OCD Artesia

Form 3160-3
(March 2012)

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

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR REENTER

5. Lease Serial No.: NMNM81586

6. If Indian, Allottee or Tribe Name:

1a. Type of work: ☑ DRILL ☐ REENTER

7. If Unit or CA Agreement, Name and No.:

1b. Type of Well: ☑ Oil Well ☐ Gas Well ☐ Other ☑ Single Zone ☐ Multiple Zone

8. Lease Name and Well No.: 317464
CEDAR CANYON 23 FEDERAL C 33H

2. Name of Operator: OXY USA INC 16696

9. API Well No.: 30-015-44074

3a. Address: 5 Greenway Plaza, Suite 110 Houston TX 770

3b. Phone No. (include area code): (713)366-5716

10. Field and Pool or Exploratory: Purple Sage 98220
PIERCE CROSSING; WOLFCAMP, NW

4. Location of Well (Report location clearly and in accordance with any State requirements.*)
At surface: NESE / 2344 FSL / 1199 FEL / LAT 32.2020942 / LONG -103.9676325
At proposed prod. zone: NESW / 2270 FSL / 2460 FWL / LAT 32.2019063 / LONG -103.9386799

11. Sec., T. R. M. or Blk. and Survey or Area:
SEC 22 / T24S / R29E / NMP

14. Distance in miles and direction from nearest town or post office*: 6 miles

12. County or Parish: EDDY

13. State: NM

15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any): 320 feet

16. No. of acres in lease: 1040

17. Spacing Unit dedicated to this well: 240 / 480 NSP Pending

18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft.: 30 feet

19. Proposed Depth: 10280 feet / 18052 feet

20. BLM/BIA Bond No. on file: FED: ESB000226

21. Elevations (Show whether DF, KDB, RT, GL, etc.): 2948 feet

22. Approximate date work will start*: 01/03/2017

23. Estimated duration: 25 days

24. Attachments

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No.1, must be attached to this form:

1. Well plat certified by a registered surveyor.
2. A Drilling Plan.
3. A Surface Use Plan (if the location is on National Forest System Lands, the SUPO must be filed with the appropriate Forest Service Office).
4. Bond to cover the operations unless covered by an existing bond on file (see Item 20 above).
5. Operator certification
6. Such other site specific information and/or plans as may be required by the BLM.

25. Signature	Name (Printed/Typed)	Date
(Electronic Submission)	David Stewart / Ph: (713)366-5716	09/29/2016

Title: Sr. Regulatory Advisor

Approved by (Signature)	Name (Printed/Typed)	Date
(Electronic Submission)	Cody Layton / Ph: (575)234-5959	02/22/2017

Title	Office
Supervisor Multiple Resources	CARLSBAD

Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.
Conditions of approval, if any, are attached.

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)

APPROVED WITH CONDITIONS

NM OIL CONSERVATION
ARTESIA DISTRICT

Accepted for record - NMOCD. FEB 24 2017

RWP 3-1-17

RECEIVED

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, NM 87505

NM OIL CONSERVATION
ARTESIA DISTRICT
MAR 01 2017
RECEIVED

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

☑ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number	Pool Code	Pool Name
30-015-44074	98220 ✓	Purple Sage Wolfcamp

Property Code	Property Name	Well Number
317464	CEDAR CANYON "23" FEDERAL COM ✓	33H

OGRID No.	Operator Name	Elevation
16696	OXY USA INC.	2947.9'

Surface Location

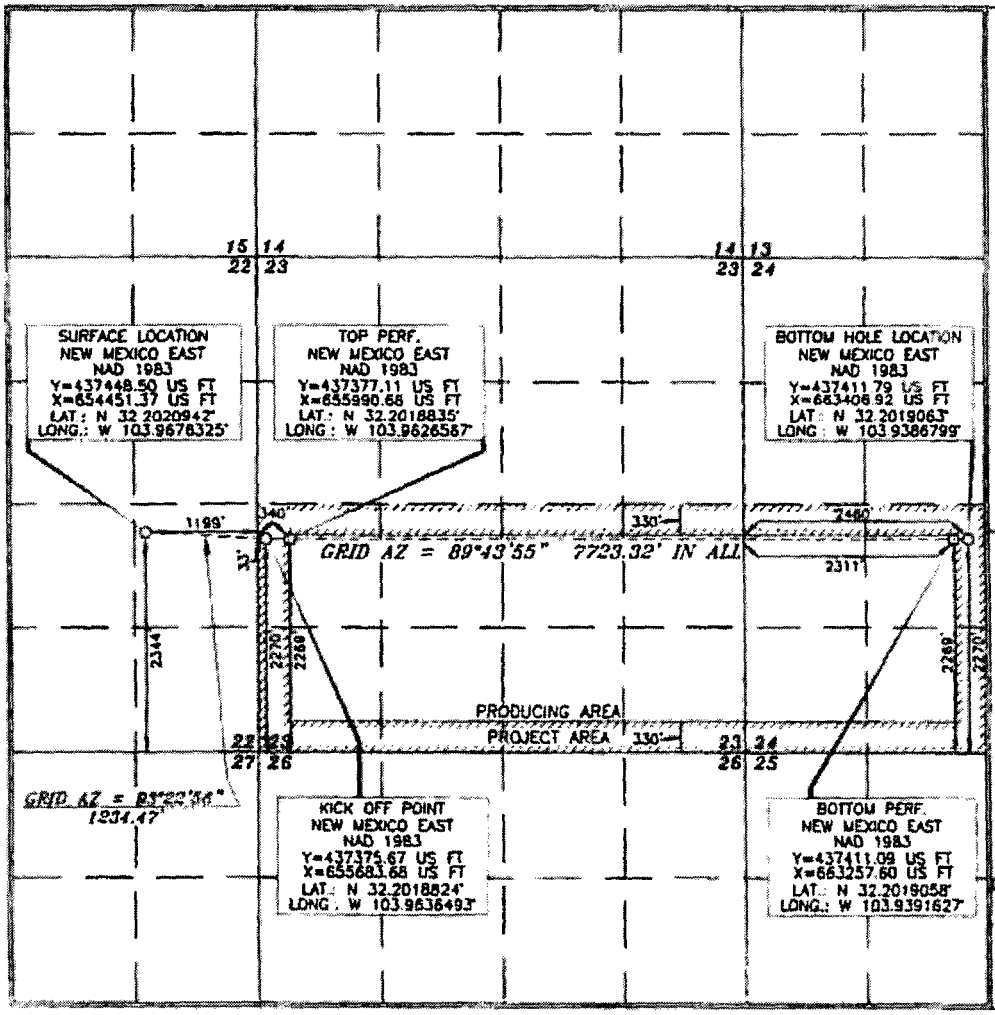
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
I	22	24 SOUTH	29 EAST, N.M.P.M.		2344'	SOUTH	1199'	EAST	EDDY

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
K	24	24 SOUTH	29 EAST, N.M.P.M.		2270'	SOUTH	2460'	WEST	EDDY

Dedicated Acres	Joint or Infill	Consolidation Code	Order No.
480	Y		NSP - Pending RWB 3-1-17

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.



OPERATOR CERTIFICATION

I hereby certify that the information contained 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 a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

Signature — Date: 2/27/17

David Stewart Sr. Reg. Adv.
Printed Name

david_stewart@oxy.com
E-mail Address

SURVEYOR CERTIFICATION

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.

15079
FEBRUARY 23, 2016
Date of Survey

Signature and Seal of Professional Surveyor

JERRY J. ASH
NEW MEXICO
15079
PROFESSIONAL LAND SURVEYOR

3-1-17 pwb

Terry J. Asel 2/13/2017
Certificate Number 15079

WO# 16022JWL-b (Rev B) (KA)

[redacted] ARTESIA DISTRICT

FEB 24 2016

[redacted] RECEIVED

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

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number	Pool Code	Pool Name
30-015- 44074	50373	Pierce Crossing Wolfcamp

Property Code	Property Name	Well Number
317464	CEDAR CANYON "23" FEDERAL COM	33H

OGRID No.	Operator Name	Elevation
16696	OXY USA INC.	2947.9'

Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
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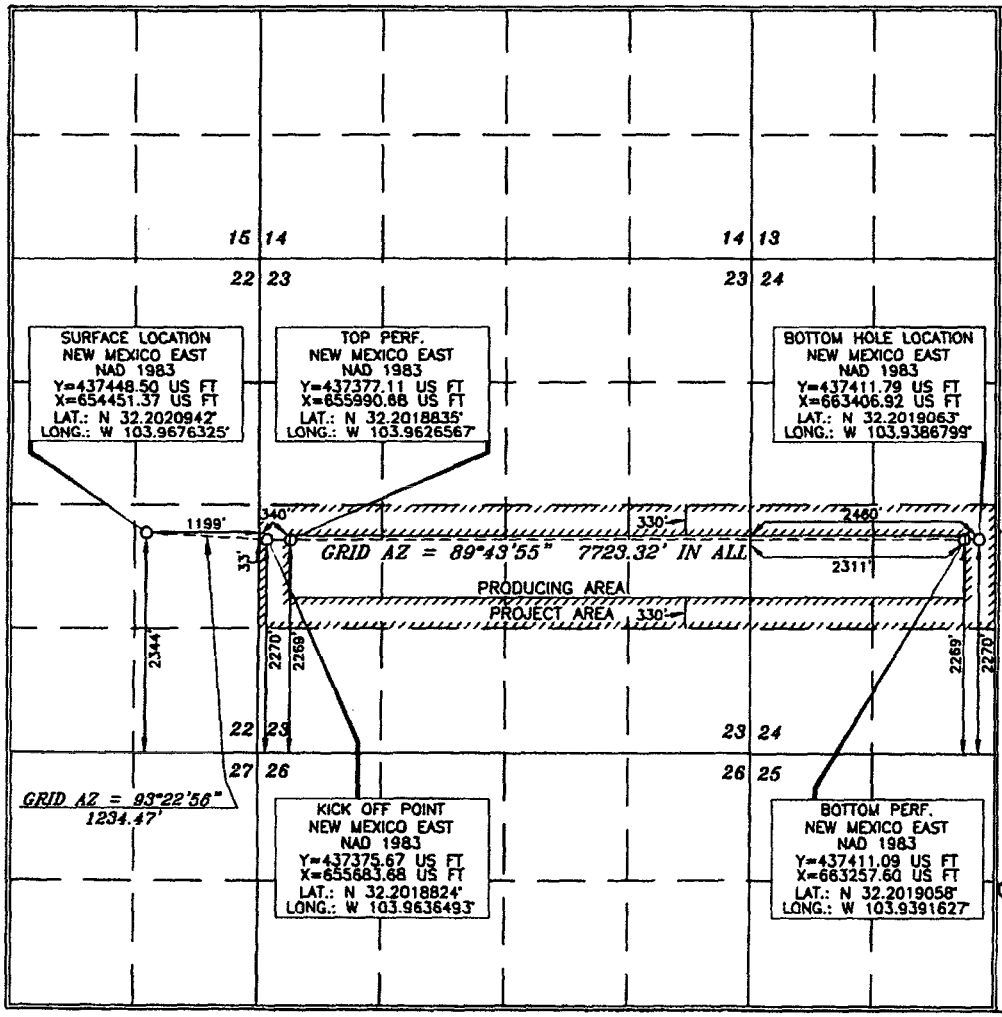
K	24	24 SOUTH	29 EAST, N.M.P.M.		2270'	SOUTH	2460'	WEST	EDDY

Dedicated Acres	Joint or Infill	Consolidation Code	Order No.
240	N		

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.



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Signature 9/27/16 Date

David Stewart Sr. Reg Advisor
Printed Name

david_stewart@oxy.com
E-mail Address

SURVEYOR CERTIFICATION

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.

15079
FEBRUARY 23, 2016
Date of Survey

Signature and Seal of Professional Surveyor

GARY L. JONES
NEW MEXICO
15079
REGISTERED PROFESSIONAL LAND SURVEYOR

9/15/2016

Certificate Number 15079

WO# 160223WL-b (Rev. A) (KA)

See update C102 RWP 3-1-17

APD ID: 10400006093
Operator Name: OXY USA INC
Well Name: CEDAR CANYON 23 FEDERAL COM
Well Type: OIL WELL

Submission Date: 09/29/2016
Federal/Indian APD: FED
Well Number: 33H
Well Work Type: Drill

Highlight All Changes

Application

Section 1 - General

APD ID: 10400006093
Tie to previous NOS?
Submission Date: 09/29/2016
BLM Office: CARLSBAD
User: David Stewart
Title: Sr. Regulatory Advisor
Federal/Indian APD: FED
Is the first lease penetrated for production Federal or Indian? FED
Lease number: NMNM81586
Lease Acres: 1040
Surface access agreement in place?
Allotted?
Reservation:
Agreement in place? NO
Federal or Indian agreement:
Agreement number:
Agreement name:
Keep application confidential? NO
Permitting Agent? NO
APD Operator: OXY USA INC
Operator letter of designation:
Keep application confidential? NO

Operator Info

Operator Organization Name: OXY USA INC
Operator Address: 5 Greenway Plaza, Suite 110
Zip: 77046
Operator PO Box:
Operator City: Houston
State: TX
Operator Phone: (713)366-5716
Operator Internet Address:

Section 2 - Well Information

Well in Master Development Plan? NO
Mater Development Plan name:
Well in Master SUPO? NO
Master SUPO name:
Well in Master Drilling Plan? NO
Master Drilling Plan name:

Operator Name: OXY USA INC

Well Name: CEDAR CANYON 23 FEDERAL COM **Well Number:** 33H

Well Name: CEDAR CANYON 23 FEDERAL COM **Well Number:** 33H **Well API Number:**

Field/Pool or Exploratory? Field and Pool **Field Name:** PIERCE CROSSING; WOLFCAMP, NW **Pool Name:** WOLFCAMP

Is the proposed well in an area containing other mineral resources? USEABLE WATER

Describe other minerals:

Is the proposed well in a Helium production area? N **Use Existing Well Pad?** NO **New surface disturbance?**

Type of Well Pad: MULTIPLE WELL **Multiple Well Pad Name:** CEDAR CANYON 23 FEDERAL **Number:** 6H

Well Class: HORIZONTAL **Number of Legs:**

Well Work Type: Drill

Well Type: OIL WELL

Describe Well Type:

Well sub-Type: INFILL

Describe sub-type:

Distance to town: 6 Miles **Distance to nearest well:** 30 FT **Distance to lease line:** 320 FT

Reservoir well spacing assigned acres Measurement: 240 Acres

Well plat: CedarCanyon23FdCom33H_C102_09-29-2016.pdf

Well work start Date: 01/03/2017 **Duration:** 25 DAYS

Section 3 - Well Location Table

Survey Type: RECTANGULAR

Describe Survey Type:

Datum: NAD83 **Vertical Datum:** NAVD88

Survey number:

	STATE: NEW MEXICO	**Meridian:** NEW MEXICO PRINCIPAL	**County:** EDDY
	Latitude: 32.2020942	**Longitude:** -103.9676325	
SHL	**Elevation:** 2948	**MD:** 0	**TVD:** 0
Leg #: 1	**Lease Type:** FEDERAL	**Lease #:** NMNM81586	
	NS-Foot: 2344	**NS Indicator:** FSL	
	EW-Foot: 1199	**EW Indicator:** FEL	
	Twsp: 24S	**Range:** 29E	**Section:** 22
	Aliquot: NESE	**Lot:**	**Tract:**

Operator Name: OXY USA INC

Well Name: CEDAR CANYON 23 FEDERAL COM **Well Number:** 33H

	STATE: NEW MEXICO	**Meridian:** NEW MEXICO PRINCIPAL	**County:** EDDY
	Latitude: 32.2018824	**Longitude:** -103.9636493	
KOP	**Elevation:** -6817	**MD:** 9892	**TVD:** 9765
Leg #: 1	**Lease Type:** FEDERAL	**Lease #:** NMNM81586	
	NS-Foot: 2270	**NS Indicator:** FSL	
	EW-Foot: 33	**EW Indicator:** FWL	
	Twsp: 24S	**Range:** 29E	**Section:** 23
	Aliquot: NWSW	**Lot:**	**Tract:**
	STATE: NEW MEXICO	**Meridian:** NEW MEXICO PRINCIPAL	**County:** EDDY
	Latitude: 32.2018835	**Longitude:** -103.9626567	
PPP	**Elevation:** -7242	**MD:** 10635	**TVD:** 10190
Leg #: 1	**Lease Type:** FEDERAL	**Lease #:** NMNM81586	
	NS-Foot: 2269	**NS Indicator:** FSL	
	EW-Foot: 340	**EW Indicator:** FWL	
	Twsp: 24S	**Range:** 29E	**Section:** 23
	Aliquot: NWSW	**Lot:**	**Tract:**
	STATE: NEW MEXICO	**Meridian:** NEW MEXICO PRINCIPAL	**County:** EDDY
	Latitude: 32.2019058	**Longitude:** -103.9391627	
EXIT	**Elevation:** -7330	**MD:** 17900	**TVD:** 10278
Leg #: 1	**Lease Type:** FEDERAL	**Lease #:** NMNM81586	
	NS-Foot: 2269	**NS Indicator:** FSL	
	EW-Foot: 2311	**EW Indicator:** FWL	
	Twsp: 24S	**Range:** 29E	**Section:** 24
	Aliquot: NESW	**Lot:**	**Tract:**
	STATE: NEW MEXICO	**Meridian:** NEW MEXICO PRINCIPAL	**County:** EDDY
	Latitude: 32.2019063	**Longitude:** -103.9386799	
BHL	**Elevation:** -7332	**MD:** 18052	**TVD:** 10280
Leg #: 1	**Lease Type:** FEDERAL	**Lease #:** NMNM81586	
	NS-Foot: 2270	**NS Indicator:** FSL	
	EW-Foot: 2460	**EW Indicator:** FWL	

Operator Name: OXY USA INC

Well Name: CEDAR CANYON 23 FEDERAL COM **Well Number:** 33H

Twsp: 24S **Range:** 29E **Section:** 24

Aliquot: NESW **Lot:** **Tract:**

Drilling Plan

Section 1 - Geologic Formations

ID: Surface formation **Name:** RUSTLER

Lithology(ies):

SHALE

DOLOMITE

ANHYDRITE

Elevation: 2947.9 **True Vertical Depth:** 218 **Measured Depth:** 218

Mineral Resource(s):

USEABLE WATER

Is this a producing formation? N

ID: Formation 1 **Name:** SALADO

Lithology(ies):

SHALE

DOLOMITE

HALITE

ANHYDRITE

Elevation: 2193.9 **True Vertical Depth:** 754 **Measured Depth:** 754

Mineral Resource(s):

OTHER - SALT

Is this a producing formation? N

ID: Formation 2 **Name:** CASTILE

Lithology(ies):

ANHYDRITE

Elevation: 1398.9 **True Vertical Depth:** 1549 **Measured Depth:** 1549

Mineral Resource(s):

OTHER - salt

Is this a producing formation? N

ID: Formation 3 **Name:** LAMAR

Lithology(ies):

LIMESTONE

SANDSTONE

SILTSTONE

Elevation: -82.09999999999991 **True Vertical Depth:** 3030 **Measured Depth:** 3030

Mineral Resource(s):

NATURAL GAS

OIL

OTHER - BRINE

Is this a producing formation? N

ID: Formation 4 **Name:** BELL CANYON

Lithology(ies):

SANDSTONE

SILTSTONE

Elevation: -150.0999999999999 **True Vertical Depth:** 3098 **Measured Depth:** 3098

Mineral Resource(s):

NATURAL GAS

OIL

OTHER - BRINE

Is this a producing formation? N

ID: Formation 5 **Name:** CHERRY CANYON

Lithology(ies):

SANDSTONE

SILTSTONE

Elevation: -844.0999999999999 **True Vertical Depth:** 3792 **Measured Depth:** 3792

Mineral Resource(s):

NATURAL GAS

OIL

OTHER - BRINE

Is this a producing formation? N

ID: Formation 6 **Name:** BRUSHY CANYON

Lithology(ies):

LIMESTONE

SANDSTONE

SILTSTONE

Elevation: -2243.1 **True Vertical Depth:** 5191 **Measured Depth:** 5191

Mineral Resource(s):

NATURAL GAS

OIL

OTHER - BRINE

Is this a producing formation? N

ID: Formation 7 **Name:** BONE SPRING

Lithology(ies):

LIMESTONE

SANDSTONE

SILTSTONE

Elevation: -3794.1 **True Vertical Depth:** 6742 **Measured Depth:** 6762

Mineral Resource(s):

NATURAL GAS

OIL

Is this a producing formation? N

ID: Formation 8 **Name:** BONE SPRING 1ST

Lithology(ies):

LIMESTONE

SANDSTONE

SILTSTONE

Elevation: -4825.1 **True Vertical Depth:** 7773 **Measured Depth:** 7800

Mineral Resource(s):

NATURAL GAS

OIL

Is this a producing formation? N

ID: Formation 9 **Name:** BONE SPRING 2ND

Lithology(ies):

LIMESTONE

SANDSTONE

SILTSTONE

Elevation: -5090.1 **True Vertical Depth:** 8038 **Measured Depth:** 8100

Mineral Resource(s):

NATURAL GAS

OIL

Is this a producing formation? N

ID: Formation 10 **Name:** BONE SPRING 3RD

Lithology(ies):

LIMESTONE

SANDSTONE

SILTSTONE

Elevation: -6776.1 **True Vertical Depth:** 9724 **Measured Depth:** 9890

Mineral Resource(s):

NATURAL GAS

OIL

Is this a producing formation? N

ID: Formation 11 **Name:** WOLFCAMP

Lithology(ies):

SANDSTONE

SILTSTONE

Elevation: -7123.1 **True Vertical Depth:** 10071 **Measured Depth:** 10266

Mineral Resource(s):

NATURAL GAS

OIL

Is this a producing formation? Y

Section 2 - Blowout Prevention

Pressure Rating (PSI): 10M **Rating Depth:** 10280

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

Requesting Variance? YES

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

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

Choke Diagram Attachment:

CedarCanyon23FdCm33H_ChkManifold-10M_09-26-2016.pdf

BOP Diagram Attachment:

CedarCanyon23FdCm33H_BOP(10M13-58)_09-29-2016.pdf

CedarCanyon23FdCm33H_FlexHoseCert_09-29-2016.pdf

Section 3 - Casing

Operator Name: OXY USA INC

Well Name: CEDAR CANYON 23 FEDERAL COM **Well Number:** 33H

String Type: SURFACE **Other String Type:**

Hole Size: 14.75

Top setting depth MD: 0 **Top setting depth TVD:** 0

Top setting depth MSL:

Bottom setting depth MD: 400 **Bottom setting depth TVD:** 400

Bottom setting depth MSL:

Calculated casing length MD: 400

Casing Size: 10.75 **Other Size**

Grade: J-55 **Other Grade:**

Weight: 40.5

Joint Type: BUTT **Other Joint Type:**

Condition: NEW

Inspection Document:

Standard: API

Spec Document:

Tapered String?: N

Tapered String Spec:

Safety Factors

Collapse Design Safety Factor: 7.59 **Burst Design Safety Factor:** 1.54

Joint Tensile Design Safety Factor type: BUOYANT **Joint Tensile Design Safety Factor:** 3.23

Body Tensile Design Safety Factor type: BUOYANT **Body Tensile Design Safety Factor:** 2.89

Casing Design Assumptions and Worksheet(s):

CedarCanyon23FdCm33H_CsgCriteria_09-29-2016.pdf

Operator Name: OXY USA INC

Well Name: CEDAR CANYON 23 FEDERAL COM **Well Number:** 33H

String Type: PRODUCTION **Other String Type:**

Hole Size: 9.875

Top setting depth MD: 0 **Top setting depth TVD:** 0

Top setting depth MSL:

Bottom setting depth MD: 8492 **Bottom setting depth TVD:** 8421

Bottom setting depth MSL:

Calculated casing length MD: 8492

Casing Size: 7.625 **Other Size**

Grade: L-80 **Other Grade:**

Weight: 29.7

Joint Type: BUTT **Other Joint Type:** DQX

Condition: NEW

Inspection Document:

Standard: API

Spec Document:

Tapered String?: N

Tapered String Spec:

Safety Factors

Collapse Design Safety Factor: 1.14 **Burst Design Safety Factor:** 1.28

Joint Tensile Design Safety Factor type: BUOYANT **Joint Tensile Design Safety Factor:** 1.86

Body Tensile Design Safety Factor type: BUOYANT **Body Tensile Design Safety Factor:** 1.71

Casing Design Assumptions and Worksheet(s):

CedarCanyon23FdCm33H_CsgCriteria_09-29-2016.pdf

Operator Name: OXY USA INC

Well Name: CEDAR CANYON 23 FEDERAL COM **Well Number:** 33H

String Type: PRODUCTION **Other String Type:**

Hole Size: 9.875

Top setting depth MD: 8492 **Top setting depth TVD:** 8421

Top setting depth MSL:

Bottom setting depth MD: 9792 **Bottom setting depth TVD:** 9676

Bottom setting depth MSL:

Calculated casing length MD: 1300

Casing Size: 7.625 **Other Size**

Grade: HCL-80 **Other Grade:**

Weight: 29.7

Joint Type: BUTT **Other Joint Type:**

Condition: NEW

Inspection Document:

Standard: API

Spec Document:

Tapered String?: N

Tapered String Spec:

Safety Factors

Collapse Design Safety Factor: 1.18 **Burst Design Safety Factor:** 1.43

Joint Tensile Design Safety Factor type: BUOYANT **Joint Tensile Design Safety Factor:** 4.32

Body Tensile Design Safety Factor type: BUOYANT **Body Tensile Design Safety Factor:** 3.19

Casing Design Assumptions and Worksheet(s):

CedarCanyon23FdCm33H_CsgCriteria_09-29-2016.pdf

Operator Name: OXY USA INC

Well Name: CEDAR CANYON 23 FEDERAL COM **Well Number:** 33H

String Type: LINER **Other String Type:**

Hole Size: 6.75

Top setting depth MD: 9692 **Top setting depth TVD:** 9580

Top setting depth MSL:

Bottom setting depth MD: 18052 **Bottom setting depth TVD:** 10280

Bottom setting depth MSL:

Calculated casing length MD: 8360

Casing Size: 4.5 **Other Size**

Grade: P-110 **Other Grade:**

Weight: 13.5

Joint Type: OTHER **Other Joint Type:** DQX

Condition: NEW

Inspection Document:

Standard: API

Spec Document:

Tapered String?: N

Tapered String Spec:

Safety Factors

Collapse Design Safety Factor: 1.99 **Burst Design Safety Factor:** 1.21

Joint Tensile Design Safety Factor type: BUOYANT **Joint Tensile Design Safety Factor:** 2.05

Body Tensile Design Safety Factor type: BUOYANT **Body Tensile Design Safety Factor:** 2.01

Casing Design Assumptions and Worksheet(s):

CedarCanyon23FdCm33H_CsgCriteria_09-29-2016.pdf

CedarCanyon23FdCm33H_4.5-13.5P110DQX_09-29-2016.pdf

Section 4 - Cement

Casing String Type: SURFACE

Stage Tool Depth:

Lead

Top MD of Segment: 0 **Bottom MD Segment:** 400 **Cement Type:** Premium Plus

Additives: 2% CaCl2 (Accelerator) **Quantity (sks):** 265 **Yield (cu.ff./sk):** 1.35

Density: 14.8 **Volume (cu.ft.):** 358 **Percent Excess:** 50

Casing String Type: PRODUCTION

Stage Tool Depth: 3080

Lead

Top MD of Segment: 0 **Bottom MD Segment:** 2580 **Cement Type:** Halliburton Light Premium Plus Cement

Additives: 5% Salt (Accelerator), 0.125#/sx Poly-E-Flake (Lost Circulation Additive), 5#/sx Kol-Seal (Lost Circulation Additive), 0.35% HR-800 (Retarder) **Quantity (sks):** 494 **Yield (cu.ff./sk):** 1.85

Density: 12.9 **Volume (cu.ft.):** 914 **Percent Excess:** 75

Tail

Bottom MD Segment: 3080 **Cement Type:** Premium Plus Cement

Quantity (sks): 182 **Yield (cu.ff./sk):** 1.33

Top MD of Segment: 2580 **Volume (cu.ft.):** 242 **Percent Excess:** 125

Additives:

Density: 14.8

Stage Tool Depth:

Lead

Top MD of Segment: 0 **Bottom MD Segment:** 8792 **Cement Type:** Tuned Light (TM) System

Additives: 0.80% HR-601(Retarder), 3#/sx Kol-Seal (Lost Circulation Additive), 0.125#/sx Poly-E-Flake (Lost Circulation Additive) **Quantity (sks):** 1065 **Yield (cu.ff./sk):** 3.05

Density: 10.2 **Volume (cu.ft.):** 3248 **Percent Excess:** 75

Tail

Bottom MD Segment: 9792 **Cement Type:** Super H Cement

Quantity (sks): 163 **Yield (cu.ff./sk):** 1.65

Top MD of Segment: 8792 **Volume (cu.ft.):** 269 **Percent Excess:** 20

Additives: 0.1% HR-800 (Retarder), 0.5% Halad(R)-344 (Low Fluid Loss Control), 0.3% FR-3 (Dispersant), 2#/sx Kol-Seal (Lost Circulation Additive), 3# Salt (Accelerator)

Density: 13.2

Casing String Type: LINER

Stage Tool Depth:

Lead

Top MD of Segment: 9692 **Bottom MD Segment:** 18052 **Cement Type:** Super H Cement

Additives: 0.1% HR-800 (Retarder), 0.5% Halad(R)-344 (Low Fluid Loss Control), 0.4% CFR-3 (Dispersant), 3# Salt (Accelerator) **Quantity (sks):** 816 **Yield (cu.ff./sk):** 1.63

Density: 13.2 **Volume (cu.ft.):** 1331 **Percent Excess:** 15

Section 5 - Circulating Medium

Mud System Type: Closed

Will an air or gas system be Used? NO

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

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

Describe what will be on location to control well or mitigate other conditions: Sufficient mud materials to maintain mud properties and meet minimum lost circulation and weight increase requirements. The following is a general list of products: Barite, Bentonite, Gypsum, Lime, Soda Ash, Caustic Soda, Nut Plug, Cedar Fiber, Cotton Seed Hulls, Drilling Paper, Salt Water Clay, CACL2.
Describe the mud monitoring system utilized: PVT/MD Totco/Visual Monitoring

Circulating Medium Table

Top Depth: 0 **Bottom Depth:** 400

Mud Type: OTHER EnerSeal (MMH)

Min Weight (lbs./gal.): 8.4 **Max Weight (lbs./gal.):** 8.6

Density (lbs/cu.ft.): **Gel Strength (lbs/100 sq.ft.):**

PH: **Viscosity (CP):**

Filtration (cc): **Salinity (ppm):**

Additional Characteristics:

Top Depth: 400 **Bottom Depth:** 3080
Mud Type: OTHER Brine
Min Weight (lbs./gal.): 9.8 **Max Weight (lbs./gal.):** 10
Density (lbs/cu.ft.): **Gel Strength (lbs/100 sq.ft.):**
PH: **Viscosity (CP):**
Filtration (cc): **Salinity (ppm):**
Additional Characteristics:

Top Depth: 3080 **Bottom Depth:** 9792
Mud Type: OTHER EnerSeal(MMH)
Min Weight (lbs./gal.): 8.8 **Max Weight (lbs./gal.):** 9.6
Density (lbs/cu.ft.): **Gel Strength (lbs/100 sq.ft.):**
PH: **Viscosity (CP):**
Filtration (cc): **Salinity (ppm):**
Additional Characteristics:

Top Depth: 9792 **Bottom Depth:** 18052
Mud Type: OIL-BASED MUD
Min Weight (lbs./gal.): 10 **Max Weight (lbs./gal.):** 12
Density (lbs/cu.ft.): **Gel Strength (lbs/100 sq.ft.):**
PH: **Viscosity (CP):**
Filtration (cc): **Salinity (ppm):**
Additional Characteristics:

Section 6 - Test, Logging, Coring

List of production tests including testing procedures, equipment and safety measures:
GR from TD to surface (horizontal well – vertical portion of hole). Mud Log from Intermediate Shoe to TD.

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

Coring operation description for the well:
No coring is planned at this time.

Section 7 - Pressure

Anticipated Bottom Hole Pressure: 5025 **Anticipated Surface Pressure:** 2763.4

Anticipated Bottom Hole Temperature(F): 162

Anticipated abnormal proessures, 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:

CedarCanyon23FdCm33H_H2S2_09-26-2016.pdf
CedarCanyon23FdCm33H_H2S1_09-26-2016.pdf

Section 8 - Other Information

Proposed horizontal/directional/multi-lateral plan submission:

CedarCanyon23FdCm33H_DirectionalPlan_09-26-2016.pdf
CedarCanyon23FdCm33H_DirectionalPlot_09-26-2016.pdf

Other proposed operations facets description:

Well will be drilled with a walking/skidding operation. Plan to drill the two well pad in batch by section: all surface sections, interme sections and production sections. The wellhead will be secured with a night cap whenever the rig is not over the well.
Cement Top and Liner Overlap
1. Oxy is requesting permission to have minimum fill of cement behind the 4-1/2" production liner to be 100' into previous casing st The reason for this is so that we can come back and develop shallower benches from the same 7-5/8" mainbore in the future.
2. Our plan is to use a whipstock for our exit through the mainbore. Based on our lateral target, we are planning a whipstock cased/hole exit so that kick-off point will allow for roughly 10deg/100' doglegs needed for the curve.
3. Cement will be brought to the top of this liner hanger.
4. See attached for additional casing tie-back information.

Other proposed operations facets attachment:

CedarCanyon23FdCm33H_DrillingPlan_09-26-2016.pdf
CedarCanyon23FdCom33H_CsgTieBackDetail_01-09-2017.pdf

Other Variance attachment:

Operator Name: OXY USA INC

Well Name: CEDAR CANYON 23 FEDERAL COM **Well Number:** 33H

Section 1 - Existing Roads

Will existing roads be used? YES

Existing Road Map:

CedarCanyon23FdCm33H_ExistRoads_09-26-2016.pdf

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

ROW ID(s)

ID:

Do the existing roads need to be improved? NO

Existing Road Improvement Description:

Existing Road Improvement Attachment:

Section 2 - New or Reconstructed Access Roads

Will new roads be needed? YES

New Road Map:

CedarCanyon23FdCm33H_NewRoad_09-26-2016.pdf

New road type: LOCAL

Length: 92 Feet **Width (ft.):** 25

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

Army Corp of Engineers (ACOE) permit required? NO

ACOE Permit Number(s):

New road travel width: 14

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

New road access plan or profile prepared? YES

New road access plan attachment:

CedarCanyon23FdCm33H_NewRoad_09-26-2016.pdf

Access road engineering design? NO

Access road engineering design attachment:

Access surfacing type: OTHER

Access topsoil source: ONSITE

Access surfacing type description: Caliche

Access onsite topsoil source depth: 0

Offsite topsoil source description:

Onsite topsoil removal process: If available

Access other construction information: None

Access miscellaneous information: Proposed road will begin at an existing caliche road and go 92 feet southwest through pasture to the northwest corner of pad.

Number of access turnouts: **Access turnout map:**

Drainage Control

New road drainage crossing: CULVERT

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

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

Road Drainage Control Structures (DCS) attachment:

Access Additional Attachments

Additional Attachment(s):

Section 3 - Location of Existing Wells

Existing Wells Map? YES

Attach Well map:

CedarCanyon23FdCm33H_ExistWells_09-29-2016.pdf

Existing Wells description:

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

Submit or defer a Proposed Production Facilities plan? SUBMIT

Estimated Production Facilities description:

Production Facilities description: A. In the event the well is found productive, the Cedar Canyon 23 Fed CTB would be utilized and the necessary production equipment will be installed at the well site. B. All flow lines will adhere to API standards. They will consist of 2 – 4" composite production flowlines operating 75% MAWP on surface. 1 – 4" steel gas lift supply line operating 1500 psig buried. Survey of a strip of land 30' wide and 1258.7' in length crossing USA Land in Section 22 & T24S R29E, NMPM, Eddy County, NM and being 15' left and 15' right of the centerline survey. C. Electric line will follow a route approved by the BLM. Survey of a strip of land 30' wide and 350.3' in length crossing USA Land in Section 22 T24S R29E, NMPM, Eddy County, NM and being 15' left and 15' right of the centerline survey.

Production Facilities map:

CedarCanyon23FdCm33H_Facility-PL-EL_09-26-2016.pdf

Section 5 - Location and Types of Water Supply

Water Source Table

Water source use type: INTERMEDIATE/PRODUCTION CASING, OTHER, SURFACE CASING
Water source type: GW WELL
Describe type:
Source latitude:
Source longitude:
Source datum:
Water source permit type: WATER WELL
Source land ownership: COMMERCIAL
Water source transport method: PIPELINE,TRUCKING
Source transportation land ownership: COMMERCIAL
Water source volume (barrels): 2000
Source volume (acre-feet): 0.25778618
Source volume (gal): 84000

Water source and transportation map:

CedarCanyon23FdCm33H_GRRWaterSources_09-26-2016.pdf
CedarCanyon23FdCm33H_MesquiteWtrSrc_09-26-2016.pdf

Water source comments: This well will be drilled using a combination of water mud systems. It will be obtained from commercial water stations (Gregory Rockhouse, Mesquite) in the area and will be hauled to location by transport truck using existing and proposed roads.
New water well? NO

New Water Well Info

Well latitude: **Well Longitude:** **Well datum:**
Well target aquifer:
Est. depth to top of aquifer(ft): **Est thickness of aquifer:**
Aquifer comments:
Aquifer documentation:

Well depth (ft): **Well casing type:**
Well casing outside diameter (in.): **Well casing inside diameter (in.):**
New water well casing? **Used casing source:**
Drilling method: **Drill material:**
Grout material: **Grout depth:**
Casing length (ft.): **Casing top depth (ft.):**
Well Production type: **Completion Method:**
Water well additional information:

State appropriation permit:

Additional information attachment:

Section 6 - Construction Materials

Construction Materials description: Primary - All caliche utilized for the drilling pad and proposed access road will be obtained from an existing BLM/State/Fee approved pit or from prevailing deposits found on the location. Will use BLM recommended extra caliche from other locations close by for roads, if available. Secondary - The secondary way of obtaining caliche to build locations and roads will be by "turning over" the location. This means, caliche will be obtained from the actual well site. A caliche permit will be obtained from BLM prior to pushing up any caliche. 2400 cubic yards is max amount of caliche needed for pad and roads. Amount will vary for each pad. The procedure below has been approved by BLM personnel: a. The top 6" of topsoil is pushed off and stockpiled along the side of the location. b. An approximate 120' X 120' area is used within the proposed well site to remove caliche. c. Subsoil is removed and piled alongside the 120' X 120' within the pad site. d. When caliche is found, material will be stockpiled within the pad site to build the location and road. e. Then subsoil is pushed back in the hole and caliche is spread accordingly across entire location and road. f. Once the well is drilled the stockpiled top soil will be used for interim reclamation and spread along areas where caliche is picked up and the location size is reduced. Neither caliche nor subsoil will be stockpiled outside of the well pad. Topsoil will be stockpiled along the edge of the pad. Caliche will be provided from one of the following three pits located in Sections 6, 20, 22 T24S R29E. Water will be provided from one of the three frac ponds located in Sections 15, 21, 22 T24S R29E.

Construction Materials source location attachment:

Section 7 - Methods for Handling Waste

Waste type: DRILLING

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

Amount of waste: 1340 barrels

Waste disposal frequency : Daily

Safe containment description: Haul-Off Bins

Safe containmant attachment:

Waste disposal type: HAUL TO COMMERCIAL FACILITY **Disposal location ownership:** COMMERCIAL

Disposal type description:

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

Reserve Pit

Reserve Pit being used? NO

Temporary disposal of produced water into reserve pit?

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

Reserve pit depth (ft.) **Reserve pit volume (cu. yd.)**

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

Reserve pit liner

Reserve pit liner specifications and installation description

Cuttings Area

Cuttings Area being used? NO

Are you storing cuttings on location? YES

Description of cuttings location A closed loop system will be utilized consisting of above ground steel tanks and haul-off bins. Disposal of liquids, drilling fluids and cuttings will be disposed of at an approved facility.

Cuttings area length (ft.) **Cuttings area width (ft.)**

Cuttings area depth (ft.) **Cuttings area volume (cu. yd.)**

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

WCuttings area liner

Cuttings area liner specifications and installation description

Section 8 - Ancillary Facilities

Are you requesting any Ancillary Facilities?: NO

Ancillary Facilities attachment:

Comments:

Section 9 - Well Site Layout

Well Site Layout Diagram:

CedarCanyon23FdCm33H_WellSiteCL_09-29-2016.pdf

Comments: V-Door-Northwest - CL Tanks-Southwest - 330' X 440' – 2 Well Pad

Section 10 - Plans for Surface Reclamation

Type of disturbance: NEW

Recontouring attachment:

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

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

Wellpad long term disturbance (acres): 2.12 **Wellpad short term disturbance (acres):** 3.33

Access road long term disturbance (acres): 0.03 **Access road short term disturbance (acres):** 0.05

Pipeline long term disturbance (acres): 0.28895774 **Pipeline short term disturbance (acres):** 0.86687326

Other long term disturbance (acres): 0 **Other short term disturbance (acres):** 0.24

Total long term disturbance: 2.4389577 **Total short term disturbance:** 4.486873

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

Soil treatment: To be determined by the BLM.

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

Existing Vegetation at the well pad attachment:

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

Existing Vegetation Community at the road attachment:

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

Existing Vegetation Community at the pipeline attachment:

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

Existing Vegetation Community at other disturbances attachment:

Non native seed used? NO

Non native seed description:

Seedling transplant description:

Will seedlings be transplanted for this project? NO

Seedling transplant description attachment:

Will seed be harvested for use in site reclamation? NO

Seed harvest description:

Seed harvest description attachment:

Seed Management

Seed Table

Seed type: **Seed source:**

Seed name:

Source name: **Source address:**

Source phone:

Seed cultivar:

Seed use location:

PLS pounds per acre: **Proposed seeding season:**

Seed Summary

Total pounds/Acre:

Seed Type	Pounds/Acre

Seed reclamation attachment:

Operator Contact/Responsible Official Contact Info

First Name: JIM **Last Name:** WILSON

Phone: (575)631-2442 **Email:** jim_wilson@oxy.com

Seedbed prep:

Seed BMP:

Seed method:

Existing invasive species? NO

Existing invasive species treatment description:

Existing invasive species treatment attachment:

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

Weed treatment plan attachment:

Monitoring plan description: To be determined by the BLM.

Monitoring plan attachment:

Success standards: To be determined by the BLM.

Pit closure description: NA

Pit closure attachment:

Section 11 - Surface Ownership

Disturbance type: NEW ACCESS ROAD

Describe:

Surface Owner: BUREAU OF LAND MANAGEMENT

Other surface owner description:

BIA Local Office:

BOR Local Office:

COE Local Office:

DOD Local Office:

NPS Local Office:

State Local Office:

Military Local Office:

USFWS Local Office:

Other Local Office:

USFS Region:

USFS Forest/Grassland: **USFS Ranger District:**

Disturbance type: WELL PAD

Describe:

Surface Owner: BUREAU OF LAND MANAGEMENT

Other surface owner description:

BIA Local Office:

BOR Local Office:

COE Local Office:

DOD Local Office:

NPS Local Office:

State Local Office:

Military Local Office:

USFWS Local Office:

Other Local Office:

USFS Region:

USFS Forest/Grassland: **USFS Ranger District:**

Disturbance type: PIPELINE

Describe:

Surface Owner: BUREAU OF LAND MANAGEMENT

Other surface owner description:

BIA Local Office:

BOR Local Office:

COE Local Office:

DOD Local Office:

NPS Local Office:

State Local Office:

Military Local Office:

USFWS Local Office:

Other Local Office:

USFS Region:

USFS Forest/Grassland: **USFS Ranger District:**

Disturbance type: OTHER

Describe: Electric Line

Surface Owner: BUREAU OF LAND MANAGEMENT

Other surface owner description:

BIA Local Office:

BOR Local Office:

COE Local Office:

DOD Local Office:

NPS Local Office:

State Local Office:

Military Local Office:

USFWS Local Office:

Other Local Office:

USFS Region:

USFS Forest/Grassland: **USFS Ranger District:**

Section 12 - Other Information

Right of Way needed? YES **Use APD as ROW?** YES

ROW Type(s): 281001 ROW - ROADS,285003 ROW – POWER TRANS,288100 ROW – O&G Pipeline,289001 ROW- O&G Well Pad

ROW Applications

SUPO Additional Information: Permian Basin MOA - see attached SUPO and to be determined by BLM GIS Shapefiles furnished upon requested
Use a previously conducted onsite? NO

Previous Onsite information:

Other SUPO Attachment

CedarCanyon23FdCm33H_StakingNotice_09-26-2016.pdf
CedarCanyon23FdCm33H_MiscSvyPlats_09-26-2016.pdf
CedarCanyon23FdCom33H_GasCapPlan_09-29-2016.pdf
CedarCanyon23FdCom33H_SUPO_09-29-2016.pdf

PWD

Section 1 - General

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

Section 2 - Lined Pits

Would you like to utilize Lined Pit PWD options? NO

Produced Water Disposal (PWD) Location:

PWD surface owner: **PWD disturbance (acres):**

Lined pit PWD on or off channel:

Lined pit PWD discharge volume (bbl/day):

Lined pit specifications:

Pit liner description:

Pit liner manufacturers information:

Precipitated solids disposal:

Decribe precipitated solids disposal:

Precipitated solids disposal permit:

Lined pit precipitated solids disposal schedule:

Lined pit precipitated solids disposal schedule attachment:

Lined pit reclamation description:

Lined pit reclamation attachment:

Leak detection system description:

Leak detection system attachment:

Lined pit Monitor description:

Lined pit Monitor attachment:

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

Is the reclamation bond a rider under the BLM bond?

Lined pit bond number:

Lined pit bond amount:

Additional bond information attachment:

Section 3 - Unlined Pits

Would you like to utilize Unlined Pit PWD options? NO

Produced Water Disposal (PWD) Location:

PWD surface owner: **PWD disturbance (acres):**

Unlined pit PWD on or off channel:

Unlined pit PWD discharge volume (bbl/day):

Unlined pit specifications:

Precipitated solids disposal:

Decribe precipitated solids disposal:

Precipitated solids disposal permit:

Unlined pit precipitated solids disposal schedule:

Unlined pit precipitated solids disposal schedule attachment:

Unlined pit reclamation description:

Unlined pit reclamation attachment:

Unlined pit Monitor description:

Unlined pit Monitor attachment:

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

Beneficial use user confirmation:

Estimated depth of the shallowest aquifer (feet):

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

TDS lab results:

Geologic and hydrologic evidence:

State authorization:

Unlined Produced Water Pit Estimated percolation:

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

Is the reclamation bond a rider under the BLM bond?

Unlined pit bond number:

Unlined pit bond amount:

Additional bond information attachment:

Section 4 - Injection

Would you like to utilize Injection PWD options? NO

Produced Water Disposal (PWD) Location:

PWD surface owner: **PWD disturbance (acres):**

Injection PWD discharge volume (bbl/day):

Injection well mineral owner:

Injection well type:

Injection well number: **Injection well name:**

Assigned injection well API number? **Injection well API number:**

Injection well new surface disturbance (acres):

Minerals protection information:

Mineral protection attachment:

Underground Injection Control (UIC) Permit?

UIC Permit attachment:

Section 5 - Surface Discharge

Would you like to utilize Surface Discharge PWD options? NO

Produced Water Disposal (PWD) Location:

PWD surface owner: **PWD disturbance (acres):**

Surface discharge PWD discharge volume (bbl/day):

Surface Discharge NPDES Permit?

Surface Discharge NPDES Permit attachment:

Surface Discharge site facilities information:

Surface discharge site facilities map:

Section 6 - Other

Would you like to utilize Other PWD options? NO

Produced Water Disposal (PWD) Location:

PWD surface owner: **PWD disturbance (acres):**

Other PWD discharge volume (bbl/day):

Other PWD type description:

Other PWD type attachment:

Have other regulatory requirements been met?

Other regulatory requirements attachment:

Bond Info

Bond Information

Federal/Indian APD: FED

BLM Bond number: ESB000226

BIA Bond number:

Do you have a reclamation bond? NO

Is the reclamation bond a rider under the BLM bond?

Is the reclamation bond BLM or Forest Service?

BLM reclamation bond number:

Forest Service reclamation bond number:

Forest Service reclamation bond attachment:

Reclamation bond number:

Reclamation bond amount:

Reclamation bond rider amount:

Additional reclamation bond information attachment:

Operator Certification

Operator Name: OXY USA INC

Well Name: CEDAR CANYON 23 FEDERAL COM **Well Number:** 33H

Operator Certification

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

NAME: David Stewart **Signed on:** 09/29/2016

Title: Sr. Regulatory Advisor

Street Address: 5 Greenway Plaza, Suite 110

City: Houston **State:** TX **Zip:** 77046

Phone: (713)366-5716

Email address: David_stewart@oxy.com

Field Representative

Representative Name: Jim Wilson

Street Address: P.O. Box 50250

City: Midland **State:** TX **Zip:** 79710

Phone: (575)631-2442

Email address: jim_wilson@oxy.com

Payment Info

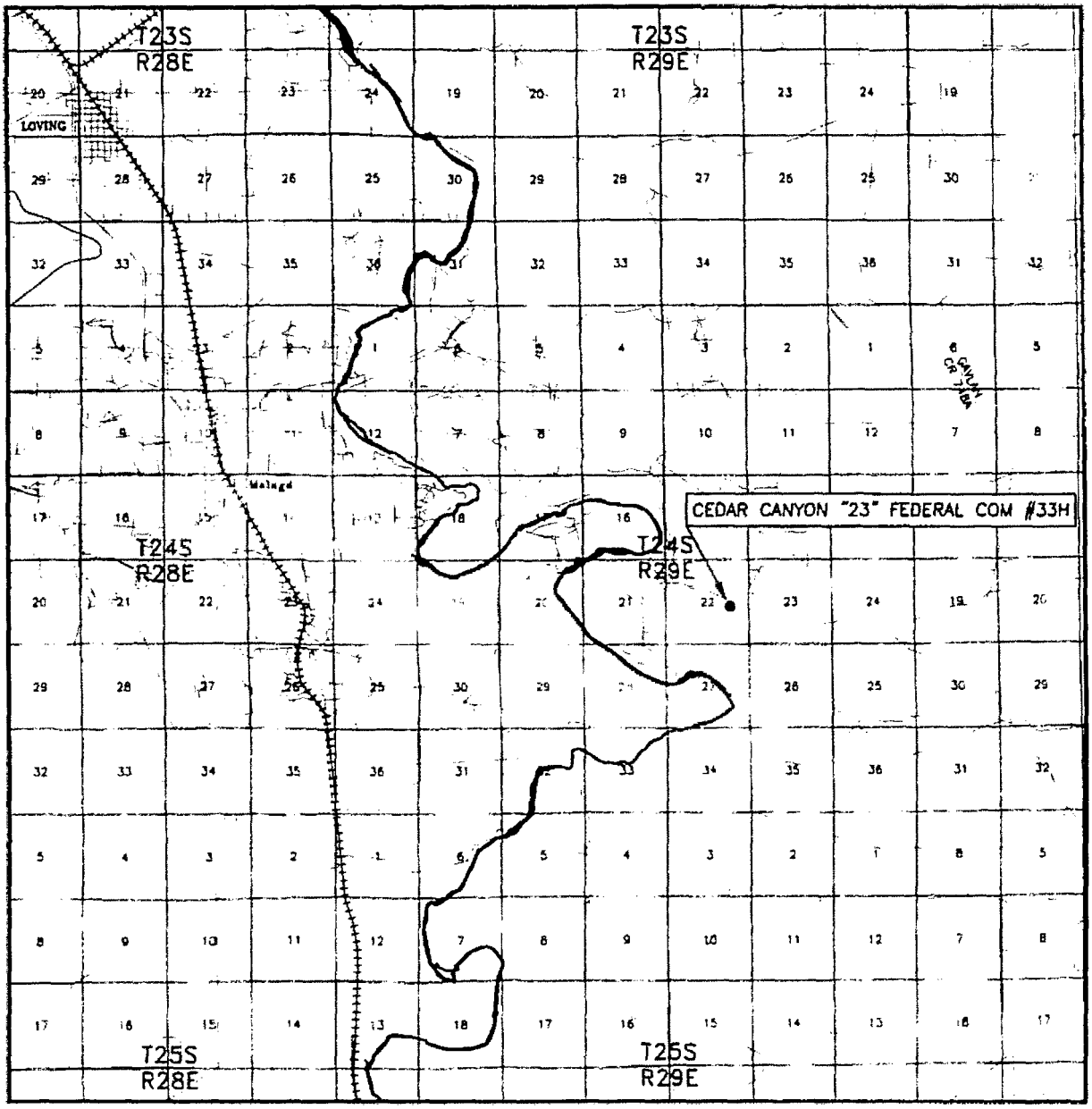
Payment

APD Fee Payment Method: PAY.GOV

pay.gov Tracking ID: 25U6B03D

VM

VICINITY MAP



SCALE: 1" = 2 MILES

SEC. 22 TWP. 24-S RGE. 29-E
SURVEY N.M.P.M.
COUNTY EDDY
DESCRIPTION 2344' FSL & 1199' FEL
ELEVATION 2947.9'
OPERATOR OXY USA INC.
LEASE CEDAR CANYON "23" FEDERAL COM #33H

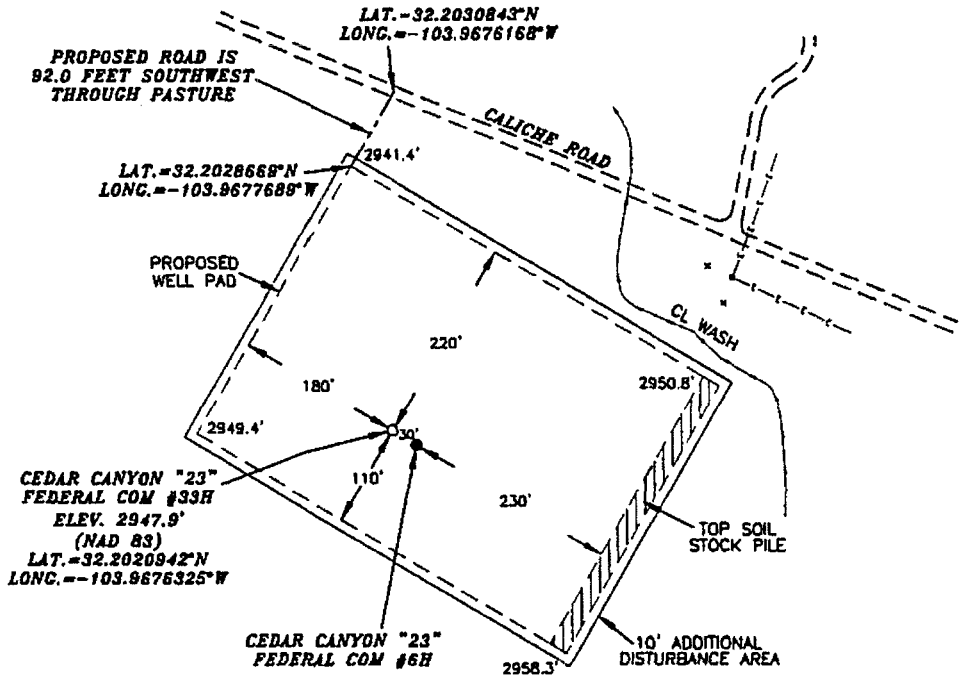
Asel Surveying
P O BOX 393 - 310 W TAYLOR
HOBBS, NEW MEXICO - 575-393-9146

DIRECTIONS FROM THE INTERSECTION OF U.S. HWY. #285 AND BLACK RIVER VILLAGE ROAD IN MALAGA, GO EAST ON COUNTY ROAD #720 FOR 1.3 MILES, TURN RIGHT ON COUNTY ROAD #746 (MCDONALD ROAD) AND GO SOUTH FOR 0.8 MILES, CONTINUE SOUTHEAST/EAST FOR 4.8 MILES, CURVE TO THE LEFT FOR 0.4 MILES, TURN LEFT AND GO WEST FOR 0.1 MILES, TURN RIGHT AND GO NORTH FOR 0.6 MILES, CONTINUE EAST FOR 0.9 MILES, TURN LEFT AND GO NORTHWEST FOR 0.2 MILES, TURN LEFT ON PROPOSED ROAD AND GO SOUTHWEST FOR 92.0 FEET TO LOCATION.

Site Plan

OXY USA INC.
CEDAR CANYON "23" FEDERAL COM #33H
SITE PLAN

FAA PERMIT: NO



TERRY J ASEL
NEW MEXICO
15079
REGISTERED PROFESSIONAL LAND SURVEYOR

LEGEND

- ▨ – DENOTES STOCK PILE AREA
- – – – – DENOTES PROPOSED WELL PAD
- —·—·— DENOTES PROPOSED ROAD
- * – DENOTES ANCHOR
- —|—|— DENOTES ELECTRIC LINE

200' 0 200' 400' FEET

SCALE: 1"=200'

SURVEYORS CERTIFICATE

I, TERRY J. ASEL, NEW MEXICO PROFESSIONAL SURVEYOR NO. 15079, DO HEREBY CERTIFY THAT I CONDUCTED AND AM RESPONSIBLE FOR THIS SURVEY, THAT THIS SURVEY IS TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF, AND MEETS THE "MINIMUM STANDARDS FOR SURVEYING IN NEW MEXICO" AS ADOPTED BY THE NEW MEXICO STATE BOARD OF REGISTRATION FOR PROFESSIONAL ENGINEERS AND SURVEYORS.

Terry J. Asel 9/15/2016

Terry J. Asel N.M. R.P.L.S. No. 15079

Asel Surveying

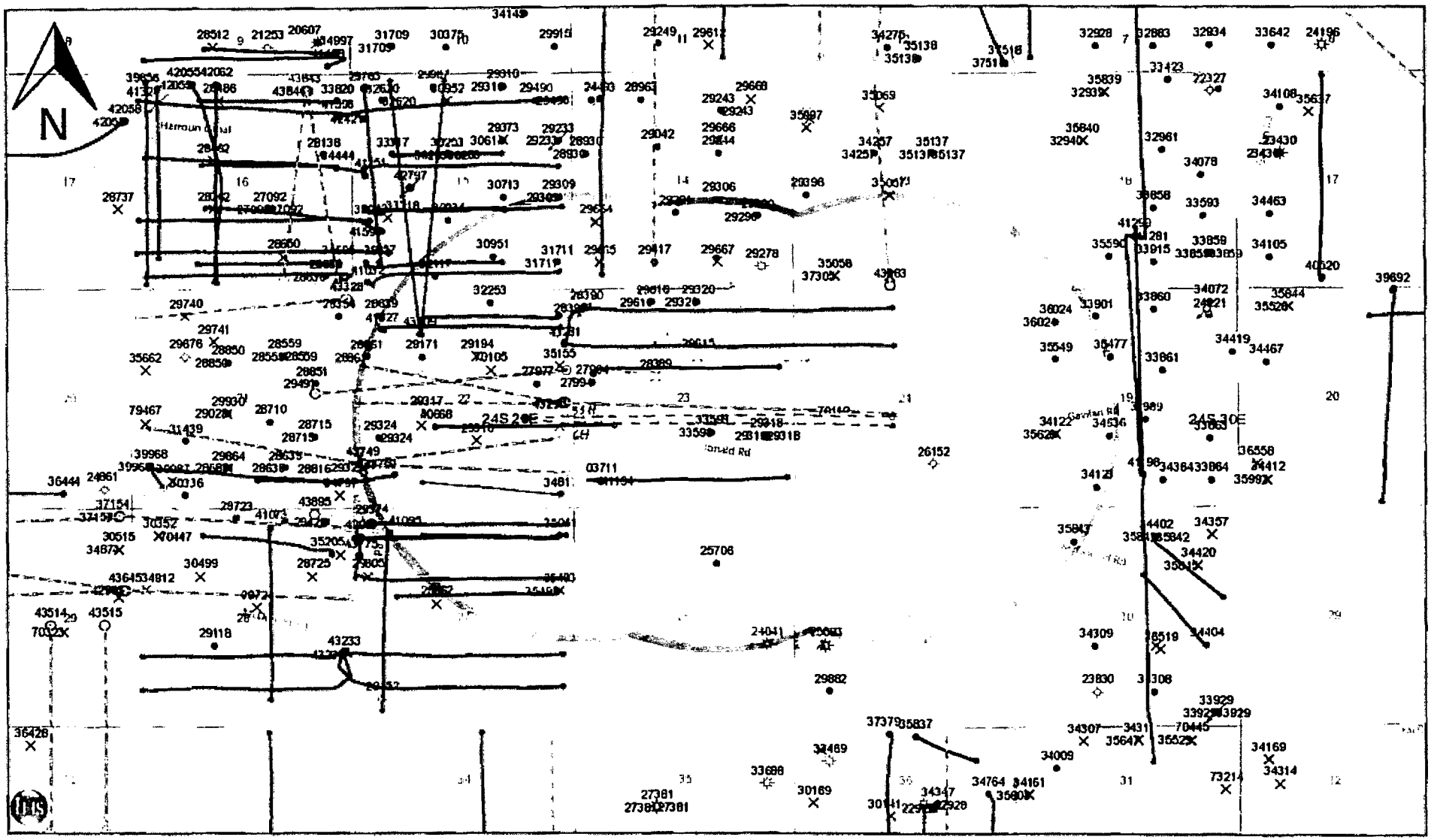
P.O. BOX 393 – 310 W. TAYLOR
HOBBS, NEW MEXICO – 575-393-9146

OXY USA INC.

CEDAR CANYON "23" FEDERAL COM #33H
LOCATED AT 2344' FSL & 1199' FEL IN
SECTION 22, TOWNSHIP 24 SOUTH, RANGE 29
EAST, N.M.P.M., EDDY COUNTY, NEW MEXICO

Survey Date: 02/23/16	Sheet 1 of 1 Sheets	
W.O. Number: 160223WL-b (Rev. A)	Drawn By: KA	Rev: A
Date: 09/15/16	160223WL-b	Scale:1"=200'

Cedar Canyon 23 Federal - 1 Mile AOR



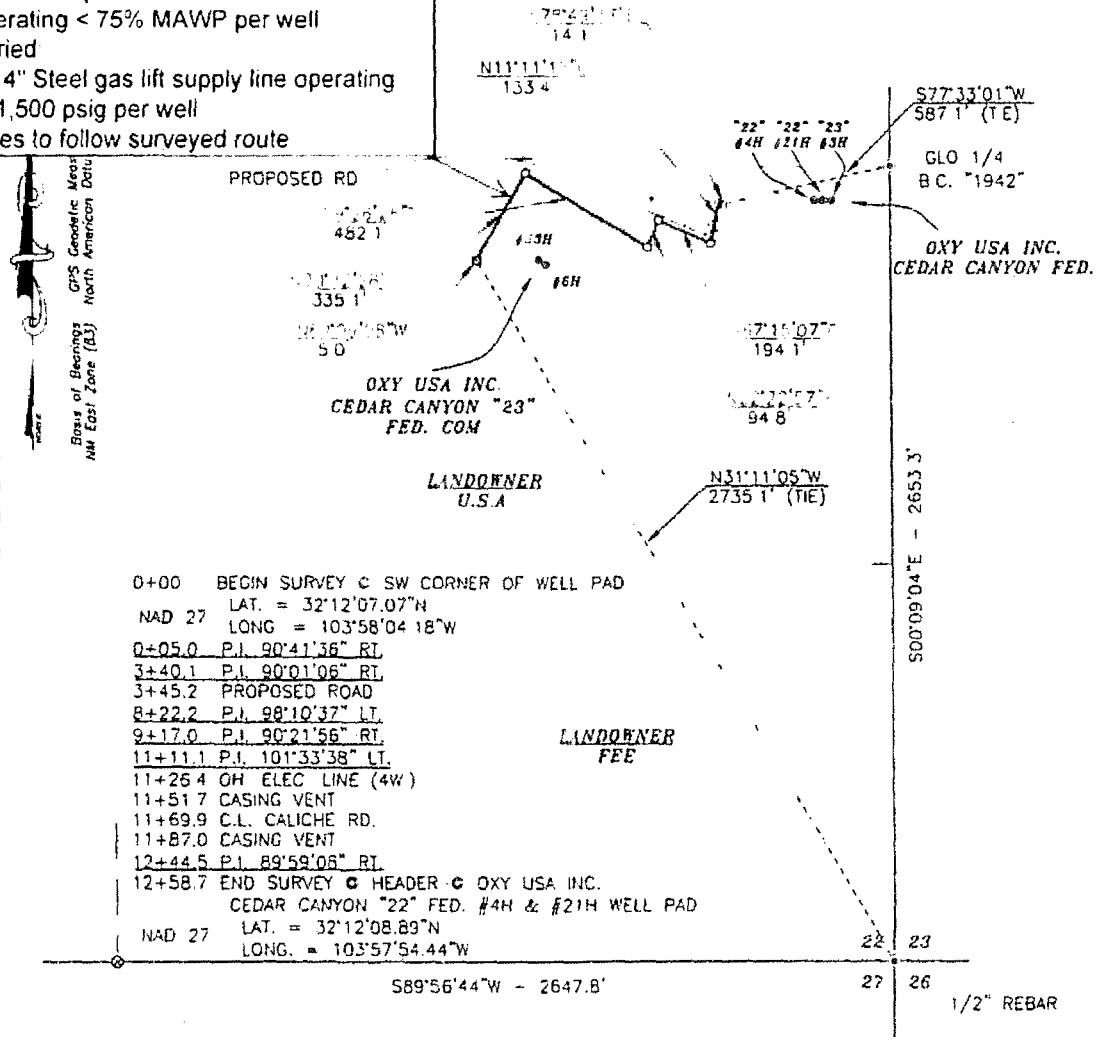
Flowline

OXY USA, INC.

SECTION 22, TOWNSHIP 24 SOUTH, RANGE 29 EAST, N.M.P.M.,

EDDY COUNTY NEW MEXICO

Surface
(2) 4" Composite Production Flowlines
operating < 75% MAWP per well
Buried
(1) 4" Steel gas lift supply line operating
< 1,500 psig per well
Lines to follow surveyed route



0+00 BEGIN SURVEY ℄ SW CORNER OF WELL PAD
NAD 27 LAT. = 32°12'07.07"N
LONG = 103°58'04.18"W
0+05.0 P.I. 90°41'36" RT.
3+40.1 P.I. 90°01'06" RT.
3+45.2 PROPOSED ROAD
8+22.2 P.I. 98°10'37" LT.
9+17.0 P.I. 90°21'56" RT.
11+11.1 P.I. 101°33'38" LT.
11+26.4 OH ELEC LINE (4W)
11+51.7 CASING VENT
11+69.9 C.L. CALICHE RD.
11+87.0 CASING VENT
12+44.5 P.I. 89°59'06" RT.
12+58.7 END SURVEY ℄ HEADER ℄ OXY USA INC.
CEDAR CANYON "22" FED. #4H & #21H WELL PAD
NAD 27 LAT. = 32°12'08.89"N
LONG. = 103°57'54.44"W

DESCRIPTION

A STRIP OF LAND 30.0 FEET WIDE AND 1258.7 FEET OR 0.238 MILES IN LENGTH CROSSING U.S.A. LAND IN SECTION 22, TOWNSHIP 24 SOUTH, RANGE 29 EAST, N.M.P.M., EDDY COUNTY, NEW MEXICO AND BEING 15.0 FEET LEFT AND 15.0 FEET RIGHT OF THE ABOVE PLATTED CENTERLINE SURVEY.

TERRY J. ASEL NEW MEXICO 15079 REGISTERED PROFESSIONAL LAND SURVEYOR

LEGEND

- DENOTES FOUND MONUMENT AS NOTED
- ⊗ – DENOTES CALCULATED CORNER
- ℄ DENOTES CASING VENT

500' 0 500' 1000' FEET
SCALE 1"=500'

SURVEYORS CERTIFICATE

I TERRY J. ASEL, NEW MEXICO PROFESSIONAL SURVEYOR NO. 15079, DO HEREBY CERTIFY THAT I CONDUCTED AND AM RESPONSIBLE FOR THIS SURVEY, THAT THIS SURVEY IS TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF, AND MEETS THE "MINIMUM STANDARDS FOR SURVEYING IN NEW MEXICO" AS ADOPTED BY THE NEW MEXICO STATE BOARD OF REGISTRATION FOR PROFESSIONAL ENGINEERS AND SURVEYORS.

Terry J. Asel 5/9/2016
Terry J. Asel, N.M. R.P.S. No. 15079

Asel Surveying
P.O. BOX 393 – 310 W. TAYLOR
HOBBS, NEW MEXICO – 575-393-9146

OXY USA INC.

SURVEY FOR A FLOWLINE EASEMENT CROSSING U.S.A. LAND IN SECTION 22, TOWNSHIP 24 SOUTH, RANGE 29 EAST, N.M.P.M., EDDY COUNTY, NEW MEXICO

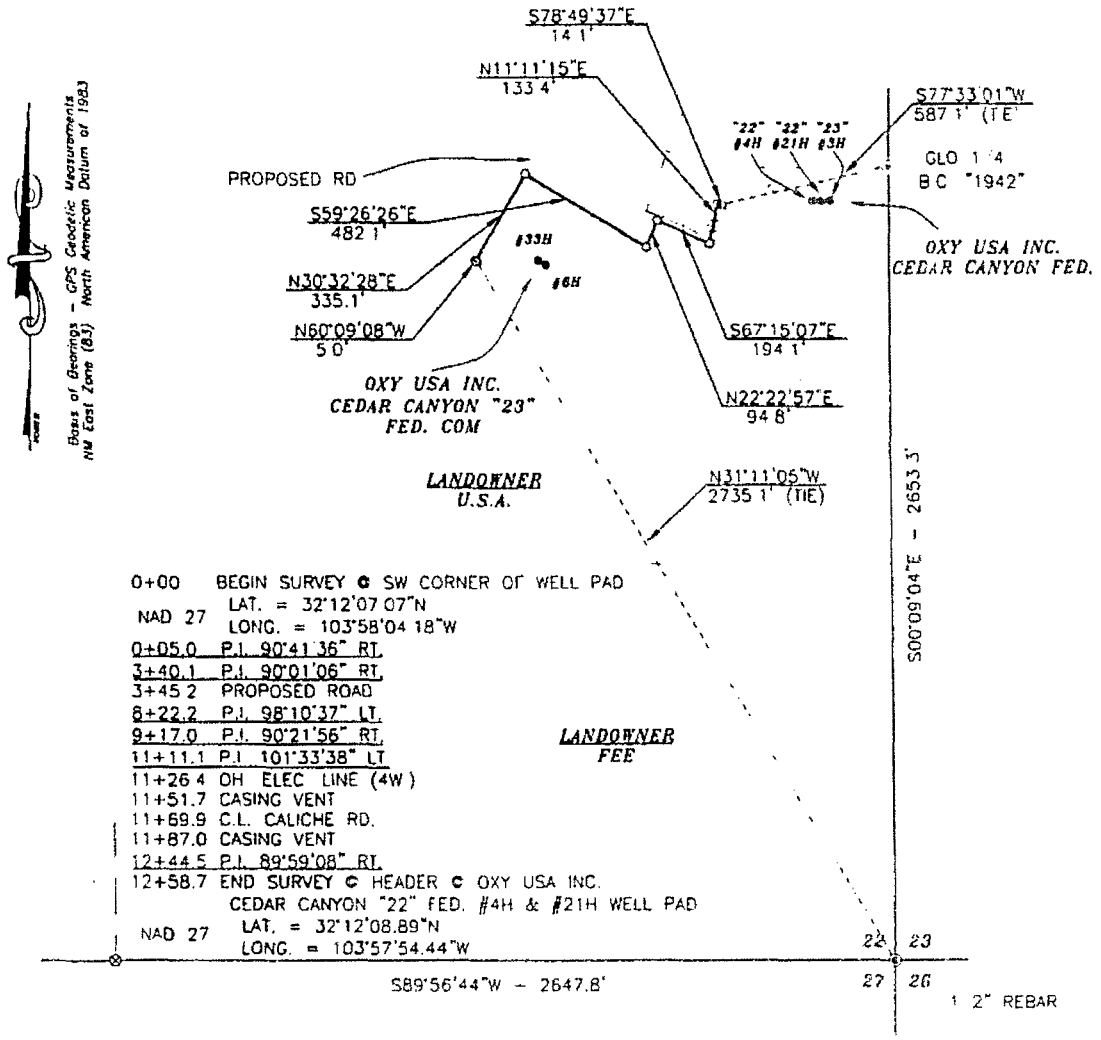
Survey Date:	04/25/16	Sheet 1 of 1 Sheets	
W.O. Number:	160425PL	Drawn By:	JL
Date:	04/30/16	160425PL.DWG	Scale: 1"=500'

Gas Lift Pipeline

OXY USA, INC.

SECTION 22, TOWNSHIP 24 SOUTH, RANGE 29 EAST, N.M.P.M.,

EDDY COUNTY NEW MEXICO



0+00 BEGIN SURVEY ℄ SW CORNER OF WELL PAD
NAD 27 LAT. = 32°12'07 07"N
LONG. = 103°58'04 18"W
0+05.0 P.I. 90°41'36" RT.
3+40.1 P.I. 90°01'06" RT.
3+45 2 PROPOSED ROAD
8+22.2 P.I. 98°10'37" LT.
9+17.0 P.I. 90°21'56" RT.
11+11.1 P.I. 101°33'38" LT
11+26 4 OH ELEC LINE (4W)
11+51.7 CASING VENT
11+69.9 C.L. CALICHE RD.
11+87.0 CASING VENT
12+44 5 P.I. 89°59'08" RT.
12+58.7 END SURVEY ℄ HEADER ℄ OXY USA INC.
CEDAR CANYON "22" FED. #4H & #21H WELL PAD
NAD 27 LAT. = 32°12'08.89"N
LONG. = 103°57'54.44"W

DESCRIPTION

A STRIP OF LAND 30.0 FEET WIDE AND 1258.7 FEET OR 0.238 MILES IN LENGTH CROSSING U.S.A. LAND IN SECTION 22, TOWNSHIP 24 SOUTH, RANGE 29 EAST, N.M.P.M., EDDY COUNTY NEW MEXICO AND BEING 15.0 FEET LEFT AND 15.0 FEET RIGHT OF THE ABOVE PLATTED CENTERLINE SURVEY.

LEGEND

- ◉ - DENOTES FOUND MONUMENT AS NOTED
- ⊗ DENOTES CALCULATED CORNER
- ⊸ DENOTES CASING VENT

500' 0 500' 1000 FEET
SCALE 1"=500'

SURVEYORS CERTIFICATE

I, TERRY J. ASEL, NEW MEXICO PROFESSIONAL SURVEYOR NO. 15079, DO HEREBY CERTIFY THAT I CONDUCTED AND AM RESPONSIBLE FOR THIS SURVEY, THAT THIS SURVEY IS TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF, AND MEETS THE "MINIMUM STANDARDS FOR SURVEYING IN NEW MEXICO" AS ADOPTED BY THE NEW MEXICO STATE BOARD OF REGISTRATION FOR PROFESSIONAL ENGINEERS AND SURVEYORS.

Terry J. Asel, N.M. R.P.S. No. 15079

Asel Surveying
P.O. BOX 393 - 310 W. TAYLOR
HOBBS, NEW MEXICO 575-393-9147

OXY USA INC.

SURVEY FOR A GAS LIFT PIPELINE EASEMENT CROSSING U.S.A. LAND IN SECTION 22, TOWNSHIP 24 SOUTH, RANGE 29 EAST, N.M.P.M., EDDY COUNTY, NEW MEXICO

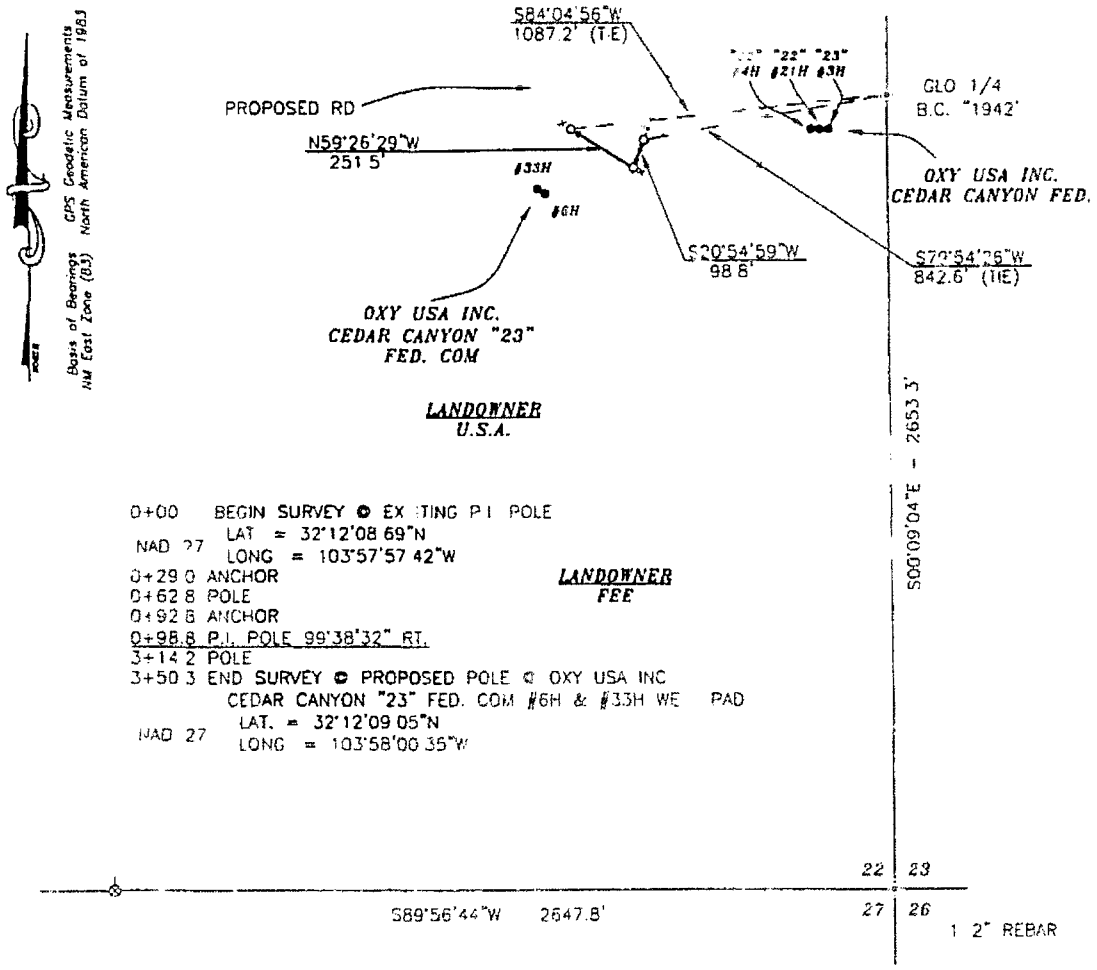
Survey Date: 04/25/16	Sheet 1 of 1 Sheets
W.O. Number: 160617PL-a	Drawn By:
Date: 05/17/16	160617PL-a.DWG Scale 1"=500'

Electric Line

OXY USA, INC.

SECTION 22, TOWNSHIP 24 SOUTH, RANGE 29 EAST, N.M.P.M.,

EDDY COUNTY NEW MEXICO



0+00 BEGIN SURVEY @ EXISTING P I POLE
NAD 27 LAT = 32°12'08 69"N
LONG = 103°57'57 42"W
0+29 0 ANCHOR
0+62 8 POLE
0+92 8 ANCHOR
0+98.8 P.I. POLE 99°38'32" RT.
3+14 2 POLE
3+50 3 END SURVEY @ PROPOSED POLE @ OXY USA INC
CEDAR CANYON "23" FED. COM #6H & #33H WE PAD
NAD 27 LAT. = 32°12'09 05"N
LONG = 103°58'00 35"W

LANDOWNER
FEE

DESCRIPTION

A STRIP OF LAND 30 0 FEET WIDE AND 350 3 FEET OR 0 066 MILES IN LENGTH CROSSING U S A LAND IN SECTION 22, TOWNSHIP 24 SOUTH, RANGE 29 EAST, N M P M , EDDY COUNTY NEW MEXICO AND BEING 15 0 FEET LEFT AND 15 0 FEET RIGHT OF THE ABOVE PLATTED CENTERLINE SURVEY

LEGEND

- ◉ DENOTES FOUND MONUMENT AS NOTED
- ⊘ DENOTES CALCULATED CORNER
- × DENOTES ANCHOR
- ● DENOTES PROPOSED WELL

500' 1000' FEET
SCALE 1"=500'

SURVEYORS CERTIFICATE

I, TERRY J. ASEL, NEW MEXICO PROFESSIONAL SURVEYOR NO. 15079, DO HEREBY CERTIFY THAT I CONDUCTED AND AM RESPONSIBLE FOR THIS SURVEY. THAT THIS SURVEY IS TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF, AND MEETS THE "MINIMUM STANDARDS FOR SURVEYING IN NEW MEXICO" AS ADOPTED BY THE NEW MEXICO STATE BOARD OF REGISTRATION FOR PROFESSIONAL ENGINEERS AND SURVEYORS.

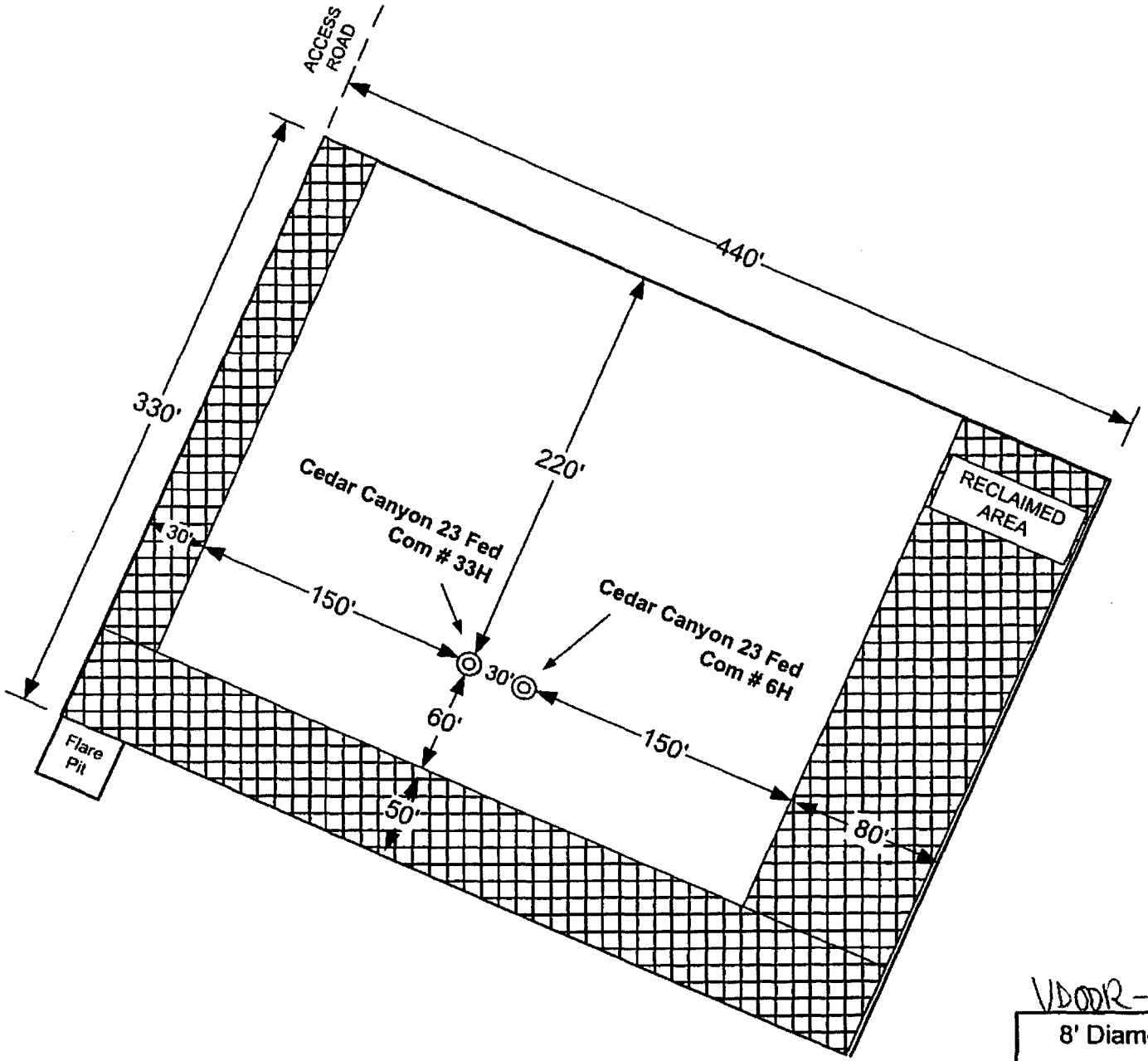
Terry J. Asel 5/9/2016
Terry J. Asel N.M. R.P.S. No. 15079

Asel Surveying
P.O. BOX 393 - 310 W. TAYLOR
HOBBS, NEW MEXICO 575-393-9146

OXY USA INC.

SURVEY FOR AN ELECTRIC LINE EASEMENT CROSSING U.S.A LAND IN SECTION 22, TOWNSHIP 24 SOUTH, RANGE 29 EAST, N.M.P.M., EDDY COUNTY, NEW MEXICO

Survey Date: 04/25/16	Sheet 1 of 1 Sheets
W.O. Number: 160425EL	Drawn By: JL
Date: 04/30/16	160425EL.DWG Scale: 1"=500'



VDOOR - NORTH WEST

8' Diameter x 8' Deep Tinhorn Cellar

Website Layout

REVISION BLOCK						ENGINEERING RECORD	
NO.	DATE	DESCRIPTION	BY	CHK	APP	BY	DATE

FLEX 3 RIG DIAGRAM

Cedar Canyon 23 Fed Com # 6H & 33H

EDDY COUNTY, NEW MEXICO

1. Geologic Formations

TVD of target	10280'	Pilot Hole Depth	N/A
MD at TD:	18052'	Deepest Expected fresh water:	218'

Delaware Basin

Formation	TVD - RKB	Expected Fluids
Rustler	218	
Salado	754	
Castile	1549	
Lamar/Delaware	3030	Oil/Gas
Bell Canyon*	3098	Water/Oil/Gas
Cherry Canyon*	3792	Oil/Gas
Brushy Canyon*	5191	Oil/Gas
1st Bone Spring	6742	Oil/Gas
2nd Bone Spring	8038	Oil/Gas
3rd Bone Spring	9724	Oil/Gas
Wolfcamp	**10071**	**Oil/Gas**

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

2. Casing Program

Hole Size (in)	Casing Interval		Csg. Size (in)	Weight (lbs)	Grade	Conn.	SF Collapse	SF Burst	Buoyant SF Tension	Buoyant Joint SF Tension
	From (ft)	To (ft)								
14.75	0	400	10.75	40.5	J55	BTC	7.59	1.54	2.89	3.23
9.875	0	8492	7.625	29.7	L80	BTC	1.14	1.28	1.71	1.86
9.875	8492	9792	7.625	29.7	HCL80	BTC	1.18	1.43	3.19	4.32
6.75	9692	18052	4.5	13.5	P-110	DQX	1.99	1.21	2.01	2.05

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 will be run in case a contingency second stage is required for cement to reach surface. If cement circulated to surface during first stage we will drop a cancelation cone and not pump the second stage.

	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 3rd 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 2nd 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	# Sks	Wt. lb/ gal	Yld ft3/ sack	H20 gal/sk	500# Comp. Strength (hours)	Slurry Description
Surface	265	14.8	1.35	6.53	6:50	Premium Plus Cement 2% Calcium Chloride – Flake (Accelerator)
Production Casing	1065	10.2	3.05	15.63	15:07	TUNED LIGHT (TM) SYSTEM 0.80% HR-601(Retarder), 3 lbm/sk Kol-Seal (Lost Circulation Additive), 0.125 lbm/sk Poly-E-Flake (Lost Circulation Additive)
	163	13.2	1.65	8.45	12:57	Super H Cement, 0.1 % HR-800 (Retarder), 0.5 % Halad(R)-344 (Low Fluid Loss Control), 0.3 % CFR-3 (Dispersant), 2 lbm Kol-Seal (Lost Circulation Additive), 3 lbm Salt (Salt)
DV/ECP Tool @ 3080' (We request the option to cancel the second stage if cement is circulated to surface during the first stage of cement operations)						
2nd Stage Prodution Casing	494	12.9	1.85	9.86	12:44	Halliburton Light Premium Plus Cement with 5% Salt (Accelerator), 0.125 lbs/sk Poly-E-Flake (Lost Circulation Additive), 5 lbs/sk Kol-Seal (Lost Circulation Additive), 0.35% HR-800 (Retarder)
	182	14.8	1.33	6.34	6:31	Premium Plus cement
Production Liner	816	13.2	1.631	8.37	15:15	Super H Cement, 0.1 % HR-800 (Retarder), 0.5 % Halad(R)-344 (Low Fluid Loss Control), 0.4 % CFR-3 (Dispersant), 3 lbm Salt (Salt)

Casing String	Lead To (ft)	Lead From (ft)	Tail To (ft)	Tail From (ft)	% Excess Lead	% Excess Tail
Surface	N/A	N/A	0	400		50%
Production Casing	0	8792	8792	9792	75%	20%
2nd Stage Prodution Casing	0	2580	2580	3080	75%	125%
Production Liner	N/A	N/A	9692	18052		15%

- **Cement Top and Liner Overlap**
  - Oxy is requesting permission to have minimum fill of cement behind the 4-1/2" production liner to be 100 ft into previous casing string
    - The reason for this is so that we can come back and develop shallower benches from the same 7-5/8" mainbore in the future
  - Our plan is to use a whipstock for our exit through the mainbore
    - Based on our lateral target, we are planning a whipstock cased/hole exit so that kick-off point will allow for roughly 10deg/100' doglegs needed for the curve
  - Cement will be brought to the top of this liner hanger

4. Pressure Control Equipment

BOP installed and tested before drilling which hole?	Size?	Min. Required WP	Type	✓	Tested to:
9.875" Intermediate	13-5/8"	10M	Annular	✓	70% of working pressure
			Blind Ram	✓	250/10,000psi
			Pipe Ram		
			Double Ram	✓	
			Other*		

*Specify if additional ram is utilized.

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 wellhead is being used. 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. See attached schematic. 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.

5. Mud Program

Depth		Type	Weight (ppg)	Viscosity	Water Loss
From (ft)	To (ft)				
0	400	EnerSeal (MMH)	8.4-8.6	40-60	N/C
400	3080	Brine	9.8-10.0	35-45	N/C
3080	9792	EnerSeal (MMH)	8.8-9.6	38-50	N/C
9792	18052	Oil-Based Mud	10.0-12.0	35-50	N/C

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

Oxy proposes to drill out the " surface casing shoe with a saturated brine system from 400' - 3080', which is the base of the salt system. At this point we will swap fluid systems to a high viscosity mixed metal hydroxide system. We will drill with this system to the intermediate TD @ 9792'.

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

6. Logging and Testing Procedures

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

Additional logs planned		Interval
No	Resistivity	
No	Density	
No	CBL	
Yes	Mud log	Intermediate Shoe - TD
No	PEX	

7. Drilling Conditions

Condition	Specify what type and where?
BH Pressure at deepest TVD	5025 psi
Abnormal Temperature	No

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.	
N	H2S is present
Y	H2S Plan attached

8. Other facets of operation

	Yes/No
Will the well be drilled with a walking/skidding operation? If yes, describe. • We plan to drill the two 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.	Yes
Will more than one drilling rig be used for drilling operations? If yes, describe.	No

Bottom Hole Expected Temperature: 162.2°F
Estimated Cuttings volume: 1340 bbls

Attachments
_x__ Directional Plan
_x__ H2S Contingency Plan
_x__ Flex III Attachments

9. Company Personnel

Name	Title	Office Phone	Mobile Phone
Ludwing Franco	Drilling Engineer	713-366-5174	832-523-6392
Tim Barnard	Drilling Engineer Team Lead	713-366-5706	281-740-3084
Amrut Athavale	Drilling Engineer Supervisor	713-350-4747	281-740-4448
Simon Benavides	Drilling Superintendent	713-522-8652	281-684-6897
Angie Contreras	Drilling & Completions Manager	713-497-2012	832-605-4882
Daniel Holderman	Drilling Manager	713-497-2006	832-525-9029

Database:	HOPSPP	**Local Co-ordinate Reference:**	Site Cedar Canyon 23
Company:	OXY	**TVD Reference:**	WELL @ 2974.40ft (Original Well Elev)
Project:	NM DIRECTIONAL PLANS (NAD 1983)	**MD Reference:**	WELL @ 2974.40ft (Original Well Elev)
Site:	Cedar Canyon 23	**North Reference:**	Grid
Well:	Cedar Canyon 23 Fed Com 33H	**Survey Calculation Method:**	Minimum Curvature
Wellbore:	WB00		
Design:	Permitting Plan (NAD83)		

Project	NM DIRECTIONAL PLANS (NAD 1983)		
Map System:	US State Plane 1983	**System Datum:**	Mean Sea Level
Geo Datum:	North American Datum 1983		
Map Zone:	New Mexico Eastern Zone		

Site Cedar Canyon 23

Site Position:		**Northing:**	437,433 25 usft	**Latitude:**	32° 12' 7 387388 N
From:	Map	**Easting:**	654,477 20 usft	**Longitude:**	103° 58' 3 176994 W
Position Uncertainty:	0 00 ft	**Slot Radius:**	13 200 in	**Grid Convergence:**	0 19 "

Well Cedar Canyon 23 Fed Com 33H

Well Position	**+N/-S**	15 25 ft	**Northing:**	437,448.50 usft	**Latitude:**	32° 12' 7.539170 N
	+E/-W	-25 83 ft	**Easting:**	654,451 37 usft	**Longitude:**	103° 58' 3.477018 W
Position Uncertainty		0.00 ft	**Wellhead Elevation:**	2,947 90 ft	**Ground Level:**	2 947.90 ft

Wellbore WB00

Magnetics	**Model Name**	**Sample Date**	**Declination (°)**	**Dip Angle (°)**	**Field Strength (nT)**
	HDGM	9/23/2016	7 17	60 03	48,217

Design Permitting Plan (NAD83)

Audit Notes:

Version:	**Phase:**	PROTOTYPE	**Tie On Depth:**	0.00

Vertical Section:	**Depth From (TVD) (ft)**	**+N/-S (ft)**	**+E/-W (ft)**	**Direction (°)**
	0.00	15 25	-25.83	90 23

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	0.00	0 00	0 00	15 25	-25.83	0 00	0.00	0 00	0.00	
5,675.00	0 00	0 00	5,675 00	15.25	-25.83	0 00	0.00	0 00	0.00	
6,425.01	15.00	93 80	6,416 47	8 78	71.57	2 00	2 00	0 00	93 80	
9,891.75	15.00	93 80	9,765 08	-50 72	966.87	0 00	0.00	0 00	0.00	
10,635.18	89.30	89 73	10,190 00	-56 14	1 513.48	10 00	9 99	-0 55	-4 23	CC23_33H_LANDI
18,052.06	89 30	89 73	10,280 00	-21 46	8 929 74	0 00	0.00	0 00	0.00	CC23_33H_BHL

Database:	HOPSPP	**Local Co-ordinate Reference:**	Site Cedar Canyon 23
Company:	OXY	**TVD Reference:**	WELL @ 2974.40ft (Original Well Elev)
Project:	NM DIRECTIONAL PLANS (NAD 1983)	**MD Reference:**	WELL @ 2974.40ft (Original Well Elev)
Site:	Cedar Canyon 23	**North Reference:**	Grid
Well:	Cedar Canyon 23 Fed Com 33H	**Survey Calculation Method:**	Minimum Curvature
Wellbore:	WB00		
Design:	Permitting Plan (NAD83)		

Planned Survey

Measured Depth (ft)	Inclination (°)	Azimuth (°)	Vertical Depth (ft)	+N/-S (ft)	+E/-W (ft)	Vertical Section (ft)	Dogleg Rate (°/100ft)	Build Rate (°/100ft)	Turn Rate (°/100ft)
0.00	0.00	0.00	0.00	15.25	-25.83	0.00	0.00	0.00	0.00
SHL									
218.00	0.00	0.00	218.00	15.25	-25.83	0.00	0.00	0.00	0.00
Rustler									
754.00	0.00	0.00	754.00	15.25	-25.83	0.00	0.00	0.00	0.00
Salado									
1,549.00	0.00	0.00	1,549.00	15.25	-25.83	0.00	0.00	0.00	0.00
Castile									
3,030.00	0.00	0.00	3,030.00	15.25	-25.83	0.00	0.00	0.00	0.00
Lamar/Delaware									
3,098.00	0.00	0.00	3,098.00	15.25	-25.83	0.00	0.00	0.00	0.00
Bell Canyon									
3,792.00	0.00	0.00	3,792.00	15.25	-25.83	0.00	0.00	0.00	0.00
Cherry Canyon									
5,191.00	0.00	0.00	5,191.00	15.25	-25.83	0.00	0.00	0.00	0.00
Brushy Canyon									
5,675.00	0.00	0.00	5,675.00	15.25	-25.83	0.00	0.00	0.00	0.00
Front Stepout DLS 2.00									
5,700.00	0.50	93.80	5,700.00	15.24	-25.72	0.11	2.00	2.00	0.00
5,800.00	2.50	93.80	5,799.96	15.07	-23.11	2.72	2.00	2.00	0.00
5,900.00	4.50	93.80	5,899.77	14.66	-17.02	8.81	2.00	2.00	0.00
6,000.00	6.50	93.80	5,999.30	14.03	-7.46	18.38	2.00	2.00	0.00
6,100.00	8.50	93.80	6,098.44	13.16	5.57	31.41	2.00	2.00	0.00
6,200.00	10.50	93.80	6,197.07	12.07	22.04	47.88	2.00	2.00	0.00
6,300.00	12.50	93.80	6,295.05	10.75	41.93	67.78	2.00	2.00	0.00
6,400.00	14.50	93.80	6,392.29	9.20	65.22	91.07	2.00	2.00	0.00
6,425.01	15.00	93.80	6,416.47	8.78	71.57	97.43	2.00	2.00	0.00
Hold 15° tangent									
6,500.00	15.00	93.80	6,488.91	7.49	90.94	116.80	0.00	0.00	0.00
6,600.00	15.00	93.80	6,585.50	5.77	116.76	142.63	0.00	0.00	0.00
6,700.00	15.00	93.80	6,682.09	4.06	142.59	168.46	0.00	0.00	0.00
6,762.02	15.00	93.80	6,742.00	2.99	158.61	184.49	0.00	0.00	0.00
Bone Spring									
6,800.00	15.00	93.80	6,778.68	2.34	168.42	194.30	0.00	0.00	0.00
6,900.00	15.00	93.80	6,875.28	0.63	194.24	220.13	0.00	0.00	0.00
7,000.00	15.00	93.80	6,971.87	-1.09	220.07	245.96	0.00	0.00	0.00
7,100.00	15.00	93.80	7,068.46	-2.81	245.89	271.79	0.00	0.00	0.00
7,200.00	15.00	93.80	7,165.05	-4.52	271.72	297.63	0.00	0.00	0.00
7,300.00	15.00	93.80	7,261.65	-6.24	297.54	323.46	0.00	0.00	0.00
7,400.00	15.00	93.80	7,358.24	-7.95	323.37	349.29	0.00	0.00	0.00
7,500.00	15.00	93.80	7,454.83	-9.67	349.19	375.12	0.00	0.00	0.00
7,600.00	15.00	93.80	7,551.42	-11.39	375.02	400.95	0.00	0.00	0.00
7,700.00	15.00	93.80	7,648.02	-13.10	400.84	426.79	0.00	0.00	0.00
7,800.00	15.00	93.80	7,744.61	-14.82	426.67	452.62	0.00	0.00	0.00
7,900.00	15.00	93.80	7,841.20	-16.54	452.49	478.45	0.00	0.00	0.00
8,000.00	15.00	93.80	7,937.79	-18.25	478.32	504.28	0.00	0.00	0.00
8,100.00	15.00	93.80	8,034.39	-19.97	504.14	530.11	0.00	0.00	0.00
8,200.00	15.00	93.80	8,130.98	-21.68	529.97	555.95	0.00	0.00	0.00
8,300.00	15.00	93.80	8,227.57	-23.40	555.79	581.78	0.00	0.00	0.00
8,400.00	15.00	93.80	8,324.16	-25.12	581.62	607.61	0.00	0.00	0.00
8,500.00	15.00	93.80	8,420.76	-26.83	607.45	633.44	0.00	0.00	0.00
8,600.00	15.00	93.80	8,517.35	-28.55	633.27	659.27	0.00	0.00	0.00
8,700.00	15.00	93.80	8,613.94	-30.26	659.10	685.11	0.00	0.00	0.00

Database:	HOPSPP	**Local Co-ordinate Reference:**	Site Cedar Canyon 23
Company:	OXY	**TVD Reference:**	WELL @ 2974 40ft (Original Wel: Elev)
Project:	NM DIRECTIONAL PLANS (NAD 1983)	**MD Reference:**	WELL @ 2974 40ft (Original Well Elev)
Site:	Cedar Canyon 23	**North Reference:**	Grid
Well:	Cedar Canyon 23 Fed Com 33H	**Survey Calculation Method:**	Minimum Curvature
Wellbore:	WB00		
Design:	Permitting Plan (NAD83)		

Planned Survey

Measured Depth (ft)	Inclination (°)	Azimuth (°)	Vertical Depth (ft)	+N/-S (ft)	+E/-W (ft)	Vertical Section (ft)	Dogleg Rate (°/100ft)	Build Rate (°/100ft)	Turn Rate (°/100ft)
8,800 00	15.00	93.80	8,710 53	-31.98	684 92	710 94	0.00	0.00	0.00
8,900.00	15.00	93.80	8,807.13	-33.70	710 75	736 77	0 00	0.00	0 00
9,000.00	15.00	93.80	8,903 72	-35.41	736 57	762.60	0 00	0.00	0.00
9,100.00	15.00	93.80	9,000 31	-37.13	762.40	788.44	0.00	0.00	0.00
9,200.00	15.00	93.80	9,096 90	-38.84	788.22	814.27	0.00	0 00	0 00
9,300.00	15 00	93.80	9,193 50	-40.56	814 05	840.10	0.00	0 00	0 00
9,400.00	15 00	93.80	9,290.09	-42.28	839.87	865.93	0 00	0 00	0 00
9,500.00	15 00	93.80	9,386 68	-43.99	865.70	891.76	0.00	0 00	0 00
9,600.00	15.00	93.80	9,483.27	-45.71	891.52	917.60	0 00	0 00	0 00
9,700 00	15.00	93 80	9,579.87	-47.43	917.35	943.43	0 00	0 00	0.00
9,800 00	15 00	93 80	9,676.46	-49.14	943.17	969.26	0 00	0 00	0.00
9,891.75	15.00	93 80	9,765.08	-50.72	966.87	992 96	0 00	0 00	0 00
Build and turn curve DLS 10°/100'									
9,900 00	15.82	93 58	9,773.04	-50 86	969.06	995.15	10 00	9.98	-2.70
10,000.00	25.81	91.98	9,866.39	-52 46	1,004 51	1,030 61	10 00	9.98	-1.60
10,100.00	35.80	91.23	9,952.17	-53 85	1,055 64	1,081 74	10 00	9.99	-0 75
10,200.00	45.80	90 78	10,027.78	-54 97	1,120 88	1,146 99	10 00	10.00	-0.45
10,266.05	52.40	90.56	10,071.00	-55 55	1,170 77	1,196 88	10 00	10.00	-0.34
Wolfcamp									
10,300.00	55 79	90.46	10,090 91	-55 80	1,198 27	1,224 38	10.00	10.00	-0.29
10,400 00	65 79	90.21	10,139 64	-56.30	1,285 44	1,311.56	10.00	10.00	-0.25
10,500.00	75 79	90.00	10,172 51	-56.46	1,379 75	1,405 87	10.00	10.00	-0 21
10,600 00	85 79	89.80	10,188.49	-56.28	1,478 34	1,504.45	10.00	10.00	-0 20
10,635 18	89 30	89.73	10,190.00	-56.14	1,513 48	1,539 59	10.00	10.00	-0 19
Landing Point									
10,700 00	89.30	89.73	10 190.79	-55.84	1,578.30	1 604.40	0.00	0 00	0 00
10,800 00	89.30	89.73	10,192.00	-55.37	1 678.29	1 704.39	0.00	0 00	0 00
10,900.00	89.30	89 73	10 193.21	-54.90	1,778.28	1 804.38	0 00	0 00	0 00
11,000 00	89.30	89.73	10,194.43	-54.43	1,878.27	1,904.37	0 00	0 00	0 00
11,100.00	89.30	89 73	10,195.64	-53.97	1,978.26	2,004.36	0 00	0 00	0.00
11,200.00	89.30	89 73	10,196.85	-53.50	2,078.25	2,104.35	0 00	0 00	0 00
11,300.00	89.30	89 73	10,198.07	-53 03	2,178.25	2,204 34	0 00	0.00	0.00
11,400.00	89.30	89.73	10,199.28	-52.56	2,278.24	2,304 33	0.00	0.00	0.00
11,500.00	89.30	89.73	10,200.49	-52.10	2,378 23	2,404 31	0 00	0.00	0.00
11,600.00	89.30	89.73	10,201.71	-51.63	2,478 22	2,504 30	0.00	0.00	0.00
11,700.00	89.30	89.73	10,202.92	-51.16	2,578 21	2,604 29	0 00	0.00	0.00
11,800.00	89.30	89.73	10,204 13	-50 69	2,678 20	2,704 28	0 00	0.00	0.00
11,900.00	89 30	89.73	10,205 35	-50 23	2,778 19	2,804 27	0.00	0.00	0.00
12,000 00	89 30	89.73	10,206 56	-49.76	2,878 19	2,904.26	0.00	0.00	0.00
12,100 00	89 30	89.73	10,207.78	-49.29	2,978 18	3,004 25	0.00	0.00	0 00
12,200 00	89 30	89.73	10,208 99	-48.82	3,078 17	3,104.24	0.00	0.00	0 00
12,300 00	89 30	89.73	10,210.20	-48.36	3,178 16	3,204.22	0.00	0.00	0 00
12,400 00	89.30	89.73	10,211.42	-47.89	3,278 15	3,304.21	0.00	0.00	0.00
12,500 00	89.30	89.73	10 212.63	-47.42	3,378.14	3,404.20	0.00	0.00	0 00
12,600 00	89.30	89.73	10,213.84	-46.95	3,478.14	3,504.19	0.00	0.00	0 00
12,700.00	89.30	89.73	10,215.06	-46.49	3,578.13	3,604.18	0.00	0.00	0 00
12,800.00	89.30	89.73	10,216.27	-46.02	3,678.12	3 704.17	0.00	0 00	0 00
12,900.00	89.30	89 73	10,217.48	-45.55	3,778.11	3 804.16	0.00	0 00	0 00
13,000.00	89.30	89 73	10,218.70	-45.08	3,878.10	3 904.15	0 00	0.00	0 00
13,100.00	89.30	89 73	10,219.91	-44.62	3 978.09	4,004.14	0 00	0 00	0.00
13,200.00	89.30	89 73	10,221.12	-44.15	4,078.08	4 104 12	0 00	0.00	0.00
13,300.00	89.30	89.73	10,222.34	-43 68	4,178.08	4,204 11	0 00	0.00	0.00
13,400.00	89 30	89.73	10,223.55	-43 21	4,278.07	4,304 10	0 00	0 00	0 00

Database:	HOPSPP	**Local Co-ordinate Reference:**	Site Cedar Canyon 23
Company:	OXY	**TVD Reference:**	WELL @ 2974.40ft (Original Well Elev)
Project:	NM DIRECTIONAL PLANS (NAD 1983)	**MD Reference:**	WELL @ 2974.40ft (Original Well Elev)
Site:	Cedar Canyon 23	**North Reference:**	Grid
Well:	Cedar Canyon 23 Fed Com 33H	**Survey Calculation Method:**	Minimum Curvature
Wellbore:	WB00		
Design:	Permitting Plan (NAD83)		

Planned Survey

Measured Depth (ft)	Inclination (°)	Azimuth (°)	Vertical Depth (ft)	+N/-S (ft)	+E/-W (ft)	Vertical Section (ft)	Dogleg Rate (°/100ft)	Build Rate (°/100ft)	Turn Rate (°/100ft)
13,500.00	89.30	89.73	10,224.76	-42.74	4,378.06	4,404.09	0.00	0.00	0.00
13,600.00	89.30	89.73	10,225.98	-42.28	4,478.05	4,504.08	0.00	0.00	0.00
13,700.00	89.30	89.73	10,227.19	-41.81	4,578.04	4,604.07	0.00	0.00	0.00
13,800.00	89.30	89.73	10,228.40	-41.34	4,678.03	4,704.06	0.00	0.00	0.00
13,900.00	89.30	89.73	10,229.62	-40.87	4,778.03	4,804.05	0.00	0.00	0.00
14,000.00	89.30	89.73	10,230.83	-40.41	4,878.02	4,904.03	0.00	0.00	0.00
14,100.00	89.30	89.73	10,232.04	-39.94	4,978.01	5,004.02	0.00	0.00	0.00
14,200.00	89.30	89.73	10,233.26	-39.47	5,078.00	5,104.01	0.00	0.00	0.00
14,300.00	89.30	89.73	10,234.47	-39.00	5,177.99	5,204.00	0.00	0.00	0.00
14,400.00	89.30	89.73	10,235.68	-38.54	5,277.98	5,303.99	0.00	0.00	0.00
14,500.00	89.30	89.73	10,236.90	-38.07	5,377.98	5,403.98	0.00	0.00	0.00
14,600.00	89.30	89.73	10,238.11	-37.60	5,477.97	5,503.97	0.00	0.00	0.00
14,700.00	89.30	89.73	10,239.32	-37.13	5,577.96	5,603.96	0.00	0.00	0.00
14,800.00	89.30	89.73	10,240.54	-36.67	5,677.95	5,703.94	0.00	0.00	0.00
14,900.00	89.30	89.73	10,241.75	-36.20	5,777.94	5,803.93	0.00	0.00	0.00
15,000.00	89.30	89.73	10,242.97	-35.73	5,877.93	5,903.92	0.00	0.00	0.00
15,100.00	89.30	89.73	10,244.18	-35.26	5,977.92	6,003.91	0.00	0.00	0.00
15,200.00	89.30	89.73	10,245.39	-34.80	6,077.92	6,103.90	0.00	0.00	0.00
15,300.00	89.30	89.73	10,246.61	-34.33	6,177.91	6,203.89	0.00	0.00	0.00
15,400.00	89.30	89.73	10,247.82	-33.86	6,277.90	6,303.88	0.00	0.00	0.00
15,500.00	89.30	89.73	10,249.03	-33.39	6,377.89	6,403.87	0.00	0.00	0.00
15,600.00	89.30	89.73	10,250.25	-32.93	6,477.88	6,503.86	0.00	0.00	0.00
15,700.00	89.30	89.73	10,251.46	-32.46	6,577.87	6,603.84	0.00	0.00	0.00
15,800.00	89.30	89.73	10,252.67	-31.99	6,677.87	6,703.83	0.00	0.00	0.00
15,900.00	89.30	89.73	10,253.89	-31.52	6,777.86	6,803.82	0.00	0.00	0.00
16,000.00	89.30	89.73	10,255.10	-31.06	6,877.85	6,903.81	0.00	0.00	0.00
16,100.00	89.30	89.73	10,256.31	-30.59	6,977.84	7,003.80	0.00	0.00	0.00
16,200.00	89.30	89.73	10,257.53	-30.12	7,077.83	7,103.79	0.00	0.00	0.00
16,300.00	89.30	89.73	10,258.74	-29.65	7,177.82	7,203.78	0.00	0.00	0.00
16,400.00	89.30	89.73	10,259.95	-29.18	7,277.81	7,303.77	0.00	0.00	0.00
16,500.00	89.30	89.73	10,261.17	-28.72	7,377.81	7,403.75	0.00	0.00	0.00
16,600.00	89.30	89.73	10,262.38	-28.25	7,477.80	7,503.74	0.00	0.00	0.00
16,700.00	89.30	89.73	10,263.59	-27.78	7,577.79	7,603.73	0.00	0.00	0.00
16,800.00	89.30	89.73	10,264.81	-27.31	7,677.78	7,703.72	0.00	0.00	0.00
16,900.00	89.30	89.73	10,266.02	-26.85	7,777.77	7,803.71	0.00	0.00	0.00
17,000.00	89.30	89.73	10,267.23	-26.38	7,877.76	7,903.70	0.00	0.00	0.00
17,100.00	89.30	89.73	10,268.45	-25.91	7,977.76	8,003.69	0.00	0.00	0.00
17,200.00	89.30	89.73	10,269.66	-25.44	8,077.75	8,103.68	0.00	0.00	0.00
17,300.00	89.30	89.73	10,270.87	-24.98	8,177.74	8,203.66	0.00	0.00	0.00
17,400.00	89.30	89.73	10,272.09	-24.51	8,277.73	8,303.65	0.00	0.00	0.00
17,500.00	89.30	89.73	10,273.30	-24.04	8,377.72	8,403.64	0.00	0.00	0.00
17,600.00	89.30	89.73	10,274.51	-23.57	8,477.71	8,503.63	0.00	0.00	0.00
17,700.00	89.30	89.73	10,275.73	-23.11	8,577.70	8,603.62	0.00	0.00	0.00
17,800.00	89.30	89.73	10,276.94	-22.64	8,677.70	8,703.61	0.00	0.00	0.00
17,900.00	89.30	89.73	10,278.16	-22.17	8,777.69	8,803.60	0.00	0.00	0.00
18,000.00	89.30	89.73	10,279.37	-21.70	8,877.68	8,903.59	0.00	0.00	0.00
18,052.06	89.30	89.73	10,280.00	-21.46	8,929.73	8,955.64	0.00	0.00	0.00

TD at 18052.06 MD

Database:	HOPSPP	**Local Co-ordinate Reference:**	Site Cedar Canyon 23
Company:	OXY	**TVD Reference:**	WELL @ 2974.40ft (Original Well Elev)
Project:	NM DIRECTIONAL PLANS (NAD 1983)	**MD Reference:**	WELL @ 2974.40ft (Original Well Elev)
Site:	Cedar Canyon 23	**North Reference:**	Grid
Well:	Cedar Canyon 23 Fed Com 33H	**Survey Calculation Method:**	Minimum Curvature
Wellbore:	WB00		
Design:	Permitting Plan (NAD83)		

Formations

Measured Depth (ft)	Vertical Depth (ft)	Name	Lithology	Dip (°)	Dip Direction (°)
218.00	218.00	Rustler			
754.00	754.00	Salado			
1,549.00	1,549.00	Castile			
3,030.00	3,030.00	Lamar/Delaware			
3,098.00	3,098.00	Bell Canyon			
3,792.00	3,792.00	Cherry Canyon			
5,191.00	5,191.00	Brushy Canyon			
6,762.02	6,742.00	Bone Spring			
10,266.05	10,071.00	Wolfcamp		0.00	

Plan Annotations

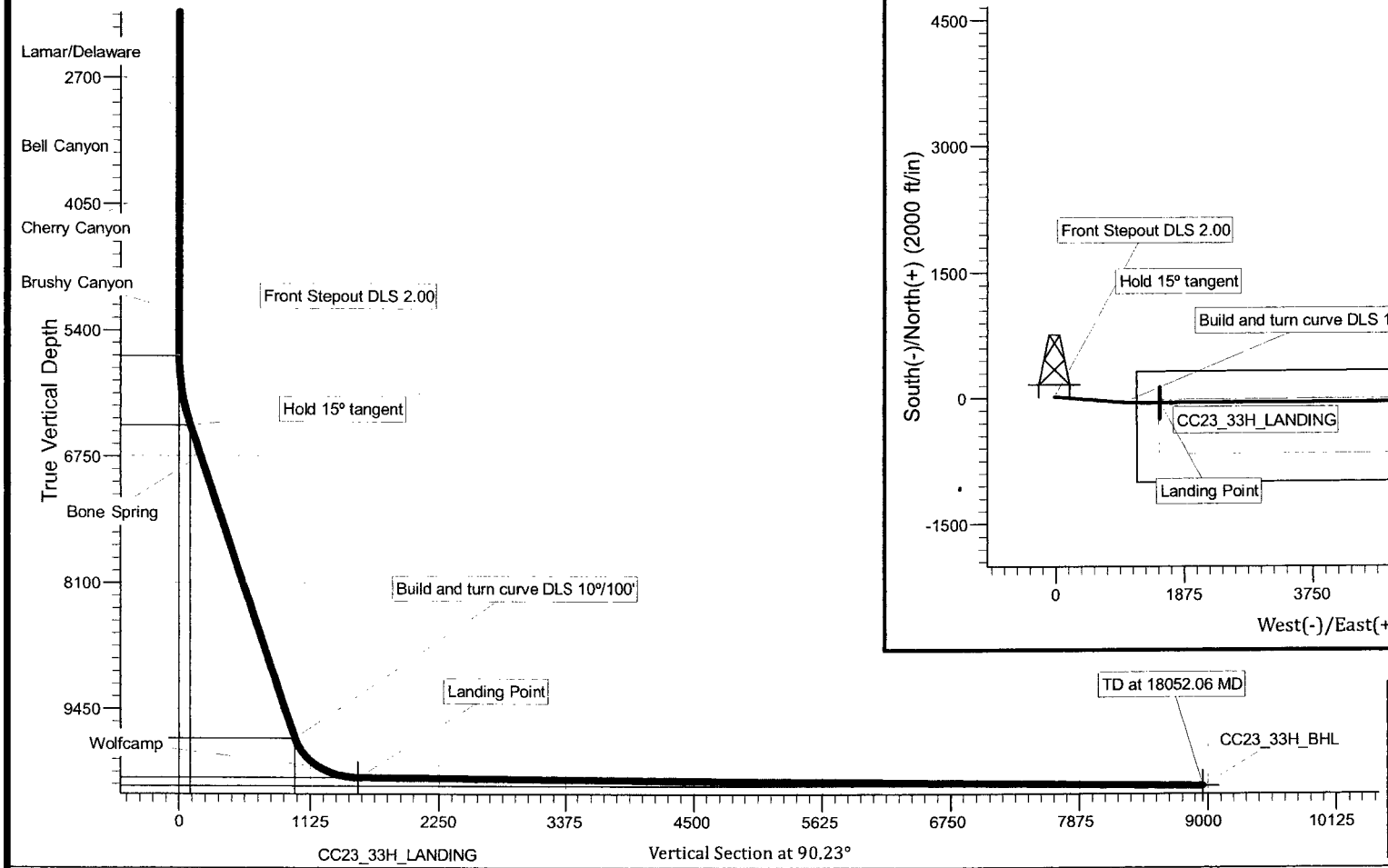
Measured Depth (ft)	Vertical Depth (ft)	Local Coordinates +N/-S (ft)	Local Coordinates +E/-W (ft)	Comment
0.00	0.00	15.25	-25.83	SHL
5,675.00	5,675.00	8.78	71.57	Front Stepout DLS 2.00
6,425.01	6,416.47	-50.72	966.87	Hold 15° tangent
9,891.75	9,765.08	-56.14	1,513.48	Build and turn curve DLS 10°/100'
10,635.18	10,190.00	-21.46	8,929.74	Landing Point
18,052.06	10,280.00			TD at 18052.06 MD

Project: NM DIRECTIONAL PLANS (NAD 1983)
Site: Cedar Canyon 23
Well: Cedar Canyon 23 Fed Com 33H
Wellbore: WB00
Design: Permitting Plan (NAD83)

WELL DETAILS: Cedar Canyon 23 Fed Com 33H

Ground Level: 2947.90 — WELL @ 2974.40ft (Original Well Elev)

+N/-S	+E/-W	Northing	Easting	Latitude	Longitude
15.25	-25.83	437448.50	654451.37	32° 12' 7.539170 N	103° 58' 3.477018 W



PROJECT DETAILS: NM DIRECTIONAL PLANS (NAD 1983)

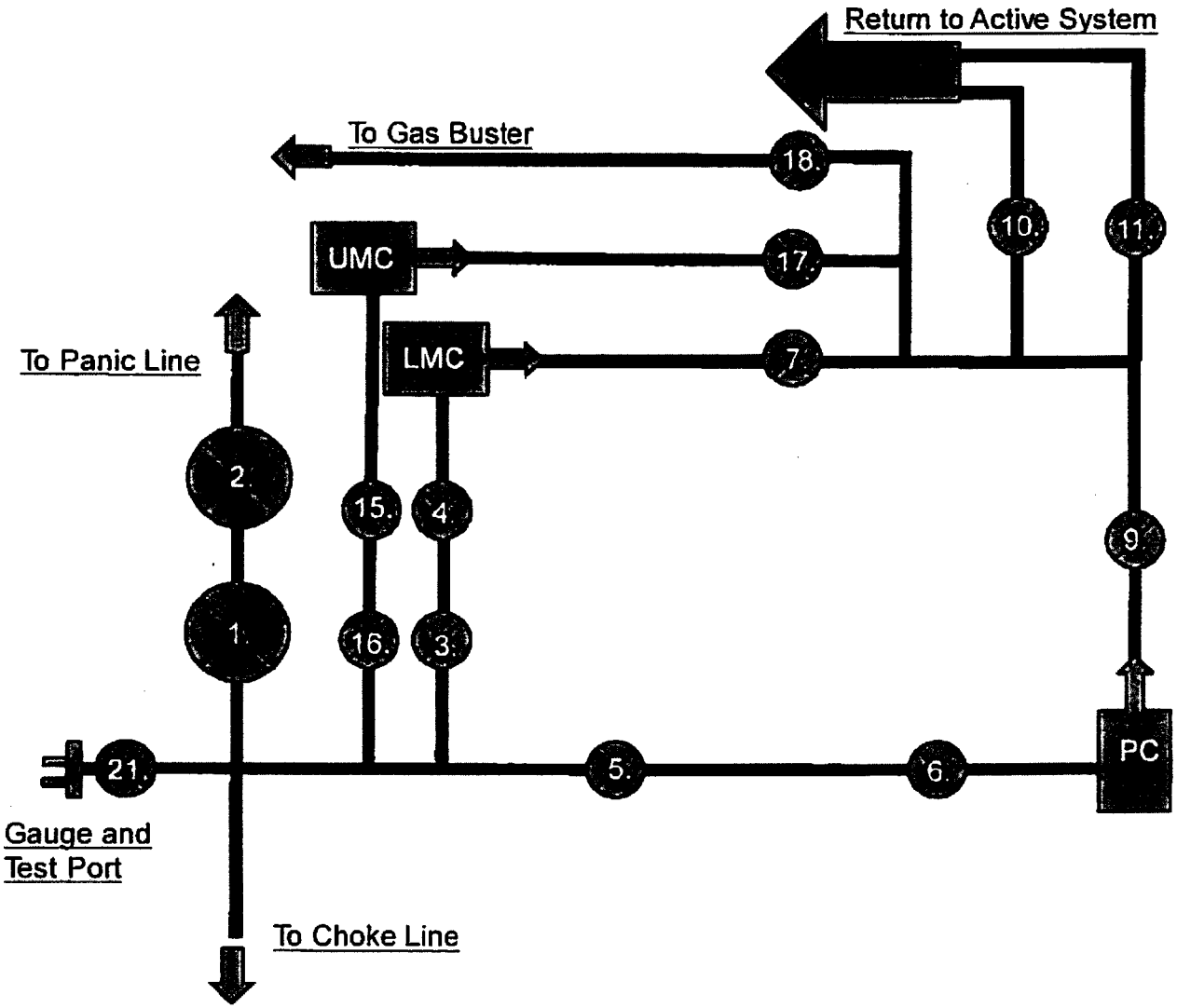
Geodetic System: US State Plane 1983
Datum: North American Datum 1983
Ellipsoid: GRS 1980
Zone: New Mexico Eastern Zone

System Datum: Mean Sea Level

ANNOTATIONS

TVD	MD	Inc	Azi	+N/-S	+E/-W	VSect	Departure	Annotation
0.00	0.00	0.00	0.00	15.25	-25.83	0.00	0.00	SHL
5675.00	5675.00	0.00	0.00	15.25	-25.83	0.00	0.00	Front Stepout DLS 2.00
6416.47	6425.01	15.00	93.80	8.78	71.57	97.43	97.62	Hold 15° tangent
9765.08	9891.75	15.00	93.80	-50.72	966.87	992.96	994.89	Build and turn curve DLS 10°/100'
10190.00	10635.18	89.30	89.73	-56.14	1513.48	1539.59	1541.58	Landing Point
10280.00	18052.06	89.30	89.73	-21.46	8929.73	8955.64	8957.91	TD at 18052.06 MD

10M Choke Panel



1. Choke Manifold Valve
2. Choke Manifold Valve
3. Choke Manifold Valve
4. Choke Manifold Valve
5. Choke Manifold Valve
6. Choke Manifold Valve
7. Choke Manifold Valve
8. PC – Power Choke
9. Choke Manifold Valve
10. Choke Manifold Valve
11. Choke Manifold Valve
12. LMC – Lower Manual Choke
13. UMC – Upper manual choke

15. Choke Manifold Valve
16. Choke Manifold Valve
17. Choke Manifold Valve
18. Choke Manifold Valve

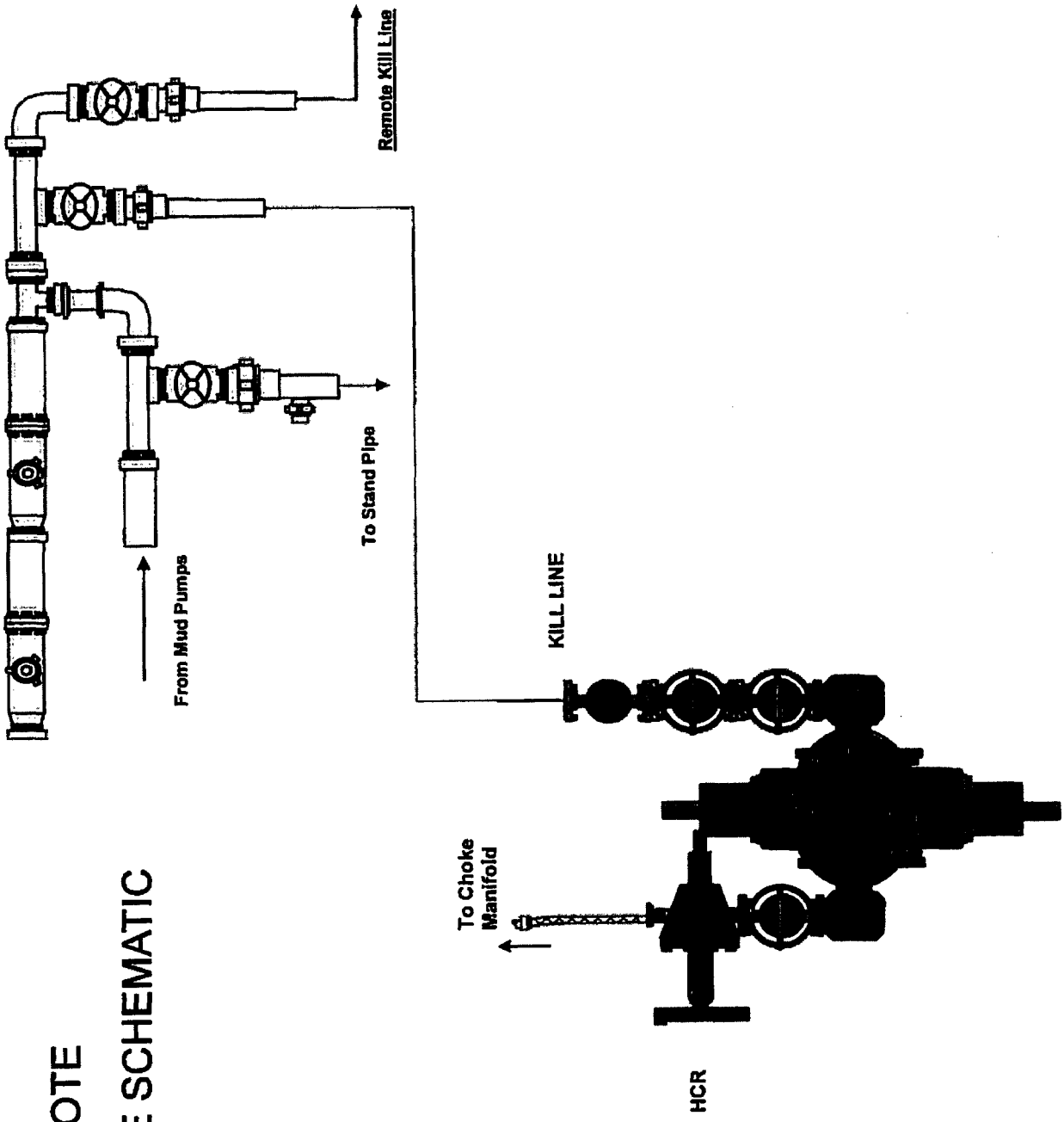
21. Vertical Choke Manifold Valve

***All Valves 3" minimum**

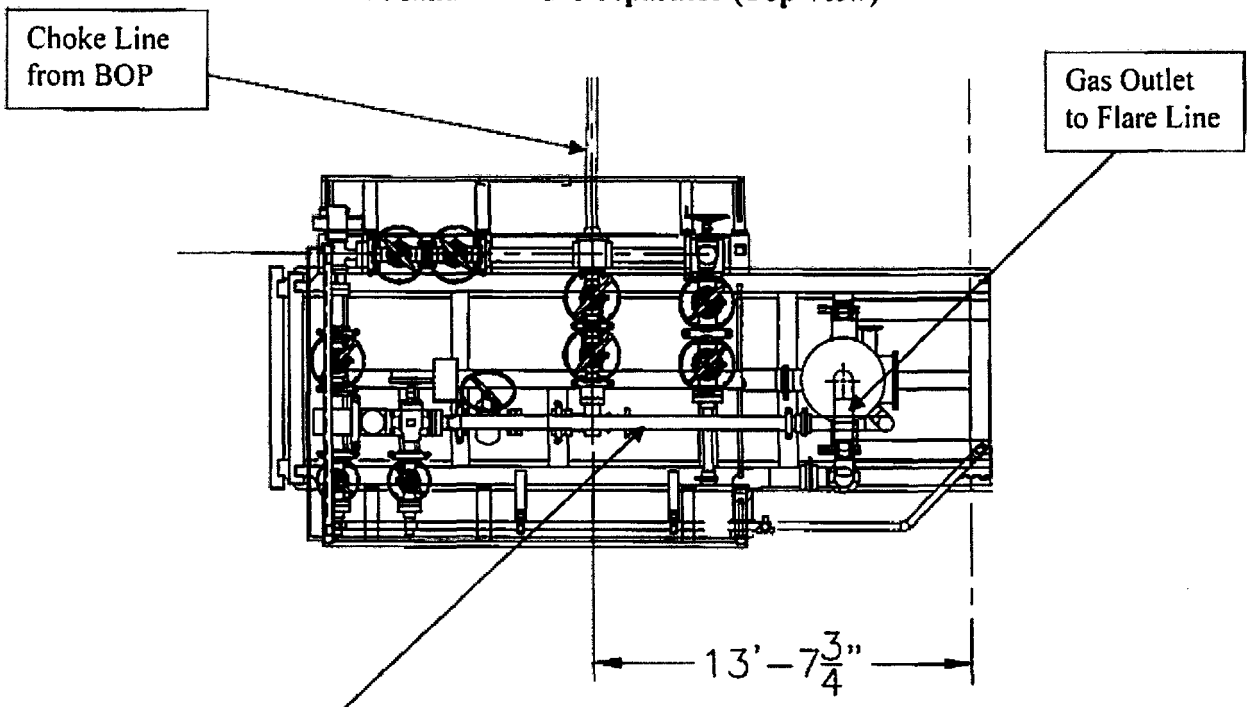
CM-1

CM-2

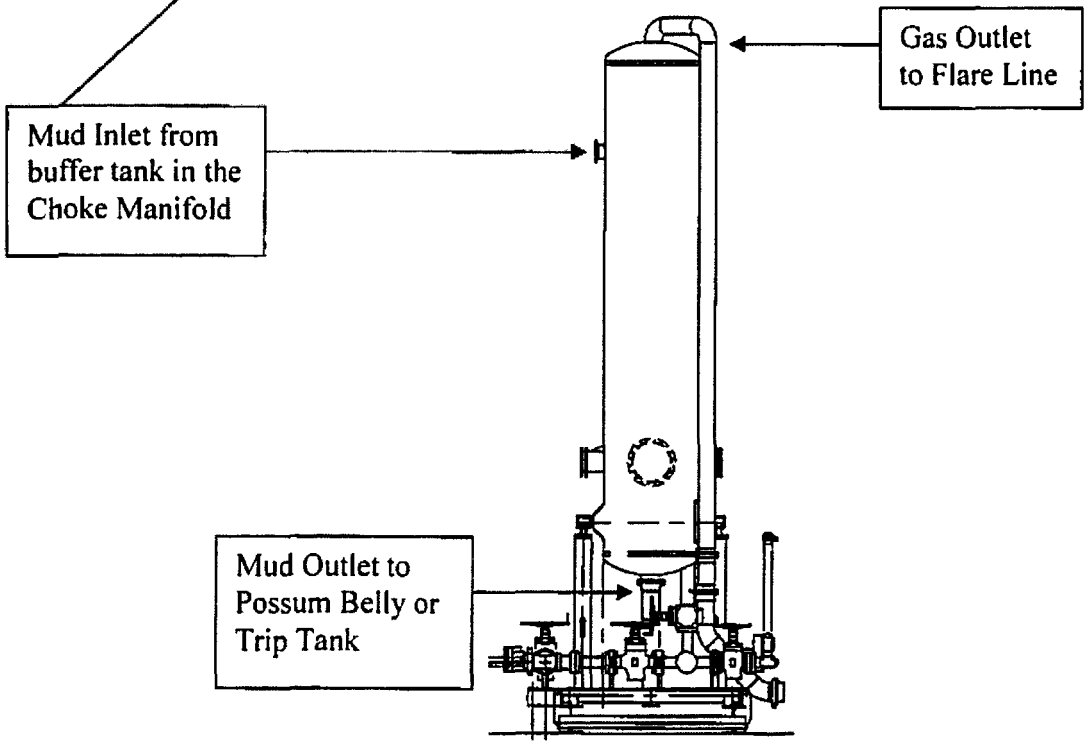
10M REMOTE KILL LINE SCHEMATIC



Choke Manifold – Gas Separator (Top View)

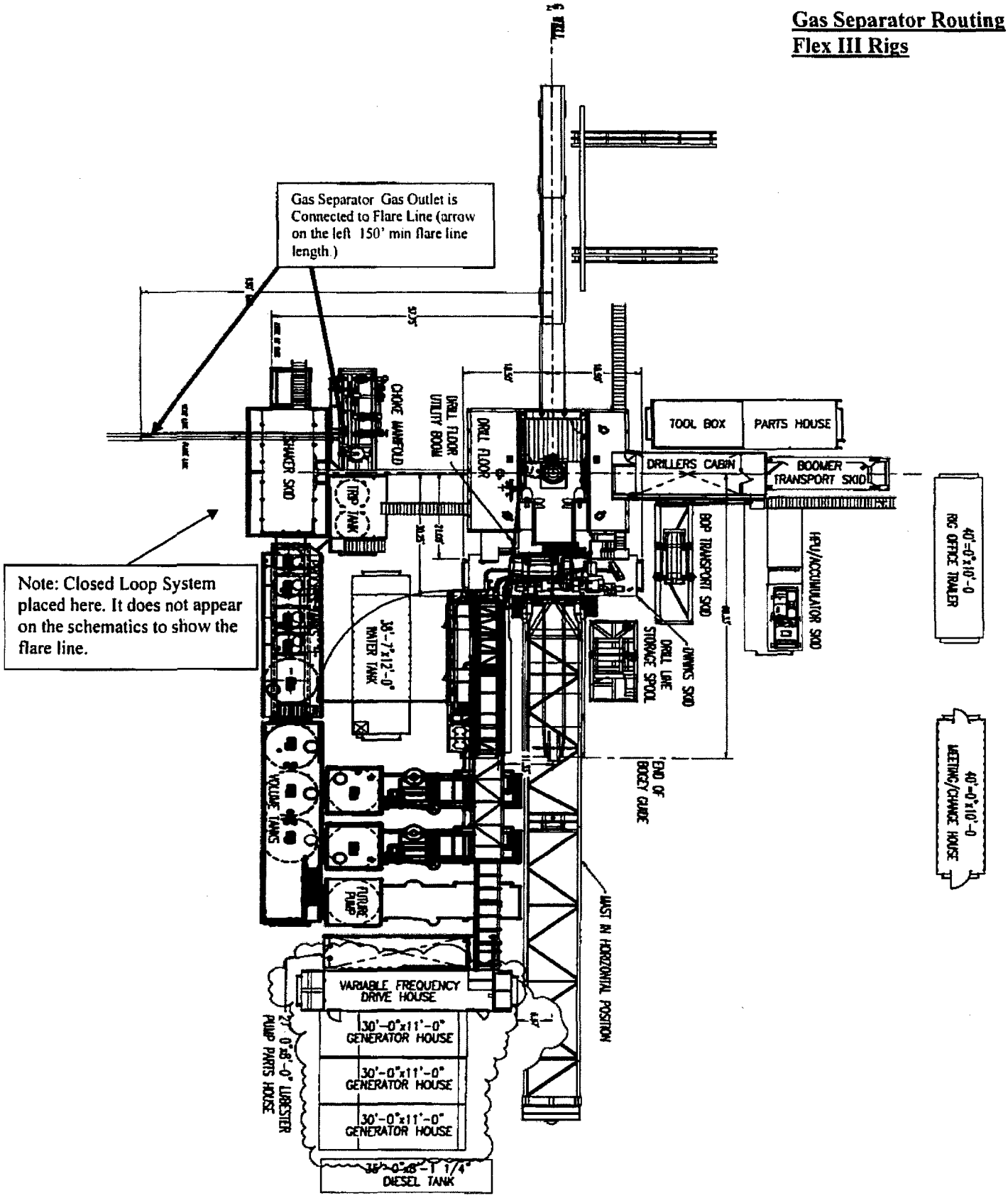


Choke Manifold – Gas Separator (Side View)



CM-4

Gas Separator Routing
Flex III Rigs

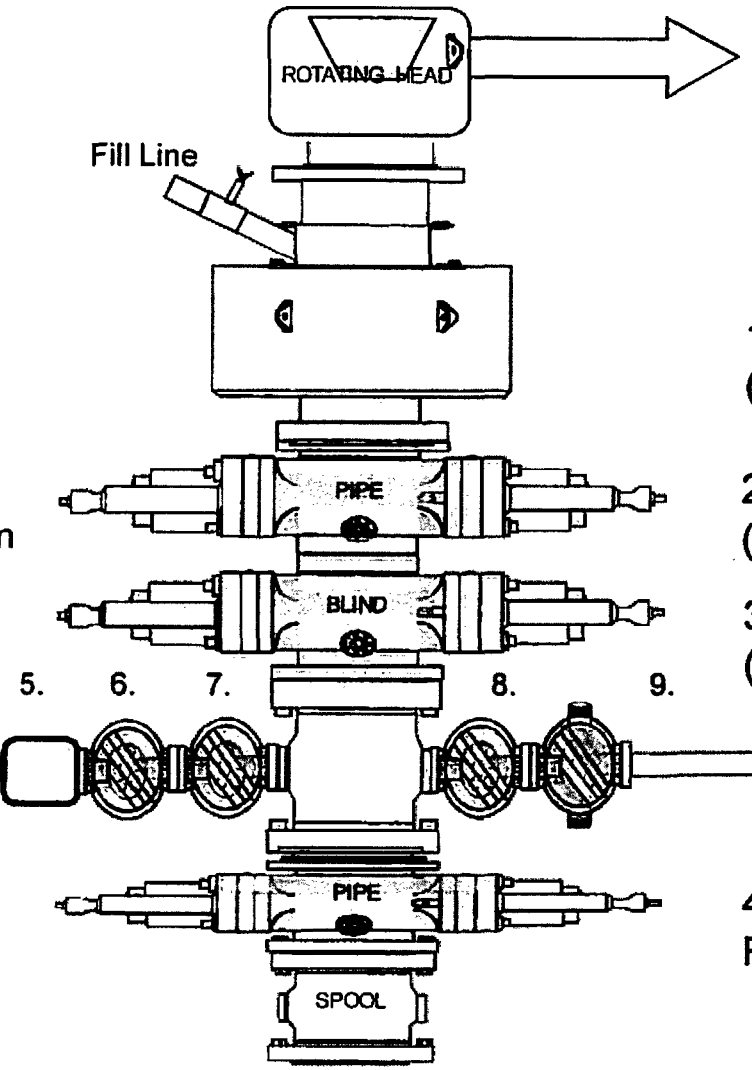


10M BOP Stack

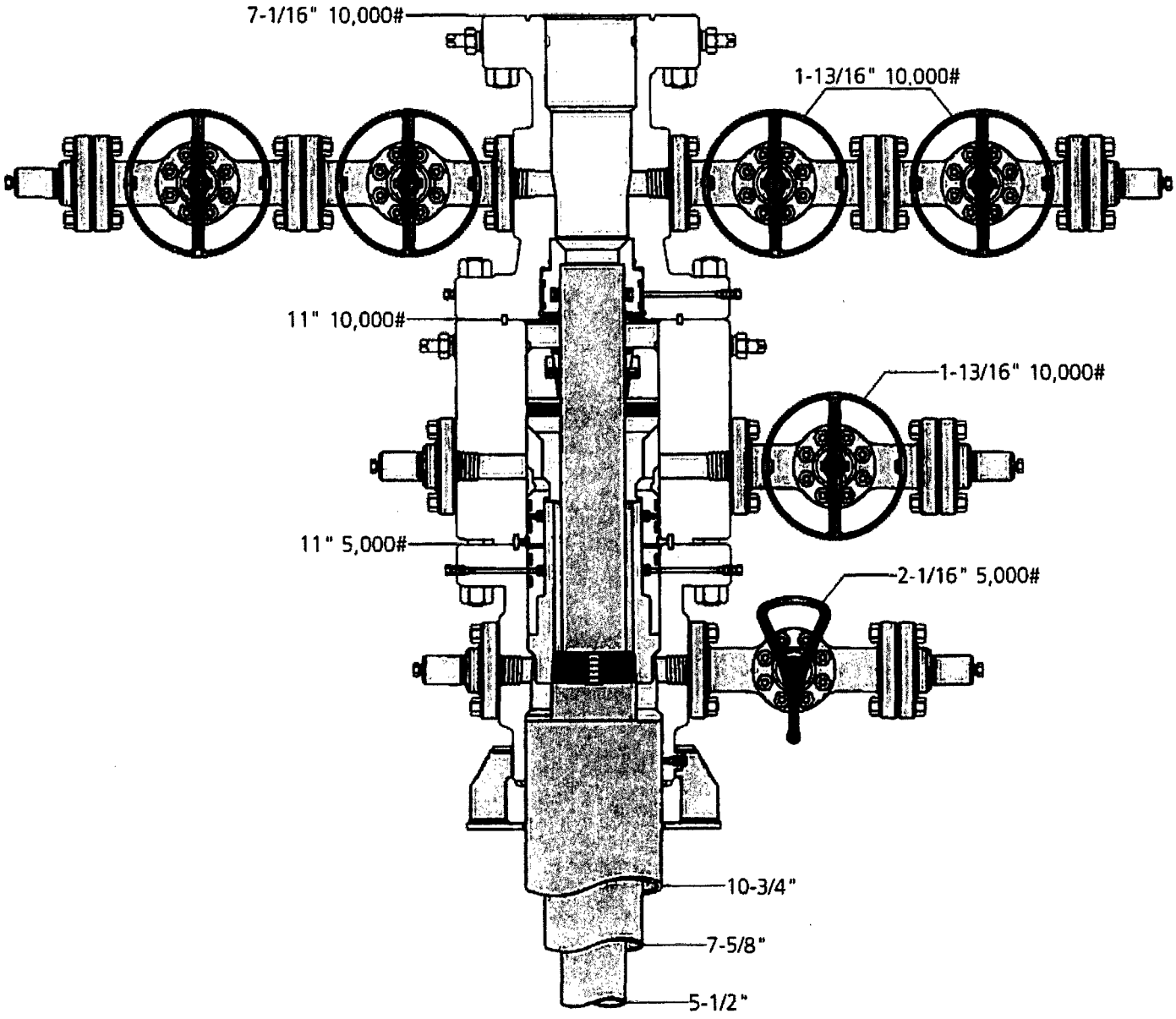
Mud Cross Valves:

5. 10M Check Valve
6. Outside 10M Kill Line Valve
7. Inside 10M Kill Line
8. Outside10M Kill Line Valve
9. 10M HCR Valve

*Minimum ID = 2-1/16" on Kill Line side and 3" minimum ID on choke line side



1. 10,000 psi Annular (13-5/8" ID)
2. 10,000 psi Upper Pipe Ram (13-5/8" ID)
3. 10,000 psi Blind Ram (13-5/8" ID)
4. 10,000 psi Lower Pipe Ram (13-5/8" ID)



OXY

11" 10K MBS SL2 Wellhead

CAMERON
A Schlumberger Company

Jeanette	7-5-16	#	J-9786-1

Continental CONTITECH

Fluid Technology

Quality Document

QUALITY CONTROL INSPECTION AND TEST CERTIFICATE				CERT. N°: 746
PURCHASER: Phoenix Beattie Co.				P.O. N°: 002491
CONTITECH ORDER N°: 412638		HOSE TYPE: 3" ID		Choke and Kill Hose
HOSE SERIAL N°: 52777		NOMINAL / ACTUAL LENGTH:		10,67 m
W.P. 68,96 MPa	10000 psi	T.P. 103,4 MPa	15000 psi	Duration: 60 -- min.

Pressure test with water at ambient temperature

See attachment. (1 page)

↑ 10 mm = 10 Min.

→ 10 mm = 25 MPa

COUPLINGS

Type	Serial N°	Quality	Heat N°
3" coupling with	917 913	AISI 4130	T7998A
4 1/16" Flange end		AISI 4130	26984

INFOCHIP INSTALLED

API Spec 16 C
Temperature rate:"B"

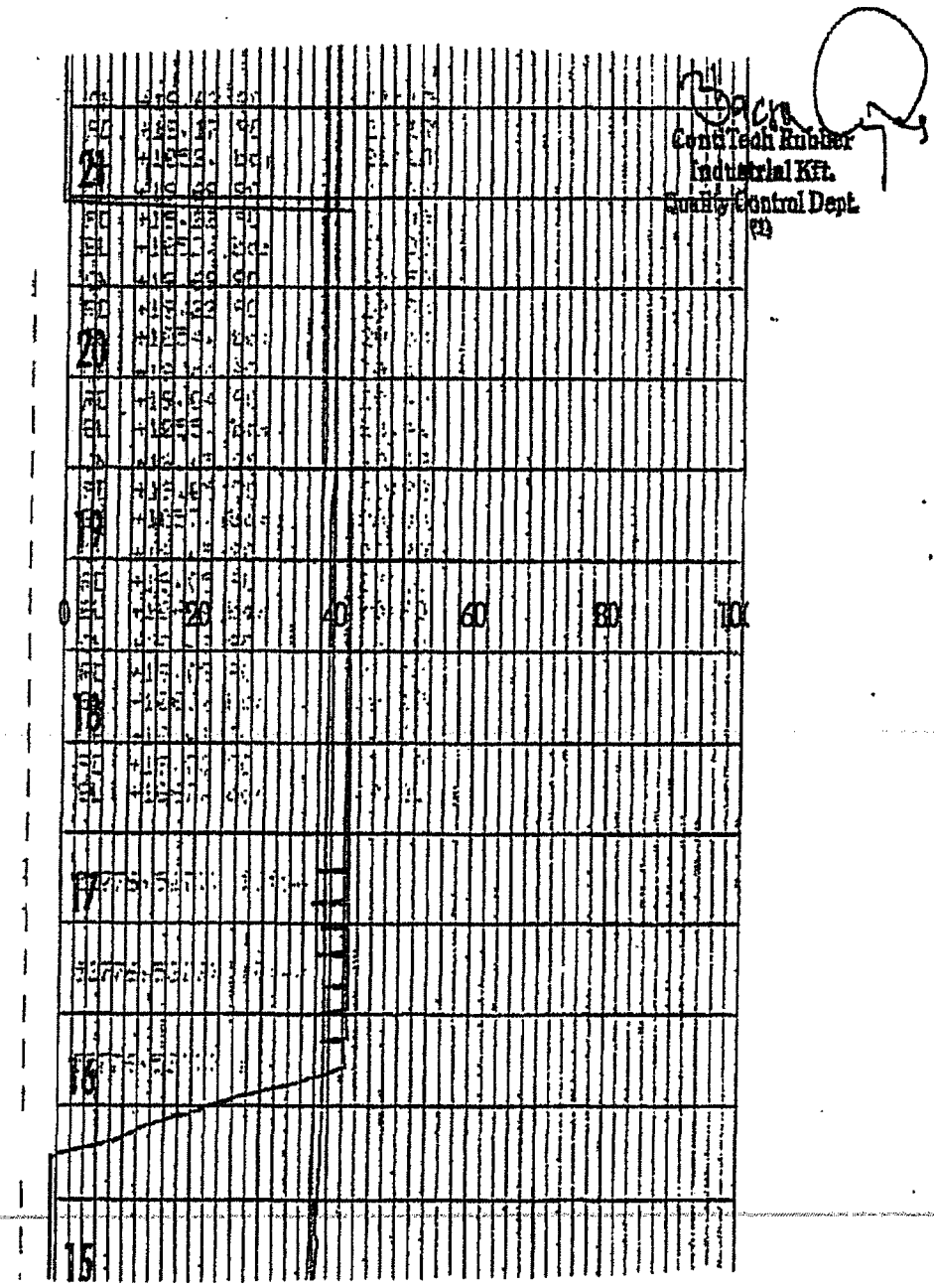
All metal parts are flawless

WE CERTIFY THAT THE ABOVE HOSE HAS BEEN MANUFACTURED IN ACCORDANCE WITH THE TERMS OF THE ORDER AND PRESSURE TESTED AS ABOVE WITH SATISFACTORY RESULT.

Date:	Inspector	Quality Control
04. April. 2008		ContiTech Rubber Industrial Kft. Quality Control Dept. (1)

FH-2

Coflex Hose Certification



FH-3

Coflex Hose Certification

Form No 100/12

PHOENIX Beattie

Phoenix Beattie Corp
11535 Brittmoore Park Drive
Houston, TX 77041
Tel: (832) 327-0141
Fax: (832) 327-0148
E-mail mail@phoenixbeattie.com
www.phoenixbeattie.com

Delivery Note

Customer Order Number	370-369-001	Delivery Note Number	003078	Page	1
Customer / Invoice Address HELMERICH & PAYNE INT'L DRILLING CO 1437 SOUTH BOULDER TULSA, OK 74119		**Delivery / Address** HELMERICH & PAYNE IDC ATTN: JOE STEPHENSON - RIG 370 13609 INDUSTRIAL ROAD HOUSTON, TX 77015			

Customer Acc No	Phoenix Beattie Contract Manager	Phoenix Beattie Reference	Date
H01	JJL	006330	05/23/2008

Item No	Beattie Part Number / Description	Qty Ordered	Qty Sent	Qty To Follow
1	HP10CK3A-35-4F1 3" 10K 16C C&K HOSE x 35ft OAL CW 4.1/16" API SPEC FLANGE E/ End 1: 4.1/16" 10Kpsi API Spec 6A Type 6BX Flange End 2: 4.1/16" 10Kpsi API Spec 6A Type 6BX Flange c/w BX155 Standard ring groove at each end Suitable for H2S Service Working pressure: 10,000psi Test pressure: 15,000psi Standard: API 16C Full specification Armor Guarding: Included Fire Rating: Not Included Temperature rating: -20 Deg C to +100 Deg C	1	1	0
2	SECK3-HPF3 LIFTING & SAFETY EQUIPMENT TO SUIT HP10CK3-35-F1 2 x 160mm ID Safety Clamps 2 x 244mm ID Lifting Collars & element C's 2 x 7ft Stainless Steel wire rope 3/4" OD 4 x 7.75t Shackles	1	1	0
3	SC725-200CS SAFETY CLAMP 200MM 7.25T C/S GALVANISED	1	1	0

Continued...

FH-4

Coflex Hose Certification

Form No 100/12

PHOENIX Beattie

Phoenix Beattie Corp
11535 Brittmoore Park Drive
Houston, TX 77041
Tel: (832) 327-0141
Fax: (832) 327-0148
E-mail mail@phoenixbeattie.com
www.phoenixbeattie.com

Delivery Note

Customer Order Number	370-369-001	Delivery Note Number	003078	Page	2

Customer / Invoice Address	Delivery / Address
HELMERICH & PAYNE INT'L DRILLING CO 1437 SOUTH BOULDER TULSA, OK 74119	HELMERICH & PAYNE IDC ATTN: JOE STEPHENSON - RIG 370 13609 INDUSTRIAL ROAD HOUSTON, TX 77015

Customer Acc No	Phoenix Beattie Contract Manager	Phoenix Beattie Reference	Date
H01	JJL	006330	05/23/2008

Item No	Beattie Part Number / Description	Qty Ordered	Qty Sent	Qty To Follow
4	SC725-132CS SAFETY CLAMP 132MM 7.25T C/S GALVANIZED C/W BOLTS	1	1	0
5	00CERT-HYDRO HYDROSTATIC PRESSURE TEST CERTIFICATE	1	1	0
6	00CERT-LOAD LOAD TEST CERTIFICATES	1	1	0
7	00FREIGHT INBOUND / OUTBOUND FREIGHT PRE-PAY & ADD TO FINAL INVOICE NOTE: MATERIAL MUST BE ACCOMPANIED BY PAPERWORK INCLUDING THE PURCHASE ORDER, RIG NUMBER TO ENSURE PROPER PAYMENT	1	1	0

Phoenix Beattie Inspection Signature :

Received In Good Condition : Signature

Print Name

Date

All goods remain the property of Phoenix Beattie until paid for in full. Any damage or shortage on this delivery must be advised within 5 days. *Returns may be subject to a handling charge.*

PHOENIX Beattie

Material Identification Certificate

PA No	006330	Client	HELMERICH & PAYNE INT'L DRILLING	Client Ref	370-369-001	Page	1

Part No	Description	Material Desc	Material Spec	Qty	WO No	Batch No	Test Cert No	Bin No	Drg No	Issue No
HP10CK3A-35-4F1	3" 10K 16C C&K HOSE x 35ft OAL			1	2491	52777/H884		WATER		
SECK3-HPF3	LIFTING & SAFETY EQUIPMENT TO			1	2440	002440		W/STK		
SC725-200CS	SAFETY CLAMP 200MM 7.25T	CARBON STEEL		1	2519	H665		22C		
SC725-132CS	SAFETY CLAMP 132MM 7.25T	CARBON STEEL		1	2242	H139		22		

We hereby certify that these goods have been inspected by our Quality Management System, and to the best of our knowledge are found to conform to relevant industry standards within the requirements of the purchase order as issued to Phoenix Beattie Corporation.

05/13/08

Coflex Hose Certification

FH-5

FH-6

Continental CONTITECH

Fluid Technology

Quality Document

CERTIFICATE OF CONFORMITY

Supplier : CONTITECH RUBBER INDUSTRIAL KFT.
Equipment : 6 pcs. Choke and Kill Hose with installed couplings
Type : **3" x 10,67 m WP: 10000 psi**
Supplier File Number : 412638
Date of Shipment : April. 2008
Customer : Phoenix Beattie Co.
Customer P.o. : 002491
Referenced Standards / Codes / Specifications : API Spec 16 C
Serial No.: 52754,52755,52776,52777,52778,52782

STATEMENT OF CONFORMITY

We hereby certify that the above items/equipment supplied by us are in conformity with the terms, conditions and specifications of the above Purchaser Order and that these items/equipment were fabricated inspected and tested in accordance with the referenced standards, codes and specifications and meet the relevant acceptance criteria and design requirements.

COUNTRY OF ORIGIN HUNGARY/EU

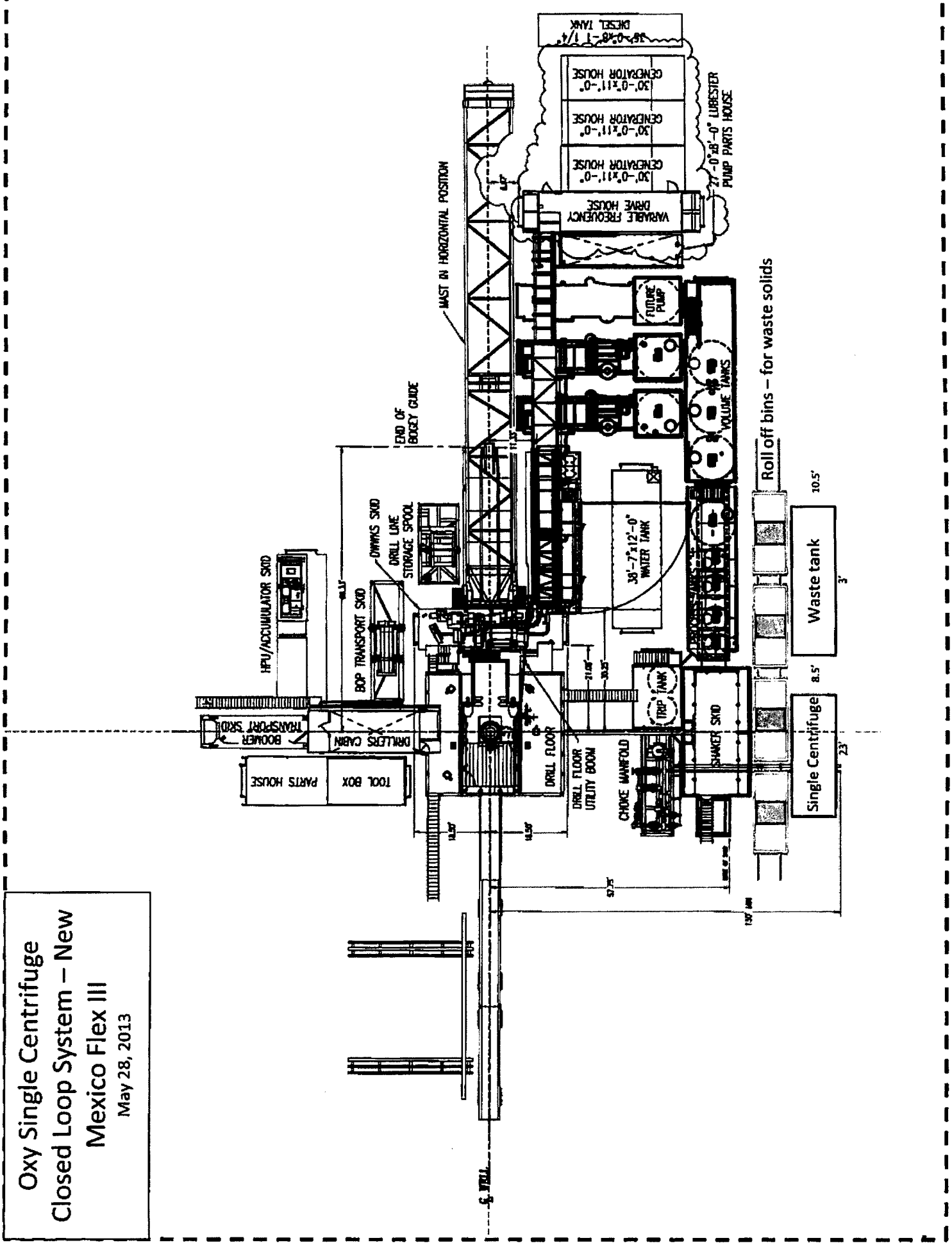
Signed : .....

ContiTech Rubber Industrial Kft. Quality Control Dept.

Date: 04. April. 2008

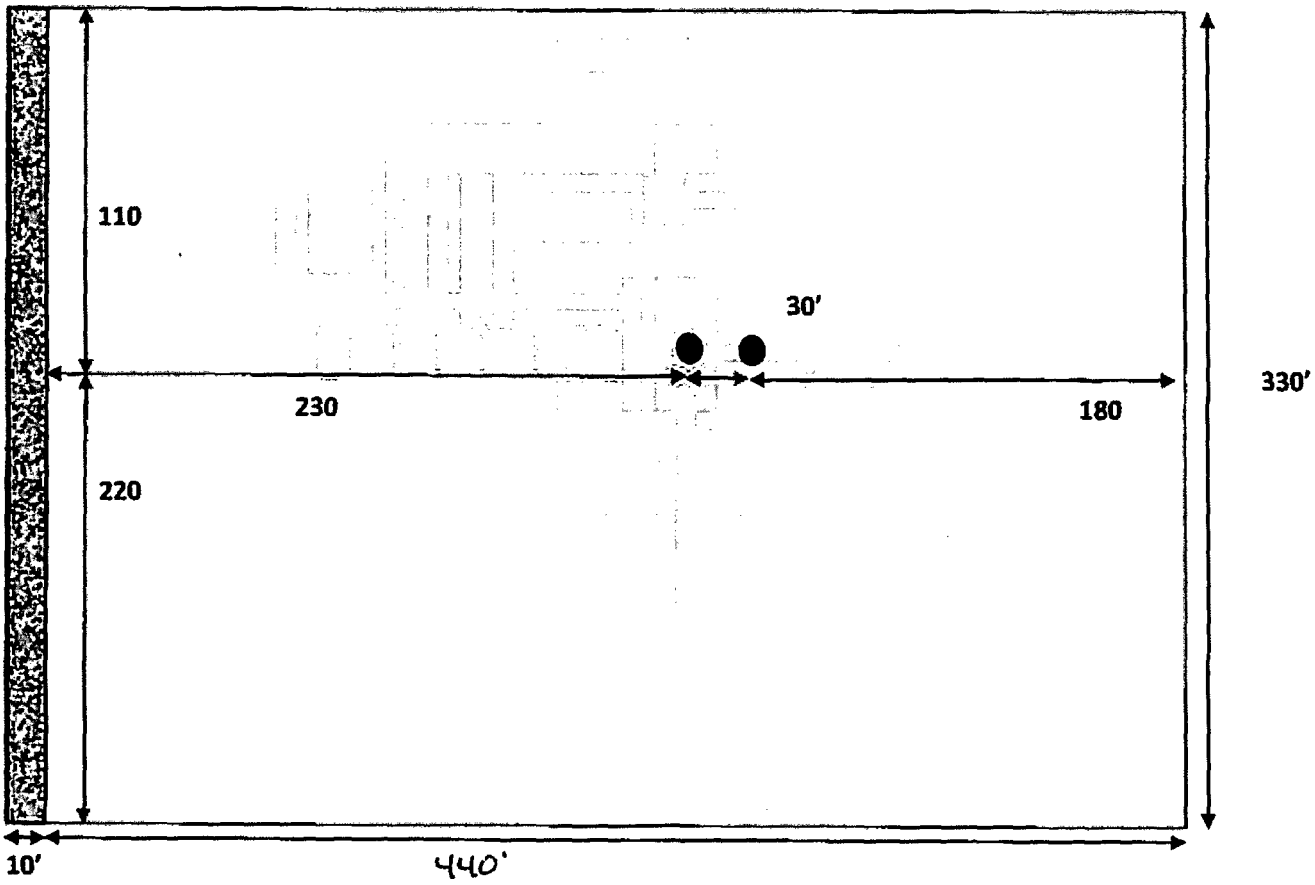
Position: Q.C. Manager

Closed Loop - 1

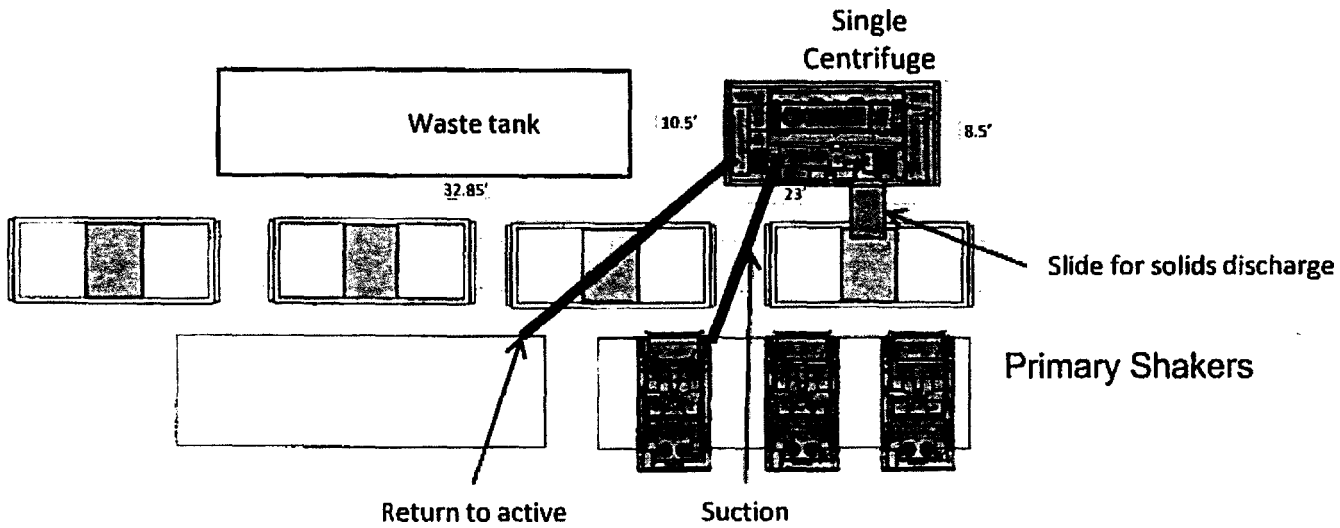


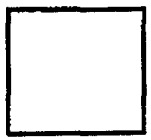
LL-2

Pad Site Overall Rig Layout
2 Well Pad Site



Oxy





Oxy Single Centrifuge
Closed Loop System – New
Mexico Flex III
May 28, 2013

UL-3

OXY's Minimum Design Criteria

Burst, Collapse, and Tensile SF are calculated using Landmark's Stress Check (Casing Design) software. A sundry will be requested if any lesser grade or different size casing is substituted.

1) Casing Design Assumptions

a) Burst Loads

CSG Test (Surface)

- Internal: Displacement fluid + pressure required to comply with regulatory casing test pressures. This will comply with both Onshore Oil and Gas Order No. 2 and 19.15.16 of the OCD Rules.
- External: Pore pressure in open hole.

CSG Test (Intermediate)

- Internal: Displacement fluid + pressure required to comply with regulatory casing test pressures. This will comply with both Onshore Oil and Gas Order No. 2 and 19.15.16 of the OCD Rules.
- External: Mud Weight to TOC, cement mix water gradient (8.4 ppg) below TOC, and pore pressure in open hole.

CSG Test (Production)

- Internal:
  - For Drilling: Displacement fluid + pressure required to comply with regulatory casing test pressures. This will comply with both Onshore Oil and Gas Order No. 2 and 19.15.16 of the OCD Rules.
  - For Production: The design pressure test should be the greater of (1) the planned test pressure prior to stimulation down the casing. (2) the regulatory test pressure, and (3) the expected gas lift system pressure. The design test fluid should be the fluid associated with pressure test having the greatest pressure.
- External:
  - For Drilling: Mud Weight to TOC, cement mix water gradient (8.4 ppg) below TOC, and pore pressure in open hole.
  - For Production: Mud base-fluid density to TOC, cement mix water gradient (8.4 ppg) below TOC, and pore pressure in open hole.

Gas Column (Surface)

- Internal: Assumes a full column of gas in the casing with a Gas/Oil Gradient of 0.1 psi/ft in the absence of better information. It is limited to the controlling pressure based on the fracture pressure at the shoe or the maximum expected pore pressure within the next drilling interval, whichever results in a lower surface pressure.
- External: Fluid gradient below TOC, pore pressure from the TOC to the Intermediate CSG shoe (if applicable), and MW of the drilling mud that was in the hole when the CSG was run from Intermediate CSG shoe to surface.

Bullheading (Surface / Intermediate)

- Internal: The string must be designed to withstand a pressure profile based on the fracture pressure at the casing shoe with a column of water above the shoe plus an additional surface pressure (in psi) of 0.02 X MD of the shoe to account for pumping friction pressure.
- External: Mud weight to TOC, cement mix water gradient (8.4 ppg) below TOC, and pore pressure in open hole.

Gas Kick (Intermediate)

- The string must be designed to at least a gas kick load case unless the rig is unable to detect a kick. For the gas kick load case, the internal pressure profile must be based on a minimum volume of 50 bbl or the minimum kick detection capability of the rig, whichever is greater, and a kick intensity of 2.0 ppg for Class 1, 1.0 ppg of Class 2, and 0.5 ppg for Class 3 and 4 wells.
- Internal: Influx depth of the maximum pore pressure of 0.55 "gas kick gravity" of gas to surface while drilling the next hole section.
- External: Mud weight to the TOC, cement mix water gradient below TOC, and pore pressure in open hole.

Tubing Leak Near Surface While Producing (Production)

- Internal: SITP plus a packer fluid gradient to the shoe or top of packer.
- External: Mud base-fluid density to TOC, cement mix water gradient (8.4 ppg) below TOC, and pore pressure in open hole.

Tubing Leak Near Surface While Stimulating (Production)

- Internal: Surface pressure or pressure-relief system pressure, whichever is lower plus packer fluid gradient.
- External: Mud base-fluid density to TOC, cement mix water gradient (8.4 ppg) below TOC, and pore pressure in open hole.

Injection / Stimulation Down Casing (Production)

- Internal: Surface pressure plus injection fluid gradient.
- External: Mud base-fluid density to TOC, cement mix water gradient (8.4 ppg) below TOC, and pore pressure in open hole.

b) Collapse Loads

Lost Circulation (Surface / Intermediate)

- Internal: Lost circulation at the TD of the next hole section, and the fluid level falls to a depth where the hydrostatic of the mud equals pore pressure at the depth of the lost circulation zone.
- External: MW of the drilling mud that was in the hole when the casing was run.

Cementing (Surface / Intermediate / Production)

- Internal: Displacement fluid density.
- External: Mud weight from TOC to surface and cement slurry weight from TOC to casing shoe.

Full Evacuation (Production)

- Internal: Full void pipe.
- External: MW of drilling mud in the hole when the casing was run.

c) Tension Loads

Running Casing (Surface / Intermediate / Production)

- Axial: Buoyant weight of the string plus the lesser of 100,000 lb or the string weight in air.

Green Cement (Surface / Intermediate / Production)

- Axial: Buoyant weight of the string plus cement plug bump pressure load.

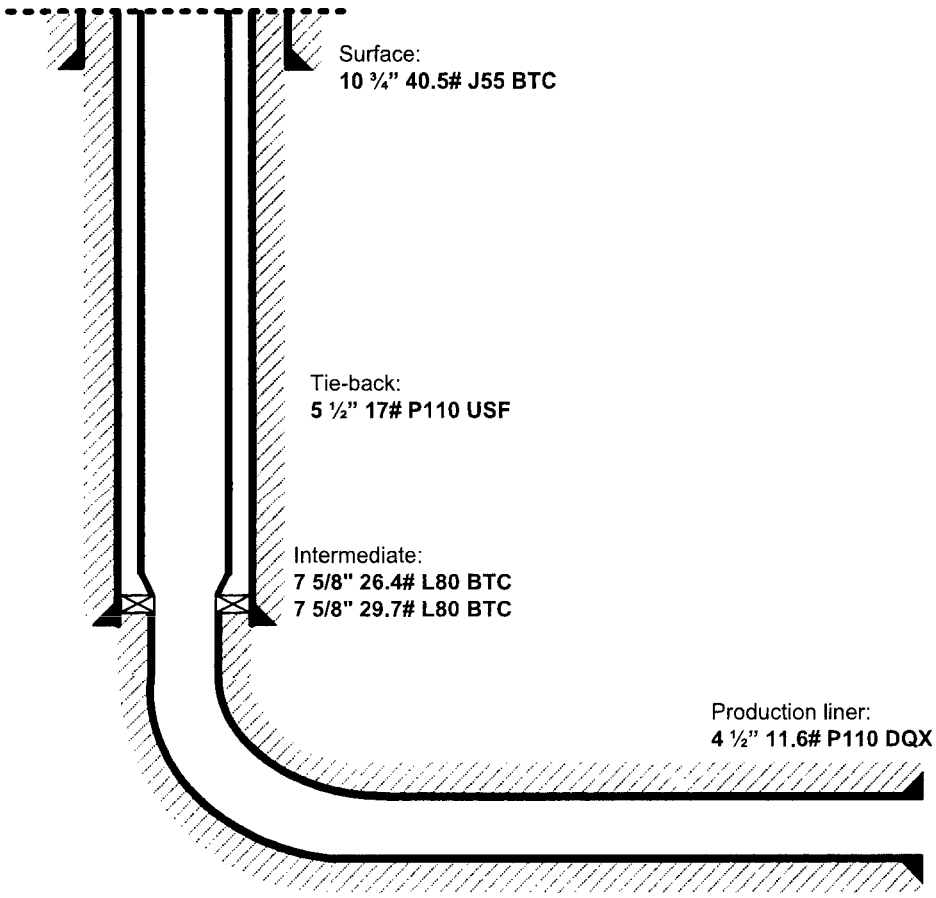
OXY USA Inc.
Cedar Canyon 23 Federal Com #33H
APD ID - 10400006093

Below is a summary that describes the general operational steps to drill and complete well Cedar Canyon 23 Fed Com #33H:

- Drill 14-3/4" hole x 10-3/4" casing for surface section. Cement to surface.
- Drill 9-7/8" hole x 7-5/8" casing for intermediate section. Cement to surface.
- Drill 6-3/4" hole x 4-1/2" liner for production section. Cement to top of liner, 100' inside 7-5/8" shoe.
- Release drilling rig from location.
- Move in workover rig and run a 5-1/2" 17# P110 USF tie-back frack string and seal assembly (see connection specs below). Tie into liner hanger Polished Bore Receptacle (PBR) with seal assembly.
- Pump hydraulic fracture job.
- Flowback and produce well.

When a decision is made to develop a secondary bench from this wellbore, a workover rig will be moved to location. The workover rig will then retrieve the tie-back frack string and seal assembly before temporarily abandoning the initial lateral.

General well schematic:



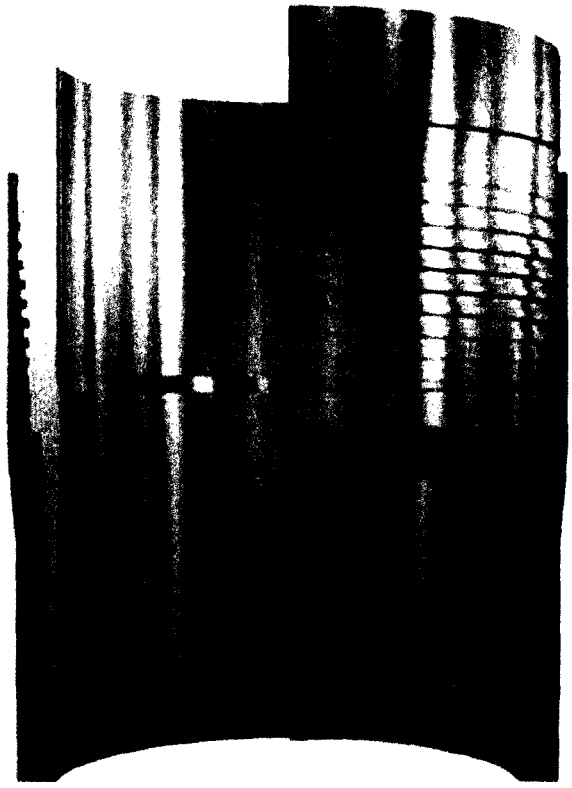
5 ½" 17# P110 USF Tie-back string specifications:

PERFORMANCE DATA

TMK UP ULTRA SF 5.500 (0) 17.00 lbs/ft P-110

Technical Data Sheet

Tubular Parameters



PERFORMANCE DATA

TMK UP ULTRA™ DQX 4.500 in 13.50 lbs/ft P-110
Technical Data Sheet

Tubular Parameters

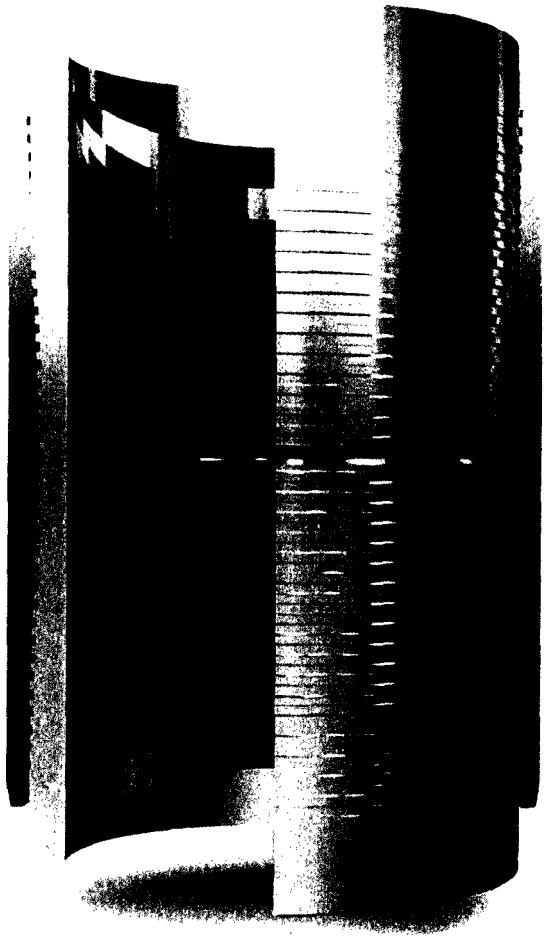
Size	4.500	in	Minimum Yield	110,000	psi
Nominal Weight	13.50	lbs/ft	Minimum Tensile	125,000	psi
Grade	P-110		Yield Load	422,000	lbs
PE Weight	13.04	lbs/ft	Tensile Load	479,000	lbs
Wall Thickness	0.290	in	Min. Internal Yield Pressure	12,400	psi
Nominal ID	3.920	in	Collapse Pressure	10,700	psi
Drift Diameter	3.795	in			
Nom. Pipe Body Area	3.836	in²			

Connection Parameters

Connection OD	5.000	in
Connection ID	3.920	in
Make-Up Loss	3.772	in
Critical Section Area	3.836	in²
Tension Efficiency	100.0	%
Compression Efficiency	100.0	%
Yield Load In Tension	422,000	lbs
Min. Internal Yield Pressure	12,400	psi
Collapse Pressure	10,700	psi
Uniaxial Bending	112	100 ft

Make-Up Torques

Min. Make-Up Torque	6,000	ft-lbs
Opt. Make-Up Torque	6,700	ft-lbs
Max. Make-Up Torque	7,300	ft-lbs
Yield Torque	10,800	ft-lbs



Printed on: October-22-2014

IPSCO

H2S-3

Permian Drilling
Hydrogen Sulfide Drilling Operations Plan
New Mexico

Scope

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 commence.
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. Well control equipment

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. Protective equipment for personnel

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. Hydrogen sulfide sensors and alarms

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. Visual Warning Systems

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. Mud Program

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. Metallurgy

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. Well Testing

No drill stem test will be performed on this well.

8. Evacuation plan

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

9. Designated area

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

		rotating DP.
	2.	Check monitor for point of release.
	3.	Report to nearest upwind designated safe briefing / muster area.
	4.	Check status of personnel (in an attempt to rescue, use the buddy system).
	5.	Assigns least essential person to notify Drill Site Manager and tool pusher by quickest means in case of their absence.
	6.	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.

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

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.

Checked by:_____ Date:_____

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.

Important: 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.

Table i
Toxicity of various gases

Common name	Chemical formula	Specific gravity (sc=1)	Threshold limit (1)	Hazardous limit (2)	Lethal concentration (3)
Hydrogen Cyanide	Hcn	0.94	10 ppm	150 ppm/hr	300 ppm
Hydrogen Sulfide	H2S	1.18	10 ppm	250 ppm/hr	600 ppm
Sulfur Dioxide	So2	2.21	5 ppm	-	1000 ppm
Chlorine	Cl2	2.45	1 ppm	4 ppm/hr	1000 ppm
Carbon Monoxide	Co	0.97	50 ppm	400 ppm/hr	1000 ppm
Carbon Dioxide	Co2	1.52	5000 ppm	5%	10%
Methane	Ch4	0.55	90,000 ppm	Combustible above 5% in air	

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 (%)	Ppm	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 face-piece 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.

Rescue
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

Permian Drilling
Hydrogen Sulfide Drilling Operations Plan
Cedar Canyon 23 Federal Com #33H

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.

Exit to road. Caution sign placed here.

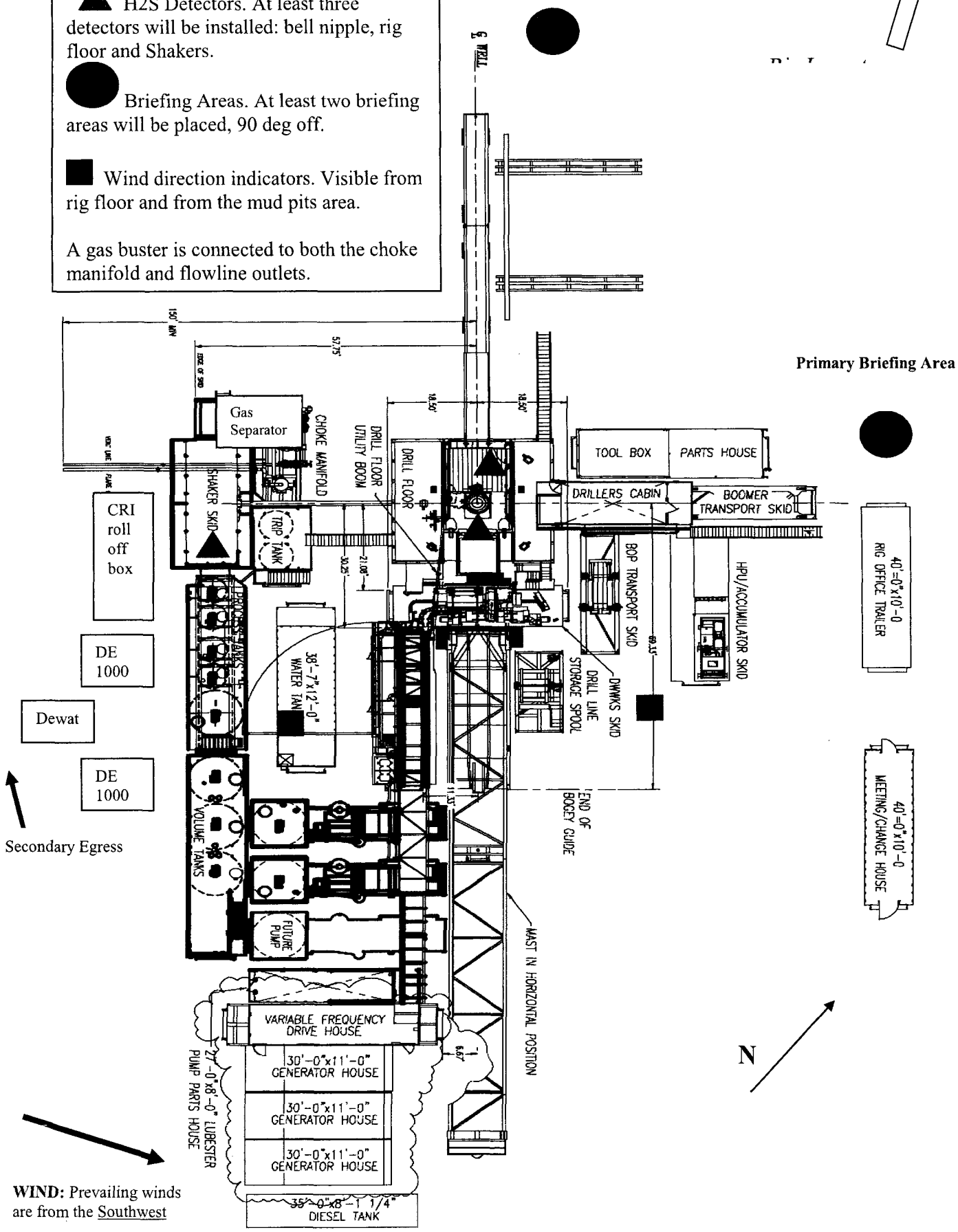
Secondary Briefing Area

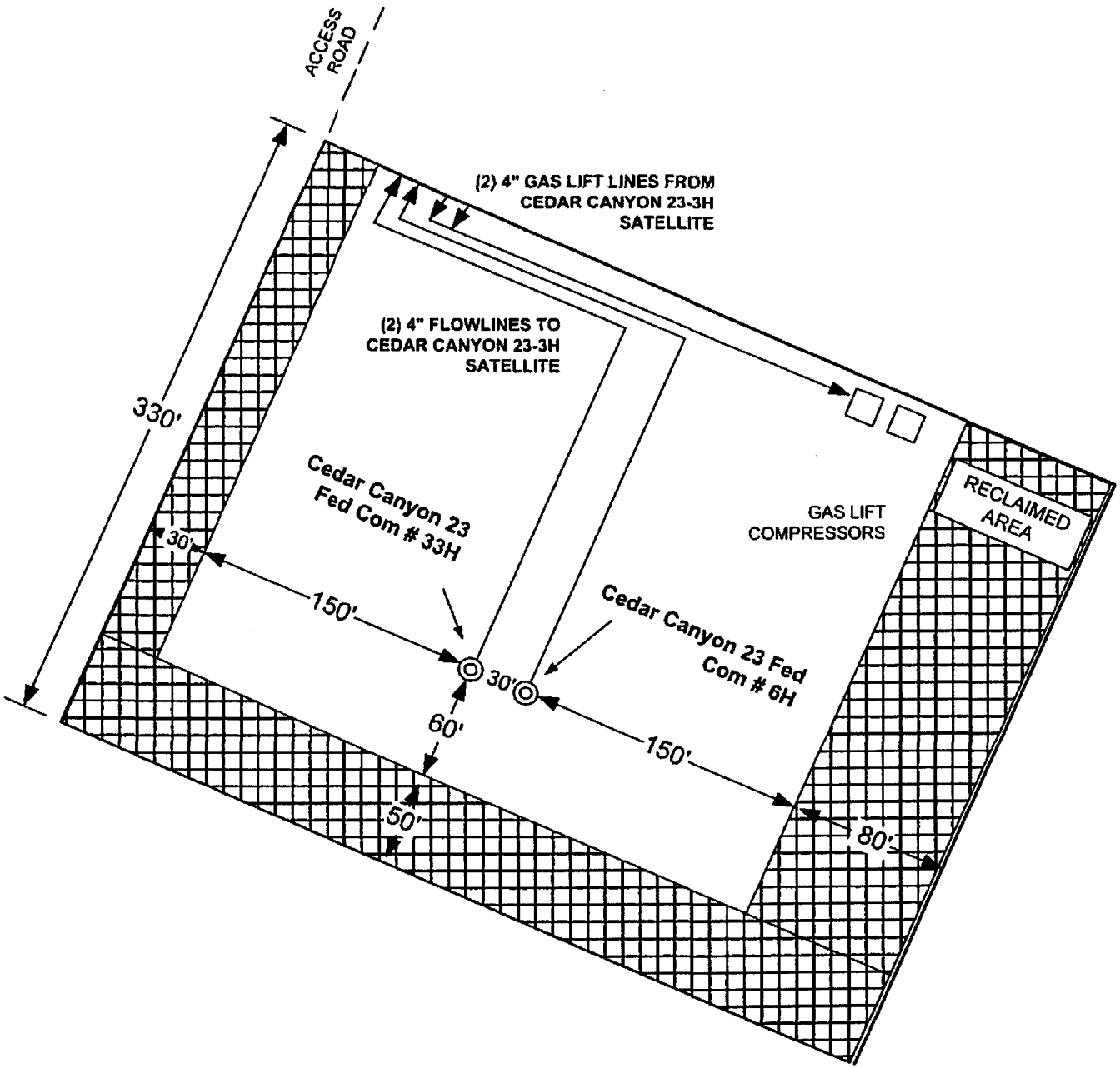
▲ H2S Detectors. At least three detectors will be installed: bell nipple, rig floor and Shakers.

● Briefing Areas. At least two briefing areas will be placed, 90 deg off.

■ Wind direction indicators. Visible from rig floor and from the mud pits area.

A gas buster is connected to both the choke manifold and flowline outlets.





Facility Diagram

REVISION BLOCK						ENGINEERING RECORD	
NO.	DATE	DESCRIPTION	BY	CHK	APP	BY	DATE
						KAO	5/12/16

FACILITY LAYOUT DIAGRAM
Cedar Canyon 23 Fed Com # 6H & 33H
EDDY COUNTY, NEW MEXICO

Surface Use Plan of Operations

Operator Name/Number: OXY USA Inc. – 16696
Lease Name/Number: Cedar Canyon 23 Federal Com #33H
Pool Name/Number: Pierce Crossing Wolfcamp 50373
Surface Location: 2344 FSL 1199 FEL NESE (I) Sec 22 T24S R29E - NMNM81586
Bottom Hole Location: 2270 FSL 2460 FWL NESW (K) Sec 24 T24S R29E - NMNM81586

1. Existing Roads

a. A copy of the USGS "Pierce Canyon, NM" quadrangle map is attached showing the proposed location. The well location is spotted on the map, which shows the existing road system.

b. The well was staked by Terry J Asel, Certificate No. 15079 on 2/23/16, certified 9/15/16.

c. Directions to Location: From the intersection of US 285 and Black River Village Rd in Malaga, go east on CR 720 for 1.3 miles. Turn right on CR 746 and go south for 0.8 miles, continue southeast/east for 4.8 miles. Curve to the left for 0.4 miles. Turn left and go west for 0.1 miles. Turn right and go north for 0.6 miles. Continue east for 0.9 miles. Turn left and go northwest for 0.2 miles. Turn left on proposed road and go southwest for 92.0 feet to location.

2. New or Reconstructed Access Roads:

a. A new access road will be built. The access road will run approximately 92.0 feet southwest through pasture to the northwest corner of the pad.

b. The maximum width of the road will be 14'. It will be crowned and made up of 6" of rolled and compacted caliche. Water will be deflected, as necessary, to avoid accumulation and prevent surface erosion.

c. Surface material will be native caliche. This material will be obtained from a BLM approved pit nearest in proximity to the location. The average grade will be approximately 1%.

d. No cattle guards, grates or fence cuts will be required. No turnouts are planned.

e. Blade, water and repair existing caliche roads as needed.

3. Location of Existing Wells:

Existing wells within a one mile radius of the proposed well are shown on attached plat.

4. Location of Existing and/or Proposed Facilities:

a. In the event the well is found productive, the Cedar Canyon 23 Fed tank battery would be utilized and the necessary production equipment will be installed at the well site. See proposed facilities layout diagram.

b. All flow lines will adhere to API standards. They will consist of 2 – 4" composite flowlines operating < 75% MAWP, surface and 1 – 4" steel gas lift supply line operating ~1500 psig, buried, lines to follow surveyed route. Survey of a strip of land 30' wide and 1258.7' in length crossing USA Land in Section 22 T24S R29E NMPM, Eddy County, NM and being 15' left and 15' right of the centerline survey, see attached.

c. Electric line will follow a route approved by the BLM. Survey of a strip of land 30' wide and 350.3' in length crossing USA Land in Section 22 T24S R29E NMPM, Eddy County, NM and being 15' left and 15' right of the centerline survey, see attached.

5. Location and types of Water Supply

This well will be drilled using a combination of water mud systems. It will be obtained from commercial water stations in the area and will be hauled to location by transport truck using existing and proposed roads.

6. Construction Materials:

Primary

All caliche utilized for the drilling pad and proposed access road will be obtained from an existing BLM/State/Fee approved pit or from prevailing deposits found on the location. Will use BLM recommended extra caliche from other locations close by for roads, if available.

Secondary

The secondary way of obtaining caliche to build locations and roads will be by "turning over" the location. This means, caliche will be obtained from the actual well site. A caliche permit will be obtained from BLM prior to pushing up any caliche. 2400 cubic yards is max amount of caliche needed for pad and roads. Amount will vary for each pad. The procedure below has been approved by BLM personnel:

a. The top 6" of topsoil is pushed off and stockpiled along the side of the location.
b. An approximate 120' X 120' area is used within the proposed well site to remove caliche.
c. Subsoil is removed and piled alongside the 120' X 120' within the pad site.
d. When caliche is found, material will be stockpiled within the pad site to build the location and road.
e. Then subsoil is pushed back in the hole and caliche is spread accordingly across entire location and road.
f. Once the well is drilled the stockpiled top soil will be used for interim reclamation and spread along areas where caliche is picked up and the location size is reduced. Neither caliche nor subsoil will be stockpiled outside of the well pad. Topsoil will be stockpiled along the edge of the pad as depicted in the attached plat.

7. Methods of Handling Waste Material:

a. A closed loop system will be utilized consisting of above ground steel tanks and haul-off bins. Disposal of liquids, drilling fluids and cuttings will be disposed of at an approved facility. Solids-CRI, Liquids-Laguna

b. All trash, junk and other waste material will be contained in trash cages or bins to prevent scattering. When the job is completed, all contents will be removed and disposed of in an approved sanitary landfill.

c. The supplier, including broken sacks, will pickup slats remaining after completion of well.

d. A Porto-john will be provided for the rig crews. This equipment will be properly maintained during the drilling and completion operations and will be removed when all operations are complete.

e. Disposal of fluids to be transported will be by the following companies. TFH Ltd, Laguna SWD Facility

8. Ancillary Facilities: None needed.

9. Well Site Layout:

The proposed well site layout with dimensions of the pad layout and equipment location.

V-Door – Northwest CL Tanks – Southwest Pad – 330' X 440' – 2 Well Pad

10. Plans for Surface Reclamation:

a. After concluding the drilling and/or completion operations, if the well is found non-commercial, the caliche will be removed from the pad and transported to the original caliche pit or used for other drilling locations. The road will be reclaimed as directed by the BLM. The original topsoil will again be returned to the pad and contoured, as close as possible, to the original topography, and the area will be seeded with an approved BLM mixture to re-establish vegetation.

b. If the well is deemed commercially productive, caliche from the areas of the pad site not required for operations will be reclaimed. The original topsoil will be returned to the area of the drill pad not necessary to operate the well. These unused areas of the drill pad will be contoured, as close as possible, to match the original topography, and the area will be seeded with an approved BLM mixture to re-establish vegetation.

11. Surface Ownership:

The surface is owned by the U.S. Government and is administered by the BLM. The surface is multiple use with the primary uses of the region for the grazing of livestock and the production of oil and gas. The surface is leased to: Pierce Canyon, Allotment #77036, Henry McDonald and John D. Brantley, P.O. Box 597, Loving, NM 88256. They will be notified of our intention to drill prior to any activity.

12. Other Information:

a. The vegetation cover is generally sparse consisting of mesquite, yucca, shinnery oak, sandsage and perennial native range grass. The topsoil is sandy in nature. Wildlife in the area is also sparse consisting of deer, coyotes, rabbits, rodents, reptiles, dove and quail.

b. There is no permanent or live water in the general proximity of the location.

c. There are no dwellings within one mile of the proposed well site.

d. Cultural Resources Examination–This well is located in the Permian Basin PA. Payment to be determined by BLM. This well shares the same pad as the Cedar Canyon 23 Federal Com #6H.

Pad + ¼ mile road	$1518.00	$.21/ft over ¼ mile	$ 0.00	$1518.00
Pipeline-up to 1 mile	$1402.00	$.26/ft over 1 mile	$ 0.00	$1402.00
Electric Line-up to 1 mile	$702.00	$.23/ft over 1 mile	$ 0.00	$ 702.00
Total	$3622.00		$ 0.00	$3622.00

e. Copy of this application has been mailed to SWCA Environmental Consultants, 5647 Jefferson St. NE, Albuquerque, NM 87109. No Potash leases within one mile of surface location.

13. Bond Coverage:

Bond coverage is Individual-NMB000862, Nationwide-ESB00226.

14. Operators Representatives:

The OXY Permian representatives responsible for ensuring compliance of the surface use plan are listed below:

Victor Guadian
Production Coordinator
1502 West Commerce Dr.
Carlsbad, NM 88220
Office – 575-628-4006
Cellular – 575-291-9905

Charles Wagner
Manager Field Operations
1502 West Commerce Dr.
Carlsbad, NM 88220
Office – 575-628-4151
Cellular – 575-725-8306

Jim Wilson
Operation Specialist
P.O. Box 50250
Midland, TX 79710
Cellular – 575-631-2442

Omar Lisigurski
RMT Leader
P.O. Box 4294
Houston, TX 77210
Office – 713-215-7506
Cellular – 281-222-7248

Prepared by:
Dave Andersen
GRR Land Department

GRR, INC. WATER SOURCES
FOR OXY CERTAIN POND LOCATIONS

08/26/2016

Pond Name	Water Source1	Water Source2	Water Source3	Water Source4
Cedar Canyon	Mine_Industrial	C-3478	C-2772	C-1360
Corral Fly	C-1360	C-1361	C-3358	C-3836
Cypress	Mine_Industrial	C-3478	C-2772	C-1361
Mesa Verde	C-2571	C-2574	J-27	J-5
Peaches	C-906	C-3200	SP-55 & SP-1279-A	C-100

GRR Inc.

NMOSE WELL NUMBER	WELL COMMON NAME	LAND OWNERSHIP	GPS LOCATION
C-100	Tres Rios - Next to well shack	PRIVATE	32.201921° -104.254317°
C-100-A	Tres Rios - Center of turnaround	PRIVATE	32.201856° -104.254443°
C-272-B	Tres Rios - Northwest	PRIVATE	32.202315° -104.254812°
C-906	Whites City Commercial	PRIVATE	32.176949°-104.374371°
C-1246-AC & C-1246-AC-S	Lackey	PRIVATE	32.266978°-104.271212°
C-1886	1886 Tank	BLM	32.229316° -104.312930°
C-1083	Petska	PRIVATE	32.30904° -104.16979°
C-1142	Winston West	BLM	32.507845-104.177410
C-1360	ENG#1	PRIVATE	32.064922° -103.908818°
C-1361	ENG#2	PRIVATE	32.064908° -103.906266°
C-1573	Cooksey	PRIVATE	32.113463° -104.108092°
C-1575	ROCKHOUSE Ranch Well - Wildcat	BLM	32.493190° -104.444163°
C-2270	CW#1 (Oliver Kiehne)	PRIVATE	32.021440° -103.559208°
C-2242	Walterscheid	PRIVATE	32.39199° -104.17694°
C-2492POD2	Stacy Mills	PRIVATE	32.324203° -103.812472°
C-2569	Paduca well #2	BLM	32.160588 -103.742051
C-2569POD2	Paduca well replacement	BLM	32.160588 -103.742051
C-2570	Paduca (tank) well #4	BLM	32.15668 -103.74114
C-2571	Paduca (road) well	BLM	32.163993° -103.745457°
C-2572	Paduca well #6	BLM	32.163985 -103.7412
C-2573	Paduca (in the bush) well	BLM	32.16229 -103.74363
C-2574	Paduca well (on grid power)	BLM	32.165777° -103.747590°
C-2701	401 Water Station	BLM	32.458767° -104.528097°
C-2772	Mobley Alternate	BLM	32.305220° -103.852360°
C-3011	ROCKY ARROYO - MIDDLE	BLM	32.409046° -104.452045°
C-3060	Max Vasquez	PRIVATE	32.31291° -104.17033°
C-3095	ROCKHOUSE Ranch Well - North of Rockcrusher	PRIVATE	32.486794° -104.426227°
C-3200	Beard East	PRIVATE	32.168720 -104.276600
C-3260	Hayhurst	PRIVATE	32.227110° -104.150925°
C-3350	Winston Barn	PRIVATE	32.511871° -104.139094°
C-3358	Branson	PRIVATE	32.19214° -104.06201°
C-3363	Watts#2	PRIVATE	32.444637° -103.931313°
C-3453	ROCKY ARROYO - FIELD	PRIVATE	32.458657° -104.460804°
C-3478	Mobley Private	PRIVATE	32.294937° -103.888656°
C-3483pod1	ENG#3	BLM	32.065556° -103.894722°
C-3483pod3	ENG#5	BLM	32.06614° -103.89231°
C-3483POD4	CW#4 (Oliver Kiehne)	PRIVATE	32.021803° -103.559030°
C-3483POD5	CW#5 (Oliver Kiehne)	PRIVATE	32.021692° -103.560158°
C-3554	Jesse Baker #1 well	PRIVATE	32.071937° -103.723030°
C-3577	CW#3 (Oliver Kiehne)	PRIVATE	32.021773° -103.559738°
C-3581	ENG#4	BLM	32.066083° -103.895024°
C-3595	Oliver Kiehne house well #2	PRIVATE	32.025484° -103.682529°
C-3596	CW#2 (Oliver Kiehne)	PRIVATE	32.021793° -103.559018°

GRR Inc.

NMOSE WELL NUMBER	WELL COMMON NAME	LAND OWNERSHIP	GPS LOCATION
C-3614	Dale Hood #2 well	PRIVATE	32.449290° -104.214500°
C-3639	Jesse Baker #2 well	PRIVATE	32.073692° -103.727121°
C-3679	McCloy-Batty	PRIVATE	32.215790° -103.537690°
C-3689	Winston Barn_South	PRIVATE	32.511504° -104.139073°
C-3731	Ballard Construction	PRIVATE	32.458551° -104.144219°
C-3764	Watts#4	PRIVATE	32.443360° -103.942890°
C-3795	Beckham#6	BLM	32.023434°-103.321968°
C-3821	Three River Trucking	PRIVATE	32.34636° -104.21355
C-3824	Collins	PRIVATE	32.224053° -104.090129°
C-3829	Jesse Baker #3 well	PRIVATE	32.072545°-103.722258°
C-3830	Paduca	BLM	32.156400° -103.742060°
C-3836	Granger	PRIVATE	32.10073° -104.10284°
C-384	ROCKHOUSE Ranch Well - Rockcrusher	PRIVATE	32.481275° -104.420706°
C-459	Walker	PRIVATE	32.3379° -104.1498°
C-496pod2	Munoz #3 Trash Pit Well	PRIVATE	32.34224° -104.15365°
C-496pod3&4	Munoz #2 Corner of Porter & Derrick	PRIVATE	32.34182° -104.15272°
C-552	Dale Hood #1 well	PRIVATE	32.448720° -104.214330°
C-764	Mike Vasquez	PRIVATE	32.230553° -104.083518°
C-766(old)	Grandi	PRIVATE	32.32352° -104.16941°
C-93-S	Don Kidd well	PRIVATE	32.344876 -104.151793
C-987	ROCKY ARROYO - HOUSE	PRIVATE	32.457049° -104.461506°
C-98-A	Bindel well	PRIVATE	32.335125° -104.187255°
CP-1170POD1	Beckham#1	PRIVATE	32.065889° -103.312583°
CP-1201	Winston Ballard	BLM	32.580380° -104.115980°
CP-1202	Winston Ballard	BLM	32.538178° -104.046024°
CP-1231	Winston Ballard	PRIVATE	32.618968° -104.122690°
CP-1263POD5	Beckham#5	PRIVATE	32.065670° -103.307530°
CP-1414	Crawford #1	PRIVATE	32.238380° -103.260890°
CP-1414 POD 1	RRR	PRIVATE	32.23911° -103.25988°
CP-1414 POD 2	RRR	PRIVATE	32.23914° -103.25981°
CP-519	Bond_Private	PRIVATE	32.485546 -104.117583
CP-556	Jimmy Mills (Stacy)	STATE	32.317170° -103.495080°
CP-626	Ol Loco (W)	STATE	32.692660° -104.068064°
CP-626-S	Beach Exploration/ Ol Loco (E)	STATE	32.694229° -104.064759°
CP-73	Laguna #1	BLM	32.615015°-103.747615°
CP-74	Laguna #2	BLM	32.615255°-103.747688°
CP-741	Jimmy Richardson	BLM	32.61913° -104.06101°
CP-742	Jimmy Richardson	BLM	32.614061° -104.017211°
CP-742	Hidden Well	BLM	32.614061 -104.017211
CP-745	Leaning Tower of Pisa	BLM	32.584619° -104.037179°
CP-75	Laguna #3	BLM	32.615499°-103.747715°
CP-924	Winston Ballard	BLM	32.545888° -104.110114°
CP-926	Winchester well (Winston)	BLM	32.601125° -104.128358°

GRR Inc.

NMOSE WELL NUMBER	WELL COMMON NAME	LAND OWNERSHIP	GPS LOCATION
J-27	Beckham	PRIVATE	32.020403° -103.299333°
J-5	EPNG Jal Well	PRIVATE	32.050232° -103.313117°
J-33	Beckham	PRIVATE	32.016443° -103.297714°
J-34	Beckham	PRIVATE	32.016443° -103.297714°
J-35	Beckham	PRIVATE	32.016443° -103.297714°
L-10167	Angell Ranch well	PRIVATE	32.785847° -103.644705°
L-10613	Northcutt3 (2nd House well)	PRIVATE	32.687922°-103.472452°
L-11281	Northcutt4	PRIVATE	32.687675°-103.471512°
L-12459	Northcutt1 (House well)	PRIVATE	32.689498°-103.472697°
L-12462	Northcutt8 Private Well	PRIVATE	32.686238°-103.435409°
L-13049	EPNG Maljamar well	PRIVATE	32.81274° -103.67730°
L-13129	Pearce State	STATE	32.726305°-103.553172°
L-13179	Pearce Trust	STATE	32.731304°-103.548461°
L-13384	Northcutt7 (State) CAZA	STATE	32.694651°-103.434997°
L-1880S-2	HB Intrepid well #7	PRIVATE	32.842212° -103.621299°
L-1880S-3	HB Intrepid well #8	PRIVATE	32.852415° -103.620405°
L-1881	HB Intrepid well #1	PRIVATE	32.829124° -103.624139°
L-1883	HB Intrepid well #4	PRIVATE	32.828041° -103.607654°
L-3887	Northcutt2 (Tower or Pond well)	PRIVATE	32.689036°-103.472437°
L-5434	Northcutt5 (State)	STATE	32.694074°-103.405111°
L-5434-S	Northcutt6 (State)	STATE	32.693355°-103.407004°
RA-14	Horner Can	PRIVATE	32.89348° -104.37208°
RA-1474	Irvin Smith	PRIVATE	32.705773° -104.393043°
RA-1474-B	NLake WS / Jack Clayton	PRIVATE	32.561221°-104.293095°
RA-9193	Angell Ranch North Hummingbird	PRIVATE	32.885162° -103.676376°
SP-55 & SP-1279-A	Blue Springs Surface POD	PRIVATE	32.181358° -104.294009°
SP-55 & SP-1279 (Bounds)	Bounds Surface POD	PRIVATE	32.203875° -104.247076°
SP-55 & SP-1279 (Wilson)	Wilson Surface POD	PRIVATE	32.243010° -104.052197°
City Treated Effluent	City of Carlsbad Waste Treatment Plant	PRIVATE	32.411122° -104.177030°
Mine Industrial	Mosaic Industrial Water	PRIVATE	32.370286° -103.947839°
Mobley State Well (NO OSE)	Mobley Ranch	STATE	32.308859° -103.891806°
EPNG Industrial	Monument Water Well Pipeline (Oil Center, Eunice)	PRIVATE	32.512943° -103.290300°
MCOX Commercial	Matt Cox Commercial	PRIVATE	32.529431° -104.188017°
AMAX Mine Industrial	Mosaic Industrial Water	N/A	VARIOUS TAPS
WAG Mine Industrial	Mosaic Industrial Water	N/A	VARIOUS TAPS
HB Mine Industrial	Intrepid Industrial Water	N/A	VARIOUS TAPS

Mesquite

Cedar Canyon
Major Source: C464 (McDonald) Sec. 13 T24S R28E
Secondary Source: C-00738 (McDonald/Faulk) Sec. 12 T24S R28E

Corral Fly – South of Cedar Canyon
Major Source: C464 (McDonald) Sec. 13 T24S R28E
Secondary Source: C-00738 (McDonald/Faulk) Sec. 12 T24S R28E

Cypress – North of Cedar Canyon
Major Source: Caviness B: C-501-AS2 Sec 23 T28S R15E
Secondary Source: George Arnis; C-1303

Sand Dunes – new frac pond
Major Source: 128 Fresh Water Pond (Mesquite/Mosaic) – located at MM 4 on 128; 240,000 bbl pond
Secondary Source: George Arnis; C-1303

Mesa Verde – east of Sand Dunes
Major Source: 128 Fresh Water Pond (Mesquite/Mosaic) – located at MM 4 on 128; 240,000 bbl pond
Secondary Source: Unknown at this time; needs coordinates to determine secondary source

Smokey Bits/Ivore/Misty – had posiden tanks before
Major Source: Unknown at this time; need coordinates to determine major source
Secondary Source: Unknown at this time; needs coordinates to determine secondary source

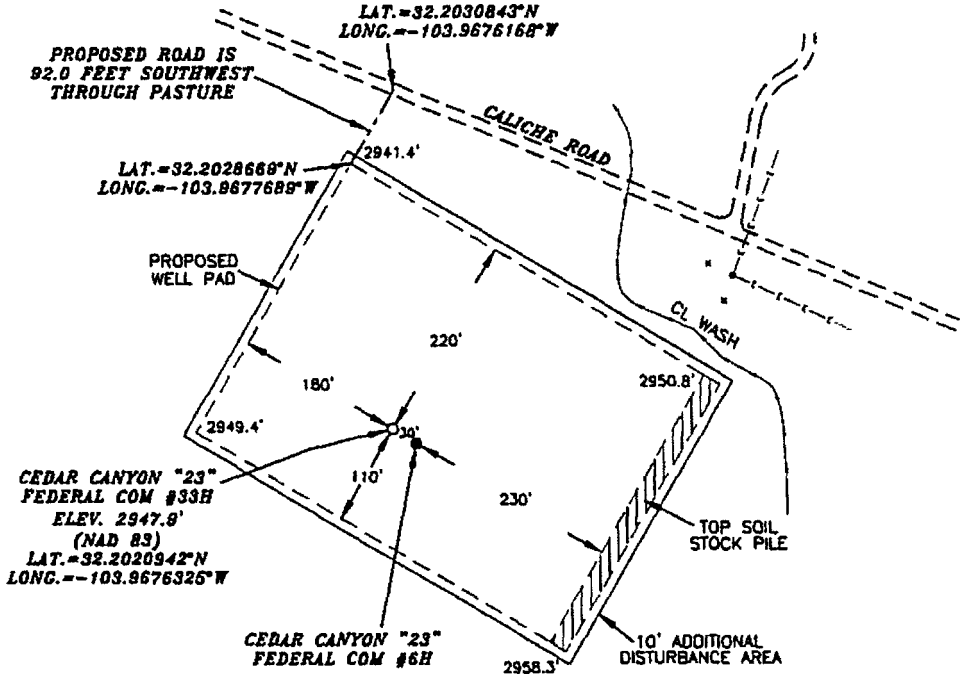
Red Tank/Lost Tank
Major Source: Unknown at this time; need coordinates to determine major source
Secondary Source: Unknown at this time; needs coordinates to determine secondary source

Peaches
Major Source: Unknown at this time; need coordinates to determine major source
Secondary Source: Unknown at this time; needs coordinates to determine secondary source

Site Plan

OXY USA INC.
CEDAR CANYON "23" FEDERAL COM #33H
SITE PLAN

FAA PERMIT: NO



TERRY J ASEL NEW MEXICO 15079 REGISTERED PROFESSIONAL LAND SURVEYOR

LEGEND

- ▨ – DENOTES STOCK PILE AREA
- – – – – DENOTES PROPOSED WELL PAD
- ——— DENOTES PROPOSED ROAD
- * – DENOTES ANCHOR
- —ε—ε— DENOTES ELECTRIC LINE

200' 0 200' 400' FEET

SCALE: 1"=200'

SURVEYORS CERTIFICATE

I, TERRY J. ASEL, NEW MEXICO PROFESSIONAL SURVEYOR NO. 15079, DO HEREBY CERTIFY THAT I CONDUCTED AND AM RESPONSIBLE FOR THIS SURVEY, THAT THIS SURVEY IS TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF, AND MEETS THE "MINIMUM STANDARDS FOR SURVEYING IN NEW MEXICO" AS ADOPTED BY THE NEW MEXICO STATE BOARD OF REGISTRATION FOR PROFESSIONAL ENGINEERS AND SURVEYORS.

Terry J. Asel 9/15/2016

Terry J. Asel N.M. R.P.L.S. No. 15079

Asel Surveying

P.O. BOX 393 – 310 W. TAYLOR
HOBBS, NEW MEXICO – 575-393-9146

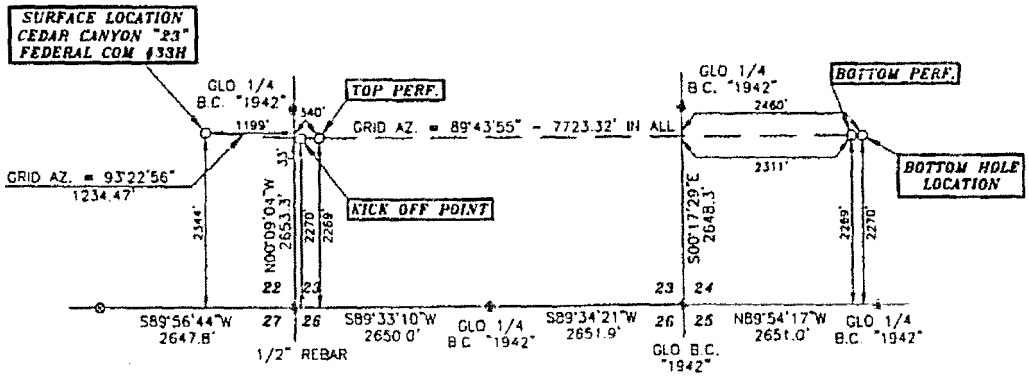
OXY USA INC.

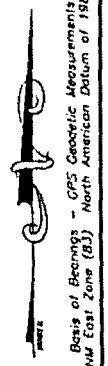
CEDAR CANYON "23" FEDERAL COM #33H
LOCATED AT 2344' FSL & 1199' FEL IN
SECTION 22, TOWNSHIP 24 SOUTH, RANGE 29
EAST, N.M.P.M., EDDY COUNTY, NEW MEXICO

Survey Date: 02/23/16	Sheet 1 of 1 Sheets	
W.O. Number: 160223WL-b (Rev. A)	Drawn By: KA	Rev: A
Date: 09/15/16	160223WL-b	Scale:1"=200'

loc

SECTIONS 22, 23, & 24, TOWNSHIP 24 SOUTH, RANGE 29 EAST, N.M.P.M., EDDY COUNTY NEW MEXICO





DRIVING DIRECTIONS
FROM THE INTERSECTION OF U.S. HWY #285 AND BLACK RIVER VILLAGE ROAD IN MALAGA, GO EAST ON COUNTY ROAD #722 FOR 1.3 MILES, TURN RIGHT ON COUNTY ROAD #746 (MCDONALD ROAD) AND GO SOUTH FOR 0.8 MILES, CONTINUE SOUTHEAST/EAST FOR 4.8 MILES, CURVE TO THE LEFT FOR 0.4 MILES, TURN LEFT AND GO WEST FOR 0.1 MILES, TURN RIGHT AND GO NORTH FOR 0.6 MILES, CONTINUE EAST FOR 0.9 MILES, TURN LEFT AND GO NORTHWEST FOR 0.2 MILES, TURN LEFT ON PROPOSED ROAD AND GO SOUTHWEST FOR 92.0 FEET TO LOCATION

TERRY J. ASEL NEW MEXICO 15079 REGISTERED PROFESSIONAL LAND SURVEYOR

SURVEYORS CERTIFICATE

I, TERRY J. ASEL, NEW MEXICO PROFESSIONAL SURVEYOR NO. 15079, DO HEREBY CERTIFY THAT I CONDUCTED AND AM RESPONSIBLE FOR THIS SURVEY, THAT THIS SURVEY IS TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF, AND MEETS THE "MINIMUM STANDARDS FOR SURVEYING IN NEW MEXICO" AS ADOPTED BY THE NEW MEXICO STATE BOARD OF REGISTRATION FOR PROFESSIONAL ENGINEERS AND SURVEYORS.

3/15/2016

Terry J. Asel, N.M. R.P.L.S. No. 15079

Asel Surveying

P.O. BOX 393 - 310 W. TA[illegible]
HOBBS, NEW MEXICO - 575-393-3146

LEGEND

⊕ DENOTES FOUND MONUMENT AS NOTED
⊗ DENOTES CALCULATED CORNER

2000' 0 2000' 4000 FEET

SCALE 1"=2000'

OXY USA INC.

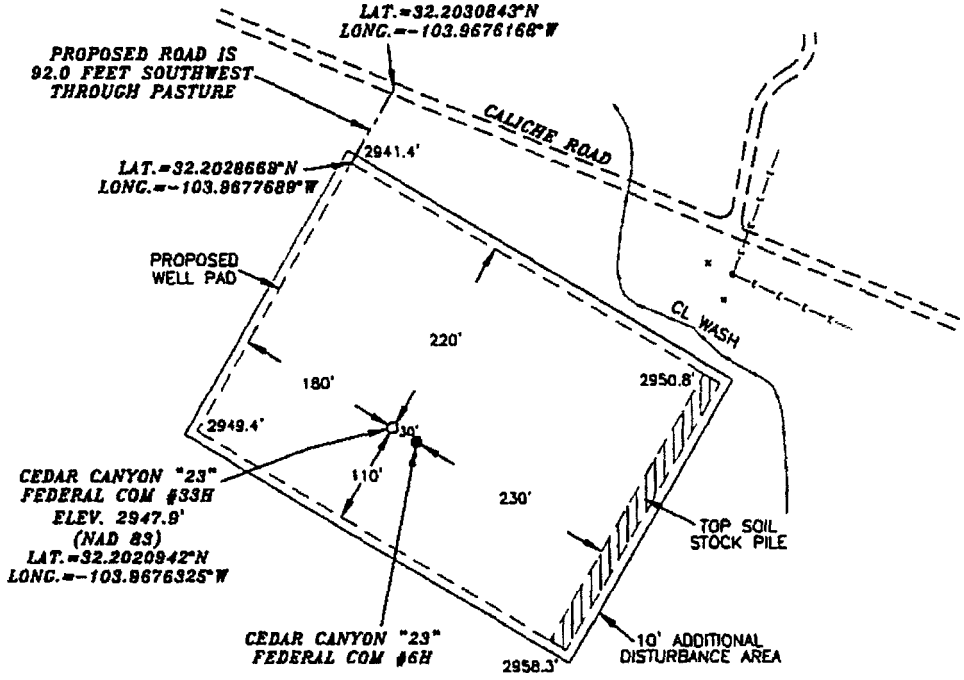
CEDAR CANYON "23" FEDERAL COM #33H
LOCATED AT 2344' FSL & 1199' FEL IN
SECTION 22, TOWNSHIP 24 SOUTH, RANGE 29
EAST, N.M.P.M., EDDY COUNTY, NEW MEXICO

Survey Date: 02/23/16	Sheet 1 of 1 Sheets	
W.O. Number: 160223WL b	Drawn By: KA	Rev:
Date: 03/08/16	160223WL- b	Scale 1"=2000'

Site Plan

OXY USA INC.
CEDAR CANYON "23" FEDERAL COM #33H
SITE PLAN

FAA PERMIT: NO



TERRY J ASEL NEW MEXICO 15079 REGISTERED PROFESSIONAL LAND SURVEYOR

LEGEND

- ▨ – DENOTES STOCK PILE AREA
- – – – – DENOTES PROPOSED WELL PAD
- ——— DENOTES PROPOSED ROAD
- × – DENOTES ANCHOR
- —·—·— DENOTES ELECTRIC LINE

200' 0 200' 400' FEET

SCALE: 1"=200'

SURVEYORS CERTIFICATE

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Terry J. Asel 9/15/2016

Terry J. Asel N.M. R.P.L.S. No. 15079

Asel Surveying

P.O. BOX 393 – 310 W. TAYLOR
HOBBS, NEW MEXICO – 575-393-9146

OXY USA INC.

CEDAR CANYON "23" FEDERAL COM #33H
LOCATED AT 2344' FSL & 1199' FEL IN
SECTION 22, TOWNSHIP 24 SOUTH, RANGE 29
EAST, N.M.P.M., EDDY COUNTY, NEW MEXICO

Survey Date: 02/23/16	Sheet 1 of 1 Sheets	
W.O. Number: 160223WL-b (Rev. A)	Drawn By: KA	Rev: A
Date: 09/15/16	160223WL-b	Scale: 1"=200'

AM

AERIAL MAP

SCALE: NOT TO SCALE

SEC. 22 TWP. 24-S RGE. 29-E

SURVEY N.M.P.M.

COUNTY EDDY

DESCRIPTION 2344' FSL & 1199' FEL

ELEVATION 2947.9'

OPERATOR OXY USA INC.

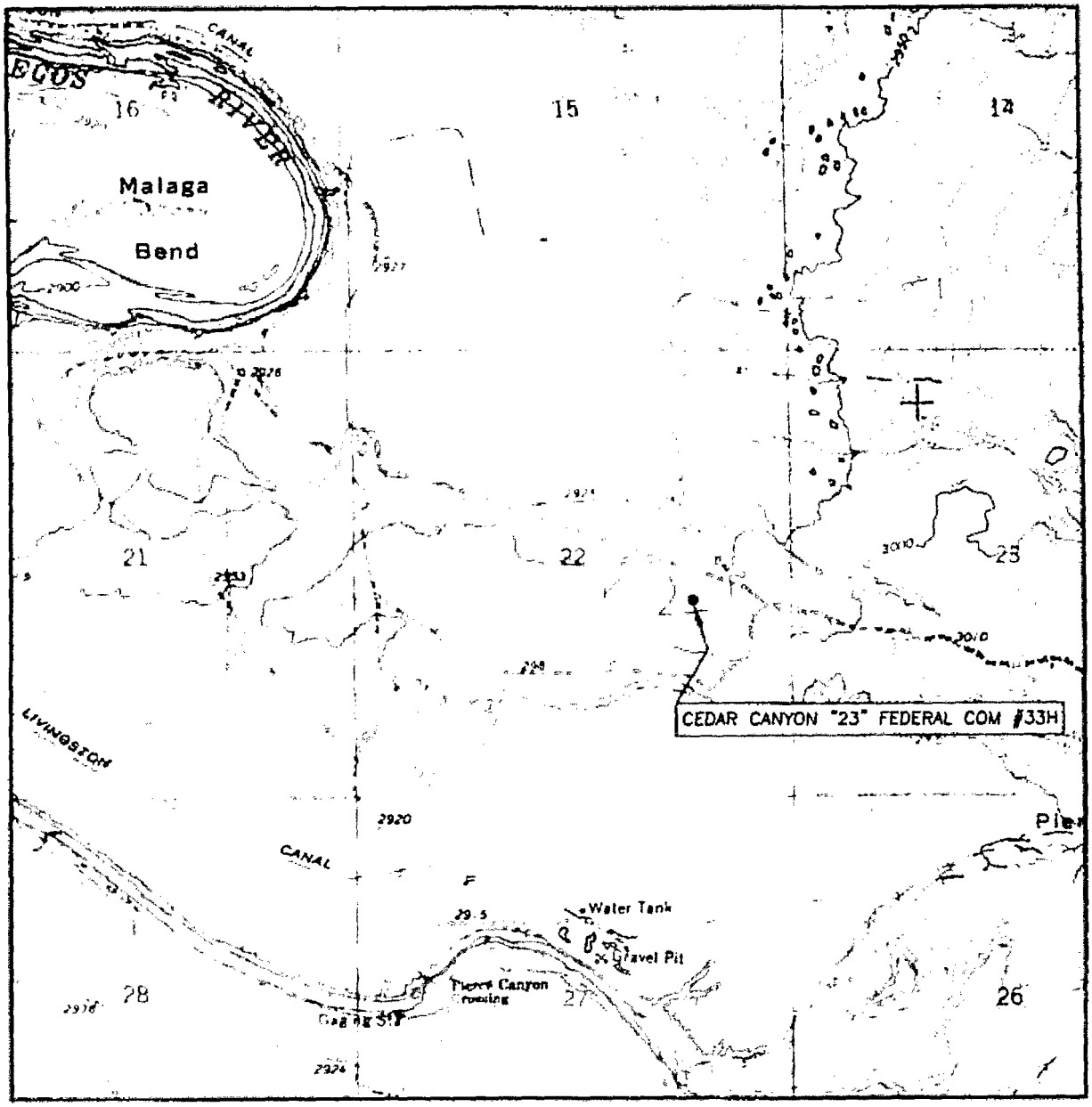
LEASE CEDAR CANYON "23" FEDERAL COM #33H

Asel Surveying

P.O BOX 393 - 310 W TAYLOR
HOBBS NEW MEXICO - 575-393-9146

LVIII

LOCATION VERIFICATION MAP



SCALE: 1" = 2000'

CONTOUR INTERVAL: 10'

SEC. 22 TWP. 24-S RGE. 29-E

SURVEY N.M.P.M.

COUNTY EDDY

DESCRIPTION 2344' FSL & 1199' FEL

ELEVATION 2947.9'

OPERATOR OXY USA INC.

LEASE CEDAR CANYON "23" FEDERAL COM #33H

U.S.G.S. TOPOGRAPHIC MAP
PIERCE CANYON, N.M.

Asel Surveying

P O BOX 393 - 310 W. TAYLOR
HOBBS, NEW MEXICO - 575-393-9146

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

State of New Mexico
Energy, Minerals and Natural Resources Department

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

NM OIL CONSERVATION
ARTESIA DISTRICT
FEB 24 2017
RECEIVED

Submit Original to Appropriate District Office

GAS CAPTURE PLAN

Date: 9-28-2016

☒ 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
Cedar Canyon 23 Federal #6H	30015-Pending	Unit I / Sec. 22, T24S, R29E	2329 FSL 1173 FEL	2,741	0	
Cedar Canyon 23 Federal Com #33H	30015-Pending	Unit I / Sec. 22, T24S, R29E	2344 FSL 1199 FEL	2,741	0	

Gathering System and Pipeline Notification

Well(s) will be connected to a production facility after flowback operations are complete, where a gas transporter system is in place. The gas produced from production facility is dedicated to Enterprise Field Services, LLC ("Enterprise") and is connected to Enterprise low/high pressure gathering system located in Eddy County, New Mexico. OXY USA INC. ("OXY") provides (periodically) to Enterprise a drilling, completion and estimated first production date for wells that are scheduled to be drilled in the foreseeable future. In addition, OXY and Enterprise have periodic conference calls to discuss changes to drilling and completion schedules. Gas from these wells will be processed at OXY USA WTP LP Processing Plant located in Sec. 23, Twn. 21S, Rng. 23E, Eddy County, New Mexico. The actual flow of the gas will be based on compression operating parameters and gathering system pressures.

Flowback Strategy

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

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

Alternatives to Reduce Flaring

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

- Power Generation – On lease
  - 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
  - Plants are expensive, residue gas is still flared, and uneconomical to operate when gas volume declines

PECOS DISTRICT
DRILLING OPERATIONS
CONDITIONS OF APPROVAL

OPERATOR'S NAME:	OXY USA INC
LEASE NO.:	NMNM81586
WELL NAME & NO.:	33H- Cedar Canyon 23 Federal Com
SURFACE HOLE FOOTAGE:	2344'/S & 1199'/E
BOTTOM HOLE FOOTAGE	2270'/S & 2460'/W, 24
LOCATION:	Section 22 T.24 S., R.29 E., NMPM
COUNTY:	Eddy County, New Mexico

A. DRILLING OPERATIONS REQUIREMENTS

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

a. Spudding well (minimum of 24 hours)
b. Setting and/or Cementing of all casing strings (minimum of 4 hours)
c. BOPE tests (minimum of 4 hours)

☒ **Eddy County**
Call the Carlsbad Field Office, 620 East Greene St., Carlsbad, NM 88220, (575) 361-2822

1. **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.**

2. **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).**

3. 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 is located, this does not include the dog house or stairway area.

4. **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.

B. CASING

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.

Centralizers required on surface casing per Onshore Order 2.III.B.1.f.

Wait on cement (WOC) for Water Basin:
After cementing but before commencing any tests, the casing string shall stand cemented under pressure until both of the following conditions have been met: 1) cement reaches a minimum compressive strength of 500 psi at the shoe, 2) until cement has been in place at least 8 hours. WOC time will be recorded in the driller's log. See individual casing strings for details regarding lead cement slurry requirements.

No pea gravel permitted for remedial or fall back remedial without prior authorization from the BLM engineer.

Medium Cave/Karst
Possibility of water flows in the Castile and Salado.
Possibility of lost circulation in the Rustler, Salado, and Delaware.

1. The **10-3/4** inch surface casing shall be set at approximately **400** feet (a minimum of 25 feet into the Rustler Anhydrite and above the salt) and cemented to the surface. **If salt is encountered, set casing at least 25 feet above the salt.**

    a. If cement does not circulate to the surface, the appropriate BLM office shall be notified and a temperature survey utilizing an electronic type temperature survey with surface log readout will be used or a cement bond log shall be run to verify the top of the cement. Temperature survey will be run a minimum of six hours after pumping cement and ideally between 8-10 hours after completing the cement job.

    b. Wait on cement (WOC) time for a primary cement job is to include the lead cement slurry.

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.

Formation below the 10-3/4" shoe to be tested according to Onshore Order 2.III.B.1.i. Test to be done as a mud equivalency test using the mud weight necessary for the pore pressure of the formation below the shoe and the mud weight for the bottom of the hole. Report results to BLM office.

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

2. The minimum required fill of cement behind the **7-5/8** inch intermediate casing, is:

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. Operator should have plans as to how they will achieve circulation on the next stage.

OXY special COA
Operator has proposed a contingency DV tool at 3080'. If operator circulates cement on the first stage, operator is approved to inflate the ACP and run the DV tool cancellation plug and cancel the second stage of the proposed cement plan. If cement does not circulate, operator will inflate ACP and proceed with the second stage.

b. Second stage above DV tool:

☒ 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.**

Formation below the 7-5/8" shoe to be tested according to Onshore Order 2.III.B.1.i. Test to be done as a mud equivalency test using the mud weight necessary for the pore pressure of the formation below the shoe (not the mud weight required to prevent dissolving the salt formation) and the mud weight for the bottom of the hole. Report results to BLM office.

Centralizers required on horizontal leg, must be type for horizontal service and a minimum of one every other joint.

3. The minimum required fill of cement behind the **5-1/2 X 4-1/2** inch production casing is: (Note: 5-1/2" casing will be installed with a workover rig)

   ☒ Cement to tie back 100 feet into previous casing. Operator shall provide method of verification.

4. 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.

C. 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. Variance approved to use flex line from BOP to choke manifold. 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.** If the BLM inspector questions the straightness of the hose, a BLM engineer will be contacted and will review in the field or via picture supplied by inspector to determine if changes are required (operator shall expect delays if this occurs).

3. **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.**

   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. **Operator shall perform the intermediate casing integrity test to 70% of the casing burst. This will test the multi-bowl seals.**
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.**

10M 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. 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. The tests shall be done by an independent service company utilizing a test plug **not a cup or J-packer**.

   c. 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.

   d. The results of the test shall be reported to the appropriate BLM office.

   e. 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.**

   f. 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.

   g. 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.

D. 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.

E. DRILL STEM TEST

If drill stem tests are performed, Onshore Order 2.III.D shall be followed.

F. 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.

CRW 022117

PECOS DISTRICT
SURFACE USE
CONDITIONS OF APPROVAL

OPERATOR'S NAME:	OXY USA INC
LEASE NO.:	NMNM81586
WELL NAME & NO.:	33H- Cedar Canyon 23 Federal Com
SURFACE HOLE FOOTAGE:	2344'/S & 1199'/E
BOTTOM HOLE FOOTAGE	2270'/S & 2460'/W, 24
LOCATION:	Section 22 T.24 S., R.29 E., NMPM
COUNTY:	Eddy County, New Mexico

TABLE OF CONTENTS

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**
  - Cave/Karst
  - VRM
  - Cultural
  - Wildlife
- ☐ **Construction**
  - Notification
  - Topsoil
  - Closed Loop System
  - Federal Mineral Material Pits
  - Well Pads
  - Roads
- ☐ **Road Section Diagram**
- ☐ **Production (Post Drilling)**
  - Well Structures & Facilities
  - Pipelines
  - Electric Lines
- ☐ **Interim Reclamation**
- ☐ **Final Abandonment & Reclamation**

I. GENERAL PROVISIONS

The approval of the Application For Permit To Drill (APD) is in compliance with all applicable laws and regulations: 43 Code of Federal Regulations 3160, the lease terms, Onshore Oil and Gas Orders, Notices To Lessees, New Mexico Oil Conservation Division (NMOCD) Rules, National Historical Preservation Act As Amended, and instructions and orders of the Authorized Officer. Any request for a variance shall be submitted to the Authorized Officer on Form 3160-5, Sundry Notices and Report on Wells.

II. PERMIT EXPIRATION

If the permit terminates prior to drilling and drilling cannot be commenced within 60 days after expiration, an operator is required to submit Form 3160-5, Sundry Notices and Reports on Wells, requesting surface reclamation requirements for any surface disturbance. However, if the operator will be able to initiate drilling within 60 days after the expiration of the permit, the operator must have set the conductor pipe in order to allow for an extension of 60 days beyond the expiration date of the APD. (Filing of a Sundry Notice is required for this 60 day extension.)

III. ARCHAEOLOGICAL, PALEONTOLOGY & HISTORICAL SITES

Any cultural and/or paleontological resource discovered by the operator or by any person working on the operator's behalf shall immediately report such findings to the Authorized Officer. The operator is fully accountable for the actions of their contractors and subcontractors. The operator shall suspend all operations in the immediate area of such discovery until written authorization to proceed is issued by the Authorized Officer. An evaluation of the discovery shall be made by the Authorized Officer to determine the appropriate actions that shall be required to prevent the loss of significant cultural or scientific values of the discovery. The operator shall be held responsible for the cost of the proper mitigation measures that the Authorized Officer assesses after consultation with the operator on the evaluation and decisions of the discovery. Any unauthorized collection or disturbance of cultural or paleontological resources may result in a shutdown order by the Authorized Officer.

IV. NOXIOUS WEEDS

The operator shall be held responsible if noxious weeds become established within the areas of operations. Weed control shall be required on the disturbed land where noxious weeds exist, which includes the roads, pads, associated pipeline corridor, and adjacent land affected by the establishment of weeds due to this action. The operator shall consult with the Authorized Officer for acceptable weed control methods, which include following EPA and BLM requirements and policies.

V. SPECIAL REQUIREMENT(S)

COA Mid Karst

Cave and Karst

** Depending on location, additional Drilling, Casing, and Cementing procedures may be required by engineering to protect critical karst groundwater recharge areas.

Cave/Karst Surface Mitigation

The following stipulations will be applied to minimize impacts during construction, drilling and production.

Construction:

In the advent that any underground voids are opened up during construction activities, construction activities will be halted and the BLM will be notified immediately.

No Blasting:

No blasting will be utilized for pad construction. The pad will be constructed and leveled by adding the necessary fill and caliche.

Pad Berming:

The entire perimeter of the well pad will be bermed to prevent oil, salt, and other chemical contaminants from leaving the well pad.

- The compacted berm shall be constructed at a minimum of 12 inches high with impermeable mineral material (e.g. caliche).
- No water flow from the uphill side(s) of the pad shall be allowed to enter the well pad.
- The topsoil stockpile shall be located outside the bermed well pad.
- Topsoil, either from the well pad or surrounding area, shall not be used to construct the berm.
- No storm drains, tubing or openings shall be placed in the berm.
- If fluid collects within the bermed area, the fluid must be vacuumed into a safe container and disposed of properly at a state approved facility.

- The integrity of the berm shall be maintained around the surfaced pad throughout the life of the well and around the downsized pad after interim reclamation has been completed.
- Any access road entering the well pad shall be constructed so that the integrity of the berm height surrounding the well pad is not compromised. (Any access road crossing the berm cannot be lower than the berm height.)

Tank Battery Liners and Berms: Page 4 of 22

Tank battery locations and all facilities will be lined and bermed. A 20 mil permanent liner will be installed with a 4 oz. felt backing to prevent tears or punctures. Tank battery berms must be large enough to contain 1 ½ times the content of the largest tank.

Leak Detection System:

A method of detecting leaks is required. The method could incorporate gauges to measure loss, situating values and lines so they can be visually inspected, or installing electronic sensors to alarm when a leak is present. Leak detection plan will be submitted to BLM for approval.

Automatic Shut-off Systems:

Automatic shut off, check values, or similar systems will be installed for pipelines and tanks to minimize the effects of catastrophic line failures used in production or drilling.

Cave/Karst Subsurface Mitigation

The following stipulations will be applied to protect cave/karst and ground water concerns:

Rotary Drilling with Fresh Water:

Fresh water will be used as a circulating medium in zones where caves or karst features are expected. SEE ALSO: Drilling COAs for this well.

Directional Drilling:

Kick off for directional drilling will occur at least 100 feet below the bottom of the cave occurrence zone. SEE ALSO: Drilling COAs for this well.

Lost Circulation:

ALL lost circulation zones from the surface to the base of the cave occurrence zone will be logged and reported in the drilling report.

Regardless of the type of drilling machinery used, if a void of four feet or more and circulation losses greater than 70 percent occur simultaneously while drilling in any cave-bearing zone, the BLM will be notified immediately by the operator. The BLM will assess the situation and work with the operator on corrective actions to resolve the problem.

Abandonment Cementing:

Upon well abandonment in high cave karst areas additional plugging conditions of approval may be required. The BLM will assess the situation and work with the operator to ensure proper plugging of the wellbore.

Pressure Testing:

Annual pressure monitoring will be performed by the operator on all casing annuli and reported in a sundry notice. If the test results indicated a casing failure has occurred, remedial action will be undertaken to correct the problem to the BLM's approval. Page 5 of 22

Wildlife and Special Status Species

Vegetation and abandoned passerine nest removal would occur outside the migratory bird breeding season (March–August) to the extent possible.

Any vegetation removal during the breeding bird season would be preceded by pre-removal nesting surveys up to 2 weeks prior to vegetation removal to identify any occupied nests and establish avoidance buffers until the young have fledged.

Similarly, unoccupied raptor nests would be removed by Oxy, in consultation with a biologist or the BLM, outside the breeding season.

Visual Resources

All permanent aboveground facilities placed in the project area that are not subject to safety requirements would be painted a natural color to blend with the natural landscape in a non-reflective finish as prescribed by the BLM CFO.

Vegetation, soil, and rocks left as a result of construction would be randomly scattered over each project site and would not be left in rows, piles, or berms unless requested by the BLM CFO. Page 6 of 22

VI. CONSTRUCTION

A. NOTIFICATION

The BLM shall administer compliance and monitor construction of the access road and well pad. Notify the Carlsbad Field Office at (575) 234-5909 at least 3 working days prior to commencing construction of the access road and/or well pad.

When construction operations are being conducted on this well, the operator shall have the approved APD and Conditions of Approval (COA) on the well site and they shall be made available upon request by the Authorized Officer.

B. TOPSOIL

The operator shall strip the top portion of the soil (root zone) from the entire well pad area and stockpile the topsoil along the edge of the well pad as depicted in the APD. The root zone is typically six (6) inches in depth. All the stockpiled topsoil will be redistributed over the interim reclamation areas. Topsoil shall not be used for berming the pad or facilities. For final reclamation, the topsoil shall be spread over the entire pad area for seeding preparation.

Other subsoil (below six inches) stockpiles must be completely segregated from the topsoil stockpile. Large rocks or subsoil clods (not evident in the surrounding terrain) must be buried within the approved area for interim and final reclamation.

C. CLOSED LOOP SYSTEM

Tanks are required for drilling operations: No Pits.

The operator shall properly dispose of drilling contents at an authorized disposal site.

D. FEDERAL MINERAL MATERIALS PIT

Payment shall be made to the BLM prior to removal of any federal mineral materials. Call the Carlsbad Field Office at (575) 234-5972.

E. WELL PAD SURFACING

Surfacing of the well pad is not required.

If the operator elects to surface the well pad, the surfacing material may be required to be removed at the time of reclamation. The well pad shall be constructed in a manner which creates the smallest possible surface disturbance, consistent with safety and operational needs.

F. EXCLOSURE FENCING (CELLARS & PITS)

Exclosure Fencing
The operator will install and maintain exclosure fencing for all open well cellars to prevent access to public, livestock, and large forms of wildlife before and after drilling operations until the pit is free of fluids and the operator initiates backfilling. (For examples of exclosure fencing design, refer to BLM's Oil and Gas Gold Book, Exclosure Fence Illustrations, Figure 1, Page 18.)

G. ON LEASE ACCESS ROADS

Road Width
The access road shall have a driving surface that creates the smallest possible surface disturbance and does not exceed fourteen (14) feet in width. The maximum width of surface disturbance, when constructing the access road, shall not exceed twenty-five (25) feet.

Surfacing
Surfacing material is not required on the new access road driving surface. If the operator elects to surface the new access road or pad, the surfacing material may be required to be removed at the time of reclamation.

Where possible, no improvements should be made on the unsurfaced access road other than to remove vegetation as necessary, road irregularities, safety issues, or to fill low areas that may sustain standing water.

The Authorized Officer reserves the right to require surfacing of any portion of the access road at any time deemed necessary. Surfacing may be required in the event the road deteriorates, erodes, road traffic increases, or it is determined to be beneficial for future field development. The surfacing depth and type of material will be determined at the time of notification.

Crowning
Crowning shall be done on the access road driving surface. The road crown shall have a grade of approximately 2% (i.e., a 1" crown on a 14' wide road). The road shall conform to Figure 1; cross section and plans for typical road construction.

Ditching
Ditching shall be required on both sides of the road.

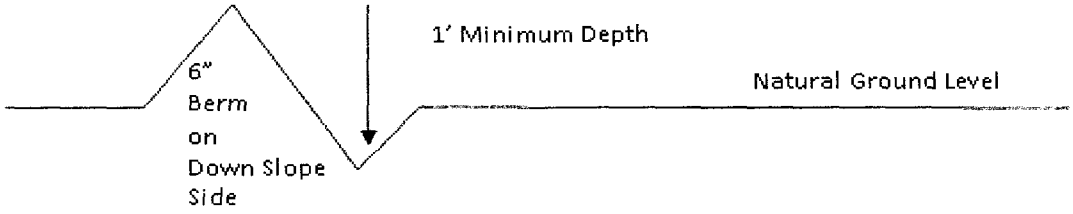
Turnouts
Vehicle turnouts shall be constructed on the road. Turnouts shall be intervisible with interval spacing distance less than 1000 feet. Turnouts shall conform to Figure 1; cross section and plans for typical road construction.

Drainage

Drainage control systems shall be constructed on the entire length of road (e.g. ditches, sidehill outsloping and insloping, lead-off ditches, culvert installation, and low water crossings).

A typical lead-off ditch has a minimum depth of 1 foot below and a berm of 6 inches above natural ground level. The berm shall be on the down-slope side of the lead-off ditch.

Cross Section of a Typical Lead-off Ditch



All lead-off ditches shall be graded to drain water with a 1 percent minimum to 3 percent maximum ditch slope. The spacing interval are variable for lead-off ditches and shall be determined according to the formula for spacing intervals of lead-off ditches, but may be amended depending upon existing soil types and centerline road slope (in %);

Formula for Spacing Interval of Lead-off Ditches

Example - On a 4% road slope that is 400 feet long, the water flow shall drain water into a lead-off ditch. Spacing interval shall be determined by the following formula:

$$\text{400 foot road with 4\% road slope: } \frac{400'}{4\%} + 100' = 200' \text{ lead-off ditch interval}$$

Cattle guards
An appropriately sized cattle guard sufficient to carry out the project shall be installed and maintained at fence/road crossings. Any existing cattle guards on the access road route shall be repaired or replaced if they are damaged or have deteriorated beyond practical use. The operator shall be responsible for the condition of the existing cattle guards that are in place and are utilized during lease operations.

Fence Requirement
Where entry is granted across a fence line, the fence shall be braced and tied off on both sides of the passageway prior to cutting. The operator shall notify the private surface landowner or the grazing allotment holder prior to crossing any fences.

Public Access
Public access on this road shall not be restricted by the operator without specific written approval granted by the Authorized Officer.

Construction Steps

1. Salvage topsoil
2. Construct road
3. Redistribute topsoil
4. Revegetate slopes

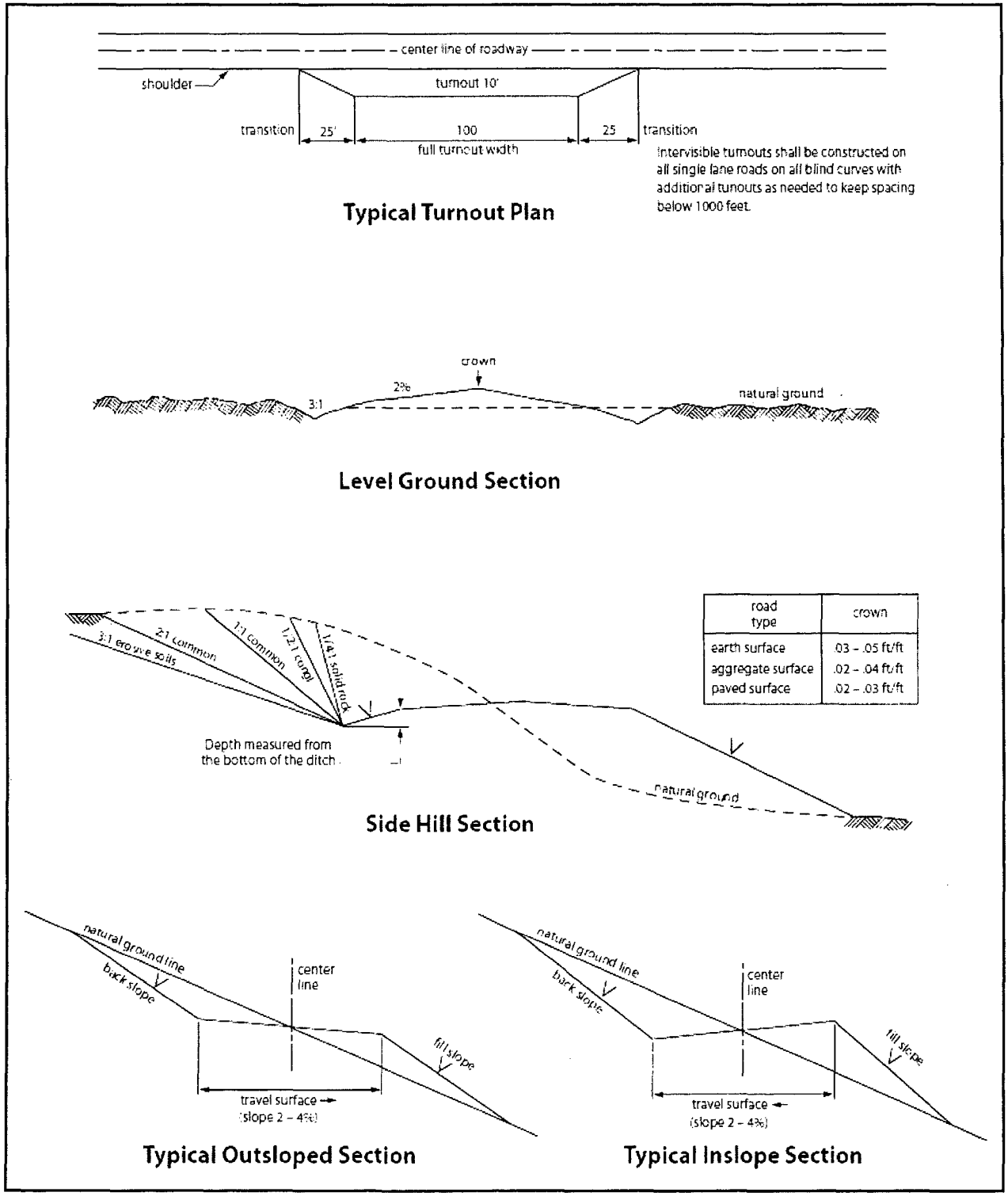


Figure 1. Cross-sections and plans for typical road sections representative of BLM resource or FS local and higher-class roads.

VII. PRODUCTION (POST DRILLING)

A. WELL STRUCTURES & FACILITIES

Placement of Production Facilities
Production facilities should be placed on the well pad to allow for maximum interim recontouring and revegetation of the well location.

Exclosure Netting (Open-top Tanks)
Immediately following active drilling or completion operations, the operator will take actions necessary to prevent wildlife and livestock access, including avian wildlife, to all open-topped tanks that contain or have the potential to contain salinity sufficient to cause harm to wildlife or livestock, hydrocarbons, or Resource Conservation and Recovery Act of 1976-exempt hazardous substances. At a minimum, the operator will net, screen, or cover open-topped tanks to exclude wildlife and livestock and prevent mortality. If the operator uses netting, the operator will cover and secure the open portion of the tank to prevent wildlife entry. The operator will net, screen, or cover the tanks until the operator removes the tanks from the location or the tanks no longer contain substances that could be harmful to wildlife or livestock. Use a maximum netting mesh size of 1 ½ inches. The netting must not be in contact with fluids and must not have holes or gaps.

Chemical and Fuel Secondary Containment and Exclosure Screening
The operator will prevent all hazardous, poisonous, flammable, and toxic substances from coming into contact with soil and water. At a minimum, the operator will install and maintain an impervious secondary containment system for any tank or barrel containing hazardous, poisonous, flammable, or toxic substances sufficient to contain the contents of the tank or barrel and any drips, leaks, and anticipated precipitation. The operator will dispose of fluids within the containment system that do not meet applicable state or U. S. Environmental Protection Agency livestock water standards in accordance with state law; the operator must not drain the fluids to the soil or ground. The operator will design, construct, and maintain all secondary containment systems to prevent wildlife and livestock exposure to harmful substances. At a minimum, the operator will install effective wildlife and livestock exclosure systems such as fencing, netting, expanded metal mesh, lids, and grate covers. Use a maximum netting mesh size of 1 ½ inches.

Open-Vent Exhaust Stack Exclosures
The operator will construct, modify, equip, and maintain all open-vent exhaust stacks on production equipment to prevent birds and bats from entering, and to discourage perching, roosting, and nesting. (*Recommended exclosure structures on open-vent exhaust stacks are in the shape of a cone.*) Production equipment includes, but may not be limited to, tanks, heater-treaters, separators, dehydrators, flare stacks, in-line units, and compressor mufflers.

Containment Structures

Proposed production facilities such as storage tanks and other vessels will have a secondary containment structure that is constructed to hold the capacity of 1.5 times the largest tank, plus freeboard to account for precipitation, unless more stringent protective requirements are deemed necessary.

Painting Requirement
All above-ground structures including meter housing that are not subject to safety requirements shall be painted a flat non-reflective paint color, **Shale Green** from the BLM Standard Environmental Color Chart (CC-001: June 2008).

B. PIPELINES

STANDARD STIPULATIONS FOR SURFACE INSTALLED PIPELINES

A copy of the Grant and attachments, including stipulations, survey plat(s) and/or map(s), shall be on location during construction. BLM personnel may request to review a copy of your permit during construction to ensure compliance with all stipulations.

Holder agrees to comply with the following stipulations to the satisfaction of the Authorized Officer:

1. Holder shall indemnify the United States against any liability for damage to life or property arising from the occupancy or use of public lands under this grant.

2. Holder shall comply with all applicable Federal laws and regulations existing or hereafter enacted or promulgated. In any event, Holder shall comply with the Toxic Substances Control Act of 1976 as amended, 15 USC § 2601 *et seq.* (1982) with regard to any toxic substances that are used, generated by or stored on the right-of-way or on facilities authorized under this right-of-way grant (*see* 40 CFR, Part 702-799 and in particular, provisions on polychlorinated biphenyls, 40 CFR 761.1-761.193). Additionally, any release of toxic substances (leaks, spills, etc.) in excess of the reportable quantity established by 40 CFR, Part 117 shall be reported as required by the Comprehensive Environmental Response, Compensation, and Liability Act, section 102b. A copy of any report required or requested by any Federal agency or State government as a result of a reportable release or spill of any toxic substances shall be furnished to the Authorized Officer concurrent with the filing of the reports to the involved Federal agency or State government.

3. Holder agrees to indemnify the United States against any liability arising from the release of any hazardous substance or hazardous waste (as these terms are defined in the Comprehensive Environmental Response, Compensation and Liability Act of 1980, 42 U.S.C. § 9601, *et seq.* or the Resource Conservation and Recovery Act, 42 U.S.C. 6901,

et seq.) on the Right-of-Way (unless the release or threatened release is wholly unrelated to activity of the Right-of-Way Holder's activity on the Right-of-Way), or resulting from the activity of the Right-of-Way Holder on the Right-of-Way. This provision applies

without regard to whether a release is caused by Holder, its agent, or unrelated third parties.

4. Holder shall be liable for damage or injury to the United States to the extent provided by 43 CFR Sec. 2883.1-4. Holder shall be held to a standard of strict liability for damage or injury to the United States resulting from pipe rupture, fire, or spills caused or substantially aggravated by any of the following within the right-of-way or permit area:

a. Activities of Holder including, but not limited to: construction, operation, maintenance, and termination of the facility;

b. Activities of other parties including, but not limited to:

(1) Land clearing

(2) Earth-disturbing and earth-moving work

(3) Blasting

(4) Vandalism and sabotage;

c. Acts of God.

The maximum limitation for such strict liability damages shall not exceed one million dollars ($1,000,000) for any one event, and any liability in excess of such amount shall be determined by the ordinary rules of negligence of the jurisdiction in which the damage or injury occurred.

This section shall not impose strict liability for damage or injury resulting primarily from an act of war or from the negligent acts or omissions of the United States.

5. If, during any phase of the construction, operation, maintenance, or termination of the pipeline, any oil, salt water, or other pollutant should be discharged from the pipeline

system, impacting Federal lands, the control and total removal, disposal, and cleaning up of such oil, salt water, or other pollutant, wherever found, shall be the responsibility of Holder, regardless of fault. Upon failure of Holder to control, dispose of, or clean up such discharge on or affecting Federal lands, or to repair all damages resulting therefrom, on the Federal lands, the Authorized Officer may take such measures as he/she deems necessary to control and clean up the discharge and restore the area, including, where appropriate, the aquatic environment and fish and wildlife habitats, at the full expense of Holder. Such action by the Authorized Officer shall not relieve Holder of any responsibility as provided herein.

6. All construction and maintenance activity shall be confined to the authorized right-of-way width of **20** feet. If the pipeline route follows an existing road or buried pipeline right-of-way, the surface pipeline shall be installed no farther than 10 feet from the edge of the road or buried pipeline right-of-way. If existing surface pipelines prevent this distance, the proposed surface pipeline shall be installed immediately adjacent to the outer surface pipeline. All construction and maintenance activity shall be confined to existing roads or right-of-ways. Page 13 of 22

7. No blading or clearing of any vegetation shall be allowed unless approved in writing by the Authorized Officer.

8. Holder shall install the pipeline on the surface in such a manner that will minimize suspension of the pipeline across low areas in the terrain. In hummocky of duney areas, the pipeline shall be "snaked" around hummocks and dunes rather than suspended across these features.

9. The pipeline shall be buried with a minimum of **24** inches under all roads, "two-tracks," and trails. Burial of the pipe will continue for 20 feet on each side of each crossing. The condition of the road, upon completion of construction, shall be returned to at least its former state with no bumps or dips remaining in the road surface.

10. The holder shall minimize disturbance to existing fences and other improvements on public lands. The holder is required to promptly repair improvements to at least their former state. Functional use of these improvements will be maintained at all times. The holder will contact the owner of any improvements prior to disturbing them. When necessary to pass through a fence line, the fence shall be braced on both sides of the passageway prior to cutting of the fence. No permanent gates will be allowed unless approved by the Authorized Officer.

11. In those areas where erosion control structures are required to stabilize soil conditions, the holder will install such structures as are suitable for the specific soil

conditions being encountered and which are in accordance with sound resource management practices.

12. Excluding the pipe, all above-ground structures not subject to safety requirement shall be painted by the holder to blend with the natural color of the landscape. The paint used shall be a color which simulates "Standard Environmental Colors" – **Shale Green**, Munsell Soil Color No. 5Y 4/2; designated by the Rocky Mountain Five State Interagency Committee.

13. The pipeline will be identified by signs at the point of origin and completion of the right-of-way and at all road crossings. At a minimum, signs will state the holder's name, BLM serial number, and the product being transported. Signs will be maintained in a legible condition for the life of the pipeline.

14. The holder shall not use the pipeline route as a road for purposes other than routine maintenance as determined necessary by the Authorized Officer in consultation with the holder. The holder will take whatever steps are necessary to ensure that the pipeline route is not used as a roadway.

15. Any cultural and/or paleontological resource (historic or prehistoric site or object) discovered by the holder, or any person working on his behalf, on public or Federal land shall be immediately reported to the authorized officer. Holder shall suspend all Page 14 of 22

operations in the immediate area of such discovery until written authorization to proceed is issued by the authorized officer. An evaluation of the discovery will be made by the authorized officer to determine appropriate cultural or scientific values. The holder will be responsible for the cost of evaluation and any decision as to proper mitigation measures will be made by the authorized officer after consulting with the holder.

16. The operator shall be held responsible if noxious weeds become established within the areas of operations. Weed control shall be required on the disturbed land where noxious weeds exist, which includes the roads, powerline corridor, and adjacent land affected by the establishment of weeds due to this action. The operator shall consult with the Authorized Officer for acceptable weed control methods, which include following EPA and BLM requirements and policies.

17. Surface pipelines shall be less than or equal to 4 inches and a working pressure below 125 psi.

BURIED PIPELINE STIPULATIONS

A copy of the application (Grant, APD, or Sundry Notice) and attachments, including conditions of approval, survey plat and/or map, will be on location during construction. BLM personnel may request to you a copy of your permit during construction to ensure compliance with all stipulations.

Holder agrees to comply with the following stipulations to the satisfaction of the Authorized Officer:

1. The Holder shall indemnify the United States against any liability for damage to life or property arising from the occupancy or use of public lands under this grant.

2. The Holder shall comply with all applicable Federal laws and regulations existing or hereafter enacted or promulgated. In any event, the holder shall comply with the Toxic Substances Control Act of 1976 as amended, 15 USC 2601 et seq. (1982) with regards to any toxic substances that are used, generated by or stored on the right-of-way or on facilities authorized under this right-of-way grant. (See 40 CFR Part 702-799 and especially, provisions on polychlorinated biphenyls, 40 CFR 761.1-761.193.) Additionally, any release of toxic substances (leaks, spills, etc.) in excess of the reportable quantity established by 40 CFR Part 117 shall be reported as required by the Comprehensive Environmental Response, Compensation, and Liability Act, section 102b. A copy of any report required or requested by any Federal agency or State government as a result of a reportable release or spill of any toxic substances shall be furnished to the authorized officer concurrent with the filing of the reports to the involved Federal agency or State government. Page 15 of 22

3. The holder agrees to indemnify the United States against any liability arising from the release of any hazardous substance or hazardous waste (as these terms are defined in the Comprehensive Environmental Response, Compensation and Liability Act of 1980, 42 U.S.C. 9601, et seq. or the Resource Conservation and Recovery Act, 42 U.S.C.6901, et seq.) on the Right-of-Way (unless the release or threatened release is wholly unrelated to the Right-of-Way holder's activity on the Right-of-Way), or resulting from the activity of the Right-of-Way holder on the Right-of-Way. This agreement applies without regard to whether a release is caused by the holder, its agent, or unrelated third parties.

4. If, during any phase of the construction, operation, maintenance, or termination of the pipeline, any oil or other pollutant should be discharged from the pipeline system, impacting Federal lands, the control and total removal, disposal, and cleaning up of such oil or other pollutant, wherever found, shall be the responsibility of holder, regardless of fault. Upon failure of holder to control, dispose of, or clean up such discharge on or affecting Federal lands, or to repair all damages resulting therefrom, on the Federal lands, the Authorized Officer may take such measures as he deems necessary to control and

clean up the discharge and restore the area, including where appropriate, the aquatic environment and fish and wildlife habitats, at the full expense of the holder. Such action by the Authorized Officer shall not relieve holder of any responsibility as provided herein. Page 16 of 22

5. All construction and maintenance activity will be confined to the authorized right-of-way.

6. The pipeline will be buried with a minimum cover of **36** inches between the top of the pipe and ground level.

7. The maximum allowable disturbance for construction in this right-of-way will be **30** feet:

- Blading of vegetation within the right-of-way will be allowed: maximum width of blading operations will not exceed **20** feet. The trench is included in this area. (*Blading is defined as the complete removal of brush and ground vegetation.*)

- Clearing of brush species within the right-of-way will be allowed: maximum width of clearing operations will not exceed **30** feet. The trench and bladed area are included in this area. (*Clearing is defined as the removal of brush while leaving ground vegetation (grasses, weeds, etc.) intact. Clearing is best accomplished by holding the blade 4 to 6 inches above the ground surface.*)

☐ The remaining area of the right-of-way (if any) shall only be disturbed by compressing the vegetation. (*Compressing can be caused by vehicle tires, placement of equipment, etc.*)

8. The holder shall stockpile an adequate amount of topsoil where blading is allowed. The topsoil to be stripped is approximately ___6___ inches in depth. The topsoil will be segregated from other spoil piles from trench construction. The topsoil will be evenly distributed over the bladed area for the preparation of seeding.

9. The holder shall minimize disturbance to existing fences and other improvements on public lands. The holder is required to promptly repair improvements to at least their former state. Functional use of these improvements will be maintained at all times. The holder will contact the owner of any improvements prior to disturbing them. When

necessary to pass through a fence line, the fence shall be braced on both sides of the passageway prior to cutting of the fence. No permanent gates will be allowed unless approved by the Authorized Officer.

10. Vegetation, soil, and rocks left as a result of construction or maintenance activity will be randomly scattered on this right-of-way and will not be left in rows, piles, or berms, unless otherwise approved by the Authorized Officer. The entire right-of-way shall be recontoured to match the surrounding landscape. The backfilled soil shall be compacted and a 6 inch berm will be left over the ditch line to allow for settling back to grade. Page 17 of 22

11. In those areas where erosion control structures are required to stabilize soil conditions, the holder will install such structures as are suitable for the specific soil conditions being encountered and which are in accordance with sound resource management practices.

12. The holder will reseed all disturbed areas. Seeding will be done according to the attached seeding requirements, using the following seed mix.

(X) seed mixture 1 ( ) seed mixture 3

( ) seed mixture 2 ( ) seed mixture 4

( ) seed mixture 2/LPC ( ) Aplomado Falcon Mixture

13. All above-ground structures not subject to safety requirements shall be painted by the holder to blend with the natural color of the landscape. The paint used shall be color which simulates "Standard Environmental Colors" – **Shale Green**, Munsell Soil Color No. 5Y 4/2.

14. The pipeline will be identified by signs at the point of origin and completion of the right-of-way and at all road crossings. At a minimum, signs will state the holder's name, BLM serial number, and the product being transported. All signs and information thereon will be posted in a permanent, conspicuous manner, and will be maintained in a legible condition for the life of the pipeline.

15. The holder shall not use the pipeline route as a road for purposes other than routine maintenance as determined necessary by the Authorized Officer in consultation with the holder before maintenance begins. The holder will take whatever steps are necessary to ensure that the pipeline route is not used as a roadway. As determined necessary during the life of the pipeline, the Authorized Officer may ask the holder to construct temporary deterrence structures.

16. Any cultural and/or paleontological resources (historic or prehistoric site or object) discovered by the holder, or any person working on his behalf, on public or Federal land shall be immediately reported to the Authorized Officer. Holder shall suspend all operations in the immediate area of such discovery until written authorization to proceed is issued by the Authorized Officer. An evaluation of the discovery will be made by the Authorized Officer to determine appropriate actions to prevent the loss of significant cultural or scientific values. The holder will be responsible for the cost of evaluation and any decision as to proper mitigation measures will be made by the Authorized Officer after consulting with the holder. Page 18 of 22

17. The operator shall be held responsible if noxious weeds become established within the areas of operations. Weed control shall be required on the disturbed land where noxious weeds exist, which includes associated roads, pipeline corridor and adjacent land affected by the establishment of weeds due to this action. The operator shall consult with the Authorized Officer for acceptable weed control methods, which include following EPA and BLM requirements and policies.

18. Escape Ramps - The operator will construct and maintain pipeline/utility trenches [that are not otherwise fenced, screened, or netted] to prevent livestock, wildlife, and humans from becoming entrapped. At a minimum, the operator will construct and maintain escape ramps, ladders, or other methods of avian and terrestrial wildlife escape in the trenches according to the following criteria:

a. Any trench left open for eight (8) hours or less is not required to have escape ramps; however, before the trench is backfilled, the contractor/operator shall inspect the trench for wildlife, remove all trapped wildlife, and release them at least 100 yards from the trench.

b. For trenches left open for eight (8) hours or more, earthen escape ramps (built at no more than a 30 degree slope and spaced no more than 500 feet apart) shall be placed in the trench.

C. ELECTRIC LINES

A copy of the grant and attachments, including stipulations, survey plat and/or map, will be on location during construction. BLM personnel may request to you a copy of your permit during construction to ensure compliance with all stipulations.

Holder agrees to comply with the following stipulations to the satisfaction of the Authorized Officer:

1. The holder shall indemnify the United States against any liability for damage to life or property arising from the occupancy or use of public lands under this grant.

2. The holder shall comply with all applicable Federal laws and regulations existing or hereafter enacted or promulgated. In any event, the holder shall comply with the Toxic Substances Control Act of 1976 as amended, 15 USC 2601 et seq. (1982) with regards to any toxic substances that are used, generated by or stored on the right-of-way or on facilities authorized under this right-of-way grant. (See 40 CFR, Part 702-799 and especially, provisions on polychlorinated biphenyls, 40 CFR 761.1-761.193.) Additionally, any release of toxic substances (leaks, spills, etc.) in excess of the reportable quantity established by 40 CFR, Part 117 shall be reported as required by the Comprehensive Environmental Response, Compensation, and Liability Act, section 102b. A copy of any report required or requested by any Federal agency or State government as

a result of a reportable release or spill of any toxic substances shall be furnished to the authorized officer concurrent with the filing of the reports to the involved Federal agency or State government.

3. The holder agrees to indemnify the United States against any liability arising from the release of any hazardous substance or hazardous waste (as these terms are defined in the Comprehensive Environmental Response, Compensation and Liability Act of 1980, 42 U.S.C. 9601, et seq. or the Resource Conservation and Recovery Act, 42 U.S.C. 6901, et seq.) on the Right-of-Way (unless the release or threatened release is wholly unrelated to the Right-of-Way holder's activity on the Right-of-Way), or resulting from the activity of the Right-of-Way holder on the Right-of-Way. This agreement applies without regard to whether a release is caused by the holder, its agent, or unrelated third parties.

4. There will be no clearing or blading of the right-of-way unless otherwise agreed to in writing by the Authorized Officer.

5. Power lines shall be constructed and designed in accordance to standards outlined in "Suggested Practices for Avian Protection on Power lines: The State of the Art in 2006" Edison Electric Institute, APLIC, and the California Energy Commission 2006 . The holder shall assume the burden and expense of proving that pole designs not shown in the above publication deter raptor perching, roosting, and nesting. Such proof shall be provided by a raptor expert approved by the Authorized Officer. The BLM reserves the right to require modification or additions to all powerline structures placed on this right-

of-way, should they be necessary to ensure the safety of large perching birds. Such modifications and/or additions shall be made by the holder without liability or expense to the United States.

Raptor deterrence will consist of but not limited to the following: triangle perch discouragers shall be placed on each side of the cross arms and a nonconductive perching deterrence shall be placed on all vertical poles that extend past the cross arms.

6. The holder shall minimize disturbance to existing fences and other improvements on public lands. The holder is required to promptly repair improvements to at least their former state. Functional use of these improvements will be maintained at all times. The holder will contact the owner of any improvements prior to disturbing them. When necessary to pass through a fence line, the fence shall be braced on both sides of the passageway prior to cutting the fence. No permanent gates will be allowed unless approved by the Authorized Officer.

7. The BLM serial number assigned to this authorization shall be posted in a permanent, conspicuous manner where the power line crosses roads and at all serviced facilities. Numbers will be at least two inches high and will be affixed to the pole nearest the road crossing and at the facilities served.

8. Upon cancellation, relinquishment, or expiration of this grant, the holder shall comply with those abandonment procedures as prescribed by the Authorized Officer. Page 20 of 22

9. All surface structures (poles, lines, transformers, etc.) shall be removed within 180 days of abandonment, relinquishment, or termination of use of the serviced facility or facilities or within 180 days of abandonment, relinquishment, cancellation, or expiration of this grant, whichever comes first. This will not apply where the power line extends service to an active, adjoining facility or facilities.

10. Any cultural and/or paleontological resource (historic or prehistoric site or object) discovered by the holder, or any person working on his behalf, on public or Federal land shall be immediately reported to the Authorized Officer. Holder shall suspend all operations in the immediate area of such discovery until written authorization to proceed is issued by the Authorized Officer. An evaluation of the discovery will be made by the Authorized Officer to determine appropriate actions to prevent the loss of significant cultural or scientific values. The holder will be responsible for the cost of evaluation and any decision as to proper mitigation measures will be made by the Authorized Officer after consulting with the holder.

11. Special Stipulations:

- For reclamation remove poles, lines, transformer, etc. and dispose of properly.
- Fill in any holes from the poles removed.

VIII. INTERIM RECLAMATION

During the life of the development, all disturbed areas not needed for active support of production operations should undergo interim reclamation in order to minimize the environmental impacts of development on other resources and uses.

Within six (6) months of well completion, operators should work with BLM surface management specialists (Jim Amos: 575-234-5909) to devise the best strategies to reduce the size of the location. Interim reclamation should allow for remedial well operations, as well as safe and efficient removal of oil and gas.

During reclamation, the removal of caliche is important to increasing the success of revegetating the site. Removed caliche that is free of contaminants may be used for road repairs, fire walls or for building other roads and locations. In order to operate the well or complete workover operations, it may be necessary to drive, park and operate on restored interim vegetation within the previously disturbed area. Disturbing revegetated areas for production or workover operations will be allowed. If there is significant disturbance and loss of vegetation, the area will need to be revegetated. Communicate with the appropriate BLM office for any exceptions/exemptions if needed.

All disturbed areas after they have been satisfactorily prepared need to be reseeded with the seed mixture provided below.

Upon completion of interim reclamation, the operator shall submit a Sundry Notices and Reports on Wells, Subsequent Report of Reclamation (Form 3160-5).

IX. FINAL ABANDONMENT & RECLAMATION

At final abandonment, well locations, production facilities, and access roads must undergo "final" reclamation so that the character and productivity of the land are restored.

Earthwork for final reclamation must be completed within six (6) months of well plugging. All pads, pits, facility locations and roads must be reclaimed to a satisfactory revegetated, safe, and stable condition, unless an agreement is made with the landowner or BLM to keep the road and/or pad intact.

After all disturbed areas have been satisfactorily prepared, these areas need to be revegetated with the seed mixture provided below. Seeding should be accomplished by

drilling on the contour whenever practical or by other approved methods. Seeding may need to be repeated until revegetation is successful, as determined by the BLM.

Operators shall contact a BLM surface protection specialist prior to surface abandonment operations for site specific objectives (Jim Amos: 575-234-5909).

Seed Mixture 1 for Loamy Sites

Holder shall seed all disturbed areas with the seed mixture listed below. The seed mixture shall be planted in the amounts specified in pounds of pure live seed (PLS)* per acre. There shall be no primary or secondary noxious weeds in the seed mixture. Seed shall be tested and the viability testing of seed will be done in accordance with State law(s) and within nine (9) months prior to purchase. Commercial seed shall be either certified or registered seed. The seed container shall be tagged in accordance with State law(s) and available for inspection by the Authorized Officer.

Seed shall be planted using a drill equipped with a depth regulator to ensure proper depth regulator to ensure proper depth of planting where drilling is possible. The seed mixture shall be evenly and uniformly planted over the disturbed area (small/heavier seeds have a tendency to drop the bottom of the drill and are planted first). Holder shall take appropriate measures to ensure this does not occur. Where drilling is not possible, seed shall be broadcast and the area shall be raked or chained to cover the seed. When broadcasting the seed, the pounds per acre shall be doubled. The seeding shall be repeated until a satisfactory stand is established as determined by the Authorized Officer. Evaluation of growth may not be made before completion of at least one full growing season after seeding.

Species to be planted in pounds of pure live seed* per acre:

Species lb/acre

Plains lovegrass (Eragrostis intermedia) 0.5

Sand dropseed (Sporobolus cryptandrus) 1.0

Sideoats grama (Bouteloua curtipendula) 5.0

Plains bristlegrass (Setaria macrostachya) 2.0

*Pounds of pure live seed:

Pounds of seed **x** percent purity **x** percent germination = pounds pure live seed

United States Department of the Interior

BUREAU OF LAND MANAGEMENT
Carlsbad Field Office

Cultural Resources

Conditions of Approval

Historic properties in the vicinity of this project are protected by federal law. In order to ensure that they are not damaged or destroyed by construction activities, the project proponent and construction supervisors shall ensure that the following stipulations are implemented.

Date of Issue: 12/07/2016

Consultant No.:

BLM Report No.: NM-523-17-5053

Project Name: Cedar Canyon 22-15 Fed Com 34H Well Pad, Pipeline, and Electric Line

1. Professional Archaeological Monitoring:

Contact your project archaeologist, or BLM's Cultural Resources Section at (575) 234-5986 or 5917 for assistance.

These stipulations must be given to your monitor at least 5 days prior to the start of construction.

No construction, including vegetation removal or other site prep may begin prior to the arrival of the monitor.

2. Mitigation Measures:

The following sites will require monitoring of all ground disturbing activities within 100 feet:

-HCPI40428

3. Documentation:

Submit a brief monitoring report within 30 days of completion of monitoring. Consult with BLM Archaeologists on potential site update requirements.

4. Other:

Site Protection and Employee Education: It is the responsibility of the project proponent and his construction supervisor to inform all employees and subcontractors that cultural and archaeological sites are to be avoided by all personnel, vehicles, and equipment; and that it is illegal to collect, damage, or disturb cultural resources on Public lands.

Oxy will need to bore under HCPI 40428.

For assistance, contact BLM Cultural Resources:

Stephanie Bergman	(575) 234-2239	Bruce Boeke	(575) 234-5917
Hila Nelson	(575) 234-2236	Martin Stein	(575) 234-5967