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

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

DISTRICT IV 1220 S, St. Francis Dr., Santa Fe, NM 87505 Phone. (505) 476-3460 Fax: (505) 476-3462 State of New Mexico
Energy, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, New Mexico 87505

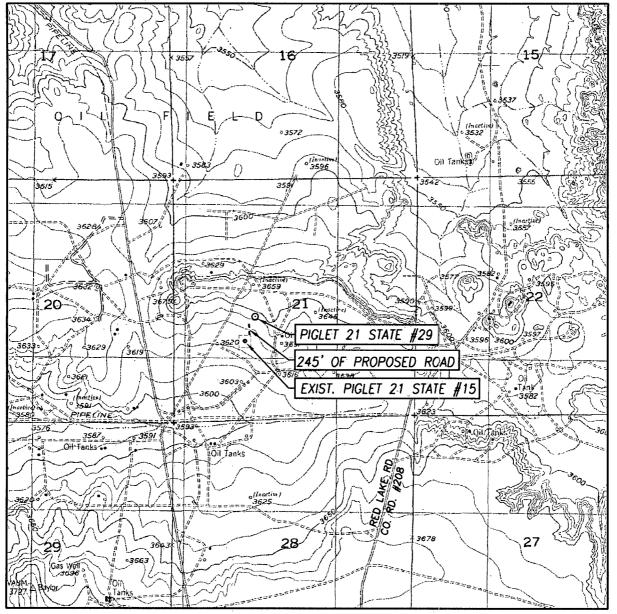
Form C-102 Revised August 1, 2011 Submit one copy to appropriate District Office

DAMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

SO 015	-41	204	96	33C) Ar	tessain	Horie-	ta-Ges	B
Property Co	ode CA				Property Nan PIGLET 21 S			We	ell Number 29
OGRIDA	10.				Operator Nam		W	1	Elevation
<u>724</u>	65		···		XY U.S.A. V				3646'
IIIlar Niol	Cani	Toumihin	T Dansas	Lot Idn	Surface Local Feet from the	North/South line	Feet from the	East/West line	County
UL or lot No. K	Section 21	Township 17-S	Range 28-E	Lot tun	2220	SOUTH	1750	WEST	EDDY
				Rottom I-	lole Location If Diff				
UL or lot No.	Section	Township	Range	Lot Idn		North/South line	Feet from the	East/West line	County
		,						,	1
Dedicated Acres	Joint or		Consolidation C		Order No.		· · · · · · · · · · · · · · · · · · ·	THE OFFILE PROOF	
ALLOWABLE WI	LL BE ASSIGN	NED TO THIS CO	OMPLETION U	NTIL ALL IN	TERESTS HAVE BEEN	CONSOLIDATED OR A N	OPER	ATOR CERTIF	ICATION therein is true and
							that this org unleased mi proposed be well at this of such min pooling agn	the best of my knowledg anization either owns a wineral interest in the land a attom hole location or has location pursuant to a con- eral or working interest, of eement or a compulsory putered by the division.	orking interest or including the a right to drill this stract with an owner or to a voluntary
· · ·				SURFA	C COORDINATES D 27 NME ACE LOCATION 661508.6 N 646175.0 E		STENATURE Printed N	includ	3/5/12 Durt
					32.818485° N 104.183029° W		E-mail Ac	er durk	(DXY)
1;	750'	 0					I hereby cer was plotted me or under	EYOR CERTIFITY tify that the well location from field notes of actual my supervision, and that to the best of my belief. JANUARY 29,	shown on this plat I surveys made by I the same is true
							P	Seal of Professiona & Seal of Professiona G. Elos MME + C. 12641	····

LOCATION VERIFICATION MAP



SCALE: 1" = 2000'

CONTOUR INTERVAL: RED LAKE, N.M. - 10'

SEC. 21 TWP. 17-S RGE. 28-E

SURVEY N.M.P.M.

COUNTY EDDY STATE NEW MEXICO

DESCRIPTION 2220' FSL & 1750' FWL

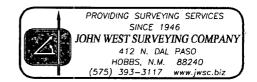
ELEVATION 3646'

OPERATOR OXY U.S.A. WTP LP

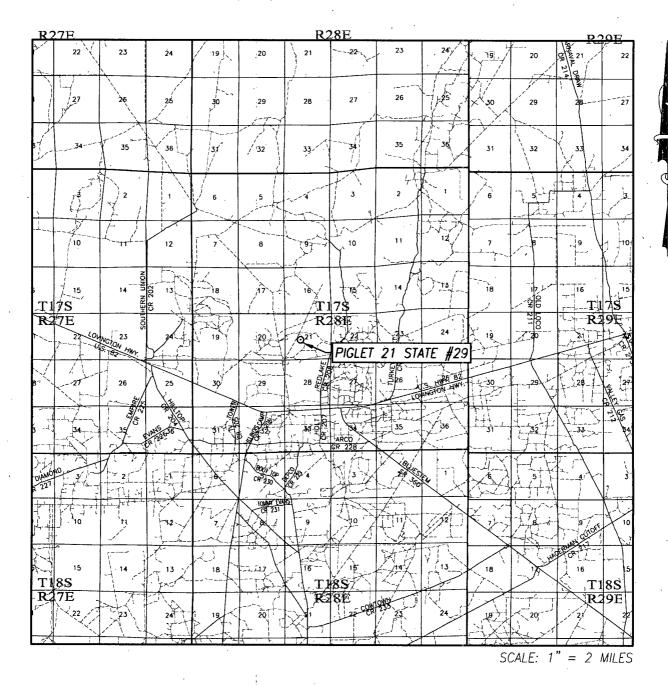
LEASE PIGLET 21 STATE

U.S.G.S. TOPOGRAPHIC MAP

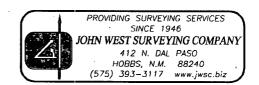
RED LAKE, N.M.



VICINITY MAP



SEC. <u>21</u> 7	WP. <u>17-S</u> RGE. <u>28-E</u>
SURVEY	N.M.P.M.
COUNTY E	DDY STATE NEW MEXICO
DESCRIPTION	2220' FSL & 1750' FWL
ELEVATION	3646'
OPERATOR	OXY U.S.A. WTP LP
IFACE	DICLET 21 STATE



SECTION 21, TOWNSHIP 17 SOUTH, RANGE 28 EAST, N.M.P.M. **EDDY COUNTY** NEW MEXICO 600' **PROPOSED** WELL PAD NORTHWEST NORTHEAST PAD CORNER PAD CORNER 3649.2' 3655.1 130 120 PIGLET 21 STATE #29 ELEV. 3646.0' LAT.=32.818485° N LONG.=104.183029° W SOUTHWEST SOUTHEAST PAD CORNER PAD CORNER 3638.6 3644.1 BPL 600 DIRECTIONS TO LOCATION FROM THE INTERSECTION OF U.S. HWY. 82 AND CO. RD. 100 100 200 Feet #208, GO NORTH ON CO. RD. #208 APPROX. 1.5 MILES. TURN LEFT AND GO WEST-NORTHWEST APPROX. 0.3 MILES. Scale: 1"=100 TURN LEFT AND GO SOUTHWEST APPROX. 0.3 MILES. VEER RIGHT AND GO WEST APPROX. 0.2 MILES. TURN RIGHT AND ${f WTP}\ {f LP}$ GO NORTH APPROX. 0.1 MILE. TURN LEFT AND GO WEST APPROX. 0.2 MILES TO EXIST. PIGLET 21 ST. #15 WELL PIGLET 21 STATE #29 WELL FROM THE NORTHEAST CORNER WELL PAD. FOLLOW ROAD LOCATED 2220 FEET FROM THE SOUTH LINE SURVEY NORTH APPROX. 400 FEET TO THIS LOCATION! AND 1750 FEET FROM THE WEST LINE OF SECTION 21, PROVIDING SURVEYING SERVICES TOWNSHIP 17 SOUTH, RANGE 28 EAST, N.M.P.M., SINCE 1946 EDDY COUNTY, NEW MEXICO JOHN WEST SURVEYING COMPANY CAD Date: 2/11/13 412 N. DAL PASO Survey Date: 1/29/13 Drawn By: ACR HOBBS, N.M. 88240 (575) 393-3117 www.jws W.O. No.: 13110136 Rel. W.O.: Sheet 1 of

APD DATA - DRILLING PLAN -

OPERATOR NAME / NUMBER: OXY USA WTP LP

LEASE NAME / NUMBER: Piglet 21 State 29

STATE: NM

COUNTY: Eddy

SURFACE LOCATION: 2220' FSL & 1750' FWL, Sec 21, T 17S, R 28E

C-102 PLAT APPROX GR ELEV: 3646'

EST KB ELEV: 3660' (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	Surface	Fresh Water
	Outcropping	
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
TD	5100	TD

- A. Based on the State Engineer Website, there no known nearby water wells drilled in the area.
- B. The 16" conductor pipe will be set at 80' prior to spud.

GREATEST PROJECTED TD 5100' MD / 5100' TVD

OBJECTIVE: Yeso

3. CASING PROGRAM

Surface Casing: 8.625" casing set at ± 400' MD/ 400' TVD in a 11" 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'- 400'	400'	24	J-55	New	ST&C	1370	2950	381	8.097	7.972	10.17	1.72	45.54

Production Casing: 5.5" casing set at \pm 5100'MD / 5100'TVD in a 7.875" hole filled 9.6 ppg mud

Interval	Length	W۱۰	Gr	Condition	Cplg	Coll Rating (psi)	Burst Rating (psi)	Jt Str (M-lbs)	ID (in)	Drift (in)	SF Coll	SF Burst	SF Ten
0' 5100'	5100	17	L-80	New	LT&C	6290	7740	338	4.892	4.767	2.47	3.80	4.57

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

4. CEMENT PROGRAM:

Surface Interval

Interval Surface (TOC:	Amount - sx	Ft of Fill	Туре	Gal/Sk	PPG	Ft ³ /sk	24 Hr Comp
Lead: 0' - 400' (125% Excess)	190	400'	Premium Plus Cement: 1 % Calcium Chloride - Flake	6.36	14.8	1.34	1608 psi

Production Interval

Interval	Amount .	Ft of Fill	Туре	Gal/Sk	PPG	Ft³/sk	24 Hr Comp
Production (TO	OC: 0' - 5100')	,				
Lead: 0' - 3200' (98 % Excess)	420	3200'	Interfill C: 0.4% HR-800, 0.25% D-AIR 5000	14.34	11.9	2.48	327 psi
Tail: 3200' – 5100' (98 % Excess)	440 .	1900'	Premium Plus Cement: 0.5% Halad ®-344, 0.2% WellLife 734, 5 lbm/sk Microbond, 0.3% Econolite, 0.3% CFR-3	7.72	14.2	1.55	1914 psi

Description of Cement Additives: Calcium Chloride – Flake (Accelerator), HR-800 (Retarder), D-Air 5000 (Defoamer), Halad ®-344 (Low Fluid Loss Control), WellLife 734 (Cement Enhancer), Microbond (Expander), Econolite (Light Weight Additive), CFR-3 (Dispersant)

If a caliper log is run, cement volumes will be adjusted to caliper volume + 35% excess for the production hole.

5. PRESSURE CONTROL EQUIPMENT

Surface: 0 – 400' None.

Production: 0 - 5100' 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. Operator will be using an 11" 3M two ram stack with 3M annular preventer, & 3M Choke Manifold.

- a. The 11" 3000 psi blowout prevention equipment will be installed and operational after setting the 8 5/8" surface casing and the 8 5/8" SOW x 11" 3K conventional wellhead; the rotating head body will be installed but the rubber will be installed when it becomes operationally necessary.
- b. The BOP and ancillary BOPE will be tested by a third party upon installation to the 8 5/8" surface casing. All equipment will be tested to 250/3000 psi for 10 minutes and charted, except the annular, which will be tested to 70% of working pressure. This is to be in compliance with the Onshore Order # 2 which states the BOPE shall be tested to 70% of the yield of the casing when the BOP and casing are not isolated.
- 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. Oxy requests that the system be tested at 3,000 psi.

d. 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

e. See attached BOP & Choke manifold diagrams.

6. MUD PROGRAM:

Depth	Mud Wt ppg	Vis Sec	Fluid Loss	Type System	
0 – 400'	8.4 - 8.8	27 - 38	NC	Fresh Water / Spud Mud	
400' – TD	9.6 – 10	28 – 40	10 - 20	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.
- c. Hydrogen Sulfide detection equipment will be in operation after drilling out the surface casing shoe until the production casing is cemented. Breathing equipment will be on location upon drilling the surface casing shoe until total depth is reached. If Hydrogen Sulfide is encountered, measured amounts and formations will be reported to the BLM

8. LOGGING / CORING AND TESTING PROGRAM:

A. Mud Logger: Log from 3000' to TD.

B. DST's: None.

C. Cased Hole Logs as follows: Gamma Ray / Neutron from surface casing to TD.

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 2545 psi.
- C. No abnormal temperatures or pressures are anticipated. **The highest anticipated pressure gradient is 0.50 psi/ft.** 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
Anthony Tschacher	Drilling Engineer	713-985-6949
Sebastian Millan	Drilling Engineer Supervisor	713-350-4950
Roger Allen	Drilling Superintendent	713- 215-7617
Douglas Chester	Drilling Manager	713-366-5194