS

All waste (i.e. drilling fluids, trash, salts, chemicals, sewage, gray water, etc.) created as a result of drilling operations and completion operations shall be safely contained and disposed of properly at a waste disposal facility. No waste material or fluid shall be disposed of on the well location or surrounding area.

Porto-johns and trash containers will be on-location during fracturing operations or any other crew-intensive operations.

RI08202020



U.S. Department of the Interior BUREAU OF LAND MANAGEMENT

Operator Certification Data Report

Operator Certification

I hereby certify that I, or someone under my direct supervision, have inspected the drill site and access route proposed herein; that I am familiar with the conditions which currently exist; that I have full knowledge of state and Federal laws applicable to this operation; that the statements made in this APD package are, to the best of my knowledge, true and correct; and that the work associated with the operations proposed herein will be performed in conformity with this APD package and the terms and conditions under which it is approved. I also certify that I, or the company I represent, am responsible for the operations conducted under this application. These statements are subject to the provisions of 18 U.S.C. 1001 for the filing of false statements.

NAME: Leslie Reeves Signed on: 07/10/2020

Title: Advisor Regulatory

Street Address: 5 Greenway Plaza, Suite 110

City: Houston State: TX Zip: 77046

Phone: (713)497-2492

Email address: Leslie_Reeves@oxy.com

Field Representative

Representative Name: Mike Wilson

Street Address:

City: State: Zip:

Phone: (557)563-1661

Email address: Michael_Wilson@oxy.com



U.S. Department of the Interior BUREAU OF LAND MANAGEMENT

Application Data Report

APD ID: 10400054973

Submission Date: 04/14/2020

Highlighted data reflects the most recent changes

Operator Name: OXY USA INCORPORATED

Well Name: JEFF SMITH MDP1 7-18 FEDERAL COM

Well Number: 2H

Show Final Text

Well Type: OIL WELL

Well Work Type: Drill

Section 1 - General

APD ID: 10400054973 Tie to previous NOS? N Submission Date: 04/14/2020

BLM Office: CARLSBAD User: Leslie Reeves Title: Advisor Regulatory

Federal/Indian APD: FED Is the first lease penetrated for production Federal or Indian? FED

Lease number: NMNM057273 Lease Acres: 607.16

Surface access agreement in place? Allotted? Reservation:

Agreement in place? NO Federal or Indian agreement:

Agreement number:

Agreement name:

Keep application confidential? Y

Permitting Agent? NO APD Operator: OXY USA INCORPORATED

JeffSmithMDP17_18FdCom2H_C102_20200414073513.pdf Operator letter of designation:

> JeffSmithMDP17_18FdCom2H_SitePlan_20200414073523.pdf Page_2_Attachment_Error_AFMSS_20200414073543.pdf

Operator Info

Operator Organization Name: OXY USA INCORPORATED

Operator Address: 5 Greenway Plaza, Suite 110

Operator PO Box:

Operator City: Houston State: TX

Field/Pool or Exploratory? Field and Pool

Operator Phone: (713)366-5716 **Operator Internet Address:**

Section 2 - Well Information

Well in Master Development Plan? EXISTING Master Development Plan name: Sand Dunes Area

Well in Master SUPO? Master SUPO name:

Well in Master Drilling Plan? Master Drilling Plan name:

Well Name: JEFF SMITH MDP1 7-18 FEDERAL COM Well Number: 2H

Well API Number:

Field Name: COTTON DRAW **BONE SPRING** BONE SPRING

Zip: 77046

Page 1 of 3

Pool Name: COTTON DRAW

Well Name: JEFF SMITH MDP1 7-18 FEDERAL COM Well Number: 2H

Is the proposed well in an area containing other mineral resources? USEABLE WATER, NATURAL GAS, OIL

Is the proposed well in a Helium production area? N Use Existing Well Pad? N New surface disturbance?

Type of Well Pad: MULTIPLE WELL

Multiple Well Pad Name: JEFF Number: 11H, 12H, 41H, 42H,

Well Class: HORIZONTAL SMITH MDP1 7-18 FEDERAL 173H, 174H & 11H, 12H, 41H,

COM & NUGGET 6-31 FEDERAL42H

COM

Number of Legs: 1

Well Work Type: Drill Well Type: OIL WELL

Describe Well Type:

Well sub-Type: INFILL

Describe sub-type:

Distance to town: 15 Miles Distance to nearest well: 35 FT Distance to lease line: 20 FT

Reservoir well spacing assigned acres Measurement: 640 Acres

Well plat: JeffSmithMDP17_18FdCom2H_C102_20200710065259.pdf

Well work start Date: 12/07/2020 Duration: 45 DAYS

Section 3 - Well Location Table

Survey Type: RECTANGULAR

Describe Survey Type:

Datum: NAD83 Vertical Datum: NAVD88

Survey number: Reference Datum: GROUND LEVEL

Wellbore	NS-Foot	NS Indicator	EW-Foot	EW Indicator	Twsp	Range	Section	Aliquot/Lot/Tract	Latitude	Longitude	County	State	Meridian	Lease Type	Lease Number	Elevation	MD	TVD	Will this well produce from this lease?
SHL Leg #1	50	FNL	220 0	FEL	24S	31E	7	Aliquot NENE	32.23897 82	- 103.8150 15	EDD Y	NEW MEXI CO	NEW MEXI CO	F	NMNM 057273	348 2	0	0	N
KOP Leg #1	50	FNL	220 0	FEL	24S	31E	7	Aliquot NWNE	32.23897 92	- 103.8155 004	EDD Y	NEW MEXI CO	NEW MEXI CO	F	FEE	- 610 5	970 5	958 7	N

Well Name: JEFF SMITH MDP1 7-18 FEDERAL COM Well Number: 2H

Wellbore	NS-Foot	NS Indicator	EW-Foot	EW Indicator	Twsp	Range	Section	Aliquot/Lot/Tract	Latitude	Longitude	County	State	Meridian	Lease Type	Lease Number	Elevation	MD	TVD	Will this well produce from this lease?
PPP Leg #1-1	100	FNL	220 0	FEL	24S	31E	7	Aliquot NWNE	32.23884 08	- 103.8150 154	EDD Y	NEW MEXI CO	NEW MEXI CO	F	FEE	- 674 4	106 79	102 26	Υ
PPP Leg #1-2	132 2	FNL	220 0	FEL	24S	31E	7	Aliquot SENE	32.23548 1	- 103.8255 03	EDD Y	NEW MEXI CO	NEW MEXI CO	F	NMNM 057273	- 674 5	119 01	102 27	Y
PPP Leg #1-3	1	FNL	220 0	FEL	24S	31E	18	Aliquot NWNE	32.22458 9	- 103.8155 06	EDD Y	NEW MEXI CO	NEW MEXI CO		NMNM 089819	- 675 0	158 63	102 32	Y
EXIT Leg #1	100	FSL	220 0	FEL	24S	31E	18	Aliquot SWSE	32.21034 2	- 103.8155 101	EDD Y		NEW MEXI CO		NMNM 089819	- 675 6	210 47	102 38	Y
BHL Leg #1	20	FSL	220 0	FEL	24S	31E	18		32.20999 87	- 103.8150 265	EDD Y	1	NEW MEXI CO		NMNM 089819	- 675 7	211 27	102 39	N



SITE PLAN

SNDDNS-0611

SEC. 7 TWP. 24-S RGE. 31-E

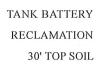
SURVEY: N.M.P.M.

COUNTY: EDDY

OPERATOR: OXY USA, INC.

U.S.G.S. TOPOGRAPHIC MAP: BIG SINKS, N.M.

FAA PERMIT NEEDED: NO



20' DISTURBANCE AREA





50' 0' 50' 100 SCALE: 1" = 100'

WELL 1
JEFF SMITH MDP1 7_18 FED COM 2H
OXY USA, INC.
248' FNL 1200' FEL, SECTION 7
NAD 83, SPCS NM EAST
X:702443.99' / Y:450866.50'
LAT:32.23843361N / LON:103.81226514W
NAD 27, SPCS NM EAST
X:661260.10' / Y:450807.47'
LAT:32.23831045N / LON:103.81178023W
ELEVATION = 3482'

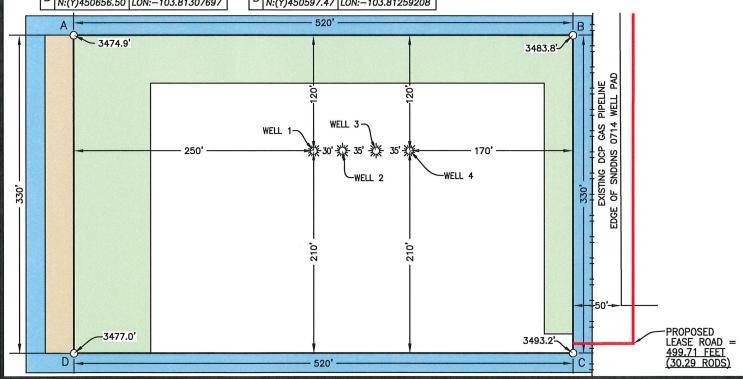
WELL 2
NUGGET 6_31 FED COM 2H
OXY USA, INC.
248' FNL 1170' FEL, SECTION 7
NAD 83, SPCS NM EAST
X:702473.99' / Y:450866.50'
LAT:32.23843321N / LON:103.81216811W
NAD 27, SPCS NM EAST
X:661290.10' / Y:450807.47'
LAT:32.23831005N / LON:103.81168321W
ELEVATION = 3483'

WELL 3
NUGGET 6_31 FED COM 3H
OXY USA, INC.
248' FNL 1135' FEL, SECTION 7
NAD 83, SPCS NM EAST
X:702508.99' / Y:450866.50'
LAT:32.23843275N / LON:103.81205492W
NAD 27, SPCS NM EAST
X:661325.10' / Y:450807.47'
LAT:32.23830958N / LON:103.81157001W
ELEVATION = 3483'

WELL 4
JEFF SMITH MDP1 7_18 FED COM 3H
OXY USA, INC.
248' FNL 1100' FEL, SECTION 7
NAD 83, SPCS NM EAST
X:702543.99' / Y:450866.50'
LAT:32.23843228N / LON:103.81194172W
NAD 27, SPCS NM EAST
X:661360.10' / Y:450807.47'
LAT:32.23830912N / LON:103.81145682W
ELEVATION = 3484'

		LAT:32.23876680 LON:-103.81307181
D E:(X		
R N:(A	')702713.99 ')450986.50	LAT:32.23875987 LON:-103.81139002
C E:(X N:(Y	7)702713.99 7)450656.50	LAT:32.23785277 LON:-103.81139520
D E:(X N:(Y	7)702193.99 7)450656.50	LAT:32.23785970 LON:-103.81307697

		27
		LAT:32.23864365 LON:-103.81258686
		LAT:32.23863671 LON:-103.81090512
		LAT:32.2377296 LON:-103.81091035
D	E:(X)661010.09 N:(Y)450597.47	LAT:32.23773654 LON:-103.81259208



10/30/2019 11/05/2019 02/07/2020 DATE SURVEYED DATE DRAWN REV. 1

CERTIFICATION

I, DAVID W. MYERS, NEW MEXICO PROFESSIONAL SURVEYOR NO. 11403, DO HEREBY CERTIFY THAT THIS EASEMENT SURVEY PLAT AND THE ACTUAL SURVEY ON THE GROUND UPON WHICH IT IS BASED WERE PERFORMED BY ME OR UNDER MY DIRECT SUPERVISION, THAT I AM RESPONSIBLE FOR THIS SURVEY, THAT THIS SURVEY MEETS THE MINIMUM STANDARDS FOR SURVEYING IN NEW MEXICO, AND THAT IT IS TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF. I FURTHER CERTIFY THAT THIS SURVEY IS NOT A LAND DIVISION OR SUBDIVISION AS DEFINED IN THE NEW MEXICO SUBDIVISION ACT AND THAT THIS INSTRUMENT IS AN EASEMENT SURVEY PLAT CROSSING AN EXISTING TRACT OR TRACTS.

BASIS OF BEARING

ALL BEARINGS AND COORDINATES REFER TO NAD 83, NEW MEXICO STATE PLANE COORDINATE SYSTEM, EAST ZONE, U.S. SURVEY FEET. (ALL BEARINGS, DISTANCES, COORDINATES AND AREAS ARE GRID MEASUREMENTS UTILIZING A COMBINED SCALE FACTOR OF 0.99977704 CONVERGENCE OF 0.28238333*.)

	CONDITION CONTENT	HOTEIN EL GISSSII	701 ODITTEROETIOE	DI GILOLOGOO II
PROPOSED ROAD PUPPLINE SURFACE SITE EDGE W WATER LINE SULFACE SITE EDGE SWD SALT WATER LINE	LEGEND			
Ø MONUMENT ● QUARTER SPLIT ── DTHER WELL PAD		PROPOSED ROAD SURFACE SITE EDGE EXIST. PIPELINE		SECTION LINE PROPERTY LINE

THIS DOCUMENT IS NOT TO BE USED FOR CONSTRUCTION, BIDDING, RECORDATION, CONVEYANCE, SALE OR THE BASIS FOR THE ISSUANCE OF A PERMIT.



PREPARED BY: R-SQUARED GLOBAL, LLC 1309 LOUISVILLE AVENUE, MONROE, LA 71201 318-323-6900 OFFICE JOB No. R4041_003



U.S. Department of the Interior BUREAU OF LAND MANAGEMENT

Drilling Plan Data Report

09/08/2020

APD ID: 10400054973

Submission Date: 04/14/2020

Highlighted data reflects the most recent changes

Operator Name: OXY USA INCORPORATED

Well Number: 2H

Show Final Text

Well Type: OIL WELL

Well Work Type: Drill

Section 1 - Geologic Formations

Well Name: JEFF SMITH MDP1 7-18 FEDERAL COM

Formation			True Vertical				Producing
ID	Formation Name	Elevation	Depth	Depth	Lithologies	Mineral Resources	Formation
683536	RUSTLER	3482	581	581	ANHYDRITE, DOLOMITE, SHALE	USEABLE WATER	N
683537	SALADO	2522	960	960	ANHYDRITE, DOLOMITE, HALITE, SHALE	OTHER : SALT	N
683534	CASTILE	646	2836	2836	ANHYDRITE	OTHER : salt	N
683538	DELAWARE	-727	4209	4209	LIMESTONE, SANDSTONE, SILTSTONE	NATURAL GAS, OIL, OTHER : BRINE	N
683539	BELL CANYON	-756	4238	4238	SANDSTONE, SILTSTONE	NATURAL GAS, OIL, OTHER, USEABLE WATER : BRINE	N
683540	CHERRY CANYON	-1673	5155	5174	SANDSTONE, SILTSTONE	NATURAL GAS, OIL, OTHER : BRINE	N
683541	BRUSHY CANYON	-2920	6402	6449	LIMESTONE, SANDSTONE, SILTSTONE	NATURAL GAS, OIL, OTHER : BRINE	N
683535	BONE SPRING	-4594	8076	8160	LIMESTONE, SANDSTONE, SILTSTONE	NATURAL GAS, OIL	N
683548	BONE SPRING 1ST	-5618	9100	9207	LIMESTONE, SANDSTONE, SILTSTONE	NATURAL GAS, OIL	Y
683545	BONE SPRING 2ND	-6325	9807	9931	LIMESTONE, SANDSTONE, SILTSTONE	NATURAL GAS, OIL	N

Section 2 - Blowout Prevention

Pressure Rating (PSI): 3M Rating Depth: 10239

Equipment: 13-5/8" 3M ANNULAR, 3M UPPER PIPE RAM, 3M BLIND RAM, 3M LOWER PIPE RAM

Requesting Variance? YES

Variance request: Request for the use of a flexible choke line from the BOP to Choke Manifold.

Testing Procedure: BOP/BOPE will be tested by an independent service company to 250 psi low and the high pressure indicated above per Onshore Order 2 requirements. The System may be upgraded to a higher pressure but still tested to the working pressure listed in the table above. If the system is upgraded all the components installed will be functional and tested. Pipe rams will be operationally checked each 24 hour period. Blind rams will be operationally checked on each trip out of the hole. These checks will be noted on the daily tour sheets. Other accessories to the BOP equipment will include a Kelly cock and floor safety valve (inside BOP) and choke lines and choke manifold. A multibowl wellhead or a unionized multibowl wellhead system will be employed. The wellhead and connection to the BOPE will meet all API 6A requirements. The BOP will be tested per Onshore Order #2 after installation on the surface casing which will cover testing requirements for a

Well Name: JEFF SMITH MDP1 7-18 FEDERAL COM Well Number: 2H

maximum of 30 days. If any seal subject to test pressure is broken the system will be tested. We will test the flange connection of the wellhead with a test port that is directly in the flange. BOP Break Testing Request OXY requests permission to adjust the BOP break testing requirements as per the agreement reached in the OXY/BLM meeting on September 5, 2019. A separate sundry will be sent prior to spud that reflects the pad based break testing plan. BOP break test under the following conditions: After a full BOP test is conducted When skidding to drill an intermediate section where ICP is set into the third Bone Spring or shallower. When skidding to drill a production section that does not penetrate into the third Bone Spring or deeper. If the kill line is broken prior to skid, two tests will be performed. 1. Wellhead flange, co-flex hose, kill line connections and upper pipe rams 2. Wellhead flange, HCR valve, check valve, upper pipe rams If the kill line is not broken prior to skid, only one test will be performed. 1. Wellhead flange, co-flex hose, check valve, upper pipe rams

Choke Diagram Attachment:

JeffSmithMDP17_18FdCom2H_ChokeManifold_20200414141535.pdf

BOP Diagram Attachment:

JeffSmithMDP17_18FdCom2H_BOP_20200414141546.PDF

JeffSmithMDP17_18FdCom2H_FlexHoseCert_20200414141556.pdf

WellControlPlan_20200710065505.pdf

Section 3 - Casing

Casing ID	String Type	Hole Size	Csg Size	Condition	Standard	Tapered String	Top Set MD	Bottom Set MD	Top Set TVD	Bottom Set TVD	Top Set MSL	Bottom Set MSL	Calculated casing length MD	Grade	Weight	Joint Type	Collapse SF	Burst SF	Joint SF Type	Joint SF	Body SF Type	Body SF
1	SURFACE	17.5	13.375	NEW	API	N	0	631	0	631	3482	2851	631	J-55	54.5	BUTT	1.12 5	1.2	BUOY	1.4	BUOY	1.4
- 1	INTERMED IATE	12.2 5	9.625	NEW	API	N	0	4259	0	4259	3471	-777	4259	L-80	40	BUTT	1.12 5	1.2	BUOY	1.4	BUOY	1.4
	PRODUCTI ON	8.5	5.5	NEW	API	N	0	21127	0	10239		-6757	21127	P- 110	-	OTHER - DQX	1.12 5	1.2	BUOY	1.4	BUOY	1.4

Casing Attachments

Operator Name: OXY USA INCORPORATED Well Name: JEFF SMITH MDP1 7-18 FEDERAL COM Well Number: 2H	
Casing Attachments	
Casing ID: 1 String Type: SURFACE	_
Inspection Document:	
Spec Document:	
Tapered String Spec:	
Casing Design Assumptions and Worksheet(s):	
JeffSmithMDP17_18FdCom2H_CsgCriteria_20200414141734.pdf	
Casing ID: 2 String Type: INTERMEDIATE	_
Inspection Document:	
Spec Document:	
Tapered String Spec:	
Casing Design Assumptions and Worksheet(s):	
JeffSmithMDP17_18FdCom2H_CsgCriteria_20200414141821.pdf	
Casing ID: 3 String Type: PRODUCTION	_
Inspection Document:	
Spec Document:	
Tapered String Spec:	
Casing Design Assumptions and Worksheet(s):	
JeffSmithMDP17_18FdCom2H_CsgCriteria_20200414141910.pdf	
JeffSmithMDP17_18FdCom2H_TMK_UP_DQW_TORQ_5.500in_x_20_20200414141926.00	
JeffSmithMDP17_18FdCom2H_TMK_UP_DQX_5.500in_x_20_20200414142116.00	

Well Name: JEFF SMITH MDP1 7-18 FEDERAL COM Well Number: 2H

	_	_		
Section	A .	C - 10		_
Section	4 -	t.en	arejar	г.

String Type	Lead/Tail	Stage Tool Depth	Top MD	Bottom MD	Quantity(sx)	Yield	Density	Cu Ft	Excess%	Cement type	Additives
SURFACE	Lead		0	631	671	1.33	14.8	892	100	CLASS C	ACCELERATOR

INTERMEDIATE	Lead		0	3759	982	1.73	12.9	1699	50	Pozzolan C	Retarder
INTERMEDIATE	Tail		3759	4259	155	1.33	14.8	206	20	Class C	Accelerator
PRODUCTION	Lead	2	0	6652	960	1.87	12.9	1797	25	Class C	Accelerator

PRODUCTION	Lead	2	6652	8076	249	1.38	13.2	344	_	CLASS H CEMENT	RETARDER, DISPERSANT, SALT
PRODUCTION	Tail		8076	2112 7	2283	1.38	13.2	3151	5	CLass H	REtarder, Dispersant, Salt

Section 5 - Circulating Medium

Mud System Type: Closed

Will an air or gas system be Used? NO

Description of the equipment for the circulating system in accordance with Onshore Order #2:

Diagram of the equipment for the circulating system in accordance with Onshore Order #2:

Describe what will be on location to control well or mitigate other conditions: Sufficient mud materials to maintain mud properties and meet minimum lost circulation and weight increase requirements. The following is a general list of products: Barite, Bentonite, Gypsum, Lime, Soda Ash, Caustic Soda, Nut Plug, Cedar Fiber, Cotton Seed Hulls, Drilling Paper, Salt Water Clay, CaCl2.

Describe the mud monitoring system utilized: PVT/MD Totco/Visual Monitoring

Circulating Medium Table

Well Name: JEFF SMITH MDP1 7-18 FEDERAL COM Well Number: 2H

Top Depth	Bottom Depth	Mud Type	Min Weight (lbs/gal)	Max Weight (lbs/gal)	Density (lbs/cu ft)	Gel Strength (lbs/100 sqft)	Н	Viscosity (CP)	Salinity (ppm)	Filtration (cc)	Additional Characteristics
4259	1023 9	OTHER : Water- Based and/or Oil-Based Mud	8	9.6							
0	631	WATER-BASED MUD	8.6	8.8							
631	4259	OTHER: Saturated Brine Based Mud or Oil-Based Mud	9.8	10							

Section 6 - Test, Logging, Coring

List of production tests including testing procedures, equipment and safety measures:

GR from TD to surface (horizontal well – vertical portion of hole). Mud Log from intermediate shoe to TD.

List of open and cased hole logs run in the well:

GAMMA RAY LOG, MUD LOG/GEOLOGIC LITHOLOGY LOG, MUD LOG/GEOLOGICAL LITHOLOGY LOG, DIRECTIONAL SURVEY,

Coring operation description for the well:

No coring is planned at this time.

Section 7 - Pressure

Anticipated Bottom Hole Pressure: 5112 Anticipated Surface Pressure: 2859

Anticipated Bottom Hole Temperature(F): 162

Anticipated abnormal pressures, temperatures, or potential geologic hazards? NO

Describe:

Contingency Plans geoharzards description:

Contingency Plans geohazards attachment:

Hydrogen Sulfide drilling operations plan required? YES

Hydrogen sulfide drilling operations plan:

JeffSmithMDP17_18FdCom2H_H2S1_20200414143754.pdf
JeffSmithMDP17_18FdCom2H_H2S2_20200414143801.pdf
JeffSmithMDP17_18FdCom2H_H2SEmerCont_20200414143819.pdf

Well Name: JEFF SMITH MDP1 7-18 FEDERAL COM Well Number: 2H

Section 8 - Other Information

Proposed horizontal/directional/multi-lateral plan submission:

JeffSmithMDP17_18FdCom2H_DirectPlan_20200414143843.pdf JeffSmithMDP17_18FdCom2H_DirectPlot_20200414143850.pdf

Other proposed operations facets description:

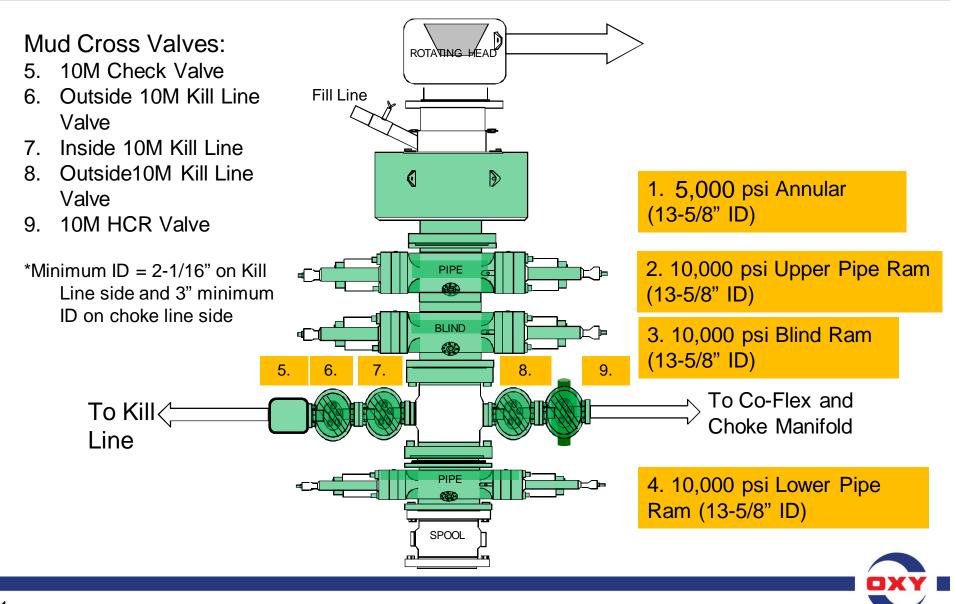
BOP Pressure Not to Exceed 3M - Well Control Plan Not Required normally in this scenario

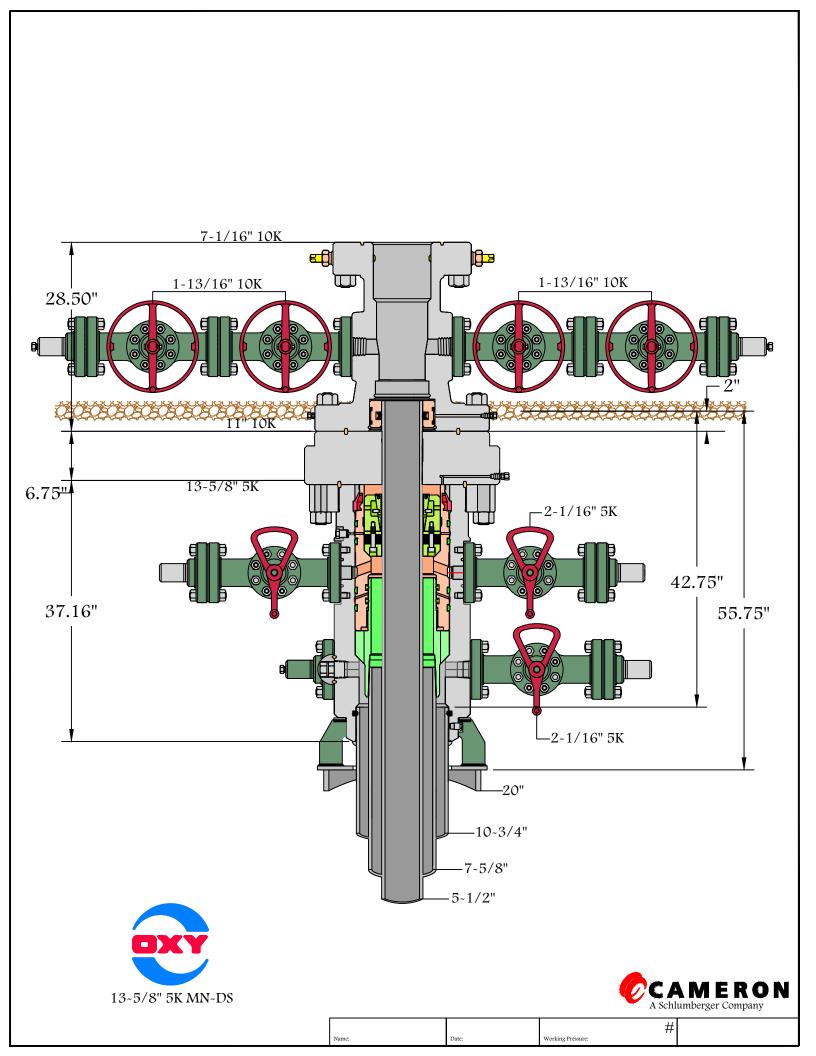
Other proposed operations facets attachment:

JeffSmithMDP17_18FdCom2H_DrillPlan_20200414143908.pdf JeffSmithMDP17_18FdCom2H_SpudRigData_20200414143922.pdf

Other Variance attachment:

5/10M BOP Stack





OXY

PRD NM DIRECTIONAL PLANS (NAD 1983) Jeff Smith MDP1 7_18 Jeff Smith MDP1 7_18 Fed Com 2H

Wellbore #1

Plan: Permitting Plan

Standard Planning Report

16 December, 2019

Planning Report

HOPSPP Database:

Company: **ENGINEERING DESIGNS**

Project: PRD NM DIRECTIONAL PLANS (NAD 1983)

Site: Jeff Smith MDP1 7_18

Well: Jeff Smith MDP1 7 18 Fed Com 2H

Wellbore: Wellbore #1 Design: Permitting Plan Local Co-ordinate Reference:

TVD Reference: MD Reference: North Reference:

Survey Calculation Method:

Well Jeff Smith MDP1 7_18 Fed Com 2H

RKB=26.5' @ 3508.50ft RKB=26.5' @ 3508.50ft

Grid

Minimum Curvature

Project PRD NM DIRECTIONAL PLANS (NAD 1983)

Map System: US State Plane 1983

North American Datum 1983 Geo Datum: Map Zone: New Mexico Eastern Zone

System Datum: Mean Sea Level

Using geodetic scale factor

Site Jeff Smith MDP1 7_18

Northing: 451,833.32 usft 32° 14' 28.042208 N Site Position: Latitude: From: Мар Easting: 700,054.46 usft Longitude: 103° 49' 11.922256 W 0.27

Position Uncertainty: 1.00 ft Slot Radius: **Grid Convergence:** 13.200 in

Well Jeff Smith MDP1 7_18 Fed Com 2H

Well Position +N/-S -966.88 ft Northing: 450,866.50 usft Latitude: 32° 14' 18.361037 N 702,443.99 usft +E/-W 2,389.68 ft Easting: Longitude: 103° 48' 44.154504 W

Position Uncertainty 1.00 ft Wellhead Elevation: **Ground Level:** 3,482.00 ft

Wellbore #1 Wellbore Declination Field Strength **Dip Angle** Magnetics **Model Name** Sample Date (°) (nT) HDGM FILE 12/16/2019 6.73 59.90 47.874.50000000

Design Permitting Plan **Audit Notes:** Version: Phase: **PROTOTYPE** Tie On Depth: 0.00 Depth From (TVD) Direction **Vertical Section:** +N/-S +E/-W (ft) (ft) (ft) (°) 0.00 185.29 0.00 0.00

Plan Survey Tool Program Date 12/16/2019

Depth From Depth To

(ft) (ft) Survey (Wellbore) **Tool Name** Remarks

0.00 21,127.23 Permitting Plan (Wellbore #1) B001Mb MWD+HRGM

OWSG MWD + HRGM

Plan Sections Measured Vertical Dogleg Build Turn Depth Depth Rate Rate Rate Inclination +N/-S **Azimuth** +E/-W **TFO** (ft) (ft) (°/100ft) (°/100ft) (°/100ft) (°) (°) (ft) (ft) **Target** (°) 0.00 0.00 0.00 0.00 0.00 0.00 0.00 0.00 0.00 0.00 3,898.00 0.00 0.00 3,898.00 0.00 0.00 0.00 0.00 0.00 0.00 2.00 0.00 308.38 4,498.06 12.00 308.38 4,493.68 38.88 -49.08 2.00 9.705.05 12.00 308.38 9.586.86 711.18 -897.77 0.00 0.00 0.00 0.00 -128.04 FTP (Jeff Smith -1.001.09 10.00 8.00 -13.21 10 678 96 89 93 179 74 10,225.50 143 30 21,127.23 89.93 179.74 10,238.50 -10,304.86 -953.77 0.00 0.00 0.00 0.00 PBHL (Jeff Smith

Planning Report

Database: Company: HOPSPP

ENGINEERING DESIGNS

Project: PRD NM DIRECTIONAL PLANS (NAD 1983)

Site: Jeff Smith MDP1 7_18

Well: Jeff Smith MDP1 7_18 Fed Com 2H
Wellbore: Wellbore #1

Permitting Plan

Wellbore: Design: Local Co-ordinate Reference:

TVD Reference: MD Reference: North Reference:

Survey Calculation Method:

Well Jeff Smith MDP1 7_18 Fed Com 2H

RKB=26.5' @ 3508.50ft RKB=26.5' @ 3508.50ft

Grid

ssigii.	r ennitting r i								
lanned Survey									
Measured Depth (ft)	Inclination (°)	Azimuth (°)	Vertical Depth (ft)	+N/-S (ft)	+E/-W (ft)	Vertical Section (ft)	Dogleg Rate (°/100ft)	Build Rate (°/100ft)	Turn Rate (°/100ft)
0.00		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
100.00	0.00	0.00	100.00	0.00	0.00	0.00	0.00	0.00	0.00
200.00	0.00	0.00	200.00	0.00	0.00	0.00	0.00	0.00	0.00
300.00	0.00	0.00	300.00	0.00	0.00	0.00	0.00	0.00	0.00
400.00	0.00	0.00	400.00	0.00	0.00	0.00	0.00	0.00	0.00
500.00	0.00	0.00	500.00	0.00	0.00	0.00	0.00	0.00	0.00
			600.00					0.00	
600.00	0.00	0.00		0.00	0.00	0.00	0.00		0.00
700.00	0.00	0.00	700.00	0.00	0.00	0.00	0.00	0.00	0.00
800.00	0.00	0.00	800.00	0.00	0.00	0.00	0.00	0.00	0.00
900.00	0.00	0.00	900.00	0.00	0.00	0.00	0.00	0.00	0.00
1,000.00	0.00	0.00	1,000.00	0.00	0.00	0.00	0.00	0.00	0.00
1,100.00	0.00	0.00	1,100.00	0.00	0.00	0.00	0.00	0.00	0.00
1,200.00	0.00	0.00	1,200.00	0.00	0.00	0.00	0.00	0.00	0.00
1,300.00	0.00	0.00	1,300.00	0.00	0.00	0.00	0.00	0.00	0.00
1,400.00	0.00	0.00	1,400.00	0.00	0.00	0.00	0.00	0.00	0.00
1,500.00	0.00	0.00	1,500.00	0.00	0.00	0.00	0.00	0.00	0.00
1,600.00	0.00	0.00	1,600.00	0.00	0.00	0.00	0.00	0.00	0.00
1,700.00	0.00	0.00	1,700.00	0.00	0.00	0.00	0.00	0.00	0.00
	0.00								
1,800.00 1,900.00	0.00	0.00 0.00	1,800.00 1,900.00	0.00 0.00	0.00 0.00	0.00 0.00	0.00 0.00	0.00 0.00	0.00 0.00
,									
2,000.00	0.00	0.00	2,000.00	0.00	0.00	0.00	0.00	0.00	0.00
2,100.00		0.00	2,100.00	0.00	0.00	0.00	0.00	0.00	0.00
2,200.00		0.00	2,200.00	0.00	0.00	0.00	0.00	0.00	0.00
2,300.00		0.00	2,300.00	0.00	0.00	0.00	0.00	0.00	0.00
2,400.00	0.00	0.00	2,400.00	0.00	0.00	0.00	0.00	0.00	0.00
2,500.00	0.00	0.00	2,500.00	0.00	0.00	0.00	0.00	0.00	0.00
2,600.00		0.00	2,600.00	0.00	0.00	0.00	0.00	0.00	0.00
2,700.00	0.00	0.00	2,700.00	0.00	0.00	0.00	0.00	0.00	0.00
2,800.00		0.00	2,800.00	0.00	0.00	0.00	0.00	0.00	0.00
2,900.00	0.00	0.00	2,900.00	0.00	0.00	0.00	0.00	0.00	0.00
3,000.00	0.00	0.00	3,000.00	0.00	0.00	0.00	0.00	0.00	0.00
3,100.00		0.00	3,100.00	0.00	0.00	0.00	0.00	0.00	0.00
3,200.00		0.00	3,200.00	0.00	0.00	0.00	0.00	0.00	0.00
3,300.00		0.00	3,300.00	0.00	0.00	0.00	0.00	0.00	0.00
3,400.00	0.00	0.00	3,400.00	0.00	0.00	0.00	0.00	0.00	0.00
3,500.00	0.00	0.00	3,500.00	0.00	0.00	0.00	0.00	0.00	0.00
3,600.00	0.00	0.00	3,600.00	0.00	0.00	0.00	0.00	0.00	0.00
3,700.00	0.00	0.00	3,700.00	0.00	0.00	0.00	0.00	0.00	0.00
3,800.00		0.00	3,800.00	0.00	0.00	0.00	0.00	0.00	0.00
3,898.00	0.00	0.00	3,898.00	0.00	0.00	0.00	0.00	0.00	0.00
3,900.00	0.04	308.38	3,900.00	0.00	0.00	0.00	2.00	2.00	0.00
4,000.00		308.38	3,999.98	1.13	-1.42	-0.99	2.00	2.00	0.00
4,100.00		308.38	4,099.83	4.42	-5.58	-3.89	2.00	2.00	0.00
4,200.00	6.04	308.38	4,099.63 4,199.44	9.88	-5.56 -12.47	-3.69 -8.68	2.00	2.00	0.00
4,300.00	8.04	308.38	4,199.44	9.66 17.49	-12.47	-0.00 -15.38	2.00	2.00	0.00
4,400.00	10.04	308.38	4,397.43	27.24	-34.39	-23.96	2.00	2.00	0.00
4,498.06		308.38	4,493.68	38.88	-49.08	-34.19	2.00	2.00	0.00
4,500.00	12.00	308.38	4,495.58	39.13	-49.40	-34.41	0.00	0.00	0.00
4,600.00		308.38	4,593.39	52.04	-65.70	-45.77	0.00	0.00	0.00
4,700.00	12.00	308.38	4,691.21	64.95	-82.00	-57.12	0.00	0.00	0.00
4,800.00	12.00	308.38	4,789.02	77.87	-98.29	-68.47	0.00	0.00	0.00
4,900.00		308.38	4,886.84	90.78	-114.59	-79.83	0.00	0.00	0.00
5,000.00		308.38	4,984.65	103.69	-130.89	-91.18	0.00	0.00	0.00
5,100.00	12.00	308.38	5,082.47	116.60	-147.19	-102.54	0.00	0.00	0.00

Planning Report

Database: Company: HOPSPP

ENGINEERING DESIGNS

Project: PRD NM DIRECTIONAL PLANS (NAD 1983)

Site: Jeff Smith MDP1 7_18

Well: Jeff Smith MDP1 7_18 Fed Com 2H

Wellbore: Wellbore #1

Design: Permitting Plan

Local Co-ordinate Reference:

TVD Reference: MD Reference: North Reference:

Survey Calculation Method:

Well Jeff Smith MDP1 7_18 Fed Com 2H

RKB=26.5' @ 3508.50ft RKB=26.5' @ 3508.50ft

Grid

sign:	Permitting Pia	all							
anned Survey									
Measured Depth (ft)	Inclination (°)	Azimuth (°)	Vertical Depth (ft)	+N/-S (ft)	+E/-W (ft)	Vertical Section (ft)	Dogleg Rate (°/100ft)	Build Rate (°/100ft)	Turn Rate (°/100ft)
5,200.00	12.00	308.38	5,180.28	129.51	-163.49	-113.89	0.00	0.00	0.00
5,300.00	12.00	308.38	5,278.09	142.42	-179.79	-125.25	0.00	0.00	0.00
5,400.00	12.00	308.38	5,375.91	155.33	-196.09	-136.60	0.00	0.00	0.00
5,500.00	12.00	308.38	5,473.72	168.24	-212.39	-147.96	0.00	0.00	0.00
5,600.00	12.00	308.38	5,571.54	181.16	-228.69	-159.31	0.00	0.00	0.00
5,700.00	12.00	308.38	5,669.35	194.07	-244.98	-170.66	0.00	0.00	0.00
5,800.00	12.00	308.38	5,767.17	206.98	-261.28	-182.02	0.00	0.00	0.00
5,900.00	12.00	308.38	5,864.98	219.89	-277.58	-193.37	0.00	0.00	0.00
6,000.00	12.00	308.38	5,962.79	232.80	-293.88	-204.73	0.00	0.00	0.00
6,100.00	12.00	308.38	6,060.61	245.71	-310.18	-216.08	0.00	0.00	0.00
6,200.00	12.00	308.38	6,158.42	258.62	-326.48	-227.44	0.00	0.00	0.00
6 300 00	12.00	200 20	6,256.24	271.54	-342.78	229.70		0.00	0.00
6,300.00 6,400.00	12.00 12.00	308.38 308.38	6,256.24	271.54 284.45	-342.78 -359.08	-238.79 -250.14	0.00 0.00	0.00	0.00
6,400.00	12.00	308.38	6,354.05 6,451.87	284.45 297.36	-359.08 -375.38	-250.14 -261.50	0.00	0.00	0.00
6,600.00	12.00	308.38	6,451.87	297.36 310.27	-375.38 -391.67	-261.50 -272.85	0.00	0.00	0.00
6,700.00	12.00	308.38	6,549.68 6,647.49	310.27	-391.67 -407.97	-272.85 -284.21	0.00	0.00	0.00
6,800.00	12.00	308.38	6,745.31	336.09	-424.27	-295.56	0.00	0.00	0.00
6,900.00	12.00	308.38	6,843.12	349.00	-440.57	-306.92	0.00	0.00	0.00
7,000.00	12.00	308.38	6,940.94	361.92	-456.87	-318.27	0.00	0.00	0.00
7,100.00	12.00	308.38	7,038.75	374.83	-473.17	-329.62	0.00	0.00	0.00
7,200.00	12.00	308.38	7,136.57	387.74	-489.47	-340.98	0.00	0.00	0.00
7,300.00	12.00	308.38	7,234.38	400.65	-505.77	-352.33	0.00	0.00	0.00
7,400.00	12.00	308.38	7,332.19	413.56	-522.07	-363.69	0.00	0.00	0.00
7,500.00	12.00	308.38	7,430.01	426.47	-538.37	-375.04	0.00	0.00	0.00
7,600.00	12.00	308.38	7,527.82	439.38	-554.66	-386.40	0.00	0.00	0.00
7,700.00	12.00	308.38	7,625.64	452.30	-570.96	-397.75	0.00	0.00	0.00
7,800.00	12.00	308.38	7,723.45	465.21	-587.26	-409.10	0.00	0.00	0.00
7,900.00	12.00	308.38	7,821.27	478.12	-603.56	-420.46	0.00	0.00	0.00
8,000.00	12.00	308.38	7,919.08	491.03	-619.86	-431.81	0.00	0.00	0.00
8,100.00	12.00	308.38	8,016.89	503.94	-636.16	-443.17	0.00	0.00	0.00
8,200.00	12.00	308.38	8,114.71	516.85	-652.46	-454.52	0.00	0.00	0.00
8,300.00	12.00	308.38	8,212.52	529.76	-668.76	-465.88	0.00	0.00	0.00
8,400.00	12.00	308.38	8,310.34	542.68	-685.06	-477.23	0.00	0.00	0.00
8,500.00	12.00	308.38	8,408.15	555.59	-701.35	-477.23 -488.58	0.00	0.00	0.00
8,600.00	12.00	308.38	8,505.97	568.50	-701.33 -717.65	-499.94	0.00	0.00	0.00
8,700.00	12.00	308.38	8,603.78	581.41	-717.05	-499.9 4 -511.29	0.00	0.00	0.00
8,800.00	12.00	308.38	8,701.60	594.32	-750.25	-522.65	0.00	0.00	0.00
8,900.00	12.00	308.38	8,799.41	607.23	-766.55	-534.00	0.00	0.00	0.00
9,000.00	12.00	308.38	8,897.22	620.14	-782.85	-545.36	0.00	0.00	0.00
9,100.00	12.00	308.38	8,995.04	633.06	-799.15	-556.71	0.00	0.00	0.00
9,200.00	12.00	308.38	9,092.85	645.97	-815.45	-568.07	0.00	0.00	0.00
9,300.00	12.00	308.38	9,190.67	658.88	-831.75	-579.42	0.00	0.00	0.00
9,400.00	12.00	308.38	9,288.48	671.79	-848.05	-590.77	0.00	0.00	0.00
9,500.00	12.00	308.38	9,386.30	684.70	-864.34	-602.13	0.00	0.00	0.00
9,600.00	12.00	308.38	9,484.11	697.61	-880.64	-613.48	0.00	0.00	0.00
9,700.00	12.00	308.38	9,581.92	710.52	-896.94	-624.84	0.00	0.00	0.00
9,705.05	12.00	308.38	9,586.86	711.18	-897.77	-625.41	0.00	0.00	0.00
9,800.00	9.64	257.50	9,680.32	715.60	-913.30	-628.38	10.00	-2.49	-53.59
9,900.00	15.24	217.26	9,778.10	703.29	-929.47	-614.64	10.00	5.60	-40.24
10,000.00	23.87	201.76	9,872.31	673.97	-944.97	-584.01	10.00	8.63	-15.50
10,100.00	33.25	194.40	9,960.07	628.51	-959.33	-537.42	10.00	9.38	-7.36
10,200.00 10,300.00	42.88 52.63	190.03 187.01	10,038.72 10,105.87	568.29 495.16	-972.10 -982.90	-476.29 -402.47	10.00 10.00	9.64 9.75	-4.37 -3.01
10,300.00	62.44	184.70	10,105.87	495.16	-982.90 -991.40	-402.47 -318.21	10.00	9.75 9.81	-3.01 -2.31

Planning Report

Database: Company:

Project:

HOPSPP

ENGINEERING DESIGNS

PRD NM DIRECTIONAL PLANS (NAD 1983)

Site: Jeff Smith MDP1 7_18

Well: Jeff Smith MDP1 7_18 Fed Com 2H

Wellbore: Design: Wellbore #1 Permitting Plan Local Co-ordinate Reference:

TVD Reference: MD Reference: North Reference:

Survey Calculation Method:

Well Jeff Smith MDP1 7_18 Fed Com 2H

RKB=26.5' @ 3508.50ft RKB=26.5' @ 3508.50ft

Grid

Planned Survey									
Measured Depth (ft)	Inclination (°)	Azimuth (°)	Vertical Depth (ft)	+N/-S (ft)	+E/-W (ft)	Vertical Section (ft)	Dogleg Rate (°/100ft)	Build Rate (°/100ft)	Turn Rate (°/100ft)
10,500.00 10,600.00	72.28 82.14	182.77 181.04	10,197.93 10,220.04	319.35 222.00	-997.35 -1,000.56	-226.07 -128.85	10.00 10.00	9.84 9.86	-1.93 -1.73
10,678.96 10,700.00 10,800.00 10,900.00 11,000.00	89.93 89.93 89.93 89.93	179.74 179.74 179.74 179.74 179.74	10,225.50 10,225.53 10,225.65 10,225.78 10,225.90	143.30 122.26 22.26 -77.74 -177.74	-1,001.09 -1,001.00 -1,000.55 -1,000.09 -999.64	-50.43 -29.48 70.05 169.58 269.11	10.00 0.00 0.00 0.00 0.00	9.86 0.00 0.00 0.00 0.00	-1.65 0.00 0.00 0.00 0.00
11,100.00 11,200.00 11,300.00 11,400.00 11,500.00	89.93 89.93 89.93 89.93	179.74 179.74 179.74 179.74 179.74	10,226.02 10,226.15 10,226.27 10,226.40 10,226.52	-277.74 -377.74 -477.74 -577.74 -677.73	-999.19 -998.73 -998.28 -997.83 -997.37	368.64 468.17 567.71 667.24 766.77	0.00 0.00 0.00 0.00 0.00	0.00 0.00 0.00 0.00 0.00	0.00 0.00 0.00 0.00 0.00
11,600.00 11,700.00 11,800.00 11,900.00 12,000.00	89.93 89.93 89.93 89.93	179.74 179.74 179.74 179.74 179.74	10,226.65 10,226.77 10,226.90 10,227.02 10,227.14	-777.73 -877.73 -977.73 -1,077.73 -1,177.73	-996.92 -996.47 -996.02 -995.56 -995.11	866.30 965.83 1,065.36 1,164.90 1,264.43	0.00 0.00 0.00 0.00 0.00	0.00 0.00 0.00 0.00 0.00	0.00 0.00 0.00 0.00 0.00
12,100.00 12,200.00 12,300.00 12,400.00 12,500.00	89.93 89.93 89.93 89.93	179.74 179.74 179.74 179.74 179.74	10,227.27 10,227.39 10,227.52 10,227.64 10,227.77	-1,277.73 -1,377.73 -1,477.73 -1,577.72 -1,677.72	-994.66 -994.20 -993.75 -993.30 -992.85	1,363.96 1,463.49 1,563.02 1,662.55 1,762.09	0.00 0.00 0.00 0.00 0.00	0.00 0.00 0.00 0.00 0.00	0.00 0.00 0.00 0.00 0.00
12,600.00 12,700.00 12,800.00 12,900.00 13,000.00	89.93 89.93 89.93 89.93	179.74 179.74 179.74 179.74 179.74	10,227.89 10,228.01 10,228.14 10,228.26 10,228.39	-1,777.72 -1,877.72 -1,977.72 -2,077.72 -2,177.72	-992.39 -991.94 -991.49 -991.03 -990.58	1,861.62 1,961.15 2,060.68 2,160.21 2,259.74	0.00 0.00 0.00 0.00 0.00	0.00 0.00 0.00 0.00 0.00	0.00 0.00 0.00 0.00 0.00
13,100.00 13,200.00 13,300.00 13,400.00 13,500.00	89.93 89.93 89.93 89.93	179.74 179.74 179.74 179.74 179.74	10,228.51 10,228.64 10,228.76 10,228.89 10,229.01	-2,277.72 -2,377.72 -2,477.71 -2,577.71 -2,677.71	-990.13 -989.67 -989.22 -988.77 -988.32	2,359.27 2,458.81 2,558.34 2,657.87 2,757.40	0.00 0.00 0.00 0.00 0.00	0.00 0.00 0.00 0.00 0.00	0.00 0.00 0.00 0.00 0.00
13,600.00 13,700.00 13,800.00 13,900.00 14,000.00	89.93 89.93 89.93 89.93 89.93	179.74 179.74 179.74 179.74 179.74	10,229.13 10,229.26 10,229.38 10,229.51 10,229.63	-2,777.71 -2,877.71 -2,977.71 -3,077.71 -3,177.71	-987.86 -987.41 -986.96 -986.50 -986.05	2,856.93 2,956.46 3,056.00 3,155.53 3,255.06	0.00 0.00 0.00 0.00 0.00	0.00 0.00 0.00 0.00 0.00	0.00 0.00 0.00 0.00 0.00
14,100.00 14,200.00 14,300.00 14,400.00 14,500.00	89.93 89.93 89.93 89.93	179.74 179.74 179.74 179.74 179.74	10,229.76 10,229.88 10,230.01 10,230.13 10,230.25	-3,277.71 -3,377.70 -3,477.70 -3,577.70 -3,677.70	-985.60 -985.15 -984.69 -984.24 -983.79	3,354.59 3,454.12 3,553.65 3,653.19 3,752.72	0.00 0.00 0.00 0.00 0.00	0.00 0.00 0.00 0.00 0.00	0.00 0.00 0.00 0.00 0.00
14,600.00 14,700.00 14,800.00 14,900.00 15,000.00	89.93 89.93 89.93 89.93	179.74 179.74 179.74 179.74 179.74	10,230.38 10,230.50 10,230.63 10,230.75 10,230.88	-3,777.70 -3,877.70 -3,977.70 -4,077.70 -4,177.70	-983.33 -982.88 -982.43 -981.98 -981.52	3,852.25 3,951.78 4,051.31 4,150.84 4,250.37	0.00 0.00 0.00 0.00 0.00	0.00 0.00 0.00 0.00 0.00	0.00 0.00 0.00 0.00 0.00
15,100.00 15,200.00 15,300.00 15,400.00 15,500.00	89.93 89.93 89.93 89.93	179.74 179.74 179.74 179.74 179.74	10,231.00 10,231.13 10,231.25 10,231.37 10,231.50	-4,277.69 -4,377.69 -4,477.69 -4,577.69 -4,677.69	-981.07 -980.62 -980.16 -979.71 -979.26	4,349.91 4,449.44 4,548.97 4,648.50 4,748.03	0.00 0.00 0.00 0.00 0.00	0.00 0.00 0.00 0.00 0.00	0.00 0.00 0.00 0.00 0.00
15,600.00 15,700.00	89.93 89.93	179.74 179.74	10,231.62 10,231.75	-4,777.69 -4,877.69	-978.80 -978.35	4,847.56 4,947.10	0.00 0.00	0.00 0.00	0.00 0.00

Planning Report

Database: Company: HOPSPP

ENGINEERING DESIGNS

Project: PRD NM DIRECTIONAL PLANS (NAD 1983)

Site: Jeff Smith MDP1 7_18

Well: Jeff Smith MDP1 7_18 Fed Com 2H

Wellbore: Wellbore #1

Design: Permitting Plan

Local Co-ordinate Reference:

TVD Reference: MD Reference: North Reference:

Survey Calculation Method:

Well Jeff Smith MDP1 7_18 Fed Com 2H

RKB=26.5' @ 3508.50ft RKB=26.5' @ 3508.50ft

Grid

lanned Survey									
Measured Depth (ft)	Inclination (°)	Azimuth (°)	Vertical Depth (ft)	+N/-S (ft)	+E/-W (ft)	Vertical Section (ft)	Dogleg Rate (°/100ft)	Build Rate (°/100ft)	Turn Rate (°/100ft)
15,800.00	89.93	179.74	10,231.87	-4,977.69	-977.90	5,046.63	0.00	0.00	0.00
15,900.00	89.93	179.74	10,232.00	-5,077.69	-977.45	5,146.16	0.00	0.00	0.00
16,000.00	89.93	179.74	10,232.12	-5,177.69	-976.99	5,245.69	0.00	0.00	0.00
16,100.00	89.93	179.74	10,232.25	-5,277.68	-976.54	5,345.22	0.00	0.00	0.00
16,200.00	89.93	179.74	10,232.37	-5,377.68	-976.09	5,444.75	0.00	0.00	0.00
16,300.00	89.93	179.74	10,232.49	-5,477.68	-975.63	5,544.29	0.00	0.00	0.00
16,400.00	89.93	179.74	10,232.62	-5,577.68	-975.18	5,643.82	0.00	0.00	0.00
16,500.00	89.93	179.74	10,232.74	-5,677.68	-974.73	5,743.35	0.00	0.00	0.00
16,600.00 16,700.00 16,800.00 16,900.00 17,000.00	89.93 89.93 89.93 89.93	179.74 179.74 179.74 179.74 179.74	10,232.87 10,232.99 10,233.12 10,233.24 10,233.37	-5,777.68 -5,877.68 -5,977.68 -6,077.68 -6,177.67	-974.28 -973.82 -973.37 -972.92 -972.46	5,842.88 5,942.41 6,041.94 6,141.47 6,241.01	0.00 0.00 0.00 0.00 0.00	0.00 0.00 0.00 0.00 0.00	0.00 0.00 0.00 0.00 0.00
17,100.00	89.93	179.74	10,233.49	-6,277.67	-972.01	6,340.54	0.00	0.00	0.00
17,200.00	89.93	179.74	10,233.61	-6,377.67	-971.56	6,440.07	0.00	0.00	0.00
17,300.00	89.93	179.74	10,233.74	-6,477.67	-971.10	6,539.60	0.00	0.00	0.00
17,400.00	89.93	179.74	10,233.86	-6,577.67	-970.65	6,639.13	0.00	0.00	0.00
17,500.00	89.93	179.74	10,233.99	-6,677.67	-970.20	6,738.66	0.00	0.00	0.00
17,600.00	89.93	179.74	10,234.11	-6,777.67	-969.75	6,838.20	0.00	0.00	0.00
17,700.00	89.93	179.74	10,234.24	-6,877.67	-969.29	6,937.73	0.00	0.00	0.00
17,800.00	89.93	179.74	10,234.36	-6,977.67	-968.84	7,037.26	0.00	0.00	0.00
17,900.00	89.93	179.74	10,234.48	-7,077.66	-968.39	7,136.79	0.00	0.00	0.00
18,000.00	89.93	179.74	10,234.61	-7,177.66	-967.93	7,236.32	0.00	0.00	0.00
18,100.00	89.93	179.74	10,234.73	-7,277.66	-967.48	7,335.85	0.00	0.00	0.00
18,200.00	89.93	179.74	10,234.86	-7,377.66	-967.03	7,435.38	0.00	0.00	0.00
18,300.00	89.93	179.74	10,234.98	-7,477.66	-966.58	7,534.92	0.00	0.00	0.00
18,400.00	89.93	179.74	10,235.11	-7,577.66	-966.12	7,634.45	0.00	0.00	0.00
18,500.00	89.93	179.74	10,235.23	-7,677.66	-965.67	7,733.98	0.00	0.00	0.00
18,600.00	89.93	179.74	10,235.36	-7,777.66	-965.22	7,833.51	0.00	0.00	0.00
18,700.00	89.93	179.74	10,235.48	-7,877.66	-964.76	7,933.04	0.00	0.00	0.00
18,800.00	89.93	179.74	10,235.60	-7,977.65	-964.31	8,032.57	0.00	0.00	0.00
18,900.00	89.93	179.74	10,235.73	-8,077.65	-963.86	8,132.11	0.00	0.00	0.00
19,000.00	89.93	179.74	10,235.85	-8,177.65	-963.41	8,231.64	0.00	0.00	0.00
19,100.00	89.93	179.74	10,235.98	-8,277.65	-962.95	8,331.17	0.00	0.00	0.00
19,200.00	89.93	179.74	10,236.10	-8,377.65	-962.50	8,430.70	0.00	0.00	0.00
19,300.00	89.93	179.74	10,236.23	-8,477.65	-962.05	8,530.23	0.00	0.00	0.00
19,400.00	89.93	179.74	10,236.35	-8,577.65	-961.59	8,629.76	0.00	0.00	0.00
19,500.00	89.93	179.74	10,236.48	-8,677.65	-961.14	8,729.30	0.00	0.00	0.00
19,600.00	89.93	179.74	10,236.60	-8,777.65	-960.69	8,828.83	0.00	0.00	0.00
19,700.00	89.93	179.74	10,236.72	-8,877.64	-960.23	8,928.36	0.00	0.00	0.00
19,800.00	89.93	179.74	10,236.85	-8,977.64	-959.78	9,027.89	0.00	0.00	0.00
19,900.00	89.93	179.74	10,236.97	-9,077.64	-959.33	9,127.42	0.00	0.00	0.00
20,000.00	89.93	179.74	10,237.10	-9,177.64	-958.88	9,226.95	0.00	0.00	0.00
20,100.00	89.93	179.74	10,237.22	-9,277.64	-958.42	9,326.48	0.00	0.00	0.00
20,200.00	89.93	179.74	10,237.35	-9,377.64	-957.97	9,426.02	0.00	0.00	0.00
20,300.00	89.93	179.74	10,237.47	-9,477.64	-957.52	9,525.55	0.00	0.00	0.00
20,400.00	89.93	179.74	10,237.60	-9,577.64	-957.06	9,625.08	0.00	0.00	0.00
20,500.00	89.93	179.74	10,237.72	-9,677.64	-956.61	9,724.61	0.00	0.00	0.00
20,600.00	89.93	179.74	10,237.84	-9,777.63	-956.16	9,824.14	0.00	0.00	0.00
20,700.00	89.93	179.74	10,237.97	-9,877.63	-955.71	9,923.67	0.00	0.00	0.00
20,800.00	89.93	179.74	10,238.09	-9,977.63	-955.25	10,023.21	0.00	0.00	0.00
20,900.00	89.93	179.74	10,238.22	-10,077.63	-954.80	10,122.74	0.00	0.00	0.00
21,000.00	89.93	179.74	10,238.34	-10,177.63	-954.35	10,222.27	0.00	0.00	0.00
21,100.00	89.93	179.74	10,238.47	-10,277.63	-953.89	10,321.80	0.00	0.00	0.00

Planning Report

Database: HOPSPP

Company: ENGINEERING DESIGNS

Project: PRD NM DIRECTIONAL PLANS (NAD 1983)

Site: Jeff Smith MDP1 7_18

Well: Jeff Smith MDP1 7_18 Fed Com 2H

Wellbore: Wellbore #1

Design: Permitting Plan

Local Co-ordinate Reference:

TVD Reference: MD Reference:

North Reference: Survey Calculation Method: Well Jeff Smith MDP1 7_18 Fed Com 2H

RKB=26.5' @ 3508.50ft RKB=26.5' @ 3508.50ft

Grid

Planned Survey										
Measured Depth (ft)	Inclination (°)	Azimuth (°)	Vertical Depth (ft)	+N/-S (ft)	+E/-W (ft)	Vertical Section (ft)	Dogleg Rate (°/100ft)	Build Rate (°/100ft)	Turn Rate (°/100ft)	
21,127.23	89.93	179.74	10,238.50	-10,304.86	-953.77	10,348.91	0.00	0.00	0.00	

Design Targets									
Target Name - hit/miss target - Shape	Dip Angle (°)	Dip Dir. (°)	TVD (ft)	+N/-S (ft)	+E/-W (ft)	Northing (usft)	Easting (usft)	Latitude	Longitude
FTP (Jeff Smith MDP1 - plan hits target ce - Point	0.00 nter	0.00	10,225.50	143.30	-1,001.09	451,009.79	701,442.96 3	2° 14' 19.826891 N	103° 48' 55.801556
PBHL (Jeff Smith - plan hits target ce - Point	0.00 nter	0.00	10,238.50	-10,304.86	-953.77	440,562.29	701,490.28 3	2° 12' 36.439738 N	103° 48' 55.836841

Plan Annotations					
	Measured Vertical Depth Depth		Local Coor		
	(ft)	(ft)	+N/-S (ft)	+E/-W (ft)	Comment
3	3,898.00	3,898.00	0.00	0.00	Build 2°/100'
4	,498.06	4,493.68	38.88	-49.08	Hold 12° Tangent
9	,705.05	9,586.86	711.18	-897.77	KOP, Build & Turn 10°/100'
10	,678.96	10,225.50	143.30	-1,001.09	Landing Point
21	,127.23	10,238.50	-10,304.86	-953.77	TD at 21127.23' MD



Project: PRD NM DIRECTIONAL PLANS (NAD 1983)

Site: Jeff Smith MDP1 7_18

Well: Jeff Smith MDP1 7_18 Fed Com 2H

Wellbore: Wellbore #1
Design: Permitting Plan

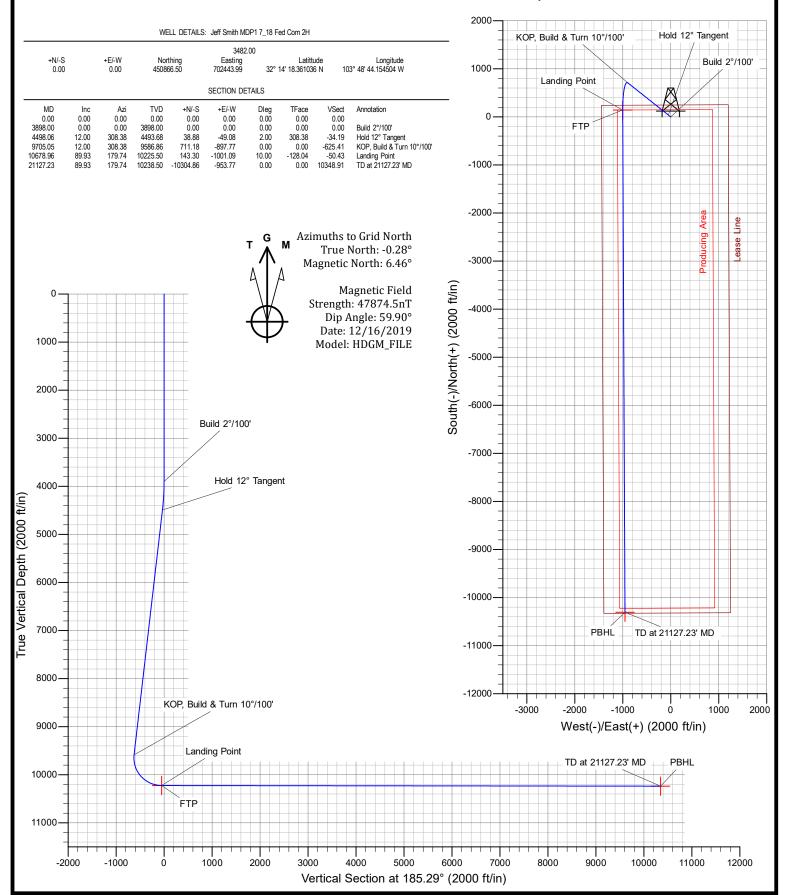
Geodetic System: US State Plane 1983

Datum: North American Datum 1983

Ellipsoid: GRS 1980

Zone: New Mexico Eastern Zone

System Datum: Mean Sea Level



Oxy USA Inc. - JEFF SMITH MDP1 7 18 FED COM 2H

1. Geologic Formations

TVD of target	10239'	Pilot Hole Depth	N/A
MD at TD:	21127'	Deepest Expected fresh water:	581'

Delaware Basin

Formation	TVD - RKB	Expected Fluids
Rustler	581	Brine
Salado	960	Brine
Castile	2,836	Brine
Lamar/Delaware	4,209	Brine
Bell Canyon	4,238	Oil/Gas
Cherry Canyon	5,155	Oil/Gas
Brushy Canyon	6,402	Losses
Bone Spring	8,076	Oil/Gas
1st Bone Spring	9,100	Oil/Gas
2nd Bone Spring	9,807	Oil/Gas

^{*}H2S, water flows, loss of circulation, abnormal pressures, etc.

2. Casing Program

									Buoyant	Buoyant
Holo Sigo (in)	Casing	Interval	Csg. Size	Weight	Grade	Conn.	SF	SF Burst	Body SF	Joint SF
Hole Size (in)	From (ft)	To (ft)	(in)	(lbs)	Grade	Com.	Collapse	Sr Burst	Tension	Tension
17.5	0	631	13.375	54.5	J-55	BTC	1.125	1.2	1.4	1.4
12.25	0	4259	9.625	40	L-80	BTC	1.125	1.2	1.4	1.4
8.5	0	21127	5.5	20	P-110	DQX	1.125	1.2	1.4	1.4
								SF Values will	meet or Exceed	l

All casing strings will be tested in accordance with Onshore Oil and Gas Order #2 III.B.1.h

Annular Clearance Variance Request

As per the agreement reached in the Oxy/BLM meeting on Feb 22, 2018, Oxy requests permission to allow deviation from the 0.422" annular clearance requirement from Onshore Order #2 under the following conditions:

- 1. Annular clearance to meet or exceed 0.422" between intermediate casing ID and production casing coupling only on the first 500' overlap between both casings.
- 2. Annular clearance less than 0.422" is acceptable for the curve and lateral portions of the production open hole section.

	Y or N
Is casing new? If used, attach certification as required in Onshore Order #1	Y
Does casing meet API specifications? If no, attach casing specification sheet.	Y
Is premium or uncommon casing planned? If yes attach casing specification sheet.	Y
Does the above casing design meet or exceed BLM's minimum standards? If not provide	V
justification (loading assumptions, casing design criteria).	Y

^{*}Oxy requests the option to set casing shallower yet still below the salts if losses or hole conditions require this. Cement volumes may be adjusted if casing is set shallower and a DV tool may be run in case hole conditions merit pumping a second stage cement job to comply with permitted top of cement. If cement circulated to surface during first stage, we will drop a cancelation cone and not pump the second stage.

^{*}Oxy requests the option to run production casing with DQX, SF TORQ, and/or DQW TORQ connections to accommodate hole conditions or drilling operations.

Oxy USA Inc. - JEFF SMITH MDP1 7 18 FED COM 2H

Will the intermediate pipe be kept at a minimum 1/3 fluid filled to avoid approaching the collapse pressure rating of the casing?	Y
T 111 + 1 111 C 1 D 00	N
Is well located within Capitan Reef?	N
If yes, does production casing cement tie back a minimum of 50' above the Reef?	
Is well within the designated 4 string boundary.	
Is well located in SOPA but not in R-111-P?	Y
If yes, are the first 2 strings cemented to surface and 3 rd string cement tied back 500' into previous casing?	Y
Is well located in R-111-P and SOPA?	N
If yes, are the first three strings cemented to surface?	
Is 2 nd string set 100' to 600' below the base of salt?	
Is well located in high Cave/Karst?	N
If yes, are there two strings cemented to surface?	
(For 2 string wells) If yes, is there a contingency casing if lost circulation occurs?	
Is well located in critical Cave/Karst?	N
If yes, are there three strings cemented to surface?	

3. Cementing Program

lenting frogram						
Casing String	# Sks	Wt. (lb/gal)	Yld (ft3/sack)	H20 (gal/sk)	500# Comp. Strength (hours)	Slurry Description
Surface (Lead)	N/A	N/A	N/A	N/A	N/A	N/A
Surface (Tail)	671	14.8	1.33	6.365	5:26	Class C Cement, Accelerator
Intermediate (Lead)	982	12.9	1.73	8.784	15:26	Pozzolan Cement, Retarder
Intermediate (Tail)	155	14.8	1.33	6.368	7:11	Class C Cement, Accelerator
Production 1st Stage (Lead)	249	13.2	1.38	6.692	17:50	Class H Cement, Retarder, Dispersant, Salt
Production 1st Stage (Tail)	2283	13.2	1.38	6.686	3:49	Class H Cement, Retarder, Dispersant, Salt
2nd Stage Production Lead Slurry to be pumped as Bradenhead Squeeze from surface, down the Production annulus.						
Production 2nd Stage (Tail)	960	12.9	1.872	10.11	21:54	Class C Cement, Accelerator

Casing String	Top (ft)	Bottom (ft)	% Excess
Surface (Lead)	N/A	N/A	N/A
Surface (Tail)	0	631	100%
Intermediate (Lead)	0	3759	50%
Intermediate (Tail)	3759	4259	20%
Production 1st Stage (Lead)	6652	8076	5%
Production 1st Stage (Tail)	8076	21127	5%
Production 2nd Stage (Tail)	0	6652	25%

Oxy requests a variance to cement the 9.625" and/or 7.625" intermediate casing strings offline in accordance to the approved variance, EC Tran 461365.

The summarized operational sequence will be as follows:

- 1. Run casing as per normal operations. While running casing, conduct negative pressure test and confirm integrity of the float equipment (float collar and shoe).
- 2. Land casing.
- 3. Fill pipe with kill weight fluid, and confirm well is static.
 - a. If well is not static notify BLM and kill well.

Oxy USA Inc. - JEFF SMITH MDP1 7 18 FED COM 2H

- b. Once well is static notify BLM with intent to proceed with nipple down and offline cementing.
- 4. Set and pressure test annular packoff.
- 5. After confirmation of both annular barriers and internal barriers, nipple down BOP and install cap flange. If any barrier fails to test, the BOP stack will not be nippled down until after the cement job is completed.
- 6. Skid rig to next well on pad.
- 7. Confirm well is static before removing cap flange.
- 8. If well is not static notify BLM and kill well prior to cementing or nippling up for further remediation.
- 9. Install offline cement tool.
- 10. Rig up cement equipment.
 - a. Notify BLM prior to cement job.
- 11. Perform cement job.
- 12. Confirm well is static and floats are holding after cement job.
- 13. Remove cement equipment, offline cement tools and install night cap with pressure gauge for monitoring.

4. Pressure Control Equipment

BOP installed and tested before drilling which hole?	Size?	Min. Required WP	Туре		√	Tested to:
		3M	Annula	Annular		70% of working pressure
12.25" Hole	13-5/8"		Blind Ra	am	✓	
12.25" Hole	13-3/6	3M	Pipe Ram			250 psi / 3000 psi
			Double Ram		✓	
			Other*			
	3M Annular			ır	✓	70% of working pressure
8.5" Hole	13-5/8"		Blind Ra	am	✓	
		214	Pipe Ra	m		250: /2000:
		3M	Double R	Ram	✓	250 psi / 3000 psi
			Other*			

^{*}Specify if additional ram is utilized.

Oxy will utilize a 5M annular with a 10M BOPE stack. The BOP/BOPE will be tested by an independent service company to 250 psi low and the high pressure indicated above per Onshore Order 2 requirements. The System may be upgraded to a higher pressure but still tested to the working pressure listed in the table above. If the system is upgraded all the components installed will be functional and tested.

Pipe rams will be operationally checked each 24 hour period. Blind rams will be operationally checked on each trip out of the hole. These checks will be noted on the daily tour sheets. Other accessories to the BOP equipment will include a Kelly cock and floor safety valve (inside BOP) and choke lines and choke manifold. See attached schematics.

Formation integrity test will be performed per Onshore Order #2.

On Exploratory wells or on that portion of any well approved for a 5M BOPE system or greater, a pressure integrity test of each casing shoe shall be performed. Will be tested in accordance with Onshore Oil and Gas Order #2 III.B.1.i.

A variance is requested for the use of a flexible choke line from the BOP to Choke Manifold. See attached for specs and hydrostatic test chart.

Oxy USA Inc. - JEFF SMITH MDP1 7_18 FED COM 2H

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l Y	Are anchors red	iuirea by	manutacturer?

A multibowl or a unionized multibowl wellhead system will be employed. The wellhead and connection to the BOPE will meet all API 6A requirements. The BOP will be tested per Onshore Order #2 after installation on the surface casing which will cover testing requirements for a maximum of 30 days. If any seal subject to test pressure is broken the system must be tested. We will test the flange connection of the wellhead with a test port that is directly in the flange. We are proposing that we will run the wellhead through the rotary prior to cementing surface casing as discussed with the BLM on October 8, 2015.

See attached schematics.

BOP Break Testing Request

Oxy requests permission to adjust the BOP break testing requirements as per the agreement reached in the OXY/BLM meeting on September 5, 2019. A separate sundry will be sent prior to spud that reflects the pad based break testing plan.

BOP break test under the following conditions:

- After a full BOP test is conducted
- When skidding to drill an intermediate section where ICP is set into the third Bone Spring or shallower.
- When skidding to drill a production section that does not penetrate into the third Bone Spring or deeper. If the kill line is broken prior to skid, two tests will be performed.
 - 1) Wellhead flange, co-flex hose, kill line connections and upper pipe rams
 - 2) Wellhead flange, HCR valve, check valve, upper pipe rams

If the kill line is not broken prior to skid, only one test will be performed.

1) Wellhead flange, co-flex hose, check valve, upper pipe rams

5. Mud Program

De	pth	Tymo	Weight	Vigaasity	Watan Lagg
From (ft)	To (ft)	Туре	(ppg)	Viscosity	Water Loss
0	631	Water-Based Mud 8.6-8.8		40-60	N/C
631	4259	Saturated Brine- Based Mud 9.8-10.0		35-45	N/C
4259	21127	Water-Based or Oil- Based Mud	8.0-9.6	38-50	N/C

Sufficient mud materials to maintain mud properties and meet minimum lost circulation and weight increase requirements will be kept on location at all times. The following is a general list of products: Barite, Bentonite, Gypsum, Lime, Soda Ash, Caustic Soda, Nut Plug, Cedar Fiber, Cotton Seed Hulls, Drilling Paper, Salt Water Clay, CACL2. Oxy will use a closed mud system.

What will be used to monitor the loss or gain of fluid? PVT/MD Totco/Visual Monitoring

6. Logging and Testing Procedures

Logg	Logging, Coring and Testing.				
Yes	Will run GR from TD to surface (horizontal well – vertical portion of hole). Stated logs				
	run will be in the Completion Report and submitted to the BLM.				
No	Logs are planned based on well control or offset log information.				
No	Drill stem test? If yes, explain				
No	Coring? If yes, explain				

Oxy USA Inc. - JEFF SMITH MDP1 7_18 FED COM 2H

Addi	tional logs planned	Interval
No	Resistivity	
No	Density	
No	CBL	
Yes	Mud log	ICP - TD
No	PEX	

7. Drilling Conditions

Condition	Specify what type and where?
BH Pressure at deepest TVD	5112 psi
Abnormal Temperature	No
BH Temperature at deepest TVD	162°F

Pump high viscosity sweeps as needed for hole cleaning. The mud system will be monitored visually/manually as well as with an electronic PVT. The necessary mud products for additional weight and fluid loss control will be on location at all times. Appropriately weighted mud will be used to isolate potential gas, oil, and water zones until such time as casing can be cemented into place for zonal isolation.

Hydrogen Sulfide (H2S) monitors will be installed prior to drilling out the surface shoe. If H2S is detected in concentrations greater than 100 ppm, the operator will comply with the provisions of Onshore Oil and Gas Order #6. If Hydrogen Sulfide is encountered, measured values and formations will be provided to the BLM.

values and formations will be provided to the BLM.	
N	H2S is present
Y	H2S Plan attached

8. Other facets of operation	Yes/No
Will the well be drilled with a walking/skidding operation? If yes, describe.	Yes
• We plan to drill the four well pad in batch by section: all surface sections,	
intermediate sections and production sections. The wellhead will be secured	
with a night cap whenever the rig is not over the well.	
Will more than one drilling rig be used for drilling operations? If yes, describe.	Yes
• Oxy requests the option to contract a Surface Rig to drill, set surface casing,	
and cement for this well. If the timing between rigs is such that Oxy would	
not be able to preset surface, the Primary Rig will MIRU and drill the well in	
its entirety per the APD. Please see the attached document for information	
on the spudder rig.	

Total estimated cuttings volume: 1900.5 bbls.

9. Company Personnel

Name	<u>Title</u>	Office Phone	Mobile Phone
Linsay Earle	Drilling Engineer		832-596-5507
William Turner	Drilling Engineer Supervisor	713-350-4951	661-817-4586
Simon Benavides	Drilling Superintendent	713-522-8652	281-684-6897
Diego Tellez	Drilling Manager	713-350-4602	713-303-4932



U.S. Department of the Interior BUREAU OF LAND MANAGEMENT SUPO Data Report

APD ID: 10400054973

Submission Date: 04/14/2020

Operator Name: OXY USA INCORPORATED

Well Name: JEFF SMITH MDP1 7-18 FEDERAL COM

Well Type: OIL WELL

Well Number: 2H

Well Work Type: Drill

Highlighted data reflects the most recent changes

Show Final Text

Section 1 - Existing Roads

Will existing roads be used? YES

Existing Road Map:

JeffSmithMDP17_18FdCom2H_ExistRoads_20200414144054.pdf

Existing Road Purpose: ACCESS, FLUID TRANSPORT Row(s) Exist? NO

ROW ID(s)

ID:

Do the existing roads need to be improved? NO

Existing Road Improvement Description:

Existing Road Improvement Attachment:

Section 2 - New or Reconstructed Access Roads

Will new roads be needed? YES

New Road Map:

JeffSmithMDP17_18FdCom2H_NewRoads_20200414144247.pdf

New road type: LOCAL

Length: 11230 Width (ft.): 30 Feet

Max slope (%): 0 Max grade (%): 0

Army Corp of Engineers (ACOE) permit required? N

ACOE Permit Number(s):

New road travel width: 14

New road access erosion control: Watershed Diversion every 200' if needed.

New road access plan or profile prepared? Y

New road access plan attachment:

JeffSmithMDP17_18FdCom2H_NewRoads_20200414144421.pdf

Access road engineering design? N

Well Name: JEFF SMITH MDP1 7-18 FEDERAL COM Well Number: 2H

Access road engineering design attachment:

Turnout? N

Access surfacing type: OTHER

Access topsoil source: ONSITE

Access surfacing type description: Caliche

Access onsite topsoil source depth: 0

Offsite topsoil source description:

Onsite topsoil removal process: If available

Access other construction information: None

Access miscellaneous information:

Number of access turnouts: Access turnout map:

Drainage Control

New road drainage crossing: CULVERT

Drainage Control comments: Watershed Diversion every 200' if needed.

Road Drainage Control Structures (DCS) description: Watershed Diversion every 200' if needed.

Road Drainage Control Structures (DCS) attachment:

Access Additional Attachments

Section 3 - Location of Existing Wells

Existing Wells Map? YES

Attach Well map:

JeffSmithMDP17_18FdCom2H_ExistWells_20200414150105.pdf

Section 4 - Location of Existing and/or Proposed Production Facilities

Submit or defer a Proposed Production Facilities plan? SUBMIT

Production Facilities description:

Production Facilities map:

JeffSmithMDP17_18FdCom2H_LeaseFacilityInfo_20200414150150.pdf

Section 5 - Location and Types of Water Supply

Water Source Table

Well Name: JEFF SMITH MDP1 7-18 FEDERAL COM Well Number: 2H

Water source type: GW WELL

Water source use type: SURFACE CASING

INTERMEDIATE/PRODUCTION

CASING

OTHER Describe use type: Drilling

Source latitude: Source longitude:

Source datum:

Water source permit type: WATER WELL

Water source transport method: TRUCKING

PIPELINE

Source land ownership: COMMERCIAL

Source transportation land ownership: COMMERCIAL

Water source volume (barrels): 2000 Source volume (acre-feet): 0.25778618

Source volume (gal): 84000

Water source and transportation map:

JeffSmithMDP17_18FdCom2H_GRRWtrSrc_20200414150226.pdf JeffSmithMDP17_18FdCom2H_MesqWtrSrc_20200414150248.pdf

Water source comments: This well will be drilled using a combination of water mud systems. It will be obtained from commercial water stations (Gregory Rockhouse, Mesquite) in the area and will be hauled to location by transport truck using existing and proposed roads.

New water well? N

New Water Well Info

Well latitude: Well Longitude: Well datum:

Well target aquifer:

Est. depth to top of aquifer(ft): Est thickness of aquifer:

Aquifer comments:

Aguifer documentation:

Well depth (ft): Well casing type:

Well casing outside diameter (in.): Well casing inside diameter (in.):

New water well casing?

Used casing source:

Drilling method: Drill material:

Well Name: JEFF SMITH MDP1 7-18 FEDERAL COM Well Number: 2H

Grout material: Grout depth:

Casing length (ft.): Casing top depth (ft.):

Well Production type: Completion Method:

Water well additional information:

State appropriation permit:

Additional information attachment:

Section 6 - Construction Materials

Using any construction materials: YES

Construction Materials description: Primary - All caliche utilized for the drilling pad and proposed access road will be obtained from an existing BLM/State/Fee approved pit or from prevailing deposits found on the location. Will use BLM recommended extra caliche from other locations close by for roads, if available. Secondary - The secondary way of obtaining caliche to build locations and roads will be by "turning over" the location. This means, caliche will be obtained from the actual well site. A caliche permit will be obtained from BLM prior to pushing up any caliche. 2400 cubic yards is max amount of caliche needed for pad and roads. Amount will vary for each pad. The procedure below has been approved by BLM personnel: a. The top 6" of topsoil is pushed off and stockpiled along the side of the location. b. An approximate 120' X 120' area is used within the proposed well site to remove caliche. c. Subsoil is removed and piled alongside the 120' X 120' within the pad site. d. When caliche is found, material will be stockpiled within the pad site to build the location and road. e. Then subsoil is pushed back in the hole and caliche is spread accordingly across entire location and road. f. Once the well is drilled the stockpiled top soil will be used for interim reclamation and spread along areas where caliche is picked up and the location size is reduced. Neither caliche nor subsoil will be stockpiled outside of the well pad. Topsoil will be stockpiled along the edge of the pad. Caliche will be provided from a pit located in Section 7 T24S R31E. Water will be provided from a frac pond located in Sections 7 T24S R31E.

Construction Materials source location attachment:

Section 7 - Methods for Handling Waste

Waste type: DRILLING

Waste content description: Water-Based Cuttings, Water-Based Mud, Oil-Based Cuttings, Oil-Based Mud, Produced Water

Amount of waste: 1900.5 barrels

Waste disposal frequency: Daily

Safe containment description: Haul-Off Bins

Safe containmant attachment:

FACILITY

Disposal type description:

Disposal location description: An approved facility that can process drill cuttings, drill fluids, flowback water, produced water, contaminated soils, and other non-hazardous wastes.

Reserve Pit

Reserve Pit being used? NO

Temporary disposal of produced water into reserve pit? NO

Well Name: JEFF SMITH MDP1 7-18 FEDERAL COM Well Number: 2H

Reserve pit length (ft.) Reserve pit width (ft.)

Reserve pit depth (ft.)

Reserve pit volume (cu. yd.)

Is at least 50% of the reserve pit in cut?

Reserve pit liner

Reserve pit liner specifications and installation description

Cuttings Area

Cuttings Area being used? NO

Are you storing cuttings on location? Y

Description of cuttings location 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.

Cuttings area length (ft.)

Cuttings area width (ft.)

Cuttings area depth (ft.)

Cuttings area volume (cu. yd.)

Is at least 50% of the cuttings area in cut?

WCuttings area liner

Cuttings area liner specifications and installation description

Section 8 - Ancillary Facilities

Are you requesting any Ancillary Facilities?: N

Ancillary Facilities attachment:

Comments:

Section 9 - Well Site Layout

Well Site Layout Diagram:

JeffSmithMDP17_18FdCom2H_WellSiteCL_20200414150542.pdf

Comments:

Well Name: JEFF SMITH MDP1 7-18 FEDERAL COM Well Number: 2H

Section 10 - Plans for Surface Reclamation

Type of disturbance: New Surface Disturbance Multiple Well Pad Name: JEFF SMITH MDP1 7-18 FEDERAL COM

& NUGGET 6-31 FEDERAL COM

Multiple Well Pad Number: 11H, 12H, 41H, 42H, 173H, 174H & 11H,

Total long term disturbance: 17.11

Recontouring attachment: 12H, 41H, 42H

Drainage/Erosion control construction: Reclamation to be wind rowed as needed to control erosion Drainage/Erosion control reclamation: Reclamation to be wind rowed as needed to control erosion

Well pad proposed disturbance Well pad interim reclamation (acres): Well pad long term disturbance

(acres): 3.94 1.3 (acres): 2.64

Road proposed disturbance (acres): Road interim reclamation (acres): 4.12 Road long term disturbance (acres):

Powerline interim reclamation (acres): Powerline long term disturbance

18.11 (acres): 18.11 (acres): 0

Pipeline interim reclamation (acres): Pipeline proposed disturbance Pipeline long term disturbance

21.72 (acres): 32.59 (acres): 10.86

Other interim reclamation (acres): 0 Other proposed disturbance (acres): 0 Other long term disturbance (acres): 0

Total interim reclamation: 45.25

Total proposed disturbance:

Powerline proposed disturbance

62.370000000000005

Disturbance Comments: See Below

Reconstruction method: If the well is deemed commercially productive, caliche from the areas of the pad site not required for operations will be reclaimed. The original topsoil will be returned to the area of the drill pad not necessary to operate the well. These unused areas of the drill pad will be contoured, as close as possible, to match the original topography, and the area will be seeded with an approved BLM mixture to re-establish vegetation. After concluding the drilling and/or completion operations, if the well is found non-commercial, the caliche will be removed from the pad and transported to the original caliche pit or used for other drilling locations. The road will be reclaimed as directed by the BLM. The original topsoil will again be returned to the pad and contoured, as close as possible, to the original topography, and the area will be seeded with an approved BLM mixture to re-establish vegetation.

Topsoil redistribution: The original topsoil will be returned to the area of the drill pad not necessary to operate the well.

Soil treatment: To be determined by the BLM.

Existing Vegetation at the well pad: To be determined by the BLM at Onsite.

Existing Vegetation at the well pad attachment:

Existing Vegetation Community at the road: To be determined by the BLM at Onsite.

Existing Vegetation Community at the road attachment:

Existing Vegetation Community at the pipeline: To be determined by the BLM at Onsite.

Existing Vegetation Community at the pipeline attachment:

Existing Vegetation Community at other disturbances: To be determined by the BLM at Onsite.

Well Name: JEFF SMITH MDP1 7-18 FEDERAL COM Well Number: 2H

Existing Vegetation Community at other disturbances attachment:

Non native seed used? N

Non native seed description:

Seedling transplant description:

Will seedlings be transplanted for this project? N

Seedling transplant description attachment:

Will seed be harvested for use in site reclamation? N

Seed harvest description:

Seed harvest description attachment:

Seed Management

Seed Table

Seed Summary

Seed Type Pounds/Acre

Seed reclamation attachment:

Operator Contact/Responsible Official Contact Info

First Name: Mike Last Name: Wilson

Phone: (575)631-6618 Email: Michael_Wilson@oxy.com

Total pounds/Acre:

Seedbed prep:

Seed BMP:

Seed method:

Existing invasive species? N

Existing invasive species treatment description:

Existing invasive species treatment attachment:

Weed treatment plan description: To be determined by the BLM.

Weed treatment plan attachment:

Monitoring plan description: To be determined by the BLM.

Monitoring plan attachment:

Well Name: JEFF SMITH MDP1 7-18 FEDERAL COM Well Number: 2H

Success standards: To be determined by the BLM.

Pit closure description: NA

COE Local Office: DOD Local Office: NPS Local Office: State Local Office:

Pit closure attachment:	
Section 11 - Surface Ownership	
Disturbance type: WELL PAD	
Describe:	
Surface Owner: BUREAU OF LAND MANAGEMENT	
Other surface owner description:	
BIA Local Office:	
BOR Local Office:	
COE Local Office:	
DOD Local Office:	
NPS Local Office:	
State Local Office:	
Military Local Office:	
USFWS Local Office:	
Other Local Office:	
USFS Region:	
USFS Forest/Grassland:	USFS Ranger District:
Disturbance type: PIPELINE	
Describe:	
Surface Owner: BUREAU OF LAND MANAGEMENT	
Other surface owner description:	
BIA Local Office:	
BOR Local Office:	

Military Local Office:	
USFWS Local Office:	
Other Local Office:	
USFS Region:	
USFS Forest/Grassland:	USFS Ranger District:
Disturbance type: OTHER	
Describe: Electric Line	
Surface Owner: BUREAU OF LAND MANAGEMENT	
Other surface owner description:	
BIA Local Office:	
BOR Local Office:	
COE Local Office:	
DOD Local Office:	
NPS Local Office:	
State Local Office:	
Military Local Office:	
USFWS Local Office:	
Other Local Office:	
USFS Region:	
USFS Forest/Grassland:	USFS Ranger District:
Pietruk en ee truse NEW ACCECC DOAD	
Disturbance type: NEW ACCESS ROAD	
Describe:	
Surface Owner: BUREAU OF LAND MANAGEMENT Other surface owner description:	
Other surface owner description:	

Well Number: 2H

Operator Name: OXY USA INCORPORATED

BIA Local Office:

BOR Local Office:

COE Local Office:

Well Name: JEFF SMITH MDP1 7-18 FEDERAL COM

DOD Local Office:	
NPS Local Office:	
State Local Office:	
Military Local Office:	
USFWS Local Office:	
Other Local Office:	
USFS Region:	
USFS Forest/Grassland:	USFS Ranger District:
P. A. I. A. OTHER	
Disturbance type: OTHER	
Describe: CGLs	
Surface Owner: BUREAU OF LAND MANAGEMENT	
Other surface owner description:	
BIA Local Office:	
BOR Local Office:	
COE Local Office:	
DOD Local Office:	
NPS Local Office:	
State Local Office:	
Military Local Office:	
USFWS Local Office:	
Other Local Office:	
USFS Region:	
USFS Forest/Grassland:	USFS Ranger District:

Well Number: 2H

Section 12 - Other Information

Operator Name: OXY USA INCORPORATED

Well Name: JEFF SMITH MDP1 7-18 FEDERAL COM

Right of Way needed? Y

Use APD as ROW? Y

 $\label{eq:ROWType(s): 281001 ROW - ROADS, 285003 ROW - POWER TRANS, 288100 ROW - O&G Pipeline, 288101 ROW - O&G Facility Sites, 289001 ROW - O&G Well Pad$

Well Name: JEFF SMITH MDP1 7-18 FEDERAL COM Well Number: 2H

ROW Applications

SUPO Additional Information: Permian Basin MOA - To be submitted after APD acceptance. GIS Shapefiles available for BLM download from shared FTP site after APD submittal.

Use a previously conducted onsite? N

Previous Onsite information:

Other SUPO Attachment

JeffSmithMDP17_18FdCom2H_CutFill_20200414152147.pdf

JeffSmithMDP17_18FdCom2H_CutFill2_20200414152307.PDF

JeffSmithMDP17_18FdCom2H_GasCapPlan_20200414152324.pdf

JeffSmithMDP17_18FdCom2H_Loc_20200414152338.pdf

JeffSmithMDP17_18FdCom2H_LVM_20200414152349.pdf

JeffSmithMDP17_18FdCom2H_StakeForm_20200414152441.pdf

JeffSmithMDP17_18FdCom2H_SUPO_20200414152502.docx



U.S. Department of the Interior BUREAU OF LAND MANAGEMENT

PWD Data Report

PWD disturbance (acres):

APD ID: 10400054973 **Submission Date:** 04/14/2020

Operator Name: OXY USA INCORPORATED

Well Name: JEFF SMITH MDP1 7-18 FEDERAL COM Well Number: 2H

Well Type: OIL WELL Well Work Type: Drill

Section 1 - General

Would you like to address long-term produced water disposal? NO

Section 2 - Lined Pits

Would you like to utilize Lined Pit PWD options? N

Produced Water Disposal (PWD) Location:

Lined pit PWD on or off channel:

Lined pit PWD discharge volume (bbl/day):

Lined pit specifications:

Pit liner description:

PWD surface owner:

Pit liner manufacturers information:

Precipitated solids disposal:

Decribe precipitated solids disposal:

Precipitated solids disposal permit:

Lined pit precipitated solids disposal schedule:

Lined pit precipitated solids disposal schedule attachment:

Lined pit reclamation description:

Lined pit reclamation attachment:

Leak detection system description:

Leak detection system attachment:

Well Name: JEFF SMITH MDP1 7-18 FEDERAL COM Well Number: 2H

Lined pit Monitor description:

Lined pit Monitor attachment:

Lined pit: do you have a reclamation bond for the pit?

Is the reclamation bond a rider under the BLM bond?

Lined pit bond number:

Lined pit bond amount:

Additional bond information attachment:

Section 3 - Unlined Pits

Would you like to utilize Unlined Pit PWD options? N

Produced Water Disposal (PWD) Location:

PWD disturbance (acres): PWD surface owner:

Unlined pit PWD on or off channel:

Unlined pit PWD discharge volume (bbl/day):

Unlined pit specifications:

Precipitated solids disposal:

Decribe precipitated solids disposal:

Precipitated solids disposal permit:

Unlined pit precipitated solids disposal schedule:

Unlined pit precipitated solids disposal schedule attachment:

Unlined pit reclamation description:

Unlined pit reclamation attachment:

Unlined pit Monitor description:

Unlined pit Monitor attachment:

Do you propose to put the produced water to beneficial use?

Beneficial use user confirmation:

Estimated depth of the shallowest aquifer (feet):

Does the produced water have an annual average Total Dissolved Solids (TDS) concentration equal to or less than that of the existing water to be protected?

TDS lab results:

Geologic and hydrologic evidence:

State authorization:

Unlined Produced Water Pit Estimated percolation:

Unlined pit: do you have a reclamation bond for the pit?

Well Name: JEFF SMITH MDP1 7-18 FEDERAL COM Well Number: 2H

Is the reclamation bond a rider under the BLM bond?

Unlined pit bond number:

Unlined pit bond amount:

Additional bond information attachment:

Section 4 - Injection

Would you like to utilize Injection PWD options? N

Produced Water Disposal (PWD) Location:

PWD surface owner: PWD disturbance (acres):

Injection PWD discharge volume (bbl/day):

Injection well mineral owner:

Injection well type:

Injection well number: Injection well name:

Assigned injection well API number? Injection well API number:

Injection well new surface disturbance (acres):

Minerals protection information:

Mineral protection attachment:

Underground Injection Control (UIC) Permit?

UIC Permit attachment:

Section 5 - Surface Discharge

Would you like to utilize Surface Discharge PWD options? N

Produced Water Disposal (PWD) Location:

PWD surface owner: PWD disturbance (acres):

Surface discharge PWD discharge volume (bbl/day):

Surface Discharge NPDES Permit?

Surface Discharge NPDES Permit attachment:

Surface Discharge site facilities information:

Surface discharge site facilities map:

Section 6 - Other

Would you like to utilize Other PWD options? N

Produced Water Disposal (PWD) Location:

PWD surface owner: PWD disturbance (acres):

Other PWD discharge volume (bbl/day):

Well Name: JEFF SMITH MDP1 7-18 FEDERAL COM Well Number: 2H

Other PWD type description:

Other PWD type attachment:

Have other regulatory requirements been met?

Other regulatory requirements attachment:



U.S. Department of the Interior BUREAU OF LAND MANAGEMENT

Bond Info Data Report

09/08/2020

APD ID: 10400054973

Submission Date: 04/14/2020

Highlighted data reflects the most recent changes

Well Name: JEFF SMITH MDP1 7-18 FEDERAL COM

Operator Name: OXY USA INCORPORATED

Well Number: 2H

Show Final Text

Well Type: OIL WELL

Well Work Type: Drill

Bond Information

Federal/Indian APD: FED

BLM Bond number: ESB000226

BIA Bond number:

Do you have a reclamation bond? NO

Is the reclamation bond a rider under the BLM bond?

Is the reclamation bond BLM or Forest Service?

BLM reclamation bond number:

Forest Service reclamation bond number:

Forest Service reclamation bond attachment:

Reclamation bond number:

Reclamation bond amount:

Reclamation bond rider amount:

Additional reclamation bond information attachment: