(March 2012) NMOCD ARTESIA

FORM APPROVED OMB No 1004-0137 Expires October 31, 2014

UNITED STATES	OCD Artes	เมล					
DEPARTMENT OF THE I	NTERIOR		5 Lease Senal No NM-048344		1	25.	
APPLICATION FOR PERMIT TO I			6 If Indian, Allotee or Tribe Name				
la Type of work. DRILL REENTE	R		7 If Unit or CA Ag	reement, Name a	and No	_	
lb Type of Well Oil Well Gas Well Other	Single Zone Multip	le Zone	8 Lease Name and PIGLET 21 FEDE		e 3	94	
2 Name of Operator OXY USA WTP LIMITED PARTNERSH	^{IP} <19	2463=	9 API Well No	5-40	67	~ 'O	
3a Address P.O. BOX 4294 HOUSTON, TX 77210	3b Phone No <i>(mclude area code)</i> 713-513-6640	V	10 Field and Pool, o ARTESIA, GLOR		0) 49	- 268	
Location of Well (Report location clearly and in accordance with any At surface 965' FNL & 1038' FEL.	State requirements *) [UNORTH(n Maria	11 Sec , T R M or A, SEC 21, T17S		oi Area		
At proposed prod. zone							
14 Distance in miles and direction from nearest town or post office [†] 12 miles East of Artesia, N.M	<u> </u>	20/11/1	12 County or Parish EDDY	13.	State VI		
Distance from proposed* 965' location to nearest property or lease line, ft (Also to nearest drig. unit line, if any)	16 No of acres in lease 400	17 Spacin 40	ng Unit dedicated to this well			_	
18 Distance from proposed location* 206' to nearest well, drilling, completed, applied for, on this lease, fi	19 Proposed Depth 5300' MD/TVD	20 BLM/ ES0136	/BIA Bond No on file G			_	
El Elevations (Show whether DF, KDB, RT, GL, etc.) 3602'	22 Approximate date work will sta 09/30/2012	rt*	23 Estimated duration 10 DAYS			_	
	24 Attachments		<u> </u>			_	
he following, completed in accordance with the requirements of Onshor	e Oil and Gas Order No 1. must be a	ttached to th	us form			_	
Well plat certified by a registered surveyor. A Drilling Plan.	4. Bond to cover t Item 20 above).	he operatio	ons unless covered by	an existing bond	on file (se	ee	
3. A Surface Use Plan (if the location is on National Forest System SUPO must be filed with the appropriate Forest Service Office)			ormation and/or plans	as may be requi	red by the		
25. Signature Mild Control of the Co	Name (Printed/Typed) JENNIFER DUARTE (je	nnifer_du	arte@oxy com)	Date 05/21/201	2	_	
REGULATORY ANALYST							
Approved by (Signature) /s/ Don Peterson	Name (Printed/Typed) /s/	Don Po	eterso n	Date SEP	- 6	 2012	
FIELD MANAGER	Office CARLSBAD FIE	LD OFF	ICE				
Application approval does not warrant or certify that the applicant hold: conduct operations thereon. Conditions of approval, if any, are attached	s legal or equitable title to those righ	its in the su	bject lease which woul				

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

(Continued on page 2)

*(Instructions on page 2)

Roswell Controlled Water Basin

NMOCD: Must he in compliance W/Rule 5.9 hefore placing well on Production SEE ATTACHED FOR CONDITIONS OF APPROVAL

Approval Subject to General Requirements & Special Stipulations Attached

OPERATOR CERTIFICATION

I hereby certify that I, or someone under my direct supervision, have inspected the drill site and access route proposed herein; that I am familiar with the conditions that presently exist; that I have full knowledge of State and Federal laws applicable to this operation; that the statements made in this APD package are, to the best of my knowledge, true and correct; and that the work associated with the operations proposed herein will be performed in conformity with this APD package and the terms and conditions under which it is approved. I also certify that I, or the company I represent, am responsible for the operations conducted under this application. These statements are subject to the provisions of 18 U.S.C. 1001 for the filing of false statements. Executed this day of Main, 2012.

Name:David Schellstede	
Position:Reservoir Management Team Leader	
•	
Address:5 Greenway Plaza, Suite 110, Houston, TX 77046	
Telephone:713-366-5013	
E-mail: (optional):david_schellstede@oxy.com	
Company: OXYUSA WTP Limited Partmorship	_
Field Representative (if not above signatory):Dusty Weaver	
Address (If different from above): _P.O. Box 50250 Midland, TX 79710	
Telephone (if different from above):432-685-5723	
E-mail (if different from above):calvin_weaver@oxy.com	

DISTRICT I 1625 N. French D., Hobbs, N.4 \$8240 Phone: (575) 393-6161 Fax: (575) 393-0720 HISTRICT II 511 S First St., Artesia, Ntd 88210 Phone: (575) 748-1283 Faz: (575) 748-9720 DISTRICT III 1000 Rio brazos Road, Aztec, NM a7410 Pnone: (505) 334-6176 Fax: (505) 334-6170 DISTRICT IV 1220 S. St. Francis Dr., Santa Fc, N94 87505 Phone (505) 476-3460 Fax: (505) 476-3462

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

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

DAMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

A	Pl Number	Pool Name							
3/1-0/5	- 700	- 706 / O 96830 Artesia, Glorieta-Yeso (O)							
l'roperty (odr		~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~		Property Nam			We	li Number
3944	0			PIC	LET 21 FE	DERAL			13
OGRID No Operator Name									levation.
19246	3			OXY U	SA WTP Limite	d Partnership			3602'
					Surface Locati	on .			
1)L or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
. A	21	17-S	28-E		965	NORTH	1038	EAST	EDDY
				Bouom Hot	e Location If Diffe	erent From Surface			
UL or lot No.	Section	Township	Range	Lot !dn	Feet from the	North/South line	Feet from the	East/West line	County
				}					
Pedicated Acres	Joint or	Infill Co	onsolidauen C	ode Ord	er No.				
40	9/6 5300						300		

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLE	HOW ON HE ALE THE ENTERED HAVE DEED	* CONSOLIDATED OR A NON-S	ORTH TO GOVERN AND CONTRACTOR
GEODETIC COORDINATES NAD 27 NME SURFACE LOCATION Y=663633 1 N X=548628.4 E LAT.=32.824315' N LONG.=164.175032' 4	DETAIL 3597.2' 3597.7' O 80' 500' 3598 1' 3577.2'	.00 .00 	OPERATOR CERTIFICATION I hereby ceruly that the information herein is true end complete to the best of my knowledge and beilef, and that this organization either owns a working interest or unleast d mineral interest in the land including the proposed humon hole location or has a right to drill this well at this location pursuant to a contract with an owner of such inhered or working interest, or to a voluminy packing agreement or a computary peoling ordal nuretefore entered by the division.
UPERAIUK: Please d	o not report	SEE LETA:	Date Comparison of the content of
UPERATUR: Please d production under th production confirms until OCD confirms appropriate pool d appropriate pool d completion and C	perfs and perfs and Jesignation on 104 approvals		SURVEYOR CERTIFICATION Thereover certify that the well location shown on this plat was protted from field notes of actual surveys made by nic or under my supervision, and that the same is true and correct to the best of my belief. APRIL 27, 2012
	;		Date of Survey Signature 2 Sept of Projectional Surveyor: N ME + COMMENTED TO SURVEYOR 3239
1		,	enificate Minister. Convenience 12641 ACR MINISTER WSC W.O. 12.11.0692

APD DATA - DRILLING PLAN -

OPERATOR NAME / NUMBER: OXY USA WTP Limited Partnership

LEASE NAME / NUMBER: Piglet 21 Federal 13

STATE: NM

COUNTY: Eddy

SURFACE LOCATION:

965' FNL & 1038' FEL, Sec 21, T17S, R28E

C-102 PLAT APPROX GR ELEV: 3602'

EST KB ELEV: 3616' (14' KB)

1. GEOLOGIC NAME OF SURFACE FORMATION

a. Permian

2. ESTIMATED TOPS OF GEOLOGICAL MARKERS & DEPTHS OF ANTICIPATED FRESH WATER, OIL OR GAS

Formation	TV Depth Top	Expected Fluids
Rustler	100	Fresh Water
Top of Salt	310	-
Base of Salt	390	-
Yates	410	_
Seven Rivers	604	-
Queen	1170	-
Grayburg	1640	Oil
San Andres	1749	Oil/Water
Glorietta	3350	Oil
Paddock	3440	Oil
Blinebry	3900	Oil
Tubb - Base of Yeso	4820	Oil
Drinkard	4965	-
TD	5300	TD

A. Fresh Water formations will be covered with the 16" conductor pipe, which will be set at 120' prior to spud.

GREATEST PROJECTED TD 5300' MD / 5300' TVD

OBJECTIVE: Yeso

3. CASING PROGRAM

Surface Casing: 9.625" casing set at \pm 450' MD/ 450' TVD in a 12.25" hole filled with 8.4 ppg mud

Interval	Length	Wt	Gr,	Condition	Cplg	Coll Rating (psi)	Burst Rating (psi)	Jt Str (M-lbs)	ID (in)	Drift (in)	SF Coll	SF Burst	SF Ten
0'- 450'	450' .	36	J-55	New	ST&C	2020	3520	394	8.921	8.765	13.33	1.97	27.91

Using offset well information and Oxy Yeso State wells as reference, we have found lost circulation at depths up to 350'. We would like to cover these zones by setting surface casing in the Yates before continuing. We also need to have surface casing at this depth in order to have sufficient kick tolerance to drill to TD.

Production Casing: 5.5" casing set at \pm 5300'MD / 5300'TVD in a 7.875" hole filled with 9.2 ppg mud

						Coll	Burst						
				Condition		Rating	Rating	Jt Str	ID	Drift	SF	SF	SF
Interval	Length	Wt	Gr		Cplg	(psi)	(psi)	(M-lbs)	(in)	(in)	Coll	Burst	Ten
0'- 5300'	5300'	17	L-80	New	LT&C	6290	7740	338	4.892	4.767	2.48	3.86	4.37

Collapse and burst loads calculated using Stress Check with actual anticipated loads.

4. CEMENT PROGRAM: #See LOA

Surface Interval

Interval	Amount sx	Ft of Fill	Туре	Gal/Sk	PPG	Ft ³ /sk	24 Hr Comp
Surface (TOC:	0' - 450')						
Lead: 0' - 450' (150% Excess)	150	0'	Premium Plus Cement: 94 lbm/sk Premium Plus Cement, 10 lbm/sk Cal-Seal 60, 0.125 lbm/sk Poly-E-Flake, 10 lbm/sk Kol-Seal, 1 % Calcium Chloride - Flake	7.46	14.2	1.67	1290 psi
Tail: 0' - 450' (150% Excess)	250	450'	Premium Plus Cement: 94 lbm/sk Premium Plus Cement, 2 % Calcium Chloride - Flake	6.39	14.8	1.35	2500 psi

Production Interval

Interval	Amount sx	Ft of Fill	Туре	Gal/Sk	PPG	Ft ³ /sk	24 Hr Comp
Production (T	OC: 0' - 530	00')					
Lead: 0' - 3000' (125 % Excess)	600	3000'	Halliburton Light Premium Plus: 5% Salt, 3 lbm/sk Kol-Seal, 0.125 lb/sx Poly_E_Flake	9.95	12.9	1.89	530 psi
Tail: 3000' - 5300' (125 % Excess)	735	2300'	5,0/50 Poz Premium Plus: 3% Salt, 0.4% Halad ®-322, 0.125 lb/sx Poly E_Flake	5.64	14.5	1.24	980 psi

5. PRESSURE CONTROL EQUIPMENT

Surface: 0 - 450' None.

Production: 0 - 5300' the minimum working pressure of the blowout preventer (BOP) and related equipment (BOPE) required to drill below the surface casing shoe shall be 3000 (3M) psi (including annular).

- a. The 11" 3000 psi blowout prevention equipment will be installed and operational after setting the 9 5/8" surface casing and the 9 5/8" SOW x 11" 3K conventional wellhead;
- **b.** The BOP and ancillary BOPE will be tested by a third party upon installation to the 9 5/8" 36# J-55 surface casing. All equipment will be tested to 250/3000 psi for 10 minutes except the annular, which will be tested to 70% of working pressure (2100 psi).
- c. The pipe rams will be functionally tested during each 24 hour period; the blind rams will be functionally tested on each trip out of the hole. These functional tests will be documented on the Daily Driller's Log. Other accessory equipment (BOPE) will include a safety valve and subs as needed to fit all drill strings, and a 2" kill line and 3 " choke line having a 3000 psi WP rating.

d. See attached BOP & Choke manifold diagrams.

e. Oxy requests a variance if Savanna 415 is used to drill this well to use a co-flex line between the BOP and choke manifold. See attached schematic.

Manufacturer: <u>Hebei Ouya Ltd.</u> Serial Number: 1642343-04

Length: 39" Size: 3" Ends: flanges

WP rating: 3000 psi Anchors required by manufacturer: No

6. MUD PROGRAM: -

Depth	Mud Wt ppg	Vis Sec	Fluid Loss	Type System
0 – 450'	9.6 - 10.0	27-30	· NC	Fresh Water
450' – TD	9.2 – 9.4	2 – 9.4 27 – 40		Brine Water / Salt Gel

Remarks: 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.

A. 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.

7. AUXILIARY WELL CONTROL AND MONITORING EQUIPMENT

- a. A Kelly cock will be in the drill string at all times.
- **b.** A full opening drill pipe stabbing valve having the appropriate connections will be on the rig floor unobstructed and readily accessible at all times.

See POK

8. LOGGING / CORING AND TESTING PROGRAM

A. Mud Logger:

None.

B. DST's: None.

C. Open Hole Logs as follows: Triple combo for production section.

9. POTENTIAL HAZARDS:

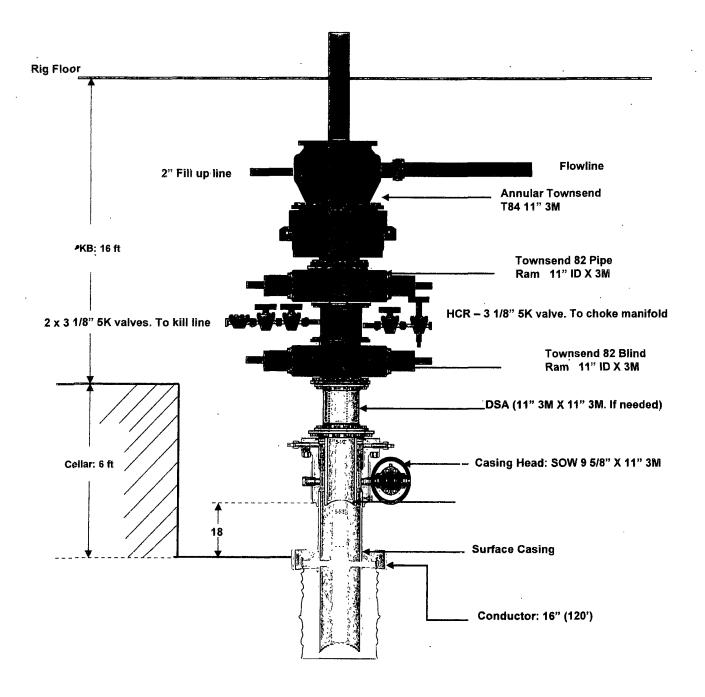
- A. H2S detection equipment will be in operation after drilling out the surface casing shoe until the production casing has been cemented. Breathing equipment will be on location from drilling out the surface shoe until production casing is cemented. If H2S is encountered the operator will comply with Onshore Order #6.
- B. The bottomhole pressure is anticipated to be 2536 psi.
- C. No abnormal temperatures or pressures are anticipated. All personnel will be familiar with all aspects of safe operation of equipment being used to drill this well. Adequate flare lines will be installed off the mud/gas separator where gas may be flared safely.

10. ANTICIPATED STARTING DATE AND DURATION OF OPERATIONS

Road and location construction will begin after the BLM has approved the APD. Anticipated spud date will be as soon as possible after BLM approval and as soon as a rig will be available. Move in operations and drilling is expected to take 15 days. If production casing is run, then an additional 30 days will be needed to complete the well and construct surface facilities and/or lay flow lines in order to place well on production.

11. COMPANY PERSONNEL:

Name	Title	Office Phone
Carlos Mercado	Drilling Engineer	713-366-5418
Luis Tarazona	Drilling Engineer Supervisor	713-366-5771
Roger Allen	Drilling Superintendent	. 713- 215-7617
Douglas Chester	Drilling Manager	713-366-5194

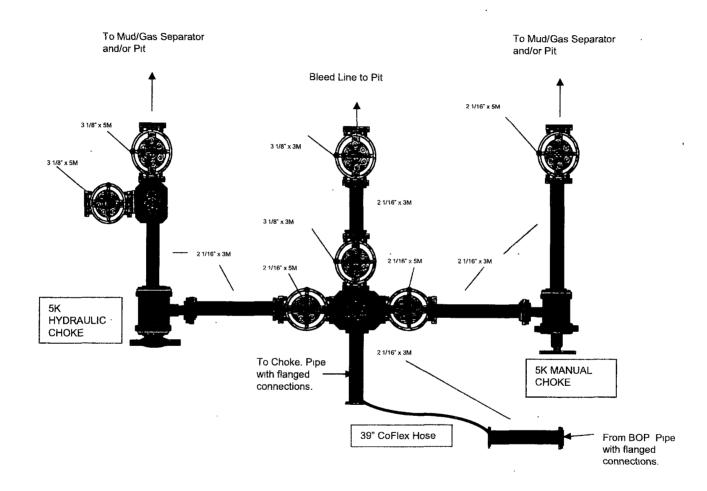


3-1/8" x 2-1/16" 3000# NACE TRIM SINGLE GUT CHOKE & KILL MANIFOLD SYSTEM August-06

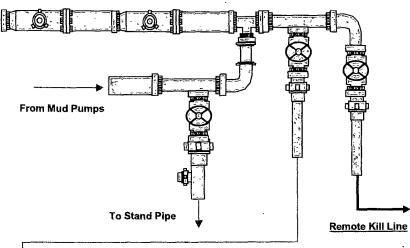
ITEM	I.D. NO.	DESCRIPTION
1	9053	2-1/16" 5000# BLIND FLANGE
2	AR0605004	2-1/16" 5000# STUDDED CROSS
3	AS0606009	2-1/16" 5000# CNV NACE TRIM GATE VALVE
4	9053	2-1/16" 5000# x 2" L.P. COMPANION FLANGE
5	Q7082	2-1/16" 3000# x 8.562" O.A.L. FLANGED SPACER SPOOL
6	AS0606003	2-1/16" 5000# CNV NACE TRIM GATE VALVE
7	A0445	3-1/8" x 3-1/8" x 2-1/16" x 2-1/16" 3000# STUDDED CROSS
8	AS0606119	3-1/8" 3000# CNV NACE TRIM GATE VALVE
9	F3323	3-1/8" 3000# x 3" L.P. COMPANION FLANGE
10	AS0606004	2-1/16" 5000# CNV NACE TRIM GATE VALVE
11	Q7082	2-1/16" 3000# x 3.312" O.A.L. SOLID SPACER SPOOL
12	AR0605007	2-1/16" 5000# STUDDED CROSS
13	AS0606005	2-1/16" 5000# CNV NACE TRIM GATE VALVE
14	9053	2-1/16" 5000# x 2" L.P. COMPANION FLANGE
15_	9053	2-1/16" 5000# BLIND FLANGE
16	AS0606007	2-1/16" 5000# CNV NACE TRIM GATE VALVE
17	Q7082	2-1/16" 3000# x 7" O.A.L. DOUBLE STUDDED SPACER SPOOL
18	1091200-1-1130	2-1/16" 5000# CORTEC "CM-2" ADJUSTABLE CHOKE c/w 2 x 0.75" CERAMIC DISCS
19	AS0606006	2-1/16" 5000# CNV NACE TRIM GATE VALVE
20	A0441	3-1/8" x 3-1/8" x 2-1/16" x 2-1/16" x 2-1/16" 3000# 5- WAY STUDDED BLOCK
21	AS0606118	3-1/8" 3000# CNV NACE TRIM GATE VALVE
22	51209	3-1/8" 3000# x 10.5" O.A.L. FLANGED SPACER SPOOL
23	AS0606001	2-1/16" 5000# CNV NACE TRIM GATE VALVE
24		2-1/16" 3000# x 4.733" O.A.L. SOLID SPACER SPOOL
25	3 F 1 La 3 - 2 3 3 4 7 3 4 7 3 4 7 3	2-1/16" 5000# CORTEC "CM-2" ADJUSTABLE CHOKE c/w 2 x 0.75" CERAMIC DISCS
26	Q7082	2-1/16" 3000# x 7" O.A.L. DOUBLE STUDDED SPACER SPOOL
27	AS0606008	2-1/16" 5000# CNV NACE TRIM GATE VALVE
28	AS0606002	2-1/16" 5000# CNV NACE TRIM GATE VALVE
29	9053	2-1/16" 5000# x 2" L.P. COMPANION FLANGE

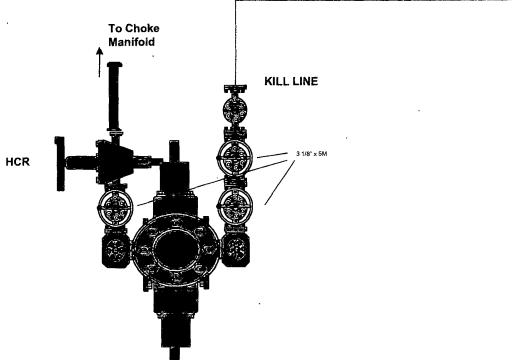


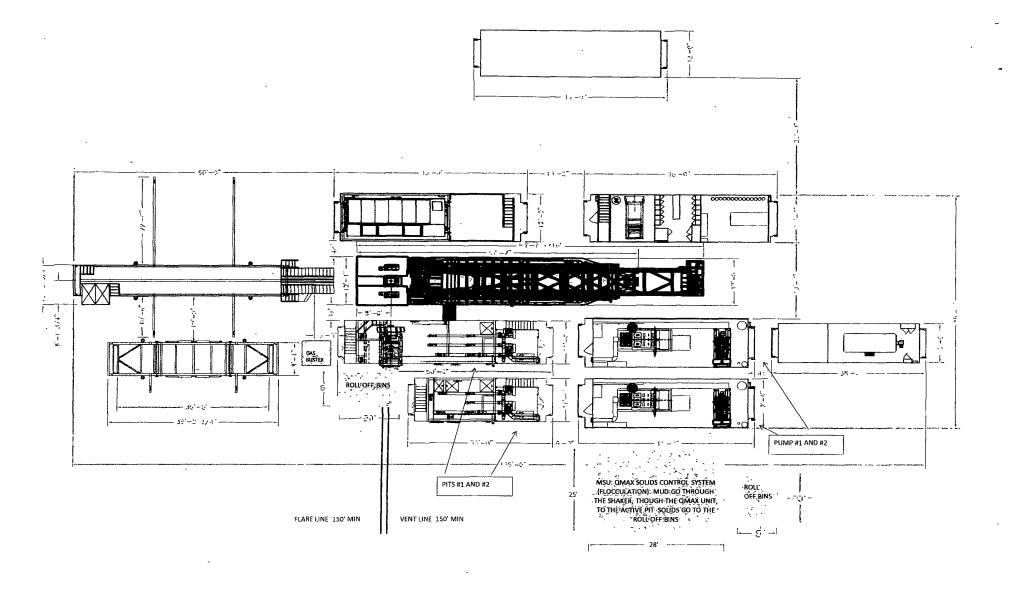
3M CHOKE MANIFOLD CONFIGURATION

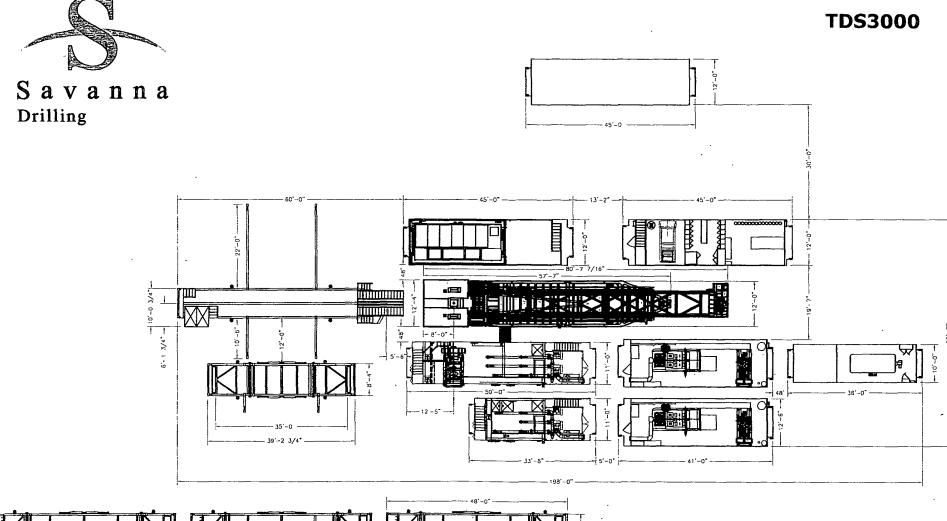


3M REMOTE KILL LINE SCHEMATIC

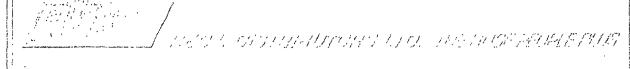












9727 47th Ave Edmonton, AB T6E 5M7 780-437-2630

Certificate of Compliance

Owner:

2011-12-01

Test#

Item Desc:

REDL-SLIM-48x39IN-FIG1502

Tested by: Dave Penner

Asset #: Chip ID:

1642343-04

Initial Location:

NOCHIPID Commercial Solutions INC (103867)

Site\2714 5 ST

Witnessed by. Ben Ahlskog

Item Attributes: Serial Number

Manufacturer Application Group

Model

Date of Mfr

Date Installed Locn Desc

Inside Dia. Length

Working Pressure Test Pressure Coupling A

Atlach Method A Coupling A Model Coupling B

Attach Method B

Coupling B Model Distributor Ref # Factory Ref #

EndUser Ref# Notes

1642343-04

HEBEI OUYA LTD.

SLIMHOLE

REDL-ŚLIMHOLE-3000-48

2011-12-01

3 IN 39 IN 3000 PSI 4500 PSI

948HX+48B/FIG1502-HU-48

Swaged

GEORGE MYER/KEMPER REBUILT

948HX+48B/FIG1502-HU-48

Swaged

GEORGE MYER/KEMPER REBUILT

1642343-04

BUILT ON PO: JON

Default Hose Certification Test Notes

Continuity Test Results Continuity Ohm Reading Certification Result

Generate Alert? Comments TimeStamp

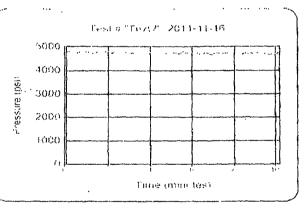
Hose passed all visual and physical

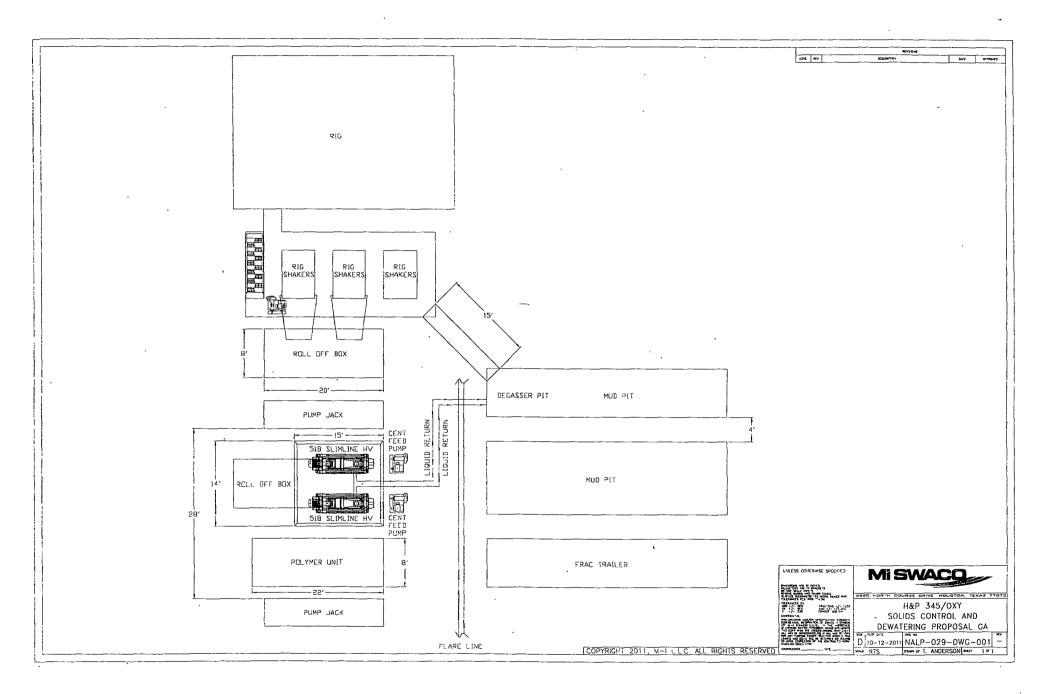
inspections.

NA

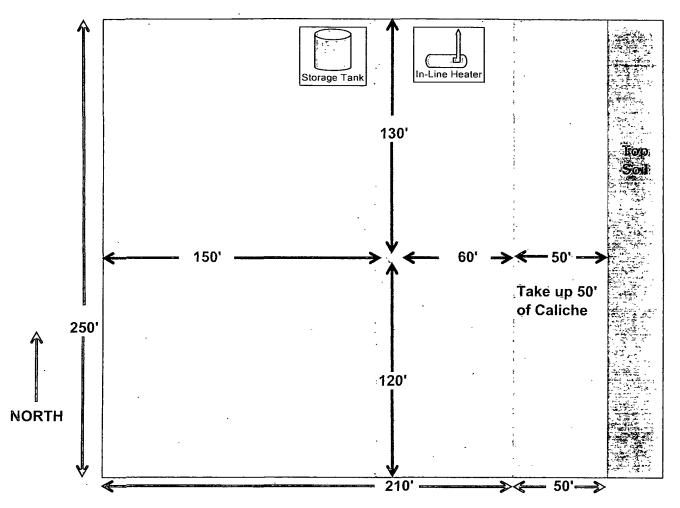
PASS

2011-12-01 12:54:14 -07:00





Savanna 415 - Vdoor South - No Road Piglet 21 Fed # 13



Piglet 21 Fed # 13 Equipment List

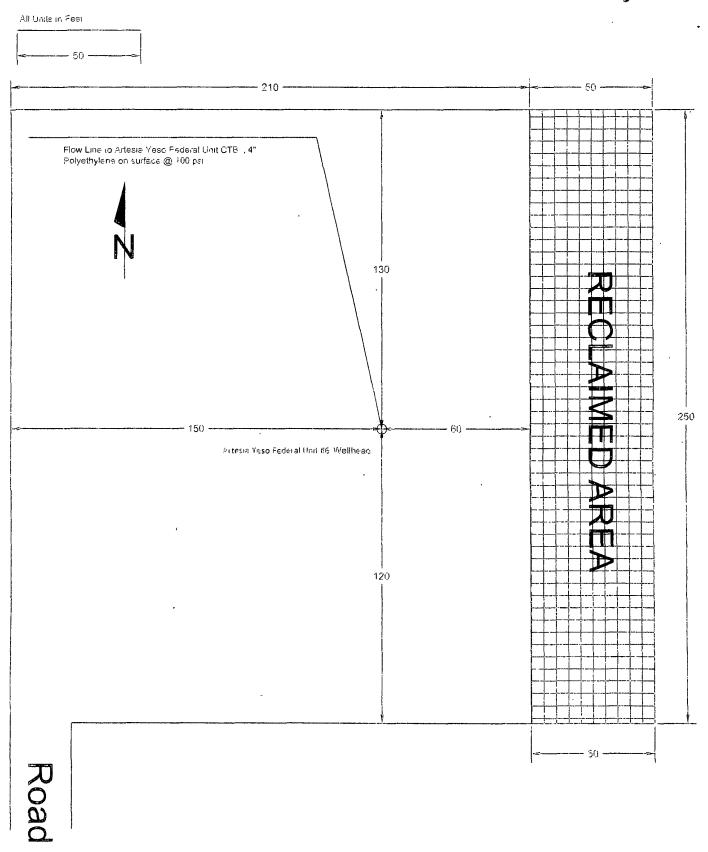
1 ea: In-Line Heater (30"x10").

1 ea. 300 bbl tank.

Pipelines

 $4^{\rm n}$ SDR 7 production flowline will be laid to the Piglet 21 Fed CTB

Artesia Yeso Federal Unit #6 Facilities Layout



PECOS DISTRICT CONDITIONS OF APPROVAL

OPERATOR'S NAME: OXY USA
LEASE NO.: NM048344
WELL NAME & NO.: 13 Piglet 21 Federal
SURFACE HOLE FOOTAGE: 965' FNL & 1038' FEL
BOTTOM HOLE FOOTAGE 'FL & 'FL
LOCATION: Section 21, T.17 S., R.28 E., NMPM
COUNTY: Eddy County, New Mexico

TABLE OF CONTENTS

Standard Conditions of Approval (COA) apply to this APD. If any deviations to these standards exist or special COAs are required, the section with the deviation or requirement will be checked below.

General Provisions
Permit Expiration
Archaeology, Paleontology, and Historical Sites
Noxious Weeds
Special Requirements
ROW application for flowline
Cave/Karst
Construction
Notification .
Topsoil
Closed Loop System
Federal Mineral Material Pits
Well Pads
Roads
☐ Road Section Diagram
Drilling
High/Karst Cave Potential
Logging Requirements
Waste Material and Fluids
☐ Production (Post Drilling)
Well Structures & Facilities
.Pipelines
Electric Lines
☐ Interim Reclamation
Final Ahandanment & Reclamation