

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

DISTRICT II
811 S. First St., Artesia, NM 88210
Phone: (575) 748-1283 Fax: (575) 748-9720

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

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

| | | |
|-----------------------------------|---|--|
| API Number 30-015-41206 | Pool Code 96830 | Pool Name Artesia; Glorieta-Yeso |
| Property Code 309602 | Property Name PIGLET 21 STATE | Well Number 31 |
| OGRID No. 1924163 | Operator Name OXY U.S.A. WTP LP | Elevation 3596' |

Surface Location

| | | | | | | | | | |
|---------------------------|----------------------|-------------------------|----------------------|---------|-----------------------------|----------------------------------|-----------------------------|-------------------------------|-----------------------|
| UL or lot No. M | Section 21 | Township 17-S | Range 28-E | Lot Idn | Feet from the 225 | North/South line SOUTH | Feet from the 435 | East/West line WEST | County EDDY |
|---------------------------|----------------------|-------------------------|----------------------|---------|-----------------------------|----------------------------------|-----------------------------|-------------------------------|-----------------------|

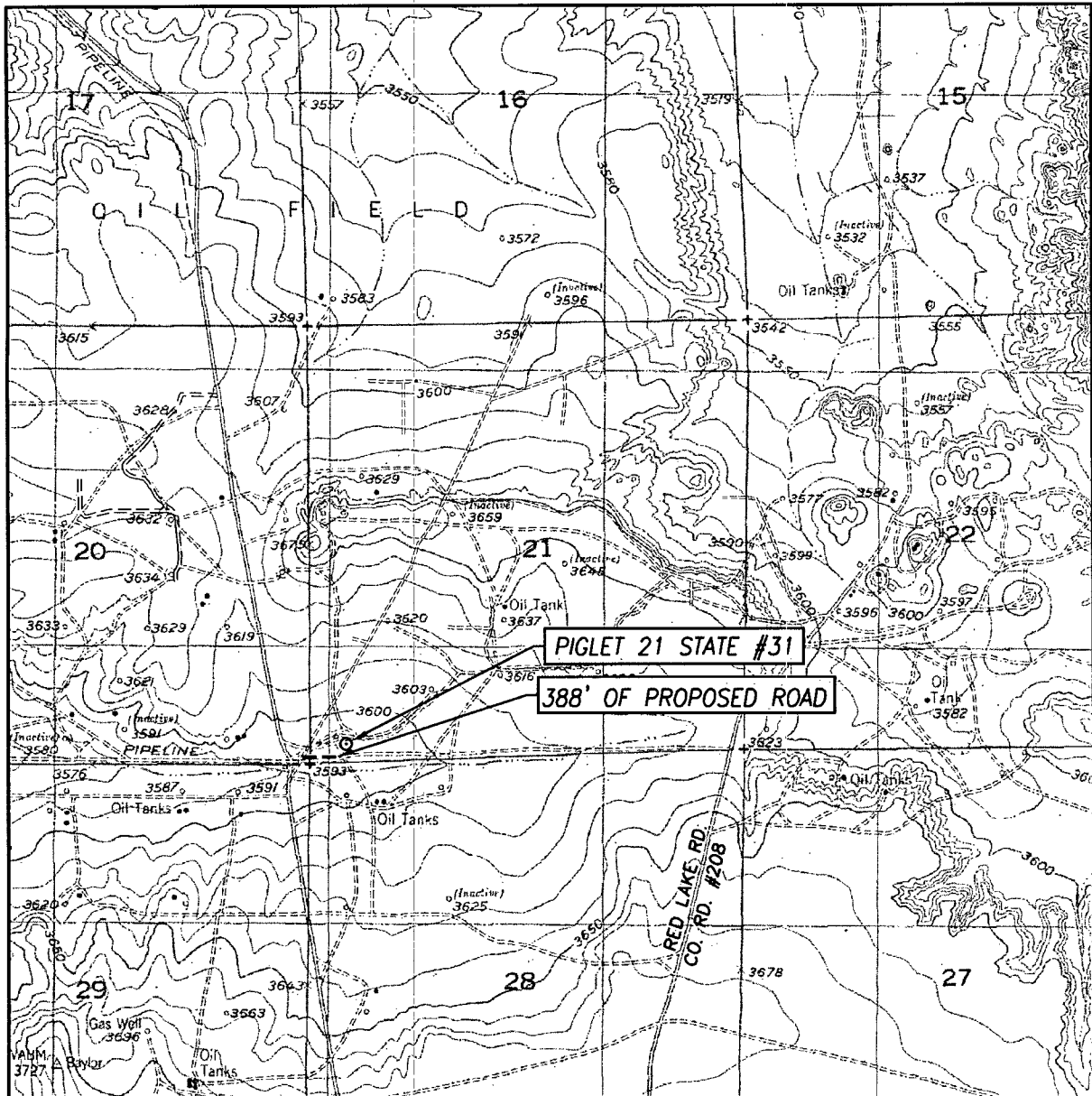
Bottom Hole Location If Different From Surface

| | | | | | | | | | |
|------------------------------|-----------------|--------------------|-----------|---------|---------------|------------------|---------------|----------------|--------|
| UL or lot No. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
| Dedicated Acres 40 | Joint or Infill | Consolidation Code | Order No. | | | | | | |

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

| | | | |
|--|--|--|---|
| | <p>GEODETTIC COORDINATES NAD 27 NME</p> <p>SURFACE LOCATION Y=659473.0 N X=544858.6 E</p> <p>LAT.=32.812894° N LONG.=104.187323° W</p> | | <p>OPERATOR CERTIFICATION</p> <p>I hereby certify that the information herein is true and complete to the best of my knowledge and belief; and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</p> <p><i>Jennifer Duarte</i> 3/5/13 Signature Date</p> <p>Jennifer Duarte Printed Name</p> <p>jennifer-duarte@oxy.com Email Address</p> |
| | <p>SURVEYOR CERTIFICATION</p> <p>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.</p> <p>JANUARY 25, 2013</p> <p>Date of Survey</p> <p>Signature & Seal of Professional Surveyor:</p> | | <p>GARY G. EIDSON NEW MEXICO REG. 12641 RECEIVED JAN 25 2013</p> |
| | <p>Certificate Number Gary G. Eidson 12641 Ronald J. Eidson 3239</p> | | <p>ACR PROFESSIONAL SURVEYOR W.O.: 13.11.0138</p> |
| | | | |

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 225' FSL & 435' FWL

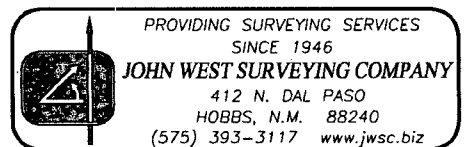
ELEVATION 3596'

OPERATOR OXY U.S.A. WTP LP

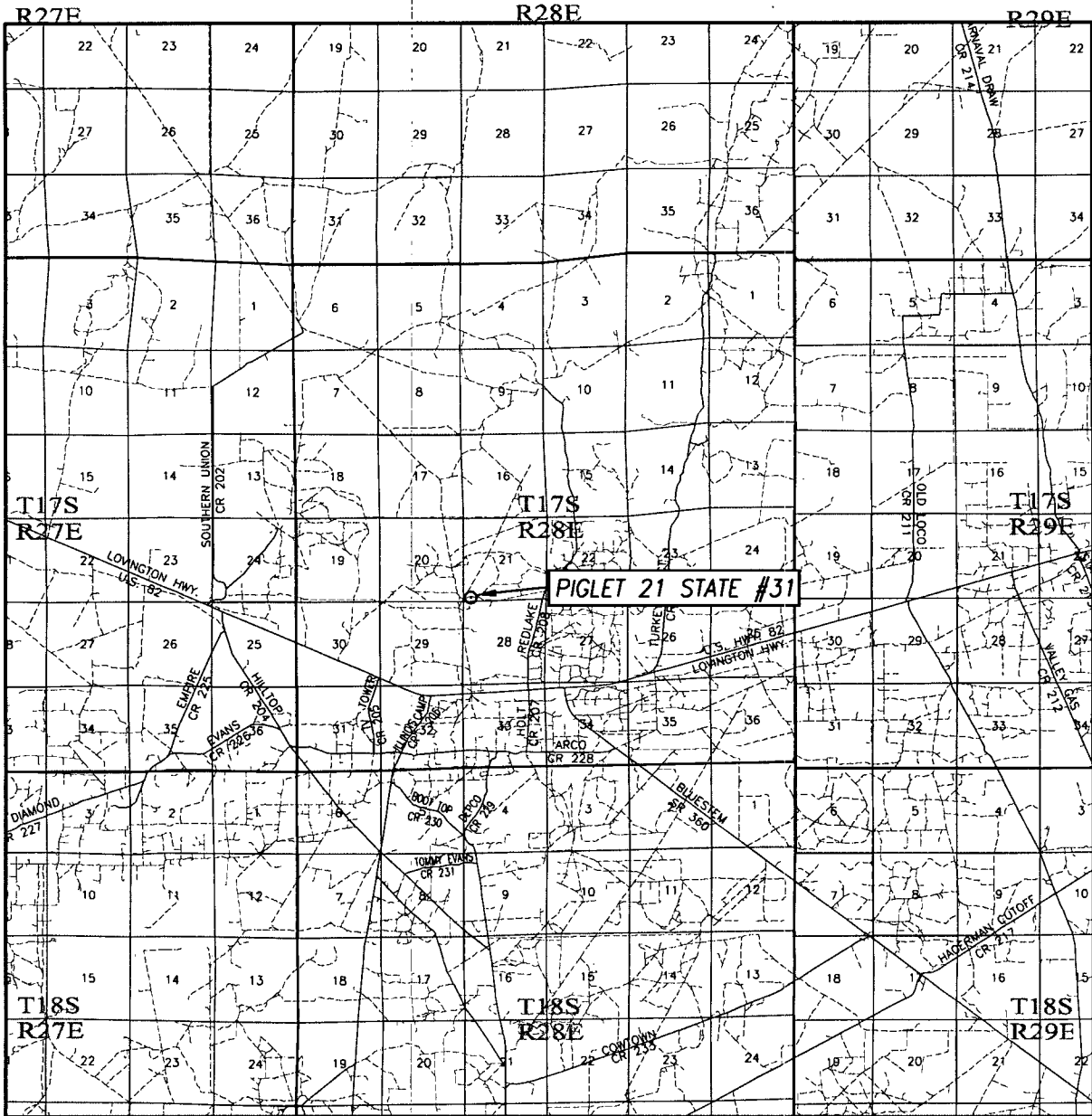
LEASE PIGLET 21 STATE

U.S.G.S. TOPOGRAPHIC MAP

RED LAKE, N.M.

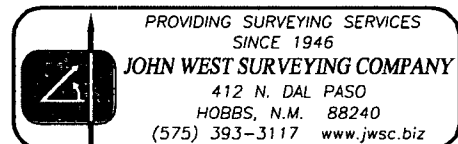


VICINITY MAP

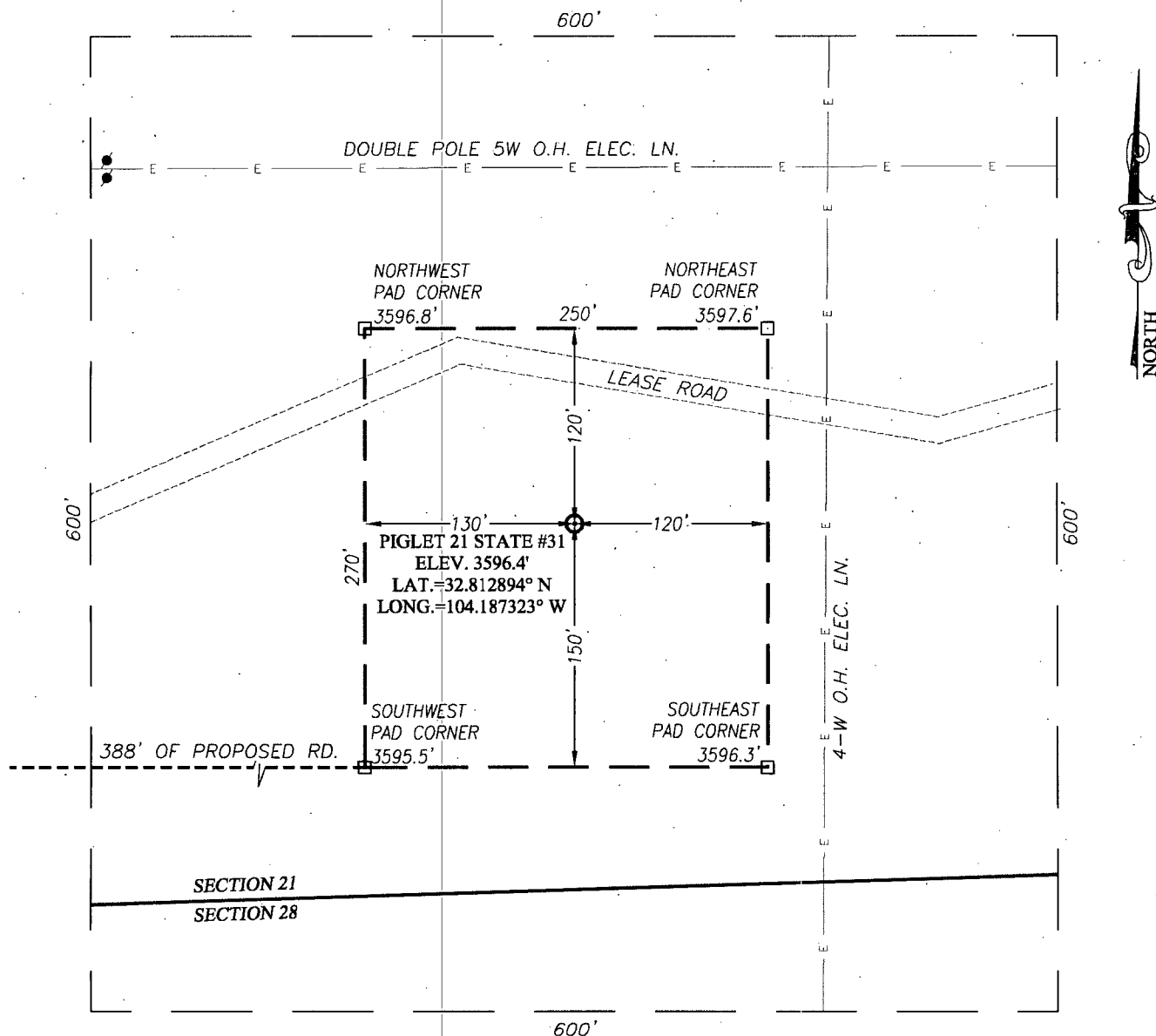


SCALE: 1" = 2 MILES

SEC. 21 TWP. 17-S RGE. 28-E
 SURVEY N.M.P.M.
 COUNTY EDDY STATE NEW MEXICO
 DESCRIPTION 225' FSL & 435' FWL
 ELEVATION 3596'
 OPERATOR OXY U.S.A. WTP LP
 LEASE PIGLET 21 STATE

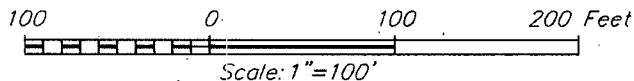


SECTION 21, TOWNSHIP 17 SOUTH, RANGE 28 EAST, N.M.P.M.
EDDY COUNTY **NEW MEXICO**



DIRECTIONS TO LOCATION

FROM THE INTERSECTION OF U.S. HWY. 82 AND CO. RD. #208,
 GO WEST ON U.S. HWY. 82 APPROX. 0.8 MILES. TURN RIGHT
 AND GO NORTH APPROX. 1.1 MILE. VEER RIGHT AND GO
 NORTHEAST APPROX. 0.1 MILE. TURN RIGHT AND GO
 EAST-NORTHEAST APPROX. 0.1 MILE. THIS LOCATION IS SOUTH
 APPROX. 90 FEET.



OXY U.S.A. WTP LP

PIGLET 21 STATE #31 WELL
LOCATED 225 FEET FROM THE SOUTH LINE
AND 435 FEET FROM THE WEST LINE OF SECTION 21,
TOWNSHIP 17 SOUTH, RANGE 28 EAST, N.M.P.M.,
EDDY COUNTY, NEW MEXICO

PROVIDING SURVEYING SERVICES
 SINCE 1946
JOHN WEST SURVEYING COMPANY
 412 N. DAL PASO
 HOBBS, N.M. 88240
 (575) 393-3117 www.jwsc.biz

| | | |
|----------------------|-------------------|-------------------------|
| Survey Date: 1/25/13 | CAD Date: 2/12/13 | Drawn By: ACR |
| W.O. No.: 13110138 | Rev: . | Rel. W.O.: Sheet 1 of 1 |

APD DATA – DRILLING PLAN –

OPERATOR NAME / NUMBER: OXY USA WTP LP

LEASE NAME / NUMBER: Piglet 21 State 31

STATE: NM

COUNTY: Eddy

SURFACE LOCATION: 225' FSL. & 435' FWL, Sec 21, T 17S, R 28E

C-102 PLAT APPROX GR ELEV: 3596'

EST KB ELEV: 3610' (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 Outcropping | Fresh Water |
| Yates | 410 | - |
| Seven Rivers | 604 | - |
| Queen | 1170 | - |
| Grayburg | 1640 | Oil |
| San Andres | 1749 | Oil/Water |
| Glorietta | 3350 | Oil |
| Paddock | 3440 | Oil |
| Blinberry | 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 \pm 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 | 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' - 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 | Amount sx | Ft of Fill | Type | Gal/Sk | PPG | Ft ³ /sk | 24 Hr Comp |
|---|--------------|------------|--|--------|------|---------------------|---------------|
| Surface (TOC: 0' – 400') | | | | | | | |
| 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 sx | Ft of Fill | Type | Gal/Sk | PPG | Ft ³ /sk | 24 Hr Comp |
|--|--------------|------------|--|--------|------|---------------------|---------------|
| Production (TOC: 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.

- 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.
- 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.
- 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: Hebei Ouya Ltd.

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 |