OCD Received 11/9/2020

OCD Receive	a 11/9/202	0						
Form 3160-3 (June 2015)	-			FORM A OMB No Expires: Ja	APPROVED o. 1004-0137 nuary 31, 2018			
UNITED STATES DEPARTMENT OF THE II BUREAU OF LAND MAN	S NTERIOR AGEMENT	Γ		5. Lease Serial No.				
APPLICATION FOR PERMIT TO D	RILL OR	REENTER		6. If Indian, Allotee or Tribe Name				
1a. Type of work: DRILL	EENTER			7. If Unit or CA Agreement, Name and No.				
1b. Type of Well: Oil Well Gas Well O 1c. Type of Completion: Hydraulic Fracturing Si	ther	Multiple Zone		8. Lease Name and	Well No.			
2. Name of Operator				9. API Well No. 30 015 47679				
3a. Address	3b. Phone N	Io. (include area cod	e)	10. Field and Pool, o	or Exploratory	e Sage; w		
4. Location of Well <i>(Report location clearly and in accordance v</i> At surface	with any State	requirements.*)		11. Sec., T. R. M. or	Blk. and Survey or	Area		
14. Distance in miles and direction from nearest town or post offi	ice*			12. County or Parish	n 13. State			
 15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig, unit line, if any) 	16. No of ac	cres in lease	17. Spacir	ng Unit dedicated to th	his well			
18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft.	19. Propose	d Depth	20. BLM/	BIA Bond No. in file				
21. Elevations (Show whether DF, KDB, RT, GL, etc.)	22. Approxi	mate date work will	start*	23. Estimated durati	on			
	24. Attac	hments		I				
The following, completed in accordance with the requirements of (as applicable)	f Onshore Oil	and Gas Order No.	l, and the H	ydraulic Fracturing r	ule per 43 CFR 316	2.3-3		
 Well plat certified by a registered surveyor. A Drilling Plan. A Surface Use Plan (if the location is on National Forest Syster SUPO must be filed with the appropriate Forest Service Office 	m Lands, the	 Bond to cover the Item 20 above). Operator certification Such other site space BLM. 	e operation cation. pecific inform	s unless covered by an mation and/or plans as	n existing bond on fil may be requested by	e (see the		
25. Signature	Name	(Printed/Typed)			Date			
Title					I			
Approved by (Signature)	Name	(Printed/Typed)			Date			
Title	Office	;			I			
Application approval does not warrant or certify that the applican applicant to conduct operations thereon. Conditions of approval, if any, are attached.	nt holds legal	or equitable title to the tot	nose rights i	in the subject lease where where the subject lease whe	hich would entitle th	le		
Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, n of the United States any false, fictitious or fraudulent statements	nake it a crimo or representat	e for any person know ions as to any matter	wingly and within its j	willfully to make to a urisdiction.	any department or ag	ency		
auds are not to be used until fresh water zones are cased and cemente s includes synthetic oils. Oil based mud, drilling fluids and solids mu Will require a directional survey with the C-104	ed providing is ust be contain	solation from the oil ed in a steel closed	or Pop	Once the well is spuc contamination throug surface, the operator the fresh water zone cement the water pro	d, to prevent ground gh whole or partial of shall drill without in or zones and shall in tection string	water onduits fro iterruptior nmediatel		
NSL Will require an administrative order for rrd location prior to placing the well on production.	VED WI	TH COMPT		KP 11/13	/2020 GEO Review	r		
(Continued on page 2)				*(Ins	structions on page	ge 2)		

Approval Date: 08/31/2020

Entered - KMS NMOCD



Additional Operator Remarks

Location of Well

0. SHL: LOT 2 / 855 FNL / 1760 FEL / TWSP: 255 / RANGE: 29E / SECTION: 1 / LAT: 32.164216 / LONG: -103.935142 (TVD: 0 feet, MD: 0 feet) PPP: SESE / 100 FSL / 380 FEL / TWSP: 24S / RANGE: 29E / SECTION: 36 / LAT: 32.166854 / LONG: -103.930687 (TVD: 11364 feet, MD: 11839 feet) PPP: SESE / 4 FSL / 389 FEL / TWSP: 24S / RANGE: 29E / SECTION: 25 / LAT: 32.181081 / LONG: -103.930694 (TVD: 11378 feet, MD: 17009 feet) PPP: NESE / 1319 FSL / 387 FEL / TWSP: 24S / RANGE: 29E / SECTION: 25 / LAT: 32.184717 / LONG: -103.930696 (TVD: 11382 feet, MD: 18329 feet) BHL: NENE / 20 FNL / 380 FEL / TWSP: 24S / RANGE: 29E / SECTION: 25 / LAT: 32.195576 / LONG: -103.930702 (TVD: 11394 feet, MD: 22288 feet)

BLM Point of Contact

Name: Tenille Ortiz Title: Legal Instruments Examiner Phone: (575) 234-2224 Email: tortiz@blm.gov

PECOS DISTRICT DRILLING CONDITIONS OF APPROVAL

OPERATOR'S NAME:	OXY USA INCORPORATED
LEASE NO.:	NMNM059386
WELL NAME & NO.:	CORRAL CANYON 36-25 FEDERAL COM 54H
SURFACE HOLE FOOTAGE:	855'/N & 1790'/E
BOTTOM HOLE FOOTAGE	20'/N & 380'/E
LOCATION:	Section 1, T.25 S., R.29 E., NMP
COUNTY:	Eddy County, New Mexico

COA

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

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 **10-3/4** inch surface casing shall be set at approximately **752** 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

Page 1 of 9

completing the cement job.

- b. Wait on cement (WOC) time for a primary cement job will be a minimum of <u>8</u>
 <u>hours</u> 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.

Intermediate casing must be kept fluid filled to meet BLM minimum collapse requirement.

2. The **7-5/8** inch intermediate casing shall be set at approximately **10784** feet. The minimum required fill of cement behind the **7-5/8** 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.

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.
- 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.

Operator has proposed to pump down 10-3/4" X 7-5/8" annulus. <u>Operator must run</u> a CBL from TD of the 7-5/8" casing to surface. Submit results to BLM.

3. The minimum required fill of cement behind the **5.5 X 5** inch production casing is:

Option 1 (Single Stage):

• Cement should tie-back at least **200 feet** into previous casing string. Operator shall provide method of verification.

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.
- b. Second stage above DV tool:
 - Cement should tie-back at least **200 feet** into previous casing string. Operator shall provide method of verification.

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 **5000 (5M)** psi.
- b. Minimum working pressure of the blowout preventer (BOP) and related equipment (BOPE) required for drilling below the intermediate 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.

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. <u>When the Communitization Agreement number is known, it shall also be on the sign.</u>

Offline Cementing

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

BOP Break Testing Variance

• BOP break testing is not permitted on this well pending submittion of break testing sundry.

Page 4 of 9

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
 - Lea County
 Call the Hobbs Field Station, 414 West Taylor, Hobbs NM 88240, (575) 393-3612
- 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.
- <u>Wait on cement (WOC) for Potash Areas:</u> 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 <u>24</u> <u>hours</u>. 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. <u>Wait on cement (WOC) for Water Basin:</u> 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 <u>8 hours</u>. 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.

Page 6 of 9

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.

NMK08252020

Page 9 of 9



	<i>N0</i> .	WELL	FOOTAGE	LAT.	LONG.	ELEV.	ID #
	1	CORRAL CANYON 36_25 FED COM #43H	855' FNL & 1830' FEL	32.164216° N	103.935368° W	3132.0'	IP-SMS-2010
	2	CORRAL CANYON 36_25 FED COM #53H	855' FNL & 1795' FEL	32.164216° N	103.935255° W	3131.1'	<i>IP-SMS-2012</i>
ſ	3	CORRAL CANYON 36_25 FED COM #54H	855' FNL & 1760' FEL	32.164216° N	103.935142° W	3132.1'	<i>IP-SMS-2013</i>

<u>NOTES:</u>

- 1) LATS & LONGS SHOWN HEREON ARE MERCATOR GRID AND CONFORM TO THE NEW MEXICO COORDINATE SYSTEM "NEW MEXICO EAST ZONE" NORTH AMERICAN DATUM 1983.
- 2) DISTANCES ARE GRID VALUES.
- 3) ALL FEATURES ARE EXISTING UNLESS OTHERWISE NOTED

CERTIFICATION I, CHAD HARCROW, A NEW MEXICO REGISTERED PROFESSIONAL SURVEYOR CERTIFY THAT I DIRECTED AND AM RESPONSIBLE FOR THIS SURVEY IS TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF. WEXT



HARCROW SURVEYING, LLC 2316 W. MAIN ST, ARTESIA, N.M. 88210 PH: (575) 746-2158 c.harcrow@harcrowsurveying.com								
	0 400 Feet							
Scale:1"=200'								
OXY USA	INC.							
SURVEY DATE: MAY 11, 2019	SITE PLAN							
DRAFTING DATE: MAY 20, 2019 PAGE: 1 OF 1								
APPROVED BY: CH DRAWN BY: WN FILE: 19-706								

WAFMSS

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

Operator Name: OXY USA INCORPORATED

APD ID: 10400047570

Submission Date: 09/18/2019

Highlighted data reflects the most recent changes

09/10/2020

Drilling Plan Data Report

Show Final Text

Well Type: OIL WELL

Well Number: 54H Well Work Type: Drill

Section 1 - Geologic Formations

Well Name: CORRAL CANYON 36-25 FEDERAL COM

Formation			True Vertical	Measured			Producing
ID	Formation Name	Elevation	Depth	Depth	Lithologies	Mineral Resources	Formation
540052	RUSTLER	3132	446	446	ANHYDRITE, DOLOMITE, SHALE	USEABLE WATER	N
540053	SALADO	2173	959	959	ANHYDRITE, DOLOMITE, HALITE, SHALE	OTHER : Salt	N
540054	CASTILE	1254	1878	1878	ANHYDRITE	OTHER : Salt	N
540055	LAMAR	-237	3369	3369	LIMESTONE, SANDSTONE, SILTSTONE	NATURAL GAS, OIL, OTHER : Brine	N
540056	BELL CANYON	-259	3391	3391	SANDSTONE, SILTSTONE	NATURAL GAS, OIL, OTHER : Brine	N
540057	CHERRY CANYON	-1174	4306	4313	SANDSTONE, SILTSTONE	NATURAL GAS, OIL, OTHER : Brine	N
540058	BRUSHY CANYON	-2495	5627	5665	LIMESTONE, SANDSTONE, SILTSTONE	NATURAL GAS, OIL, OTHER : Brine	N
540059	BONE SPRING	-4044	7176	7246	LIMESTONE, SANDSTONE, SILTSTONE	NATURAL GAS, OIL	Y
540060	BONE SPRING 1ST	-4987	8119	8211	LIMESTONE, SANDSTONE, SILTSTONE	NATURAL GAS, OIL	Y
540061	BONE SPRING 2ND	-5831	8963	9075	LIMESTONE, SANDSTONE, SILTSTONE	NATURAL GAS, OIL	Y
540062	BONE SPRING 3RD	-6888	10020	10156	LIMESTONE, SANDSTONE, SILTSTONE	NATURAL GAS, OIL	Y
540063	WOLFCAMP	-7231	10363	10505	SANDSTONE, SILTSTONE	NATURAL GAS, OIL	Y

Section 2 - Blowout Prevention

Pressure Rating (PSI): 5M

Rating Depth: 11393

Equipment: 13-5/8" 5M/10M Annular, Blind Ram, Double Ram

Requesting Variance? YES

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

Testing Procedure: 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

Well Name: CORRAL CANYON 36-25 FEDERAL COM

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 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. BOP Break Testing Request As per the agreement reached in the Oxy/BLM meeting on Feb 22, 2018, Oxy requests permission to allow BOP Break Testing under the following conditions: 1. After a full BOP test is conducted on the first well on the pad. 2. When skidding to drill an intermediate section that casing point is either shallower than the third Bone Spring or 10,000 feet TVD. 3. Full BOP test will be required prior to drilling any production hole. **Choke Diagram Attachment:**

CorralCanyon36_25FdCom54H_ChkManifold_20190918082401.pdf

BOP Diagram Attachment:

CorralCanyon36_25FdCom54H_FlexHoseCert_20190918082423.pdf

CorralCanyon36_25FdCom54H_10Day_BOP_20200326143836.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	14.7 5	10.75	NEW	API	N	0	899	0	899	3132	2233	899	J-55	40.5	BUTT	1.12 5	1.2	BUOY	1.4	BUOY	1.4
2	INTERMED IATE	9.87 5	7.625	NEW	API	N	0	10960	0	10812	3101	-7680	10960	HCL -80	26.4	BUTT	1.12 5	1.2	BUOY	1.4	BUOY	1.4
3	PRODUCTI ON	6.75	5.5	NEW	API	Y	0	22288	0	11394	3101	-8262	22288	HCP -110	26	OTHER - TORQ SFW	1.12 5	1.2	BUOY	1.4	BUOY	1.4

Casing Attachments

Well Name: CORRAL CANYON 36-25 FEDERAL COM

Well Number: 54H

Casing Attachments

Casing ID: 1 String Type: SURFACE

Inspection Document:

Spec Document:

Tapered String Spec:

Casing Design Assumptions and Worksheet(s):

CorralCanyon36_25FdCom54H_CsgCriteria_20190918082211.pdf

Casing ID: 2 String Type: INTERMEDIATE

Inspection Document:

Spec Document:

Tapered String Spec:

Casing Design Assumptions and Worksheet(s):

CorralCanyon36_25FdCom54H_CsgCriteria_20190918082242.pdf

Casing ID: 3 String Type: PRODUCTION

Inspection Document:

Spec Document:

Tapered String Spec:

CorralCanyon36_25FdCom54H_10Day_TMK_UP__TORQ___DQW___5_x_21.4_P110_CYHP_20200326144013.pdf

Casing Design Assumptions and Worksheet(s):

CorralCanyon36_25FdCom54H_CsgCriteria_20190918082313.pdf

 $CorralCanyon 36_25 FdCom 54 H_10 Day_TMK_UP_TORQ__SFW__5.5_x_26_P110_CYHP_20200326144037.pdf$

Operator Name: OXY USA INCORPORATED

Well Name: CORRAL CANYON 36-25 FEDERAL COM

Well Number: 54H

String Type	Lead/Tail	Stage Tool Depth	Top MD	Bottom MD	Quantity(sx)	Yield	Density	Cu Ft	Excess%	Cement type	Additives
SURFACE	Lead		0	899	739	1.33	14.8	983	100	CIC	Accelerator

INTERMEDIATE	Lead	2	5877	1096 0	702	1.65	13.2	1158	5	class h cement	retarder, dispersant, salt
INTERMEDIATE	Tail		0	5877	723	1.92	12.9	1388	10	class c cement	accelerator
PRODUCTION	Lead		1046 0	2228 8	1133	1.38	13.2	1563	20	СІН	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 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.

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

	Circ	ulating Mediu	um Ta	able							
Top Depth	Bottom Depth	Mud Type	Min Weight (Ibs/gal)	Max Weight (Ibs/gal)	Density (Ibs/cu ft)	Gel Strength (lbs/100 sqft)	Hd	Viscosity (CP)	Salinity (ppm)	Filtration (cc)	Additional Characteristics
0	899	WATER-BASED MUD	8.6	8.8							
899	1096 0	OTHER : Saturated Brine Based Mud	8	10							

Operator Name: OXY USA INCORPORATED

Well Name: CORRAL CANYON 36-25 FEDERAL COM

Well Number: 54H

Top Depth	Bottom Depth	Mud Type	Min Weight (lbs/gal)	Max Weight (lbs/gal)	Density (lbs/cu ft)	Gel Strength (lbs/100 sqft)	HA	Viscosity (CP)	Salinity (ppm)	Filtration (cc)	Additional Characteristics
		and/or Oil Based Mud									
1096 0	2228 8	OTHER : Water Based and/or oil Based Mud	9.5	13							

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 casing shoe to TD.

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

GAMMA RAY LOG, MUD LOG/GEOLOGICAL LITHOLOGY LOG,

Coring operation description for the well:

No coring is planned at this time.

Section 7 - Pressure

Anticipated Bottom Hole Pressure: 7703

Anticipated Surface Pressure: 5196

Anticipated Bottom Hole Temperature(F): 172

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:

CorralCanyon36_25FdCom54H_H2S3ECL_20190918083036.pdf CorralCanyon36_25FdCom54H_H2S1_20190918083036.pdf CorralCanyon36_25FdCom54H_H2S2_20190918083037.pdf Operator Name: OXY USA INCORPORATED

Well Name: CORRAL CANYON 36-25 FEDERAL COM

Well Number: 54H

Section 8 - Other Information

Proposed horizontal/directional/multi-lateral plan submission:

CorralCanyon36_25FdCom54H_DirectPlan_20190918083057.pdf CorralCanyon36_25FdCom54H_DirectPlot_20190918083057.pdf

Other proposed operations facets description:

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 requests to pump a two stage Intermediate casing cement job with the first stage being pumped conventionally with the calculated TOC @ the Brushy Canyon and the second stage performed as a bradenhead squeeze with planned cement from the top of the Brushy Canyon to Surface.

OXY requests a variance to cement the 7-5/8" intermediate casing string offline, see attached for additional information.

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.

Well will be drilled with a walking/skidding operation. Plan to drill the multiple 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.

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. See attached for additional spudder rig information.

Other proposed operations facets attachment:

CorralCanyon36_25FdCom54H_GasCapPlan_20190918083218.pdf

CorralCanyon36_25FdCom54H_SpudRigData_20190918083235.pdf

CorralCanyon36_25FdCom54H_10Day_WellControl_20200326144430.pdf

CorralCanyon36_25FdCom54H_10Day_DrillPlan_20200326144430.pdf

Other Variance attachment:

CorralCanyon36_25FdCom54H_OfflineCmtgDetail_20190918083255.pdf

OXY Permian Delaware NM Basin Drilling & Completions Incident Reporting OXY Permian Crisis Team Hotline Notification

Person	Location	Office Phone	Cell/Mobile Phone
Drilling & Completions Department			
Drilling & Completions Manager: John Willis	Houston	(713) 366-5556	(713) 259-1417
Drilling Superintendent: Simon Benavides	Houston	(713) 215-7403	(832) 528-3547
Completions Superintendent: Chris Winter	Houston	(713) 366-5212	(806) 239-8774
Drilling Eng. Supervisor: Diego Tellez	Houston	(713) 350-4602	(713) 303-4932
Drilling Eng. Supervisor: Randy Neel	Houston	(713) 215-7987	(713) 517-5544
Completions Eng. Supervisor: Evan Hinkel	Houston	(713) 366-5436	(281) 236-6153
Drilling & Completions HES Lead. Ryan Green	Houston	713-336-5753	281-520-5216
Drilling & Completions HES Advisor:Kenny Williams	Carlsbad	(432) 686-1434	(337) 208-0911
Drilling & Completions HES Advisor:Kyle Holden	Carlsbad	(432) 686-1435	(661) 369-5328
Drilling & Completions HES Advisor Sr:Dave Schmidt	Carlsbad		(559) 310-8572
Drilling & Completions HES Advisor. :Seth Doyle	Carlsbad		(337) 499-0756
HES / Enviromental & Regulatory Department	Location	Office	Cell Phone
Jon Hamil-HES Manager	Houston	(713) 497-2494	(832) 537-9885
Mark Birk-HES Manager	Houston	(713) 350-4615	(949) 413-3127
Austin Tramell	Midland	(432) 699-4208	(575) 499-4919
Rico Munoz	Midland	(432) 699-8366	(432) 803-4116
Amber DuckWorth	Midland		(832) 966-1879
Kelley Montgomery- Regulatory Manager	Houston	(713) 366-5716	(832) 454-8137
Sandra Musallam -Regulatory Lead	Houston	+1 (713) 366-5106	+1 (713) 504-8577
Bishop, Steve-DOT Pipeline Coordinator	Midland	432-685-5614	
Wilson, Dusty-Safety Advisor	Midland	432-685-5771	(432) 254-2336
John W Dittrich Eniromental Advisor	Midland		(575) 390-2828
William (Jack) Calhoun-Environmental Lead	Houston	+713 (350) 4906	(281) 917-8571
Robert Barrow-Risk Engineer Manager	Houston	(713) 366-5611	(832) 867-5336
Sarah Holmes-HSE Cordinator	Midland	432-685-5758	
Administrative	Location	Office	
Sarah Holmes	Midland	432-685-5830	
Robertson, Debbie	Midland	432-685-5812	
Laci Hollaway	Midland	(432) 685-5716	(432) 631-6341
Administrative	Location	Office	
Rosalinda Escajeda	Midland	432-685-5831	

Person	Location	Office Phone	Cell/Mobile Phone
Moreno, Leslie (contract)	Hobbs	575-397-8247	
Sehon, Angela (contractor)	Levelland	806-894-8347	
Vasquez, Claudia (contractor)	North Cowden	432-385-3120	
XstremeMD	Location	Office	
Medical Case Management	Orla, TX	(337) 205-9314	
Axiom Medical Consulting	Location	Office	
Medical Case Management		(877) 502-9466	
Regulatory Agencies			
Bureau of Land Management	Carlsbad, NM	(505) 887-6544	
Bureau of Land Management	Hobbs, NM	(505) 393-3612	
Bureau of Land Management	Roswell, NM	(505) 393-3612	
Bureau of Land Management	Santa Fe, NM	(505) 988-6030	
DOT Juisdictional Pipelines-Incident Reporting New		(505) 827-3549	
Mexico Public Regulaion Commission	Santa Fe, NM	(505) 490-2375	
DOT Juisdictional Pipelines-Incident Reporting Texas		(510) 462 (700	
	Austin, TX	(512) 463-6788	
	Dallas, Texas	(214) 665-6444	
Federal OSHA, Area Office	Lubbock, Texas	(806) 472-7681	
National Response Center	Washington, D. C.	(800) 424-8802	
National Infrastructure Coordinator Center	Santa Fa NIM	(202) 282-9201	
New Mexico Air Quality Bureau	Santa Fe, NM	(505) 827-1494	After Hours (505) 370-
New Mexico Oil Conservation Division	Artesia, NM	(505) 748-1283	7545
New Mexico Oil Conservation Division	Hobbs, NM	(505) 393-6161	
New Mexico Oil Conservation Division	Santa Fe, NM	(505) 471-1068	
New Mexico OCD Environmental Bureau	Santa Fe, NM	(505) 476-3470	
New Mexico Environmental Department	Hobbs, NM	(505) 827-9329	
NM State Emergency Response Center	Santa Fe, NM	(505) 827-9222	
Railroad Commission of TX	District 1 San Antonio	, (210) 227-1313	
Railroad Commission of TX	District 7C San Angelo	(325) 657-7450	
Railroad Commission of TX	District 8, 8A Midland	(432) 684-5581	
Texas Emergency Response Center	Austin, TX	(512) 463-7727	
TCEQ Air	Region 2 Lubbock, TX	(806) 796-3494	
TCEQ Water/Waste/Air	Region 3 Abilene, TX	(325) 698-9674	
TCEQ Water/Waste/Air	Region 7 Midland, TX	(432) 570-1359	
TCEQ Water/Waste/Air	Region 9 San Antonio,	(512) 734-7981	
TCEQ Water/Waste/Air	Region 8 San Angelo	(325) 655-9479	
Medical Facilities			
Abernathy Medical Clinic	Abernathy, TX	(806) 298-2524	
Alliance Hospital	Odessa, TX	(432) 550-1000	
Artesia General Hospital	Artesia, NM	(505) 748-3333	
Brownfield Regional Medical Center	Brownfield, TX	(806) 637-3551	

Person	Location	Office Phone	Cell/Mobile Phone
Cogdell Memorial Hospital	Snyder, TX	(325) 573-6374	
Covenant Hospital Levelland	Levelland, TX	(806) 894-4963	
Covenant Medical Center	Lubbock, TX	(806) 725-1011	
Covenant Medical Center Lakeside	Lubbock, TX	(806) 725-6000	
Covenant Family Health	Synder, TX	(325) 573-1300	
Crockett County Hospital	Ozona, TX	(325) 392-2671	
Guadalupe Medical Center	Carlsbad, NM	(505) 887-6633	
Lea Regional Hospital	Hobbs, NM	(505) 492-5000	
McCamey Hospital	McCamey, TX	(432) 652-8626	
Medical Arts Hospital	Lamesa, TX	(806) 872-2183	
Medical Center Hospital	Odessa, TX	(432) 640-4000	
Medi Center Hospital	San Angelo, TX	(325) 653-6741	
Memorial Hospital	Ft. Stockton	(432) 336-2241	
Memorial Hospital	Seminole, TX	(432) 758-5811	
Midland Memorial Hospital	Midland, TX	(432) 685-1111	
Nor-Lea General Hospital	Lovington, NM	(505) 396-6611	
Odessa Regional Hospital	Odessa, TX	(432) 334-8200	
Permian General Hospital	Andrews, TX	(432) 523-2200	
Reagan County Hospital	Big Lake, TX	(325) 884-2561	
Reeves County Hospital	Pecos, TX	(432) 447-3551	
Shannon Medical Center	San Angelo, TX	(325) 653-6741	
Union County General Hospital	Clayton, NM	(505) 374-2585	
University Medical Center	Lubbock, TX	(806) 725-8200	
Val Verde Regional Medical Center	Del Rio, TX	(830) 775-8566	
Ward Memorial Hospital	Monahans, TX	(432) 943-2511	
Yoakum County Hospital	Denver City, TX	(806) 592-5484	
Law Enforcement - Sheriff			
Andrews Cty Sheriff's Department	Andrews County(Andr	(432) 523-5545	
Crane Cty Sheriff's Department	Crane, County (Crane)	(432) 558-3571	
Crockett Cty Sheriff's Department	Crockett County (Ozor	(325) 392-2661	
Dawson Cty Sheriff's Department	Dawson County (Lame	(806) 872-7560	
Ector Cty Sheriff's Department	Ector County (Odessa)	(432) 335-3050	
Eddy Cty Sheriff's Department	Eddy County (Artesia)	(505) 746-2704	
Eddy Cty Sheriff's Department	Eddy County (Carlsbac	(505) 887-7551	
Gaines Cty Sheriff's Department	Gaines County (Semin	(432) 758-9871	
Hockley Cty Sheriff's Department	Hockley County(Level	(806) 894-3126	
Kent Cty (Jayton City Sheriff's Dept.)	Kent County(Jayton)	(806) 237-3801	
Lea Cty Sheriff's Department	Lea County (Eunice)	(505) 384-2020	
Lea Cty Sheriff's Department	Lea County (Hobbs)	(505) 393-2515	
Lea Cty Sheriff's Department	Lea County (Lovingtor	(505) 396-3611	
Lubbock Cty Sheriff's Department	Lubbock Cty (Abernat	(806) 296-2724	
Midland Cty Sheriff's Department	Midland County (Midl	(432) 688-1277	

Person	Location	Office Phone	Cell/Mobile Phone
Pecos Cty Sheriff's Department	Pecos County (Iraan)	(432) 639-2251	
Reeves Cty Sheriff's Department	Reeves County (Pecos)	(432) 445-4901	
Scurry Cty Sheriff's Department	Scurry County (Snyder	(325) 573-3551	
Terry Cty Sheriff's Department	Terry County (Brownfr	(806) 637-2212	
Union Cty Sheriff's Department	Union County (Clayton	(505) 374-2583	
Upton Cty Sheriff's Department	Upton County (Rankin	(432) 693-2422	
Ward Cty Sheriff's Department	Ward County (Monaha	(432) 943-3254	
Yoakum City Sheriff's Department	Yoakum Co. (Denever	(806) 456-2377	
Law Enforcement - Police			
Abernathy City Police	Abernathy, TX	(806) 298-2545	
Andrews City Police	Andrews, TX	(432) 523-5675	
Artesia City Police	Artesia, NM	(505) 746-2704	
Brownfield City Police	Brownfield, TX	(806) 637-2544	
Carlsbad City Police	Carlsbad, NM	(505) 885-2111	
Clayton City Police	Clayton, NM	(505) 374-2504	
Denver City Police	Denver City, TX	(806) 592-3516	
Eunice City Police	Eunice, NM	(505) 394-2112	
Hobbs City Police	Hobbs, NM	393-2677	
Jal City Police	Jal, NM	(505) 395-2501	
Jayton City Police	Jayton, TX	(806) 237-3801	
Lamesa City Police	Lamesa, TX	(806) 872-2121	
Levelland City Police	Levelland, TX	(806) 894-6164	
Lovington City Police	Lovington, NM	(505) 396-2811	
Midland City Police	Midland, TX	(432) 685-7113	
Monahans City Police	Monahans, TX	(432) 943-3254	
Odessa City Police	Odessa, TX	(432) 335-3378	
Seminole City Police	Seminole, TX	(432) 758-9871	
Snyder City Police	Snyder, TX	(325) 573-2611	
Sundown City Police	Sundown, TX	(806) 229-8241	
Law Enforcement - FBI			
FBI	Alburqueque, NM	(505) 224-2000	
FBI	Midland, TX	(432) 570-0255	
Law Enforcement - DPS			
NM State Police	Artesia, NM	(505) 746-2704	
NM State Police	Carlsbad, NM	(505) 885-3137	
NM State Police	Eunice, NM	(505) 392-5588	
NM State Police	Hobbs, NM	(505) 392-5588	
NM State Police	Clayton, NM	(505) 374-2473; 911	
TX Dept of Public Safety	Andrews, TX	(432) 524-1443	
TX Dept of Public Safety	Big Lake, TX	(325) 884-2301	

Person	Location	Office Phone	Cell/Mobile Phone
TX Dept of Public Safety	Brownfield, TX	(806) 637-2312	
TX Dept of Public Safety	Iraan, TX	(432) 639-3232	
TX Dept of Public Safety	Lamesa, TX	(806) 872-8675	
TX Dept of Public Safety	Levelland, TX	(806) 894-4385	
TX Dept of Public Safety	Lubbock, TX	(806) 747-4491	
TX Dept of Public Safety	Midland, TX	(432) 697-2211	
TX Dept of Public Safety	Monahans, TX	(432) 943-5857	
TX Dept of Public Safety	Odessa, TX	(432) 332-6100	
TX Dept of Public Safety	Ozona, TX	(325) 392-2621	
TX Dept of Public Safety	Pecos, TX	(432) 447-3533	
TX Dept of Public Safety	Seminole, TX	(432) 758-4041	
TX Dept of Public Safety	Snyder, TX	(325) 573-0113	
TX Dept of Public Safety	Terry County TX	(806) 637-8913	
TX Dept of Public Safety	Yoakum County TX	(806) 456-2377	
Firefighting & Rescue			
Abernathy	Abernathy, TX	(806) 298-2022	
Amistad/Rosebud	Amistad/Rosebud, NM	(505) 633-9113	
Andrews	Andrews, TX	523-3111	
Artesia	Artesia, NM	(505) 746-5051	
Big Lake	Big Lake, TX	(325) 884-3650	
Brownfield-Administrative & other calls	Brownfield, TX	(816) 637-4547	
Brownfield emergency only	Brownfield, TX	-911	
Carlsbad	Carlsbad, NM	(505) 885-3125	
Clayton	Clayton, NM	(505) 374-2435	
Cotton Center	Cotton Center, TX	(806) 879-2157	
Crane	Crane, TX	(432) 558-2361	
Del Rio	Del Rio, TX	(830) 774-8650	
Denver City	Denver City, TX	(806) 592-3516	
Eldorado	Eldorado, TX	(325) 853-2691	
Eunice	Eunice, NM	(505) 394-2111	
Garden City	Garden City, TX	(432) 354-2404	
Goldsmith	Goldsmith, TX	(432) 827-3445	
Hale Center	Hale Center, TX	(806) 839-2411	
Halfway	Halfway, TX		
Hobbs	Hobbs, NM	(505) 397-9308	
Jal	Jal, NM	(505) 395-2221	
Jayton	Jayton, TX	(806) 237-3801	
Kermit	Kermit, TX	(432) 586-3468	
Lamesa	Lamesa, TX	(806) 872-4352	
Levelland	Levelland, TX	(806) 894-3154	
Lovington	Lovington, NM	(505) 396-2359	
Maljamar	Maljamar, NM	(505) 676-4100	

Person	Location	Office Phone	Cell/Mobile Phone
McCamey	McCamey, TX	(432) 652-8232	
Midland	Midland, TX	(432) 685-7346	
Monahans	Monahans, TX	(432) 943-4343	
Nara Visa	Nara Visa, NM	(505) 461-3300	
Notrees	Notress, TX	(432) 827-3445	
Odessa	Odessa, TX	(432) 335-4659	
Ozona	Ozona, TX	(325) 392-2626	
Pecos	Pecos, TX	(432) 445-2421	
Petersburg	Petersburg, TX	(806) 667-3461	
Plains	Plains, TX	(806) 456-8067	
Plainview	Plainview, TX	(806) 296-1170	
Rankin	Rankin, TX	(432) 693-2252	
San Angelo	San Angelo, TX	(325) 657-4355	
Sanderson	Sanderson, TX	(432) 345-2525	
Seminole	Seminole, TX	758-9871	
Smyer	Smyer, TX	(806) 234-3861	
Snyder	Snyder, TX	(325) 573-6215	
Sundown	Sundown, TX	911	
Tucumcari	Tucumcari, NM	911	
West Odessa	Odessa, TX	(432) 381-3033	
Ambulance			
Abernathy Ambulance	Abernathy, TX	(806) 298-2241	
Amistad/Rosebud	Amistad/Rosebud, NM	(505) 633-9113	
Andrews Ambulance	Andrews, TX	(432) 523-5675	
Artesia Ambulance	Artesia, NM	(505) 746-2701	
Big Lake Ambulance	Big Lake, TX	(325) 884-2423	
Big Spring Ambulance	Big Spring, TX	(432) 264-2550	
Brownfield Ambulance	Brownfield, TX	(806) 637-2511	
Carlsbad Ambulance	Carlsbad, NM	(505) 885-2111; 911	
Clayton, NM	Clayton, NM	(505) 374-2501	
Denver City Ambulance	Denver City, TX	(806) 592-3516	
Eldorado Ambulance	Eldorado, TX	(325) 853-3456	
Eunice Ambulance	Eunice, NM	(505) 394-3258	
Goldsmith Ambulance	Goldsmith, TX	(432) 827-3445	
Hobbs, NM	Hobbs, NM	(505) 397-9308	
Jal, NM	Jal, NM	(505) 395-2501	
Jayton Ambulance	Jayton, TX	(806) 237-3801	
Lamesa Ambulance	Lamesa, TX	(806) 872-3464	
Levelland Ambulance	Levelland, TX	(806) 894-8855	
Lovington Ambulance	Lovington, NM	(505) 396-2811	
McCamey Hospital	McCamey, TX	(432) 652-8626	
Midland Ambulance	Midland, TX	(432) 685-7499	

Person	Location	Office Phone	Cell/Mobile Phone
Monahans Ambulance	Monahans, TX	3731	
Nara Visa, NM	Nara Visa, NM	(505) 461-3300	
Odessa Ambulance	Odessa, TX	(432) 335-3378	
Ozona Ambulance	Ozona, TX	(325) 392-2671	
Pecos Ambulance	Pecos, TX	(432) 445-4444	
Rankin Ambulance	Rankin, TX	(432) 693-2443	
San Angelo Ambulance	San Angelo, TX	(325) 657-4357	
Seminole Ambulance	Seminole, TX	758-9871	
Snyder Ambulance	Snyder, TX	(325) 573-1911	
Stanton Ambulance	Stanton, TX	(432) 756-2211	
Sundown Ambulance	Sundown, TX	911	
Tucumcari, NM	Tucumcari, NM	911	
Medical Air Ambulance Service			
AEROCARE - Methodist Hospital	Lubbock, TX	(800) 627-2376	
San Angelo Med-Vac Air Ambulance	San Angelo, TX	(800) 277-4354	
Southwest Air Ambulance Service	Stanford, TX	(800) 242-6199	
Southwest MediVac	Snyder, TX	(800) 242-6199	
Southwest MediVac	Hobbs, NM	(800) 242-6199	
Odessa Care Star	Odessa, TX	(888) 624-3571	
NWTH Medivac	Amarillo, TX	(800) 692-1331	



Permian Drilling Hydrogen Sulfide Drilling Operations Plan Corral Canyon 36-25 Federal Com 54H

Open drill site. No homes or buildings are near the proposed location.

1. Escape

Personnel shall escape upwind of wellbore in the event of an emergency gas release. Escape can take place through the lease road on the Southeast side of the location. Personnel need to move to a safe distance and block the entrance to location. If the primary route is not an option due to the wind direction, then a secondary egress route should be taken.





Permian Drilling Hydrogen Sulfide Drilling Operations Plan New Mexico

<u>Scope</u>

This contingency plan establishes guidelines for the public, all company employees, and contract employees who's work activities may involve exposure to hydrogen sulfide (H2S) gas.

While drilling this well, it is possible to encounter H2S bearing formations. At all times, the first barrier to control H2S emissions will be the drilling fluid, which will have a density high enough to control influx.

Objective

- 1. Provide an immediate and predetermined response plan to any condition when H2S is detected. All H2S detections in excess of 10 parts per million (ppm) concentration are considered an Emergency.
- 2. Prevent any and all accidents, and prevent the uncontrolled release of hydrogen sulfide into the atmosphere.
- 3. Provide proper evacuation procedures to cope with emergencies.
- 4. Provide immediate and adequate medical attention should an injury occur.

Discussion

Implementation:	This plan with all details is to be fully implemented before drilling to <u>commence</u> .
Emergency response Procedure:	This section outlines the conditions and denotes steps to be taken in the event of an emergency.
Emergency equipment Procedure:	This section outlines the safety and emergency equipment that will be required for the drilling of this well.
Training provisions:	This section outlines the training provisions that must be adhered to prior to drilling.
Drilling emergency call lists:	Included are the telephone numbers of all persons to be contacted should an emergency exist.
Briefing:	This section deals with the briefing of all people involved in the drilling operation.
Public safety:	Public safety personnel will be made aware of any potential evacuation and any additional support needed.
Check lists:	Status check lists and procedural check lists have been included to insure adherence to the plan.
General information:	A general information section has been included to supply support information.

Hydrogen Sulfide Training

All personnel, whether regularly assigned, contracted, or employed on an unscheduled basis, will receive training from a qualified instructor in the following areas prior to commencing drilling operations on the well:

- 1. The hazards and characteristics of H2S.
- 2. Proper use and maintenance of personal protective equipment and life support systems.
- 3. H2S detection.
- 4. Proper use of H2S detectors, alarms, warning systems, briefing areas, evacuation procedures and prevailing winds.
- 5. Proper techniques for first aid and rescue procedures.
- 6. Physical effects of hydrogen sulfide on the human body.
- 7. Toxicity of hydrogen sulfide and sulfur dioxide.
- 8. Use of SCBA and supplied air equipment.
- 9. First aid and artificial respiration.
- 10. Emergency rescue.

In addition, supervisory personnel will be trained in the following areas:

- 1. The effects of H2S on metal components. If high tensile strength tubular is to be used, personnel will be trained in their special maintenance requirements.
- 2. Corrective action and shut-in procedures when drilling a well, blowout prevention and well control procedures.
- 3. The contents and requirements of the H2S Drilling Operations Plan.

H2S training refresher must have been taken within one year prior to drilling the well. Specifics on the well to be drilled will be discussed during the pre-spud meeting. H2S and well control (choke) drills will be performed while drilling the well, at least on a weekly basis. This plan shall be available in the well site. All personnel will be required to carry the documentation proving that the H2S training has been taken.

Service company and visiting personnel

- A. Each service company that will be on this well will be notified if the zone contains H2S.
- B. Each service company must provide for the training and equipment of their employees before they arrive at the well site.
- C. Each service company will be expected to attend a well site briefing

Emergency Equipment Requirements

1. <u>Well control equipment</u>

The well shall have hydraulic BOP equipment for the anticipated pressures. Equipment is to be tested on installation and follow Oxy Well Control standard, as well as BLM Onshore Order #2.

Special control equipment:

- A. Hydraulic BOP equipment with remote control on ground. Remotely operated choke.
- B. Rotating head
- C. Gas buster equipment shall be installed before drilling out of surface pipe.

2. <u>Protective equipment for personnel</u>

- A. Four (4) 30-minute positive pressure air packs (2 at each briefing area) on location.
- B. Adequate fire extinguishers shall be located at strategic locations.
- C. Radio / cell telephone communication will be available at the rig.
 - Rig floor and trailers.
 - Vehicle.

3. <u>Hydrogen sulfide sensors and alarms</u>

- A. H2S sensor with alarms will be located on the rig floor, at the bell nipple, and at the flow line. These monitors will be set to alarm at 10 ppm with strobe light, and audible alarm.
- B. Hand operated detectors with tubes.
- C. H2S monitor tester (to be provided by contract Safety Company.)
- D. There shall be one combustible gas detector on location at all times.

4. <u>Visual Warning Systems</u>

A. One sign located at each location entrance with the following language:

Caution – potential poison gas Hydrogen sulfide No admittance without authorization

Wind sock – wind streamers:

- A. One 36" (in length) wind sock located at protection center, at height visible from rig floor.
- B. One 36" (in length) wind sock located at height visible from pit areas.

Condition flags

A. One each condition flag to be displayed to denote conditions.

green – normal conditions yellow – potential danger red – danger, H2S present

B. Condition flag shall be posted at each location sign entrance.

5. <u>Mud Program</u>

The mud program is designed to minimize the risk of having H2S and other formation fluids at surface. Proper mud weight and safe drilling practices will be applied. H2S scavengers will be used to minimize the hazards while drilling. Below is a summary of the drilling program.

Mud inspection devices:

Garrett gas train or hatch tester for inspection of sulfide concentration in mud system.

6. <u>Metallurgy</u>

- A. Drill string, casing, tubing, wellhead, blowout preventers, drilling spools or adapters, kill lines, choke manifold, lines and valves shall be suitable for the H2S service.
- B. All the elastomers, packing, seals and ring gaskets shall be suitable for H2S service.

7. <u>Well Testing</u>

No drill stem test will be performed on this well.

8. <u>Evacuation plan</u>

Evacuation routes should be established prior to well spud for each well and discussed with all rig personnel.

- 9. <u>Designated area</u>
 - A. Parking and visitor area: all vehicles are to be parked at a predetermined safe distance from the wellhead.
 - B. There will be a designated smoking area.
 - C. Two briefing areas on either side of the location at the maximum allowable distance from the well bore so they offset prevailing winds perpendicularly, or at a 45-degree angle if wind direction tends to shift in the area.

Emergency procedures

- A. In the event of any evidence of H2S level above 10 ppm, take the following steps:
 - 1. The Driller will pick up off bottom, shut down the pumps, slow down the pipe rotation.
 - 2. Secure and don escape breathing equipment, report to the upwind designated safe briefing / muster area.
 - 3. All personnel on location will be accounted for and emergency search should begin for any missing, the Buddy System will be implemented.
 - 4. Order non-essential personnel to leave the well site, order all essential personnel out of the danger zone and upwind to the nearest designated safe briefing / muster area.
 - 5. Entrance to the location will be secured to a higher level than our usual "Meet and Greet" requirement, and the proper condition flag will be displayed at the entrance to the location.
 - 6. Take steps to determine if the H2S level can be corrected or suppressed and, if so, proceed as required.
- B. If uncontrollable conditions occur:
 - 1. Take steps to protect and/or remove any public in the down-wind area from the rig – partial evacuation and isolation. Notify necessary public safety personnel and appropriate regulatory entities (i.e. BLM) of the situation.

- 2. Remove all personnel to the nearest upwind designated safe briefing / muster area or off location.
- 3. Notify public safety personnel of safe briefing / muster area.
- 4. An assigned crew member will blockade the entrance to the location. No unauthorized personnel will be allowed entry to the location.
- 5. Proceed with best plan (at the time) to regain control of the well. Maintain tight security and safety procedures.
- C. Responsibility:
 - 1. Designated personnel.
 - a. Shall be responsible for the total implementation of this plan.
 - b. Shall be in complete command during any emergency.
 - c. Shall designate a back-up.

All personnel: 1.	On alarm, don escape unit and report to the nearest upwind designated safe briefing / muster area upw
2.	Check status of personnel (buddy system).
3.	Secure breathing equipment.
4.	Await orders from supervisor.
Drill site manager: 1.	Don escape unit if necessary and report to nearest upwind designated safe briefing / muster area.
2.	Coordinate preparations of individuals to return to point of release with tool pusher and driller (using the buddy system).
3.	Determine H2S concentrations.
4.	Assess situation and take control measures.
Tool pusher: 1.	Don escape unit Report to up nearest upwind designated safe briefing / muster area.
2.	Coordinate preparation of individuals to return to point of release with tool pusher drill site manager (using the buddy system).
3.	Determine H2S concentration.
4.	Assess situation and take control measures.
Driller: 1.	Don escape unit, shut down pumps, continue

	 2. 3. 4. 5. 6. 	rotating DP. Check monitor for point of release. Report to nearest upwind designated safe briefing / muster area. Check status of personnel (in an attempt to rescue, use the buddy system). Assigns least essential person to notify Drill Site Manager and tool pusher by quickest means in case of their absence. Assumes the responsibilities of the Drill Site
		Manager and tool pusher until they arrive should they be absent.
Derrick man Floor man #1 Floor man #2	1.	Will remain in briefing / muster area until instructed by supervisor.
Mud engineer:	1.	Report to nearest upwind designated safe briefing / muster area.
	2.	When instructed, begin check of mud for ph and H2S level. (Garett gas train.)
Safety personnel:	1.	Mask up and check status of all personnel and secure operations as instructed by drill site manager.

Taking a kick

When taking a kick during an H2S emergency, all personnel will follow standard Well control procedures after reporting to briefing area and masking up.

Open-hole logging

All unnecessary personnel off floor. Drill Site Manager and safety personnel should monitor condition, advise status and determine need for use of air equipment.

Running casing or plugging

Following the same "tripping" procedure as above. Drill Site Manager and safety personnel should determine if all personnel have access to protective equipment.
Ignition procedures

The decision to ignite the well is the responsibility of the operator (Oxy Drilling Management). The decision should be made only as a last resort and in a situation where it is clear that:

- 1. Human life and property are endangered.
- 2. There is no hope controlling the blowout under the prevailing conditions at the well.

Instructions for igniting the well

- 1. Two people are required for the actual igniting operation. They must wear self-contained breathing units and have a safety rope attached. One man (tool pusher or safety engineer) will check the atmosphere for explosive gases with the gas monitor. The other man is responsible for igniting the well.
- 2. Primary method to ignite: 25 mm flare gun with range of approximately 500 feet.
- 3. Ignite upwind and do not approach any closer than is warranted.
- 4. Select the ignition site best for protection, and which offers an easy escape route.
- 5. Before firing, check for presence of combustible gas.
- 6. After lighting, continue emergency action and procedure as before.
- 7. All unassigned personnel will remain in briefing area until instructed by supervisor or directed by the Drill Site Manager.

<u>Remember</u>: After well is ignited, burning hydrogen sulfide will convert to sulfur dioxide, which is also highly toxic. **<u>Do not assume the area is safe after the well is ignited.</u>**

Status check list

Note: All items on this list must be completed before drilling to production casing point.

- 1. H2S sign at location entrance.
- 2. Two (2) wind socks located as required.
- 3. Four (4) 30-minute positive pressure air packs (2 at each Briefing area) on location for all rig personnel and mud loggers.
- 4. Air packs inspected and ready for use.
- 5. Cascade system and hose line hook-up as needed.
- 6. Cascade system for refilling air bottles as needed.
- 7. Condition flag on location and ready for use.
- 8. H2S detection system hooked up and tested.
- 9. H2S alarm system hooked up and tested.
- 10. Hand operated H2S detector with tubes on location.
- 11. 1 100' length of nylon rope on location.
- 12. All rig crew and supervisors trained as required.
- 13. All outside service contractors advised of potential H2S hazard on well.
- 14. No smoking sign posted and a designated smoking area identified.
- 15. Calibration of all H2S equipment shall be noted on the IADC report.

Procedural check list during H2S events

Perform each tour:

- 1. Check fire extinguishers to see that they have the proper charge.
- 2. Check breathing equipment to ensure that it in proper working order.
- 3. Make sure all the H2S detection system is operative.

Perform each week:

- 1. Check each piece of breathing equipment to make sure that demand or forced air regulator is working. This requires that the bottle be opened and the mask assembly be put on tight enough so that when you inhale, you receive air or feel air flow.
- 2. BOP skills (well control drills).
- 3. Check supply pressure on BOP accumulator stand by source.
- 4. Check breathing equipment mask assembly to see that straps are loosened and turned back, ready to put on.
- 5. Check pressure on breathing equipment air bottles to make sure they are charged to full volume. (Air quality checked for proper air grade "D" before bringing to location)
- 6. Confirm pressure on all supply air bottles.
- 7. Perform breathing equipment drills with on-site personnel.
- 8. Check the following supplies for availability.
 - A. Emergency telephone list.
 - B. Hand operated H2S detectors and tubes.

General evacuation plan

- 1. When the company approved supervisor (Drill Site Manager, consultant, rig pusher, or driller) determines the H2S gas cannot be limited to the well location and the public will be involved, he will activate the evacuation plan.
- 2. Drill Site Manager or designee will notify local government agency that a hazardous condition exists and evacuation needs to be implemented.
- 3. Company or contractor safety personnel that have been trained in the use of H2S detection equipment and self-contained breathing equipment will monitor H2S concentrations, wind directions, and area of exposure. They will delineate the outer perimeter of the hazardous gas area. Extension to the evacuation area will be determined from information gathered.
- 4. Law enforcement personnel (state police, police dept., fire dept., and sheriff's dept.) Will be called to aid in setting up and maintaining road blocks. Also, they will aid in evacuation of the public if necessary.
- 5. After the discharge of gas has been controlled, company safety personnel will determine when the area is safe for re-entry.

<u>Important:</u> Law enforcement personnel will not be asked to come into a contaminated area. Their assistance will be limited to uncontaminated areas. Constant radio contact will be maintained with them.

Emergency actions

Well blowout – if emergency

- 1. Evacuate all personnel to "Safe Briefing / Muster Areas" or off location if needed.
- 2. If sour gas evacuate rig personnel.
- 3. If sour gas evacuate public within 3000 ft radius of exposure.
- 4. Don SCBA and shut well in if possible using the buddy system.
- 5. Notify Drilling Superintendent and call 911 for emergency help (fire dept and ambulance) if needed.
- 6. Implement the Blowout Contingency Plan, and Drilling Emergency Action Plan.
- 6. Give first aid as needed.

Person down location/facility

- 1. If immediately possible, contact 911. Give location and wait for confirmation.
- 2. Don SCBA and perform rescue operation using buddy system.

Toxic effects of hydrogen sulfide

Hydrogen sulfide is extremely toxic. The acceptable ceiling concentration for eight-hour exposure is 10 ppm, which is .001% by volume. Hydrogen sulfide is heavier than air (specific gravity -1.192) and colorless. It forms an explosive mixture with air between 4.3 and 46.0 percent by volume. Hydrogen sulfide is almost as toxic as hydrogen cyanide and is between five and six times more toxic than carbon monoxide. Toxicity data for hydrogen sulfide and various other gases are compared in table i. Physical effects at various hydrogen sulfide exposure levels are shown in table ii.

Common	Chemical	Specific	Threshold	Hazardous	Lethal concentration
name	formula	gravity	limit	limit	(3)
		(sc=1)	(1)	(2)	
Hydrogen	Hcn	0.94	10 ppm	150 ppm/hr	300 ppm
Cyanide					
Hydrogen	H2S	1.18	10 ppm	250 ppm/hr	600 ppm
Sulfide					
Sulfur	So2	2.21	5 ppm	-	1000 ppm
Dioxide	C10	- 1-	_		1000
Chlorine	CI2	2.45	l ppm	4 ppm/hr	1000 ppm
Carbon	Ca	0.07	50	100	1000
Monovida	Co	0.97	50 ppm	400 ppm/nr	1000 ppm
Carbon	C_{2}	1.52	5000 nnm	50/	100/
Dioxide	C02	1.52	5000 ppm	J 70	1070
Methane	Ch4	0.55	90,000 ppm	Combustibl	e above 5% in air

Table i <u>Toxicity of various gases</u>

1) threshold limit – concentration at which it is believed that all workers may be repeatedly exposed day after day without adverse effects.

- 2) hazardous limit concentration that will cause death with short-term exposure.
- 3) lethal concentration concentration that will cause death with short-term exposure.

Toxic effects of hydrogen sulfide

Table ii Physical effects of hydrogen sulfide

		Concentration	Physical effects
Percent (%)	<u>Ppm</u>	Grains	
		100 std. Ft3*	
0.001	<10	00.65	Obvious and unpleasant odor.

0.002	10	01.30	Safe for 8 hours of exposure.
0.010	100	06.48	Kill smell in $3 - 15$ minutes. May sting eyes and throat.
0.020	200	12.96	Kills smell shortly; stings eyes and throat.
0.050	500	32.96	Dizziness; breathing ceases in a few minutes; needs prompt artificial respiration.
0.070	700	45.36	Unconscious quickly; death will result if not rescued promptly.
0.100	1000	64.30	Unconscious at once; followed by death within minutes.

*at 15.00 psia and 60'f.

Use of self-contained breathing equipment (SCBA)

- 1. Written procedures shall be prepared covering safe use of SCBA's in dangerous atmosphere, which might be encountered in normal operations or in emergencies. Personnel shall be familiar with these procedures and the available SCBA.
- 2 SCBA's shall be inspected frequently at random to insure that they are properly used, cleaned, and maintained.
- 3. Anyone who may use the SCBA's shall be trained in how to insure proper facepiece to face seal. They shall wear SCBA's in normal air and then wear them in a test atmosphere. (note: such items as facial hair {beard or sideburns} and eyeglasses will not allow proper seal.) Anyone that may be reasonably expected to wear SCBA's should have these items removed before entering a toxic atmosphere. A special mask must be obtained for anyone who must wear eyeglasses or contact lenses.
- 4. Maintenance and care of SCBA's:
 - a. A program for maintenance and care of SCBA's shall include the following:
 - 1. Inspection for defects, including leak checks.
 - 2. Cleaning and disinfecting.
 - 3. Repair.
 - 4. Storage.
 - b. Inspection, self-contained breathing apparatus for emergency use shall be inspected monthly.
 - 1. Fully charged cylinders.
 - 2. Regulator and warning device operation.
 - 3. Condition of face piece and connections.
 - 4. Rubber parts shall be maintained to keep them pliable and prevent deterioration.
 - c. Routinely used SCBA's shall be collected, cleaned and disinfected as frequently as necessary to insure proper protection is provided.
- 5. Persons assigned tasks that requires use of self-contained breathing equipment shall be certified physically fit (medically cleared) for breathing equipment usage at least annually.
- 6. SCBA's should be worn when:
 - A. Any employee works near the top or on top of any tank unless test reveals less than 10 ppm of H2S.

- B. When breaking out any line where H2S can reasonably be expected.
- C. When sampling air in areas to determine if toxic concentrations of H2S exists.
- D. When working in areas where over 10 ppm H2S has been detected.
- E. At any time there is a doubt as to the H2S level in the area to be entered.

<u>Rescue</u> First aid for H2S poisoning

Do not panic!

Remain calm – think!

- 1. Don SCBA breathing equipment.
- 2. Remove victim(s) utilizing buddy system to fresh air as quickly as possible. (go up-wind from source or at right angle to the wind. Not down wind.)
- 3. Briefly apply chest pressure arm lift method of artificial respiration to clean the victim's lungs and to avoid inhaling any toxic gas directly from the victim's lungs.
- 4. Provide for prompt transportation to the hospital, and continue giving artificial respiration if needed.
- 5. Hospital(s) or medical facilities need to be informed, before-hand, of the possibility of H2S gas poisoning no matter how remote the possibility is.
- 6. Notify emergency room personnel that the victim(s) has been exposed to H2S gas.

Besides basic first aid, everyone on location should have a good working knowledge of artificial respiration.

Revised CM 6/27/2012

OXY

PRD NM DIRECTIONAL PLANS (NAD 1983) CORRAL CANYON 36-25 FED COM CORRAL CANYON 36_25 FED COM 54H

Wellbore #1

Plan: Permitting Plan

Standard Planning Report

19 June, 2019

Database:	HO	PSPP			Local Co-	ordinate Ref	erence:	Well CORRAL	CANYON 36_	25 FED COM 54H
Company: Project: Site: Well: Wellbore: Design:	ENC PRI COI COI Wel Peri	ENGINEERING DESIGNS PRD NM DIRECTIONAL PLANS (NAD 1983) CORRAL CANYON 36-25 FED COM CORRAL CANYON 36_25 FED COM 54H Wellbore #1 Permitting Plan			TVD Refe MD Refer North Ref Survey C	TVD Reference:RKB=26.5' @ 3158.60ftMD Reference:RKB=26.5' @ 3158.60ftNorth Reference:GridSurvey Calculation Method:Minimum Curvature				
Project	PRD	NM DIRECTIO	NAL PLANS (NAD 1983)						
Map System: Geo Datum: Map Zone:	US St North New M	ate Plane 1983 American Datun lexico Eastern 2	n 1983 Zone		System Da	tum:	M	ean Sea Level sing geodetic s	cale factor	
Site	COR	RAL CANYON	36-25 FED CC	DM						
Site Position: From: Position Uncer	M tainty:	ар 50	North Easti 0.00 ft Slot F	ning: ng: Radius:	424, 662,4	164.47 usft 497.64 usft 13.200 in	Latitude: Longitude: Grid Conve	rgence:		32° 9' 55.801317 N 103° 56' 30.391750 W 0.21 °
Well	COR	RAL CANYON	36_25 FED CO	DM 54H						
Well Position Position Uncer	+N/-\$ +E/-V tainty	-46 I 2,05	60.05 ft No. 64.59 ft Ea 2.00 ft W	orthing: asting: /ellhead Eleva	ation:	423,704.46 664,552.07 0.0	usft La usft Lo 00 ft Gr	titude: ngitude: ound Level:		32° 9' 51.174502 N 103° 56' 6.510275 W 3,132.10 ft
Wellbore	Wel	bore #1								
Magnetics	N	odel Name	Sampl	e Date	Declina (°)	tion	Dip / (Angle °)	Field S (I	Strength nT)
		HDGM		6/19/2019		6.85		59.85		47,868
Design	Perm	itting Plan								
Audit Notes:										
Version:			Phas	se: F	PROTOTYPE	Tie	e On Depth:		0.00	
Vertical Sectio	n:	D	epth From (T (ft)	VD)	+N/-S (ft)	+E (1	:/-W ft)	Di	rection (°)	
			0.00		0.00	0.	.00		6.65	
Plan Sections										
Measured Depth (ft)	Inclination (°)	Azimuth (°)	Vertical Depth (ft)	+N/-S (ft)	+E/-W (ft)	Dogleg Rate (°/100ft)	Build Rate (°/100ft)	Turn Rate (°/100ft)	TFO (°)	Target
0.00 3,580.00 4,180.02 10,318.23 11,060.42 11,838.78	0.00 0.00 12.00 12.00 12.00 89.84	0.00 0.00 76.58 76.58 359.76 359.76	0.00 3,580.00 4,175.64 10,179.71 10,909.77 11,363.60	0.00 0.00 14.53 310.71 406.31 965.09	0.00 0.00 60.90 1,302.30 1,377.45 1,375.11	0.00 0.00 2.00 0.00 2.00 10.00	0.00 0.00 2.00 0.00 0.00 10.00	0.00 0.00 0.00 -10.35 0.00	0.00 0.00 76.58 0.00 -127.80 0.00	FTP (Corral Canyon
22,288.34	89.84	359.76	11,393.60	11,414.52	1,331.41	0.00	0.00	0.00	0.00	PBHL (Corral

Database:	HOPSPP	Local Co-ordinate Reference:	Well CORRAL CANYON 36_25 FED COM 54H
Company: Project: Site: Well: Wellbore: Design:	ENGINEERING DESIGNS PRD NM DIRECTIONAL PLANS (NAD 1983) CORRAL CANYON 36-25 FED COM CORRAL CANYON 36_25 FED COM 54H Wellbore #1 Permitting Plan	TVD Reference: MD Reference: North Reference: Survey Calculation Method:	RKB=26.5' @ 3158.60ft RKB=26.5' @ 3158.60ft Grid Minimum Curvature

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	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
200.00	0.00	0.00	200.00	0.00	0.00	0.00	0.00	0.00	0.00
400.00	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	0.00	600.00	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
1,200.00	0.00	0.00	1,200.00	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
4 500 00	0.00	0.00	4 500 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
1,800.00	0.00	0.00	1,800.00	0.00	0.00	0.00	0.00	0.00	0.00
1,900.00	0.00	0.00	1,900.00	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	0.00	2,100.00	0.00	0.00	0.00	0.00	0.00	0.00
2,200.00	0.00	0.00	2,200.00	0.00	0.00	0.00	0.00	0.00	0.00
2,300.00	0.00	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	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	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	0.00	3 100 00	0.00	0.00	0.00	0.00	0.00	0.00
3 200 00	0.00	0.00	3 200 00	0.00	0.00	0.00	0.00	0.00	0.00
3 300 00	0.00	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
0,100.00	0.00	0.00	0,100.00	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
3,580.00	0.00	0.00	3,580.00	0.00	0.00	0.00	0.00	0.00	0.00
3,000.00	0.40	70.58	3,600.00	0.02	0.07	0.02	2.00	2.00	0.00
3,700.00	2.40	70.08	3,099.90	0.58	2.44	0.80	2.00	2.00	0.00
3,000.00	4.40	70.50	3,799.70	1.90	0.21	2.90	2.00	2.00	0.00
3,900.00	6.40	76.58	3,899.34	4.14	17.37	6.13	2.00	2.00	0.00
4,000.00	8.40	76.58	3,998.50	7.13	29.89	10.55	2.00	2.00	0.00
4,100.00	10.40	76.58	4,097.15	10.92	45.78	16.15	2.00	2.00	0.00
4,180.02	12.00	76.58	4,175.64	14.53	60.90	21.49	2.00	2.00	0.00
4,200.00	12.00	76.58	4,195.19	15.49	64.94	22.91	0.00	0.00	0.00
4,300.00	12.00	76.58	4,293.00	20.32	85.16	30.05	0.00	0.00	0.00
4,400.00	12.00	76.58	4,390.82	25.14	105.39	37.18	0.00	0.00	0.00
4,500.00	12.00	76.58	4,488.63	29.97	125.61	44.32	0.00	0.00	0.00
4,600.00	12.00	76.58	4,586.44	34.79	145.84	51.46	0.00	0.00	0.00
4,700.00	12.00	76.58	4,684.26	39.62	166.06	58.59	0.00	0.00	0.00
4.800.00	12.00	76.58	4,782.07	44.44	186.28	65.73	0.00	0.00	0.00
4,900.00	12.00	76.58	4,879.89	49.27	206.51	72.86	0.00	0.00	0.00
5.000.00	12.00	76.58	4,977.70	54.09	226.73	80.00	0.00	0.00	0.00

Database:	HOPSPP	Local Co-ordinate Reference:	Well CORRAL CANYON 36_25 FED COM 54H
Company: Project: Site: Well: Wellbore: Design:	ENGINEERING DESIGNS PRD NM DIRECTIONAL PLANS (NAD 1983) CORRAL CANYON 36-25 FED COM CORRAL CANYON 36_25 FED COM 54H Wellbore #1 Permitting Plan	TVD Reference: MD Reference: North Reference: Survey Calculation Method:	RKB=26.5' @ 3158.60ft RKB=26.5' @ 3158.60ft Grid Minimum Curvature

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)
5 100 00	12 00	76 58	5 075 52	58 92	246.96	87 13	0.00	0.00	0.00
5.200.00	12.00	76.58	5.173.33	63.75	267.18	94.27	0.00	0.00	0.00
5,000,00	40.00	70 50	E 074 4E	00.57	007.40	101 11	0.00	0.00	0.00
5,300.00	12.00	76.58	5,271.15	68.57 72.40	287.40	101.41	0.00	0.00	0.00
5,400.00	12.00	76.58	5,368.96	73.40	307.63	108.54	0.00	0.00	0.00
5,500.00	12.00	76.58	5,466.78	78.22	327.85	115.68	0.00	0.00	0.00
5,600.00	12.00	76.58	5,564.59	83.05	348.08	122.81	0.00	0.00	0.00
5,700.00	12.00	70.58	5,002.41	87.87	308.30	129.95	0.00	0.00	0.00
5,800.00	12.00	76.58	5,760.22	92.70	388.53	137.09	0.00	0.00	0.00
5,900.00	12.00	76.58	5,858.03	97.52	408.75	144.22	0.00	0.00	0.00
6,000.00	12.00	76.58	5,955.85	102.35	428.97	151.36	0.00	0.00	0.00
6,100.00	12.00	76.58	6,053.66	107.17	449.20	158.49	0.00	0.00	0.00
6,200.00	12.00	76.58	6,151.48	112.00	469.42	165.63	0.00	0.00	0.00
6.300.00	12.00	76.58	6.249.29	116.82	489.65	172.76	0.00	0.00	0.00
6.400.00	12.00	76.58	6.347.11	121.65	509.87	179.90	0.00	0.00	0.00
6,500.00	12.00	76.58	6,444.92	126.47	530.10	187.04	0.00	0.00	0.00
6,600.00	12.00	76.58	6,542.74	131.30	550.32	194.17	0.00	0.00	0.00
6,700.00	12.00	76.58	6,640.55	136.12	570.54	201.31	0.00	0.00	0.00
6 900 00	12.00	76 59	6 720 27	140.05	500 77	209.44	0.00	0.00	0.00
6,000.00	12.00	70.58	6 836 18	140.95	610.00	200.44	0.00	0.00	0.00
7 000 00	12.00	76.58	6 934 00	140.77	631.22	210.00	0.00	0.00	0.00
7,000.00	12.00	76.58	7 031 81	155.00	651.22	222.71	0.00	0.00	0.00
7,100.00	12.00	76.58	7 129 62	160.42	671.66	226.00	0.00	0.00	0.00
7,200.00	12.00	70.00	7,120.02	100.20	071.00	200.00	0.00	0.00	0.00
7,300.00	12.00	76.58	7,227.44	165.07	691.89	244.12	0.00	0.00	0.00
7,400.00	12.00	76.58	7,325.25	169.90	712.11	251.26	0.00	0.00	0.00
7,500.00	12.00	76.58	7,423.07	174.72	732.34	258.39	0.00	0.00	0.00
7,600.00	12.00	76.58	7,520.88	179.55	752.56	265.53	0.00	0.00	0.00
7,700.00	12.00	76.58	7,618.70	184.37	772.79	272.67	0.00	0.00	0.00
7,800.00	12.00	76.58	7,716.51	189.20	793.01	279.80	0.00	0.00	0.00
7,900.00	12.00	76.58	7,814.33	194.03	813.23	286.94	0.00	0.00	0.00
8,000.00	12.00	76.58	7,912.14	198.85	833.46	294.07	0.00	0.00	0.00
8,100.00	12.00	76.58	8,009.96	203.68	853.68	301.21	0.00	0.00	0.00
8,200.00	12.00	76.58	8,107.77	208.50	873.91	308.34	0.00	0.00	0.00
8,300.00	12.00	76.58	8,205.59	213.33	894.13	315.48	0.00	0.00	0.00
8,400.00	12.00	76.58	8,303.40	218.15	914.36	322.62	0.00	0.00	0.00
8,500.00	12.00	76.58	8,401.21	222.98	934.58	329.75	0.00	0.00	0.00
8,600.00	12.00	76.58	8,499.03	227.80	954.80	336.89	0.00	0.00	0.00
8,700.00	12.00	76.58	8,596.84	232.63	975.03	344.02	0.00	0.00	0.00
8 800 00	12 00	76 58	8 694 66	237 45	995 25	351 16	0.00	0.00	0.00
8 900 00	12.00	76.58	8 792 47	242.28	1 015 48	358 29	0.00	0.00	0.00
9.000.00	12.00	76.58	8.890.29	247.10	1.035.70	365.43	0.00	0.00	0.00
9.100.00	12.00	76.58	8.988.10	251.93	1.055.92	372.57	0.00	0.00	0.00
9,200.00	12.00	76.58	9,085.92	256.75	1,076.15	379.70	0.00	0.00	0.00
0 200 00	12.00	76 59	0 102 72	261 59	1 006 27	296.94	0.00	0.00	0.00
9,300.00	12.00	70.00	9,103.73	201.00	1,090.37	300.04	0.00	0.00	0.00
9,400.00	12.00	76.58	9,201.33	200.40	1,110.00	101 11	0.00	0.00	0.00
9,500.00	12.00	76.58	9,379.30	276.05	1,150.02	401.11	0.00	0.00	0.00
9,700.00	12.00	76.58	9,574.99	280.88	1,177.27	415.38	0.00	0.00	0.00
0,000,00	10.00	70 50	0 670 90	205 70	1 107 40	100 50	0.00	0.00	0.00
9,800.00	12.00	10.58	9,072.00	200.50	1,197.49	422.52	0.00	0.00	0.00
9,900.00	12.00	10.00	9,110.02 0,860 12	290.00 205 25	1,211.12	429.00	0.00	0.00	0.00
10,000.00	12.00	70.00	9,000.43 0 066 75	290.00 200.10	1,201.94	430.19	0.00	0.00	0.00
10,100.00	12.00 12.00	70.00	9,900.20 10 064 06	300.10	1,200.17	440.92 151 NG	0.00	0.00	0.00
10,200.00	12.00	70.00	10,004.00	000.00	1,270.09	450.00	0.00	0.00	0.00
10,300.00	12.00	76.58	10,161.88	309.83	1,298.62	458.20	0.00	0.00	0.00

Database:	HOPSPP	Local Co-ordinate Reference:	Well CORRAL CANYON 36_25 FED COM 54H
Company: Project: Site: Well: Wellbore: Design:	ENGINEERING DESIGNS PRD NM DIRECTIONAL PLANS (NAD 1983) CORRAL CANYON 36-25 FED COM CORRAL CANYON 36_25 FED COM 54H Wellbore #1 Permitting Plan	TVD Reference: MD Reference: North Reference: Survey Calculation Method:	RKB=26.5' @ 3158.60ft RKB=26.5' @ 3158.60ft Grid Minimum Curvature

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)
10.318.23	12.00	76.58	10.179.71	310.71	1.302.30	459.50	0.00	0.00	0.00
10 400 00	11 07	69.84	10 259 83	315 39	1 317 94	465.96	2 00	-1 13	-8.25
10,500,00	10.18	60 11	10,358,12	323 10	1 334 62	475 55	2 00	-0.89	-9 73
10,000.00	9.62	/8.92	10,000.12	333.00	1 3/8 58	470.00	2.00	-0.56	_11 10
10,000.00	5.02	40.52	10,400.04	000.00	1,040.00	407.00	2.00	-0.50	-11.15
10,700.00	9.46	36.87	10,555.27	345.07	1,359.81	500.29	2.00	-0.16	-12.05
10,800.00	9.71	24.93	10,653.88	359.29	1,368.30	515.39	2.00	0.25	-11.94
10,900.00	10.34	14.02	10,752.36	375.65	1,374.03	532.31	2.00	0.64	-10.91
11,000.00	11.30	4.64	10,850.59	394.12	1,377.00	551.00	2.00	0.95	-9.38
11,060.42	12.00	359.76	10,909.77	406.31	1,377.45	563.16	2.00	1.16	-8.08
11 100 00	15.96	359 76	10 948 17	415 86	1 377 41	572 65	10.00	10.00	0.00
11 200 00	25.96	359 76	11 041 43	451 59	1 377 26	608 11	10.00	10.00	0.00
11 300 00	35.96	359 76	11 127 08	502.96	1 377 05	659 11	10.00	10.00	0.00
11 400 00	45.96	359 76	11 202 50	568 43	1,376,77	724 11	10.00	10.00	0.00
11,500,00	55.96	359 76	11 265 41	646.00	1,376,45	801 12	10.00	10.00	0.00
11,000.00	00.00				1,070.10	001112	10.00	10.00	0.00
11,600.00	65.96	359.76	11,313.90	733.31	1,376.08	887.80	10.00	10.00	0.00
11,700.00	75.96	359.76	11,346.48	827.72	1,375.69	981.53	10.00	10.00	0.00
11,800.00	85.96	359.76	11,362.18	926.35	1,375.28	1,079.45	10.00	10.00	0.00
11,838.78	89.84	359.76	11,363.60	965.09	1,375.11	1,117.91	10.00	10.00	0.00
11,900.00	89.84	359.76	11,363.78	1,026.32	1,374.86	1,178.69	0.00	0.00	0.00
12,000.00	89.84	359.76	11,364.06	1,126.31	1,374.44	1,277.97	0.00	0.00	0.00
12,100.00	89.84	359.76	11,364.35	1,226.31	1,374.02	1,377.24	0.00	0.00	0.00
12,200.00	89.84	359.76	11,364.64	1,326.31	1,373.60	1,476.52	0.00	0.00	0.00
12,300.00	89.84	359.76	11,364.92	1,426.31	1,373.18	1,575.80	0.00	0.00	0.00
12,400.00	89.84	359.76	11,365.21	1,526.31	1,372.77	1,675.07	0.00	0.00	0.00
12,500.00	89.84	359.76	11,365.50	1,626.31	1,372.35	1,774.35	0.00	0.00	0.00
12,600.00	89.84	359.76	11,365.79	1,726.31	1,371.93	1,873.63	0.00	0.00	0.00
12,700.00	89.84	359.76	11,366.07	1,826.31	1,371.51	1,972.91	0.00	0.00	0.00
12,800.00	89.84	359.76	11,366.36	1,926.30	1,371.09	2,072.18	0.00	0.00	0.00
12,900.00	89.84	359.76	11,366.65	2,026.30	1,370.68	2,171.46	0.00	0.00	0.00
13,000.00	89.84	359.76	11,366.93	2,126.30	1,370.26	2,270.74	0.00	0.00	0.00
13,100.00	89.84	359.76	11,367.22	2,226.30	1,369.84	2,370.01	0.00	0.00	0.00
13,200.00	89.84	359.76	11,367.51	2,326.30	1,369.42	2,469.29	0.00	0.00	0.00
13,300.00	89.84	359.76	11,367.80	2,426.30	1,369.00	2,568.57	0.00	0.00	0.00
13,400.00	89.84	359.76	11,368.08	2,526.30	1,368.58	2,667.84	0.00	0.00	0.00
13,500.00	89.84	359.76	11,368.37	2,626.30	1,368.17	2,767.12	0.00	0.00	0.00
13,600.00	89.84	359.76	11,368.66	2,726.29	1,367.75	2,866.40	0.00	0.00	0.00
13,700.00	89.84	359.76	11,368.94	2,826.29	1,367.33	2,965.67	0.00	0.00	0.00
13,800.00	89.84	359.76	11,369.23	2,926.29	1,366.91	3,064.95	0.00	0.00	0.00
13,900.00	89.84	359.76	11,369.52	3,026.29	1,366.49	3,164.23	0.00	0.00	0.00
14,000.00	89.84	359.76	11,369.80	3,126.29	1,366.07	3,263.50	0.00	0.00	0.00
14,100.00	89.84	359.76	11,370.09	3,226.29	1,365.66	3,362.78	0.00	0.00	0.00
14,200.00	89.84	359.76	11,370.38	3,326.29	1,365.24	3,462.06	0.00	0.00	0.00
14,300.00	89.84	359.76	11,370.67	3,426.29	1,364.82	3,561.34	0.00	0.00	0.00
14,400.00	89.84	359.76	11,370.95	3,526.28	1,364.40	3,660.61	0.00	0.00	0.00
14,500.00	89.84	359.76	11,371.24	3,626.28	1,363.98	3,759.89	0.00	0.00	0.00
14,600.00	89.84	359.76	11,371.53	3,726.28	1,363.57	3,859.17	0.00	0.00	0.00
14,700.00	89.84	359.76	11,371.81	3,826.28	1,363.15	3,958.44	0.00	0.00	0.00
14,800.00	89.84	359.76	11,372.10	3,926.28	1,362.73	4,057.72	0.00	0.00	0.00
14,900.00	89.84	359.76	11,372.39	4,026.28	1,362.31	4,157.00	0.00	0.00	0.00
15,000.00	89.84	359.76	11,372.68	4,126.28	1,361.89	4,256.27	0.00	0.00	0.00
15,100.00	89.84	359.76	11,372.96	4,226.27	1,361.47	4,355.55	0.00	0.00	0.00
15,200.00	89.84	359.76	11,373.25	4,326.27	1,361.06	4,454.83	0.00	0.00	0.00
15,300.00	89.84	359.76	11,373.54	4,426.27	1,360.64	4,554.10	0.00	0.00	0.00

Database:	HOPSPP	Local Co-ordinate Reference:	Well CORRAL CANYON 36_25 FED COM 54H
Company: Project: Site: Well: Wellbore: Design:	ENGINEERING DESIGNS PRD NM DIRECTIONAL PLANS (NAD 1983) CORRAL CANYON 36-25 FED COM CORRAL CANYON 36_25 FED COM 54H Wellbore #1 Permitting Plan	TVD Reference: MD Reference: North Reference: Survey Calculation Method:	RKB=26.5' @ 3158.60ft RKB=26.5' @ 3158.60ft Grid Minimum Curvature

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)
15,400.00	89.84	359.76	11,373.82	4,526.27	1,360.22	4,653.38	0.00	0.00	0.00
15 500 00	89 84	359 76	11 374 11	4 626 27	1 359 80	4 752 66	0.00	0.00	0.00
15,600,00	89.84	359 76	11 374 40	4 726 27	1 359 38	4 851 93	0.00	0.00	0.00
15,000.00	80.84	359.76	11 37/ 60	4,720.27	1 358 97	4,001.00	0.00	0.00	0.00
15,700.00	80.84	350.76	11,374.03	4,020.27	1 358 55	5 050 40	0.00	0.00	0.00
15,000.00	09.04	359.70	11,374.97	4,920.27	1,330.33	5,050.49	0.00	0.00	0.00
15,900.00	09.04	339.70	11,375.20	5,020.20	1,350.15	5,149.77	0.00	0.00	0.00
16,000.00	89.84	359.76	11,375.55	5,126.26	1,357.71	5,249.04	0.00	0.00	0.00
16,100.00	89.84	359.76	11,375.83	5,226.26	1,357.29	5,348.32	0.00	0.00	0.00
16,200.00	89.84	359.76	11,376.12	5,326.26	1,356.87	5,447.60	0.00	0.00	0.00
16,300.00	89.84	359.76	11,376.41	5,426.26	1,356.46	5,546.87	0.00	0.00	0.00
16,400.00	89.84	359.76	11,376.70	5,526.26	1,356.04	5,646.15	0.00	0.00	0.00
16 500 00	89 84	359 76	11 376 98	5 626 26	1 355 62	5 745 43	0.00	0.00	0.00
16 600 00	89.84	359 76	11 377 27	5 726 26	1 355 20	5 844 70	0.00	0.00	0.00
16,700,00	89.84	359 76	11 377 56	5 826 25	1 354 78	5 943 98	0.00	0.00	0.00
16,800,00	89.84	359 76	11 377 84	5 926 25	1 354 36	6 043 26	0.00	0.00	0.00
16,000.00	89.84	359 76	11 378 13	6 026 25	1 353 95	6 142 53	0.00	0.00	0.00
17,000.00	00.01	000.70	11,070.10	0,020.20	1,000.00	0,112.00	0.00	0.00	0.00
17,000.00	89.84	359.76	11,378.42	6,126.25	1,353.53	6,241.81	0.00	0.00	0.00
17,100.00	89.84	359.76	11,378.70	6,226.25	1,353.11	6,341.09	0.00	0.00	0.00
17,200.00	89.84	359.76	11,378.99	6,326.25	1,352.69	6,440.36	0.00	0.00	0.00
17,300.00	89.84	359.76	11,379.28	6,426.25	1,352.27	6,539.64	0.00	0.00	0.00
17,400.00	89.84	359.76	11,379.57	6,526.25	1,351.86	6,638.92	0.00	0.00	0.00
17,500.00	89.84	359.76	11,379.85	6,626.24	1,351.44	6,738.20	0.00	0.00	0.00
17,600.00	89.84	359.76	11,380.14	6,726.24	1,351.02	6,837.47	0.00	0.00	0.00
17,700.00	89.84	359.76	11,380.43	6,826.24	1,350.60	6,936.75	0.00	0.00	0.00
17,800.00	89.84	359.76	11,380.71	6,926.24	1,350.18	7,036.03	0.00	0.00	0.00
17,900.00	89.84	359.76	11,381.00	7,026.24	1,349.76	7,135.30	0.00	0.00	0.00
18.000.00	89.84	359.76	11.381.29	7,126,24	1.349.35	7.234.58	0.00	0.00	0.00
18 100 00	89.84	359 76	11 381 58	7 226 24	1 348 93	7 333 86	0.00	0.00	0.00
18 200 00	89.84	359 76	11,381,86	7 326 23	1 348 51	7 433 13	0.00	0.00	0.00
18,300,00	89.84	359 76	11,382,15	7 426 23	1,348,09	7 532 41	0.00	0.00	0.00
18,000.00	89.84	359 76	11,382.44	7 526 23	1,347,67	7 631 69	0.00	0.00	0.00
10,100.00	00.01	000.70	14,000,70	7,020.20	1,017.05	7,001.00	0.00	0.00	0.00
18,500.00	89.84	359.76	11,382.72	7,626.23	1,347.25	7,730.96	0.00	0.00	0.00
18,600.00	89.84	359.76	11,383.01	7,726.23	1,346.84	7,830.24	0.00	0.00	0.00
18,700.00	89.84	359.76	11,383.30	7,826.23	1,346.42	7,929.52	0.00	0.00	0.00
18,800.00	89.84	359.76	11,383.59	7,926.23	1,346.00	8,028.79	0.00	0.00	0.00
18,900.00	89.84	359.76	11,383.87	8,026.23	1,345.58	8,128.07	0.00	0.00	0.00
19,000.00	89.84	359.76	11,384.16	8,126.22	1,345.16	8,227.35	0.00	0.00	0.00
19,100.00	89.84	359.76	11,384.45	8,226.22	1,344.75	8,326.63	0.00	0.00	0.00
19,200.00	89.84	359.76	11,384.73	8,326.22	1,344.33	8,425.90	0.00	0.00	0.00
19,300.00	89.84	359.76	11,385.02	8,426.22	1,343.91	8,525.18	0.00	0.00	0.00
19,400.00	89.84	359.76	11,385.31	8,526.22	1,343.49	8,624.46	0.00	0.00	0.00
19,500.00	89.84	359.76	11,385.60	8,626.22	1,343.07	8,723.73	0.00	0.00	0.00
19,600.00	89.84	359.76	11,385.88	8,726.22	1,342.65	8,823.01	0.00	0.00	0.00
19,700.00	89.84	359.76	11,386.17	8,826.22	1,342.24	8,922.29	0.00	0.00	0.00
19.800.00	89.84	359.76	11,386,46	8,926,21	1.341.82	9.021.56	0.00	0.00	0.00
19,900.00	89.84	359.76	11,386.74	9,026.21	1,341.40	9,120.84	0.00	0.00	0.00
20,000,00	80 84	359 76	11 387 03	9 126 21	1 340 98	9 220 12	0.00	0.00	0.00
20,000.00	80 81	350 76	11 387 32	9 226 21	1 3/0 56	9 310 30	0.00	0.00	0.00
20,100.00	20.04 20.24	350 76	11 387 60	0 326 21	1 3/0 1/	0 / 19 67	0.00	0.00	0.00
20,200.00	20.04 20.24	350 76	11 387 80	0 126 21	1 330 73	0 517 05	0.00	0.00	0.00
20,300.00	80 81	359.76	11 388 18	9 526 21	1,330,31	9 617 22	0.00	0.00	0.00
20,400.00	03.04	559.70	11,000.10	0,020.21	1,000.01	3,017.22	0.00	0.00	0.00
20,500.00	89.84	359.76	11,388.47	9,626.21	1,338.89	9,716.50	0.00	0.00	0.00
20,600.00	89.84	359.76	11,388.75	9,726.20	1,338.47	9,815.78	0.00	0.00	0.00

Database:	HOPSPP	Local Co-ordinate Reference:	Well CORRAL CANYON 36_25 FED COM 54H
Company: Project: Site: Well: Wellbore: Design:	ENGINEERING DESIGNS PRD NM DIRECTIONAL PLANS (NAD 1983) CORRAL CANYON 36-25 FED COM CORRAL CANYON 36_25 FED COM 54H Wellbore #1 Permitting Plan	TVD Reference: MD Reference: North Reference: Survey Calculation Method:	RKB=26.5' @ 3158.60ft RKB=26.5' @ 3158.60ft Grid Minimum Curvature

Planned Survey

Me D	asured 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)
20	0,700.00	89.84	359.76	11,389.04	9,826.20	1,338.05	9,915.05	0.00	0.00	0.00
20	0,800.00	89.84	359.76	11,389.33	9,926.20	1,337.64	10,014.33	0.00	0.00	0.00
20	0,900.00	89.84	359.76	11,389.61	10,026.20	1,337.22	10,113.61	0.00	0.00	0.00
2	1.000.00	89.84	359.76	11.389.90	10.126.20	1.336.80	10.212.89	0.00	0.00	0.00
2	1.100.00	89.84	359.76	11.390.19	10.226.20	1.336.38	10.312.16	0.00	0.00	0.00
2	1,200.00	89.84	359.76	11,390.48	10,326.20	1,335.96	10,411.44	0.00	0.00	0.00
2	1,300.00	89.84	359.76	11,390.76	10,426.20	1,335.54	10,510.72	0.00	0.00	0.00
2	1,400.00	89.84	359.76	11,391.05	10,526.19	1,335.13	10,609.99	0.00	0.00	0.00
2	1,500.00	89.84	359.76	11,391.34	10,626.19	1,334.71	10,709.27	0.00	0.00	0.00
2	1,600.00	89.84	359.76	11,391.62	10,726.19	1,334.29	10,808.55	0.00	0.00	0.00
2	1,700.00	89.84	359.76	11,391.91	10,826.19	1,333.87	10,907.82	0.00	0.00	0.00
2	1,800.00	89.84	359.76	11,392.20	10,926.19	1,333.45	11,007.10	0.00	0.00	0.00
2	1,900.00	89.84	359.76	11,392.49	11,026.19	1,333.03	11,106.38	0.00	0.00	0.00
2	2,000.00	89.84	359.76	11,392.77	11,126.19	1,332.62	11,205.65	0.00	0.00	0.00
2	2,100.00	89.84	359.76	11,393.06	11,226.18	1,332.20	11,304.93	0.00	0.00	0.00
2	2,200.00	89.84	359.76	11,393.35	11,326.18	1,331.78	11,404.21	0.00	0.00	0.00
2	2,288.34	89.84	359.76	11,393.60	11,414.52	1,331.41	11,491.91	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 (Corral Canyon - plan hits target ce - Point	0.00 enter	0.00	11,363.60	965.09	1,375.11	424,669.48	665,927.08	32° 10' 0.673631 N	103° 55' 50.471615
PBHL (Corral Canyon - plan hits target ce - Point	0.00 enter	0.00	11,393.60	11,414.52	1,331.41	435,118.12	665,883.38	32° 11' 44.073810 N	103° 55' 50.525053

Plan Annotations

Ν	leasured	Vertical	Local Coordinates		
	Depth (ft)	Depth (ft)	+N/-S (ft)	+E/-W (ft)	Comment
	3,580.00	3,580.00	0.00	0.00	Build 2.00°/100'
	4,180.02	4,175.64	14.53	60.90	Hold 12.00° Tangent
	10,318.23	10,179.71	310.71	1,302.30	Turn 2.00°/100'
	11,060.42	10,909.77	406.31	1,377.45	KOP, Build 10.00°/100'
	11,838.78	11,363.60	965.09	1,375.11	Landing Point
	22,288.34	11,393.60	11,414.52	1,331.41	TD at 22288.34' MD



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

GAS CAPTURE PLAN

Date: 07/10/2019

 \boxtimes 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	API	Well Location (ULSTR)	Footages	Expected MCF/D	Flared or Vented	Comments
Corral Canyon 36-25 Fd Com 43H	Pending	2-1-25S-29E	855 FNL 1830 FEL	7,100	0	
Corral Canyon 36-25 Fd Com 53H	Pending	2-1-25S-29E	855 FNL 1795 FEL	7,100	0	
Corral Canyon 36-25 Fd Com 54H	Pending	2-1-25S-29E	855 FNL 1760 FEL	7,100	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 the production facility is sent to <u>ETC Texas Pipeline, LTD ("ETC"</u>) and is connected to <u>ETC</u> high pressure gathering system located in Eddy County, New Mexico. <u>OXY USA INC. ("OXY"</u>) provides (periodically) to <u>ETC</u> a drilling, completion and estimated first production date for wells that are scheduled to be drilled in the foreseeable future. In addition, <u>OXY</u> and <u>ETC</u> have periodic conference calls to discuss changes to drilling and completion schedules. Gas from these wells will be processed at Orla Plant Processing Plant located in Sec. 35, Block 57, T2, T&P RR CO, Reeves, County, Texas. 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 <u>OXY's</u> 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
 - 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

OXY USA Inc APD ATTACHMENT: SPUDDER RIG DATA

OPERATOR NAME / NUMBER: OXY USA Inc

1. SUMMARY OF REQUEST:

Oxy USA respectfully requests approval for the following operations for the surface hole in the drill plan:

1. Utilize a spudder rig to pre-set surface casing for time and cost savings.

2. Description of Operations

- 1. Spudder rig will move in to drill the surface hole and pre-set surface casing on the well.
 - **a.** After drilling the surface hole section, the spudder rig will run casing and cement following all of the applicable rules and regulations (OnShore Order 2, all COAs and NMOCD regulations).
 - **b.** The spudder rig will utilize fresh water-based mud to drill the surface hole to TD. Solids control will be handled entirely on a closed loop basis. No earth pits will be used.
- 2. The wellhead will be installed and tested as soon as the surface casing is cut off and the WOC time has been reached.
- **3.** A blind flange at the same pressure rating as the wellhead will be installed to seal the wellbore. Pressure will be monitored with needle valves installed on two wingvalves.
 - **a.** A means for intervention will be maintained while the drilling rig is not over the well.
- 4. Spudder rig operations are expected to take 2-3 days per well on the pad.
- 5. The BLM will be contacted and notified 24 hours prior to commencing spudder rig operations.
- 6. Drilling operations will begin with a larger rig and a BOP stack equal to or greater than the pressure rating that was permitted will be nippled up and tested on the wellhead before drilling operations resume on each well.
 - **a.** The larger rig will move back onto the location within 90 days from the point at which the wells are secured and the spudder rig is moved off location.
 - **b.** The BLM will be contacted / notified 24 hours before the larger rig moves back on the pre-set locations.
- 7. Oxy will have supervision on the rig to ensure compliance with all BLM and NMOCD regulations and to oversee operations.
- **8.** Once the rig is removed, Oxy will secure the wellhead area by placing a guard rail around the cellar area.



Oxy Well Control Plan

A. Component and Preventer Compatibility Table

The table below, which covers the drilling and casing of the >5M MASP portion of the well, outlines the tubulars and the compatible preventers in use. This table, combined with the mud program, documents that two barriers to flow can be maintained at all times, independent of the rating of the annular preventer.

Component	OD	Preventer	RWP
Drillpipe	4-1/2"-5"	Lower 3-1/2 - 5-1/2" VBR	10M
r r		Upper 3-1/2 - 5-1/2" VBR	
HWDP	4-1/2"-5"	Lower 3-1/2 - 5-1/2" VBR	10M
		Upper 3-1/2 - 5-1/2" VBR	
Drill collars and MWD tools	4-3/4" - 5-1/2"	Lower 3-1/2 - 5-1/2" VBR	10M
		Upper 3-1/2 - 5-1/2" VBR	
Mud Motor	4-3/4"	Lower 3-1/2 - 5-1/2" VBR	10M
		Upper 3-1/2 - 5-1/2" VBR	
Production casing	5-1/2"	Lower 3-1/2 - 5-1/2" VBR	10M
		Upper 3-1/2 - 5-1/2" VBR	
ALL	0" - 13-5/8"	Annular	5M
Open-hole	6-3/4"	Blind Rams	10M

Pilot hole and Lateral sections, 10M requirement

VBR = Variable Bore Ram. Compatible range listed in chart.

MWD = Measurement While Drilling

B. Well Control Procedures

Well control procedures are specific to the rig equipment and the operation at the time the kick occurs. Below are the minimal high-level tasks prescribed to assure a proper shut-in while drilling, tripping, running casing, pipe out of the hole (open hole), and moving the Bottom Hole Assembly (BHA) through the Blowout Preventers (BOP). The pressure at which control is swapped from the annular to another compatible ram will occur when the anticipated pressure is approaching or envisioned to exceed 70% of the 5M annular Rated Working Pressure (RWP) or 3500 PSI.

General Procedure While Drilling

- 1. Sound alarm (alert crew)
- 2. Space out drill string
- 3. Shut down pumps (stop pumps and rotary)
- 4. Shut-in Well (uppermost applicable BOP, typically annular preventer first. The Hydraulic Control Remote (HCR) valve and choke will already be in the closed position).
- 5. Confirm shut-in
- 6. Notify tool pusher/company representative

HWDP = Heavy Weight Drill Pipe

- 7. Read and record the following:
 - a. SIDPP and SICP
 - b. Pit gain
 - c. Time
- 8. Regroup and identify forward plan
- 9. If pressure has built or expected to reach 70% of the annular RWP during kill operations, crew will reconfirm spacing and swap to the upper pipe ram

General Procedure While Tripping

- 1. Sound alarm (alert crew)
- 2. Stab full opening safety valve and close
- 3. Space out drill string
- 4. Shut-in (uppermost applicable BOP, typically annular preventer first. The HCR and choke will already be in the closed position)
- 5. Confirm shut-in
- 6. Notify tool pusher/company representative
- 7. Read and record the following
 - a. SIDPP and SICP
 - b. Pit gain
 - c. Time
 - d. Regroup and identify forward plan
 - e. If pressure has built or is anticipated during the kill to reach the RWP of the annular preventer, confirm spacing and swap to the upper pipe ram

General Procedure While Running Casing

- 1. Sound alarm (alert crew)
- 2. Stab crossover and full opening safety valve and close
- 3. Space out string
- 4. Shut-in (uppermost applicable BOP, typically annular preventer first. The HCR and choke will already be in the closed position).
- 5. Confirm shut-in
- 6. Notify tool pusher/company representative
- 7. Read and record the following:
 - a. SIDPP and SICP
 - b. Pit gain
 - c. Time
 - d. Regroup and identify forward plan.
 - e. If pressure has built or is anticipated during the kill to reach the RWP of the annular preventer, confirm spacing and swap to compatible pipe ram.

General Procedure With No Pipe In Hole (Open Hole)

- 1. Sound alarm (alert crew)
- 2. Shut-in with blind rams or BSR. (The HCR and choke will already be in the closed position)
- 3. Confirm shut-in
- 4. Notify tool pusher/company representative

- 5. Read and record the following:
 - a. SICP
 - b. Pit gain
 - c. Time
- 6. Regroup and identify forward plan

General Procedures While Pulling BHA thru Stack

- 1. PRIOR to pulling last joint of drill pipe thru the stack.
 - a. Perform flow check, if flowing:
 - b. Sound alarm (alert crew)
 - c. Stab full opening safety valve and close
 - d. Space out drill string with tool joint just beneath the upper pipe ram
 - e. Shut-in using upper pipe ram. (The HCR and choke will already be in the closed position)
 - f. Confirm shut-in
 - g. Notify tool pusher/company representative
 - h. Read and record the following:
 - i. SIDPP and SICP
 - ii. Pit gain
 - iii. Time
 - iv. Regroup and identify forward plan
- 2. With BHA in the stack and compatible ram preventer and pipe combo immediately available.
 - a. Sound alarm (alert crew)
 - b. Stab crossover and full opening safety valve and close
 - c. Space out drill string with upset just beneath the compatible pipe ram
 - d. Shut-in using compatible pipe ram. (The HCR and choke will already be in the closed position.)
 - e. Confirm shut-in
 - f. Notify tool pusher/company representative
 - g. Read and record the following:
 - i. SIDPP and SICP
 - ii. Pit gain
 - iii. Time
 - iv. Regroup and identify forward plan
- 3. With BHA in the stack and NO compatible ram preventer and pipe combo immediately available.
 - a. Sound alarm (alert crew)
 - b. If possible to pick up high enough, pull string clear of the stack and follow "Open Hole" scenario
 - c. If impossible to pick up high enough to pull the string clear of the stack
 - d. Stab crossover, make up one joint/stand of drill pipe, and full opening safety valve and close
 - e. Space out drill string with tool joint just beneath the upper pipe ram

- f. Shut-in using upper pipe ram. (The HCR and choke will already be in the closed position)
- g. Confirm shut-in
- h. Notify tool pusher/company representative
- i. Read and record the following:
 - i. SIDPP and SICP
 - ii. Pit gain
 - iii. Time
- j. Regroup and identify forward plan

Oxy USA Inc. - CORRAL CANYON 36_25 FED COM 54H

1. Geologic Formations

TVD of target	11394'	Pilot Hole Depth	N/A
MD at TD:	22288'	Deepest Expected fresh water:	397'

Delaware Basin

Formation	TVD - RKB	Expected Fluids
Rustler	446	
Salado	959	Salt
Castile	1,878	Salt
Lamar/Delaware	3,369	Oil/Gas/Brine
Bell Canyon	3,391	Oil/Gas/Brine
Cherry Canyon	4,306	Oil/Gas/Brine
Brushy Canyon	5,627	Losses
Bone Spring	7,176	Oil/Gas
1st Bone Spring	8,119	Oil/Gas
2nd Bone Spring	8,963	Oil/Gas
3rd Bone Spring	10,020	Oil/Gas
Wolfcamp	10,363	Oil/Gas

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

2. Casing Program

									Buoyant	Buoyant
Hala Char (in)	Casing	Interval	Csg. Size	Weight			SF	CE Durant	Body SF	Joint SF
Hole Size (in)	From (ft)	To (ft)	(in)	(lbs)	Grade	Grade Conn.		SF BUIST	Tension	Tension
14.75	0	899	10.75	40.5	J-55	BTC	1.125	1.2	1.4	1.4
9.875	0	10960	7.625	26.4	L-80 HC	BTC	1.125	1.2	1.4	1.4
6.75	0	11510	5.5	26	P-110 CYHP	TORQ SFW	1.125	1.2	1.4	1.4
6.75	11510	22288	5	21.4	P-110 CYHP	TORQ DQW	1.125	1.2	1.4	1.4
								SF Values will	meet or Exceed	1

All casing strings will be tested in accordance with Onshore Oil and Gas Order #2 III.B.1.h *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. - CORRAL CANYON 36_25 FED COM 54H

Annular Clearance Variance Request

As per the agreement reached in the Oxy/BLM face-to-face 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 justification (loading assumptions, casing design criteria).	Y
Will the intermediate pipe be kept at a minimum 1/3 fluid filled to avoid approaching the collapse pressure rating of the casing?	Y
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?	N
If yes, are the first 2 strings cemented to surface and 3 rd string cement tied back 500' into previous casing?	
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

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)	739	14.8	1.33	6.365	5:26	Class C Cement, Accelerator	
Intermediate 1st Stage (Lead)	N/A	N/A	N/A	N/A	N/A	N/A	
Intermediate 1st Stage (Tail)	702	13.2	1.65	8.640	11:54	Class H Cement, Retarder, Dispersant, Salt	
Intermediate 2nd Sta	ge (Tail Slurry	y) to be pumpe	d as Bradenhe	ead Squeeze fi	rom surface, c	lown the Intermediate annulus	
Intermediate 2nd Stage (Lead)	N/A	N/A	N/A	N/A	N/A	N/A	
Intermediate 2nd Stage (Tail)	723	12.9	1.92	10.41	23:10	Class C Cement, Accelerator	
Production (Lead)	N/A	N/A	N/A	N/A	N/A	N/A	
Production (Tail)	1133	13.2	1.38	6.686	3:39	Class H Cement, Retarder, Dispersant, Salt	

Casing String	Top (ft)	Bottom (ft)	% Excess
Surface (Lead)	N/A	N/A	N/A
Surface (Tail)	0	899	100%
Intermediate 1st Stage (Lead)	N/A	N/A	N/A
Intermediate 1st Stage (Tail)	5877	10960	5%
Intermediate 2nd Stage (Lead)	N/A	N/A	N/A
Intermediate 2nd Stage (Tail)	0	5877	10%
Production (Lead)	N/A	N/A	N/A
Production (Tail)	10460	22288	20%

Offline Cementing

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.
 - 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.

Oxy requests permission to adjust the CBL requirement after bradenhead cement jobs, on 7-5/8" intermediate casings, as per the agreement reached in the OXY/BLM meeting on September 5, 2019.

Three string wells:

- CBL will be required on one well per pad
- If the pumped volume of cement is less than permitted in the APD, BLM will be notified and a CBL may be run
- Echometer will be used after bradenhead cement job to determine TOC before pumping top-out cement

Pilot Hole Cementing specs:

Pilot hole depth: N/A KOP: N/A

Plug	Plug	%	No.	Wt.	Yld	Water	Slurry Description and
top	Bottom	Excess	Sacks	lb/gal	ft3/sack	gal/sk	Cement Type
N/A							
N/A							

4. Pressure Control Equipment

BOP installed and tested before drilling which hole?	Size?	Min. Required WP	Туре		✓	Tested to:											
		5M	Annula	ar	~	70% of working pressure											
0.975" Hele	13-5/8"		Blind Ra	am	✓												
9.875 Hole		514	Pipe Ram			250 : (5000 :											
		21/1	JIVI	5171	3101	3101	JIVI	JIVI	3101	5101	JIVI	JIM	JIM	Double F	Ram	~	250 psi / 5000 psi
						Other*											
		5M	Annula	ır	1	100% of working pressure											
675" Hala	12 5/0"	10 5/01	Blind Ra	am	✓												
0.75 Hole	13-5/8	10-0/0	15-5/8	15-5/8	1014	15-5/8 10M	Pipe Ram			250 mai / 5200 mai							
		TOM	Double Ram		Double Ram 🖌		✓	250 psi / 5200 psi									
			Other*														

*Specify if additional ram is utilized.

Per BLM's Memorandum No. NM-2017-008: *Decision and Rationale for a Variance Allowing the Use of a 5M Annular Preventer with a 10M BOP Stack*, Oxy requests to employ a 5M annular with a 10M BOPE stack in the pilot and lateral sections of the well and will ensure that two barriers to flow are maintained at all times. Please see attached Well Control Plan.

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					
Y	Are anchors required by manufacturer?				
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

Oxy USA Inc. - CORRAL CANYON 36_25 FED COM 54H

Depth		Trme	Weight	Vigeogity	Watan Loga	
From (ft)	To (ft)	Гуре	(ppg)	viscosity	water Loss	
0	899	Water-Based Mud	8.6-8.8	40-60	N/C	
899	10960	Saturated Brine- Based or Oil-Based Mud	8.0-10.0	35-45	N/C	
10960	22288	Water-Based or Oil- Based Mud	9.5-13.0	38-50	N/C	

5. Mud Program

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	PVT/MD Totco/Visual Monitoring
of fluid?	

6. Logging and Testing Procedures

Logg	ing, 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

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

Oxy USA Inc. - CORRAL CANYON 36_25 FED COM 54H

7. Drilling Conditions

Condition	Specify what type and where?
BH Pressure at deepest TVD	7703 psi
Abnormal Temperature	No
BH Temperature at deepest TVD	172°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.

NH2S is presentYH2S 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 three 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: 1644.5 bbls.

Attachments

- _x_ Directional Plan
- _x__ H2S Contingency Plan
- _x__ Flex III Attachments
- _x__ Spudder Rig Attachment
- _x__ Premium Connection Specs

9. Company Personnel

Name	<u>Title</u>	Office Phone	Mobile Phone
Garrett Granier	Drilling Engineer	713-513-6633	832-265-0581
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





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

GAS CAPTURE PLAN

Date: 07/10/2019

 \boxtimes 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	API	Well Location (ULSTR)	Footages	Expected MCF/D	Flared or Vented	Comments
Corral Canyon 36-25 Fd Com 43H	Pending	2-1-25S-29E	855 FNL 1830 FEL	7,100	0	
Corral Canyon 36-25 Fd Com 53H	Pending	2-1-25S-29E	855 FNL 1795 FEL	7,100	0	
Corral Canyon 36-25 Fd Com 54H	Pending	2-1-25S-29E	855 FNL 1760 FEL	7,100	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 the production facility is sent to <u>ETC Texas Pipeline, LTD ("ETC"</u>) and is connected to <u>ETC</u> high pressure gathering system located in Eddy County, New Mexico. <u>OXY USA INC. ("OXY"</u>) provides (periodically) to <u>ETC</u> a drilling, completion and estimated first production date for wells that are scheduled to be drilled in the foreseeable future. In addition, <u>OXY</u> and <u>ETC</u> have periodic conference calls to discuss changes to drilling and completion schedules. Gas from these wells will be processed at Orla Plant Processing Plant located in Sec. 35, Block 57, T2, T&P RR CO, Reeves, County, Texas. 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 <u>OXY's</u> 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
 - 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